

## **SQA Advanced Unit Specification**

### **General information for centres**

**Unit title:** Global Business Organisations

**Unit code:** HP0V 48

**Superclass:** AD

**Publication date:** August 2017

**Source:** Scottish Qualifications Authority

**Version:** 01

### **Unit purpose**

This Unit will enable candidates to understand a chosen Global Business Organisation with regard to its development, growth and international business strategies.

It is aimed principally at candidates who aspire to work in an internationally focused organisation and is particularly appropriate for those involved in any of the major business functions.

### **Outcomes**

On successful completion of the Unit the learner will be able to:

- 1 Describe the development of a chosen Global Business Organisation in relation to its international expansion.
- 2 Evaluate the relationship between the expansion of the Organisation and its global production and marketing strategies.
- 3 Analyse the recruitment, remuneration and labour relations policies of the Organisation when expanding into new countries.
- 4 Explain the financial strategies that are used by the Organisation.

### **Credit points and level**

2 SQA Credits at SCQF level 8: (16 SCQF credit points at SCQF level 8).

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### Recommended entry to the Unit

Access to this Unit is at the discretion of the centre, however it would be beneficial if the candidate has knowledge of some or all of the major business functional business areas including Marketing, Human Resource Management, Finance, and Distribution. It would also be beneficial if the candidate possesses Communication Core Skill at SCQF level 5 or equivalent.

### Core Skills

There are opportunities to develop the component *Written Communication* of the Core Skill of *Communication* and the components *Critical Thinking* and *Planning and Organising* of the Core Skill of *Problem Solving* at SCQF level 6. There are also opportunities to develop the Core Skills of *ICT* and *Numeracy* at SCQF level 5. There is no automatic certification of Core Skills or Core Skills components in this Unit.

### Context for delivery

If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

The Assessment Support Pack (ASP) for this Unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable assessment. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard. A list of existing ASPs is available to download from SQA's website (<http://www.sqa.org.uk/sqa/46233.2769.html>).

### Equality and inclusion

This Unit Specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements).

## **Unit Specification: Statement of standards**

### **Unit title: Global Business Organisations**

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 SQA.

#### **Outcome 1**

Describe the development of a chosen Global Business Organisation in relation to its international expansion.

##### **Knowledge and/or Skills**

- ◆ Historic development of a Global Business Organisation.
- ◆ International expansion.

#### **Outcome 2**

Evaluate the relationship between the expansion of the Organisation and its global production and marketing strategies.

##### **Knowledge and/or Skills**

- ◆ Global research and development strategies.
- ◆ Production Unit and its global position.
- ◆ Local market criteria for product adaption.
- ◆ Marketing strategies.

#### **Outcome 3**

Analyse the recruitment, remuneration and labour relations policies of the Organisation when expanding into new countries.

##### **Knowledge and/or Skills**

- ◆ Recruitment policy.
- ◆ Global salaries.
- ◆ Labour relations.

#### **Outcome 4**

Explain the financial policies adopted by the Organisation.

##### **Knowledge and/or Skills**

- ◆ Centralisation or decentralisation.
- ◆ Exchange rate fluctuations.

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- ◆ Annual accounts reporting.
- ◆ Financial influences.

### Evidence Requirements for this Unit

Assessment should be undertaken in open-book conditions.

Learners will need to provide evidence to demonstrate their Knowledge and/or Skills across all Outcomes by showing that they can:

#### Outcome 1

- ◆ Describe the historic development of a Business Organisation from its beginnings to present day global position.
- ◆ Describe the development of the Organisation's expansion including global acquisitions and mergers and business structure — whether centralised or decentralised.

#### Outcome 2

- ◆ Evaluate the strategies which are employed by the Organisation for Research and Development on a global basis.
- ◆ Explain the decision making process for choice of production Unit and its global position.
- ◆ Identify and explain the criteria that affects the decision to alter goods for local markets.
- ◆ Explain global pricing and distribution policies, and the effect of logistics, to the success of the organisation's products in various markets.
- ◆ Explain the need for clear communication across the global market place to aid successful marketing of products, and evaluate the communication strategies implemented by the organisation.

