**Assessment**

|  |
| --- |
| **Individual Coursework**  |
|  |
| This assignment accounts for 50% of the module marks. |

**Your Task:**

The London Docks Café is a company that prepares meals for tourists and citizens in its kitchen located next to the local airport. The company’s planning and actual budgets for September appears below:

**The London Docks Café**

Planning and actual budgets for the month ended September 30th, 2020

 **PLANNING ACTUAL**

**Budgeted meals quantity (q)** 20 000 18 000

Revenues (£5.00q)  **£100 000 £90 000**

**Expenses:**

Raw material (£2.50q) 50 000 45 000

Wages and salaries (£5 500+£0.25q) 10 500 10 000

Utilities (£2 500 + £0.05q) 3 500 3 400

Facility rent 5 000 5 500

Insurance 2 800 3 200

Fuel 2 500 2 800

**Net Operating Income £25 700 £20 100**

**Required:**

1. Outline the objectives of budgeting and explain how London Docks Café benefits from engaging in robust budgetary processes? **(15 marks)**
2. Prepare a report showing London Docks Cafe’s revenue and spending variance for September? **(20 marks)**
3. Based on the variances report you prepared in (b) above, which area/s of activity should be of concern to the management of London Docks Café? Explain **(25 marks)**
4. Explain the terms profitability and sustainability. Assess and advise the London Docks Café on the measures they should adopt to ensure the attainment of both mandates. **(30 marks)**

The word count for this assignment is **2,000** words

Please Include an Executive summary & a contents page. These are not part of the 2000 words word count.

It is important that you show knowledge of key debates within the wider literature. Also, it is strongly advised that you are critical in your writing and ensure a good level of integration and coherence in applying theories. Please work on, and ensure an excellent level of criticality, coherence, and flow of your report. This will require effective discussion and clarity.

Please note that a significant amount of the marks is awarded on the basis of wider reading, critical and logical presentation, quality of argument, referencing, academic integrity and academic writing conventions. Please see Assessment Criteria on the Moodle.

The Learning Outcomes assessed by this assessment are:

***Knowledge***

1. *Demonstrate an understanding of different markets and sources of finance; and the role of budgeting in an organisation.*
2. *Be able to assess budgets based financial data to support organisational objectives (CMI Los 2).*

***Thinking skills***

1. *Analyse the information contained in a company’s annual report; and appraise finance and investment decision.*

***Skills for life and work (general skills)***

1. *Demonstrate an understanding of the context within which accounting operates, and the various local and international standards that need to be complied with.*

***Subject-based practical skill***

1. *Effectively apply budgets and investment appraisal techniques.*
2. **Assessment criteria** for the task:

|  |  |
| --- | --- |
| **Assessment Criteria** | **Maximum Mark** |
| Objectives of Preparing a Budget | 15  |
| Revenue and Spending Variance Report  | 20  |
| Variance (s) which should concern Management  | 25  |
| Advising on Profitability & Sustainability  | 30  |
| Clarity & Structure: i.e. detailed, coherent and formal structure should be demonstrated. It also should be well presented  | 5  |
| Referencing: appropriate application of Harvard referencing should be evident  | 5 |
| **Total Mark** | **100** |

You may submit formative work to your seminar tutor by **04th December 2020**. Generic feedback will be given to the whole class.