

BUSINESS MANAGEMENT
Intermediate 2

Fourth edition – published March 2001

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

COURSE TITLE: Business Management (Int 2)

COURSE NUMBER: C010 11

National Course Specification

Course Details Minor amendments

National Unit Specification

All Units No changes

National Course Specification

BUSINESS MANAGEMENT (INTERMEDIATE 2)

COURSE NUMBER C010 11

COURSE STRUCTURE

This course has three mandatory units as follows:

<i>D049 11</i>	<i>Business Enterprise (Int 2)</i>	<i>1 credit (40 hours)</i>
<i>D050 11</i>	<i>Business Decision Areas (Int 2)</i>	<i>2 credits (80 hours)</i>

In common with all courses, this course includes 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. The time is an important element of the course and advice on its use is included in the course details.

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 General level, or
 - Intermediate 1 Business Management, or
 - the component units of Intermediate 1 Business Management - Business in Society (Int 1), Business Activities (Int 1), Information in Business (Int 1)
- and
- Standard Grade English at General level, or
 - Intermediate 1 English or its component units

Administrative Information

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National Course Specification (cont)

COURSE Business Management (Intermediate 2)

CORE SKILLS

This course gives automatic certification of the following:

Complete core skills for the course	None
Core skills components for the course	Critical Thinking Int 2 Reviewing and Evaluating Int 2

For information about the automatic certification of core skills for any individual unit in this course, please refer to the general information section at the beginning of the unit.

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

National Course Specification: course details

COURSE Business Management (Intermediate 2)

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 Business Management (Intermediate 2) develops an awareness of the key elements of management within the context of the business as a whole and draws on material from a number of other disciplines. It will enable candidates to acquire knowledge and understanding which will allow them to explain the role and operation of business, to exercise problem solving skills, to apply these skills in a number of 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.

Decision making lies at the heart of business. Decisions shape development and enable organisations to achieve their current goals and adapt to a constantly changing environment. At Intermediate 2 level, however, the course does not focus on decision making as such but highlights the contexts within which effective decision making can take place. It also covers the areas within which all types of organisations take decisions including those involved in making decisions. It will build on candidates' own experiences as stakeholders, and in addition, help them to understand the importance of seeing problems from different perspectives.

In addition, the course will emphasise the increasing role that information technology (IT) plays in facilitating and underpinning the activities of business and business-related organisations. The course will help candidates to appreciate how the applications of IT are an aid to decision making, particularly through the use of spreadsheets and databases. In this way the course helps to provide vocationally relevant and transferable skills to suit today's changing employment market.

The aims of the course, which build on Standard Grade Business Management, and Intermediate 1 Business Management are to:

- develop an appreciation of the importance of business and enterprise in contemporary society
- extend awareness of the differing objectives of a range of types of organisation
- develop an understanding of the different ways in which individuals contribute to the achievement of an organisation's objectives
- develop an awareness of the relationship between the internal structure of organisations and the activities undertaken by organisations
- enable candidates to explain the role of the key functional areas of business activity
- develop a recognition of the interdependence of the various activities undertaken by businesses
- develop skills in the use of information and IT in a range of contexts, and recognise the contribution which these can make to the effectiveness of business operations
- develop problem solving skills
- provide a foundation on which future education and training can be built

National Course Specification: course details (cont)

COURSE Business Management (Intermediate 2)

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.

The need to be accountable and efficient has led to a greater use of business concepts and techniques in the operation of many types of organisation 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. 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 Intermediate 2 and Higher 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 Intermediate 2 level, candidates are expected to provide explanations. This helps to build progression towards Higher level where the ability to analyse predominates. It also contrasts with Intermediate 1 where candidates are expected to be able to give descriptions
- candidates at Intermediate 2 are expected to master a more limited range of content than at Higher level but one which is an extension of that required for Intermediate 1. In addition, the unit specifications at Intermediate 2 level are less demanding than at Higher level, for example, they contain less extensive evidence requirements and reduced range
- the arrangements for external assessment are more demanding than at Intermediate 1 eg there is only one section at Intermediate 1

COURSE CONTENT

It is important that candidates wishing to be successful in the course, as distinct from achievement of the individual units, should see the holistic nature of the whole course. This will require candidates to:

- integrate the course content
- apply knowledge and skills in a greater range of business contexts
- apply knowledge and skills 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 content across the two units and the various outcomes can be achieved in several ways. For example, the information requirements of organisations covered in Outcome 2 of Business Enterprise (Int 2) can readily be related to all parts of Business Decision Areas (Int 2). In this way, candidates can be made aware of how different aspects of the business environment and business activity are inter-related.

