



**Australian Government**

# **Assessment Requirements for BSBSMB406 Manage small business finances**

**Release: 2**

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## Modification History

Release	Comments
Release 2	This version released with BSB Business Services Training Package Version 2.0. Version created to clarify intent of unit
Release 1	This version first released with BSB Business Services Training Package Version 1.0.

## Performance Evidence

Evidence of the ability to:

- operate the business according to the business plan, including:
  - adhering to legal requirements
  - meeting requirements of financial backers
  - defining strategies for debt collection and contingencies for debtors
  - managing cash flow
  - defining key performance indicators
  - communicating with relevant people
- monitor the business against financial plan and make changes as required.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

## Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- discuss benchmarking
- explain financial decision-making relevant to the business
- summarise significant financial indicators
- outline purposes of financial reports
- clarify preparation and interpretation of budget/actual reports
- identify principles for preparing balance sheets and their interpretation
- outline debt collection procedures or strategies

- characterise principles for preparing profit and loss statements and their interpretation
- discuss stock records and stock control relevant to the business.

## Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the Management and Leadership – Small and Micro Business field of work and include access to:

- business equipment and resources
- relevant legislation, regulations, standards and codes
- relevant workplace documentation and resources
- case studies or where possible, real situations
- interaction with others.

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

## Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=11ef6853-ceed-4ba7-9d87-4da407e23c10>