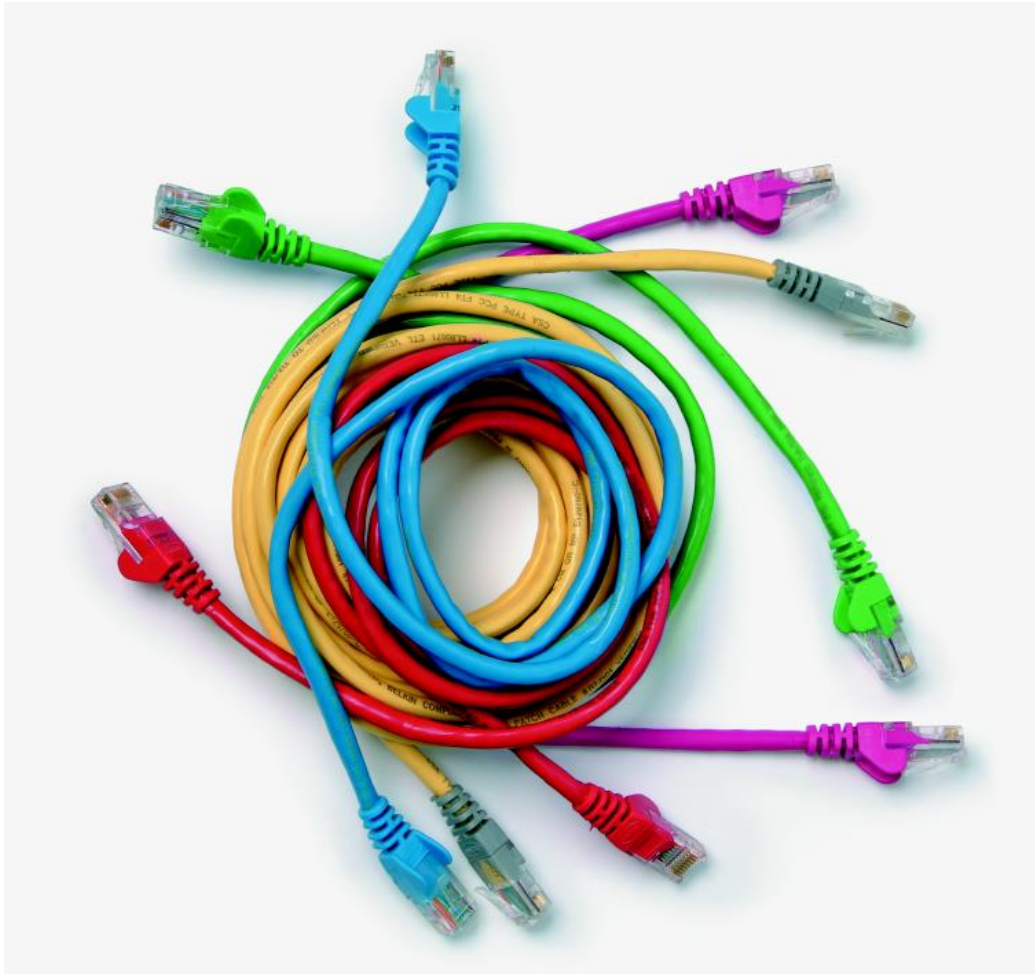


# Level 3 Business concepts 3 (7540-384)

## Assignment guide for Candidates Assignment A

---

www.cityandguilds.com  
September 2017  
Version 1.0



## **About City & Guilds**

City & Guilds is the UK's leading provider of vocational qualifications, offering over 500 awards across a wide range of industries, and progressing from entry level to the highest levels of professional achievement. With over 8500 centres in 100 countries, City & Guilds is recognised by employers worldwide for providing qualifications that offer proof of the skills they need to get the job done.

## **City & Guilds Group**

The City & Guilds Group includes City & Guilds, ILM (the Institute of Leadership & Management) which provides management qualifications, learning materials and membership services, NPTC which offers land-based qualifications and membership services, and HAB (the Hospitality Awarding Body). City & Guilds also manages the Engineering Council Examinations on behalf of the Engineering Council.

## **Equal opportunities**

City & Guilds fully supports the principle of equal opportunities and we are committed to satisfying this principle in all our activities and published material. A copy of our equal opportunities policy statement is available on the City & Guilds website.

## **Copyright**

The content of this document is, unless otherwise indicated, © The City and Guilds of London Institute 2009 and may not be copied, reproduced or distributed without prior written consent.

However, approved City & Guilds centres and learners studying for City & Guilds qualifications may photocopy this document free of charge and/or include a locked PDF version of it on centre intranets on the following conditions:

- centre staff may copy the material only for the purpose of teaching learners working towards a City & Guilds qualification, or for internal administration purposes
- learners may copy the material only for their own use when working towards a City & Guilds qualification

The *Standard Copying Conditions* on the City & Guilds website also apply.

Please note: National Occupational Standards are not © The City and Guilds of London Institute. Please check the conditions upon which they may be copied with the relevant Sector Skills Council.

## **Publications**

City & Guilds publications are available on the City & Guilds website or from our Publications Sales department at the address below or by telephoning +44 (0)20 7294 2850 or faxing +44 (0)20 7294 3387.

Every effort has been made to ensure that the information contained in this publication is true and correct at the time of going to press. However, City & Guilds' products and services are subject to continuous development and improvement and the right is reserved to change products and services from time to time. City & Guilds cannot accept liability for loss or damage arising from the use of information in this publication.

