



Australian Government

Assessment Requirements for AHCAGB606 Manage price risk through trading strategy

Release: 1

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Modification History

| Release | TP Version | Comment |
|---------|------------|-----------------|
| 1 | AHCv1.0 | Initial release |

Performance Evidence

The candidate must be assessed on their ability to integrate and apply the performance requirements of this unit in a workplace setting. Performance must be demonstrated consistently over time and in a suitable range of contexts.

The candidate must provide evidence that they can:

- determine cost of production
- allocate overhead costs against enterprises
- assess risk to financial returns through market or currency movements
- analyse trends and evaluating forecasts
- monitor and assess price movements
- implement a trading strategy for price risk management.

Knowledge Evidence

The candidate must demonstrate knowledge of:

- supply, demand and price relationships
- price trends and sources of market information/forecasts
- cost of production
- overhead costs
- risk assessment and attitudes to risk
- selling options for the relevant commodity
- operation of futures markets, forward selling arrangements, put options
- foreign exchange rates
- contract law
- cash flow and taxation planning
- contingency planning.

Assessment Conditions

Competency is to be assessed in the workplace or simulated environment that accurately reflects performance in a real workplace setting.

Assessors must satisfy current standards for RTOs.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.education.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72>