National Course Specification: course details (cont)

COURSE Business Management (Intermediate 2)

There are a number of ways in which candidates can apply knowledge and skills in a greater range of business contexts. For example, candidates could be asked to consider the same problem from a number of different perspectives. An example of this could involve candidates being asked to assess how different types of organisations respond to change, for example, how a local authority or hospital trust, as distinct from a small or medium-sized enterprise is affected by changes initiated by the government, for example, in employment legislation, or by the EU, for example, through the Single European Market. In this way candidates are more able to appreciate the similarity and diversity of the whole range of organisations with which the course deals.

There are several ways in which candidates could apply knowledge and skills in more complex business contexts. These could involve the consideration of a greater number of variables which candidates must consider in explaining a business problem. An example could be how a building society could respond to the need to keep up to date with IT developments while having to re-organise its branch network in the face of increasing competition from other financial institutions.

Candidates who complete the course should also demonstrate full coverage of the course content. For example, in the coverage of marketing, candidates should discuss its importance to the provision of goods and services in a range of different types of organisations rather than the 2 required by 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.

Business Enterprise (Int 2)

Business activity in contemporary society

The business cycle	Wealth creation, production and consumption, satisfaction of human wants.
Sectors of activity	Primary, secondary, tertiary.
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.
Methods of obtaining finance	Internal and external sources; short and long term; shares, loans, banks, LECs, government.
Objectives	Profit maximisation, survival, growth, social responsibility, provision of a service: Relate to different types of organisation.
The role of the entrepreneur	Enterprise, identifying business opportunities, combining factors of production, risk-taking.

National Course Specification: course details (cont)

COURSE Business Management (Intermediate 2)

Stakeholders	Internal and external; shareholders, owners, management, employees, customers, suppliers, community, government; the relationship of stakeholders to individual organisations; importance of stakeholders to private sector and public sector organisations.
Changes in the business environment	<p>The increasing significance of multinationals, the greater business orientation in publicly-funded organisations, changes in the size of firms, for example, the importance of small firms, downsizing, growth of franchising.</p> <p>Factors which can cause change: internal - changes in costs, development of new products; external - changes in demand, changes in technology, changes in taxation, changes in the competitive market, changes in national and EU legislation.</p> <p>Importance of change to business, for example, the need to respond to internal and external pressures; the need to ensure survival.</p>
<i>Business information</i>	
Sources of information	Primary, secondary, internal, external; costs and benefits of different sources.
Types of information	Written, oral, pictorial, graphical, numerical.
Uses of information in business	Monitoring and control, decision making, measuring performance, identifying new business opportunities.
<i>Decision making</i>	
Types of decision	Strategic, tactical, operational.
Decision making process	Role of managers, need for decisions to fit with organisational objectives, influence of stakeholders on decisions, for example, shareholders and AGM, government and taxation; ways in which stakeholders exert influence, for example, voting, pressure group, trade union activity.
<i>Business Decision Areas (Int 2)</i>	
<i>Internal organisation</i>	
Structure of organisations	Functional activities; forms of organisational structure, for example, hierarchy, flat structure, formal and informal structures.

