

**SKILLS FRAMEWORK FOR FINANCIAL SERVICES
TECHNICAL SKILLS AND COMPETENCIES (TSC) REFERENCE DOCUMENT**

TSC Category	Investment and Financial Management					
TSC	Financial Analysis					
TSC Description	Evaluate organisations' profitability and financial health through analysing its financial reports to determine its performance and investment suitability					
TSC Proficiency Description	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
			FSE-FIN-3024-1.1	FSE-FIN-4024-1.1	FSE-FIN-5024-1.1	
			Analyse financial report data using key financial health indicators	Evaluate organisations' financial performance and position	Review financial analyses conducted and endorse methodologies	
Knowledge			<ul style="list-style-type: none"> Revenue recognition and accrual Expense recognition Key components of income statement and balance sheet Earnings Per Share (EPS) calculations Cash flow analysis Application of financial ratio analysis 	<ul style="list-style-type: none"> Revenue recognition and accrual Approaches to prepare projections of organisations' future net income and cash flows Cash flow analysis Financial ratio analysis 	<ul style="list-style-type: none"> Financial ratio analysis Financial calculations methodologies used across the financial services industry Cash flow analysis Considerations in evaluating organisations' past financial performance Financial projection, cash flow trends and profitability concepts Considerations in evaluating investment returns Strengths and weaknesses in organisational performance relative to relevant leading practices 	
Abilities			<ul style="list-style-type: none"> Calculate organisations' cash flow Identify and explain sources of risk from financial reports Calculate organisations' revenue using 	<ul style="list-style-type: none"> Evaluate organisations' cash flow quality Explain how organisations can create a competitive advantage over their competitors Evaluate organisations' financial performance 	<ul style="list-style-type: none"> Outline the process of financial statement analysis Review financial analysis conducted and determine state of organisations' financial health 	

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			<p>appropriate revenue recognition methods</p> <ul style="list-style-type: none"> • Calculate organisations' earnings per share • Identify organisations' competitive advantage over competitors • Calculate key financial ratios 	<p>and position based on key indicators and ratios identified</p> <ul style="list-style-type: none"> • Develop recommendations on investment suitability of organisations based on financial health analysis 	<ul style="list-style-type: none"> • Define indices for qualifying investment suitability based on financial health indicators 	
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