

Higher National Unit Specification

General information for centres

Unit title: Job Costing and Business Calculations

Unit code: F03K 33

Unit purpose: This Unit is designed to enable candidates to undertake the costing of work from client brief through to completion. It will also provide candidates with the underpinning knowledge to allow them to prepare estimates, invoices and other business documents. The Unit is designed to provide candidates with the knowledge required to deal with business documents for a small business or for self-employment.

On completion of the Unit the candidate should be able to:

- 1 Cost a project from a given specification.
- 2 Complete business documents.

Credit points and level: 1 HN Credit at SCQF level 6: (8 SCQF credit points at SCQF level 6*)

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

Recommended prior knowledge and skills: While access to this Unit is at the discretion of the centre, it is advisable that candidates have numeracy skills at a minimum of SCQF level 4.

Core Skills: The achievement of this Unit gives automatic certification of the following: Numeracy at SCQF level 5. There are also further opportunities to develop the Core Skill of Communication at SCQF level 5 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.

Assessment: Outcomes 1 and 2 should be assessed using a project where the candidate is given information from which all work and materials would be costed and the associated business documents completed.

It would also be possible to break this assessment down into two separate instruments of assessment where each Outcome is assessed separately.

Higher National Unit specification: statement of standards

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The sections of the Unit stating the Outcomes, Knowledge and/or Skills, and Evidence Requirements are mandatory.

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. Candidates 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

Cost a project from a given specification

Knowledge and/or skills

- ◆ Calculations
- ◆ Percentages
- ◆ Discounts
- ◆ Ways of sourcing materials
- ◆ Ways of costing materials
- ◆ Ways of costing labour
- ◆ Terminology appropriate to specification

Evidence Requirements

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can cost a specified project from working drawings and additional notes. Evidence should include researched information on materials and costs from three suppliers. Candidates should accurately calculate quantities of materials required and labour involved to meet the specification.

Candidates will be judged as competent where the evidence includes:

- ◆ calculation of variable figures using addition, subtraction, multiplication and division
- ◆ calculation of quantities of materials based on measurements, areas and formulae. All measurements and areas should be calculated in metric.
- ◆ calculation of percentages such as VAT, discounts, mark-up and margin
- ◆ specification of work using appropriate terminology

Candidates will be allowed the use of formulae sheets, pricing schedules, calculators and specification manuals. All calculations should be clearly detailed and should be submitted.

Figures must be accurate within a tolerance of two arithmetic or computational errors, with a maximum of two errors of principle.

The assessment should be conducted under controlled conditions.

Higher National Unit specification: statement of standards (cont)

Unit title: Job Costing and Business Calculations

Assessment guidelines

The candidate could be given a detailed specification for a project such as a sign, or a piece of furniture or an artefact. The specification should detail appropriate materials to be used. The candidate should be prepared to estimate the areas or volume of materials required as well as the cost of labour.

Outcome 2

Complete business documents

Knowledge and/or skills

- ◆ Business correspondence
- ◆ Business documents

Evidence Requirements

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ compose a business letter using correct layout and appropriate formal business language
- ◆ compile one accurate estimate or quotation which should include VAT and appropriate discounts
- ◆ prepare two invoices. Each invoice should have sub totals, VAT and totals correctly identified
- ◆ identify and explain the purpose and transactions in a statement. The statement should include two invoices, one payment and one credit note

Figures must be accurate within a tolerance of two arithmetic or computational errors, with a maximum of two errors of principle.

Assessment guidelines

This Outcome could be linked with Outcome 1. The candidates could be asked to write a business letter enclosing a quotation or estimate prepared from the calculations carried out in Outcome 1. Additional information could be supplied for the candidate to compile two invoices for 'work completed'. Candidates could be supplied with a statement with two invoices, one payment and one credit note. The explanation given could be written or oral.

Administrative Information

Unit code:	F03K 33
Unit title:	Job Costing and Business Calculations
Superclass category:	AK
Original date of publication:	August 2006
Version:	03 (June 2017)

History of Changes:

Version	Description of change	Date
03	Error tolerances inserted.	01/06/17
02	Numeracy Core Skill amended from SCQF level 6 to SCQF level 5 and measurement in metres amended to metric.	24/8/06

Source: SQA

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Higher National Unit specification: support notes

Unit title: Job Costing and Business Calculations

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

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

Guidance on the content and context for this Unit

This Unit is intended to give candidates a good foundation in the costing of work and materials used in meeting a client brief. It will help candidates understand the importance of accuracy in calculating and using these figures in business documents. The Unit will also help candidates understand the importance of business documents to all businesses and help equip candidates for possible self-employment

There are two aspects to the Unit:

- ◆ costing work, materials and building in a margin for profit and
- ◆ understanding the purpose and use of business documents and learning how to complete these documents

Candidates are likely to have varying levels of numeracy skills and some candidates may require significant practice in calculations so it is important that progressively stepped levels of exercise materials are used in this Unit.

