



# Unit:

## Introduction to Accounting and Economics

### Autumn 2021 – Autumn 2024

#### Important notes

- Please refer to the Assignment Presentation Requirements for advice on how to set out your assignment. These can be found on the NCC Education website. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- You **must** read the NCC Education document Academic Misconduct Policy and ensure that you acknowledge all the sources that you use in your work. These documents are available on the NCC Education website. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- You **must** complete the Statement and Confirmation of Own Work. The form is available on the NCC Education website. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- Please make a note of the recommended word count. You could lose marks if you write 10% more or less than this.
- You must submit a paper copy and digital copy (on disk or similarly acceptable medium). Media containing viruses, or media that cannot be run directly, will result in a fail grade being awarded for this assessment.
- All electronic media will be checked for plagiarism.

This is an open-ended assignment. That means that the tasks will remain the same every cycle until Autumn 2024. However, the financial data that students use will change **every** assessment cycle.

**Ensure that your students have the correct financial data for the assessment cycle to which they are registered before beginning work on this assignment.**

Identify a company, from any country, with readily accessible information, such as an internet website. Search the webpages to identify relevant information to enable you to address the assignment. Ensure that you are sufficiently familiar with the company, its products, customer base and operations to be able to justify a recommended strategy for growth and sustainability for the company.

When selecting your chosen company:

Choose an industry that you are interested in /familiar with.

- Identify several (5 or 6) companies in that industry that meet the following criteria:
  - in existence for some years.
  - **not** large multinational companies. They would be very complicated and difficult to discuss in the time and word count that you have available.
  - has clear information on their website about aims and objectives, products, customers (either the general public or a selected number of business clients would be most straightforward).
  - publishes details of its strategy. If the strategy is unclear, it will be more difficult to identify a clear direction for our proposed strategy.
- Review the tasks in the assignment.
- Consider how you could use the information you have about the companies you have identified to answer the tasks in the assignment.
- Make your final selection of 1 (ONE) company based on your ability to use it to address the tasks with clarity. You may find it useful to sketch out plans for the tasks if you have 2 or 3 preferred choices so you select the best one.

## **Analysis of Financial Data**

You must analyse the financial data provided in a separate document titled 'Financial Data for Introduction to Accounting and Economics' for the assessment cycle to which you are registered. If you do not have this document, please speak with your teacher/lecturer.

You should NOT access or attempt to analyse real financial information about your chosen company. This is because companies rarely publish complete financial data, and the data they do provide is too complex for the purposes of this assignment.

- Your financial analysis will be based on financial information provided in a separate document title 'Financial Data for Introduction to Accounting and Economics'. Do NOT base your analysis on the published accounts of your chosen company
- Please overlook any discrepancies between the financial data you have been provided and anything you might know about the likely financial performance of your chosen company.

The financial data provided will allow you to undertake horizontal and vertical analysis and prepare ratios for two years in Task 3. This will give you some financial constraints for your chosen strategy in task 5. (i.e. if the data is in £million, you would not be able to suggest a strategy calling for £billion investment)

**Task 1      200 words**

**10 marks**

Name and describe your chosen company including the industry within which it operates, whether it is a national or multinational organisation and where it has a base or bases, its main aims and objectives, products, and services.

**Task 2      200 words**

**10 marks**

Explain how your chosen company generates revenues and profits and compare its size and influence with others in the same industry.

**Task 3      800 words**

**30 marks**

Refer to the financial data provided in the document titled 'Financial Data for Introduction to Accounting and Economics' and dated for the relevant assessment cycle. Assume that this financial data is for your chosen company and reflects the type of business you have described in Tasks 1 and 2.

Calculate the following ratios for each year to one decimal place. Use end of year figures (note that insufficient detail is available to calculate averages)

- a. Gross profit margin
- b. Operating profit margin
- c. Return on capital employed
- d. Liquidity ratio
- e. Acid test ratio
- f. Inventories turnover period
- g. Settlement period for trade receivables
- h. Settlement period for trade payables
- i. Gearing ratio
- j. Interest cover

Include your calculations, in a table, in the appendix of your assignment. You will not receive marks directly for calculating the ratios, but you must use them to support your response to the following:

From the financial data provided and your calculation of ratios, identify trends and other relevant measures of financial performance relevant to the health and progress of your chosen company. Suggest reasons for the company's performance eg profitability has improved due to reduced operation costs and increased sales. Try to set your analysis in the context and industry in which your chosen business operates.

**Do NOT use financial data from your chosen company's real financial reports. Refer ONLY to the financial data provided.**

**Task 4      800 words**

**30 marks**

Explain the core concepts of economics which your chosen company may use to help its decision making.

Discuss the microeconomic and macroeconomic factors which affect demand for its products or services in the short and medium term.

Describe the influence that your company has on the pricing of its products.

**Task 5      500 words**

**20 marks**

Use your analysis of your chosen company in the tasks above, comprising the financial analysis, and understanding of the economic concepts and factors, to recommend and justify a business strategy for your company for the next 5 years, focused on business growth and sustainability.

## **Guidance**

Follow the guidelines below when completing these tasks.

### **Tasks 1 - 5**

- Remain within the word count. You can write up to 10% more or less than the stated word count.
- Due to the word count, your answers will need to be brief.
- Using bullet points, heading and subheadings and other stylistic techniques that allow you to keep your answer brief but thorough are all acceptable.
- Complete a table of ratios for the two years as part of your financial analysis. Include the table in an Appendix. This will not be included in the word count.
- You must justify your recommended strategy for your company, using the provided financial evidence and your analysis, together with relevant economic factors and concepts and its application to your chosen company.
- Refer to your course notes for information about how to complete these analyses

### **Revision stage**

- Make sure your ideas are clearly presented.
- Proofread your answers to check for spelling, punctuation, grammar, and vocabulary errors.
- Check your word count and ensure you have the right number of words for each task.

## Submission requirements

- Your answers must be word-processed and double-spaced.
- You will need to hand in an electronic copy of your essay, with the *Statement and Confirmation of Own Work* form attached.
- You will need to include your name and NCC Education student number in the header on every page of your essay.

## Candidate checklist

Please use the following checklist to ensure that your work is ready for submission.

Have you read the NCC Education document *Academic Misconduct Policy* and ensured that you have acknowledged all the sources that you have used in your work?

Have you completed the *Statement and Confirmation of Own Work* form and attached it to your assignment? **You must do this.**

Have you ensured that your work has not gone over or under the recommended word count by more than 10%?

Have you ensured that your work does not contain viruses and can be run directly?