

MANAGE BUSINESS ASSETS AND LIABILITIES

UNIT CODE: BUS/BM/CR/05/6

Unit Description

This unit specifies the competencies required to manage business assets and liabilities. It involves preparing business assets and liabilities plan, evaluating business capital investment, establishing internal control system over assets and liabilities, documenting and computerizing business assets and liabilities.

ELEMENTS AND PERFORMANCE CRITERIA

Element <i>These describe the key outcomes which make up workplace function.</i>	Performance Criteria <i>These are assessable statements which specify the required level of performance for each of the elements. Bold and italicized terms are elaborated in the Range</i>
1. Prepare business assets and liabilities plan	1.1 <i>Assets</i> requirement are assessed according to user needs 1.2 Records of existing assets and <i>liabilities</i> are analyzed as per company policy 1.3 Asset usage is established in accordance with Asset policies and procedures 1.4 Asset acquisition and settlement of liabilities is established based on finance policy and procedures

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	<p>1.5 Budget estimates are received as per the organization requirements</p> <p>1.6 Business asset and liabilities plan and budget is prepared according to strategic plan and finance policy</p>
<p>2. Evaluate business capital investment</p>	<p>2.1 Alternative business investments are obtained based on business strategic plan</p> <p>2.2 Business investments are evaluated using business <i>investment criteria</i></p> <p>2.3 Business investment evaluation report is prepared according business investment policies.</p> <p>2.4 Capital investment is selected according to strategic plan.</p>
<p>3. Establish internal control system over assets and liabilities</p>	<p>3.1 <i>Internal control system</i> on assets and liabilities is developed according to policies and procedures of the business</p> <p>3.2 Asset acquisition is undertaken according to the asset policy, strategic plan, capital expenditure</p>

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	budget and procurement procedures and regulations 3.3 Physical controls are done according to SOPs 3.4 Financial controls are made according to accounting systems 3.5 Inventory transactions are updated according to accounting procedures. 3.6 Debtors management is carried out based on credit control policy 3.7 Cash transactions are carried out according to accounting procedures 3.8 Liabilities management is carried out according to accounting procedures
4. Maintenance and disposal of assets	4.1 Categorization policy for fixed assets is defined according to fixed asset policy 4.2 Asset maintenance schedule is prepared according to fixed assets policy

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	<p>4.3 Assets maintenance budget is prepared and shared based on fixed asset policy</p> <p>4.4 Maintenance of assets is carried out and monitoring is conducted in accordance with fixed asset policy</p> <p>4.5 Disposal of assets is carried out according to disposal procedures and regulations</p>
<p>5. Document and computerize business assets and liabilities</p>	<p>5.1 Organization assets and liabilities are identified according to organization asset and liabilities registers.</p> <p>5.2 Assets and liabilities are updated in the database according to organization ICT policy.</p> <p>5.3 Assets and liabilities report is prepared according to standard operating procedures (SOPs) and finance procedures.</p>

RANGE

This section provides work environments and conditions to which the performance criteria apply. It allows for different work environment and situations that will affect performance.

Variable	Range <i>May include but not limited to:</i>
1. Assets	1.1 Land and buildings 1.2 Plant and machinery 1.3 Motor vehicles 1.4 Equipment 1.5 Furniture 1.6 Intangible assets (Software, patents, royalties, goodwill) 1.7 Bank/cash 1.8 Investments 1.9 Accounts receivable
2. Liabilities	2.1 Loans 2.2 Debentures 2.3 Accounts payable 2.4 Accruals 2.5 Bank overdraft 2.6 Leases 2.7 Contingent liabilities
3. Physical controls	3.1 Physical asset 3.2 Asset specifications 3.3 Asset location –GPS tracking 3.4 Inspection

Variable	Range <i>May include but not limited to:</i>
	3.5 Insurance 3.6 Usage and authorization
4. Internal control systems	4.1 Physical controls 4.2 Non-physical controls 4.3 Financial controls
5. Financial controls	5.1 Asset register records 5.2 Debt instruments on assets 5.3 Purchase cost 5.4 Depreciation 5.5 Capital allowances 5.6 Financial statement reporting
6. Capital investment	6.1 Funds invested in long term assets 6.2 Assets purchased for business expansion, technology to meet business objectives. 6.3 Assets constructed for business
7. Investment criteria	7.1 Accounting rate of return 7.2 Internal rate of return 7.3 Payback period 7.4 Net present value 7.5 Profitability index

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit of competency.

Required Skills

The individual needs to demonstrate the following skills:

- Planning
- Analytical
- Interpretation
- Attention to detail
- Communication
- Problem solving
- Networking
- Evaluation
- Computation

Required Knowledge

The individual needs to demonstrate knowledge of:

- Auditing
- Risk management
- Resource mobilization
- Financial and asset management
- Record keeping
- Financial accounting
- Computerized accounting records
- Financial management
- Working capital items
- Investment appraisal
- Procurement Act and Regulations

EVIDENCE GUIDE

This provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge and range.

1. Critical aspects of competency	Assessment requires evidence that the candidate: 1.1 Prepared business assets and liabilities plan 1.2 Prepared asset requirement budget 1.3 Evaluated various investment projects 1.4 Selected most viable investment project 1.5 Developed internal control system on organizational assets 1.6 Recorded inventory transactions 1.7 Carried out credit control 1.8 Identified payables schedule 1.9 Documented and computerized organizational assets and liabilities.
2. Resource implications	The following resources must be provided: 2.1 Assessment location 2.2 Candidate reports 2.3 Laptop/projector 2.4 Format templates 2.5 Printer

<p>3. Methods of assessment</p>	<p>Competency may be assessed through:</p> <p>3.1 Observation</p> <p>3.2 Written</p> <p>3.3 Oral</p> <p>3.4 Case study</p> <p>3.5 Presentation</p> <p>3.6 Third party report</p>
<p>4. Context of Assessment</p>	<p>Competency may be assessed:</p> <p>4.1 On the job</p> <p>4.2 Off the job</p> <p>4.3 In work placement</p> <p>Off the job assessment must be undertaken in a closely simulated workplace environment</p>
<p>5. Guidance Information for Assessment</p>	<p>Holistic assessment with other units relevant to the industry sector, workplace and job roles is recommended.</p>