



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **AHCAGB604A Analyse business performance**

**Release: 1**

## AHCAGB604A Analyse business performance

### Modification History

Not Applicable

### Unit Descriptor

<b>Unit descriptor</b>	This unit covers the process of analysing business performance for an agricultural or horticultural enterprise and defines the standard required to: analyse financial reports; use financial analysis tools; identify profit drivers for the enterprise; benchmark business performance against other businesses; and develop strategies for improving business performance.
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### Application of the Unit

<b>Application of the unit</b>	This unit applies to analysing financial reports, using financial analysis tools, identifying profit drivers for the enterprise and developing strategies for improving business performance.
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### Licensing/Regulatory Information

Not Applicable

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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## Elements and Performance Criteria Pre-Content

Not Applicable

## Elements and Performance Criteria

<b>ELEMENT</b>	<b>PERFORMANCE CRITERIA</b>

<b>ELEMENT</b>	<b>PERFORMANCE CRITERIA</b>
1. Analyse financial reports	<p>1.1. Taxation reports are correctly interpreted and accounts are determined to be true and fair.</p> <p>1.2. Management reports generated by the enterprise are reviewed and interpreted.</p> <p>1.3. Distribution of profit is determined.</p>
2. Use financial analysis tools	<p>2.1. Gross margins and relevant breakdowns of profit and loss are calculated.</p> <p>2.2. Ratios related to production activity, solvency and liquidity, gearing and profitability are calculated.</p> <p>2.3. Relevant performance benchmarks are sourced and compared to the enterprise.</p> <p>2.4. Trends in production and profitability are identified and analysed.</p>
3. Identify opportunities for increasing profit	<p>3.1. Yield/production potential is assessed and current position determined.</p> <p>3.2. Key issues related to production efficiency are identified.</p> <p>3.3. Key issues related to market return are identified.</p>
4. Develop strategies for improving business performance	<p>4.1. Strengths, Weaknesses, Opportunities and Threats (SWOT) approach is used to determine possible strategies for addressing production and marketing issues.</p> <p>4.2. Sensitivity analyses are performed to evaluate strategies.</p>

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- analyse financial reports
- use financial analysis tools
- identify profit drivers for the enterprise
- develop strategies for improving business performance
- use literacy skills to fulfil job roles as required by the organisation. The level of skill may range from reading and understanding documentation to completion of written reports

**REQUIRED SKILLS AND KNOWLEDGE**

- use oral communication skills/language competence to fulfil the job role as specified by the organisation, including questioning, active listening, asking for clarification, negotiating solutions and responding to a range of views
- use numeracy skills to estimate, calculate and record complex workplace measures
- use interpersonal skills to work with others and relate to people from a range of cultural, social and religious backgrounds and with a range of physical and mental abilities.

**Required knowledge**

- financial reports
- financial analysis tools
- performance benchmarking
- issues related to production efficiency and marketing
- SWOT analysis and developing business strategies.

## Evidence Guide

<b>EVIDENCE GUIDE</b>	
The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
<b>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>The evidence required to demonstrate competency in this unit must be relevant to workplace operations and satisfy holistically all of the requirements of the performance criteria and required skills and knowledge and include achievement of the following:</p> <ul style="list-style-type: none"> <li>• analyse financial reports</li> <li>• use financial analysis tools</li> <li>• identify profit drivers for the enterprise</li> <li>• benchmark business performance against other businesses</li> <li>• develop strategies for improving business performance.</li> </ul>
<b>Context of and specific resources for assessment</b>	Competency requires the application of work practices under work conditions. Selection and use of resources for some worksites may differ due to the regional or enterprise circumstances.

## Range Statement

<b>RANGE STATEMENT</b>	
The range statement relates to the unit of competency as a whole.	
Financial analysis tools and reporting systems applied may include:	<ul style="list-style-type: none"> <li>• the range of primary production and related business activities.</li> </ul>

## Unit Sector(s)

<b>Unit sector</b>	Agribusiness
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## Co-requisite units

<b>Co-requisite units</b>		

## Competency field

<b>Competency field</b>	
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