

**Pearson**  
**BTEC RQF Higher National Diploma in**  
**Business**

Assessment Brief

Unit 5: Accounting Principles



# Higher National Diploma in Business

## RQF Assessment Brief

Student Name/ID Number	
<b>Unit Number and Title</b>	<b>Unit 5 Accounting Principles</b>
Academic Year	
Unit Tutor	
<b>Assignment Title</b>	<b>Applying Accounting Skills In Real Scenarios</b>
<b>Issue Date</b>	February 17, 2023
<b>Submission Format</b>	
<b>LO1 &amp; LO4</b> The submission is in the form of a portfolio of evidence compiled from the evidence produced for two assignments that include the following: <b>An online blog</b> that should make use of headings, sub-sections, columns and appropriate business-related images and illustrations. This format offers the opportunity to present academic and theoretical information in a practical, contextualised and creatively written way. The recommended word limit for the case study is 1,500–2,000 words, although you will not be penalised for going under or exceeding the total word limit. All work must be supported with research and referenced correctly using the Harvard referencing system. You will submit the online link to the blogpost.  You will also submit an <b>accounting memorandum</b> with an accompanying Excel spreadsheet (raw data will be provided). You will insert sections of your spreadsheet into the memorandum. The recommended word limit for the memorandum is 1,000–1,500 words, although you will not be penalised for going under or exceeding the total word limit. Referencing for both submissions should use the Harvard system.	
<b>LO2 &amp; LO3</b> The submission is in the form of a portfolio of evidence compiled using the evidence produced for two assignments, it will also include the following: <b>A detailed letter to a named client.</b> The letter must be clear worded, well-structured and should make use of appropriate business language and terminology. The letter can also include clearly labeled tables and charts. It will accompany and support the appropriately constructed <b>financial statements</b> (income statement and statement of financial position) for the business. The word count is 1,500–2,000 words, although you will not be penalized for going under or exceeding the total word limit. A reference list should be provided.	
<b>Unit Learning Outcomes</b>	
<b>LO1</b> Examine the context and purpose of accounting  <b>LO2</b> Prepare basic financial statements for unincorporated and small business organisations in accordance with accounting principles, conventions and standards  <b>LO3</b> Interpret financial statements  <b>LO4</b> Prepare budgets for planning, control and decision making using spreadsheets	

## VOCATIONAL SCENARIO

### **ORGANISATION:**

A large accountancy firm that undertakes extensive business consultancy work for their client base. They have a central head office and regional offices. Last year, the group turnover was £200 m with 25 per cent deriving from international markets. The firm also has a policy of taking on smaller niche clients, where they feel there is potential for fast growth.

### **ROLE:**

You have recently joined the firm as a Graduate Trainee attached to their SME (Small and Medium Enterprises) Unit, offering accountancy and financial services to businesses that typically have a turnover ranging from £0.5 m to £15 m. As part of your ongoing training, you have been asked to undertake some activities.

## Assignment Brief and Guidance

### Submission #1 | LO1 & LO4

Your supervisor, one of the firm's Key Account Managers, has asked you to **prepare a blog** that will be used to market and promote its accounting services to new and existing clients. The working title you have been given for the blog is 'The role of accounting in an organization.' The blog must be presented as an online blog in an engaging and practical way, covering relevant academic theory, and making use of, for example, headings, images, and illustrations. Your blog should include the following but is not limited to:

- the purpose and scope of accounting in complex operating environments
- a critical evaluation of the accounting function in informing decision-making and meeting stakeholder and societal needs and expectations
- the main branches of accounting and job skillsets and competencies
- accounting systems and the role of technology in modern-day accounting
- issues of ethics, regulation, and compliance and the extent to which they are constraints or threats to the organization

Having completed the first activity, you have now been asked to work with a hospitality and catering start-up business that your firm has just taken on as a client. The business needs support and guidance with budgeting and how it can be used to inform efficient resource allocation and support effective control and decision-making. The founder of the business is investing £100,000 of their own capital and has secured a business loan of £50,000.

**(Note: you will be provided raw budget data, which you will then manipulate and model).**

You have been asked to **prepare an accounting memorandum** that includes the following:

- Production of a 12-month cash budget that makes use of variance analysis to show the impact of the different individual scenarios below:
  1. discounting prices by 20%, which in turn increases sales volume per month by 10%
  2. increasing the marketing budget by 10% per month, which in turn generates an additional 20% in sales revenue
  3. offering suppliers one-month's trade credit
  4. reducing rental/property related costs by 15% per month.
- An evaluation of the role that budgets play in effectively planning and controlling resources in an organization such as your client's. This will include both benefits and any limitations of using budgets and the extent to which they can help identify problems and corrective actions.
- An outline of a range of budgetary control solutions, with justification, to support organizational decision-making and ensure efficient and effective deployment of resources.

## Recommended Resources

*Please note that the resources listed are examples to use as a starting point in your research – the list is not definitive.*

Accounting Coach courses. Available at: <https://www.accountingcoach.com/accountingbasics/explanation>

The Association of Chartered Certified Accountants ACCA). Available at: <https://www.accaglobal.com/gb/en.html>

Chartered Institute of Management Accountants. Available at: <https://www.cimaglobal.com/>

Indeed Career Guide to Memo Writing. Available at: <https://www.indeed.com/careeradvice/career-development/memo-writing-guide>

HubSpot. How to write a memo: Templates & examples. Available at: <https://blog.hubspot.com/marketing/how-write-memo>

**Create Your Blogpost Using Any Of The Website Options Available [Here](#)**

## Assignment Brief and Guidance

### Submission #2 | L02 & L03

#### Scenario:

Having successfully completed your six-month probation as a Graduate Trainee at the accountancy firm, you have now been attached to a unit that deals with the provision of accountancy and consultancy services to small businesses typically set up as sole traders. The firm is careful about which small and emerging businesses it works with as it seeks to spot growth potential and identify and work with clients that have scalable business models.

