

-SQA- SCOTTISH QUALIFICATIONS AUTHORITY

HIGHER NATIONAL UNIT SPECIFICATION

GENERAL INFORMATION

-Unit Number- **5440236**

-Superclass- **NA**

-Title- **ROLE OF THE HOSPITALITY INDUSTRY WITHIN THE
ECONOMY**

-DESCRIPTION-

GENERAL COMPETENCE FOR UNIT: Explaining the structure of the hospitality industry in terms of economic determinants, its role in terms of contribution to the economy and the effect of the industry on local and national employment.

OUTCOMES

1. explain the fundamental principles of economic theory;
2. explain the structure of the hospitality industry;
3. explain the contribution of the hospitality industry to the national economy;
4. identify current economic trends and their effects on the hospitality industry.

CREDIT VALUE: 1 HN Credit

ACCESS STATEMENT: Access to this unit is at the discretion of the centre.

For further information contact: Committee and Administration Unit, SQA, Hanover House, 24 Douglas Street, Glasgow G2 7NQ.

Additional copies of this unit may be purchased from SQA (Sales and Despatch section). At the time of publication, the cost is £1.50 (minimum order £5.00).

HIGHER NATIONAL UNIT SPECIFICATION

STATEMENT OF STANDARDS

UNIT NUMBER: 5440236

UNIT TITLE: ROLE OF THE HOSPITALITY INDUSTRY WITHIN THE ECONOMY

Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

OUTCOME

1. EXPLAIN THE FUNDAMENTAL PRINCIPLES OF ECONOMIC THEORY

PERFORMANCE CRITERIA

- (a) The factors of production are correctly identified.
- (b) The primary, secondary and tertiary sectors are correctly identified and explained.
- (c) The economist's concept of scarcity and choice is correctly explained.
- (d) The determinants of supply and demand are correctly explained.
- (e) The determinants of price are correctly explained.
- (f) The determinants of perfect competition, imperfect competition, oligopoly and monopoly are correctly explained.

RANGE STATEMENT

The range for this outcome is fully expressed within the performance criteria.

EVIDENCE REQUIREMENTS

Written/recorded evidence of the candidate's understanding of the fundamental principles of economic theory to cover all performance criteria.

OUTCOME

2. EXPLAIN THE STRUCTURE OF THE HOSPITALITY INDUSTRY

PERFORMANCE CRITERIA

- (a) The incidence of vertical and horizontal integration of ownership in the hospitality industry is correctly explained.
- (b) The incidence of lateral integration and conglomerate ownership is correctly explained.
- (c) Description of the structure of ownership of units within the industry is accurate.

RANGE STATEMENT

Ownership: sole traders; partnerships; limited companies.

EVIDENCE REQUIREMENTS

Written/recorded evidence of the candidate's understanding of the structure of the hospitality industry. This should include at least one example of each of: vertical ownership; horizontal ownership; lateral integration of ownership; conglomerate ownership.

OUTCOME

3. EXPLAIN THE CONTRIBUTION OF THE HOSPITALITY INDUSTRY TO THE NATIONAL ECONOMY

PERFORMANCE CRITERIA

- (a) The description of the main sub-groups within the hospitality industry, and their importance to the UK economy, is accurate.
- (b) The explanation of the importance of the hospitality industry to the UK balance of payments is accurate.
- (c) The explanation of the income and employment multiplier on the local economy of a change in the provision of accommodation is accurate.
- (d) The effect of part-time and seasonal work in the hospitality industry on national employment is correctly identified.

RANGE STATEMENT

Balance of payments: visible sections; invisible sections.

EVIDENCE REQUIREMENTS

Written/recorded evidence of the candidate's understanding of the contribution of the hospitality industry to the national economy to cover all performance criteria.

OUTCOME

4. IDENTIFY CURRENT ECONOMIC TRENDS AND THEIR EFFECTS ON THE HOSPITALITY INDUSTRY

PERFORMANCE CRITERIA

- (a) The effect of government tourism policy on the hospitality industry is correctly explained.
- (b) The effect of relevant government fiscal policy on the hospitality industry is correctly explained.
- (c) The effect of changes in disposable income on the hospitality industry is accurate.
- (d) The effects of changes in interest rates and currency valuations on inflation and economic activity are correctly described.

RANGE STATEMENT

The range for this outcome is fully expressed within the performance criteria.

EVIDENCE REQUIREMENTS

Written/recorded evidence of the candidate's understanding of the current economic trends and their likely effects on the hospitality industry to cover all performance criteria.

MERIT A candidate who achieves all performance criteria for all outcomes will be awarded a pass.

A pass with merit will be awarded to candidates who demonstrate a higher level of analytical skills or a greater understanding of economic principles.

