



## Higher National Graded Unit specification

### General information for centres

This Graded Unit has been validated as part of the HNC *Business*. Centres are required to develop the assessment instrument in accordance with this validated specification. Centres wishing to use another type of Graded Unit or assessment instrument are required to submit proposals detailing the justification for change for validation.

**Graded Unit Title:** Business: Graded Unit 1

**Graded Unit Code:** F8LD 34

**Type of Graded Unit:** Examination

**Assessment Instrument:** Closed book with seen case study

**Credit points and level:** 1 HN credits at SCQF level 7: (8 SCQF credit points at SCQF level 7\*)

*\*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.*

**Purpose:** This Graded Unit is designed to provide evidence that candidates have met the following aims of the HNC Business (G9ML 15):

- ◆ provide the competencies required by employers of those engaged in entry level administrative, managerial or commercial positions in organisations
- ◆ develop and apply a range of vocational knowledge and skills in an integrated manner to the analysis of business situations
- ◆ build on previously acquired transferable skills
- ◆ adopt an innovative and creative approach to their work and be able to respond quickly to the challenges posed by changes in the business environment

**Recommended prior knowledge and skills:** It is recommended that candidates should have completed or be in the process of completing the following Units relating to these specific aims prior to undertaking this Graded Unit:

- *Business Accounting* (F84M 34)
- *Economic Issues: An Introduction* (F7J8 34)
- *Managing People and Organisations* (F84T 34)
- *Marketing: An Introduction* (F7BX 34)

Although the main focus of the Unit is based on the four Units listed above, candidates may draw on content from other Units relevant to the case study.

## General information for centres (cont)

**Core Skills:** There are no Core Skills embedded in this Graded Unit specification.

**Assessment:** This examination-based Graded Unit is a closed-book assessment. It will consist of a written examination of three hours.

The questions in the examination will be based on a case study of an organisation. The case study will be made available to candidates prior to the examination. The questions will be unseen until the time of the examination.

An exemplar instrument of assessment and marking guidelines have been produced to provide examples of the kind of evidence required to demonstrate achievement of the aims of the HNC Business Group Award (G9ML 15) which this Graded Unit is designed to cover, and to indicate the national standard of achievement required at SCQF level 7.

To achieve this Unit, candidates should attain 50% of the available marks with achievement being graded according to marks attained.

## Administrative Information

**Graded Unit Code:** F8LD 34  
**Graded Unit Title:** Business: Graded Unit 1  
**Original date of publication:** August 2010  
**Version:** 02

### History of changes:

Version	Description of change	Date
02	Terminology and reference to financial statements revised to reflect requirements of FRS 102.	06/08/2015

**Source:** SQA

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# **Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates**

## **Graded Unit title: Business: Graded Unit 1**

### **Conditions of assessment**

The assessment is based on a closed book examination lasting three hours.

If a candidate does not achieve a pass or if a candidate wishes to upgrade, this must be based on a significantly different examination from that given originally. In this case, a candidate's grade will be based on the achievement in the re-assessment, if this results in a higher grade.

The examination should be unseen and the assessment should be conducted in controlled and invigilated conditions.

At all times, the security, integrity and confidentiality of examinations must be ensured.

The examination will consist of a case study of an organisation and questions relating to the case study. The case study should be given to candidates up to three weeks prior to the date of the examination.

Candidates may not bring their copy of the case study to the examination with them. A fresh copy of the case study must be given to candidates at the time of the examination.

### **Instructions for designing the assessment task:**

The examination should be designed to assess the candidate's critical knowledge and understanding of the topics relating to the specific aims which this Graded Unit is designed to cover. The questions and corresponding marks should be designed in accordance with the ranges indicated in the table overleaf. However, the overall total mark for the examination is 100.

The questions in the examination should be based on a case study of an organisation. This may be a real or fictitious organisation and may be part of the private, public or voluntary sector.

The case study will consist of an account of some aspects of the organisation's activities, including the key topics outlined in the following table shown overleaf. When writing the case study sufficient information should be introduced to ensure that at least two sets of questions on key topics could be asked. This case study should be between 1250 – 1750 words long. In addition a minimum of two pieces of supplementary information should be included, at least one of which should be numerically-based such as statistical information or accounting information and at least one piece of supplementary information should provide additional background information on the organisation.

