

Specification of Competency Standards for the Logistics Industry
Unit of Competency

1. Title	Manage capital and financial matters
2. Code	LOCUOM412A
3. Range	This unit of competency is applicable to sea freight, air freight and express operators. Practitioners should be capable to master knowledge of financial management, to analyze issues concerning various types of financial statement, and, according to the analysis, to formulate a financial management plan in the best interests of the organization.
4. Level	4
5. Credit	9 (for reference only)
6. Competency	<p align="center"><u>Performance Requirements</u></p> <p>6.1 Knowledge of financial management</p> <ul style="list-style-type: none"> ◆ Understand the workflow and procedures of transport and logistics operation ◆ Understand the management of capital and financial matters in the transport and logistics industries ◆ Understand the concept of financial management, including: <ul style="list-style-type: none"> • Financial management objectives • Functions of financing market ◆ Master the concept, tools and methods of financial statement analysis, including: <ul style="list-style-type: none"> • Statement of assets and liabilities • Profit and loss statement • Cash flow statement and ratio analysis • Forecast report • Financial planning and forecast ◆ Understand the concept and methods of asset estimates, including: <ul style="list-style-type: none"> • Investment principles • Net present value

	<ul style="list-style-type: none"> • Discounted pay back period • Internal rate of return • Profitability index ◆ Understand the calculation of project cash flow, including: <ul style="list-style-type: none"> • Relevant cash flow • Incremental cash flow • Operating cash flow ◆ Understand the concept and analysis of risk and return, including: <ul style="list-style-type: none"> • System risk and non-system risk • Relationship between risk and forecast return <p>6.2 Formulate financial management plan</p> <ul style="list-style-type: none"> ◆ Master financial statement analysis ◆ Formulate capital estimates ◆ Calculate project cash flow ◆ Forecast project risk and return ◆ Understand corporate financial policy and work out financial planning according to the policy <ul style="list-style-type: none"> • Control the process of business cycle and cash flow • Master cash estimates ◆ Formulate working capital management <ul style="list-style-type: none"> • Control the cash income and expenditure • Formulate credit policy and analysis
7. Assessment Criteria	<p>The integrated outcome requirement of this unit of competency is:</p> <p>(i) Capable to analyze issues concerning various types of financial statement, and, according to the analysis, to formulate an effective financial management plan.</p>
8. Remarks	