



Module 02

Numeracy Skills

LEARNER GUIDE

Fundamental



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1. Introduction

The primary purpose of The National Certificate in Banking Services Advice is to provide learners with the fundamental understanding, sound knowledge and relevant skills to comply with the requirements of the regulations under the FAIS Act to enable them to offer financial advice to clients in the banking sector. The successful learner will be able to be accredited as a fit and proper person to render financial advice in the banking sector in terms of the Regulations under the FAIS Act.

This qualification also aims to provide qualifying learners with the basic competencies and skills necessary to apply the basic principles of banking to the operations of any sector of the financial services sector to the benefit of the domestic economy.

This Qualification is for learners who:

- ✓ Have worked in one of the sub-sectors of the Financial Services industry for many years, but have no formal Qualifications in their area of specialisation.
- ✓ Wish to extend their range of skills and knowledge of the industry so that they can become knowledgeable workers in the industry.
- ✓ Are in a learnership agreement with the BANKSETA.
- ✓ Have recently taken up a position in banking .
- ✓ Require a Level 5 Qualification for licensing purposes with the Financial Services Board (FSB)

The qualification will empower learners to acquire knowledge, skills, attitudes and values required to operate responsibly in the banking sector.

Rationale:

The Financial Advisory and Intermediary Services (FAIS) Act, (Act 37 of 2002) was instituted to regulate the standard of financial planning services within the financial services sector. This Act requires all financial advisers to become licensed practitioners in the field. The Act prescribes that everyone providing services within the auspices of financial advisory and intermediary services needs to comply with the necessary regulations and, therefore, needs to be qualified at the required levels in order to offer such services.



Financial advice and services are provided by both the insurance industry and the banking sector. Some employees in banks offer insurance product-related advice to clients as their core functions. In addition to these, as part of banking services to clients, banking personnel such as tellers, advisers and consultants are required to offer and consult on financial services and, therefore have to comply with FAIS regulations. It is estimated that 40% of people within the banking sector will have to comply with the fit and proper regulations of FAIS. This National Certificate has thus been established to address this need.

The National Certificate in Banking Services Advice aims to give all learners a fundamental understanding of FAIS requirements and other relevant legislation as well as foundational knowledge and skills required for financial planning and for providing financial services of all kinds. The Qualification also introduces the learner to basic accounting and provides him/her with banking concepts, techniques and principles.

Learners obtaining this qualification will have a firm foundation of knowledge of the banking sector and will have the necessary skills to secure a career in banking and embark on a path of lifelong learning at higher levels in banking or other fields in the financial services sector.

This National Certificate was designed to accommodate the skills needs of banking employees and address compliance with the FAIS Act within the banking services sector. Therefore, this qualification is broad based in that it accommodates any type of learner wishing to be employed in the banking sector, particularly the frontline banking staff within retail banking who have to provide a `one-stop` service (banking and/or financial planning) to their clients.

The banking industry because of the fact that it works with other people`s money is a specialized one that demands a labour pool of honest, ethical employees. This National Certificate aims to develop learners with those attitudes and values. The qualification will also give learners the opportunity to practice the skills they have learnt and apply the knowledge they have gained to their respective workplace (real or simulated) environments.

The intention is:

- To promote the development of knowledge and skills that are required in Banking and specifically for giving financial advice.
- To release the potential of people.
- To provide opportunities for people to move up the value chain.
- To provide opportunities for lifelong learning for people who work in banking as the



skills, knowledge, values and attitudes reflected in the Qualification are building blocks that can be developed further at NQF Level 6.

The Learner Pack for this module contains the following documents/prescribed

- books: Learner Orientation Guide
- Learner Guide
- Prescribed Material
- Portfolio of Evidence
- WIL Logbook

2. Module Introduction

The module introduction with the facilitator will cover:

- ✓ The necessary calculations relating to the financial advice given to clients are performed correctly and presented in such a way that they are logical and understood by the client
- ✓ Calculations required to perform routine work in the workplace are performed accurately and on time.
- Overview of the module, including tasks and activities - expectations
- Timetable

The Learner Guide

- The Learner Portfolio of Evidence
- Assessment: The importance of completing all tasks in the PoE; the neat and orderly submission of evidence in the PoE; all forms completed and signed
- WIL Component
- The Summative Assessment



3. Purpose of the Module

4. Duration

Numeracy Skills : 16 contact hours to be completed in the **1st** semester.

Proposed Roll Out Strategy	Credits	Total Notional Hours	Theory (60%): Hours	Practical (30%): Hours	Group work/ Collaboration (10%)	Total Contact Sessions (40%): Total Hours	Work Integrated Learning (10%): Hours	Portfolio of Evidence (65%): Hours	Study /Research (25%): Hours	Total practical Sessions (60%): Total Hours	Assessments (5%): Total Hours
Numeracy Skills	16	160	64	112	144	96	144	56	120	64	152



5. Syllabus

Overarching Outcomes	Objectives	Content/ Subject Matter	Th	Practical		Learning Activity	Materials & Page No.
				PoE	WIL		
<p>Overarching Outcome No:</p> <p>ACs:</p> <p>The necessary calculations relating to the financial advice given to clients are performed correctly and presented in such a way that they are logical and understood by the client</p> <p>Calculations required to perform routine work in the workplace are performed accurately and on time.</p>	<p>Recognize and manage the items on a bank statement and check a bank statement for accuracy.</p>	<p>Types of withdrawals and deposits shown on a bank statement are identified and listed as debits or credits.</p> <p>The cost of each type of transaction is identified on a bank statement and summarized in a table.</p>	√	√		<p>PoE Activity 1,2:</p> <ul style="list-style-type: none"> 	Notes
	<p>Reconcile creditor statements and check for accuracy</p>	<p>The types of debits and credits on creditor's statements are investigated and listed from an authentic statement.</p> <p>The cost of credit on a typical creditor account is calculated as an annual percentage.</p>	√		√	<p>Class Activity 3,4,5</p>	Notes



SECTION B: ASSESSMENT

1. Assessment Strategy

The assessment activities will cover the outcomes required in order to achieve competence. The purpose of the assessment process is to gather enough evidence to prove all outcomes were achieved.

Competency will be assessed through formative and summative assessment activities which will require a fair amount of preparation, study and research. Assessment evidence should be sufficient to prove that the Learner is competent in all exit level outcomes.

A summative assessment will be conducted at the end of the module to confirm assessment judgments. Principles of fairness, validity, practicability, reliability and consistency must be adhered to throughout.

Module	Semester	Formative Assessment		Summative Assessment	
		PoE	Test	Theory Exam	FSA Practical
Numeracy Skills	2nd	✓	✓		✓

1.1 Formative Assessment

1.1.1 Portfolios Of Evidence

A learner must complete all assessment activities in the PoE, and be declared COMPETENT ["C"] in all PoE activities. Should a learner be found NOT YET COMPETENT ["NYC"], he/she is entitled to ONE extra opportunity to resubmit the work without penalty/payment.

Refer to the Assessment Policy for details of penalties/payments.

1.1.2 Tests

All learners need to complete one test per semester module (as per formal test week) as part of the formative process. Refer to the Assessment Framework (1.4) for the scope.

DURATION:	45 minutes
TOTAL MARKS:	50 marks
PASS MARK:	50 %

Learners do not need to pass the test as the mark obtained will not affect the final results for each learner. It does, however, form an important part of the formative process in order to prepare the learner for the Summative Assessment.

1.2 Summative Assessment

The summative assessment will assess learners on all the modules to determine whether all the assessment criteria for all outcomes have been met. At the end of each module, there is a Summative Assessment (Exam), which the learner must pass.

DURATION:	1 ½ hours
TOTAL MARKS:	100 marks
PASS MARK:	50 %
SUPPLEMENTARY:	0 – 49 %



1.3 Final Summative Assessment

Learners will be required to complete an Integrated Final Summative Assessment for this programme in the form of a practical exam and an exhibition, marked against a rubric.

DURATION:	Part A - 3 hours Part B - 3 hours
TOTAL MARKS:	Practical Exam -80 marks Exhibition - 20 marks
PASS MARK:	50 % to be declared Competent "C"
SUPPLEMENTAR Y:	0 – 49 % qualifies for a supp
	Exhibition mark obtained + Supp Practical Exam
	50 % to be declared Competent "C"

1.4 Assessment Framework

Module Name	Semester	Work to be Covered for Test/s	Work to be Covered for
Numeracy Skills	2 nd	All Formative assessment covered for this module	All Summative assessment covered for this module



1.5 Work Integrated Learning

This programme includes a compulsory Workplace Learning component. Workplace Learning provides important opportunities for professional and personal growth. It addresses specific competencies identified for the acquisition of the qualification, which relates to the development of skills that will make the learner employable and will assist in developing his/her personal skills. Refer to the WIL Policy for more details.

Learners must be assisted in finding placements, and attend an orientation session on WIL which must be completed before carrying out this component. Upon return from the WIL experience, learners must submit their WIL Logbooks in which they have been found competent.

1.6 Calculation of Final Results

The final results will be calculated as follows:

COMPONENT	WEIGHTING	<u>EXPLANATION</u>	EXAMPLE	
			Achievement	Results:
FA (POE)	45%	Student automatically get 45 here when they are declared "C" Competent	C	45
FA (Test)	5%	Learner must achieve 50% and above to pass the test. The mark is this low to ensure that a fail cannot cause a learners failure of the programme.	80%	4
SA (Exam)	50%	Learners must achieve 50% and above to pass the exam. The exam has a 50% weighting.	60%	30
SA (FSA)	Compulsory	Learners must be declared Competent "C" in the FSA.	C	C
WIL	Compulsory	Learners must be declared Competent "C" in the WIL Logbook / Practical's. Failure to do so will result in the non-certification of the learner!	C	C
TOTAL	100%	70% overall Pass (Required by	C	79%



2. The Portfolio of Evidence

A Portfolio is a collection of different types of evidence relating to the work being assessed. It is important that the evidence in the PoE meets the requirements of sufficiency and currency. The learner is responsible for the collection of evidence and the compilation of the portfolio. Once a PoE has been compiled, it needs to be assessed and moderated. (Please refer to the LOG for more information regarding the PoE)

It is the Learner's responsibility to make copies of the evidence inserted in the PoE which is kept safely as a back-up. When learners hand in their PoEs for the final assessment, please remember to have the 'Acknowledgement of Receipt' form signed; learners to receive a copy of this receipt. PoEs have to be stored safely at the campus for a period of 5 years.