The format of the examination questions should be designed to meet the following requirements.

- 1 The examination paper should be in two sections:–
  - ◆ Section 1 should be based on the candidate's ability to integrate knowledge and understanding and use problem solving techniques within the context of the given case study. This Section will consist of two compulsory questions.
  - ◆ Section 2 will consist of four questions. The candidate must answer three from four questions.
- 2 Questions may be split into several parts and each part given a separate mark. Marks should be indicated on the question paper, for example Question 1 part a) 12 marks and part b) 8 marks. It is preferable to have a series of shorter questions rather than one overly complex question.

## Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

Key topics	What is being tested	Percentage weighting for each topic
<b>Section 1</b> <b>Both questions to be answered</b>		
<b>Integration and problem solving within the context of the case study</b>	The candidate will be required to: Use knowledge and understanding from a number of different business disciplines to identify, explain and analyse issues arising from a prescribed business situation. Use knowledge and understanding from a number of different business disciplines to suggest and justify actions which could be taken to respond to issues arising from a prescribed business situation	2 compulsory questions worth a total of 40 marks  40%
<b>Section 2</b> <b>3 questions from 4 to be answered</b>		
<b>Applying financial concepts</b> Purpose and analysis of financial statements — income statement, statement of financial position, statement of changes in equity, statement of cash flows. Users of financial information – purposes for which require information; sources of relevant information. Sources of finance.	The candidate will be required to: Apply knowledge and understanding to explain and analyse financial information relating to a prescribed business situation. Use knowledge and understanding to draw reasoned conclusions about relevant financial matters in a prescribed business situation. Use knowledge and understanding to identify actual and/or potential advantages and disadvantages of financial issues in a prescribed business situation. [Preparation of financial statements and calculations are not required.]	1 question worth a total of 20 marks  20%
<b>Applying economic concepts</b> Markets – demand, supply and elasticity. Government policy to address market failure.	The candidate will be required to: Apply knowledge and understanding to identify, explain and analyse economic factors relevant to a prescribed business situation. Use knowledge and understanding to make reasoned predictions about a prescribed business situation. Use knowledge and understanding to identify actual or potential advantages and disadvantages of actions by economic agents in a prescribed business situation. [Calculations of elasticity are not required.]	1 question worth a total of 20 marks  20%

## Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

Key topics	What is being tested	Percentage weighting for each topic
<b>Applying marketing concepts</b> Marketing mix Product mix Promotion Market research Relationship between marketing and other business functions	The candidate will be required to: Apply knowledge and understanding to identify, explain and analyse marketing factors relevant to a prescribed business situation. Use knowledge and understanding to draw reasoned conclusions about marketing issues in a prescribed business situation. Use knowledge and understanding to identify actual or potential advantages and disadvantages of particular marketing activities in a prescribed business situation. Apply knowledge and understanding to suggest and justify possible marketing activities in a prescribed business situation.	1 question worth a total of 20 marks  20%
<b>Applying organisational and managerial concepts</b> Organisational goals, objectives and policy Stakeholders Internal and external environment How organisations are managed — measures of managerial effectiveness Division and grouping of activities — contingency model	The candidate will be required to: Apply knowledge and understanding to identify, explain and analyse organisational and managerial factors relevant to a prescribed business situation. Use knowledge and understanding to draw reasoned conclusions about organisational and managerial issues in a prescribed business situation. Use knowledge and understanding to identify actual or potential advantages and disadvantages of particular organisational and managerial aspects of a prescribed business situation. Apply knowledge and understanding to suggest and justify possible organisational and/or managerial actions in a prescribed business situation.	1 question worth a total of 20 marks  20%

Although Questions 1 and 2 will concentrate on an integrated approach, some other questions are likely to cover more than one topic. All questions should be set within the context of the case study.

