Credit and Debt Management: Summary of corrections to course materials

These changes affect version V002 of the materials.

Course Notes & Questions

Page 5	**The assessment** This has been corrected as follows: This unit will be a 2 hour computer based assessment (CBA).
Page 137	**(vii)** This has been corrected as follows: **Charge over property** – a legal charge is placed on property owned by the receivable and when that property is sold, the monies are used to pay the debt.
Page 165	We were missing a bracket from the beginning of the following formula: **FORMULA TO LEARN – COMPOUND ANNUAL COST DISCOUNT** $\left(\left(1 + \frac{d}{100-d}\right) \wedge \left(\frac{365}{N-D}\right) - 1\right) \times 100$

Task Bank & Mocks

Page 28 Page 109 Page 157	**Task 3 Revision Examples + Mock Bank Task 3s** The task 3 requirements have been updated to reflect the AAT's updated assessment approach. They will now include bullet point headings of what you should cover in your written answers, along with the mark allocations.
Page 68	**Task 2 Revision Example 1** The following table has been corrected. The rounding rules had been inconsistently applied. (You should use normal mathematical rounding unless told otherwise.) Also, the interest cover score for 20X8 was incorrect.

	20X9 Indicator	20X9 Rating	20X8 Indicator	20X8 Rating
Operating profit margin (%) **Operating profit / revenue x 100**	902/3652 x 100 = **24.70%**	15	744/3251 x 100 = **22.89%**	15
Interest cover (X times) **Operating profit / finance costs. This identifies the number of times the finance costs are covered.**	902/112 = **8.05**	10	744/84 = **8.86**	10
Current ratio (X:1) **Current assets / current liabilities**	1302/1285 = **1.01**	5	984/1306 = **0.75**	-15
Gearing (%) **Total debt / Total debt + total equity (where total debt is all non-current liabilities)**	2260/(2260 +4737) x 100 = **32.30**	15	1313/(1313 +4215) x 100 = **23.75**	35
Total credit rating	**n/a**	**45**	**n/a**	**45**

Page 90	**Task 5 Revision Example 2** The solution to part **(e)** should be: 'Unpaid invoices' and 'Details of the exact name of the customer'
Page 127	**Mock 1 Task 6** In the table, the date of invoice 56853 should be 21/12/X2.