

**BUSINESS MANAGEMENT**  
**Higher**

**First edition – published March 2006**

## National Course Specification

### BUSINESS MANAGEMENT (HIGHER)

**COURSE NUMBER** C234 12

#### COURSE STRUCTURE

This Course has three mandatory Units:

<i>DV4G 12</i>	<i>Business Enterprise (Higher)</i>	<i>1 credit (40 hours)</i>
<i>DV4K 12</i>	<i>Business Decision Areas: Marketing and Operations (Higher)</i>	<i>1 credit (40 hours)</i>
<i>DV4L 12</i>	<i>Business Decision Areas: Finance and Human Resource Management (Higher)</i>	<i>1 credit (40 hours)</i>

All Courses include 40 hours over and above the 120 hours for the Units. This may be used for induction, extending the range of learning and teaching approaches, support, consolidation, integration of learning and preparation for Course assessment.

#### RECOMMENDED ENTRY

While entry is at the discretion of the centre, candidates will normally be expected to have attained one of the following, or equivalent:

- ◆ Standard Grade Business Management at Credit level
  - ◆ Intermediate 2 Business Management or its Units
- and
- ◆ Standard Grade English at Credit level, or
  - ◆ Intermediate 2 English or its Units.

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#### Administrative Information

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## **National Course Specification: course details (cont)**

**COURSE**            Business Management (Higher)

### **PROGRESSION**

The Course or its Units may provide progression to:

- ◆ Advanced Higher Business Management
- ◆ Higher National programmes
- ◆ Higher education
- ◆ Training or development

### **CREDIT VALUE**

The Higher Course in Business Management is allocated 24 SCQF points at SCQF level 6\*.

\*SCQF 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 points at a SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.

### **CORE SKILLS**

Achievement of this Course gives automatic certification of the following:

Complete Core Skill	None
Core Skills component	Critical Thinking at SCQF Level 6

## National Course Specification: course details (cont)

**COURSE** Business Management (Higher)

### RATIONALE AND AIMS

#### Rationale

Business and enterprise are at the heart of national growth and development, and this is reflected in the place business education has in the curriculum. The provision offers opportunities for candidates to develop the crucial skills and knowledge which allow them to access, understand and contribute to the dynamic, complex business and enterprise environment. Whatever the career pathway or progression route, business education enhances individual effectiveness.

The study of Higher Business Management places the key elements of management in a study of the business as a whole and draws from a number of other disciplines. It enables candidates to acquire knowledge and understanding of the role and operation of business, to develop analytical skills, to apply skills to business situations, and to communicate by means of written or spoken language. This should benefit all candidates, whether or not they subsequently follow a career in business. Candidates will gain from both the theoretical underpinning and the vocational relevance of the study of business management at this level. The Course can provide the incentive for candidates to consider the prospect of establishing their own business. The underpinning knowledge and understanding gained from the Course will be a valuable resource for those who do explore this route and should help promote the success on any venture on which they embark.

The Course focuses on analysis of the key functional areas of businesses, such as finance, marketing and human resource management, in all types of organisations. The core of the Course is decision making. Decisions are essential if organisations are to achieve their goals and adapt to a constantly changing environment. It is crucial that decisions reached throughout a business organisation are compatible and consistent with the objectives of the organisation.

The Course highlights the importance of enterprise to all organisations and the increasing role that information and communication technology (ICT) plays in business-orientated organisations, particularly with respect to the use and operation of ICT in decision-making. As a result, the Course helps to equip candidates to cope with the requirements of today's changing employment market.

Increasingly, business concepts and techniques are used in the operation of many types of organisation, including those which do not have profit making as their prime objective. The Course recognises this and includes different types of business enterprise, including voluntary organisations, such as charities, and publicly-funded ones, such as local authorities. It also covers the different forms of profit-making bodies from sole traders to large international companies. The Units, therefore, are relevant to all types of organisation. Candidates are encouraged to study the similarities and differences between different types of enterprise.

The terminology of the Course reflects the notion that all organisations require to adopt an enterprising approach. The terms *organisation*, *business organisation*, *business enterprise* and *enterprise* are frequently used to mean the same thing. Although they can have different meanings, throughout this document they are used interchangeably. This helps to emphasise the importance of encouraging enterprising behaviour within all kinds of organisations in all areas of activity.

## **National Course Specification: course details (cont)**

### **COURSE**            Business Management (Higher)

Overall, therefore, the study of Business Management can provide a valuable experience which can enhance an individual's understanding of a key area in society and provide skills and knowledge which can be used in a wide variety of types of employment. It can promote the development of an enterprise oriented society and encourage candidates to take a positive view of setting up business for themselves.

## National Course Specification: course details (cont)

### COURSE Business Management (Higher)

#### Aims

The aims of the Course are to build on the knowledge and understanding gained in Credit Level Standard Grade Business Management or Intermediate 2 Business Management, and are to:

Develop a knowledge and understanding of:

- ◆ the importance of business and enterprise in contemporary society
- ◆ the key main functional areas of activity in a business
- ◆ the different types of business and how business and organisational objectives may differ

Develop the skills of:

- ◆ analysing the ways in which different organisations achieve their objectives
- ◆ problem solving and decision making in business situations
- ◆ explaining and analysing situations faced by businesses
- ◆ interpreting business information and communicating in a coherent and effective manner

Promote and encourage an understanding of:

- ◆ the contribution of different individuals to the overall achievement of the organisation's objectives
- ◆ the internal structure of organisations and how this may influence their activities
- ◆ the interdependence of the various activities undertaken by businesses
- ◆ the contribution which information and communication technology (ICT) can make to the effectiveness of decision making in different types of business
- ◆ the range of contexts within which businesses operate
- ◆ the key role of enterprise in a dynamic economy

and to provide a basis for future study.

Satisfactory completion of the Course will provide candidates with:

- ◆ a thorough grounding in the place and importance of business in a modern society and of the main areas of activity within a business and business oriented organisations
- ◆ a solid platform for further study particularly in courses in business and management but also in other courses which involve an understanding and awareness of the business environment and the way in which businesses operate
- ◆ transferable skills such as the ability to adopt a logical approach and to communicate complex points clearly

## **National Course Specification: course details (cont)**

### **COURSE Business Management (Higher)**

The Business Management Courses at Higher and Intermediate 2 have been designed in a hierarchical structure. This should facilitate delivery of the Courses and permit candidates to move between levels where this is appropriate. It also ensures a clear progression to Higher from Intermediate 2. It is, however, important to distinguish between the two levels. This has been achieved in several ways.

