

BUSINESS MANAGEMENT
Higher

Fifth edition – published March 2001

**NOTE OF CHANGES TO ARRANGEMENTS
FIFTH EDITION PUBLISHED MARCH 2001**

COURSE TITLE: Business Management (Higher)

COURSE NUMBER: C010 12

National Course Specification

Course Details: Minor amendments

National Unit Specification

All Units: No changes

National Course Specification

BUSINESS MANAGEMENT (HIGHER)

COURSE NUMBER C010 12

COURSE STRUCTURE

This course comprises of two mandatory units, as follows:

<i>D049 12</i>	<i>Business Enterprise (H)</i>	<i>1 credit (40 hours)</i>
<i>D050 12</i>	<i>Business Decision Areas (H)</i>	<i>2 credits (80 hours)</i>

All courses include 40 hours over and above the 120 hours for the component units. This is for induction, extending the range of learning and teaching approaches, support, consolidation, integration of learning and preparation for external assessment.

RECOMMENDED ENTRY

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

- Standard Grade Business Management at Credit level
- Intermediate 2 Business Management
- the component units of Intermediate 2 Business Management - *Business Enterprise (Int 2)* and *Business Decision Areas (Int 2)*

and

- Standard Grade English at Credit level, or
- Intermediate 2 English or its component units.

Administrative Information

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National Course Specification: course details

COURSE Business Management (Higher)

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 post-16 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 and complex business and information 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 will enable 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 will focus 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 current 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 will highlight the importance of enterprise to all organisations and the increasing role that information technology (IT) plays in business-orientated organisations, particularly with respect to the use and operation of IT in decision making. As a result, the course helps to equip candidates to cope with the requirements of today's changing employment market.

The aims of the course, which build on Standard Grade Business Management and Intermediate 2 Business Management, are to:

- develop an understanding of the importance of business and enterprise in contemporary society
- develop the ability to analyse the ways in which different organisations achieve their objectives
- develop an understanding of the contribution of different individuals to the overall achievement of the organisation's objectives
- develop an understanding of the internal structure of organisations and how this may influence their activities
- develop the ability to analyse the key functional areas of organisational activity
- enable candidates to understand the interdependence of the various activities undertaken by businesses
- enable candidates to manage resources and use information in a range of contexts
- develop problem solving, decision making and analytical skills
- develop the ability to assess the contribution which information and IT can make to the effectiveness of decision making in different types of business
- provide a foundation for future education and training.

National Course Specification: course details (cont)

COURSE Business Management (Higher)

The subject area poses difficulties with some of the terminology used. In particular, the terms ‘organisation’, ‘business organisation’, ‘business enterprise’ and ‘enterprise’ are frequently used to mean the same thing. Although the terms can also have different meanings, throughout this document they are used interchangeably.

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. It is, therefore, important that the course explores different types of business enterprise, including voluntary organisations, such as charities, and publicly-funded ones, such as local authorities, as well as 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. Using the terms interchangeably helps to emphasise the importance of encouraging enterprising behaviour within all kinds of organisations in all areas of activity.

The commonality between the courses at Higher and Intermediate 2 levels is such that the unit specifications and the summary of the course content are similar. It is important, however, to distinguish between the two levels. This can be done in a number of ways:

- at Higher level, candidates are expected to demonstrate the ability to 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.
- candidates at Higher level are expected to master a greater range of content than at Intermediate 2. In addition, the unit specifications at Higher level are more demanding than at Intermediate 2 level, for example, they contain more extensive evidence requirements and additional range.
- the arrangements for external assessment are more taxing than at Intermediate 2, for example, the length of time devoted to external assessment is greater at Higher level.

COURSE CONTENT

The course is designed to be challenging. Candidates taking the course, and not just the individual units, should see the holistic nature of the whole course. This will require candidates to:

- integrate the course content
- apply decision making in a wider range of business contexts
- apply decision making in more complex business contexts
- demonstrate coverage of the full course content.

A range of learning and teaching strategies can be used to help candidates meet the demands of the course content. The following gives some illustrations of how this can be done.

Integrating the outcomes and the content across the two units can be achieved in several ways. For example, links can be drawn between what is being produced (operations) and the funds available to pay for it (finance), both found within the *Business Decision Areas* unit. Natural links between the process of decision making in the *Business Enterprise* unit, and the analysis of the process in each of the business decision areas could also be made.