Calculations involved will vary depending on the context or award being delivered but it is likely that candidates will have to prepare working drawings and from these drawing calculate areas, or volumes of materials required making an allowance for potential wastage. For example in the context of sign design, candidates would be calculating the area of the sign and the lettering used, as well as fixings and finishes to be applied.

Guidance on the delivery and assessment of this Unit

Outcome 1

This Outcome deals with working out costs for a potential client. Candidates would be introduced to mark-up and how they would build in a margin to cover their own labour and profit. The concept of fixed costs and variable costs and other overheads could be introduced to candidates but should not be assessed but should be discussed in relation to mark-up and margins.

Outcome 2

Candidates will learn about the chronological steps in the process of using business documents — request for work to be undertaken, estimate/quotation, confirmation from client, invoice. They will also learn about statements and credit notes. The importance of layout of the documents and the use of formal business language should be stressed and this could be linked to the candidate's IT skills development or to the candidate's Communication skills.

Candidates should be aware where VAT and any trade discount or cash discount should be placed in an invoice. Where cash discount is offered Prompt Payment Discount (PPD) rules should apply.

Higher National Unit specification: support notes (cont)

Unit title: Job Costing and Business Calculations

Assessment of Outcome 1 should be under controlled conditions. Candidates may be provided with manufacturers' price lists or may be given access to computers so that current prices can be accessed. It is important that sources of information are recorded by the candidate. While candidates can use calculators in this assessment they should be able to provide clear documentation of the basis of their calculations and notes of intermediate answers in on-going calculations. Candidates could be given a client request for a quotation for a specific job.

Assessment of Outcome 2 is likely to be partly linked with Outcome 1. The candidate could respond to the client request by presenting the information prepared in Outcome 1, in a pre-printed quotation or could complete a pre-prepared electronic version of a quotation form. The candidate could then prepare an accompanying business letter to accompany the quotation. Candidates could be given billing information to be included in invoices which could be pre-printed or pre-prepared electronic documents. Candidates could be presented with a completed statement and could be asked to explain the items which appear on specific dates as well as explain the purpose of the statement itself.

Opportunities for developing Core Skills

The Core skill of Numeracy will be developed throughout this Unit. Candidates will need to add, subtract, multiply and divide. They will need to use formulae for calculating sizes and will be required to produce two and three stage calculations eg in sign design after working out areas, they will require to cost materials needed including working out alternative ways of using materials to minimise wastage. These calculations will then be added to other costs such as labour and a percentage to cover mark-up will be added. Candidates will be required to calculate relevant percentages such as discounts.

Candidates will develop their communication skills when preparing business documents in particular letters in response to client enquiries. Candidates will also have to demonstrate evidence of having interpreted client needs through accurate interpretation of the specification.

Open learning

This Unit could be delivered by distance learning. However, it would require planning by the centre to ensure the sufficiency and authenticity of candidate evidence. Arrangements would have to be made to ensure that assessments are delivered in a supervised environment under controlled conditions to ensure the authenticity of candidate work.

Candidates with disabilities and/or additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the SQA document *Guidance on Alternative Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs*, which is available on SQA's website: www.sqa.org.uk.

General information for candidates

Unit title: Job Costing and Business Calculations

This Unit is designed to enable you to cost work effectively and to complete the necessary paperwork involved to ensure payment for the work. In any organisation it is important to be able to calculate accurately, the materials you need and the time you will take to do a job. Developing these skills will help you work for a small business or become self-employed.

You will learn how to price work in a methodical way and to run some error checks to make sure you have priced it correctly. This is likely to include working out surface areas using formulae and working out percentages to calculate discounts or VAT. You will discuss profits and discounts when you work out pricing.

In the process of working through this Unit you will develop your number skills and if you pass you will gain automatic certification of the Core Skill of Numeracy at SCQF level 5. You will also learn how to communicate in formal business language in writing business letters and using the correct terminology in writing quotations and estimates.

When you are assessed, you will be asked to prepare detailed calculations as if you were preparing a quotation for a customer or client. This will be done in college and you will be supervised but you will be allowed to use a calculator.