- ◆ The Course Content at Higher covers a greater breadth and depth of content than at Intermediate 2 level. As a result, candidates at Higher level are expected to master a greater range of content than at Intermediate 2
- ◆ The Outcomes and Performance Criteria in the Units at Higher level are more demanding than at Intermediate 2 level. Candidates are expected, for example, to demonstrate the ability to explain and analyse situations. This is a progression from Intermediate 2 where the emphasis is on explanation. It is a further development from Intermediate 1 where candidates are expected to be able to give descriptions
- ◆ The arrangements for Course assessment are more taxing than at Intermediate 2. For example, the business situations are more complex
- ◆ At Higher there is greater emphasis on the integration of topics

## National Course Specification: course details (cont)

**COURSE** Business Management (Higher)

### COURSE CONTENT

The Course content has been organised in three Units — *Business Enterprise (Higher)*; *Business Decision Areas: Marketing and Operations (Higher)* and *Business Decision Areas: Finance and Human Resource Management (Higher)*.

All of the Course content will be subject to sampling in the Course assessment.

The content of the Course is summarised below. The section on *Internal Organisation* does **not** form part of any of the Unit specifications for the Course. It will not be included in any Unit assessment but will be available for Course assessment.

NB: The content of the lower levels underpins this course.

### Business Enterprise (Higher)

#### Business in contemporary society

Role of business in society	Wealth creation, production and consumption of goods and services, satisfaction of wants, sectors of activity
Types of business organisations	Self-employed, partnership, private limited company, public limited company, voluntary organisation, charity, publicly-funded organisation  The above covers firms in all size ranges and national and international aspects of their operation, including multinationals
Objectives	Profit maximisation, survival, sales maximisation, growth, social responsibility, managerial objectives, provision of a service. Relate to different types of organisations
Role of enterprise and the entrepreneur	Identifying business opportunities, franchising, combining factors of production, innovation and risk taking
Stakeholders	Shareholders, customers, employees, donors (for charities), management, government, suppliers, banks, other lenders, taxpayers, community as a whole, local government; influence of stakeholders on organisational objectives and behaviour

## National Course Specification: course details (cont)

### COURSE Business Management (Higher)

Factors affecting the operation of business	Sources of finance and sources of assistance — local enterprise companies (LECs), banks, local authorities, including subsidised premises, government help, such as grants and allowances, help for exporters through trade fairs, advice and courses for small businesses, European Union (EU) grants  Methods of growth — horizontal and vertical integration, diversification, merger and take-over, de-merger, divestment
Business as a dynamic activity	The impact of changes in demand, demographic trends, competition, regional policies, structure of the labour market, local and central government, privatisation, EU, environment, technology, ICT  The above can be grouped under headings of socio-cultural; technological; economic; environmental; political; national and international competitive environment
<b>Business Information and ICT</b>	
Sources of information	Primary, secondary, internal, external. Costs and benefits of different sources
Types of information	Qualitative and quantitative
Value of information	Accuracy, timeliness, completeness, appropriateness, availability, cost, objectivity, conciseness. Value also depends on the purpose for which the information is used, for example, monitoring and control, decision making
ICT in business	Uses of ICT — hardware and software, for example, decision making. Costs and benefits of ICT, for example, more rapid decisions, staff training  Awareness of current legislation, for example, data protection
<b>Decision making in business</b>	
Decision making	The nature of decision; types of decision: strategic, tactical and operational, role of managers

## National Course Specification: course details (cont)

### COURSE Business Management (Higher)

Decision making model	Identify the problem, identify the objectives, gather information, analyse information, devise alternative solutions, select from alternatives, communicate the decision, implement the decision, evaluate the influence of ICT on decision making
Strengths, weaknesses, opportunities, threats (SWOT) analysis	Development of SWOT analysis, drawing conclusions from a SWOT analysis, justification of conclusions
Problems of structured models	Time, ability to collect all information; problems of generating alternatives, lack of creativity

#### Internal organisation

Grouping of activities	Function, product/service, customers, place/territory, technology, line/staff
Functional activities of organisations	Marketing, human resource management, finance, operations, research and development
Forms of organisational structure	Hierarchical, flat, matrix, entrepreneurial, centralised and decentralised
Aspects of organisational structure	Organisation charts, span of control, formal and informal structures, awareness of organisation culture, changes in structure, for example, de-layering, downsizing; the role and responsibilities of management

#### Business Decision Areas: Marketing and Operations (Higher)

##### Marketing

Marketing	Role and importance of marketing in organisations
The marketing concept	Marketing as a strategic activity, marketing of products and services
The marketing mix	Place, including distribution channels; pricing strategies; product/service; promotional strategies
Target markets	Market segmentation: methods of segmenting markets. Niche marketing, market share, market growth
Market research	Primary and secondary information. Costs and benefits. Techniques — desk research, survey, questionnaire, interview, test marketing, sampling, the assessment of customer requirements. Collection of customer data

## National Course Specification: course details (cont)

### COURSE Business Management (Higher)

#### Operations

Operations	Role and importance of operations in organisations
Input, process and output	Production systems, quality assurance, stock control, quality standards, purchasing, payment systems
Distribution and delivery	Warehousing, transport (road, rail, air, sea), scheduling
Types of operations	Job, batch, flow
Quality	Quality control, benchmarking, quality circles, quality management

#### Business Decision Areas: Finance and Human Resource Management (Higher)

##### Financial management

Finance	Role and importance of the finance function in organisations
Financial information	Description of components of and interpretation of trading, profit and loss account and balance sheet
Cash flow management	Liquidity, decision making, projection
Budgetary Control	Uses of budgets, for example, to monitor and control activity
Ratio analysis	Purpose and interpretation of — gross profit/sales, gross profit/cost of goods sold, net profit/sales, return on capital, acid test, current ratio. Use of ratios in decision making. <b>NB</b> Calculation of ratios is not required

##### Human resource management

Human resource management	Role and importance of human resources in organisations
Changing pattern of employment within organisations	Current trends, for example, use of part-time and casual staff, core labour force within organisations
Recruitment and selection	Techniques: job analysis, job description, person specification, internal and external sources, selection methods, for example, role of interview, application forms, aptitude tests, psychometric tests

## National Course Specification: course details (cont)

### COURSE Business Management (Higher)

Training and development	Reasons for and types of training and development, for example, flexibility, upgrading skills, costs and benefits to the organisation, induction, on-the-job, off-the-job, staff development, appraisal
Employee relations	Main institutions: ACAS, employers' associations, employee organisations  Processes: negotiation, consultation, arbitration  Management of employee relations, for example, works councils
Legislative requirements	An awareness of legislation relating to equal opportunities, employment and health and safety

## **National Course Specification: course details (cont)**

**COURSE**            Business Management (Higher)

### **ASSESSMENT**

To gain the award of the Business Management Course (Higher), candidates must pass the Units as well as the Course assessment. The candidate's grade is based on the Course Assessment.