National Course Specification: course details (cont)

COURSE Business Management (Higher)

Candidates can be exposed to a greater range of business contexts in several ways, for example, they could be asked to consider a problem from a number of different perspectives. This could involve their being asked to compare the marketing activities of profit-making and non-profit-making organisations. Alternatively, they could be asked to look at different problems within the one organisation. For example, a comparison could be made of the different information requirements an organisation faces when it is considering launching a new product as distinct from that required in the choice of a new supplier of raw materials. Therefore, this will help candidates to appreciate the links between many areas of the course and unit content, and also understand that the theoretical and practical aspects of the course complement each other.

Candidates could apply decision making in more complex contexts in several ways. This could involve considering a greater number of variables in the solution of a business problem. Alternatively, they could develop a number of alternative solutions to a problem with several different aspects. An example could involve candidates devising a range of alternative solutions for a firm with stagnant sales, and which at the same time is suffering from other pressures, such as the need to respond to new technology by having to purchase new equipment.

Candidates who take the course will need some of the additional time available to master all of the course content. For example, in the coverage of stakeholders, candidates should consider the whole range of stakeholders rather than focusing on the smaller number of key stakeholders required for assessment purposes in the unit specification.

The course content has been organised in two units - *Business Enterprise* and *Business Decision Areas*.

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

National Course Specification: course details (cont)

COURSE Business Management (Higher)

Business Enterprise (H)

Business in contemporary society

Role of business in society	Production of goods and services, use of resources by business, satisfaction of wants, sectors of activity.
Types of business organisations	Self-employed, private limited company, public limited company, franchise, voluntary organisation, charity, public corporation, government-funded service provider, local authority-funded provider, franchise. 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.
Role of enterprise and the entrepreneur	Identifying business opportunities, combining factors of production, innovation and risk-taking.
Stakeholders	Shareholders, customers, employees, donors (for charities), management, government, suppliers, banks, 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. The above can be grouped under headings of socio-cultural such as changing tastes, population; technological, such as IT; economic, such as competition; environmental, such as pressure groups; political, such as government policy; national and international competitive environment, such as new products introduced by domestic competitors, new entrants from other markets and/or other countries.

National Course Specification: course details (cont)

COURSE Business Management (Higher)

Information and information technology

Sources of information	Primary, secondary, internal, external.
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.
Examples of IT	Characteristics and uses of current examples of IT such as mainframe, mini-computer, networks (Local Area Network - LAN, Wide Area Network - WAN, etc), telecommunications technology, e-mail, multi-media, CD ROMs, Internet.
IT in business	Uses of IT, for example, decision making; costs and benefits of IT, for example, more rapid decisions, staff training.
Business software	Characteristics and use of business software such as databases, spreadsheets, decision making packages; awareness of data protection legislation; costs and benefits of software.

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 information technology 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 Course Specification: course details (cont)

COURSE Business Management (Higher)

Business Decision Areas (H)

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.

Marketing

The marketing concept	Marketing as a strategic activity, marketing of products and services.
The marketing mix	Place, pricing strategies, product/service, promotional strategies.
Target markets	Market segmentation: methods of segmenting markets. Niche marketing, market share, market growth.
Market research	Techniques - survey, questionnaire, interview, test marketing, the assessment of customer requirements.

Financial management

Cash flow	Use, purpose and interpretation.
Financial reporting	Description of components of and interpretation of balance sheet and profit and loss account.
Ratio analysis	Gross profit/sales, gross profit/cost of goods sold, net profit/sales, return on capital, acid test, current ratio.
Budgets	Uses of budgets, for example, to monitor and control activity, gain information.

National Course Specification: course details (cont)

COURSE Business Management (Higher)

Human resource management

Changing pattern of employment within organisations	Trends towards greater 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 training and development, for example, flexibility, upgrading skills, costs and benefits to the organisation, induction, on-the-job, off-the-job, staff development.
Employee relations	Main institutions (ACAS, employers' associations, trade unions). Processes: negotiation, consultation, arbitration. Management of employee relations, for example, single union deals, works councils.
Legislative requirements	An awareness of legislation relating to equal opportunities, employment and health and safety.