It is required of the facilitator/assessor to provide formal written feedback on all assessed PoE activities, and the learner is expected to take note of these comments, and provide written feedback of their own.

Meeting deadlines is an important work ethic – so cultivate this skill while you are learning, and ensure that you hand in your assessments on time!

Remember that this is the 'showcase' of your knowledge and skills, and will be verified externally, so it should contain your best efforts!



3. Assessment Preparation Preparing the Learner for Assessment

How to prepare the Learner	Document Requirement	[√]	Action Required
Explain to the Learner why you are meeting and the purpose of the assessment.	NQF Framework Assessment process		Explanation
Ensure the Assessment plan in the PoE has been completed in detail.	Assessment strategy		Discussion
Explain the assessment process, discuss assessment instruments, and assessment conditions.	Assessment instruments		Explanation
Discuss the role-players during assessment.	Learners, Assessors, Moderator		Discussion
Describe the evidence required to be declared competent.	Examples of evidence		Facilitator to show examples of Evidence (good and bad examples)
Explain how evidence will be judged.	VACS criteria		Discuss principles of assessment
Explain to the Learner how to prepare evidence against outcomes and assessment criteria	SAQA qualification		Ensure understanding of outcomes and criteria
Confirm with the Learner what he/she should bring to the assessment (any Requirements)	PoE Activities		Discussion
Ensure that Learners understand the procedures of all assessment practices.	Appeals procedure Moderation Deferments Assessment		Signed Declaration of Understanding in PoE by learner
Ask the Learner if he/she foresees any problems or identify any special needs.	List of special needs in PoE (2.1)		Identify any special needs



Check with Learner that he/she clearly understands the assessment procedure	Declaration of Understanding in PoE		Questions from learners are answered
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4. Levels of Learning Activities

In doing learning activities with a view to obtaining the qualification, you are likely to come across the following words which ask you to do certain tasks in a certain way. The table below provides some explanation of what is expected of you when specific words are used in assessments:

Level	Description	Explanation
Low Order (Learners report on what they know or believe)	Recall	To remember or recollect
	Recount	To give an account of something: to describe something in your own words
	Describe	To explain or tell what you read or experienced
	True/False questions	To state "true" or "false" to specific questions
Middle Order (i.e. learners reorganise what they know)	Express an opinion	To give your own view or judgement about something, giving reasons as to why you hold that particular view
	Interpret	Explain the meaning of something
	Summarise	To state something in a concise manner; to sum up what the main ideas or content is of a particular topic
	Compare	To draw a comparison between two or more things by highlighting the differences and similarities between the different ideas/ approaches/ beliefs, etc.
	Translate	To restate something in a different, often simpler, language
	Exemplify	To provide an example of your opinion/ statement
	Categorise	To place something in a category (usually there are a set number of categories)
	Classify	As per 'categorise' above
	Apply	To give a practical example or illustration of a theoretical concept
	Extrapolate	To infer more widely from a limited range of known facts
High Order (i.e. learners develop new knowledge)	Specifying relationship	To name or mention expressly a connection or association of one thing
	Formulating hypotheses	To make a statement as a starting point for further investigation from known facts; to make a proposition as a basis for reasoning, without knowing the outcome
	Devising ways of listing	To come up with quantitative or qualitative methods for assessing the validity or otherwise of a specific idea/concept/belief



5. How to Conduct Research

You may be asked to 'conduct research' as part of a structured learning activity. What this means is that you need to find other sources of information about the topic and you will need to provide additional information in a coherent and summarised manner.

Below are some tips and techniques on how to conduct research:

- a) Get focused. You will be more effective in doing research if you know exactly what you want and why you want it. So, before you start, write a short sentence describing exactly what you want to find out and why.
- b) List all possible sources for finding out information. Be creative! Resources can usually be placed into three categories:
 - Hard copy (anything you can pick up, such as newspapers, books, technical manuals, etc.)
 - People (interviewing experts in certain fields)
 - Auditory and visual media (internet, radio, TV, etc.)Be specific. Don't just put down 'internet' as a source; instead, list the specific websites which may be helpful. For people resources, put down the names of the specific people who could be useful sources of information. Once you have identified different sources of information, highlight three to five sources that you believe will be the most useful to you. Now focus on those!
- c) Hunt with a purpose. Once you have decided on your most likely sources of information, gather information from those sources. Don't get sidetracked into irrelevant (but often very interesting) details. Refer back to your short sentence [a] to make sure that you stay focused.
When obtaining information from hard copy, it is often useful to go straight to the index to find what you want. When obtaining information from people, compile a list of the questions you want to ask them. Be very clear and concise in your questioning, and don't take too much time.
- d) Stop when you have enough information. Easier said than done! Most people fall into one of two traps:
 - Obtaining too little information, usually from a single source
 - Obtaining too much information and subsequently getting bogged down in a mass of dataYou have enough information when you can answer your short sentence formulated in [a], referring to more than one source.
- e) Organise your information carefully. Don't be afraid to discard what you don't need. It is unlikely that you will need all the information that you have gathered.
- f) Credit your sources. Copying something without referring to the source is called plagiarism (academic cheating!) However, if you acknowledge your source then you can copy as much as you like (but remember to quote copied sections by using inverted commas), and state who you are quoting. It is good practice to provide the name of the author, the paper/book/source in which you found the information and the year of publishing available.



6. Plagiarism

The following is regarded as plagiarism; thus making you guilty of not submitting authentic work:

- a) No copies are allowed to be made of the prescribed text books – be it in part or the complete book.
- b) Submitting another’s published or unpublished work, in whole, in part, or in paraphrase, as one’s own without fully and properly crediting the author with footnotes, citations or bibliographical reference.
- c) Word-for-word copying of sentences or whole paragraphs from one or more sources (the work or data of another person) or presenting of substantial extracts from books, articles, theses, other unpublished work such as working papers, seminar and conference papers, internal reports, lecture notes or tapes, without clearly indicating their origin.
- d) Submitting as one’s own, original work, material obtained from an individual or agency without reference to the person or agency as the source of the material.
- e) Submitting as one’s own, original work, material that has been produced through unacknowledged collaboration with others without release in writing from the collaborators.
- f) Copying computer files, algorithms or computer codes without clearly indicating their origin.
- g) Submitting work that has been derived, in whole or in part, from another learner’s work by a process of mechanical transformation (e.g. changing variable names in computer programs).



SECTION C: ADMINISTRATIVE RESPONSIBILITIES AND LEARNER SUPPORT

1. Learner Registration Form & ID

Please refer to the end of the LOG (Learner Orientation Guide) for the Learner Registration Form. Ensure that you have completed it correctly, and that it has been submitted to your facilitator together with a certified copy of your ID/Passport.

2. Attendance Registers

You are required to sign the Attendance Register every day of attendance. Please make sure you sign every contact session attended.

3. Completion of Evaluations

During the semester, you will be expected to complete a number of evaluations. Please do so diligently, and provide constructive comments for improvement.

4. Learner Support

- You are responsible for your own learning – make sure you manage your study, practical, workplace and portfolio time responsibly
- Learning activities are learner driven – use the Learner Guide and the Portfolio Guide in the manner intended, and that you are familiar with the Portfolio requirements
- The facilitator is there to reasonably assist you during the contact session, practical and workplace time of this programme – make sure that you have his/her contact details
- Internet access: To assist in research projects or other assignments where the learner needs to gather information
- Assessment criteria: The learner should know at all times what the requirements and assessment criteria are
- Learners-at-risk to fail are identified during the semester, and support provided to such learners



SECTION D: LEARNING MAP

1. Learning Map

Each module comes with a learning map, which provides information on the content, duration, outcomes to be achieved and suggested activities to be completed.


The hours indicated are the maximum. If the material is covered in less time, the remaining time can be spent on revision prior to assessments or on practical assignment work. It is **essential** that learners gain **practical experience** during this module.

This module consists of **16** hours divided into units as indicated below. Please allow learners to complete activities in their PoE.

Topic	Reference	Hours
Recognize and manage the items on a bank statement and check a bank statement for accuracy.	Notes	100
Reconcile creditor statements and check for accuracy	Notes	60
	All chapters for revision	
Total Hours		160



<p>Topic: 01-Recognize and manage the items on a bank statement and check a bank statement for accuracy.</p> <p>Time allocation:</p>	<p>10 Hours</p>
<p>Learning outcomes: By the end of this section the student should be able to: Types of withdrawals and deposits shown on a bank statement are identified and listed as debits or credits. The cost of each type of transaction is identified on a bank statement and summarized in a table.</p>	

Activities:	References and Resources
<p>Activity One</p>  <p>Individual Reflection</p> <p>How do you feel about money?</p> <p>The purpose of this activity is to explore how you feel about money.</p> <p>Make a collage* using pictures from magazines, own drawings, cartoons, etc of how you feel about money, your own financial situation, and banking.</p> <p>AC1- The necessary calculations relating to the financial advice given to clients are performed correctly and presented in such a way that they are logical and understood by the client</p> <p>The facilitator should discuss the following content comprehensively:</p> <p>The necessary calculations relating to the financial advice given to clients are performed correctly and presented in such a way that they are logical and understood by the client</p> <p>Learners are required to do the following:</p> <ul style="list-style-type: none"> • Class activity 	<ul style="list-style-type: none"> • notes

Topic: 01-Recognize and manage the items on a bank statement and check a bank statement for accuracy.

Definition of a Credit:

“The amount of money entered in an account-book as **paid to** the owner.” (Oxford English Dictionary, Oxford University Press, 1979, ISBN 0-19-280012-4)

Therefore a credit is money that is deposited into (credited to) your bank account. Credits include deposits you make yourself, automatic deposits like direct deposit of salaries, and interest received by you from the bank.

So, the debits on the bank statement are amounts paid out by you, the account holder, and credits are the amounts paid into your account.