#### **Assessment Objectives**

The key objective of assessment is to ensure that candidates have achieved the aims of the Course. In particular, assessment seeks to ensure that candidates have understood and can apply the Course content and that they can communicate their understanding.

Unit assessment requires candidates to complete a range of explanatory and analytical questions. There is limited integration confined to the topics covered within the Unit.

Course assessment aims to enable candidates to explain and analyse issues in Business Management in unfamiliar and more complex contexts. This is done through a case study which tests candidates' ability to solve problems and make decisions and by extended response questions. Some questions are integrated and integration is across the whole of the Course content.

#### **Unit Assessment**

The Unit assessment for each of the three Units will be a closed book assessment which should take place at an appropriate time. The maximum time allowed for each assessment is 60 minutes.

Each Unit is assessed against the standards set out in the *National Unit Specification: statement of standards* for each Unit. Full details of the Outcomes, Performance Criteria and evidence requirements may be found in the Unit Specifications for *Business Enterprise (Higher)*, *Business Decision Areas: Marketing and Operations(Higher)* and *Business Decision Areas: Finance and Human Resource Management (Higher)*.

Further details about Unit assessment for this Course can be found in the NAB materials produced for each Unit.

## **National Course Specification: course details (cont)**

**COURSE**            Business Management (Higher)

### **Course Assessment**

The Course assessment is a Question Paper, which lasts two hours and 30 minutes and has 100 marks available.

- ◆ The paper examines knowledge and understanding covering the Course content and also assesses problem solving and decision making
- ◆ The paper will consist of two sections, 1 and 2
- ◆ Section 1 will contain questions on the interpretation of a case study of a business while Section 2 will be extended response questions
- ◆ Questions in both sections may focus on particular areas of Course content but there will also be questions which provide an opportunity to integrate topics across all areas of the Course content. These integrative questions may cover topics from two or more of the three Units which comprise the Course

### **Section 1 — total marks available 50**

This section of the paper will assess knowledge and understanding, problem solving and decision making.

It will consist of a case study of a business organisation with a number of interpretation questions totalling 50 marks. Candidates will be expected to attempt all questions.

The case study will be about 750 words long and will explain a situation facing an organisation or organisations. It will be based on a real organisation. There will be a number of mandatory questions related to it and candidates may be required to assume a management position and make decisions necessary to solve problems.

The questions will ask candidates to do one or more of the following:

- ◆ analyse the information given and identify the problems
- ◆ identify and assess constraints
- ◆ devise solutions and make recommendations
- ◆ justify their recommendations

### **Section 2 — total marks available 50**

This section of the paper will assess knowledge and understanding.

It will consist of five questions drawn from any part of the Course content. Candidates should attempt any two questions. Each question will require extended answers and will be worth 25 marks.

## National Course Specification: course details (cont)

### COURSE Business Management (Higher)

#### Relationship between Unit and Course assessment

The Unit assessments sample the knowledge and understanding gained during the learning and teaching process. Each Unit assessment is self-contained and covers only the content relevant to that Unit. A significant purpose of the Unit assessments is to enable candidates to demonstrate that they have grasped the essential aspects of business management introduced during a Unit. They allow candidates to apply their knowledge and understanding but in contexts which are familiar to them. As such, they provide an on-going benchmark against which candidates can measure their progress.

The Course assessment samples all aspects of the Course content and thus covers material from all three Units. In addition, the Course assessment may sample from the section of the Course content on *Internal Organisation* which is not associated with any of the three Unit specifications. It tests knowledge and understanding and includes problem solving and decision-making relating to a case study of a business. It also requires integration of topics from more than one Unit. Candidates are expected to adopt a more analytical, problem solving approach than for the Unit assessments.

The different emphases of the Unit and Course assessments will ensure that there is no unnecessary duplication of assessment. On occasions, it is possible that the same topic may feature in both assessments but candidates will be expected to carry forward the knowledge and understanding of a specific topic from the Units and apply it in unfamiliar contexts and/or in association with other topics in an integrative way.

#### The 'added value' of the Course

The Unit and the Course assessments complement each other. Candidates may undertake Units on a stand-alone basis. The holistic approach to Unit assessment, means those who take this route will be able to demonstrate specific achievement in a particular area of Business Management within a familiar context. Candidates who undertake the Course will have additional demands imposed on them which will enable them to gain significant benefits over and above those gained by completing the Units.

The additional demands will require candidates to:

- ◆ demonstrate the retention of knowledge from all areas of the Course content
- ◆ integrate knowledge and understanding from all areas of the Course content
- ◆ respond to questions relating to unfamiliar and more complex contexts
- ◆ adopt a problem solving and decision making approach to a business situation set in an unfamiliar and more complex context

The additional 40 hours for the Course is to allow these additional demands to be met. It also gives those delivering the Course the opportunity to make use of a wide range of teaching and learning strategies to assist candidates in meeting these additional demands.

## **National Course Specification: course details (cont)**

**COURSE**            Business Management (Higher)

### **GRADE DESCRIPTIONS**

The candidate's grade will be based on the total score obtained from the Course assessment.

The descriptions below indicate the nature of achievement required for an award at Grade C and A in the Course.

For an award at Grade C, candidates should be able to:

- ◆ apply knowledge and understanding to the analysis of a range of different contexts
- ◆ demonstrate ability to integrate material drawn from the Course content
- ◆ show a basic understanding of the main elements of the decision making process and how it can be applied to business behaviour
- ◆ demonstrate an ability to suggest and analyse solutions to business problems involving a limited number of variables

For an award at Grade A, candidates should be able to:

- ◆ apply knowledge and understanding to the analysis of a range of different contexts, some of which may be complex
- ◆ demonstrate a high degree of ability to integrate material drawn from the Course content
- ◆ show an understanding of the main elements of the decision making process and illustrate, using examples, how it can be applied to a wide range of actual and hypothetical business situations
- ◆ demonstrate an ability to suggest and analyse solutions to business problems involving a wide range of variables
- ◆ demonstrate clarity, coherence and logic in the presentation of their answers

## **National Course Specification: course details (cont)**

**COURSE**            Business Management (Higher)

### **ESTIMATES AND APPEALS**

#### **Estimates**

In preparing estimates, evidence of performance should be considered from across the breadth of coverage of the Course and must take account of performance in the whole Course. Evidence used to compile estimates and support appeals must be valid and reliable and must relate to the Course Grade Descriptions. The assessment instruments which are used to generate evidence for estimates must, therefore, allow candidates opportunities to demonstrate attainment against the Course Grade Descriptions.

