



Preparation Guide

Edition 201606

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1. Overview

EXIN BCS Commercial Awareness Foundation (CAF.EN)

Scope

Holders of the BCS BSD Certificate in Commercial Awareness should be able to:

- Understand three techniques used to evaluate a financial case.
- Understand costing and pricing.
- Understand cash flow forecasting and budgeting.
- Describe the contents of financial accounting documents.
- Interpret financial accounts.
- Explain specified business performance ratios.
- Define the elements and usage of Porter's Five Forces Framework and Value Chain.
- Define the elements and usage of the Boston Consulting Group's matrix.
- Define the performance measures and usage of the Balanced Business Scorecard.
- Define the elements of specified cultural analysis approaches.
- Explain the different management structures and their characteristics.
- Define the different architectures that may be adopted by organisations.

Summary

This certificate is concerned with the commercial and organisational knowledge required for business analysis work. The syllabus is structured around the two key areas of Business Finance and Organisational Behaviour, and uses definitions, techniques and principles from the books specified in the recommended reading list.

Context

This Foundation in Commercial Awareness certificate can be studied alongside other BA Foundation certificates, prior to progressing to Practitioner level.

Target Group

Anyone who wants to understand of the structure, operation and behaviour of organisations. It's particularly relevant to those in a business change role such as business analysts, programme or project managers, solution architects and service managers.

Requirements for Certification

There are no formal entry requirements for accredited courses although attendance at an accredited course is strongly recommended.

Examination Details

Examination type:	Multiple-choice Questions
Number of questions:	40
Pass mark:	65%
Open book/notes:	No
Electronic equipment/aides permitted:	Yes
Exam duration:	60 minutes

The Rules and Regulations for EXIN's examinations apply to this exam.

Use of Calculators

Simple non-programmable calculators can be used during paper based examinations (to be provided by the candidate). Candidates taking on-line examinations will have access to an on screen calculator. No other calculators or mobile technology will be allowed.

Training

Candidates can study for this certificate in two ways: by attending training courses provided by Accredited Training Organisations or by self-study. An accredited training course will require a minimum of 14 hours. A reading list to support self-study is provided below.

Contact Hours

The recommended number of contact hours for this training course is 14. This includes group assignments, exam preparation and short breaks. This number of hours does not include lunch breaks, homework and the exam.

Indication Study Effort

14 hours, depending on existing knowledge.

Training Organization

You can find a list of our Accredited Training Organizations at www.exin.com.

2. Exam Requirements

The exam requirements are specified in the exam specifications. The following table lists the topics of the module (exam requirements) and the subtopics (exam specifications).

Exam Requirements	Weight
Syllabus part1: 1. Evaluating a Financial Case	15%
Syllabus part1: 2. Budgeting, Costing and Pricing	15%
Syllabus part1: 3. Financial Reporting and Analysis	20%
Syllabus Part2: 4. Market analysis and competitive advantage	15%
Syllabus Part2: 5. Organisational behaviour and culture	10%
Syllabus Part2: 6. Group formation	5%
Syllabus Part2: 7. Principles of organisational structure	10%
Syllabus Part2: 8. Operating models	10%
Total	100%

Exam Specifications

Syllabus part 1

(Business Finance – 50% of course/examination)

1. Evaluating a Financial Case

1.1 Purpose of Building a Financial Case

1.2 Techniques used for evaluating a Financial Case

I Payback

1. Calculation
2. Payback and Risk
3. Limitations of Payback

II Discounted Cash Flow/Net Present Value

1. Purpose
2. Calculation
3. The NPV Decision Rule

III Internal Rate of Return

1. How to derive IRR
2. How IRR is used
3. The IRR Decision Rule

1. Budgeting, Costing and Pricing

2.1 Budgets and Departmentalised Businesses

I The purpose of budgets

II Reasons for departmentalization

III Cost centres and profit centres

2.2 Cash Flow and Cash Management

I Cash flow forecasting

II Use of cash flow in decision making

III Cash flow and profit

2.3 Costing and Pricing

I Fixed and variable costs

II Direct and indirect costs

III Break even and Contribution Analysis

2. Financial Reporting and Analysis

3.1. Statement of Financial Position (Balance Sheet)

I Purpose and Structure

II The nature, purpose and types of Capital

III Current and non-current liabilities

IV Current and non-current assets

3.2. Income and Expenditure (Income Statement, Profit and Loss Account)

I The importance of Operating Profit

II Revenue (turnover)

III Cost of Sales

IV Administrative Expenses

V Profit after Tax

3.3 Statement of Cash Flows (Cash Flow Statement)

3.4 Ratios (formulae and interpretation)

I Profitability Ratios: Operating Margin and Return on Capital Employed ratios

II Liquidity (Cash Management) Ratios : Current and "Acid Test" ratios

III Gearing (Leverage) Ratio: Debt/Equity Ratio

Syllabus part 2

(Based on *Organisational Behaviour and Business Analysis Techniques* books) 50% of course / examination)