The examination will be marked out of 100. Assessors will aggregate the marks achieved by the candidate to arrive at an overall mark for the examination. Assessors will then assign a grade to the candidate for this Graded Unit based on the following grade boundaries:

- ◆ A = 70% — 100%
- ◆ B = 60% — 69%
- ◆ C = 50% — 59%

## Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

### Guidance on grading candidates

Candidates who meet the minimum Evidence Requirements will have their achievement graded as a C (competent), A (highly competent), or B (somewhere between A and C). The grade related criteria to be used to judge candidate performance for this Graded Unit is specified in the following table:

Grade A	Grade C
<p>Is a seamless, coherent piece of work or exam script which consistently:</p> <ul style="list-style-type: none"> <li>◆ knowledge and understanding shown is consistently relevant</li> <li>◆ strong analysis will be consistently demonstrated</li> <li>◆ language and terminology used throughout will be appropriate and precise to the topics and situations</li> <li>◆ consistently recognises and responds to the main elements of a question</li> <li>◆ responses are logically structured and coherently developed</li> <li>◆ a range of business topics drawn from relevant disciplines are used to identify, explain or analyse situations in the case study</li> <li>◆ concepts are accurately and precisely applied to the case study</li> <li>◆ clear justification of conclusions with reasons drawn from the case study</li> <li>◆ predictions and suggestions are supported by relevant reasons and are realistic and practical in terms of the case study</li> <li>◆ answers give both advantages and disadvantages which are valid in terms of the case study</li> <li>◆ comprehensive evaluation skills will be demonstrated</li> </ul>	<p>Is a co-ordinated piece of work or exam script which:</p> <ul style="list-style-type: none"> <li>◆ knowledge and understanding shown may not be consistently relevant</li> <li>◆ answers may not always show consistency of strong analysis</li> <li>◆ terminology may be relevant but on occasion inconsistent</li> <li>◆ recognises and responds to the main elements of a question</li> <li>◆ responses contain essential information but may lack development</li> <li>◆ identification, explanation and analysis of situations in the case study are related to a limited range of business topics</li> <li>◆ limited concepts are recognised and related to the case study in general terms only</li> <li>◆ some conclusions are drawn but with limited justification in terms of the case study</li> <li>◆ predictions and suggestions are made but are not always backed with reasoned justification and credibility in terms of the case study</li> <li>◆ answers give limited advantages and disadvantages although not all may be valid in terms of the case study</li> <li>◆ limited but acceptable evidence of evaluation skills</li> </ul>

## **Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)**

### **Support notes**

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 a mandatory Unit in the Group Awards HNC and HND Business (G9ML 15). This Unit would be suitable for anyone wishing to develop the skills and competences required to operate within a challenging business situation. The Unit is set in the context of the modern business environment and candidates should be introduced to the many different aspects of business activity and are expected to apply the knowledge gained throughout the four Units of recommended prior knowledge and skills. The Unit is designed to assess the candidate's ability to integrate knowledge and skills, and problem solve across the four Units of recommended prior knowledge and skills within the award HNC Business (G9ML 15).

This Unit is designed to develop the skills and competences required for those engaged in entry level administrative, managerial or commercial positions within a business organisation. The Unit should develop skills and competences that meet the criteria of SCQF level 7 — the ability to analyse, present and evaluate arguments, information and ideas that are routine to the subjects' disciplines. These skills should enable candidates to exhibit evidence of the application of content from the award HNC Business (G9ML 15) with the bulk of the marks originating from the four Units of recommended prior knowledge and skills

### **Guidance on the delivery and assessment of this Unit**

The Unit is designed to build upon previously acquired transferable skills which can be best developed through case study stimuli materials utilised throughout the delivery and assessment of the course programme. This approach would be particularly relevant during the delivery and assessment of the four Units of recommended prior knowledge and skills, and would facilitate the contextualisation of the knowledge and skills in each of the four recommended Units and promote the importance and understanding of integration of the knowledge and skills. Using this approach candidates will be able to develop their knowledge and understanding of the key business competencies and will be provided the opportunity to apply innovative and creative approaches to challenges presented by changes in the business environment. It is anticipated that opportunities to integrate content from the four Units of recommended prior knowledge and skills are taken as part of the learning and teaching of the individual Units as well as during the preparation for the Graded Unit itself. It is recommended that preparation for the examination primarily takes the form of study skills, examination techniques and the use of case study stimuli materials and questions which require the candidate to integrate rather than a traditional-revision approach.