Further advice on the preparation of estimates is given in the Course Assessment Specification and in the SQA guidance on submitting estimates and appeals.

#### **Appeals**

Evidence assembled in support of an Assessment Appeal should cover the content of the Course. Ideally, this will comprise evidence generated by a properly constructed, integrated prelim which reflects the Course assessment in range, balance and depth.

Although a prelim is not mandatory it is desirable. This is because it provides evidence of how well a candidate performs in conditions which replicate the Course assessment. The prelim can test retention of knowledge and understanding across all areas of the Course content, can provide opportunities for integration, can allow candidates to demonstrate problem solving and decision making and allow them to show that they can apply their knowledge in unfamiliar and more complex contexts. It can also result in evidence which is produced within the same time constraint as that specified by the Course assessment.

When developing prelim papers, centres should bear in mind that past papers, including SQA past papers, will not be accepted in their entirety. However, questions selected carefully from a minimum of three past papers, preferably adapted (to ensure the breadth and depth of coverage required to satisfy the Course Grade Descriptions) can be combined to form a valid assessment instrument for a prelim. Centres must also be certain that the question paper used for a prelim is not in the public domain and has not been previously seen by candidates. It is the responsibility of centres to ensure the validity, reliability and security of assessment instruments used for Estimates and Appeals.

High scoring evidence generated through Unit assessments can lend weight to an appeal. However, evidence from Unit assessment cannot on its own generate sufficient evidence of how a candidate can perform against the Course Grade Descriptions because it does not fully replicate the Course Assessment with respect to integrated questions, coverage of the Course content and retention of knowledge of topics from the whole of the Course content.

If evidence from Unit assessment is submitted in support of an appeal, therefore, it should be supplemented by additional evidence which is comparable in depth and breadth to that required in the Course assessment.

## National Course Specification: course details (cont)

**COURSE** Business Management (Higher)

### APPROACHES TO LEARNING AND TEACHING

The Course presents opportunities for candidate-centred learning, with an emphasis on analysis, problem solving and decision making. It is designed to ensure that knowledge essential to understand decision making is integrated with relevant information-gathering and evaluation, and communication skills. Where practicable, inter-relationships between knowledge components should be made evident to candidates and applied during practical and meaningful problem solving activities. The Course is set in the context of contemporary UK society. It includes the decision making process in all types of business organisations, for example, self-employed, private limited company, public limited company, voluntary organisation, charity, publicly-funded organisation. Practical examples relevant to business from the contemporary UK environment, and Scotland in particular, should be used wherever possible and the key ideas and concepts should be applied to the different types of organisations. It may also be helpful to use examples of firms which have grown and ones which have declined. A crucial theme is the significance of enterprise to all types of organisation, as well as the need to search out new business opportunities to meet changing circumstances. In this, it is useful to recognise that business enterprises both respond to changes in their environment and are also initiators of change. Hence, they can take decisions which are influenced by their environment but which also influence that environment.

The Course facilitates the use of a range of teaching and learning approaches, such as case studies and business games, group work, and visits to firms (possibly via work experience). These approaches help to integrate the theoretical and practical aspects of the Course, and emphasise the vocational nature and relevance of the subject.

Although the Units within the Course can be delivered independently, it is recommended, when they are offered as part of a Course, that they are integrated. It will be helpful to candidates if Outcome 1 in *Business Enterprise (Higher)*, which deals with an analysis of the business environment, is delivered first because this sets the overall context for the more detailed study of how different enterprises are organised and managed. There are natural links, for example, between the process of decision making in the *Business Enterprise (Higher)* Unit, and the analysis of the process in each of the business decision areas covered in the other two Units.

The section on *Internal Organisation* in the Course content is not included in any of the Unit specifications. It does, however, provide important background understanding on the organisational context of the functional areas of business covered in *Business Decision Areas: Marketing and Operations (Higher)* and *Business Decision Areas: Finance and Human Resource Management (Higher)*. If a Unit by Unit teaching approach is adopted for the Course, this section can form a bridge between the wider context of the *Business Enterprise (Higher)* Unit and the organisational emphasis of the other two Units.

Information and communication technology should be applied throughout the Course to the investigation and solving of business problems. It can be used in an integrated manner throughout the learning and teaching process. Candidates are not required to develop specific ICT skills or to become familiar with particular software packages. However, they should be well aware of software and hardware used in business and examples and illustrations of this will greatly enhance the learning and teaching process. Opportunities to illustrate the use of databases, for example, could be provided in conjunction with marketing and human resource management. Similarly, spreadsheets could be used in *Business Decision Areas: Finance and Human Resource Management (Higher)* to exemplify the interpretation of financial information. In these ways the practical relevance of the Course becomes clearer.

## **National Course Specification: course details (cont)**

### **COURSE                      Business Management (Higher)**

Wherever possible, learning and teaching should make reference to examples of business which are likely to be familiar to candidates. These can include local and national examples, particularly ones which candidates may know in their capacity as consumers. Candidates will also be aware of businesses through the employment of family members, friends or their own experience as an employee and this can also be a source of examples and illustrations.

There are considerable resources available which can enhance teaching and learning. Newspapers, magazines and journals regularly contain articles and reports on topics which are part of the Higher Course in Business Management. Candidates can be encouraged to read the business sections of the press which can give a relevant and topical flavour to the Course. There are many learning and teaching resources available on the internet. These include sites specifically devoted to the learning and teaching of business and management, many of which include useful case studies which can help to provide variety in learning and teaching as well as being a source of examples and a way of illustrating key points. Candidates can also be encouraged to access company websites and those aimed at consumers.

### **CANDIDATES WITH ADDITIONAL SUPPORT NEEDS**

This Course specification is intended to ensure that there are no artificial barriers to learning or assessment. The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the document *Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs* (SQA, 2004).

## **National Course Specification: course details (cont)**

### **COURSE Business Management (Higher)**

#### **BUSINESS MANAGEMENT IN A BROADER CONTEXT**

A number of national initiatives and programmes promote themes that are important to contemporary society such as citizenship and enterprise. These themes contribute to individual subjects and Courses by making connections beyond the subject boundaries and enrich the learning experience of candidates. Similarly, the specialist knowledge and skills developed through study of a particular subject contributes to the understanding of these themes.