Note:

The statement the bank sends you reflects their bookkeeping, i.e. they are sending you a copy of their records. If you were keeping your own records, the debit and credit values would be reversed e.g. what is a credit for the bank is a debit for you and vice versa.

Statement follows on the next page...

Various types of bank accounts

Savings account

Safe places to put money away as these accounts are not subject to market volatility, but returns do not generally keep up with inflation. There are no facilities for your creditors (people you owe money to) to collect monthly installments from or for you to make cheque payments. However, it is a good vehicle for someone who cannot afford high bank charges. On this type of account you can make deposits, withdrawals, use ATMs and debit cards in stores. A debit card allows you to pay for goods and services as long as you have money in your account, but you can't borrow money. The advantage of this is that you don't have to carry money around with you.

Transmission account

This is a type of savings account with the additional benefit of making a limited number of cheque payments, and having regular amounts deducted from your account in the form of stop orders or debit orders to pay your creditors (people or business to whom you owe money). The cheques can be obtained through ATM's or call centers. With this account you cannot borrow money.



Cheque account / Current account


"The two most beautiful words in the English language are: 'Cheque enclosed'" –Dorothy Parker

In addition to the services provided by savings and transmission accounts, cheque accounts provide the account holder with a cheque book to make cheques out to their creditors. (A cheque is a written instruction authorized from yourself to your bank to pay money out of your account to the recipient (beneficiary) whose name has been written on the cheque). With some accounts guarantees are issued to the creditors for certain amounts, i.e. bank guaranteed cheques are issued whereby your creditor is assured that up to a certain amount the bank will pay up. Account holders also have the option of an overdraft limit (being able to exceed their cash limit in their account up to an agreed amount with the bank). Sometimes, bank charges are waived (not charged) on these accounts if a certain limit is maintained in the account.

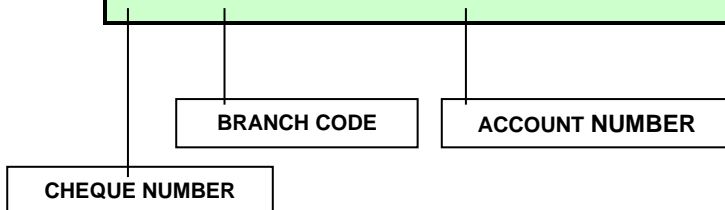


Writing cheques

Cheque fraud is widespread and it is therefore very important to know how to write out a cheque properly.


	WORLD BANK	10-05-24-56
JHB	Date	_____
Pay	_____ or Bearer	
the sum of	_____	
_____	R _____	
_____	M.Y.SELF	

:0026 :100524:	:5694031054	: 03



If you make out a cheque to BM Moloi or bearer, the bank will pay the money to anyone named BM Moloi, or any other person who gets hold of the cheque. The words "or bearer" are often pre-printed on the cheque.

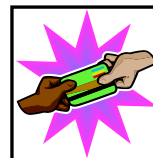
Complete the cheque overleaf:

 WORLD BANK JHB		10-05-24-56
Date _____		
Pay _____	or Bearer _____	
the sum of _____		
_____	R	
_____		M.Y.SELF

:0026 :100524: :5694031054 : 03		

If you cross out “or bearer” then you have ensured that only **BM Moloi** can cash in the cheque.

Credit Card Account



The bank grants the account holder a certain credit limit. He/she is able to spend money on the credit card up to that limit and repay the bank within the agreed interest rate (usually very high). This type of account is not advisable for someone who is an impulse buyer and spends money he/she does not have on things he/she does not need, but is very handy for emergencies. Credit cards are handy for positive account balances because the interest rate is higher than that of other accounts.



Automatic Teller Machines (ATM)

ATM's provide 24-hour access to banking facilities, including:

- Depositing facilities.

- Withdrawals.
- Paying accounts.

ATM safety:

- Pin Security (Pin codes are secret numbers given to customers to access their accounts):
 - Do not keep your pin code in the same place as your ATM card
 - Do not give it to anyone else – not even a family member or bank official
 - If you suspect that someone has your pin code, change it immediately
 - Do not use your pin code as your log on access for your computer
 - Do not use the same pin for all your banking activities – this allows a criminal to gain access to all your banking if obtains access to a single pin
 - Treat your pin as you would treat cash
- Women are most often victims of ATM criminals.
- Don't use ATM's in dark corners or in isolated spots, or when you have your mind on other issues.
- Place a limit on the amount of money that can be withdrawn from your account in a single day. If you need more on any particular day, you can draw this over the counter in the bank.
- If you are asked for help at the ATM machine, decline politely and refer them for help inside the bank. Criminals often ask for help and then switch ATM cards during the process.
- If your card appears to be jammed, phone the bank immediately and have the card cancelled. There are often emergency phones at the ATM or emergency telephone numbers. Criminals can create a blockage in the ATM so that they can steal your card as soon as you leave.
- Do not let anyone see you entering your pin code. If you feel blocked in or crowded, ask people to step back or leave the machine and return later. Also be aware that sometimes people are watching you enter your PIN number with binoculars.
- If you are at all suspicious of anything, delay doing your transaction.
- Always remember to remove your card, cash and transaction record.
- Report the loss of your ATM card immediately to have it cancelled.

If you are threatened at an ATM, rather let the criminals have your card, than be injured. But try to remember anything that will identify the offender (clothes, facial features, distinguishing features such as scars, height, weight, etc). Report the incident as soon as possible to the police and the bank.

What is credit? The word 'credit' is derived from the Latin verb 'credo', which means 'I trust' or 'I believe'. Taken literally, it means to place trust in an individual's ability to pay.



Credit therefore enables individuals, organizations and nations to take care of their current wants and needs by agreeing to pay later for goods or services purchased today.

Credit is not always bad. Sometimes we need to rely on others to assist us. The following quiz will launch you into the module on credit. It will look at your current values and attitudes towards loaning money from creditors. When you have been through the module, you may want to revisit this exercise to determine if your attitudes towards credit are healthy or are holding you back.

What are Credit Bureaus?

A credit bureau is a business that provides information on past credit behaviour to help companies make an objective decision in providing a credit facility to a customer.

Are Credit Bureaus necessary?

Think about it – would you lend large amounts of money to a stranger without any knowledge or reassurance that that person could and is willing to pay the money back?

Companies also need reassuring of a credit applicant's ability and willingness to pay back credit and they need independent factual information, which a credit bureau provides.

The credit bureau plays an essential role in making credit available to consumers and their access to lifestyle goods and services.

If credit granters could not access a bureau's information they would probably never provide credit or would only do so at a very high interest rate increasing the cost of goods and services for all customers.

What is a Credit Profile?

A credit profile is information about your credit history that is kept on computer by a credit bureau. It contains information such as your name, address, employer and identification number, which are the details you give when completing a credit application form and on your credit history such as where and how many times you have applied for credit: 'History of paying' habits – do you pay your accounts regularly and on time?

Credit bureaus do not store information on race. 85 percent of all TransUnion ITC's credit profiles are positive. A positive credit profile is an asset, which helps you buy things you need and want. A positive



credit profile assures the company from which you are attempting to buy, that you are a good credit risk.

Do Credit Bureaus decide who gets credit?

No. Each company has its own policy in terms of granting credit. It is not up to credit bureaus to grant credit. Credit bureaus only provide information on your credit profile to assist the company in making a decision.

Tips on managing your credit profile


- Budget. Never buy on credit without knowing if you can afford the payments. Ask the credit manager to show you exactly how much you will have to repay each month and for how long, depending on what you spend. Don't spend up to your credit limit; set your own limit.
- Try to keep credit repayments to between 20-30 percent of your income. If your income is R5000 per month, keep all your credit repayments to within R1000-1500 per month.
- Always pay your accounts on time, in full every month.
- Remember to always notify your creditors of any change in your address.
- If you cannot make payment, talk to the company concerned and make alternative arrangements to pay back what you owe.
- Never ignore a letter of demand for payment. If ignored, this could become a very serious reflection on your credit profile.
- Never ignore a summons to court for any non-payment. If ignored, this could become a very serious reflection on your credit profile.
- If your ID is stolen, report it to the police and send your case number and a copy of your police affidavit to TransUnion ITC. We will make a note on your credit profile to stop fraudsters from using your stolen ID to obtain credit.



Foschini Statement

statement / staat

ACCOUNT No REKENINGNR	STATEMENT DATE DATUM VAN STAAT	TOTAL DUE BEDRAG BETAALBAAR
9999-9999	12/01/2004	265,00



Mrs S Jones
P0 Box 99999
Johannesburg
2001

FOSCHINI

A division of / 'n afdeling van
Foschini Retail Group (Pty) Ltd
Reg. No./nr. 1988/007302/07

CUSTOMER SERVICES / KLIËNTE DIENSTE
☎ (021) 938-7666 / 0860-576576

✉ P.O. Box / Posbus 6489, Parow East / Oos 7501, RSA
Stanley Lewis Centre / Sentrum, 340 Voortrekker
Road / Weg, Parow East / Oos, 7500, RSA

E-MAIL / E-POS
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www.foschini.co.za

Page 1 of 1

ENCLOSE THE UPPER PORTION WITH POSTAL PAYMENT / STUUR BOONSTE DEEL TESAAM MET U POSBETALING.

DATE DATUM	REFERENCE VERWYSING	DESCRIPTION BESKRYWING	AMOUNT BEDRAG				
PAYMENTS THIS STATEMENT			425,00 CR				
6 MONTHS INTEREST FREE							
	BALANCE B/F		2 544,86				
13 DEC	330019 002235	PURCHASE	54,00				
19 DEC	000685 004325	PURCHASE	125,00				
23 DEC	000685 009527	PURCHASE	229,90				
03 JAN	000685 036639	PAYMENT	300,00 CR				
05 JAN	000685 004162	PAYMENT	125,00 CR				
05 JAN	000685 004161	PURCHASE	150,00				
12 JAN	000685	CLUB FEE	12,50				
12 JAN	000685	ACC. INSURANCE	15,00				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: right;">12 293,00</td> <td style="width: 25%; text-align: right;">450,00</td> <td style="width: 25%; text-align: right;">0,00</td> <td style="width: 25%; text-align: right;">265,00</td> </tr> </table>			12 293,00	450,00	0,00	265,00	2 706,26
12 293,00	450,00	0,00	265,00				
CREDIT AVAILABLE KREDIET BESKIKBAAR	INSTALMENT PAAIEMENT	OVERDUE AGTERSTALLIG	TOTAL DUE (BY 7TH)	BALANCE SALDO			

WHO NEEDS A MANSPOIL YOURSELF THIS VALENTINE'S DAY..

