

Specification of Competency Standards
for the Manufacturing Technology Industry
Unit of Competency

Functional Area - Financial Management

Title	Formulate financial management targets, solutions and strategies
Code	106599L6
Range	This unit of competency is applicable to each corporation of Manufacturing Technology Industry. Practitioners should be capable to review overall corporate condition and development strategies, with resources development policies and strategies, carry out financial analysis, so as to formulate financial management targets, plans and strategies.
Level	6
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand relevant knowledge of formulating financial management targets, solutions and strategies</p> <ul style="list-style-type: none"> • Know the concept of crisis management • Know the application of information technology in financial management • Know the tax policy of operating regions • Understand the corporate financial and resources development strategies • Understand financial management theories and strategies, such as foreign exchange knowledge, financial management objectives and financial market functions • Understand all kinds of financial statements, including balance sheet, income statement, cash flow statement and forecast report etc • Understand financial planning and forecast methods. • Understand capital budgeting, such as investment rules, the net present value, discounted payback period method, internal rate of return and profitability index. • Understand project cash flow calculation, including relevant cash flow, incremental cash flow and operating cash flow. • Understand financial risk and return, such as idiosyncratic risk and non-systematic risk, relationship between risk and rewards, as well as foreign exchange risk. • Understand different types of taxes (such as personal and enterprise income tax topics, business tax, value added tax and consumption tax) • Understand the tax system, legislation and taxation arrangement of the operating regions <p>2. Formulate financial management targets, solutions and strategies</p> <ul style="list-style-type: none"> • Analyse all kinds of financial statements • Formulate all kinds of financial management strategies, including capital budgeting strategies, cost control strategies, and risk and return management strategies • Carry out financial planning, such as business cycle, cash flow and cash budgeting • Formulate working capital management strategies, such as cash payments, inventory control and credit policies • Formulate crisis management solutions • Review available electronic financial management system and analyse the availability. • Analyse the tax system, legislation and taxation arrangement of the corporate operating regions and provide suitable recommendations to corporation <p>3. Professional handling of formulating of financial management targets, solutions and strategies</p> <ul style="list-style-type: none"> • Ensure the financial information/ data provided is accurate • Prevent any abuse or corruption through financial management
Assessment Criteria	The integrated outcome requirements of this unit of competency are:

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	<ul style="list-style-type: none">• Capable to meet the corporate resources development policy and strategies, carry out a series of financial data analysis and formulate financial management targets, plans and strategies.• Capable to apply financial management knowledge, under the daily operation environment which consists variables; with the actual corporate operation condition, formulate financial management targets, solutions and strategies.
Remark	