National Course Specification: course details (cont)

COURSE Business Management (Intermediate 2)

Factors affecting internal structure of organisations	Size, technology, market, product.
Marketing	
The marketing concept	The role of marketing in different types of organisations, for example, marketing in the public and private sectors, goods and services; market share; market growth.
The marketing mix	Place, price, product/service, promotion.
Market research	The assessment of customer requirements, for example, surveys and sampling.
Financial management	
The role of the finance function	Payment of wages and salaries, payment of accounts, maintenance of financial records.
Financial information	Purpose of profit and loss, balance sheet, cash flow, ratios.
Uses of financial information	Controlling costs and expenditure, monitoring performance; manipulation of data using a spreadsheet, for example, simple cash flow, to inform decision making.
Users of financial information	Management, owners, creditors, employees, citizens.
Human resources	
Elements of human resource management	Recruitment - internal and external sources; selection, training and development, maintenance of personnel information and records, terms and conditions of employment, monitoring of procedures, for example, grievance and discipline, health and safety, awareness of legislative requirements (employment law, equal opportunities).
Employee relations	Inter-relationships between employees and management - local and national arrangements, trade unions, works councils.
Operations	
Elements of the operations function	Purchasing (materials management); system design, for example, automation, labour requirements; system operation, for example, stock control.
Types of production	Job, batch and flow.
Quality	Quality control, benchmarking, quality circles.

National Course Specification: course details (cont)

COURSE Business Management (Intermediate 2)

Information Technology in business

Types of IT	Current forms of IT, for example mini-computers, personal computers, multi-media, telecommunication systems, for example, video-conferencing, e-mail.
Uses of IT	Examples of these such as decision making, provision of information, maintenance of records, communications; manipulation of data using databases to inform decision making.
Benefits and costs of IT	Speed, flexibility, handling of complex information, financial outlay, staff training, data corruption.
Effects of IT	Number of employees, skill-mix of employees, flows of information through organisation, relations with customers, relations between employees, decentralisation.

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*, published by HSDU in May 1996.

DETAILS OF THE INSTRUMENTS FOR EXTERNAL ASSESSMENT

External assessment will be based on a single written paper of 1¾ hours duration. Candidates will be required to attempt the whole paper. The paper will consist of two sections.

Section 1 - (25 marks)

Knowledge and understanding, explaining decisions and exploring problems will be assessed through an interpretation item consisting of about 500 words. The interpretation item may be based on a suitable article, for example, an extract from a magazine or a newspaper article. It will describe a situation facing an organisation or organisations and may be based on hypothetical or real-life circumstances. There will be a number of mandatory questions related to the case study.

Candidates may be asked to:

- explain terms used in the interpretation item
- explain aspects of the situations in the interpretation item
- identify and explain problem areas

National Course Specification: course details (cont)

COURSE Business Management (Intermediate 2)

- identify and explain constraints
- explain possible responses to problems areas

Section II - (50 marks)

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

In order to obtain a Grade C for Business Management (Intermediate 2), a candidate must:

- apply knowledge and understanding to an explanation of a range of different contexts
- demonstrate some ability to integrate material drawn from the course content
- show a basic understanding of how information and information technology contribute to the decision making process
- identify and explain the main elements of problems
- identify and explain possible solutions to problems

In addition, candidates who achieve a Grade A must demonstrate the ability to:

- consistently apply knowledge and understanding to an explanation 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, using a range of examples, of how information and information technology contribute to the decision making process
- identify and explain the main elements of problems, some of which may contain a number of variables
- identify and explain possible solutions to problems, some of which may contain a number of variables
- evaluate possible solutions to problems, some of which may contain a number 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, and there should be an emphasis on active learning throughout. At Intermediate 2 level, the course will have an applied as well as a theoretical focus. It would be useful to contextualise the course through the study of individual organisations or entrepreneurs. The course includes the study of all types of business organisations, for example, self-employed, private limited company, public limited company, voluntary

National Course Specification: course details (cont)

COURSE Business Management (Intermediate 2)

organisation, charity, public corporation, government-funded service provider, government executive agency and quango. It is, therefore, important that candidates focus on at least one private sector and one public sector organisation. If this approach is adopted, it is essential that realistic examples are used throughout the learning and teaching process. In general, 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 organisation. In this way, candidates will be more able to apply general business concepts to a whole range of organisations. As a result, the teaching and learning strategy will be less abstract than that at Higher level, and the use of realistic examples will increase the relevance of the course for candidates and enhance their motivation. Learning and teaching approaches should recognise the dynamic nature of business activity. It may, therefore, 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, which requires them to search out new business opportunities to meet changing circumstances. In addition, 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.