FOR YOUR CONVENIENCE...PAY YOUR ACCOUNT BY DEBIT ORDER. ENQUIRE AT YOUR NEAREST STORE.

Interest is charged on overdue accounts and extended credit at Usury Act rates, currently 1.83% p.m. (RSA) and 2.25% p.m. (Namibia).

Worksheet

Refer to Mrs. Jones’s Foschini Account Statement on the previous page.

Identify the types of transactions on Mrs. Jones’s statement, and place them in the table below according to whether they are debits or credits.

The first entry has been done for you.

Debit (Money going out of the account)				Credit (Money coming into the account)			
Date	Transaction	Amount	Ref No	Date	Transaction	Amount	Ref No
e.g. 13 Dec 2003	Purchase	R54-00	330019 002235				

**RESEARCH ASSIGNMENT FOUR FOR
PORTFOLIO OF EVIDENCE**



To gain credits towards this unit standard you need to show that you can balance your creditor's statements against your own records of purchases and payments.

1. Keep all your receipts and invoices from at least three of your creditors and show your assessor that you have reconciled these against your creditor's accounts. (Creditors include credit cards, shop accounts, cell phones, telephone, electricity and water accounts.)

Tips: Balancing your creditor accounts:

- Compare your monthly creditor statement against your receipts and invoices.
- Tick off the amounts on your creditor statement that match with your receipts and invoices.
- Check for any amounts that you do not have a record of, and query these with the relevant creditor.
- Check that you understand all the entries on the creditor statement – if not, query these with the relevant creditor.
- Check that the ending balance on your creditor statement is accurate according to all the transactions.

There are various risks involved if you do not thoroughly check your creditor's statements every month.

Activity 2

Personal Reflection



Answer the question below to gain a personal perspective on the module so far. This is a personal exercise, which you do not have to share with the group.



10 minutes

Suze Orman is a financial planner who does not only look at the financial implication of incurring debt.

She also looks at the emotional and psychological aspects. Consider the quote on the cover page of the learner guide: “Power and respect attract money, powerlessness and disrespect repel money”.

What does this quote mean to you in the context of your personal financial management skills?

Suze says that the first law of money is to respect others. If you do not respect the people to whom you owe money, you will have emotional baggage that will hold you back from achieving financial success

Have you ever wondered how the government can say the inflation rate is (for example) 10% when you know that this month bread cost R4.99 per loaf, milk cost R10.99 for 2 litres and mielie meal R40.99 for 12,5kg which were respectively R0.50, R2.50 and R2.00 more than you had paid last year? Let’s see if we can demystify the government’s logic.

Activity 3



Paired activity

Your facilitator will divide you into pairs. Work through the exercises that follow together. Your facilitator will be available to assist you as you work through these.

AC1- The necessary calculations relating to the financial advice given to clients are performed correctly and presented in such a way that they are logical and understood by the client



45 minutes

Before continuing, do you know what inflation is? Explain it below with your own example of what you could purchase with R1 ten years ago and R1 today.

Now calculate the actual inflation on these items:

Bread:

Old price = R4.49

New price = R4.99

Milk:

Old price = R8.49

New price = R10.99

Mielie Meal

Old price = R38.99

New price = R40.99

What was your company increase rate this year?

Do you know the average CPI¹ rate for the year?

Basic Inflation Principles

- A government body called Statistics South Africa based in Pretoria determines the inflation and Consumer Price Index (CPI) Rate for the country on a monthly basis.
- They do this by comparing the prices of some 600 goods and services, which are said to be placed in an imaginary shopping basket. Each of these commonly used goods or services are given a “weight” (i.e. the percentage of disposable income spent on each item) which is determined by surveys of household expenditure. See some of the weightings of these items below:

	Weights (%)
Food	18,2
Nonalcoholic beverages	0,82
Alcoholic beverages	1,18
Cigarettes, cigars and tobacco	0,95
Clothing and footwear	4,76
Housing	24,07
Fuel and power	3,11
Furniture and equipment	3,94
Household operation	4,69
Medical care and health expenses	5,95
Transport	14,74
Communication	3,06
Recreation and entertainment	2,38
Reading matter	0,74
Education	2,04
Personal care	3,06
Other	6,49
TOTAL	100,0

- The prices of the goods and services are calculated monthly (although some prices, such as cigarettes and alcohol are only calculated every three months, and others such as housing and education are calculated annually).



- This is done by sending questionnaires to more than 300 cafes, supermarkets and stores randomly selected.
- Therefore the consumer price index is an index of the prices of a “representative” basket of goods and services bought by the average consumer. Most debates about the inflation rate will result around what is representative. To one household mielie meal may be the staple diet, and to another imported cereal is the order for the morning. Can you see if mielie meal prices rise by 7% and imported cereal by 15%, there may be discrepancies between the two households about what the inflation rate is? Other factors which could affect the price of cereal are crop failures due to droughts, floods, pests, strikes in the service chain, increases in the petrol price to get the cereal to the market, etc.

What are the 16 most important services and commodities in your household?

Use the table below, and compare these with your partner's list:

Bond Repayment		Vehicle Finance		Mealie Meal	
Home Rental		Petrol		Cereals	
Electricity and water		Vehicle maintenance		Pastas and Rice	
Municipal Levies		Public Transport		Poultry	
Other Home Levies		Vehicle insurance		Meat	
Security		Parking		Soya Products	
Home Insurance		Child care services		Fresh Vegetables	
Household and Garden Cleaning Services		Medical Aid		Frozen Vegetables	
Telkom rental and usage		Retirement Funding		Fresh Fruit	
Cellphone pay as you go or contracts		Funeral Schemes and Societies		Milk	
Clothing		Education		Bread	
Entertainment		Life Insurance		Tinned Foods	
Holidays		Medical Care		Baby Foods	
Fire wood		Household detergents		Cigarettes	
Paraffin		Household furniture		Alcohol	
Gas		Pet products		Lotto	



Do you see that different people have different needs?

Calculating inflation:

If a trolley of goods cost R100 last year and that same trolley of goods cost R120 this year, we would agree that inflation is 20% Right?

Calculated as follows:

$$\frac{\text{Higher amount} - \text{Lower amount}}{\text{Lower amount}} \times 100$$
$$= \frac{120 - 100}{100} \times 100$$
$$= \underline{20\%}$$

But if we inspect the trolley closer, there are some things to consider:

- Do all of the items increase by exactly the same amount?
- And do they all have the same weighting, i.e. do we spend the same amount of disposable income in these items?

Assume there are three things in this trolley; Item A, Item B and Item C.

ITEM	LAST YEARS PRICE	THIS YEARS PRICE	PERCENTAGE INCREASE
A	R10	R15	50%
B	R20	R22	10%
C	R1	R2	100%

If you spent an equal amount of your disposable income on each of these items your inflation this year would be $50 + 10/3 = 53,5\%$. However, it is likely that your income is spread over these items, perhaps as in the table below:

ITEM	LAST YEARS PRICE	THIS YEARS PRICE	PERCENTAGE INCREASE	% income spent on each item
A	R10	R15	50%	30%
B	R20	R22	10%	50%
C	R1	R2	100%	20%

Therefore, inflation on this trolley of goods can be calculated as follows:

$$\begin{aligned}
 & (\% \text{ of income spent on Item A} \times \text{price increase of Item A}) + \\
 & (\% \text{ of income spent on Item B} \times \text{price increase of Item B}) + \\
 & \underline{(\% \text{ of income spent of Item C} \times \text{price increase of Item C})} \\
 & = (0.3 \times 50) + (0.5 \times 10) + (0.2 \times 100) \\
 & = \underline{40\%}
 \end{aligned}$$

This example demonstrates, in principle, the method used to determine the inflation rate in South Africa.

If a basket of goods costs so much more this time last year, what does the same basket of goods cost now?

Refer back to the beginning of the lesson. What did you define inflation as? Was it similar to this definition?

Definition of Inflation:

“Inflation is the sustained and significant increase in the general price level” –
Andre Roux, Everyone’s Guide to the South African Economy, 6th Edition.

Large group discussion



Brainstorm the consequences of inflation. Discuss what you can do to curb inflation. Get up and mingle. Discuss the items in your basket with other learners and find someone in the room who is most like you. Once someone is paired up, you will have to find someone else. Do you see that different people have different needs?



20 minutes

Activity 04

Paired activity



Your facilitator will divide you into pairs. Read the case study below, and then decide which options (1, 2, 3, or 4) would be best for Scenario One and Scenario Two. You will need to say why you have made your choices.



45 minutes

Case Study

Bond rates reduce to 11% with effect 1 August. The homeowners were paying the minimum of R2343.15 per month.

With interest rates reduced to 11%, homeowners can choose to bring payments down to R2064.38 – a saving of R279.00 or keep the same thereby reducing the capital portion of the debt.

Scenario One:

Mr. Motete:

Has no other debts. Has no other savings or investments.

Does he:

1. Use the extra R279 per month towards investments in equity-based returns (there are no guaranteed returns and markets can crash and have a negative return).
2. Use the extra R279 towards improving his lifestyle. Entertainment, clothing, etc.
3. Allocate the money towards the bond.
4. Put it in a savings account that has a guaranteed 8% return.

Substantiate your answer.

Scenario Two:

Mrs. Albon:

Has credit card debt of R10 000 that she is paying at 14%. A retirement annuity of R200 per month.

Does she:

1. Use the extra R279 per month towards investments in equity based returns (there are no guaranteed returns and markets can crash and have a negative return).
2. Use the extra R279 towards improving her lifestyle. Entertainment, clothing, etc.
3. Allocate the money towards the bond.
4. Put it in a savings account that has a guaranteed 8% return.

