



Australian Government

AHCAGB608 Manage financial resources

Release: 1

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Modification History

Release	Comments
Release 1	This version released with AHC Agriculture, Horticulture, Conservation and Land Management Training Package Version 4.0.

Application

This unit of competency describes the skills and knowledge required to manage the financial resources of the business, including reviewing the mix of liabilities, monitoring equity and return on equity.

This unit applies to individuals who take personal responsibility and exercise autonomy in undertaking complex work. They must analyse information and exercise judgement to complete a range of advanced skilled activities. They work in contexts that are subject to change and adapt a range of fundamental principles accordingly.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Pre-requisite Unit

Nil

Unit Sector

Agribusiness (AGB)

Elements and Performance Criteria

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Assess capital change to finances	1.1 Determine working capital and requirement for capital development 1.2 Determine return on capital investment
2. Assess appropriate equity levels for the	2.1 Assess the financial risks associated with the business 2.2 Identify personal and business risk preferences

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
business	2.3 Analyse equity levels in comparable enterprises using benchmark data
3. Establish and maintain appropriate financing arrangements for the business	3.1 Determine capacity to service debt and meet liabilities 3.2 Identify sources of funds and compare and evaluate terms and conditions 3.3 Conduct negotiations to ensure the establishment of the most favourable terms and conditions 3.4 Source loan funds and check agreements 3.5 Monitor costs of finance to keep them within defined budget limits 3.6 Manage relationships with finance providers 3.7 Monitor the economic environment and assess implications for the business
4. Monitor and review the mix of liabilities	4.1 Conduct regular reviews of the mix of liabilities and the costs and determine the benefits associated with reconfiguring loans 4.2 Review and renegotiate loans as appropriate
5. Monitor equity, return on equity	5.1 Review valuations on assets and monitor the effect on equity 5.2 Calculate returns on assets and returns on equity and use to assist business performance

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential for performance in this unit of competency but are not explicit in the performance criteria.

Skill	Description
Numeracy	<ul style="list-style-type: none"> Analyse financial records and recognise trends in data

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
AHCAGB608 Manage financial resources	AHCAGB605 Manage business capital	Title updated Performance criteria clarified Foundation skills added Assessment requirements updated	Equivalent unit

Links

Companion Volumes, including Implementation Guides, are available at VETNet: -
<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c6399549-9c62-4a5e-bf1a-524b2322cf72>