



**Australian Government**

# **Assessment Requirements for AHCAGB612 Manage price risk through trading strategy**

**Release: 1**

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### Modification History

Release	Comments
Release 1	This version released with AHC Agriculture, Horticulture, Conservation and Land Management Training Package Version 4.0.

### Performance Evidence

An individual demonstrating competency must satisfy all of the elements and performance criteria in this unit. There must be evidence that the individual has managed price risk for one business, including:

- determined the cost of production
- allocated overhead costs against enterprises within the business
- assessed risk to financial returns through market or currency movements
- analysed trends and evaluated forecasts
- monitored and assessed price movements
- implemented a trading strategy for price risk management.

### Knowledge Evidence

An individual must be able to demonstrate the knowledge required to perform the tasks outlined in the elements and performance criteria of this unit. This includes knowledge of:

- supply, demand and price relationships
- price trends and sources of market information/forecasts
- cost of production
- overhead costs for the business
- financial risk assessment and attitudes to taking financial risk
- selling options for the relevant commodity or product
- operation of futures markets, forward selling arrangements, put options
- foreign exchange rates in relation to trade
- contract law as it applies to trade
- legislation, regulations and guidelines for taxation and trading on the share market
- cash flow and taxation planning for the business
- contingency planning as it applies to price and trade.

## Assessment Conditions

Assessment of skills must take place under the following conditions:

- physical conditions:
  - skills must be demonstrated in a workplace setting or an environment that accurately represents workplace conditions
- resources, equipment and materials:
  - financial records for a business
- specifications:
  - access to legislation and regulations relevant to trade.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

## Links

Companion Volumes, including Implementation Guides, are available at VETNet: -  
<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72>