

Module A

Diploma in Financial Management

- PROJECT DA2, INCORPORATING SUBJECT AREAS**
- **INTERPRETATION OF FINANCIAL STATEMENTS**
 - **PERFORMANCE MANAGEMENT**

All questions are compulsory and **MUST** be answered

The project **MUST** be written in English.

The maximum word count (including appendices and tables but excluding references and bibliography) is 5,000.

The project **MUST** be **TYPED** in black ink, one-sided, double-spaced, using a minimum 12-point font size and a 1-inch margin at each side. **HANDWRITTEN SUBMISSIONS WILL NOT BE ACCEPTED.** The project must be submitted by post, electronic submissions are not acceptable.

The project should be submitted on A4 paper with your student number, project name, date and page number at the top of each page.

A project submission form **MUST** be completed for each project submitted and attached to the front of the project.

The Association of Chartered Certified Accountants



Background

Please note that questions in this project are drawn from both subject areas of Module A (Interpretation of Financial Statements and Performance Management).

As an appendix to this project you have been provided with extracts from the annual report of the BOC Group for the year ended 30 September 2002. Both subject areas of Module A (Interpretation of Financial Statements and Performance Management) are covered by this project.

Whilst you may find it useful to obtain some further background information on the group, it is expected that your project will be based mainly on the 2002 annual report.

In that context, please note that where the questions refer to the strategy and objectives of the group, this means insofar as these can be discerned from the annual report. You are not expected to obtain detailed additional information, nor is it necessary to contact the group.

When completing this project, you are to assume that you are employed by Ethical Investors as an Investment Advisor.

The project requires you to prepare a presentation, including relevant visual aids. Please note that the content of the visual aids are to be included in the word count.

Section 1 – incorporating subject areas – Interpretation of Financial Statements and Performance Management.

This ONE question is compulsory and MUST be attempted

1 Introduction

You are an Investment Advisor with Ethical Investors, providing advice to clients who wish to achieve sound financial returns by investing in companies which have clearly stated policies with regard to environmental and ethical issues.

Ethical Investors make regular presentations to potential clients. These presentations use the information provided by the financial statements of a well known company as a basis for demonstrating how investments can be assessed.

You will shortly be making such a presentation, based on the annual report of The BOC Group for the year ended 30 September 2002. (This is attached as Appendix 1).

Required:

Based on the 2002 Annual Report of The BOC Group, prepare a presentation * to a group of clients, which:

- (a) briefly explains how an assessment of the group's performance will be affected by the environmental and ethical policies identified in the annual report;** (6 marks)
- (b) identifies and explains measures that could be used to assess performance in respect of environmental and ethical policies;** (20 marks)
- (c) from the perspective of a potential investor, assesses the group's performance based on the policies and objectives as stated in the Annual Report;** (40 marks)
- (d) identifies, and explains the need for, any additional information required to carry out a more detailed analysis of performance;** (19 marks)
- (e) discusses the extent to which the current UK framework of accounting, and the organisation's accounting policies, assist in (or impede) the assessment of performance.** (15 marks)

*Your presentation should include relevant visual aids (e.g. OHP or PowerPoint slides), together with a full draft of your speech. (Please note that the content of the visual aids is to be included in the word count.)

(100 marks)

End of Project