Although the units within the course can be delivered independently, it is recommended, when they are offered as part of a course, that an integrative approach is adopted. It would be beneficial for candidates if Business Enterprise (Int 2) is delivered first, as this unit sets the overall context for the more detailed study of how different enterprises are organised and managed. The other unit, Business Decision Areas (Int 2) can then be linked to this introduction. If this is done, candidates should gain a better appreciation of how businesses operate. Whichever approach is chosen, care should be taken to integrate the theoretical and practical aspects of all parts of the course.

Information technology can be used throughout the course but candidates will require access to a modern integrated software package for Business Decision Areas (Intermediate 2). Throughout, the emphasis should be on the application of IT to the explanation of problems set in a business context.

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).

National Course Specification: course details (cont)

COURSE Business Management (Intermediate 2)

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 (Intermediate 2)
NUMBER	D049 11
COURSE	Business Management (Intermediate 2)

SUMMARY

This unit is designed to enable candidates to explain the role of business enterprise in contemporary society with particular reference to how business enterprise makes use of information and how it makes decisions.

OUTCOMES

- 1 Explain the role of business enterprise in contemporary society.
- 2 Explain the nature and importance of business information.
- 3 Explain 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 General level, or
- Intermediate 1 Business Management, or
- the component units of Intermediate 1 Business Management - Business in Society (Int 1), Business Activities (Int 1), Information in Business (Int 1)

and

- Standard Grade English at General level, or
- Intermediate 1 English or its component units

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National Unit Specification: general information (cont)

UNIT Business Enterprise (Intermediate 2)

CREDIT VALUE

1 credit at Intermediate 2.

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 Int 2

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 Enterprise (Intermediate 2)

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

Explain the role of business enterprise in contemporary society.

Performance criteria

- (a) Explanation of different types of business organisation is accurate and refers to types of ownership and methods of obtaining finance.
- (b) Objectives of business organisations are correctly explained and accurately related to different types of business organisation.
- (c) Explanation of the role of the entrepreneur is accurate and related to specific examples of entrepreneurial activity.
- (d) Description of major internal and external stakeholders is accurate in terms of their relationship to an organisation.
- (e) Explanation of factors which can cause change in the business environment is accurate and includes relevant examples drawn from the current situation in the UK.

Note on range for the outcome

Stakeholders: shareholders, employees, management, government, customers, local community.

Evidence requirements

Evidence is required in the form of answers to restricted response questions to cover the performance criteria and the range.

For PC (a) three different types of organisations should be considered.

For PC (b) four different objectives should be explained and each one should be linked to an appropriate type of organisation.

For PC (c) examples of entrepreneurial activity should cover more than one type of organisation.

For PC (e) four factors which can cause change should be explained.

National Unit Specification: statement of standards (cont)

UNIT Business Enterprise (Intermediate 2)

OUTCOME 2

Explain the nature and importance of business information.

Performance criteria

- (a) Different types of information are accurately described and each is evaluated with reference to a particular aspect of business activity.
- (b) Explanation of the importance of business information is accurately related to the uses of information in business.
- (c) Sources of information are accurately explained in terms of their potential costs and benefits for a particular business purpose.

Evidence requirements

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

For PC (a) three different types of information should be identified and evaluated.

For PC (b) the explanation should refer to three different uses of information in business.

For PC (c) two different sources of information are required.

OUTCOME 3

Explain decision making in business enterprises.

Performance criteria

- (a) Distinction between strategic, tactical and operational decisions is accurate.
- (b) Explanation of the role of managers in decision making is accurate and related to organisational objectives.
- (c) Explanation of the ways in which stakeholders other than managers can influence business decisions is accurate.

Evidence requirements

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

For PC (c) two ways of exerting influence should be given for three different stakeholders.