3. Market analysis and competitive advantage

- 4.1. Analysing the business domain - Porter's Five Forces Analysis
- 4.2. Analysing the portfolio - Boston Box
- 4.3. Delivering value - Porter's Value Chain

4. Organisational behaviour and culture

- 5.1. What is organisational behaviour?
- 5.2. Organisational effectiveness and the Balanced Scorecard
- 5.3. Understanding and analysing culture
 - I Organisational Cultural Types (Deal and Kennedy; Handy)
 - II International Cultures (Hofstede)
 - III The Cultural Web

5. Group formation

- 6.1. Groups and group dynamics
- 6.2. Formal and informal groups
 - I Groups and group tasks
 - II Characteristics of formal groups
 - III Homan's theory of group formation
 - IV Tuckman and Jensen's theory of group development
 - V Characteristics of informal groups
 - VI Social networks

6. Principles of organisational structure

- 7.1. Organisation structuring
 - I Elements of organisation structure
 - II The six Structure Levels
 - III The Leavitt Diamond
- 7.2. Types of jobs
 - I Work specialization
 - II Flat and tall hierarchies
 - III Span of control
- 7.3 Line, staff and functional relationships
- 7.4 Formalisation of rules and procedures
- 7.5 Centralisation v decentralisation
 - I Advantages
 - II Disadvantages

7. Operating models

- 8.1. Organisation structures and their characteristics
 - I Functional
 - II Divisional – product or service/ geography/ customer
 - III Matrix
 - IV Team-based – cross functional/ project

8.2. Organisational boundaries

I Boundaryless organisations

II Outsourcing

III Offshoring

IV Hollow organisation structures

V Modular organisation structures

VI Virtual organisations

VII Collaborations and strategic alliances

3. Literature

Exam Literature

The knowledge required for the exam is covered in the following literature:

- A. Debra Paul, Donald Yeates and James Cadle
Business Analysis 3rd Edition
BCS (September 2014)
ISBN: 978-1780172774
<http://shop.bcs.org>
- B. Prof David A Buchanan and Dr Andrzej A Huczynski
Organizational Behaviour
Financial Times/Prentice Hall (May 2010)
ISBN: 0273728598
- C. Michael Blackstaff
Finance for IT Decision Makers: A Practical Handbook
BCS (september 2012)
ISBN: 1902505735
<http://shop.bcs.org>
- D. James Cadle, Debbie Paul and Paul Turner
Business Analysis Techniques: 99 Essential Tools for Success
BCS (September 2014)
ISBN: 978-1780172736
<http://shop.bcs.org>

Notes to the Syllabus

Part 1 – this part of the syllabus is based upon the following publications:

Section 1: Finance for IT Decision Makers – Chapters 2 – 6 Business Analysis Techniques – Technique 47.

Section 2: Finance for IT Decision Makers – Chapter 2: 11

Section 3: Finance for IT Decision Makers – Chapter 1 and Chapter 12

Part 2 – this part of the syllabus is based upon the following publications:

Section 4: Business Analysis Techniques – Technique 2, Business Analysis Techniques – Technique 5, Business Analysis Techniques – Technique 45

Section 5: Organisational Behaviour – Chapter 1, Business Analysis Techniques – Technique 91

Section 6: Organisational Behaviour – Chapter 10

Section 7: Organisational Behaviour – Chapter 15

Section 8: Organisational Behaviour – Chapter 17

4. Levels of Knowledge / SFIA Levels

This course will provide candidates with the levels of difficulty, knowledge and skill highlighted within the following table, enabling them to develop the skills to operate at the levels of responsibility indicated.




The levels of knowledge and SFIA levels are explained on the website www.bcs.org/levels.

Level	Levels of knowledge	Levels of skill and responsibility (SFIA)
K7		Set strategy, inspire and mobilise
K6	Evaluate	Initiate and influence
K5	Synthesise	Ensure and advise
K4	Analyse	Enable
K3	Apply	Apply
K2	Understand	Assist
K1	Remember	Follow

5. e-CF Mapping

The mapping of this certificate against the [e-Competence Framework](#).

EXIN BCS Commercial Awareness Foundation							
		e-Competence level	1	2	3	4	5
A.1.	IS and Business Strategy Alignment					partial coverage	
A.3.	Business Plan Development				superficial coverage		
D.5.	Sales Proposal Development		partial coverage				
D.7.	Sales Management				competence is covered		
D.9.	Personnel Development				superficial coverage		
E.1.	Forecast Development				superficial coverage		

	competence is covered
	partial coverage
	superficial coverage

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