Operations

Input, process and output	Production systems in manufacturing, quality assurance, stock control, quality standards, purchasing, payments systems.
Distribution and delivery	Warehousing, transport (road, rail, air, sea), scheduling.
Types of production	Job, batch, flow.
Factors affecting quality	Quality control, benchmarking, quality circles, total quality management.

National Course Specification: course details (cont)

COURSE Business Management (Higher)

ASSESSMENT

To gain the award of the course, the candidate must pass all the unit assessments as well as the external assessment. External assessment will provide the basis for grading attainment in the course award.

When units are taken as component parts of a course, candidates will have the opportunity to demonstrate achievement beyond that required to attain each of the unit outcomes. This attainment may, where appropriate, be recorded and used to contribute towards course estimates, and to provide evidence for appeals. Additional details are provided, where appropriate, with the exemplar assessment materials. Further information on the key principles of assessment are provided in the paper, *Assessment*, (HSDU, 1996) and in *Managing Assessment* (HSDU, 1998).

DETAILS OF THE INSTRUMENTS FOR EXTERNAL ASSESSMENT

External assessment will be based on a single written paper of 2 hours and 30 minutes duration. Candidates will be required to attempt the whole paper. The paper will consist of two sections.

Section 1 - (50 marks)

Knowledge and understanding, problem solving and decision making will be assessed through a case study or interpretation item of about 750 words, which will explain a situation facing an organisation or organisations. It will probably be based on a magazine or newspaper article, although it could be hypothetical. 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.

Candidates may be asked to:

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

Section 11- Extended response - (50 marks)

The main purpose of this section will be to assess knowledge and understanding. Candidates will be required to answer two questions from a choice of five. Each question will be worth 25 marks and questions may be sub-divided into two or three parts.

GRADE DESCRIPTIONS

The descriptions below are of expected performances at Grade C and at Grade A. They are intended to assist candidates, teachers/lecturers and users of the certificate and to help establish standards when question papers are being set. The grade of the award will be based on the total score obtained in the examination.

National Course Specification: course details (cont)

COURSE Business Management (Higher)

In order to obtain a Grade C for Business Management (Higher), a candidate must:

- 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.

In addition, candidates who achieve a Grade A must demonstrate the ability 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 and logic in the presentation of their answers.

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, public corporation, government-funded service provider, government executive agency and quango. 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 provides opportunities for the use of imaginative teaching and learning approaches, such as the use of 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.

National Course Specification: course details (cont)

COURSE Business Management (Higher)

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 would be helpful to candidates if Outcome 1 in *Business Enterprise (H)*, 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. The remainder of the *Business Enterprise (H)* unit and the whole of the *Business Decision Areas (H)* unit could then be integrated. If this is done, candidates should gain a greater appreciation of how businesses operate. Alternatively, examples from *Business Decision Areas (H)* could be used as the context for the outcomes dealing with decision making and the use of information contained in the *Business Enterprise (H)* unit. No matter which approach is used, the theoretical and practical aspects of the course should be integrated and the course should be issue based.

Information technology should be applied throughout the course to the investigation and solving of business problems. It should be used in an integrated manner throughout the learning and teaching process. Candidates will benefit from access to a modern integrated software package to exemplify the ways in which IT can be used to assist decision making. Opportunities to illustrate the use of databases, for example, would be provided in Outcomes 2 and 4 of *Business Decision Areas (H)* which deal with marketing and human resource management. Similarly, spreadsheets could be used in Outcome 3 of that unit, which deals with the interpretation and manipulation of financial information. In these ways the practical relevance of the course becomes clearer.

SPECIAL NEEDS

This course specification is intended to ensure that there are no artificial barriers to learning or assessment. Special 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 SQA document *Guidance on Special Assessment and Certification Arrangements for Candidates with Special Needs/Candidates whose First Language is not English* (SQA, 1998).

SUBJECT GUIDES

A Subject Guide to accompany the Arrangements documents has been produced by the Higher Still Development Unit (HSDU) in partnership with the Scottish Consultative Council on the Curriculum (SCCC) and Scottish Further Education Unit (SFEU). The Guide provides further advice and information about:

- support materials for each course
- learning and teaching approaches in addition to the information provided in the Arrangements document
- assessment
- ensuring appropriate access for candidates with special educational needs

The Subject Guide is intended to support the information contained in the Arrangements document. The SQA Arrangements documents contain the standards against which candidates are assessed.

