SQA Advanced Unit specification

General information

Unit title: Managing Information Systems to Develop a Small Business (SCQF level 8)

Unit code: HR18 48

Superclass:	AE
Publication date:	August 2017
Source:	Scottish Qualifications Authority
Version:	01

Unit purpose

This Unit will equip learners with an understanding of the role played by Management Information Systems (MIS) in a small business. It will also develop learners' knowledge and skills in appraising and developing a small business.

The Unit is suitable for SQA Advanced Diploma in Business learners, those involved in managing a small business or with an interest in doing so, and also learners with an interest in self-employment.

Outcomes

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

1 Evaluate MIS within a small business.
2 Appraise the performance of a small business.
3 Make viable proposals to develop a small business.

Credit points and level

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

Recommended entry to the Unit

Access to this Unit is at the discretion of the centre; however it would be beneficial if learners have completed Business-related Units at SCQF level 7. Learners should have the ability to analyse data and possess good *Communication* Skills. This could be demonstrated by possession of a suitable SQA Advanced *Communication* Unit at SCQF level 7.

Core Skills

Opportunities to develop aspects of Core Skills are highlighted in the Support Notes for this Unit specification.

There is no automatic certification of Core Skills or Core Skill 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.

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**

SQA Advanced Unit specification: Statement of standards

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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.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the Knowledge and/or Skills section must be taught and available for assessment. Learners should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Evaluate MIS within a small business.

Knowledge and/or Skills

- ♦ The role of management
- ♦ The role of MIS in the decision making process
- ♦ Strengths and weaknesses of MIS

Outcome 2

Appraise the performance of a small business.

Knowledge and/or Skills

- ♦ Cost and revenue factors
- ♦ Fixed and variable costs
- ♦ Variance analysis
- ♦ Interpretation of accounts

Outcome 3

Make viable proposals to develop a small business.

Knowledge and/or Skills

- ♦ Strategic and operational goals
- ♦ Selecting appropriate goals
- ♦ Capital and personnel requirements

Evidence Requirements for this Unit

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

Outcome 1

♦ Explain the contribution of MIS to management and decision making within a small business.
♦ Identify and appraise two strengths and two weaknesses of MIS.
♦ Provide a critical evaluative overview of the use of MIS within a specific business.

Outcome 2

Appraise the performance of a small business by:

♦ Distinguishing between fixed and variable costs.
♦ Completing variance analysis on a budget including costs and sales.
♦ Producing four ratios with an explanatory analysis commenting on a set of final accounts.

Outcome 3

Make viable proposals to develop a small business by using appropriate data to:

♦ Explain the difference between strategic and operational goals and outline two strategic and two operational goals for a small business.
♦ Determine the capital and human resources necessary to achieve the goals set, making reference to the figures produced in Outcome 2.

The assessment may be completed under open-book conditions and in the candidate's own time out of class.

SQA Advanced Unit 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

The purpose of this Unit is to develop the skill of learners in analysing information to make business decisions, with particular reference to the use of Management Information Systems (MIS). Learners should gain an understanding of the importance of management information systems, and be able to apply that knowledge. Learners will develop an awareness of the importance of making decisions based on reliable information, and use that understanding to set organisational goals. Emphasis should be placed on the importance of technology in establishing management information systems.

The following information provides guidance on possible content for the Outcomes. The information is intended as guidance and is not intended as a comprehensive statement of what could, or should be, covered. It is provided to help deliverers decide what to include in the delivery of this Unit.

Outcome 1

An introduction should include the role of management and the importance of MIS. Topics to discuss could include legislation, premises, manufacture and distribution of products and/or provision of services, protection of the public, employees, collection and payment of taxes. External conditions could also be examined. Learners could discuss current environmental issues and the best methods of monitoring these: government statistics, market research reports and economic data. Relevant models include SWOT, Porters and PEST analysis. Sources of information include internal and external reports, sales figures, HR data and Payroll reports. Attention should focus on any strengths and weaknesses in the information available and the advantages and limitations of MIS as a whole.

Outcome 2

This Outcome will consider methods of performance appraisal with particular reference to financial data. Learners should be provided with Balance sheets, Profit and Loss Accounts and budgets and undertake ratio analysis. Variance between actual and projected figures should be identified and suggestions made as to the causes. Linking financial data to internal and external factors affecting the organisation will provide a basis for suggestions made in Outcome 3.The use of variance analysis and budgets will provide a basis for performance appraisal of the business.

Outcome 3

Outcome 3 requires the learner to explain the difference between strategic and operational objectives. Different business strategies may be examined through the use of case studies. SMART objectives and business planning may also be relevant. Learners should be encouraged to refer to organisations they are familiar with to provide deeper understanding.

Where this Unit is taught as part of a Group Award, case studies and examples could contextualise the content. It may also help to use guest speakers or visits to relevant organisations.