National Unit Specification: support notes

UNIT Business Enterprise (Intermediate 2)

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 THE CONTENT AND CONTEXT FOR THIS UNIT

This unit is closely linked to *Business Enterprise (H)*. Hence, the context of both is very similar, although candidates taking this unit are not expected to demonstrate the same range of contexts, for example, in the type of organisations covered, nor are they expected to have mastered the same amount of content. The emphasis in this unit is on explanation rather than the analysis required at Higher level.

The unit, like its Higher counterpart, 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 organisations 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.

Overall, therefore, the unit has a practical as well as a theoretical focus. It can be set in the context of enabling candidates to apply ideas to the way in which businesses work and to explain key aspects of the society in which they live and in which they can expect to find employment, either on their own account or for someone else.

GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT

The unit offers considerable scope for the use of case studies and 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 example, from LECs, banks, software suppliers, local employers, etc, which could help to foster an enquiring, 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 can 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 (Int 2)* and can be seen as an introduction to it. Outcomes 2 and 3 of this unit link particularly closely with *Business Decision Areas (Int 2)*.

National Unit Specification: support notes (cont)

UNIT Business Enterprise (Intermediate 2)

GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT

Restricted response questions and structured response questions are likely to be most appropriate for this unit. They could be linked to suitable stimulus material such as a case study of a particular issue or organisation. However, the structure of the unit is such that an outcome by outcome assessment approach or a more holistic strategy may be equally appropriate.

One strategy could be to set two instruments of assessment, one covering Outcome 1 and the other covering the remaining two outcomes. This would have the advantage, when the unit is being delivered as part of a course, of setting the scene for the rest of the course.

If desired, the assessment could be built around the study of one particular organisation. The organisation could be selected from any suitable sector, for example, a local small business, a local publicly funded organisation, a large private organisation with locally based facilities, and candidates could generate responses to instruments of assessment which link the unit specification to the activities of the organisation.

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 (Intermediate 2)
NUMBER	D050 11
COURSE	Business Management (Intermediate 2)

SUMMARY

This unit is designed to enable candidates to explain the key functional areas of activity in which organisations engage and to relate these to the use of information technology in business enterprises.

OUTCOMES

- 1 Explain the marketing function in an organisation.
- 2 Explain the finance function in an organisation.
- 3 Explain the human resource function in an organisation.
- 4 Explain the operations function in an organisation.
- 5 Explain the uses and importance of information technology to the operation of organisations.

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 General level, or
- Intermediate 1 Business Management, or
- the component units of Intermediate 1 Business Management - Business in Society (Int 1), Business Activities (Int 1), Information in Business (Int 1)

and

- Standard Grade English at General level, or
- Intermediate 1 English or its component units

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National Unit Specification: general information (cont)

UNIT Business Decision Areas (Intermediate 2)

CREDIT VALUE

2 credits at Intermediate 2.

CORE SKILLS

There is no automatic certification of core skills or core skills components in this unit.

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 (Intermediate 2)

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

Explain the marketing function in an organisation.

Performance criteria

- (a) Explanation of the importance of marketing to an organisation is accurate and related to the type of organisation.
- (b) Explanation of the elements of the marketing mix is accurately related to a specific business situation.
- (c) Explanation of market research is accurate and its importance related to the type of organisation.

Note on range for the outcome

Elements of the marketing mix: price, product, promotion, place.

Evidence requirements

Evidence is required in the form of answers to restricted response questions to cover the performance criteria and the range.

For PC (a) reference should be made to two different types of organisations.

For PC (b) an explanation of each element of the marketing mix is required.

OUTCOME 2

Explain the finance function in an organisation.

Performance criteria

- (a) Explanation of the uses of financial information in business is accurate.
- (b) Explanation includes accurate descriptions of the potential users of financial information and the value of such information to them.
- (c) Financial data in a spreadsheet is correctly manipulated and the results accurately interpreted to inform decision making.

Evidence requirements

Evidence in the form of answers to restricted response questions to cover the performance criteria.

For PC (c) evidence should include a print-out of a spreadsheet.

