



National Unit specification: general information

Unit Title: Events Costing: An Introduction (SCQF level 5)

Unit code: FN3A 11

Superclass: AK

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Version: 03

Summary

The purpose of this Unit is to provide candidates with the knowledge and skills to carry out a range of costings and calculations, including breakeven point in relation to events, and to operate a petty cash system.

This Unit is suitable for candidates who are studying this subject for the first time.

This is a mandatory Unit within the National Certificate in Events Co-ordination at SCQF level 5 but is also available as a standalone Unit.

Successful completion of this Unit may facilitate progression to the Higher National Unit Event Budgeting and Funding.

Outcomes

- 1 Prepare a job cost statement for an event.
- 2 Calculate the break-even point for an event.
- 3 Operate a petty cash system.

Recommended entry

While entry is at the discretion of the centre, candidates would normally be expected to have attained the Core Skills Unit in Numeracy at SCQF level 4 or equivalent.

Credit points and level

1 National Unit credit at SCQF level 5. (6 SCQF credit points at SCQF level 5*).

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

General information (continued)

Unit Title: Events Costing: An Introduction (SCQF Level 5)

Core Skills

Achievement of this Unit gives automatic certification of the following Core Skills component:

- ◆ Using Number at SCQF level 5

There are also opportunities to develop aspects of Core Skills which are highlighted in the Support Notes of this Unit specification.

National Unit Specification: statement of standards

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Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Outcome 1

Prepare a job cost statement for an event.

Performance Criteria

- (a) Identify associated costs for an event.
- (b) Classify costs into direct, indirect, fixed and variable.
- (c) Calculate direct costs accurately.
- (d) Calculate total cost accurately.
- (e) Apply mark up to forecast the selling price of an event before VAT.

Outcome 2

Calculate the break-even point for an event.

Performance Criteria

- (a) Calculate unit variable costs and contribution to fixed costs accurately.
- (b) Complete a simple budgeted cost and profit statement.
- (c) Calculate break-even point in both units and sales accurately.
- (d) Draw a break-even chart.

Outcome 3

Operate a petty cash system.

Performance Criteria

- (a) Complete petty cash vouchers accurately.
- (b) Record petty cash transactions in the petty cash system.
- (c) Balance the petty cash accurately.
- (d) Restore the imprest.

National Unit Specification: statement of standards (continued)

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Evidence Requirements for this Unit

Written evidence is required to demonstrate that candidates have achieved all Outcomes and Performance Criteria.

Each assessment should take place under open-book controlled conditions. Assessment could be holistic or Outcome by Outcome.

Outcome 1

Candidates are required to:

- ◆ identify a minimum of three associated costs for an event
- ◆ classify a minimum of ten costs according to their nature and behaviour ie direct, indirect, fixed or variable.
- ◆ calculate a minimum of three direct costs.
- ◆ calculate total cost.
- ◆ apply mark up percentage to calculate selling price of an event before VAT.
- ◆ complete a job cost statement for an event using a given pro forma.

This evidence can either be generated manually and/or by using a spreadsheet.

Outcome 2

Candidates are required to:

- ◆ calculate a minimum of two variable costs and the resulting contribution to fixed costs.
- ◆ complete a simple budgeted cost and profit statement detailing average selling price, total sales, variable costs, contribution, fixed costs and total profit.
- ◆ calculate break-even point in terms of number of attendees and sales by contribution method.
- ◆ draw a break-even graph clearly labelling Fixed Costs/Total Costs & Total Sales

Candidates will be provided with a pro-forma for the Cost and Profit Statement.

Evidence for Outcome 2 must be generated manually.

Outcome 3

Candidates are required to:

- ◆ complete a minimum of five petty cash vouchers.
- ◆ record the same five petty cash vouchers in the petty cash system.
- ◆ balance the petty cash accurately.
- ◆ restore the imprest.

This evidence can either be generated manually and/or by using a spreadsheet. In either case, candidates will be provided with a pro-forma for the petty cash system.

National Unit Specification: support notes

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This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

This Unit is a mandatory Unit within the National Certificate in Events Organisation, but can also be taken as a free standing Unit.

The focus of this Unit is to provide candidates with the knowledge and skills to be able to carry out a range of costings and calculations in relation to the events industry. These costings and calculations could be based on course work and relate to an actual event being organised. Alternatively, practical exercises or case study material could be used to cost an event and calculate break-even point. The petty cash book could be completed for either scenario.

Outcome 1

Suggested content: Discussion of different types of events eg weddings, fashion show, meetings, conferences, concerts and their associated costs eg administration, catering, equipment, permits, security, cleaning, publicity, disco, flowers, printing, insurance, labour. Discussion can be followed by an explanation and exercises on cost classification. It may be worth mentioning that the events industry talks in terms of direct costs (costs directly associated with an event, whether variable or fixed) and indirect costs (costs associated with running of the event company). Candidates will then complete pro-forma job cost statements from given information eg clients requirements and price lists, calculate total direct cost and total cost. Finally they will add on profit mark up to arrive at a selling price. This work can be completed manually and/or by using a spreadsheet. Candidates should be provided with a pro-forma for the job cost statement.

Outcome 2

Suggested content: Discuss and reinforce cost behaviour in relation to sales and differentiate between fixed and variable costs; calculate variable costs, contribution to fixed costs and break-even point in both units and sales using contribution method; complete a budgeted cost and profit statement detailing average selling price, total sales, variable costs, contribution, fixed costs and total profit; and draw a break-even graph. It would be useful to discuss the importance of break-even analysis in decision making and in particular the relevance of the graph. Margin of safety may also be highlighted. The calculations in this Outcome must be completed manually. Candidates should be provided with a pro-forma for the cost and profit statement.