National Unit Specification: general information

UNIT	Business Enterprise (Higher)
NUMBER	D049 12
COURSE	Business Management (Higher)

SUMMARY

This unit is designed to enable candidates to analyse the role, purpose and decision making processes of business in contemporary society in the light of developments in information technology.

OUTCOMES

- 1 Analyse business enterprise in contemporary society.
- 2 Assess the value of information and the application of information technology to business enterprises.
- 3 Analyse the process of decision making in business enterprises.

RECOMMENDED ENTRY

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

- Standard Grade Business Management at Credit level
- Intermediate 2 Business Management
- the component units of Intermediate 2 Business Management - *Business Enterprise (Int 2)* and *Business Decision Areas (Int 2)*

and

- Standard Grade English at Credit level, or
- Intermediate 2 English or its component units.

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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.

NOTE ON RANGE FOR THIS UNIT

Factors affecting the operation of business enterprise: socio-cultural, technological, economic, political, competitive environment.

OUTCOME 1

Analyse business enterprise in contemporary society.

Performance criteria

- (a) Comparison of the types of business organisation in the UK and their organisational objectives is accurate.
- (b) Comparison of the relative influence of key stakeholders on different types of organisation is accurate.
- (c) Interpretation of factors affecting the operation of business enterprises is accurate in terms of their impact on an organisation.

Evidence requirements

Evidence is required in the form of answers to extended response questions to cover the performance criteria and the range. At least one private and at least one publicly-funded organisation should be included.

For PC (a) the evidence should include a comparison of three different types of organisation and should cover at least three objectives for each organisation.

For PC (b) the evidence should relate to two different types of organisation, and a minimum of three stakeholders should be considered for each organisation.

For PC (c) one example of each factor from the range should be given.

National Unit Specification: statement of standards (cont)

UNIT Business Enterprise (Higher)

OUTCOME 2

Assess the value of information and the application of information technology to business enterprises.

Performance criteria

- (a) Assessment of different sources of information is accurate in terms of their reliability and value for particular business enterprises.
- (b) Assessment of the main types of information technology is accurate with respect to their uses in business and their costs and benefits to business enterprises.
- (c) Assessment of the uses of business software is accurate in terms of its potential applications to business activity and its costs and benefits to business enterprises.

Evidence requirements

Evidence is required in the form of answers to extended response questions to cover the performance criteria.

For PC (a) this section refers to primary, secondary, internal and external sources of information; at least two separate examples of information from each source should be given. Candidates should also assess the reliability and value of information derived from each source. The same example can be used more than once to illustrate the different sources of information.

For PC (b) examples of three different types of IT should be assessed in terms of the costs and benefits associated with each of them.

For PC (c) examples of two different types of business software should be assessed in terms of the costs and benefits associated with each of them.

OUTCOME 3

Analyse the process of decision making in a business enterprise.

Performance criteria

- (a) Analysis of different types of decision is accurate and related to the objectives of an organisation.
- (b) Analysis includes an accurate explanation of the role of managers in decision making in an organisation.
- (c) Analysis includes the development and evaluation of a suitable SWOT analysis for a business enterprise.
- (d) Analysis includes a reasoned justification for conclusions drawn from the SWOT analysis.

Evidence requirements

Evidence is required in the form of answers to extended response questions to cover the performance criteria.

For PC (a) an example of each type of decision (strategic, tactical and operational) should be identified and analysed.

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 closely linked to *Business Enterprise (Int 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. The emphasis in this unit is on analysis rather than the explanation required at Intermediate 2 level.

The unit is set in the context of contemporary UK society and candidates should be introduced to current examples of business activity and business behaviour. Examples of firms in Scotland are likely to be particularly suitable and these should include voluntary organisations, such as charities, and publicly-funded ones, such as local authorities, as well as different forms of profit - making bodies, from sole traders to large international companies. Hence, the particular local situation in which candidates find themselves should be related to the national and international framework within which businesses operate. It may also be helpful to use examples of firms which have grown and ones which have declined.

GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT

The unit offers considerable scope for the use of investigative teaching methods, such as project work, as well as visits to business enterprises (possibly via work experience) 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, business magazines, etc. There are also opportunities to gather information, for instance from LECs, banks, software suppliers, local employers, etc, which could help to foster an inquiring, innovative approach. Information technology is an important underlying theme of the unit and its influence should filter through into all aspects of delivery. The emphasis throughout should be on active learning and could include the use of business games, especially for Outcomes 2 and 3.