Substantiate your answer.

Now read the article on the following page and see if it changes your mind in any way.

Should You Pay Off Debt or Invest in Savings?

The decision to eliminate your debt or put your money into savings is a tough one. There are many variables to consider before making the best decision for your situation.

When you're working on a budget, a common question is whether to use your excess cash to rid yourself of debt or build up your next egg. Financial experts agree that savings is an important part of every budget and most recommend putting aside 5% - 10% of your income each month for savings. Is this a good idea when you're in debt? It's an important decision to make. While having a savings account is a way to plan for the future, becoming debt free is an excellent strategy for creating long-term financial health.

Interest Rates

Take a look at your savings account statements to see how much interest you're earning. Now take a look at your creditor's statements for the debts you have. If you're like most people, you're probably being charged more interest on your debts than you're earning on your savings. When you're deciding between paying off debt or investing in savings, the best choice depends on the interest rate of each account. For example, if the interest rate on your debt is 13%, you would have to find a savings option with an interest rate equal to or greater than that to clearly make investing in savings a better choice. Don't forget that earnings on your savings are taxable, so depending on your tax bracket, your earnings rate is even lower.

Review Your Debts

An easy way to get a big picture view of your debts is to write them down. Make a list of your debts by creditor name, amount owed, and interest rate. List them in the order of highest interest rate to lowest interest rate. Your list may look something like this:

Creditor	Amount Owed	Interest Rate
The Best Department Store	\$1,042	21%
G&M VISA	\$3,918	13%
A1 MasterCard	\$707	9%



Mom & Dad	\$328	0%
-----------	-------	----

The first thing you should notice about this list is the high interest rate on the department store account. If you're only making the minimum payment of 2% - 3% of the balance each month, it will take you over 12 years to pay off this debt. Clearly, this is the debt that you should focus on first. Ways to eliminate this high interest debt include:

- Putting the card away so you don't put additional charges on it.
- Paying more than the minimum amount due each month.
- Transferring the balance to one of your lower interest rate cards.
- Getting a lower interest rate debt consolidation loan.
- Enrolling in a credit assistance program.
- Borrowing money from family or friends.

Revolving vs. Installment Accounts

After you look at the interest rates on your debts, it's a good idea to look at the type of debt you're carrying. Revolving accounts, like credit cards, can be more difficult to manage because you can continue to add more debt while the payments can go on indefinitely. Installment accounts, like most personal loans, have a fixed payment amount for a fixed length of time. Typically, it's a good idea to focus on paying off revolving accounts first.

If there's no added fee for paying off your installment loans early, you may want to focus on them next. If you'll be charged a prepayment penalty, or if you'd prefer to stick with the original payment plan, this is a good time to invest in savings. If you have home equity debt, it may be wise to continue carrying this debt once it's tax deductible.

It's Your Choice

So far it may sound as if paying off debt before investing in savings is the best option. Keep in mind, most financial experts recommend budgeting 5% - 10% of your income each month for savings. They also recommend having three to six months' worth of living expenses in an emergency fund. So what should you do? Here are the options so far:

- Pay off debt before investing in savings.
 - This will look good on your credit profile, but you won't have a financial cushion if you need it.
- Make the minimum payment required on your debt and create a savings account.
 - This will give you a financial cushion, but it will prolong the life of the debt and may cost you more money in the long run.
- Find a balance between paying off debt and investing in savings.
 - Paying off debt now while working toward building a savings puts you in control of your money. You may want to pay slightly more than the minimum payment required on your debt and put the rest in savings.



RESEARCH ASSIGNMENT SIX FOR PORTFOLIO OF EVIDENCE

In the past if you had a home loan, you could not access the capital that you had accumulated. If you needed to borrow more money you had to apply to extend your bond. The resulting charges were pricey and the process was tedious. With access bonds you instruct the bank to deposit the money into your cheque account and its there in 24 hours.

An Access bond is will allow you to pay surplus funds into your home loan account and earn (tax free) interest on this at home loan rate. You may withdraw the difference between your original loan balance and the current outstanding balance without any notice period.

Investigate the advantages and disadvantages of this type of scheme. Think about this critically and present them in a table. You may want to research these in newspapers, or the Internet. Speak to people who have used this option (remember to include their interviews in your POE. Some suggested references:

- Minton, Iona – “Financial Fitness for Women (and the men who count on them)”

Then make a decision for your own circumstances. Should you apply for an access bond or not for your home loan (if you have one or when you do take a bond one day)? Substantiate your answer.



RESEARCH ASSIGNMENT SEVEN FOR PORTFOLIO OF EVIDENCE

Show the assessor how this workshop has impacted on your life and how you will make changes to your personal expenditure by creating an action plan. Start by showing what strengths and weaknesses you have identified in your personal money management by completing this workshop.

Then look back at the collage you presented in the introductory module. Is this the picture you want for your future? Create a mental picture of the future you want and state what your financial goal is.

Create an action plan to achieve that goal.



INDIVIDUAL REFLECTION



Time: 20 minutes

Which assessment criteria from the unit standard are covered in this module?

What natural forms of evidence do I have that I can include in my Portfolio of Evidence that relate to these assessment criteria?

How can I practically apply the lessons learned back to the workplace and my life?

Skills to improve during the next week.

CONCLUSION

Congratulations. You have concluded the workshop based part of this programme.

In training and education the assessor, the trainer and the learner strive to reach the successful completion of the outcome. If you apply the competencies you have acquired you will be able to produce the outcomes of this unit standard.

You must now build your POE. Meet with an assessor to discuss the time frames for delivery and the evidence that will be required to obtain the credits for this unit standard.

A POE contents form is inserted in this learner guide to assist you in compiling your POE.

Include all the activities from this learner guide in the POE.

IF you have any other evidence you may want to include the in your POE too:

- Copies of other certificates of previous financial planning and financial management workshops that you have attended.

Evidence of budgets you keep, balanced bank or credit statements

Topic:02- Reconcile creditor statements and check for accuracy	
Time allocation:	6Hours
<p>Learning outcomes: By the end of this section the student should be able to:</p> <ul style="list-style-type: none"> ▪ Reconcile creditor statements and check for accuracy 	
<p>Activities: State how often Sunny in the case study above has to produce an income and expenditure account</p> <p>The facilitator should discuss the following content comprehensively: Calculations required to perform routine work in the workplace are performed accurately and on time.</p> <p>AC1- The necessary calculations relating to the financial advice given to clients are performed correctly and presented in such a way that they are logical and understood by the client</p> <p>Learners are required to do the following:</p> <ul style="list-style-type: none"> • Class activity 	<p>References and Resources</p> <ul style="list-style-type: none"> • notes



Topic: 02- Reconcile creditor statements and check for accuracy

Income and expenditure statements

Income and expenditure statements are a report of the money you made and the money that you spent during a period of time. You can do a statement for a month, a quarter or a year or any time period.

Definitions

1.1. Income

For the purposes of this module, income is defined as **money that has been made** within the time period of the statement. It is an important accounting concept to correctly account for income within the time period of the financial statement. This means that you should include in your income calculation money that you have made but not yet received. For example, if you were a trader and sold goods but had not yet received the money (because you had given your customer some credit terms) you should nonetheless include the sale as income for the period, even if the customer only pays you after the end of the period.

1.2. Expenditure

For the purposes of this module, expenditure is defined as **the costs that have been incurred** within the time period of the statement. As with the concept of income, you should accrue for expenditures incurred within the time-period even if you have not paid for them. If, for example, you were doing a household income and expenditure statement for the end of September and you had not received your water and lights bill nor paid it for September, you should nonetheless include it (or a reasonable estimate) in the income and expenditure statement for September. This ensures that you have an accurate statement of the real expenditures incurred within the period.

At the end of the income and expenditure statement, you subtract Expenditure from Income and the remaining portion is what an enterprise would call Profit. If expenditures were more than Income, the



negative difference is what an enterprise would call Loss.

1.3. The purpose of an Income and Expenditure Statement

The purpose of an Income and Expenditure Statement is **to clearly show how much money was made and how much was spent within a given time period**. Obviously, it is much better to have money left over when you subtract Expenditure from Income. Users of financial statements find them to be an endless mine of information on which they can base realistic business and economic decisions. Legislation requires that when doing the financial statements of a company, certain specific requirements regarding the disclosure of information must be met. According to the Companies Act 61 of 1973 a company's financial statements have to be drawn up in accordance with generally accepted accounting practice (GAAP) as well as the specific requirements of schedule 4. In this module you are not expected to know the specific requirements but an awareness of the common elements will assist you in understanding financial statements.

CASE STUDY 4: The Income and Expenditure Statement of a private individual.

Sunny is a private individual who works in an office as a consultant. She wishes to obtain a loan from Big Sharks bank to finance the purchase of a new car. Big Sharks has requested that Sunny produce an income and expenditure statement to demonstrate to them that she has the income necessary to meet the repayments of the loan which amount to R1000 per month.

Sunny has drawn up the following statement:

Statement of Income and Expenditure for Sunny

For the period 1 Jan 2003 to 31 Dec 2003

Income	R
Annual Salary after Taxation	100,000
Expenditure	
Bond Repayments on House	R30, 000
Food	R20, 000
Clothing	R5, 000
Water & Lights	R5, 000
Telephone	R2, 000
Entertainment	R4, 000
	<hr/>



Funds Remaining

R26, 000

From this statement, Big Sharks bank can easily see that Sunny has sufficient money left over after her expenses have been deducted to meet the loan repayments. (12 x R1, 000 = R12, 000 per annum)

Normally an individual is only required to produce a statement like this either for, as in the case study, a bank loan or sometimes when completing a tax return. There is no requirement for an individual to produce the statement on an annual basis as required for companies by the Companies Act of 1973.

It is, however, a good personal management tool and a wise person would compile such a statement and keep a good eye on it on a regular basis.

Exercise 4.1

State how often Sunny in the case study above has to produce an income and expenditure account

Case Study 4.2: The Income and Expenditure Statement of a company

FLAVAZZ Ltd

Flavazz Ltd produces the chemical flavours used to flavour foodstuffs. They have been in operation since 1958 and continue to run as a family owned private business. Because they are incorporated as a company, they are required to produce Annual Financial Statements. Interested parties, such as the owners of the company, clients and suppliers who do business with them and SARS, the Receiver of Revenue, may review these financial statements and make decisions on the results accordingly.

