

**Unit of Competency****Functional Area: Finance**

Title	Conduct financial feasibility analysis
Code	105228L4
Range	This unit of competency involves the use of appropriate tools to conduct financial feasibility analysis to facilitate financial decision making in an import and export company.
Level	4
Credit	6 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> <li>1. Possess relevant knowledge of financial feasibility analysis <ul style="list-style-type: none"> <li>• Describe the purposes of financial feasibility analysis and the key factors affecting financial decisions (e.g., expected return, and expected risk)</li> <li>• Use relevant tools or methods to evaluate expected return (e.g., net present value methods, rate of return methods, ratio methods, and payback methods)</li> <li>• Use the tools of risk analysis to conduct feasibility analysis</li> </ul> </li> <li>2. Conduct financial feasibility study <ul style="list-style-type: none"> <li>• Identify the scope of the study</li> <li>• Consider the importance of qualitative judgments</li> <li>• Evaluate the reliability and validity of data</li> <li>• Evaluate the limitations of the tools</li> <li>• Estimate the total capital requirements</li> <li>• Estimate equity and credit needs</li> <li>• Budget expected costs and returns of various alternatives</li> <li>• Conduct risk analysis by using systemic approaches to identify risk, evaluate the probability of the threat being realised, and assess the impact</li> </ul> </li> <li>3. Present financial feasibility reports with appropriate information <ul style="list-style-type: none"> <li>• Provide financial feasibility reports with detailed information on (1) the evaluation on the financial condition and operating performance of the company, (2) forecasting its future condition and performance, (3) cost effective approaches to eliminating risk</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of conducting financial feasibility study to evaluate expected return and expected risk</li> <li>• Capable of providing financial feasibility reports to facilitate financial decision making</li> </ul>
Remark	