



Australian Government

CPPREP4261 Appraise business for sale

Release: 1

CPPREP4261 Appraise business for sale

Modification History

Release 1 This version first released with CPP Property Services Training Package Release 8.0.

Supersedes but is not equivalent to CPPDSM4029A Appraise business, CPPDSM4079A Work in the business broking sector, CPPDSM5033A Merge or acquire a business and CPPDSM5038A Value a business.

Merged to reduce duplication. Updated to the Standards for Training Packages.

Application

This unit specifies the skills and knowledge required to appraise a business for sale.

It includes accessing and analysing market, business and financial data to determine an appraised price, and presenting a documented appraisal report to the client.

The unit applies to industry professionals in real estate.

State or territory licensing requirements may apply to this unit.

Pre-requisite Unit

Nil

Unit Sector

Real estate

Elements and Performance Criteria

Elements describe the essential outcomes.	Performance criteria describe what needs to be done to demonstrate achievement of the element.
1. Obtain, interpret and confirm instructions.	1.1 Confirm client requirements and instructions for business appraisal according to legislative requirements. 1.2 Discuss agency requirements and processes for business appraisal with client. 1.3 Confirm status and ownership of business to be appraised. 1.4 Obtain agreement to proceed with business appraisal according to legislative requirements.

2. Conduct research to support business appraisal.	2.1 Select and apply business appraisal methodology suitable to the business type and available information. 2.2 Access and analyse required documents, reports and financial data for business being appraised. 2.3 Access and analyse current market data and trends effecting sale of business being appraised. 2.4 Verify accuracy and reliability of collated data and seek additional information according to appraisal methodology.
3. Complete business appraisal and present to client.	3.1 Analyse research findings to ascertain final appraisal and record outcome according to agency requirements and client instructions. 3.2 Prepare business appraisal report in an acceptable format, highlighting findings and rationale. 3.3 Present report to client. 3.4 Securely retain records and documentation according to agency requirements.

Foundation Skills

This section describes the language, literacy, numeracy and employment skills essential to performance in this unit but not explicit in the performance criteria:

- numeracy skills to analyse and calculate the profitability of businesses for sale
- technology skills to use the internet and databases to access market information.

Unit Mapping Information

No equivalent unit.

Supersedes but is not equivalent to:

- CPPDSM4029A Appraise business
- CPPDSM4079A Work in the business broking sector
- CPPDSM5033A Merge or acquire a business
- CPPDSM5038A Value a business.

Links

Companion volumes to this training package are available at the VETNet website - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b>

Assessment Requirements for CPPREP4261 Appraise business for sale

Modification History

Release 1 This version first released with CPP Property Services Training Package Release 8.0.

Supersedes but is not equivalent to CPPDSM4029A Appraise business, CPPDSM4079A Work in the business broking sector, CPPDSM5033A Merge or acquire a business and CPPDSM5038A Value a business.

Merged to reduce duplication. Updated to the Standards for Training Packages.

Performance Evidence

To demonstrate competency in this unit, a person must prepare an appraisal report for two different businesses using suitable appraisal methodologies.

In doing this, the person must meet the performance criteria for this unit.

Knowledge Evidence

To be competent in this unit, a person must demonstrate knowledge of:

- legislation and regulations governing the conduct of business appraisals in the state or territory of operation
- required documentation to be completed and maintained when appraising businesses for sale
- appraisal methodologies suitable for different types of businesses
- basic accounting principles and techniques for checking financial statements and the ownership and status of businesses
- business appraisal processes:
 - content and format of business appraisal reports
 - factors that influence whether businesses are comparable for appraisal purposes
 - information required to be gathered and analysed for business appraisals
 - key sources of information required for business appraisals
- industry benchmarks for the appraisal of different types of businesses
- methods for estimating goodwill
- ethical standards, regulatory requirements and role of agents in appraising businesses for sale
- types and purpose of financial records to be analysed for business appraisal purposes
- types of assets required to be considered as part of a business appraisal.

Assessment Conditions

Assessors must satisfy the requirements for assessors listed in the Standards for Registered Training Organisations.

Assessment must be conducted in the workplace or in a simulated workplace environment.

Assessors are responsible for ensuring that the person demonstrating competency has access to:

- materials and equipment meeting the operational requirements for a real estate agency:
 - policies, procedures and documentation relating to appraising businesses for sale
 - legislation in the state or territory of operation relating to the appraisal of businesses for sale
 - equipment, communication and data access and storage technology required to conduct research and prepare reports for the appraisal of businesses for sale
- client briefs and financial and performance information to support the appraisal of two different businesses for sale.

Links

Companion volumes to this training package are available at the VETNet website -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b>