#### Assignment:

You are initially working with a small business that has been trading for three years and now needs its annual trading statements to be compiled and submitted in line with government requirements. You have been given:

- an extended trial balance, including accruals, prepayments, and figures for bad debts and depreciation
- a range of comparative key performance ratios from the previous year.

**(Note: you will be provided with this data)**

The business does not use contemporary software to support its bookkeeping and accounting functions. This is something that concerns you as you feel that it represents an opportunity for the business to save time and resources. Your supervisor, one of the firm's Key Account Managers, has asked you to compile the yearend financial statements ready for submission and provide, for the client, some detailed analysis of the figures produced, which will be presented in the form of an accompanying letter. Specifically, you will undertake the following:

1. From the data provided, you are required to prepare the year-end financial statements, taking into consideration accounting principles, conventions, and standards. You will need to make and show appropriate adjustments to both the income statement and the balance sheet.
2. Write an accompanying letter to the client that will be sent with the completed financial statements. The letter needs to include:

- calculation of relevant profitability, liquidity, asset usage, and investment ratios
- critical evaluation of the performance of the business year on year (making reference to data you have calculated and data provided from the previous year), with reference to relevant benchmarks as well as any limitations of using financial ratios as performance measures
- an outline of the benefits of contemporary accounting software packages, with examples of products on the market
- justified conclusions and recommendations for your client.

#### Recommended Resources

The balance careers. Business letter format with examples. Available at:  
<https://www.thebalancecareers.com/how-to-format-a-business-letter-2062540>

Xerox. Writing an effective business letter. Available at: <https://www.xerox.com/en-us/smallbusiness/tips/business-letter>

### FURTHER INSTRUCTIONS

- Your research should be referenced in-text using the Harvard referencing system. Provide a reference list using the Harvard referencing system.
- To Pass this unit: research findings must answer the task; you must correctly apply the command verb to the discussion. The discussion must appropriately match the research findings to the case study issues. Minimise writing & grammar errors, & thoroughly reference work.
- Submit the full plagiarism report alongside your assignment submission.
- Use [www.citethisforme.com](http://www.citethisforme.com) for referencing and [www.grammarly.com](http://www.grammarly.com) for grammar and proof reading.
- Your work will only be assessed if submitted as a PDF file.
- Submit your assignments online here: <https://www.aimuniversitygroup.org/assignment-submission-page.html>

Submit your work earlier than the published deadline, or on-time. Late work is not acceptable, except in cases of extenuating circumstances. Special considerations are limited for late work. Make sure that you review the student handbook for the very few circumstances that we will accept as extenuating.

#### IMPORTANT GUIDELINES FOR ALL SUBMISSIONS

- Set page margins to 'moderate' on the margins section under the 'Layout' tab.
- Double-space (2.0) all text, including headings.
- Use an accessible font (e.g., Times New Roman 12pt., Arial 11pt., or Georgia 11pt.).

Include a page number on every page.

### SUBMISSION DEADLINES

SUBMISSION DEADLINES	
SUBMISSION #1 (LO1, LO4)	March 27, 2023
SUBMISSION #2 (LO2, LO3)	May 8, 2023

Learning Outcomes and Assessment Criteria		
Pass	Merit	Distinction
LO1 Examine the context and purpose of accounting		
P1 Examine the purpose of the accounting function within an organisation	M1 Evaluate the context and purpose of the accounting function in meeting organisational, stakeholder and societal needs and expectations	D1 Critically evaluate the role of accounting in informing decision-making to meet organisational, stakeholder and societal needs within complex operating environments. .
P2 Assess the accounting function within the organisation in the context of regulatory and ethical constraints		
LO2 Prepare basic financial statements for unincorporated and small business organisations in accordance with accounting principles, conventions and standards		
P3 Prepare financial statements from a given trial balance for sole traders, partnerships and not-for-profit organisations, to meet accounting principles, conventions and standards	M2 Produce financial statements from a given trial balance, making appropriate adjustments	D2 Critically evaluate financial statements to assess organisational performance using a range of measures and benchmarks to make justified conclusions.
LO3 Interpret financial statements		
P4 Calculate and present financial ratios from a set of final accounts	M3 Evaluate the performance of an organisation over time. using financial ratios with reference to relevant benchmarks.	D2 Critically evaluate financial statements to assess organisational performance using a range of measures and benchmarks to make justified conclusions.
P5 Compare the performance of an organisation over time using financial ratios		
LO4 Prepare budgets for planning, control and decision making using spreadsheets		
P6 Prepare a cash budget from given data for an organisation using a spreadsheet	M4 Identify corrective actions to problems revealed by budgetary planning and control for effective organisational decision making	D3 Justify budgetary control solutions and their impact on organisational decision making to ensure efficient and effective deployment of resources
P7 Discuss the benefits and limitations of budgets and budgetary planning, and control for an organisation		