

## Year 11 Business Studies

### Assessment Task

**Task type:** Business Plan for a small-medium enterprise

**Weighting:** X%

**Due date:** Day Month Year

#### Outcomes to be assessed:

P4 assesses the processes and interdependence of key business functions

P8 evaluates information for actual and hypothetical business situations

P9 communicates business information and issues in appropriate formats

#### Task:

Write a creative business plan for a new small-medium enterprise (SME) in the form of a business report of 1,500 - 3,000 words (in addition you can include up to 5 pages of appendices).

If entries are of a high enough quality, will be submitted in the 2016 CPA Plan Your Own Enterprise Competition. This is run by Business Educators Australasia Inc. and Certified Practising Accountants (CPA) Australia.

Good business plans always include the following components:

**Business Name:** Make it fun and creative, design a logo if applicable.

**Prime Function:** What does the business do? Describe the product, service or idea.

**Location:** Where will the business be located?

**Legal structure of the business:** Will it be sole trader, partnership, or small company?

**Business mission:** What does your business want to achieve/accomplish? Why will it exist? For guidance read the mission statements of companies you know.

**Staffing requirements:** How many staff are required and what will their qualifications and subsequent training needs be? What skills and knowledge will be required of management?

**Marketing plan:** Based on the market research you have undertaken, what is the target market for your product/service or idea? What competition does your business face and how will you counteract them/it? How will you promote your business to your target market?

**Social/Environmental Goals:** What are the social/environmental goals of the business? How will these be achieved?

**Financial plan:** The financial plan should include:

- A list of set-up/start-up costs and how these will be funded (eg. from savings, bank loan or family loan);
- A sales forecast – the level of sales revenue for the first 12 months of operation based on the expected selling price and the number of sales;
- A monthly cash budget for the first year of the business which will show:
  - a) The predicted balance of the cash account at the end of each month;
  - b) All cash expected to flow in to the business during each month (from sales and any other cash inflows expected such as capital contribution, loan from the bank, loan from family, interest on bank deposits);
  - c) Expected payments for set-up/start-up costs;
  - d) All cash expected to flow out of the business each month (related to running the business);
  - e) Monthly cash to be drawn by the owner (a salary equivalent). The cash flow budget is a forecast of estimated cash receipts, estimated cash payments and the resulting cash position for the business at the end of each month. This helps with planning decisions for the business and would be an essential financial document to present to the bank if you were seeking outside finance for your business.

**Future prospects:** What is your expectation for the future of the business? Will it expand nationally/internationally; diversify into complementary products/services?

**Appendices:** You may include appendices (an equivalent of five single sided A4 pages) which might contain documents that support your business plan such as drawings of your product or your business premises, detailed evidence of market research undertaken by you (ie. survey responses, photos of competitors' products) or additional financial data.

**NOTE:** Additional financial information can be included with the body of your business plan or as part of the appendix. The type of additional information to be included if you wish to be a finalist in the CPA PYOE competition is:

- A break-even analysis which includes:
  - A list of fixed costs (those which do not vary with the level of sales);
  - A list of variable costs (the cost of obtaining the goods for sale, or the direct costs involved in providing the service);
  - Contribution margin (the amount which each sale contributes to covering the fixed costs);
  - Break-even point (the point at which all costs are covered but no profit or loss is made)
- Projected profit for the year OR a projected Balance Sheet at the end of the first year of operations to provide the basis for analysis of expected performance.

**You will be assessed on how well you:**

- Demonstrate knowledge and understanding of business structures, influences, functions and processes;
- Communicate using relevant information; and
- Present a well-written and organised answer.

Name: \_\_\_\_\_

**Marking guidelines – Business Plan**

Criteria	Mark
<ul style="list-style-type: none"><li>• Demonstrates thorough knowledge and understanding of business structures, influences, functions and processes.</li><li>• Presents a sustained, logical and cohesive response in the form of a business plan using relevant business terminology and concepts.</li><li>• Clearly communicates complex and detailed information.</li></ul>	<b>A</b>  25-30
<ul style="list-style-type: none"><li>• Demonstrates sound knowledge and understanding of business structures, influences, functions and processes.</li><li>• Presents a logical and cohesive response in the form of a business plan using business terminology and concepts.</li><li>• Communicates required relevant information.</li></ul>	<b>B</b>  19-24
<ul style="list-style-type: none"><li>• Demonstrates some knowledge and some understanding of business structures, influences, functions and processes.</li><li>• Presents a business plan using business terminology and concepts.</li><li>• Communicates relevant information.</li></ul>	<b>C</b>  13-18
<ul style="list-style-type: none"><li>• Demonstrates a basic understanding of some business structures, influences, structures and processes.</li><li>• Presents a basic business plan using some business terminology and concepts.</li><li>• Communicates some required information.</li></ul>	<b>D</b>  7-12
<ul style="list-style-type: none"><li>• Demonstrates limited understanding of business.</li><li>• May present a basic business plan using limited business terminology and information that may be relevant.</li></ul>	<b>E</b>  1-6

Teacher comments: \_\_\_\_\_

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Teacher's signature and date: \_\_\_\_\_