The outcomes are inter-related and the unit should be treated as a whole. It is recommended that Outcome 1 be dealt with first as this sets the context.

The unit can be integrated with *Business Decision Areas (H)* and can be seen as an introduction to it. Outcomes 2 and 3 of this unit link particularly closely with *Business Decision Areas (H)*.

National Unit Specification: support notes (cont)

UNIT Business Enterprise (Higher)

GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT

Instruments of assessment will normally be extended response questions which could be based on case study material. Some may be fairly substantial while others may be relatively small. It is likely that the most suitable combination will arise from the delivery methods chosen. The nature of the unit is such that an outcome by outcome assessment approach is less likely to be appropriate than a more holistic strategy.

A possible assessment strategy might be as follows:

Extended essay to cover Outcome 1, where candidates investigate the various factors affecting the development of business enterprise in the UK at the present time.

Extended response questions based on case study stimulus material to cover Outcomes 2 and 3. The case study could be based on a particular organisation, possibly a local one with which candidates are familiar. Hence, it may be an organisation which candidates have visited and/or from which guest speakers have come. Alternatively, candidates could be presented with information and asked to answer questions covering Outcomes 2 and 3.

SPECIAL NEEDS

This unit specification is intended to ensure that there are no artificial barriers to learning or assessment. Special 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 SQA document *Guidance on Special Assessment and Certification Arrangements for Candidates with Special Needs/Candidates whose First Language is not English* (SQA, 1998).

National Unit Specification: general information

UNIT	Business Decision Areas (Higher)
NUMBER	D050 12
COURSE	Business Management (Higher)

SUMMARY

This unit is designed to enable candidates to analyse the decisions which businesses must take about their structure and operational activities in order to ensure that they meet their objectives.

OUTCOMES

- 1 Report on the internal organisation of business enterprises.
- 2 Analyse marketing decisions.
- 3 Interpret financial information used in business.
- 4 Analyse human resource decisions.
- 5 Analyse operations decisions.

RECOMMENDED ENTRY

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

- Standard Grade Business Management at Credit level
- Intermediate 2 Business Management
- the component units of Intermediate 2 Business Management - *Business Enterprise (Int 2)* and *Business Decision Areas (Int 2)* and
- Standard Grade English at Credit level, or
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National Unit Specification: general information (cont)

UNIT Business Decision Areas (Higher)

CREDIT VALUE

2 credits at Higher.

CORE SKILLS

This unit gives automatic certification of the following:

Complete core skills for the unit	None
Core skills components for the unit	Critical Thinking H Reviewing and Evaluating H

Additional information about core skills is published in *Automatic Certification of Core Skills in National Qualifications* (SQA, 1999).

National Unit Specification: statement of standards

UNIT Business Decision Areas (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

Report on the internal organisation of business enterprises.

Performance criteria

- (a) Analysis of organisational structure is accurate with respect to the grouping of activities within an organisation.
- (b) Internal organisation of a business enterprise is analysed accurately and related to different forms of organisational structure.

Note on range for the outcome

Grouping of activities: function, product/service, customers, place/territory, technology.

Evidence requirements

Evidence in the form of answers to extended response questions to cover the performance criteria and the range.

For PC (b) two different forms of organisational structure are required.

OUTCOME 2

Analyse marketing decisions.

Performance criteria

- (a) Evaluation of the role and importance of marketing to business is accurate and makes reference to product and market orientation.
- (b) Analysis of the marketing decisions of an organisation is accurate with respect to its marketing mix and target markets.
- (c) Evaluation of the product mix of an organisation is accurate and makes reference to new product development and ways of prolonging the life of existing products.
- (d) Analysis of reasons for market research is accurate and makes reference to market research techniques.

Note on range for the outcome

Marketing mix: price, product, place, promotion.

Target markets: undifferentiated marketing, differentiated marketing, market segmentation, niche marketing.

National Unit Specification: statement of standards (cont)

UNIT Business Decision Areas (Higher)

Evidence requirements

Evidence in the form of answers to extended response questions to cover the performance criteria and the range.

For PC (a) reference should be made to three different organisations.

For PC (b) the evidence should cover two aspects of each element of the marketing mix.

For PC (d) the evidence should cover two market research techniques.