## **City & Guilds**

**1 Giltspur Street**

**London EC1A 9DD**

**T +44 (0)844 543 0000 (Centres)**

**T +44 (0)844 543 0033 (Learners)**

**F +44 (0)20 7294 2413**

**[www.cityandguilds.com](http://www.cityandguilds.com)**

**[learnersupport@cityandguilds.com](mailto:learnersupport@cityandguilds.com)**

# Contents

## Unit 384 – Business concepts 3

Assignment A

Introduction – Information for Candidates	2
Level 3 Business concepts 3 (7540-384)	3
Candidate Instructions	3

# Level 3 Business concepts 3 (7540-384)

## Assignment A

### Introduction – Information for Candidates

#### About this document

This assignment comprises all of the assessment for Level 3 Business concepts 3 (7540-384)

---

#### Health and safety

You are asked to consider the importance of safe working practices at all times.

You are responsible for maintaining the safety of others as well as your own. Anyone behaving in an unsafe fashion will be stopped and a suitable warning given. You will **not** be allowed to continue with an assignment if you compromise any of the Health and Safety requirements. This may seem rather strict but, apart from the potentially unpleasant consequences, you must acquire the habits required for the workplace.

#### Time allowance

The recommended time allowance for this assignment is **two hours**.

# Level 3 Business concepts 3 (7540-384)

## Candidate Instructions

**Time allowance: 2 hours**

### Assignment set up:

This assignment is made up of **two** tasks

- Task A – Perform financial analysis
- Task B – Describe company requirements under current legislation

### Scenario

You work as a finance assistant for Bradwins Ltd a company that owns a depot which supplies wholesale goods to retail shops.

The company currently has a mini computer which is over 20 years old. The computer is used for stock control and financial computing eg payroll, ledgers. There is a contract which is renewable annually for the maintenance of the computer which costs £20,000 per annum plus the cost of labour. The cost of labour has been escalating in recent years and for the previous year was £8000. There is insurance cover for the computer which costs £2500 a year.

The company has just been purchased by new owners. The new owners feel the costs of running the legacy computer system are very high and it would be cheaper to purchase a new computer system based on PCs. The PCs could also be used for everyday office work such as word processing.

Having investigated some systems on the market, the owners have found that for £30,000 they can purchase and install a computer system which has ten PCs linked together via a network and includes two PCs which have cash registers attached. The cash registers would automatically price the goods and reduce the stock figures. The stock control software is included in the price of the system. The payroll, accounting and the minimum office software would need to be purchased at a cost of £3000. The insurance cover for the new computer system would be £800 per annum.

The cost of training employees for the new system would be £5000. Costs of £4000 have been identified for transferring the data to the new system. It is estimated that the increase in productivity would be £6100 over a year.

You have been asked to perform financial analysis for the company and describe the responsibilities required by current legislation.

<b>Profit and loss account</b>	£
Turnover	11,472,306
Cost of sales	(10,694,208)
	-----
<b>Gross profit</b>	<b>778,098</b>
Distribution costs	(133,465)
Administrative expenses	(632,959)
Other operating income	15,364
	-----
<b>Profit/(loss)</b>	<b>27,038</b>

<b>Balance sheet</b>	£	£
<b>Fixed assets</b>		
Tangible assets		733,070
Investments		76,486
		-----
		<b>809,556</b>
<b>Current assets</b>		
Stocks	744,776	
Debtors	698,440	
Cash in hand	1,040	
	-----	
	<b>1,444,256</b>	
<b>Creditors</b>	<b>(1,563,274)</b>	
	-----	
<b>Net current liabilities</b>		<b>(119,018)</b>
		-----
<b>Total assets less current liabilities</b>		<b>690,538</b>
		=====
<b>Capital and reserves</b>		
Called up share capital		663,500
Profit and loss account		27,038
		-----
<b>Shareholders' funds - equity</b>		<b>690,538</b>
		=====

Read all of the instructions carefully and complete the tasks in the order given.

## Task A – Perform financial analysis

- 1 Use the data given in the scenario to create a costs and benefits analysis table for the new computer system. The period over which the benefits are to be calculated is 12 months.
- 2 Calculate the payback period showing the formula you have used.
- 3 Use the profit and loss account and balance sheet given in the scenario to provide the
  - a) Return on Total Assets (ROTA)
  - b) Return on Capital Employed (ROCE).

Show the formula you have used in each case.

## Task B – Describe company requirements under current legislation

- 1 Give **four** actions which a company must perform to meet the requirements of the Data Protection Act.
- 2 Give **four** health and safety responsibilities of a company.
- 3 State **two** responsibilities of Directors in a private limited company.
- 4 Give a brief description of **each** of the following security measures that can be used to comply with legislation to maintain integrity of data.
  - a) Physical locks.
  - b) Logical lock.
  - c) Back-up.
  - d) Virus checking.
  - e) Firewall.

When you have finished working:

- Sign each document above your name and label all removable storage media with your name.
- Hand all paperwork and removable storage media to your assessor.

If the assignment is taken over more than one period, all paperwork and removable media must be returned to the test supervisor at the end of each sitting.

**End of assignment**

---

**Published by City & Guilds**

**1 Giltspur Street**

**London**

**EC1A 9DD**

**T +44 (0)844 543 0000 (Centres)**

**T +44 (0)844 543 0033 (Learners)**

**F +44 (0)20 7294 2413**

**City & Guilds is a registered charity  
established to promote education  
and training**