#### Outcome 3

- ◆ Analyse the organisation's policy for recruitment in countries that it operates.
- ◆ Analyse the salaries in the countries where operations take place.
- ◆ Compare variations in labour relations experienced by the organisation in the countries where they operate.

#### Outcome 4

- ◆ Explain how a Global Business Organisation operates their financial decision making in terms of centralisation or decentralisation.
- ◆ Explain how exchange rate fluctuations can affect the Organisation.
- ◆ Explain the methods used by the Global Business Organisation when reporting on its annual accounts, including:
  - dates used
  - currency equivalence
- ◆ Explain the financial influences which have played a part in the decision of the Organisation to produce items in one country over another, including:
  - tax concessions
  - grants
  - investment incentives
  - wage structures

### Unit Specification: Support Notes

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Unit Support Notes are offered as guidance and are not mandatory.

While the exact 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 designed to provide candidates with an understanding of the development of a chosen Global Business Organisation. It covers the organisation from its beginnings to its development into a global 'player'.

It will develop the candidate's understanding of how organisations develop and implement their financial, marketing, production and human resources strategies in the global context. The SQA Advanced Diploma in International Business and Trade tends to be offered at the end of the programme as it encompasses aspects and information gained through other Units.

The Unit is designed to provide learners with the knowledge and skills to use technology effectively to perform administrative functions.

Candidates are required to conduct research, perhaps using the internet and/or other sources, such as the organisation's annual report. They should collate, draw together and analyse information from a range of sources to clearly demonstrate the evolution of their chosen organisation.

The Unit will also give the candidate an appreciation of how business is undertaken outside of the United Kingdom and the European Union, and the difficulties which organisations have to overcome. This may require them to look at current pressures, sustainability issues, attitudes towards developing countries and why a Global Businesses may shift production to different areas.

Candidates will also be required to explain the potential impact of rates of exchange. For example, companies must show their overseas earnings in the currency of the reporting nation. They are required by law to demonstrate how this figure is arrived at, based on the fact that currency fluctuations over the reporting period may change dramatically. Any global company's annual report should conform to this requirement.

#### Guidance on approaches to delivery of this Unit

Outcome 1 is concerned with the history of the chosen organisation, from the start of the business to its present status. Candidates will have to describe the factors that led to the organisation going 'global'. This may involve diversification into different fields, for example, Toyota's development from a local sewing machine company into a producer of automobiles. Emphasis is not on the origins, but the development itself.

Outcome 2 covers research and development, production and marketing strategies. The candidate is required to evaluate the requirements at a local level, particularly marketing decisions relating to product, price, distribution and promotion. An example would be the

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packaging and brand names that can be used; for example, the change of name of the branded product 'Jif' to 'Cif' due to EU pronunciation difficulties.

In Outcome 3 candidates are required to analyse the recruitment process employed by the chosen organisation. This could include how it appoints senior personnel to overseas positions, based for example, on a timed contract, which may result in their being repositioned elsewhere in the Organisation. Candidates will also be expected to consider ethics, for example, issues pertaining to child and 'sweat shop' labour. This could be reflected in the perception of the organisation by the public and the media.

In Outcome 4, candidates will explain the requirements for annual reporting based on the foreign currencies in which they are dealing. Where goods are exported or imported, to or from different regions around the world, fluctuations of currency affect finance and profitability. This can influence business decision making and brings with it legal requirements in terms of annual reporting. Candidates are also required to explain whether the organisation operates a centralised or decentralised method of financing.

It is recommended that equal time be allocated between teaching time and candidate's own research.

### **Guidance on approaches to assessment of this Unit**

The Unit could be assessed by a single holistic assessment covering all Unit Outcomes. The assessment could comprise a report of approximately 3,000 words or equivalent, completed under open-book conditions in the candidate's own time.

Evidence can be generated using various instruments of assessment. The examples here are for guidance only. There may be other methods more suitable to learners depending on their circumstances.