The examination requires the candidate to demonstrate required knowledge and skills through the interpretation of a challenging business situation. The questions should test the breadth and application of the candidate's knowledge and understanding of the four Units of recommended prior knowledge and skills. This should enable the candidate to demonstrate their depth of knowledge in specific areas of these Units and provide innovative and creative problem solving approaches to a challenging business environment. Candidates should demonstrate extended, integrated and in depth responses pertaining to the subject matter in each of the four Units of recommended prior knowledge and skills.



## **Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)**

The Unit should be delivered and assessed toward the latter part of the course programme to enable candidates to have completed or be in the process of completing the four Units of recommended prior knowledge and skills prior to embarking upon the Graded Unit. It is important for a centre to ensure that arrangements made for sitting the first attempt at the Graded Unit exam and any subsequent resit opportunities are consistent with internal and external verification requirements. It is strongly recommended that a centre utilises the appropriate SQA exemplar material and prior moderation procedures that exist to support the validity and reliability of internally devised instruments of assessment.

It is best practice for centres to ensure that all the staff involved in the delivery of the course programme and in particular, those involved in the delivery of the four Units of recommended prior knowledge and skills are made aware of the requirements of the Graded Unit. Whilst there is no one best method to deliver and assess the Unit, many instances of good practice have been noted where subject experts in the recommended Units undertake some form of team teaching. In addition, examples of good practice in terms of assessment verification have existed where second marking or cross marking has taken place to satisfy the requirements of internal and external quality processes.

Centres may wish to use a mock exam as a useful revision tool for candidates and it provides an opportunity for staff to provide reflective feedback and promote constructive discussion. As an alternative or supplement, a centre may use short case studies and questions as a preparatory or revision tool.

The case study material for the Graded Unit exam should be handed to candidates not more than three weeks prior to assessment to provide candidates with a suitable opportunity to familiarise themselves with the content and analyse key disciplines from the four Units of recommended prior knowledge and skills in the context of the business situation. Candidates should not be directed toward additional study of the organisation described in the case study material but should be advised to concentrate upon the source material as the basis of explanation, evaluation, analysis and recommendation.

You may wish to refer to SQA website for further guidance such as Internal Assessment Reports – [www.sqa.org.uk](http://www.sqa.org.uk)

### **Disabled candidates and/or those with additional support needs**

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering whether any reasonable adjustments may be required. Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements)

## General information for candidates

In this Unit you will develop skills in bringing together and applying the knowledge you have gained in the following Units:

- *Business Accounting* (F84M 34)
- *Economic Issues: An Introduction* (F7J8 34)
- *Managing People and Organisations* (F84T 34)
- *Marketing: An Introduction* (F7BX 34)

It is important, therefore, that you are familiar with the content of these Units. There is no new content within this Unit. Although the main focus of the Unit is based on these four Units, you may draw on content from other Units which is relevant to the case study. You will work with your lecturer in developing the necessary techniques and approaches to enable you to use the knowledge and understanding you have already gained and apply it to a business situation.

To achieve this Unit you will need to pass an examination consisting of two sections. You will answer two compulsory questions from Section 1 and three of the four questions from Section 2. Section 1 will test your ability to integrate knowledge and to solve problems. Section 2 will test your ability to apply knowledge gained from the four Units identified above.

The exam will be based on a business case study which will be given out to you no more than three weeks before the exam. This is so you can familiarise yourself with the content of the case study and not to research the organisation. You will not be given any extra marks for information which is not relevant to the questions asked in the exam.

You will not see the questions until the day of the exam. You will have three hours to complete the exam questions and will not be permitted to take any notes into the examination room. To pass you must obtain at least 50% of the marks. Your final exam mark will be graded as follows:

70% - 100% = Grade A  
60% - 69% = Grade B  
50% - 59% = Grade C

This grade will apply only to this Unit and not to the full HNC or HND Group Award.