

Specification of Competency Standards
for the Retail Industry
Unit of Competency

Functional Area - Operating Data Analysis

Title	Interpret various types of financial reports
Code	107141L4
Description	Understand the meaning of the financial reports so as to understand the financial situation of corporate and as reference for marketing and business development.
Level	4
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand the types and structure of financial reports</p> <ul style="list-style-type: none"> • Understand the types of financial reports <ul style="list-style-type: none"> ○ According to the service items: the external statements, internal statements; according to the report contents: the main table, schedule; according to the preparation of the report time: interim financial statements, annual financial statements, etc. ○ Master the main composition of the financial reports: the balance sheet; income statement; cash flow statement ○ Master the composition of the financial reports • Interpret financial report <ul style="list-style-type: none"> ○ Interpretation of the balance sheet: the meaning of the balance sheet; the meaning of each item in the balance sheet. • Interpretation of the income statement • The meaning and structure of the income statement; the meaning of each item in the income statement: operating income, operating profit, total profit, net profit • Interpret the cash flow statement • Understand and master the meaning of the data in the financial statements, and analyse the perspectives and methods of the problems <ul style="list-style-type: none"> ○ Observe the income statement, compared to this year's income and revenue growth last year is within a reasonable range ○ Observe corporate bad debts ○ Observe whether long-term investment is normal ○ Observe whether other receivables are clear ○ Observe if there is a related transaction ○ Observe whether the cash flow statement can normally reflect the flow of funds <p>2. Exhibit professionalism</p> <ul style="list-style-type: none"> • Ensure the accuracy and confidentiality of data in processing the information.
Assessment Criteria	<p>The integrated outcome requirement of this UoC is the ability to:</p> <ul style="list-style-type: none"> • Understand the types and structure of financial reports • Interpret the financial reports and analyse the existing problems
Remark	