Assessment can be integrated to provide a holistic approach. It is possible for evidence to be generated for all Outcomes of the Unit via one report based on researching an organisation chosen by the candidate.

This assessment could be managed by identifying a number of stages of development based on the Outcomes contained in the Unit. The assessment task would be carried out in the candidate's own time and will involve a substantive element of research.

Alternatively assessment for this Unit can be carried out on an Outcome by Outcome basis. Prior verification of centre devised assessments helps ensure that the national standard is being met. Where learners experience a range of assessment methods it helps candidates develop skills which are transferable to work or further and higher education.

### **Opportunities for e-assessment**

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at [www.sqa.org.uk/e-assessment](http://www.sqa.org.uk/e-assessment).

## Opportunities for developing Core and other essential skills

There are no Core Skills embedded in this Unit. However, the following table gives some examples of the opportunities for developing Core Skills within this Unit.

| Core Skill                      | SCQF level | Opportunities for development   |
|---------------------------------|------------|---|
| <b>Communication</b>            | Level 6    | All four Outcomes can contribute to the reading and writing aspects of this Core Skill.   |
| Written Communication (Reading) | Level 6    | Candidates are expected to read and understand complex written information.   |
| Written Communication (Writing) | Level 6    | There are opportunities to develop written communication where candidates produce written responses as these have to be well-structured and clear, addressing the Evidence Requirements. Evidence is required in the form of the production of a structured report.   |
| <b>Problem Solving</b>          | Level 6    | There is the opportunity to develop problem solving skills. Three Outcomes can contribute to critical thinking. In Outcome 2 the candidate will use problem solving skills to evaluate the relationship between the expansion of the organisation and its global production and marketing strategies. In Outcome 3 the candidate will use these skills to analyse factors influencing the organisation's human resource policies and in Outcome 4 to consider financial influences. |

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| <b>Core Skill</b>             | <b>SCQF level</b> | <b>Opportunities for development</b>   |
|-------------------------------|-------------------|--|
| <b>Numeracy</b>               | Level 5           | Candidates may also be able to gain Numeracy skills through their examination of the financial accounts of their chosen global business.   |
| <b>Information Technology</b> | Level 5           | Candidates are required to use Information Technology when undertaking research and processing information about their chosen organisation. Finished reports may include graphics, tables or spreadsheets to illustrate points such as pricing and distribution policies from Outcome 2, or foreign currencies from Outcome 4. |



## History of changes to Unit

| Version | Description of change | Date |
|---------|-----------------------|------|
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SQA acknowledges the valuable contribution that Scotland's colleges have made to the development of SQA Advanced Qualifications.

**FURTHER INFORMATION:** Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000. Alternatively, complete our [Centre Feedback Form](#).

### General information for learners

#### Unit title: Global Business Organisations

This Unit will enable you to understand a chosen Global Business Organisation with regard to its development, growth and international business strategies.

On completion of the Unit you will be able to:

- 1 describe the development of a chosen Global Business Organisation in relation to its international expansion
- 2 evaluate the relationship between the expansion of the Organisation and its global production and marketing strategies
- 3 analyse the internal and external factors which influence the Organisation's human resources policy when expanding into new countries
- 4 explain financial strategies that are used by the Organisation

You will research the development of a Global Business Organisation, from its origins through to its status as a global trader.

You will develop understanding of how organisations develop and implement their financial, marketing, production and human resource strategies in the global context. You may also look at current pressures, sustainability issues, attitudes towards developing countries and why a Global Businesses may shift production to different areas.

The Unit will also give you an appreciation of how business is undertaken outside of the United Kingdom and the European Union, and the difficulties which organisations have to overcome.

Outcome 4 will involve research into your chosen organisation, examining its annual report, and considering related issues such as the potential impact of rates of exchange on how businesses operate.

The Unit is likely to be assessed by a report of approximately 3,000 words or equivalent.

Over the course of this Unit there may be opportunities for you to develop Core Skills in the areas of *Communication, Problem Solving, Information and Communication Technology* and *Numeracy*.