Flavazz Ltd
Statement of Income and Expenditure
For the period 1 September 2002 to 31 October 2003

	<u>R</u>
Sales	1,500,000
Less: Purchases	700,000
Gross Profit	<u>800,000</u>
Less: Expenditure	
Accounting Fees	1,200
Cleaning Materials	5,000
Computer Expenses	20,000
Motor & Travel	50,000
Rental of Factory Premises	200,000
Stationery & Office Expenses	20,000
Staff Refreshments	10,000
Salaries	400,000
Staff Training	1,000
UIF	4,000
Workman's Compensation	4,000
Net Profit	<u><u>84,800</u></u>

The Accountant for Flavazz Ltd is responsible for ensuring that the figures contained in the Statement of Income and Expenditure are accurate and reflect a true position of the finances of the company. The Accountant must also produce these financial statements annually after the year end (which in Flavazz Ltd's case is the 31 October)

Exercise 4.3

Indicate how often income and expenditure statements are required for companies

Sources of income and expenditure

Income and expenditure sources are as varied as the types of industries and businesses in operation. People too, derive their income and spend their money in all possible ways. The ways of income are many and varied: it is your task to identify these in the financial statements and be able to recognise the income from the costs.

CASE STUDY 4.5: Teddy's Toys Inc

Teddy's Toys has a shop in a shopping mall. They sell toys, educational devices and children's party tricks. Teddy, the proprietor, has had the following statement of income and expenditure prepared for tax purposes.

AC 2-Calculations required to perform routine work in the workplace are performed accurately and on time.

Teddy's Toys Inc

Statement of Income and Expenditure

For the period 1 March 2002 to 28 February 2003

	<u>R</u>
Sales	150,000
Cost of Sales	50,000
Opening Stock	5,000
Add: Purchases	51,500
Less: Closing Stock	6,500
Gross Profit	100,000
Less: Expenditure	
Accounting Fees	1,200
Cleaning Materials	5,000
Computer Expenses	2,000
Motor & Travel	5,000
Rental of Retail Premises	20,000
Stationery & Office Expenses	2,000
Salaries	20,000
UIF	450
Workman's Compensation	200



Net Profit

44,150

In the case study above, expenditures incurred in generating sales include the purchases of goods for resale, called purchases. Note that purchases in accounting terms have a specific meaning: it means the costs incurred in acquiring goods for resale. It does not include other costs, such as the ones listed in the Expenditure section. These must be disclosed separately.

The Cost of Sales calculation, which is Opening Stock Add Purchases Less Closing Stock, is calculated and subtracted from sales to give Gross Profit. Gross Profit is an indication of the profitability of operations, not including other expenses and overheads. In a retail environment, for example, as the business purchases goods for resale, you would not include the cost of rental of premises. This is because it is counter-intuitive to directly attribute the cost of renting the shop to any given sale. It is therefore more logical to show rental of premises in the Expenditures section. This is not a hard-and-fast rule though: depending on the operating environment and the type of costing that is being done, in some cases it is possible to apportion a rental overhead to the cost of production.



Case Study 5.Ferry's Fast Foods

Ferry's fast foods is a vendor of burgers, fries, chicken and cold drinks. They cater mainly to the lunchtime crowd in the office park where their outlet is situated.

Below is a copy of Ferry's Fast Foods Income Statement prepared by their accountant for tax purposes.

Ferry's Fast Foods

Statement of Income and Expenditure

For the period 1 March 2002 to 28 February 2003

	<u>R</u>
Sales	350, 000
Add: Purchases	80, 000
Gross Profit	<u>270, 000</u>
Less: Expenditure	
Accounting Fees	1, 500
Cleaning Materials	7, 000
Motor & Travel	4, 000
Rental of Retail Premises	40, 000
Salaries	80, 000
UIF	450
Workman's Compensation	200
Net Profit	<u><u>136, 850</u></u>

Exercise 5.1

Identify the sources of income and expenditure for Ferry's Fast Foods

Case Study 5.1: Risk Insurance Consultants

Risk Insurance Consultants cater to the short-term insurance market. They sell policies for medical, motor and household insurance. They have an office in a city-centre office block.

Risk Insurance Consultants

Statement of Income and Expenditure

For the period 1 March 2002 to 28 February 2003

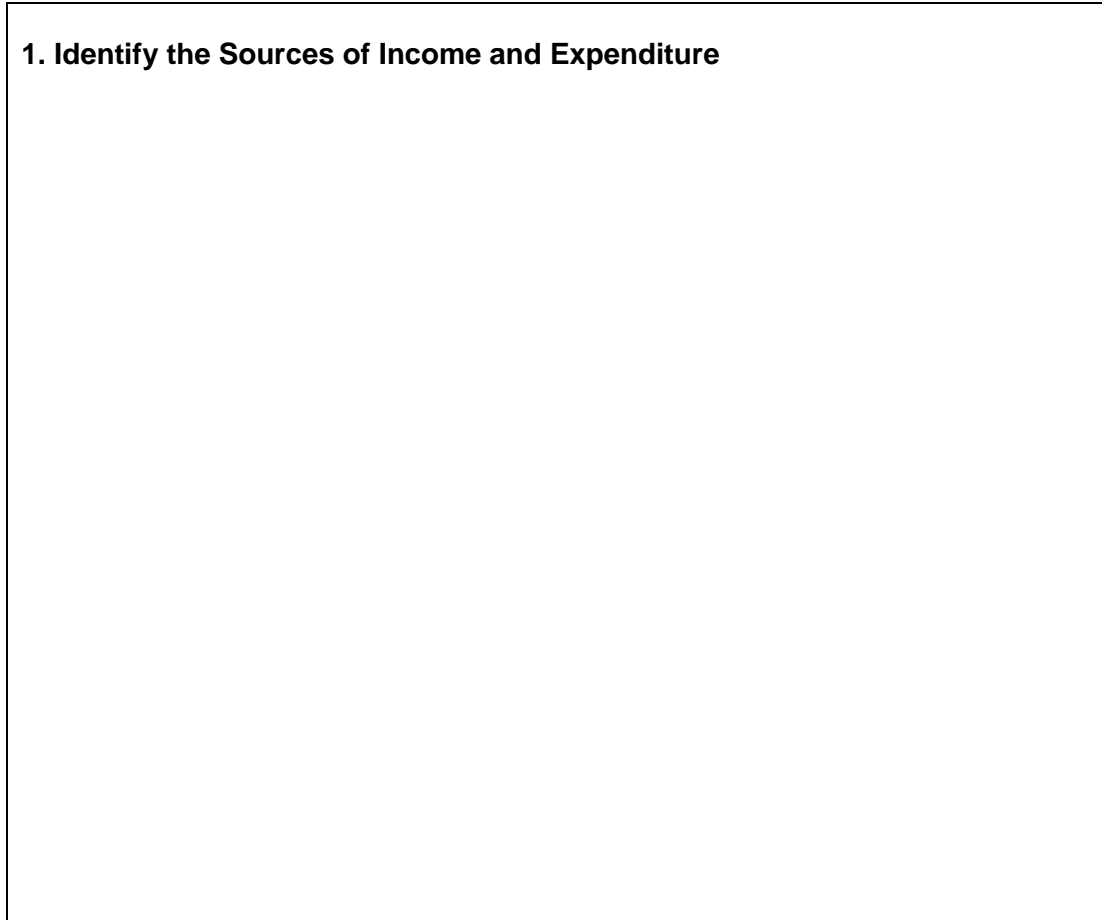
	<u>R</u>
Commission Received	350, 000
Less: Expenditure	
Accounting Fees	1, 500
Computer Expenses	20, 000
Depreciation	3, 000
Motor & Travel	24, 000
Rental of Office Premises	50, 000
Salaries	200, 000
Telephone & Internet	40, 000
UIF	3, 500
Workman's Compensation	3, 500
Net Loss	<u>(6, 500)</u>



Exercise 6

Firstly, identify the sources of income and expenditure for Risk Insurance Consultants and when you have identified these sources provide an explanation of each of these sources that you have identified.

1. Identify the Sources of Income and Expenditure



Financial Viability

The concept of the going concern is an important accounting concept. Financial Statements are usually prepared with the assumption that the enterprise is a going concern, without evidence to the contrary. This assumption implies that the business will continue its operations for the foreseeable

future.

Financial viability implies that:

- The concern will continue its operations in the foreseeable future.
- The enterprise is sufficiently profitable (or will be in the future) to continue its operations.
- There is inherent worth in continuing operations. This is related to the concept of ongoing profits. It is important to note that sometimes companies do not make a profit every year – especially in the first few years of operations. A businessperson would examine financial statements for their financial viability and also take a view on the inherent worth. A full assessment or analysis of a company does not just look at one year in isolation: many years of operational results need to be examined for a fundamental analysis.

Exercise 1.6

Examine Case Study 1.3 Teddy's Toys, Case Study 1.4 Ferry's Foods and Case Study 1.5 Risk Consultants. From the evidence evaluate whether the businesses are currently financially viable. You should look at the profit or loss each statement shows and decide whether the company is viable based on the evidence.

The purpose of a balance sheet

The purpose of a balance sheet is to reflect the financial position of a company or enterprise at a point in time. It is different from a statement of income & expenditure in that the balance sheet is as at a specific date, whereas the income statement is for a period of time. Usually, the income statement will cover, say, a financial year, and the corresponding balance will reflect the financial position on the last day of the year under review.

As part of the Annual Financial Statements, companies are required to produce Balance Sheets every year. Individuals need not prepare balance sheets unless requested to do so by a bank or the Receiver of Revenue.

Common Elements of a balance sheet

A balance sheet is separated into two distinct parts: The **Capital Employed** section and the **Employment of Capital** section. Based on the basic accounting equation $A=O+L$ (Assets = Owners



Equity + Liabilities), the two sections of the balance sheet reflect the calculation of the equation. Sometimes it is indistinct which part of the balance sheet belongs to which part of the accounting equation. In theory, the Capital Employed section represents the O part, in other words, the Owners equity part. The Employment of Capital section is made up of the other two parts, Assets – Liabilities.