OUTCOME 3

Interpret financial information used in business.

Performance criteria

- (a) Interpretation of cash flow information is accurate and related to possible cash flow problems.
- (b) Appropriate financial ratios are used correctly to accurately interpret the performance and liquidity of a business.
- (c) Explanation of budgets is accurate and refers to their role in monitoring and controlling business activities.

Evidence requirements

Evidence in the form of answers to extended response questions to cover the performance criteria and the range.

For PCs (a), (b) and (c) the evidence should be related to the current situation of a business. It should be derived from information presented to candidates and does not need to cover the compilation of a cash flow statement, calculation of ratios or the preparation of a budget.

For PC (b) the evidence should cover one example of a ratio related to separate examples of performance and liquidity.

OUTCOME 4

Analyse human resource decisions.

Performance criteria

- (a) Explanation of the main stages in the recruitment process is accurate and related to the requirements of a business enterprise.
- (b) Evaluation of the selection process is accurate and makes reference to selection methods and their effectiveness in securing a suitable appointment for a business enterprise.
- (c) Analysis of employee relations in a business organisation is accurate and makes reference to employee representation.
- (d) References to current legislative requirements affecting the management of human resources in business enterprises are accurate.

National Unit Specification: statement of standards (cont)

UNIT Business Decision Areas (Higher)

Note on range for the outcome

Stages in recruitment process: job analysis, job description, person specification, internal sources, external sources.

Evidence requirements

Evidence in the form of answers to extended response questions to cover the performance criteria and the range.

For PC (b) evidence should relate to three different selection methods.

For PC (d) evidence should relate to three examples of current legislation.

OUTCOME 5

Analyse operations decisions.

Performance criteria

- (a) Analysis of the importance of purchasing to a business is accurate and makes reference to the factors which influence purchasing decisions.
- (b) Analysis of factors affecting the quality of operations of an organisation is accurate with respect to organisational and customer requirements.
- (c) Analysis of different types of production is accurate with respect to the product or service produced.

Note on range for the outcome

Types of production: job, batch, flow.

Evidence requirements

Evidence in the form of answers to extended response questions to cover the performance criteria and the range. For PC (a) and (b) the evidence should include coverage of three factors in each case.

National Unit Specification: support notes

UNIT Business Decision Areas (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 80 hours.

GUIDANCE ON CONTENT AND CONTEXT FOR THIS UNIT

This unit is closely linked to *Business Decision Areas (Int 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. The emphasis in this unit is 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, selfemployed, private limited company, public limited company, voluntary organisation, charity, public corporation, government-funded service provider, government executive agency and quango. 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 business section of newspapers, business magazines, etc. The use of information technology to enhance the generation of evidence is important and access to appropriate software will greatly assist candidates to produce suitable evidence to cover all aspects of the unit. 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 (H)* through the use of the same case study material, etc. Outcomes 2 and 3 of *Business Enterprise (H)*, for example, provide some of the underpinning knowledge and understanding for this unit.

GUIDANCE TO APPROACHES TO ASSESSMENT FOR THIS UNIT

Instruments of assessment will normally be extended response questions which could be based on case study material and could involve decision-making exercises. Some may be fairly substantial while others may be relatively small. It is likely that the most suitable combination will arise from the delivery methods chosen. The nature of the unit is such that an outcome by outcome assessment approach is less likely to be appropriate than a more holistic strategy.

National Unit Specification: support notes (cont)

UNIT Business Decision Areas (Higher)

A possible assessment strategy might be as follows:

An extended response question based on case study stimulus material to cover Outcome 2 (marketing) and Outcomes 4 and 5 (human resource management and operations) which could be linked, for example, by referring to different parts of the same organisation. Outcome 3 could be assessed via extended response questions based on a practical exercise related to the financial affairs of an organisation, possibly the same one used for other outcomes.

Outcome 1 could be assessed in conjunction with any of the above, although it may be more practical to cover it as part of the final instrument of assessment (probably on Outcomes 4 and 5), when candidates could review the internal organisation of an enterprise as a whole and relate it to different forms of organisational structure.

SPECIAL NEEDS

This unit specification is intended to ensure that there are no artificial barriers to learning or assessment. Special 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 SQA document *Guidance on Special Assessment and Certification Arrangements for Candidates with Special Needs/Candidates whose First Language is not English* (SQA, 1998).