Guidance on approaches to delivery of this Unit

The Unit can be delivered by addressing Outcomes in a sequential order although centres may choose to alter this to meet the needs of the individuals or groups. It may also help to link Outcomes 1 and 3 as goal and objective setting is one of the key roles of management.

The Unit can be delivered using a combination of lecturer-led discussion, provision of contextualised case studies and examples and reference to appropriate texts and websites. The Unit aims to focus on the practical application of theory to produce realistic suggestions for the development of a small business. Field trips can be a particularly valuable way of creating awareness of real-life situations for learners.

Learners may where appropriate, focus their assessments on organisations of interest to them.

Guidance on approaches to assessment of this Unit

Evidence can be generated using different types of assessment. The following are suggestions only. There may be other methods that would be more suitable to learners.

Centres are reminded that prior verification of centre-devised assessments can help to ensure that the national standard is being met. Where learners experience a range of assessment methods, this helps them to develop different skills that should be transferable to work or further and higher education.

The first of the listed Evidence Requirements in Outcome 1 requires a general explanation of the role of MIS in management and decision-making for a small business. For the remainder of the Unit, learners will be expected to apply their knowledge to a particular situation. They are not expected to offer lists of theory but should select what is relevant to an identified organisation, either real or fictitious. Assessment should allow learners to demonstrate that they can holistically assess the management information systems and make viable suggestions for future development.

In Outcome 1, learners could be provided with, or directed to, information about a real-life organisation and its environment. If the learner is directed to gather information, the organisation should be one that the learner is familiar with, or one about which the learner can easily gather information and data. Learners may be able to base their assessment on a current or previous workplace. Alternatively, a fictitious case study could be used with the same investigative approach used.

For Outcome 2, learners can be provided with examples of financial statements including budgets, Profit and Loss Account, Balance Sheet and Cash Flow Statements to facilitate the necessary analysis and calculation.

Outcome 3 includes the setting of two strategic and two operational goals. Learners are required to examine the current situation, assess strengths and weaknesses of current management information systems and produce viable proposals to enhance the business. The range of business goals for investigation may include sales maximisation, market penetration and profit maximisation. Goals selected should be justified with reference to the

internal and external factors affecting the organisation. Financial implications of the options chosen should be explained. A word count of 2000–3000 words may be realistic.

If a single case-study is used to cover the entire Unit then it may be beneficial to assess the report in stages. This would ensure that learners have accurate information on which to base their recommendations in Outcome 3.

An alternative option could be to assess each Outcome separately. In this case it may also be useful to use individual case studies which are shorter. Learners would still have access to additional resources and would be able to complete in their own time.

Where assessment is completed by candidates in their own time it is suggested that learners are given two weeks for the submission of each Outcome from the date of issue, with opportunities for remediation as necessary.

Centres could use questioning to ascertain authenticity and/or understanding. Alternatively, depending on numbers involved they could be asked to give a presentation of the main points in their reports.

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

Opportunities for developing Core and other essential skills

There are opportunities to develop the Core Skill *Communication* at SCQF level 6 through reading, analysing and producing a report on an organisation.

The Core Skill of *Problem Solving* at SCQF level 6 may be developed by identifying issues for improvement and producing viable recommendations.

Both of these skills will be enhanced by a practical approach to the delivery of the Unit. Learners will be required to read, analyse and report on organisations. The theory should be linked to the practice.

History of changes to Unit

Version	Description of change	Date

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

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This section will help you decide whether this is the Unit for you by explaining what the Unit is about, what you should know or be able to do before you start, what you will need to do during the Unit and opportunities for further learning and employment.

This Unit is designed to develop your skills in analysing information to make business decisions. There is particular emphasis on the role of Management Information Systems (MIS) to manage a small business. On successful completion of this Unit you will be able to:

♦ Evaluate the role of MIS within a small business.
♦ Appraise the performance of a small business.
♦ Make viable proposals to develop a small business.

Although you will be introduced to some of the theories of MIS and decision making, emphasis is placed on applying these theories to a practical situation. The crux of this Unit is to develop your understanding of the importance of basing decisions on valid and reliable information. You will be given access to financial accounts and other data and asked to analyse performance and make recommendations. Much of the content could be based on case studies and organisations familiar to you.

In Outcome 1 you will examine the strengths and weaknesses of an MIS system in order to evaluate how it is being used within a business.

In Outcome 2 you will look at the performance of the business by distinguishing between fixed and variable costs, carrying out a variance analysis on a budget, and performing ratio analysis on a set of accounts.

In Outcome 3 you will make proposals as to the development of a small business. You will identify and evaluate strategic and operational goals and go on to determine the human and capital resources required to achieve those goals.

There are opportunities to develop the Core Skills of *Communication* and *Problem Solving* at SCQF level 6. The practical nature of the Unit should also develop your Enterprise and Employability skills and knowledge.