It can be confusing as to why sometimes Liabilities especially, are shown in the Capital Employed part and not in the Employment of Capital. It is not within the range of this module to go into the complexities of long-term financing, but suffice to say that simply speaking, the money that the owner of a business puts into the business, or retains as profits, is shown in the Capital Employed Section, and the rest is shown in the Employment of Capital Section.

The Capital Employed section

The Capital Employed section reflects the money the owner has put into the business. This, as mentioned above, is the owner's investment in the operation.

It usually consists of the share capital of the business (if it is a company: certain forms of trading operations such as sole traders or partnerships, do not have share capital, but reflect the investment of the traders/partners.)

Share Capital

This is the Equity of the business. Usually, a company is incorporated with an authorised share capital that is divided amongst the owners of the business. These shares, as in publicly traded companies on the stock exchange, are tradable in certain circumstances and can be bought and sold. They reflect the division of ownership and profit sharing. If you own shares in a company, you are entitled to a share of profits in proportion to your share holding. Often, companies pay out profits from operations in the form of dividends. Note too, that a company is not forced to pay out dividends; the managers of the company may retain profits within the company to achieve and further the company's objectives. The board of directors must consider whether to pay out or retain profits, which has an impact on the trading price of the shares. Obviously (although this is not necessarily a direct relationship) the more that companies pay out in dividends, the happier shareholders will be and that would raise demand for shares, thereby increasing the share price.

Employment of Capital section

The term "employment of capital" means what has been done with the money that the owners of the business have invested in the operations. This is the calculation of net Assets less Liabilities.



A primary feature of a balance sheet, as indicated in the name of the statement, is that it **MUST** balance. If a balance sheet does not balance, it is not a balance sheet!

Notes to the Balance sheet

In terms of disclosure as required the Companies Act 61 of 1973, there are many items that are disclosed in a company's Annual Financial Statements. Often, how the figures that appear on the balance sheet are arrived at are shown in Notes to the Balance Sheet. An example of a common note would be the calculation of depreciation for Fixed Assets.

Exercise 7

Indicate how often balance sheets are required for the following two case studies:

Case Study 7.1. Orange Fruits Ltd

Orange Fruits Ltd imports and exports fruit. They are incorporated as a Limited Company. How often would they be required to produce a balance sheet?

The Analysis of balance sheets

Balance sheets are invaluable tools for the analysis of companies' net worth. By understanding and interpreting the clues within the balance sheet, the analyst can evaluate the value of the company, and make decisions accordingly.

The Concept of an Asset

Assets are things that the business owns. They can take the form of Fixed Assets, which are the things used in the production of income, like office furniture and equipment, motor vehicles, tools and machinery, or software on the computers, or Current Assets. Current assets are generally short-term collectibles and can be liquidated within a period of less than 3 months. Debtors, cash in bank, fixed deposits and suchlike, all comprise the company's current assets.

Note that particularly these days, fixed assets need not be physical assets. The special section of intellectual property laws allows that patents, copyrights, research and development and suchlike are regarded as intellectual assets, and as such do not have a physical presence, but do have a real value to the business.

An important implication of Fixed Assets is that the value of the asset is written down over a period of years through the calculation of the mechanism called depreciation. Depreciation is charged to the income statement as an expense. For example, the Receiver of Revenue allows that motor vehicles may be written down over a 4-year period. That means that the value of the car is charged to the income statement over four years. It is beyond the scope of this module to examine the complexities of depreciation in detail, but it is important for you to know that the value of Fixed Assets decreases with time through the calculation of depreciation.

In Summary:

Fixed Assets

- Last longer than 3 months
- Are depreciated according to the allowances permitted by the Receiver

Current Assets

- Last less than 3 months
- Are not depreciated

Exercise 8

Classify the following list of Assets into Fixed and Current Assets

<u>Asset</u>	<u>Tick For Fixed Assets</u>	<u>Tick for Current Assets</u>
A Chair		
Computer Software		
A Tractor		
Cash at Bank		
24-hour notice account		
A Debtor		
A Computer		
A Motor Vehicle		
A Building		
A Desk		
A Filing Cabinet		



The Concept of a Liability

Liabilities are debts that the company owes. This may take the form of an overdraft to the bank, creditors due for payment, or other loans the company may have taken.

Long-term Liabilities

Long-term liabilities of the company are reflected in the Capital Employed section of the balance sheet. These consist of debts that the company has acquired which have to be paid off in periods longer than the current year. An example would be the bond or mortgage loan on a property that the company purchased. Another example, in a listed company, would be debentures. These are special loan instruments that the company can issue to raise finance, and must be repaid to the investors.

Current Liabilities

Current Liabilities, like current assets, are short-term liabilities that are expected to be repaid within a period of three months. The most common current liabilities that you will see on a balance sheet are creditors or accounts payable, and bank overdrafts or short-term loans.

Exercise 9

Classify the following items into either long-term or current liabilities

Liability	Tick for Long-term	Tick for Current
Mortgage bond		
Accounts payable		
Bank overdraft		
Loan from owner's brother		
Finance agreement on Motor vehicle		

Crooked Al's Tobacconists Ltd

Crooked Al's Tobacconists have three retail outlets in shopping malls in Bloemfontein. They supply tobacco, cigarettes and smoking accessories to customers. Crooked Al's was incorporated as a limited company in 1993.

Examine the following balance sheets for Crooked Al's Tobacconists Ltd for the two years 2000 and 2001

Crooked Al's Tobacconist's Ltd

Balance Sheet as at 28 February 2001

R

Capital Employed

Share Capital	100
Retained Income b/f	30, 000
Add: Retained income from current year	195, 400
Net Retained Income	<u>225, 400</u>
Total Capital Employed	<u>225, 500</u>

Employment Of Capital

<u>Fixed Assets</u>	223, 000
Furniture & Fittings	10, 000
Office Equipment	13, 000
Computer Equipment	20, 000
Motor Vehicles	180, 000
<u>Current Assets</u>	5, 500
Cash	5, 000
Accounts Receivable	500
<u>Current Liabilities</u>	<u>3, 000</u>



Creditors	3, 000
Net Current Assets	2, 500
Total Employment of Capital	225, 500

Crooked AI's Tobacconist's Ltd

Balance Sheet as at 28 February 2002

R

Capital Employed

Share Capital

100

Retained Income b/f

225, 400

Add: Retained income from current year

50, 000

Net Retained Income

275, 400

Long Term Liabilities

Mortgage bond

203, 300

Total Capital Employed

478, 700

Employment Of Capital

Fixed Assets

481, 000

Furniture & Fittings

8, 000

Land & Buildings

300, 000

Office Equipment

8, 000

Computer Equipment

15, 000

Motor Vehicles

150, 000

Current Assets

2, 700

Cash

2, 000

Accounts Receivable

700

Current Liabilities

6, 000

Creditors

6, 000

Net Current Liabilities

2, 300

Total Employment of Capital

478, 700



Compare and evaluate the two balance Sheets for Crooked Al's Tobacconists for the two years. Discern what major activities have taken place in this time. Make decisions based on evidence in the balance sheet as to:

- Profitability
- Financial viability
- Ongoing prospects

The concept of cost to income ratio

The cost to income ratio is an important indicator of the value of the company. It is used a lot in investment analysis to ascertain how easily the company can increase profits. If the cost to income ratio is very low, it means that margins are small and that the company must increase turnover by large volumes to attain relatively small increases in profit.

The cost to income ratio is derived as follows

Net Costs

Income

Example 4.2.1

T-Square Inc has an annual income of R500, 000, derived from the sales of drawing equipment. Their net costs are R300, 000.

T-Square Inc's cost to income ratio is therefore

300, 000

500, 000 = $\frac{3}{5}$ (or expressed as a ratio, 3:5)

To interpret this: for every R100 worth of sales, T-Square Inc makes R40 profit. This means that in the current example, T-Square Inc made R200, 000 worth of profits from R500, 000 worth of sales.

The relationship between turnover, income, revenue, sales/earnings and profit

Turnover, income, revenue, sales/earnings and profit are all commonly used terms in accounting and finance. We will discuss and define each of these terms, and give examples to demonstrate how each of these is derived. We will develop the example of Freedom Life Insurance Corporation to demonstrate each of the terms to you

Turnover

Turnover is the term used to describe the sales or income that the company earned from pursuing its operations. In a retail or selling organisation, this would be the sales that the company made from retailing to third parties. In an insurance-type organisation, turnover might be derived from commissions, or the sales of policies. Turnover is usually the first item that appears on a company income statement.

Freedom Life Insurance Corporation

Income Statement for the year ended

R

28 February 2003

Commissions Earned	1, 000, 000
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The item “Commissions Earned” represents the turnover of Freedom Life Insurance Corporation

Income

Income can be viewed as the net receipts received from the operations of the business. It excludes the money received from extraordinary items. Extraordinary items are significant, material transactions that would not be defined as normal transactions for the company. An example would be the sale of a company which the holding company holds title to.

Revenue

Revenue is all the money that the company received in the course of its business. It includes earnings from extraordinary items, as defined above. Also included would be interest earned on cash balances in bank accounts, as well as income from subsidiaries

Sales/Earnings

The sales/Earnings ratio considers the relationship between sales, which are derived from the ordinary operations of the business, and the net earnings of the company, which include extraordinary items and interest. The Sales/Earnings ratio indicates what proportion of income comes from normal day-to-day business and which comes from other business. Consider, as a demonstration, a company that has very small trading sales, but declares large earnings due to the profit on sale of land that it owned. If you looked at the income statement, it may appear that the company was doing very well and earning a lot of money. But in fact, the directors may be disposing of company assets that might affect the future earnings of the company.

Profit

Profit is the difference between Income and Expenses. In a public company, the profits of the company are regarded as available for distribution. This is what the shareholders of the company will receive as dividends, assuming that the directors don't retain earnings for the purposes of furthering the business's aims.

