

Use of Financial Statements in decision making.

Assessment Task

How financial statements help a business in making decisions (Individual activity) (LO3 AS5)

Do research and write an essay of one page on how financial statements help a business in making decisions. Use the essay template below.

How to write an essay

The first paragraph of an essay consists of the introduction. In the introduction you tell people what you will be telling them about in the essay. The body of the essay consists of several paragraphs in which you state the different points you want to convey (each in its own paragraph). You will state the facts of each point and explain them in the body. The last part of the essay is the conclusion. In the conclusion you will summarise the supporting information and show how you reached your conclusion. In short, remember: In the introduction you tell people what you are going to tell them. In the body, you tell them. Then in the conclusion, you tell them what you have told them!

Make use of these tips:

- Once you have a topic, prepare an outline of ideas to include in your essay.
- You will be responsible for supplying facts in your essay, so ensure that your facts are correct.
- Use your own words to explain the facts in your essay; don't just copy them out of the content you have learned.
- Use examples to explain what you mean, if necessary.
- Use appropriate terminology and avoid using slang.
- Be concise and relevant.
- Every paragraph should answer the question asked.
- Pay attention to your grammar usage and spelling in the essay.

Guidelines for the structure of this essay:

Introduction: Introduce the main topic and main sections of the essay.

Paragraph 1: Explain the statements that are used by an accountant to analyse the financial position of a business.

Paragraph 2: Explain the ratios and what each reveals.

Paragraph 3: Explain who would be interested in the information the statements and calculations reveal.

Conclusion: Comment on how financial statements help a business in making decisions.

Teacher assessment rubric: essay

Criteria					Marks
Collect, analyse and organise information on how financial statements help a business in making decisions [Marks out	The learner shows exceptional skill in collecting, analysing and organising information. The learner included at least eight to ten facts.	The learner shows very good skill in collecting, analysing and organising information. The learner included at least six to seven facts. [4 marks]	The learner shows satisfactory skill in collecting, analysing and organising information. The learner included at least four to five facts.	The learner shows little skill in collecting, analysing and organising information. The learner included three or fewer facts. [1-2 marks]	

of 5]	[5 marks]		[3 marks]		
Inclusion of all points [Marks out of 5]	The learner included all the points required in the essay and expanded on them all. [5 marks]	The learner included all the points required in the essay and expanded on some of them. [4 marks]	The learner included all the points required in the essay. [3 marks]	The learner did not include all the points required in the essay. [1-2 marks]	
Content and structure [Marks out of 5]	The content is correct and well structured. [5 marks]	The content is mostly correct and well structured. [4 marks]	The essay contains a few factual errors but is fairly well structured. [4 marks]	The essay contains many factual errors and is poorly structured. [1-2 marks]	
Language use in essay [Marks out of 5]	Excellent language usage with no mistakes. Own words used. [5 marks]	Good language usage with only a few mistakes (fewer than five). Own words mostly used. [4 marks]	Acceptable language usage with more than five mistakes. Some sentences are copied from the lesson. [3 marks]	Little attempt to use correct language or no attempt to use own words. [1-2 marks]	
Total mark out of 20:					

Level 4: 15–20 marks (70–100%) – Outstanding

Level 3: 10–14 marks (50–69%) – Achieved

Level 2: 7–9 marks (35–49%) – Partially achieved

Level 1: 1–6 marks (1–34%) – Not achieved