

## PERFORM AGRI-ENTERPRISE FARM BUDGETING

ISCED UNIT CODE: 0811 551 13A

TVETCDACC UNIT CODE: AG/OS/PN/CR/02/6/MA

### UNIT DESCRIPTION

This unit specifies the competencies required perform Agric-marketing farm budgeting. It involves Carryout agri-enterprise cost estimation; Carry out revenue forecasting, Manage cash-flow.

### ELEMENTS AND PERFORMANCE CRITERIA

ELEMENT	PERFORMANCE CRITERIA
These describe the key outcomes which make up workplace function.	These are assessable statements which specify the required level of performance for each of the elements. <i><b>Bold and italicized terms are elaborated in the range.</b></i>
1. Carryout agri-enterprise cost estimation	1.1 <i>Agri-enterprise costs</i> are categorized as per work requirement 1.2 Agri-enterprise production quantities are established as per work requirement 1.3 Agri-enterprise unit costs are established as per work requirement 1.4 Agri-enterprise total costs are established as per work requirement 1.5 Agri –enterprise costs review and adjustment is performed as per work requirement
2. Carry out revenue forecasting	2.1 <i>Agri-enterprise budgets</i> are prepared as per work requirement 2.2 <i>Agri-enterprise income levels</i> are established as per work requirements 2.3 Agri enterprise reviews and adjustments is performed as per work procedure
3. Manage cash-flow	3.1 <i>Agri-enterprise financial statements</i> are prepared as per work requirement 3.2 <i>Agri-enterprise profitability ratios</i> are established as per work requirement 3.3 Reviews and adjustments are carried out as per work requirement.

## 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
1. Agri-enterprise costs	<ul style="list-style-type: none"> <li>• Average costs</li> <li>• Direct costs</li> <li>• Capital costs</li> <li>• Operating costs</li> <li>• Indirect costs</li> <li>• Semi-variable costs</li> <li>• Sunk costs</li> <li>• Marginal costs</li> <li>• Fixed costs</li> <li>• Variable costs</li> <li>• Product costs</li> <li>• Total costs</li> </ul>
2. Agri-enterprise budgets	<ul style="list-style-type: none"> <li>• Enterprise budgets</li> <li>• Partial budgets</li> <li>• Cash flow budgets</li> <li>• Gross margin budgets</li> <li>• Break even budgets</li> <li>• Linear programming</li> </ul>
3. Agri-enterprise income	<ul style="list-style-type: none"> <li>• Sales revenue</li> <li>• Service revenue</li> <li>• Interest income</li> <li>• Dividend income</li> <li>• Rental income</li> <li>• Royalty income</li> <li>• Capital gains</li> <li>• Commission income</li> <li>• Franchise income</li> <li>• Subscription income</li> <li>• Grants and subsidies</li> </ul>

4. Agri-enterprise financial statements	<ul style="list-style-type: none"> <li>• Working capital estimates</li> <li>• Balance sheets</li> <li>• Trading, Profit and loss accounts</li> <li>• Break even analysis</li> <li>• Cash flow projections</li> <li>• Desired financing</li> </ul>
5. Agri-enterprise profitability ratios	<ul style="list-style-type: none"> <li>• Liquidity ratios</li> <li>• Returns on investment</li> <li>• Gross profit margins</li> <li>• Net profit margins</li> <li>• Operating profit margins</li> <li>• Return on assets</li> <li>• Return on equity</li> </ul>

## REQUIRED SKILLS AND KNOWLEDGE

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

### Required skills

The individual needs to demonstrate knowledge of the following:

- Market management
- Production management
- Financial management
- Policy and regulation management
- Technology management
- Environmental management
- Human capital management

### Required skills

The individual needs to demonstrate the following skills:

- Accountancy
- Production planning
- Analytics
- Records keeping
- Report Writing
- Financial management
- Digital literacy
- Numeracy
- Negotiation

## 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	<p>Assessment requires evidence that the candidate:</p> <ul style="list-style-type: none"> <li>1.1 Established Agri-enterprise production quantities as per work requirement</li> <li>1.2 Established Agri-enterprise costs as per work requirement</li> <li>1.3 Prepared Agri-enterprise budgets as per work requirement</li> <li>1.4 Established Agri-enterprise income levels as per work requirements</li> <li>1.5 Prepared Agri-enterprise financial statements as per work requirement</li> <li>1.6 Established Agri-enterprise profitability ratios as per work requirement</li> </ul>
2. Resource implications for competence certification	<p>The following resources must be provided during assessment:</p> <ul style="list-style-type: none"> <li>2.1 Appropriately simulated environment where assessment can take place.</li> <li>2.2 Access to relevant work environments where assessment can take place.</li> <li>2.3 Resources relevant to the proposed activities or task.</li> </ul>
3. Methods of Assessment	<p>Competency may be assessed through:</p> <ul style="list-style-type: none"> <li>3.1 Practical</li> <li>3.2 Project</li> <li>3.3 Third party report</li> <li>3.4 Portfolio of evidence</li> <li>3.5 Written tests</li> <li>3.1 Oral questioning</li> </ul>
4. Context of Assessment	<p>4.1 This competency may be assessed in a work place or in a simulated work place.</p>
5. Guidance information for assessment	<p>Holistic assessment with other units relevant to the industry sector, workplace and job roles is recommended.</p>