Example Harry's Eggs Pty Ltd

Harry's Eggs is the largest supplier of chicken and chicken products in the major metropolitan areas. They have been in business for twenty-eight years. During the year under review, Harry, the major stockholder, decided to rationalise the company's holdings and sold off a large chicken farm to his main competitor. Harry had owned the farm for twenty-five years, and had had no outstanding mortgages on it. The full amount of the proceeds from the sale of the farm has been disclosed as an extraordinary item

Harry's Eggs (Pty) Ltd

Income Statement for the Year Ended 28 February 2002

Item No	Item	Note	R 000's
1	Turnover	1	100,876
2	Other Operating Income	2	120
3	Net Operating Income		<u>100,996</u>
4	Expenditure	3	50,996
5	Profit from Operations		<u>50,000</u>
6	Extraordinary Item	4	4,000
	Income from Subsidiary	5	150,000
7	Net Earnings before Taxation		<u>204,000</u>
8	Company Taxation	6	75,000
9	Net Profit available for Distribution		<u><u>129,000</u></u>

Notes to the income statement

Note 1

Turnover

Turnover is derived from the ordinary operations of the enterprise. This consists of the sale and supply of chicken and chicken by-products to retail outlets in the major metropolitan areas of South Africa.

Note 2

Interest Received

Interest received is derived from cash balances held at bank for the year under review

Note 3



Expenditure

Expenditure is made up of ordinary expenditure incurred in the course of operations.

Note 4

Extraordinary Item

During the year under review, the company disposed of land, buildings and farm equipment making up Farm 42, Cockerel Drive, Hennops River. The company has decided to rationalise its holdings in farmland and will continue to do so in the foreseeable future.

Note 5

Income from Subsidiary

Harry's Eggs has a controlling interest in its subsidiary, Walky-Talkies (Pty) Ltd.

The income derived from the operations of this subsidiary has been disclosed.

Note 6

Company Taxation

The expense charged to the income statement represents the calculation of ordinary and secondary company taxation for the year under review.

Last of all, the Profit available for distribution is the monies that will be paid out to shareholders as dividends. It is important to notice where this is placed: dividends are paid out of the profits after tax. This is because it would prejudice the Receiver of Revenue's claim on company profits if the taxation charges were calculated after distribution. It would be possible to take all of the money out of the company and not leave the taxman his share, which he would not approve of.

Cash Flow and liquidity

The final statement in the Annual Financial Statements is the cash flow statement. For reference sakes, an old name for this was the Source and Application of Funds (which links up with the exercises that you did in SO1 of this module). The cash flow statement is aimed at showing interested parties where money came from and where it went. When a cash flow statement is done, non-cash items, such as the depreciation expense, are removed from the calculation to reflect the movement of cash through the enterprise.

The concept of liquidity can be understood as such: if, for example, your family has three houses, but no money in the bank, your family might suffer a cash flow problem. Technically speaking, the family is wealthy: it has a net asset value of the sum of the values of the houses (assuming there are no liability claims over it). But with no money in the bank, liquidity is a problem, as all the money the family has is tied up in the houses. When you have cash in the bank, you are said to be liquid. When you don't have cash in the bank, but your money is tied up in assets, you are said to be illiquid. The concept of current assets in SO2 refers: current assets are easily liquidated (within three months). That means you expect the cash within a short period of time.

So, the concept of cash flow in terms of liquidity is how much money is coming into and going out of your bank account.



Self-Assessment

Take some time to reflect on what you have learnt in this module and assess your knowledge against the following pointers. Write down your answers. Should you not be able to complete each of these statements, go back to your notes and check on your understanding. You can also discuss the answers with a colleague.

- Analyse the financial strengths and weaknesses of an entity and suggest ways to improve income and reduce costs
- Explain the concept of the cost to income ratio and suggest how to improve the ratio
- Explain the relationship between turnover, income, revenue, sales/earnings and profit
- Explain the concept of cash flow in terms of liquidity

SECTION E: SELF REFLECTION

I enjoyed/did not enjoy this module because:



I found group work _____!!!

The most interesting thing I learnt was:



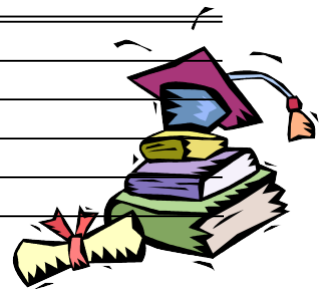
I feel I have gained the necessary skills and knowledge to:



Please add the following to this module:



Some comments from my classmates about my participation in class:



ADDENDUMS

The following templates are attached, and must be completed as per due dates in the Academic Calendar and the FET Academic and QA Guide for Academic Managers:

- Facilitator Evaluations completed by Learners (F/C8/A)
- Programme Evaluations completed by Learners (F/C5/B)
- Learner Query Form (F/B6/A) [Please notes, for a quicker response, complaints can also be entered in the Complaints Register at Reception



FACILITATOR EVALUATIONS COMPLETED BY LEARNERS

Name of Campus:	
Name of Programme:	
Name of Module:	
Name of Facilitator:	
Name of Learner:	
Date Completed:	

Instructions to learners:

1. Use a black or blue pen
2. Write in block letters
3. Provide relevant rating for 1 - 16
4. Where written responses are required, please provide as much information as possible
5. These surveys are treated as confidential, as general feedback is provided to the facilitator without mentioning names
- 6.

Please rate your facilitator, adding constructive comments. Use the following rating scale: 4 - Outstanding 3 - Good 2 - Fair				
	Areas:	Rating:	Comment on what the facilitator does really well in this area:	How can the facilitator improve in this area? Please provide specific feedback for the facilitator
1	The facilitator generally establishes a suitable mood for learning			
2	The facilitator motivates all learners to learn new information			
3	The facilitator explains the usefulness of the content in relation to the workplace			

6	The facilitator is punctual and paces the session well, allowing time for questions			
7	The facilitator clarifies/explains new concepts			
8	The facilitator evaluates learners' understanding periodically by asking			
9	The facilitator walks around the class when we are doing group activities, assisting various			
10	The facilitator uses visual aids to make the lesson more interesting			
11	The facilitator makes eye contact with the learners			
12	The facilitator speaks loud enough for all to hear			
13	Attendance registers are signed in every session			
14	The facilitator makes our sessions interesting			
15	The facilitator is a subject matter expert			

16	Overall rating of the facilitator, and general comments:			
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PROGRAMME EVALUATIONS COMPLETED BY LEARNERS

Instructions to learners:

1. Use a black or blue pen
2. Write in block letters
3. Tick the appropriate block where requested
4. Where written responses are required, please provide as much information as possible

Name of Student:			
Name of Programme:			
Full time/Part time:			
Name of Site:		Date:	

A. OVERALL ASPECTS

		YES	NO
1	Did you take part in an Orientation Session?		
2	Did you receive your course material on time?		
3	Were you provided with career guidance by a staff member at the beginning (e.g. Sales Consultant, Academic Manager, Facilitator)?		
4	Have you studied at other tertiary institutions before?		
5	Is this the first time you are studying?		
6	Are you enjoying the programme you have enrolled for thus far?		
	If 'Yes', please motivate:		
	If 'No', state the reasons why not:		
8	What are your highest qualifications?		
9	What are your expectations of this course?		
10	What do you hope to achieve once you have graduated?		
11	What other courses would you like to see FALCON offering?		



B.ABOUT THE LEARNING PROGRAMME		YES	NO
1	Do you think the course material is understandable?		
2	Is your facilitator well-versed on the course?		
3	Does your facilitator introduce the lesson, and the outcomes that need to be achieved at the beginning of the session?		
4	Does your facilitator summarise the important points at the end of the lesson?		
5	Does the facilitator lecture in a manner that is easy to understand?		
6	Do you feel you can approach your facilitator to clarify the content?		
7	Are you constantly reminded by the facilitator how the knowledge you are gaining will be applied in the workplace?		
8	Do you have access to all the facilities required by the course?		
	If 'no', state what is required:		
9	Do you feel that you need extra learner support in order to pass?		
	If 'yes', please state the support required:		
10	What aspects of the programme have you enjoyed the most so far?		
11	What aspects of the programme have you enjoyed the least so far?		
12	What would you like to see added to this programme?		
13	List any improvements you would like to see in the content of the course?		



C. ASSESSMENTS**YES****NO**

1	Was an assessment briefing conducted with you at the beginning of the course in which the assessment principles, strategies, etc. were explained to you?		
2	Do you understand how your programme will be assessed (i.e. formative and summative assessments)?		
3	Has the compulsory Work Integrated Learning component been explained to you?		
4	Do you understand what is expected of you regarding the WIL component?		

This section must ONLY be completed by learners who have enrolled for FULL or SKILLS programmes (not short programmes):

		YES	NO
1	Have you been issued with a Learner Portfolio of Evidence?		
2	Have you completed the Assessment Plan in your Portfolio?		
3	Have all sections in the front of your PoE (Admin Section) been completed, dated and signed by all parties?		
4	Do the activities in the PoE effectively help you to achieve the learning outcomes of the programme?		
5	Is the assessment process fair (valid)?		
6	Is the assessment process accurate?		
7	Are you placing sufficient evidence in your portfolio in order for the Assessor to reach a competency decision?		
8	Does the facilitator clearly indicate the assessment requirements and criteria before an activity?		
9	Do you know how to appeal an assessment decision?		

D. RATINGS

- How would you rate your studying experience (facilities, receiving of course material and assessment process)?
 - Excellent
 - Very Good
 - Good
 - Average
 - Poor

- How would you rate the facilitator's overall delivery and knowledge of the course?
 - Excellent
 - Very Good
 - Good
 - Average
 - Poor

GENERAL COMMENTS ABOUT THE PROGRAMME:

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LEARNER QUERY FORM

Date		Time		Student No.	
Surname			First Names		
Contact No.			E- Mail Address		
Query:					
OFFICE USE ONLY					
(NB. Staff responsible for query must sign the Complaints Register Book/File to record receipt of query)					
Name of person responsible for query:					
Date Student Contacted			Time Student Contacted		
Points to note regarding Query :					
Signature of staff:			Signature of Reception:		
Once query is completed, this form is returned to reception for signature, and also for reception, to be					
Filed in the Complaints Register.					