Business Management is a subject which is at the very heart of contemporary society. Business is the engine by which wealth is created and its success determines the prosperity of everyone in society. Almost everyone in society comes into contact with business every day as consumers, employees or employers. Business is not just of national importance. In the twenty-first century, the activities of business and related organisations are international and a significant contributor to the global developments which affect everyone in the world. What businesses do affects everyone in society and has an impact on how they live their lives.

All parts of the Business Management Courses at all levels contribute to building knowledge and understanding about the way businesses operate and about the role and significance in the contemporary national and international environment. Candidates who complete the Course will be better informed about business and be able to make a strong contribution as citizens in a number of capacities — as consumers, as employees and, in some cases, as employers or as self employed persons. They will be citizens with the background needed to participate in an enterprise economy and with some of the knowledge required to be a force in the continued development of an enterprise and enterprising culture. The Course will also provide a basis for lifelong learning for candidates as well as an awareness of the importance that business has for the UK's place in the world and how business in Europe and elsewhere can have an impact on the UK.

Examples of each of these are given below.

Education for enterprise — the development of an enterprise culture has become a vital part in the policy pursued by the Scottish Executive and the government of the UK, both of whom have introduced a number of programmes designed to encourage people to set up in business and to adopt a more outward-looking innovative approach. Business Management as a subject has direct links to these initiatives. It provides underpinning knowledge and understanding of key business activities such as marketing and finance as well as developing critical business skills such as decision making and problem solving which can help candidates apply their knowledge to actual business situations. It enhances awareness of business and the environment in which businesses operate. Much of the material in the Business Management Courses is very closely related to that used in enterprise courses developed both for adults and young people and in some cases is almost the same. Business Management can help to promote an enterprising culture and enable those doing the Course to realise that self-employment or setting up their own business are options which they can pursue.

Education for citizenship — Business Management increases awareness of key sector of economic activity. It can help candidates become more discriminating consumers and recognise how the actions of business can have a wider impact on society. Candidates are thus able to make better informed decisions and to ask more careful questions. Business Management also provides preparation for employment by giving candidates a background in the way organisations behave. As a result, candidates can make more considered decisions about the employment options open to them.

## **National Course Specification: course details (cont)**

### **COURSE**                      **Business Management (Higher)**

Lifelong learning — Business Management increases candidate awareness of a significant part of the social and economic environment. Learning and teaching approaches for the subject are built around the use of current illustrations and examples. It can encourage candidates to take an interest in developments and this can be the basis for an inquiring and inquisitive approach that can permeate all aspects of life. The knowledge and skills gained from the study of Business Management can help throughout life in making personal decisions about work, employment and consumption. Candidates have a foundation which can help them to successfully and effectively tackle changes and developments in critical areas of life.

## National Unit Specification: general information

<b>UNIT</b>	Business Enterprise (Higher)
<b>NUMBER</b>	DV4G 12
<b>COURSE</b>	Business Management (Higher)

### SUMMARY

This Unit enables candidates to gain a knowledge and understanding of the role, purpose and decision making processes of business in contemporary society and to develop their knowledge of the application of Information and Communication Technology (ICT) in business.

This Unit is a mandatory Unit of the Business Management (Higher) Course and is also available as a free standing Unit.

The Unit is suitable for candidates progressing from Standard Grade Business Management or from Intermediate 2 Business Management and provides basis for further study.

### OUTCOMES

- 1 Analyse business enterprise in contemporary society
- 2 Explain the use of information and ICT in business
- 3 Analyse the process of decision making in business enterprises

### RECOMMENDED ENTRY

Entry is at the discretion of the Centre. However, candidates will normally be expected to have attained one of the following or equivalent:

- ◆ Standard Grade Business Management at Credit level
  - ◆ Intermediate 2 Business Management or its Units
- and
- ◆ Standard Grade English at Credit level
  - ◆ Intermediate 2 English or its Units

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### Administrative Information

<b>Superclass:</b>	AA
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## **National Unit Specification: general information (cont)**

**UNIT**        Business Enterprise (Higher)

### **CREDIT VALUE**

1 credit at Higher (6 SCQF points at SCQF level 6\*)

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

### **CORE SKILLS**

Achievement of this Unit gives automatic certification of the following:

Complete Core Skill	None
Core Skills component	Critical Thinking at SCQF Level 6

## **National Unit Specification: statement of standards**

### **UNIT Business Enterprise (Higher)**

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 the Scottish Qualifications Authority.

#### **OUTCOME 1**

Analyse business enterprise in contemporary society

##### **Performance criteria**

- (a) Consider different types of business and different organisational objectives in the analysis
- (b) Explain the influence of stakeholders
- (c) Give reasons for conclusions reached
- (d) Use relevant concepts from business management in the analysis

#### **OUTCOME 2**

Explain the use of information and ICT in business

##### **Performance criteria**

- (a) Demonstrate awareness of different sources of information and their reliability and value for business enterprises
- (b) Analyse the costs and benefits of a particular situation
- (c) Give reasons for conclusions reached
- (d) Use relevant concepts from business management in the analysis

#### **OUTCOME 3**

Analyse the process of decision making in a business enterprise

##### **Performance criteria**

- (a) Explain the relationship between a business decision and the objectives of an organisation
- (b) Refer to a method of decision making in the analysis
- (c) Give a reasoned justification for conclusions drawn from the analysis
- (d) Use relevant concepts from business management in the analysis

## **National Unit Specification: statement of standards**

**UNIT**      Business Enterprise (Higher)

### **EVIDENCE REQUIREMENTS FOR THE UNIT**

The contents for this Unit are specified in Appendix 1 — Unit Content.

Evidence is required to demonstrate that candidates have met the requirements of all Outcomes and Performance Criteria.

Candidates are required to demonstrate knowledge and understanding of the Unit content by answering a combination of short answer and extended response questions drawn from all areas of the Unit content and covering all Outcomes.

Evidence will be produced by candidates completing a number of short answer and extended response questions in a closed book assessment. Candidates must attempt this assessment in controlled conditions on a single occasion. The maximum time allowed is 60 minutes.

If re-assessment is required, it should contain a different sample from the range of Unit content.

Achievement can be determined by the use of a cut-off score. The standard to be applied and the breadth of coverage are illustrated in the National Assessment Bank items available for this Unit. If a Centre wishes to design its own assessment for this Unit, it should be of a comparable standard.

