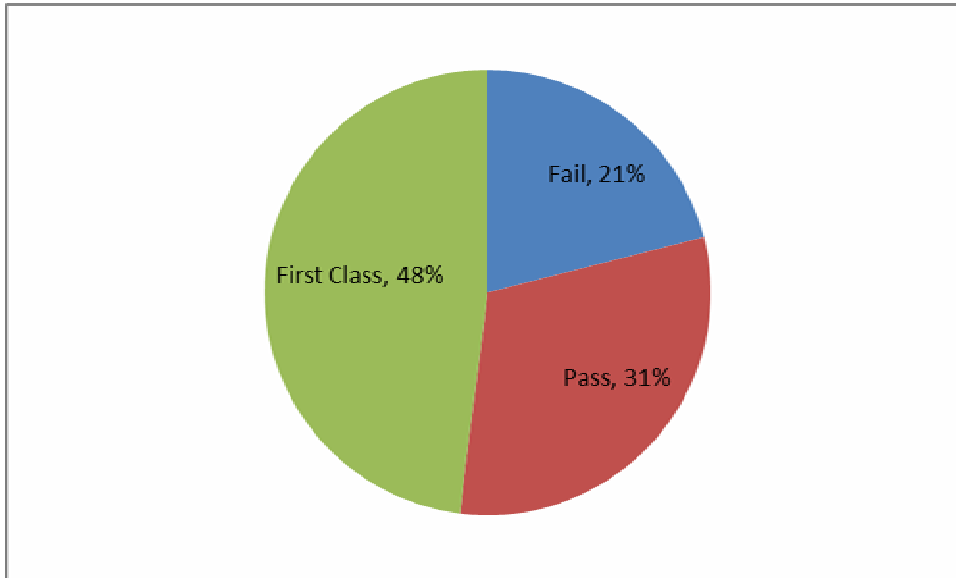


8990 - 03 Business Finance Level 3

General Observations

Candidates performed well during 2009 to 2010 although the level of first class passes dropped somewhat this year as compared with the past. Additional practice should assist in developing additional breadth and depth of understanding.



Areas of good performance

Candidates continued to perform well in the topic of breakeven analysis. Apportionment and absorption costing and marginal costing were still well answered but the calculations were less well understood. The numerical aspect of discounted cash flow was also well handled.

Areas for development

Candidates are still uncertain about the calculation of payback. Full workings would improve clarity.

Standard costing appeared to be better understood in the past year although additional practice of variances would be helpful. The formulae for variances appearing in the syllabus needs to be known and calculations practiced to ensure candidates feel comfortable with the figure work.

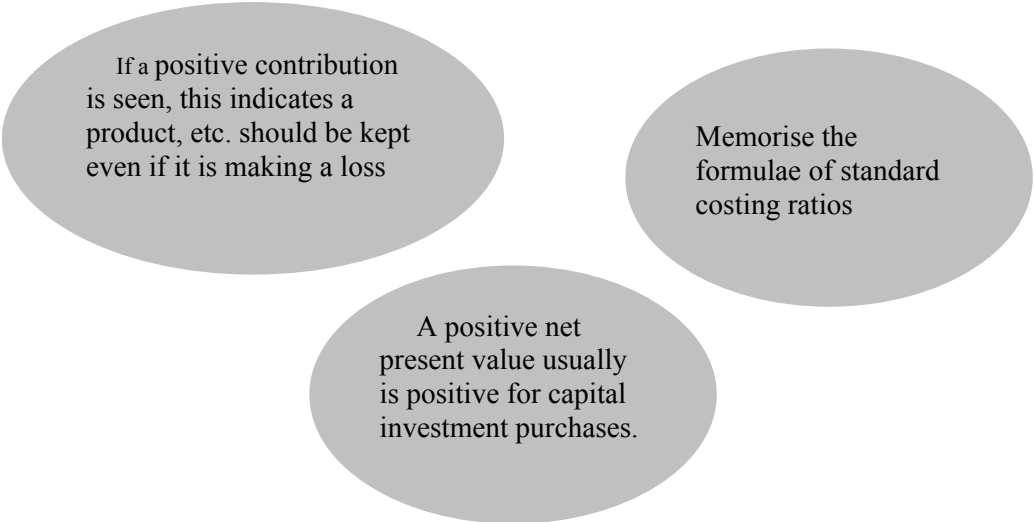
Interpretation of numerical answers also needs development and candidates should practice written answers to help them improve their understanding of the underlying scenarios in tasks.

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.

At Level 3, understanding what the information produced means and how it is used in decision making and problem solving aspects of organisations is important. Answers to tasks should aim to be clear and well-reasoned so would prove useful to management.

Tips



If a positive contribution is seen, this indicates a product, etc. should be kept even if it is making a loss

Memorise the formulae of standard costing ratios

A positive net present value usually is positive for capital investment purchases.

Additional comments

Full workings and clear presentation will help answers in the examination fulfil those needs.

If a decision or recommendation is required, it should be given.

Ensure the correct units are used, for example is it the breakeven point in units or £ or \$?