



Australian Government

Department of Education, Employment and Workplace Relations

FNSINC602A Interpret and use financial statistics and tools

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit covers the application of techniques to access, interpret and analyse statistical data relevant to the financial services industry. It encompasses producing new statistical information and reports from existing data using a range of tools and processes. There are no regulatory or licensing requirements applicable to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	This unit requires application of a thorough understanding of the sources of financial data and statistical methods and techniques for analysis. It is a base unit on which other skills required for work in the financial services industry can be built. It may be applied in all sectors of the industry.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Apply statistical methods to work	1.1. Appropriate statistical methods that apply to financial services work are evaluated and chosen to suit the required work outcome 1.2. Suitable tools and techniques for statistical analysis are known and used effectively
2. Source and interpret statistical data	2.1. Internal and external data and information sources are identified and accessed to source relevant current data 2.2. Data are validated in accordance with industry statistical standards 2.3. Data summaries and trends are used to verify currency and utility 2.4. Sampling techniques and diagrammatic, graphical and tabular information are correctly interpreted and used for the required purpose
3. Analyse data using appropriate techniques and tools	3.1. Organisational requirements and priorities are reflected in the analysis of statistical data 3.2. Analysis and descriptive tools and techniques are used to meet the required outcomes with any data errors corrected 3.3. Reports of analysis are produced on time and in the appropriate detail and format including use of diagrammatic, graphical and tabular information
4. Record statistical data analysis results and records	4.1. Records of data and statistical analysis are validated to ensure accuracy and consistency with industry and organisational standards 4.2. Records are filed and stored for easy retrieval while meeting all security requirements

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to:
 - determine and confirm research requirements, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- literacy skills for drafting technical documentation
- highly developed numeracy and IT skills for:
 - using statistical formulas
 - accessing and using appropriate software such as word processors, spreadsheets and databases
 - using internet information
- problem solving skills to identify any issues that have the potential to impact on the research and analysis process or outcome and to develop options to resolve these issues when they arise
- organisational skills, including the ability to plan and sequence work

Required knowledge

- mathematical underpinnings of statistical methods
- the range of statistical ratios and analysis tools relevant to the financial services industry
- sources of relevant information available
- types of graphs, charts, diagrams and tables used in statistical modelling and reporting
- statistical standards

Evidence Guide

EVIDENCE GUIDE

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.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- apply knowledge of statistical methods used in the financial services industry
- source and access statistical and other data and produce and interpret statistics
- use financial data tools and calculations to produce accurate and informative statistical reports from data
- record and store data for retrieval.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- statistical modelling software
- a range of financial services industry statistical data.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- verbal or written questioning on underpinning knowledge and skills which may include formal examinations
- setting and reviewing workplace projects and business simulations/scenarios
- evaluating samples of work.

Guidance information for assessment

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Statistical methods may include:

econometric modelling:

- linear and nonlinear regression
- multivariate analysis
- time series analysis
- trend analysis
- moving average analysis
- weighted moving averages
- cash flow forecasting.

Tools and techniques for statistical analysis may include:

- liquidity ratios:
 - current ratio
 - quick ratio
 - working capital ratio
- profitability ratios:
 - return on assets (ROA)
 - return on equity (ROE)
 - return on investment (ROI)
 - profit margin by assets turnover ratio
 - gross margin ratio
 - net profit margin ratio
 - average stockholders' equity
- activity analysis ratios:
 - asset turnover ratio
 - accounts receivable turnover ratio
 - inventory turnover ratio
- capital structure analysis ratios:
 - debt to equity ratio
 - interest coverage ratio
- capital market analysis ratios:
 - price earnings (PE) ratio
 - market to book ratio

RANGE STATEMENT	
	• dividend yield ratio • dividend payout ratio.
Data and information sources can include but are not limited to:	• Reserve Bank of Australia • Australian Taxation Office (ATO) • Australian Bureau of Statistics (ABS) • National Statistical Service (NSS) • Australian Securities and Investments Commission (ASIC) • Australian Prudential Regulation Authority (APRA) • industry association data and information • organisational data and information (public record) • international government and organisation data and information.
Statistical standards can include:	• definitions • statistical units • classifications • coding processes • questionnaire modules • output categories
Sampling techniques can include:	• surveys • descriptive statistics • inferential statistics • trends over time • statistical associations • variability.
Diagrammatic, graphical and tabular information includes:	• graphs: • line • bar • pie • scatter plot • histogram • pictograph • cosmograph • diagrams: • tree • flowcharts • network

RANGE STATEMENT	
	• cluster • Venn • tables: • XY • column • one or two grouped • contingency.
Analysis tools and techniques include:	• mean • median • mode • standard deviation • standard error • relative standard error.
Data errors can include:	• incorrect data • mismatched data sets • sampling variation • incorrect measurements • transcription errors.

Unit Sector(s)

Unit sector	Industry capability
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		