## **National Unit Specification: support notes**

### **UNIT Business Enterprise (Higher)**

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

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

#### **GUIDANCE ON CONTENT AND CONTEXT FOR THIS UNIT**

This Unit is one of three mandatory Units in the Higher Business Management Course. It deals with Business Enterprise. It is set in the context of contemporary business and candidates should be introduced to current examples of business activity and behaviour. The Unit covers different types of business organisations and their objectives, the role of the entrepreneur and other stakeholders as well as the internal and external factors affecting business organisations. The use and value of the different types and sources of information are examined, as is an organisation's use of ICT. The Unit also covers decision making and the costs and benefits of decision making models.

The extent of the knowledge required for each Outcome of the Unit is detailed in Appendix 1 — Unit Content.

#### **GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT**

The Unit should be approached holistically so that candidates appreciate the relationship between the three Outcomes.

The Unit offers considerable scope for the use of investigative teaching methods, such as project work, as well as visits to business enterprises and the use of visiting speakers. Candidates should also be encouraged to make use of their own experiences as stakeholders, for example, as customers or employees, and to keep up to date with current developments via the business section of newspapers and other sources such as business magazines. There are also opportunities to gather information, for instance from local businesses and websites. Active learning, including the use of business games, could be used.

There are close links with the other two Units in the Higher Course, particularly with respect to Outcomes 2 and 3.

## **National Unit Specification: support notes (cont)**

**UNIT**      Business Enterprise (Higher)

### **GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT**

Short answer and extended response questions, which could be based on case study material, are most likely to generate suitable evidence for this Unit. Short answer questions allow candidates to explain the meaning of relevant terms, while extended response questions provide the opportunity for candidates to further develop and explain answers. These questions are to be attempted in controlled conditions so candidates should be given assistance to help them prepare for such an assessment event.

### **CANDIDATES WITH ADDITIONAL SUPPORT NEEDS**

This Unit specification is intended to ensure that there are no artificial barriers to learning or assessment. The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering special alternative outcomes for Units. For information on these, please refer to the SQA document *Guidance on Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs* (SQA, 2004).

## National Unit Specification: statement of standards (cont)

### UNIT Business Enterprise (Higher)

#### Appendix 1 — Unit Content

*NB: This Appendix is within the statement of standards, ie the mandatory requirements of the Unit.*

#### Outcome 1

Role of business in society	Wealth creation, production and consumption of goods and services, satisfaction of wants, sectors of activity
Types of business organisations	Self-employed, private limited company, public limited company, voluntary organisation, charity, publicly funded organisation  The above covers firms in all size ranges and national and international aspects of their operation, including multinationals
Objectives	Profit maximisation, survival, sales maximisation, growth, social responsibility, managerial objectives, provision of a service. Relate to different types of organisations.
Role of enterprise and the entrepreneur	Identifying business opportunities, franchising, combining factors of production, innovation and risk taking
Stakeholders	Shareholders, customers, employees, donors (for charities), management, government, suppliers, banks, other lenders, taxpayers, community as a whole, local government; influence of stakeholders on organisational objectives and behaviour
Factors affecting the operation of business	Sources of finance and sources of assistance - Local Enterprise Companies (LECs), banks, local authorities, including subsidised premises, government help, such as grants and allowances, help for exporters through trade fairs, advice and courses for small businesses, European Union (EU) grants  Methods of growth - horizontal and vertical integration, diversification, merger and take-over, de-merger, divestment
Business as a dynamic activity	The impact of changes in demand, demographic trends, competition, regional policies, structure of the labour market, local and central government, privatisation, EU, environment, technology, ICT  The above can be grouped under headings of socio-cultural; technological; economic; environmental; political; national and international competitive environment

## National Unit Specification: statement of standards (cont)

### UNIT Business Enterprise (Higher)

#### Outcome 2

Sources of information	Primary, secondary, internal, external. Costs and benefits of different sources
Types of information	Qualitative and quantitative
Value of information	Accuracy, timeliness, completeness, appropriateness, availability, cost, objectivity, conciseness. Value also depends on the purpose for which the information is used, for example, monitoring and control, decision making
ICT in business	Uses of ICT — hardware and software, for example, decision making. Costs and benefits of ICT, for example, more rapid decisions, staff training  Awareness of current legislation, for example, data protection

#### Outcome 3

##### Decision making in Business

Decision making	The nature of decision: types of decision: strategic, tactical and operational: role of managers
Decision making model	Identify the problem, identify the objectives, gather information, analyse information, devise alternative solutions, select from alternatives, communicate the decision, implement the decision, evaluate the influence of ICT on decision making
Strengths, weaknesses, opportunities, threats (SWOT) analysis	Development of SWOT analysis, drawing conclusions from a SWOT analysis, justification of conclusions
Problems of structured models	Time, ability to collect all information; problems of generating alternatives, lack of creativity

## National Unit Specification: general information

**UNIT** Business Decision Areas: Marketing and Operations (Higher)

**NUMBER** DV4K 12

**COURSE** Business Management (Higher)

### SUMMARY

This Unit is designed to enable candidates to analyse the roles of the Marketing and Operations functions in organisations. It enables candidates to analyse the marketing and operations decisions which organisations must take in order to ensure that they meet their objectives.

This Unit is a mandatory part of the Higher Business Management Course and is also available as a free standing Unit.

The Unit is suitable for candidates progressing from Standard Grade Business Management or from Intermediate 2 Business Management and provides a basis for further study.

### OUTCOMES

- 1 Analyse marketing decisions
- 2 Analyse operations decisions

### RECOMMENDED ENTRY

Entry is at the discretion of the Centre, but candidates will normally be expected to have attained at least one of the following, or equivalent:

- ◆ Standard Grade Business Management at Credit level
  - ◆ Intermediate 2 Business Management or its Units
- and
- ◆ Standard Grade English at Credit level, or
  - ◆ Intermediate 2 English or its Units

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## **National Unit Specification: general information (cont)**

**UNIT** Business Decision Areas: Marketing and Operations (Higher)

### **CREDIT VALUE**

1 credit at Higher (6 SCQF points at SCQF level 6\*)

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

### **CORE SKILLS**

Achievement of this Unit gives automatic certification of the following:

Complete Core Skills	None
Core Skill component(s)	Critical Thinking at SCQF level 6

## **National Unit Specification: statement of standards**

### **UNIT Business Decision Areas: Marketing and Operations (Higher)**

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 the Scottish Qualifications Authority.

