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SOUTH AFRICAN QUALIFICATIONS AUTHORITY
REGISTERED UNIT STANDARD THAT HAS PASSED THE END DATE:
Interpret basic financial statements

SAQA US ID		UNIT STANDARD TITLE		
117156		Interpret basic financial statements		
ORIGINATOR				
SGB Insurance and Investment				
PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY				
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FIELD			SUBFIELD	
Field 03 - Business, Commerce and Management Studies			Finance, Economics and Accounting	
ABET BAND	UNIT STANDARD TYPE	PRE-2009 NQF LEVEL	NQF LEVEL	CREDITS
Undefined	Regular	Level 4	NQF Level 04	4
REGISTRATION STATUS		REGISTRATION START DATE	REGISTRATION END DATE	SAQA DECISION NUMBER
Reregistered		2015-07-01	2018-06-30	SAQA 10105/14
LAST DATE FOR ENROLMENT		LAST DATE FOR ACHIEVEMENT		
2019-06-30		2022-06-30		

In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.

This unit standard replaces:

US ID	Unit Standard Title	Pre-2009 NQF Level	NQF Level	Credits	Replacement Status
10388	Interpret basic financial statements	Level 4	NQF Level 04	3	Complete

PURPOSE OF THE UNIT STANDARD

Learners who achieve this unit standard are able to interpret an income and expenditure statement and use information in the statement to make a financial decision.

The qualifying learner is capable of:

- Analysing the basic elements of an income and expenditure statement.
- Analysing the basic elements of a balance sheet.
- Compiling a personal assets and liabilities statement.
- Using the evidence in financial statements to make a financial decision.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

There is open access to this unit standard. Learners should be competent in Communication, Mathematical Literacy and Financial Literacy at NQF Level 3.

UNIT STANDARD RANGE

The typical scope of this unit standard is

- Different types of financial statement including business, personal and organisation.
- An enterprise could be a school, body corporate, club, church, small business, etc.

Specific Outcomes and Assessment Criteria:

SPECIFIC OUTCOME 1

Analyse the basic elements of an income and expenditure statement.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The purposes of an income and expenditure statement are explained and an indication is given of how often these statements are required for two case studies.

ASSESSMENT CRITERION 2

Sources of income and expenditure are identified for three different kinds of financial statements.

ASSESSMENT CRITERION RANGE

Kinds of financial statements include but are not limited to business (close corporates, listed companies, partnerships, public entities, SMMEs, and sole ownerships), personal, organisations (club, church). (Any three).

ASSESSMENT CRITERION 3

Sources of income and expenditure are explained with reference to an income and expenditure statement.

ASSESSMENT CRITERION 4

Three income and expenditure statements are examined and evaluated in terms of financial viability of the enterprise.

SPECIFIC OUTCOME 2

Analyse the basic elements of a balance sheet.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The purpose of a balance sheet is explained and an indication is given of how often a balance sheet is necessary for two case studies.

ASSESSMENT CRITERION 2

A balance sheet is analysed and evaluated in terms of equity or financial net worth.

ASSESSMENT CRITERION 3

The concept of an asset is explained and the assets in a balance sheet are classified in terms of fixed and current assets.

ASSESSMENT CRITERION 4

The concept of a liability is explained and the liabilities in a balance sheet are classified in terms of long term and current liabilities.

ASSESSMENT CRITERION 5

Balance sheets for an entity are compared and evaluated in terms of performance over two years and a decision is made based on evidence in the balance sheet.

SPECIFIC OUTCOME 3

Compile a personal assets and liabilities statement.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

A personal assets and liabilities statement is compiled based on own financial situation over the past year.

ASSESSMENT CRITERION 2

The situations when an assets and liabilities statement are required are listed and an indication is given of the advantages of keeping such records.

SPECIFIC OUTCOME 4

Use the evidence in financial statements to make a financial decision.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The financial strengths and weaknesses of an entity are analysed and suggestions are made of ways to improve income and reduce costs.

ASSESSMENT CRITERION 2

The concept of a cost to income ratio is explained and suggestions are made on how to improve the ratio.

ASSESSMENT CRITERION 3

The relationship between turnover, income, revenue, sales/earnings and profit is explained with examples.

ASSESSMENT CRITERION 4

The concept of cash flow is explained in terms of liquidity.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

This Unit Standard will be internally assessed by the provider and moderated by a moderator registered by a relevant accredited ETQA or an ETQA that has a Memorandum of Understanding with the relevant accredited ETQA.

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

N/A

UNIT STANDARD DEVELOPMENTAL OUTCOME

N/A

UNIT STANDARD LINKAGES

N/A