119666 Determine financial requirements of a new venture

Purpose of this Unit Standard

Learners working towards this standard will be learning towards the full qualification, or will be working within a SMME (Small, Medium, Micro Enterprise) environment, specialising in New Venture Ownership and Management, where the acquisition of competence against this standard will add value to one's job. This standard will also add value to entrepreneurs who are seeking to develop their entrepreneurial skills so that they can become more marketable for bigger contracts, including commercial and public sector contracts, for example the Department of Public Works programmes.

SETA Accredited

The qualifying learner is capable of:

- Determining the financial and cash flow requirements of a new venture
- Determining income and expenditure of a new venture
- Implementing pricing and costing principles
- Identifying resources to obtain start-up capital

Learning Assumed to Be in Place and Recognition of Prior Learning

All learners accessing this qualification must be in possession of a GETC or equivalent qualification. The learner must be competent in mathematical literacy at NQF level 1.

Outcomes

SO1: Determine the financial and cash flow requirements of a new venture.
SO2: Determine income and expenditure of new venture.
SO3: Implement pricing and costing principles.
SO4: Identify resources to obtain start-up capital.

SAQA US ID	NQF LEVEL	CREDITS	US TITLE
119666	**NQF Level 2**	**8**	**Determine financial requirements of a new venture**

Duration: 2-days

Content

Outcome 1 Determine the financial and cash flow requirements of a new venture	• Financial and cash flow requirements for a new venture are explained with examples. • The concept of profit and loss is explained in relation to the financial requirements of a new venture. • The concept of profit and loss is explained in relation to the market needs of a new venture. • Start-up requirements and costs are determined according to financial capacity and resources. • The concepts of start-up capital and working capital are explained in relation to own business. • The relationship between 'cash flow' and 'profit' are explained with examples. • The concept of assets and liabilities is explained with examples that relate to own business venture. • The importance of finances as part of a business plan is explained with examples.
Outcome 2 Determine income and expenditure of new venture	• The concept of budgeting is explained with examples of how budgets apply to new ventures. • Income is budgeted according to market research and business growth opportunities. • Expenditure of new venture is determined and fixed, and variable costs are identified within own business context. • A budget is compiled accordingly. • Methods for managing and controlling budget are explained, with examples.
Outcome 3 Implement pricing and costing principles	• Costing principles are identified and explained in relation to trading, retailing, manufacturing and services ventures. • Breakeven points for pricing purposes are identified and evaluated to determine how much business must be executed to ensure breakeven. • The concept of mark-up is explained and utilised in relation to own new venture. • The factors that influence pricing are identified with examples. • Pricing calculations are utilised to determine pricing of product/service in own venture. • Budgets are revised according to pricing determinations.

Outcome 4 Identify resources to obtain start-up capital	• The various resources required for starting a new venture are identified and evaluated according to financial capacity. • Funding options and services offered by the finance industry for new ventures are identified and compared to determine viability of obtaining funding. • Alternatives to funding options are explored to ensure that all options are considered. • The risks associated with funding are explained with examples. • The costs of the various funding options are compared to determine suitability for own venture's business structure. • Repayment options are explored and compared to determine best options. • The information needed to process funding applications is explained and completed according to business requirements.