#### **OUTCOME 1**

Analyse marketing decisions

##### **Performance criteria**

- (a) Explain the role and importance of marketing in a business
- (b) Demonstrate knowledge of the marketing mix
- (c) Provide reasoned justification for marketing decisions of an organisation
- (d) Use relevant concepts from business management in the analysis

#### **OUTCOME 2**

Analyse operations decisions

##### **Performance criteria**

- (a) Explain the role and importance of operations to business.
- (b) Describe factors affecting the operations function in organisations.
- (c) Provide reasoned justification for operations decisions of an organisation.
- (d) Use relevant concepts from business management in the analysis

## **National Unit Specification: statement of standards (cont)**

**UNIT**      Business Decision Areas: Marketing and Operations (Higher)

### **EVIDENCE REQUIREMENTS FOR THE UNIT**

The contents for this Unit are specified in Appendix 1 — Unit Content.

Evidence is required to demonstrate that candidates have met the requirements of both Outcomes and all Performance Criteria.

Candidates are required to demonstrate knowledge and understanding of the Unit content by answering a combination of short answer and extended response questions drawn from all areas of the Unit and covering both Outcomes.

Evidence will be produced by candidates completing a number of short answer and extended response questions in a closed book assessment. Candidates must attempt this assessment in controlled conditions on a single occasion. The maximum time allowed is 60 minutes.

If re-assessment is required, it should contain a different sample from the range of Unit content.

Achievement can be determined by the use of a cut-off score. The standard to be applied and the breadth of coverage are illustrated in the National Assessment Bank items for this Unit. If a centre wishes to design its own assessment for this Unit, it should be of a comparable standard.

## **National Unit Specification: support notes**

### **UNIT Business Decision Areas: Marketing and Operations (Higher)**

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 CONTENT AND CONTEXT FOR THIS UNIT**

This Unit complements *Business Decision Areas: Finance and Human Resource Management (Higher)*. Between them they consider the main functional areas of business organisations. Neither of these Units covers the place of functional areas in the structure of an organisation nor do they examine the relationships between them. Candidates following the Course in Business Management (Higher) are expected to cover these issues as part of the Course content. Other candidates may find a brief introduction to these issues helpful.

This Unit is also closely linked to *Business Decision Areas: Marketing and Operations (Higher)*. Hence, the context of both is very similar, although candidates taking this Unit are expected to demonstrate a wider range of contexts, for example, in the type of organisations covered, and to have mastered a greater amount of content. There is more emphasis in this Unit on analysis rather than on explanation which is required at Intermediate 2 level.

This Unit deals with decision making in all types of business organisations, for example, self-employed, private limited company, public limited company, voluntary organisation, charity, publicly-funded organisations.

Practical examples relevant to business in the contemporary UK, and Scotland in particular, should be used wherever possible and it should be possible to refer to a number of different types of organisation to illustrate the application of the ideas in the Unit.

#### **GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT**

The Unit offers considerable scope for the use of case studies, project work and practical investigations, as well as visits to business enterprises (possibly via work experience) and the use of visiting speakers. Candidates can also be encouraged to make use of their own experiences as customers and potential employees, and to keep up to date with current developments via the Internet, the business section of newspapers and business magazines. Company websites can be a particularly useful source of current information and can also provide examples of business decisions. The emphasis throughout should be on active learning. One way to achieve this may be through the use of business games which might offer additional opportunities to integrate all parts of the Unit, and make use of ICT, as well as giving practical experience in decision making.

The Unit can be integrated with *Business Enterprise (Higher)* through the use of the same case study material, etc. Outcomes 2 and 3 of *Business Enterprise (Higher)*, for example, provide some of the underpinning knowledge and understanding for this Unit.

## **National Unit Specification: support notes (cont)**

**UNIT**      Business Decision Areas: Marketing and Operations (Higher)

### **GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT**

Short answer and extended response questions, which could be based on case study material, are most likely to generate suitable evidence for this Unit. Short answer questions allow candidates to explain the meaning of relevant terms, while extended response questions provide the opportunity for candidates to further develop and explain answers. These questions are to be attempted in controlled conditions so candidates should be given assistance to help them prepare for such an assessment event.

### **CANDIDATES WITH ADDITIONAL SUPPORT NEEDS**

This Unit specification is intended to ensure that there are no artificial barriers to learning or assessment. The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering special alternative outcomes for Units. For information on these, please refer to the SQA document *Guidance on Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs (SQA, 2004)*.

## National Unit Specification: statement of standards (cont)

**UNIT** Business Decision Areas: Marketing and Operations (Higher)

### Appendix 1 — Unit Content

*NB: This Appendix is within the statement of standards ie the mandatory requirements of the Unit.*

#### Outcome 1

Marketing	Role and importance of marketing in organisations
The marketing concept	Marketing as a strategic activity, marketing of products and services
The marketing mix	Place, including distribution channels; pricing strategies; product/service; promotional strategies
Target markets	Market segmentation: methods of segmenting markets. Niche marketing, market share, market growth
Market research	Primary and secondary information, Costs and benefits. Techniques — desk research, survey, questionnaire, interview, test marketing, sampling, the assessment of customer requirements. Collection of customer data

#### Outcome 2

Operations	Role and importance of operations in organisations
Input, process and output	Production systems, quality assurance, stock control, quality standards, purchasing, payment systems
Distribution and delivery	Warehousing, transport (road, rail, air, sea), scheduling
Types of operations	Job, batch, flow
Quality	Quality control, benchmarking, quality circles, quality management

## National Unit Specification: general information

<b>UNIT</b>	Business Decision Areas: Finance and Human Resource Management (Higher)
<b>NUMBER</b>	DV4L 12
<b>COURSE</b>	Business Management (Higher)

### SUMMARY

This Unit is designed to enable candidates to analyse the roles of the Finance and Human Resources functions in organisations. It enables candidates to analyse the finance and human resource decisions which organisations must take in order to ensure that they meet their objectives.

This Unit is a mandatory part of the Business Management Course (Higher) and is also available as a free standing Unit.

The Unit is suitable for candidates progressing from Standard Grade Business Management or from Intermediate 2 Business Management and provides a basis for further study.