National Unit Specification: statement of standards (cont)

UNIT Business Decision Areas (Intermediate 2)

OUTCOME 3

Explain the human resource function in an organisation.

Performance criteria

- (a) Elements of the human resource function are accurately explained.
- (b) The management of employee relations is accurately explained with reference to the role of the human resource function.
- (c) Description of the effect of legal requirements on the management of human resources is accurate and makes reference to current legislation.

Note on range for the outcome

Elements of human resource function: recruitment, selection, training and development, personnel information and records, grievance and discipline.

Evidence requirements

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

For PC (c) evidence should relate to two examples of current legislation.

OUTCOME 4

Explain the operations function in an organisation.

Performance criteria

- (a) Elements of the operations function are accurately explained and related to suitable examples.
- (b) The different types of production are accurately explained and related to the requirements of an organisation.
- (c) Explanation of ways to maintain quality is accurate and related to customer requirements.

Note on range for the outcome

Types of production: job, batch, flow.

Evidence requirements

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

For PC (a) three elements of the operations function are required.

For PC (b) one example of each type of production should be given.

For PC (c) two ways to maintain quality are required.

National Unit Specification: statement of standards (cont)

UNIT Business Decision Areas (Intermediate 2)

OUTCOME 5

Explain the uses and importance of information technology to the operation of organisations.

Performance criteria

- (a) The uses of information technology are accurately explained with reference to a range of organisational activities.
- (b) The benefits and costs of information technology are accurately explained in terms of their effects on organisations.
- (c) The effects of information technology are accurately explained with respect to employees and the structure of the organisations.
- (d) Appropriate software is used to correctly manipulate data contained in an existing database to inform decision making.

Evidence requirements

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

For PC (a) the evidence should refer to four types of information technology.

For PC (c) the evidence should relate to three types of IT.

For PC (d) the evidence should include print-outs from a database.

National Unit Specification: support notes

UNIT Business Decision Areas (Intermediate 2)

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 THE CONTENT AND CONTEXT FOR THIS UNIT

This unit is closely linked to *Business Decision Areas (H)*. Hence, the context of both is very similar, although candidates taking this unit are not expected to demonstrate the same range of contexts, for example, in the type of organisations covered, nor are they expected to have mastered the same amount of content. The emphasis in this unit is on explanation rather than the analysis required at Higher level.

The unit, like its Higher counterpart, is set in the context of contemporary UK society and, wherever possible, current examples of decisions which businesses have to take should be used. Examples of organisations 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. In doing this, it is essential to bear in mind that the unit is set in the context of all types of organisations and, wherever possible, examples should make this apparent.

Overall, therefore, the unit has both a practical and an explanatory focus. It can be set in the context of business decision making in the main functional areas of activity.

GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT

There are many opportunities in this unit to make use of active learning methods such as case studies and investigative work. It would be possible to build the generation of evidence around a small number of locally relevant examples which could be used to provide different instances of the various activities covered in the unit. These could be supplemented by visits to the relevant 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 example, from LECs, banks, software suppliers, local employers, etc, which could help to foster an inquiring, innovative approach.

Where this unit is integrated with *Business Enterprise (Int 2)*, there are opportunities to integrate their delivery into a single programme. There are considerable advantages in doing this as candidates should find it easier to see how different aspects of the business environment and business activity are inter-related.

National Unit Specification: support notes (cont)

UNIT Business Decision Areas (Intermediate 2)

GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT

Instruments of assessment for this unit are likely to centre on restricted response or structured questions. However, the structure of the unit is such that an outcome by outcome assessment approach may be less appropriate than a more holistic strategy.

One possible approach would be to give candidates a case study of an organisation, for example, a small business wishing to expand, which covers all aspects of the unit. They could be asked suitable restricted response or structured questions on the case study to ensure coverage of all outcomes and performance criteria. If necessary, the questions could be given in stages to match the sequence of outcomes in the unit. This would mean that there might be a number of assessment events.

If desired, this strategy could be integrated with assessment work undertaken for the complementary unit, Business Enterprise (Int 2).

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).