National Unit Specification: support notes (continued)

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Outcome 3

Suggested content: Discuss and explain the purpose of the petty cash system highlighting the need to keep all relevant receipts; complete petty cash vouchers; record vouchers in petty cash analysis book, balance petty cash book and restore the imprest. This work can be completed manually and/or by using a spreadsheet with the aid of a pro-forma. Candidates should be provided with a pro-forma for the petty cash system. To avoid any confusion VAT should be excluded from this topic.

National Occupational Standards

In this unit, candidates will develop elements of the following National Occupational Standards.

Finance and Accounting

MA-1 Provide Cost and Revenue Information (Financial Services Skills Council)

TM-1 Administer Cash Balances (Financial Services Skills Council)

Business and Administration

405 Negotiate and agree budgets (Council for Administration)

Cultural Venue Operations

CV18 Issue floats and petty cash (Cultural and Creative Skills)

Guidance on learning and teaching approaches for this Unit

It is recommended that Outcomes be taught in order. In addition, where this Unit is being delivered as part of the National Certificate in Events Organisation Group Award reference to and/or integration with other appropriate Units is encouraged.

The emphasis of the Unit should be on practical work involving exercises, case studies, discussion, and teamwork and should enable candidates to practise what they have been taught. The use of spreadsheets is encouraged.

A pro-forma should be provided to assist candidates to complete tasks.

It is important to ensure that the Unit is delivered in an Events context, reflecting industry practice.

By adopting the above learning and teaching approaches and/or through the Outcomes and corresponding Evidence Requirements, the Unit should provide Candidates with an opportunity to develop essential skills for life, learning and work. Candidates will develop skills that will support employability such as numeracy and communication skills, effective time management, and working with others. They will develop confidence, independent learning and will gain experience of working with figures within the events industry.

National Unit Specification: support notes (continued)

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Opportunities for developing Core Skills

In this Unit candidates will develop skills in carrying out a range of costings and calculations in relation to events.

Candidates will:

- ◆ identify appropriate event costs
- ◆ classify costs
- ◆ make calculations
- ◆ prepare a job cost statement
- ◆ complete a budgeted cost and profit statement
- ◆ draw a break-even chart
- ◆ process petty cash documents

This Unit has the Numeracy component of Using Number embedded in it, so when candidates achieve this Unit their Core Skills profile will be updated to show they have achieved Using Number at SCQF Level 5. In addition, as candidates are doing this Unit they will be developing aspects of the Core Skills in Problem Solving and Communication.

In addition whilst completing this Unit candidates may develop aspects of the following Core Skills where specific learning and teaching approaches are adopted:

- ◆ ICT — where the Unit is delivered using a recognised spreadsheet package, candidates will develop the IT component of Providing/Creating Information through the use of appropriate software.

Guidance on approaches to assessment for this Unit

The evidence requirements are fully expressed in the mandatory section of this Unit Specification. Assessor checklists and other assessment records should be maintained and kept up-to-date to keep track of candidate progress and provide evidence for internal and external verification purposes.

Each assessment should take place under controlled open-book conditions.

Suitable instruments of assessment are as follows:

Outcome 1

Outcome 1 could be assessed using two separate exercises. The first assessment could consist of two questions covering Performance Criteria (a) and (b) as follows:

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PC (a) Short answer question eg Identify a minimum of three associated costs for an event. The event could be a wedding, a fashion show, concert, meeting etc.

PC (b) Exercise listing a minimum of ten costs which candidates have to classify into direct, indirect, fixed or variable. A table could be provided with cost headings.

National Unit Specification: support notes (continued)

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The second assessment would cover PC (c), (d) and (e) as follows:

PC (c), (d) and (e) Practical exercise completing a pro-forma job cost statement from given information eg client's requirements and price lists.

This evidence can either be generated manually and/or by using a spreadsheet.

Outcome 2

Practical exercise/case study based on a proposed event. Candidates would be given information on provisional number of guests, average selling price and budgeted costs. They would then complete the budgeted cost and profit template filling in the average selling price, variable costs, and calculate contribution. In addition, in order to calculate profit candidates would work out total contribution less fixed costs. Finally, they would use information contained within the cost and profit statement to calculate break-even point in units and sales and draw a graph detailing fixed costs/ total costs/ total sales. This assessment must be completed manually.

NB The same exercise/case study could be used for Outcomes 1 and 2.

Outcome 3

Practical exercise based on given information. Candidates will complete a minimum of five petty cash vouchers. They will then record the five petty cash vouchers in the petty cash system, calculate the balance and restore the imprest. This assessment can either be completed manually and/or by using a spreadsheet. A pro-forma petty cash analysis should be provided.

Time should be allowed for any necessary re-assessment.

Opportunities for the use of e-assessment

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or e-checklists. Centres which wish to use e-assessment must ensure that the national standard is applied to all candidate evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. Further advice is available in *SQA Guidelines on Online Assessment for Further Education (AA1641, March 2003)*, *SQA Guidelines on e-assessment for Schools (BD2625, June 2005)*.

Disabled candidates and/or those with additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering whether any reasonable adjustments may be required. Further advice can be found on our website www.sqa.org.uk/assessmentarrangements

History of changes to Unit

Version	Description of change	Date
02	Core Skills Component Using Number at SCQF level 5 embedded.	08/08/2011
03	Page 4, Outcome 1, bullet point 2 changed to a minimum of ten costs. Page 5 Outcome 2 line 4: 'average spend per person' deleted. Page 9 Outcome 2 line 2 – 3 “budgeted average spend per person” replaced by, “average selling price” and “spend” replaced by “selling price”.	28/09/2011

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