

Specification of Competency Standards
for the Retail Industry
Unit of Competency

Functional Area - Strategic and ESG Management

Title	Formulate financial management policies
Code	111232L6
Range	This unit of competency (UoC) is applicable to financial management policies makers in the retail industry. Practitioners have the ability to master a wide range of financial information; analyse complex planning, design, development and management issues related to financial management; plan and formulate financial management policies and plans by means of relevant information / data such as cost, expenditure and profit, enabling the organisation to achieve maximum economic return. It requires differentiation, evaluation and creative skills.
Level	6
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Master the knowledge of financial management policies</p> <ul style="list-style-type: none"> • Master financial management theory and policies, e.g. objectives of financial management • Understand the analysis of financial reports • Understand financial planning and forecasting • Master the elements of capital budgeting • Master the calculation of project cash flow • Understand risk and return <ul style="list-style-type: none"> ○ System risk and non-system risk ○ The relation between risk and expected return • Understand latest tax policies for the retail industry established by the Government • Understand the concept of crisis management • Master the application of information technology <p>2. Formulate financial management policies</p> <ul style="list-style-type: none"> • Analyse financial statements accurately • Formulate capital budgeting policy • Formulate cost control policy • Formulate project risk and return management policies • Implement financial planning, including: <ul style="list-style-type: none"> ○ Controlling the business cycle and cash flow ○ Mastering cash budgeting • Formulate the management policies for operating capital, such as: <ul style="list-style-type: none"> ○ Controlling cash income and expenses ○ Controlling inventory ○ Drawing up and analysing credit policy • Formulate crisis management plans • Formulate plans to apply information technology in financial management <p>3. Exhibit professionalism</p> <ul style="list-style-type: none"> • Ensure that the financial management policies are formulated for the benefit of both the organisation and the stakeholder groups in the long run • Prevent any abuse of power or malpractice by manipulating the financial management policies

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Assessment Criteria	The integrated outcome requirements of this UoC are the abilities to: <ul style="list-style-type: none">• Make full analysis and evaluation on the organisation's financial status; and• Formulate financial management policies effectively to tie in with the actual operational situation of the organisation.
Remark	This UoC is adopted from 105035L6.