### OUTCOMES

- 1 Interpret financial information used in business
- 2 Analyse human resources decisions

### RECOMMENDED ENTRY

Entry is at the discretion of the Centre, but candidates will normally be expected to have attained at least one of the following, or equivalent:

- ◆ Standard Grade Business Management at Credit level
  - ◆ Intermediate 2 Business Management or its Units
- and
- ◆ Standard Grade English at Credit level, or
  - ◆ Intermediate 2 English or its Units

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#### Administrative Information

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## **National Unit Specification: general information (cont)**

**UNIT** Business Decision Areas: Finance and Human Resource Management (Higher)

### **CREDIT VALUE**

1 credit at Higher (6 SCQF points at SCQF level 6)

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

### **CORE SKILLS**

Achievement of this Unit gives automatic certification of the following:

Complete Core Skills	none
Core Skill component	Critical Thinking at SCQF level 6

## **National Unit Specification: statement of standards**

### **UNIT Business Decision Areas: Finance and Human Resource Management (Higher)**

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 the Scottish Qualifications Authority.

#### **OUTCOME 1**

Interpret financial information used in business

##### **Performance criteria**

- (a) Explain the role and importance of finance in an organisation
- (b) Draw reasoned conclusions from financial information
- (c) Provide reasoned justification for a financial decision of an organisation
- (d) Use relevant concepts from business management in the analysis

#### **OUTCOME 2**

Analyse human resource decisions

##### **Performance criteria**

- (a) Explain the role and importance of human resource management in an organisation
- (b) Analyse an aspect of the work of the human resource management function in organisation
- (c) Provide reasoned justification for a human resource management decision of an organisation
- (d) Use relevant concepts from business management in the analysis

### **EVIDENCE REQUIREMENTS FOR THE UNIT**

The contents for this Unit are specified in Appendix 1 — Unit Content.

Evidence is required to demonstrate that candidates have met the requirements of both Outcomes and all Performance Criteria.

Candidates are required to demonstrate knowledge and understanding of the Unit content by answering a combination of short answer and extended response questions drawn from all areas of the Unit and covering both Outcomes.

Evidence will be produced by candidates completing a number of short answer and extended response questions in a closed book assessment. Candidates must attempt this assessment in controlled conditions on a single occasion. The maximum time allowed is 60 minutes.

If re-assessment is required, it should contain a different sample from the range of Unit content.

Achievement can be determined by the use of a cut-off score. The standard to be applied and the breadth of coverage are illustrated in the National Assessment Bank items for this Unit. If a centre wishes to design its own assessment for this Unit, it should be of a comparable standard.

## National Unit Specification: support notes

### UNIT Business Decision Areas: Finance and Human Resource Management (Higher)

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 CONTENT AND CONTEXT FOR THIS UNIT

This Unit complements *Business Decision Areas: Marketing and Operations (Higher)*. Between them they consider the main functional areas of business organisations. Neither of these Units covers the place of functional areas in the structure of an organisation nor do they examine the relationships between them. Candidates following the Course in Business Management (Higher) are expected to cover these issues as part of the Course content. Other candidates may find a brief introduction to these issues helpful.

This Unit is also closely linked to *Business Decision Areas: Finance and Human Resources Management (Intermediate 2)*. Hence, the context of both is very similar, although candidates taking this Unit are expected to demonstrate a wider range of contexts, for example, in the type of organisations covered, and to have mastered a greater amount of content.

There is more emphasis in this Unit on analysis rather than on explanation which is required at Intermediate 2 level.

This Unit deals with decision making in all types of business organisations, for example, self-employed, private limited company, public limited company, voluntary organisation, charity, publicly-funded organisations.

Practical examples relevant to business in the contemporary UK, and Scotland in particular, should be used wherever possible and it should be possible to refer to a number of different types of organisation to illustrate the application of the ideas in the Unit.

## **National Unit Specification: support notes (cont)**

**UNIT**            Business Decision Areas: Finance and Human Resource Management (Higher)

### **GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT**

The Unit offers considerable scope for the use of case studies, project work and practical investigations, as well as visits to business enterprises (possibly via work experience) and the use of visiting speakers. Candidates can also be encouraged to make use of their own experiences as customers and potential employees, and to keep up to date with current developments via the Internet, the business section of newspapers and business magazines. Company websites can be a particularly useful source of current information and can also provide examples of business decisions. The emphasis throughout should be on active learning. One way to achieve this may be through the use of business games which might offer additional opportunities to integrate all parts of the Unit, and make use of information technology, as well as giving practical experience in decision making.

The Unit can be integrated with *Business Enterprise (Higher)* through the use of the same case study material. Outcomes 2 and 3 of *Business Enterprise (Higher)*, for example, provide some of the underpinning knowledge and understanding for this Unit.

### **GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT**

Short answer and extended response questions, which could be based on case study material, are most likely to generate suitable evidence for this Unit. Short answer questions allow candidates to explain the meaning of relevant terms, while extended response questions provide the opportunity for candidates to further develop and explain answers. These questions are to be attempted in controlled conditions so candidates should be given assistance to help them prepare for such an assessment event.

### **CANDIDATES WITH ADDITIONAL SUPPORT NEEDS**

This Unit specification is intended to ensure that there are no artificial barriers to learning or assessment. The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering special alternative outcomes for Units. For information on these, please refer to the SQA document *Guidance on Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs* (SQA, 2004).

## National Unit Specification: statement of standards (cont)

**UNIT** Business Decision Areas: Finance and Human Resource Management (Higher)

### Appendix 1 — Unit Content

*NB: This Appendix is within the statement of standards ie the mandatory requirements of the Unit.*

#### Outcome 1

Finance	Role and importance of the finance function in organisations
Financial information	Description of components of and interpretation of balance sheet and profit and loss account
Cash flow management	Cash flow projection; liquidity; decision making
Budgetary Control	Use of budgets, for example to monitor and control activity
Ratio analysis	Purpose and interpretation of ratios — gross profit/sales, gross profit/cost of goods sold, net profit/sales, return on capital, acid test, current ratio. Value of ratios in decision making
	<b>NB</b> Calculation of ratios is not required

#### Outcome 2

Human resource management	Role and importance of human resource management in organisations
Changing pattern of employment within organisations	Current trends, for example the use of part-time and casual staff, core labour force within organisations
Recruitment and selection	Techniques: job analysis, job description, person specification, internal and external sources, selection methods, for example, role of interview, application form, aptitude tests, psychometric tests
Training and staff development	Reasons for and types of training and development, for example, flexibility, upgrading skills, costs and benefits to the organisation, induction, on-the-job, off-the-job, staff development, appraisal

## **National Unit Specification: statement of standards (cont)**

### **UNIT Business Decision Areas: Finance and Human Resource Management (Higher)**

Employee relations	Main institutions (ACAS, employers' associations, employee organisations)  Processes: negotiation, consultation, arbitration  Management of employee relations, for example, works councils
Legislative requirements	An awareness of legislation relating to equal opportunities, employment and health and safety