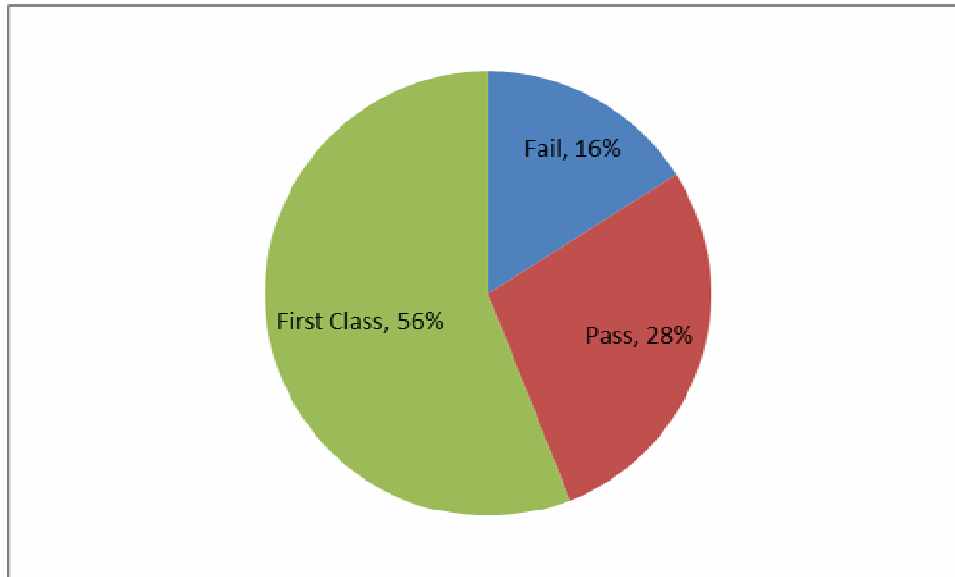


8990-02 Business Finance Level 2

General Observations

Candidates again performed well during 2009 – 2010 in Business Finance Level 2. Both tutors and candidates should be congratulated on their successes.



Areas of good performance

Candidates showed good performance over a range of topics. They performed well on cash budgets and were able to deal well with the calculations of credit periods and proportions of credit and cash income. Production budgets were also completed well.

In addition, candidates dealt well with the checking of estimates and the completion of job cost sheets.

A significant improvement was seen in the computation of stock records. Good clear workings were shown for the calculations of the FIFO and LIFO methods of stock issues.

Areas for development

As previously mentioned in examination reports, FIFO and LIFO were well understood. However, candidates had some difficulties with AVCO calculations. Practice would be helpful to improve performance on this technique.

Calculations of performance indicators were reasonably well handled. However, comments on performance indicators and discussing compliance with credit control policies caused candidates some difficulties. Interpretation of results needs to be strengthened.

Recommendations

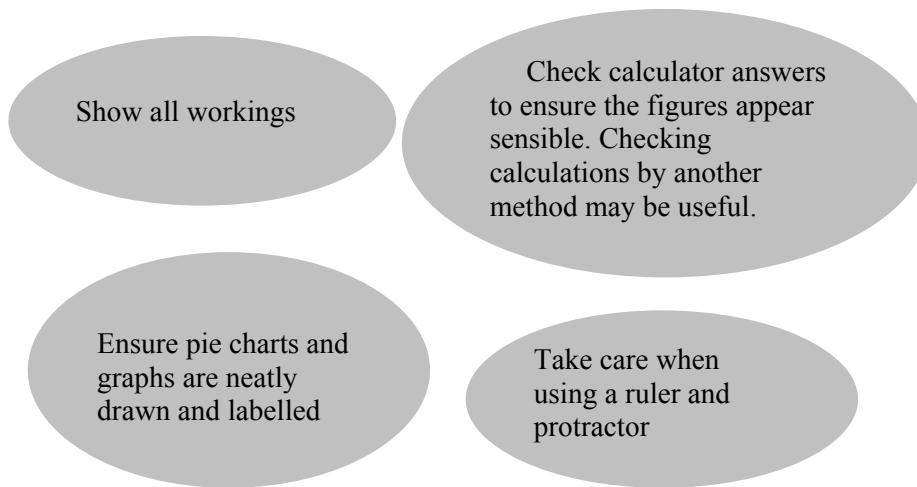
Teachers and candidates should make good use of available resources such as sample examination papers,

the examination support guide, FAQs, etc on the City & Guilds website.

It is important to practice the different methods for recording stock control to improve accuracy.

Candidates should aim to develop a better understanding of financial concepts. Group work may be useful, discussing why a company's credit control policy is successful or unsuccessful.

Tips



Additional comments

Please read questions carefully and allow sufficient time to check answers.

Ensure you have the appropriate equipment – pencil, ruler, protractor, eraser and calculator.