



Worksheet 3: Making judgements

For each of the following evaluative questions, decide what your judgement would be and then think about what that judgement might depend upon.

- 1 Assess the performance of V plc and T plc in terms of profitability and efficiency in managing inventory.

What are you making a judgement about?

What does your judgement depend upon?

- 2 Advise the directors whether or not they should increase the proposed dividend.

Justify your answer by discussing the benefits and drawbacks of your advice for both the company and the shareholders.

What are you making a judgement about?

What does your judgement depend upon?

- 3 Suggest whether the business should reduce the terms of credit for its receivables to improve the cash flow position.

What are you making a judgement about?

What does your judgement depend upon?