ASSESSMENT

In order to achieve this unit, candidates are required to present sufficient evidence that they have met all the performance criteria for each outcome within the range specified. Details of these requirements are given for each outcome. The assessment instruments used should follow the general guidance offered by the SQA assessment model and an integrative approach to assessment is encouraged. (See references at the end of support notes).

Accurate records should be made of the assessment instruments used showing how evidence is generated for each outcome and giving marking schemes and/or checklists, etc. Records of candidates' achievements should be kept. These records will be available for external verification.

SPECIAL NEEDS

Proposals to modify outcomes, range statements or agreed assessment arrangements should be discussed in the first place with the external verifier.

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HIGHER NATIONAL UNIT SPECIFICATION**SUPPORT NOTES**

UNIT NUMBER: 5440236

UNIT TITLE: THE ROLE OF THE HOSPITALITY INDUSTRY WITHIN
THE ECONOMY

SUPPORT NOTES: This part of the unit specification is offered as guidance. None of the sections of the support notes is mandatory.

NOTIONAL DESIGN LENGTH: SQA allocates a notional design length to a unit on the basis of time estimated for achievement of the stated standards by a candidate whose starting point is as described in the access statement. The notional design length for this unit is 40 hours. The use of notional design length for programme design and timetabling is advisory only.

PURPOSE This unit is designed for candidates with little or no knowledge of economics. The unit commences with general economic theories and proceeds to relate these and other economic concepts to the hospitality industry.

CONTENT/CONTEXT This unit is mainly designed to raise the candidate's awareness of the importance of economics in relation to hospitality. The development of primary, secondary and tertiary sectors of industry should be explained to the candidates to show them the historical significance of the service sector, and in particular, hospitality and tourism. The first outcome looks at some of the jargon utilised in economics and candidates may be encouraged to develop their own glossary of these words and the context in which they are used. The candidates should be encouraged to read quality daily newspapers, and watch current affairs programmes in order to keep abreast of general happenings within the country. They should also be directed towards weekly trade journals such as "Caterer and Hotelkeeper" which print weekly statistics useful for candidates of economics.

Corresponding to outcomes 1-4:

1. Candidates will be introduced to the basics of economics. They should be given a brief definition of terms such as "factors of production", "scarcity", "choice", "supply", "demand", "price" and concepts of monopoly and perfect competition. These concepts, once explained, should be related to the field of hospitality in order to make them meaningful and relevant for the candidate. It may be useful to obtain copies of "Lloyd's Bank Economic Profile of Great Britain (available free of charge from Lloyd's Bank, 71 Lombard Street, London EC3P 3BS); "United Kingdom in Figures" (available free of charge from Central Statistics Office Library, Cardiff Road, Newport, GWENT NP9 1XG).

2. Candidates are required to explore the structure of the hospitality industry. This may be tackled by obtaining final accounts from large companies such as Stakis plc, Forte plc, Bass plc and studying the number of companies owned by such groups.

Having been given tutorial input as to the various types and meanings of integration, candidates can then relate to how some of these large companies are structured. The candidates could then carry out research into local hospitality establishments and classify them as sole traders, partnerships or limited companies.

3. The various aspects of the hospitality industry are identified (hotels, restaurants, pubs, holiday camps, hospitals) and each one is looked at in terms of its importance to UK industry, ie. where would we be without hotels? - no holiday centres, no facilities for business persons to stay overnight, fewer conference centres.

The candidate examines what is meant by UK Balance of Payments and the importance of hospitality to the invisible sector.

The candidate examines the trend of employing part time, seasonal and job share within the industry and the effects of this on local and national employment.

4. The candidate looks at current government policy on tourism and fiscal aspects. Tourism policy is freely available from Scottish Office or Scottish Tourist Board. Government fiscal policy can be obtained by free subscription to Economic Briefing published by HM Treasury.

Candidates should become familiar with the meaning of “disposable income” and factors which can affect the amount of disposable income, such as increases in rent/mortgage, changes in income tax or VAT, inflation, pay increases.

Candidates should familiarise themselves with the fragile nature of the hospitality industry, particularly in relation to foreign markets. A study of currency valuations and inflation should be linked with the main countries who visit Great Britain on business or holiday (in particular USA, Germany, Iceland, Scandanavia) and the relationship between our currency valuation and the dollar and deutchmark. Changes in the strength of the pound sterling should be related to our ability to attract foreign visitors. Equally candidates should recognise which currencies are weaker than sterling and make those countries financially attractive to UK visitors.

APPROACHES TO GENERATING EVIDENCE The design of this unit should allow the candidate to achieve the outcomes in a candidate-centred manner.

This unit particularly lends itself to group discussions. Text books and current affairs programmes are also useful in delivering this unit.

This unit can be taken by candidates interested in economics but is particularly designed for persons in or entering the hospitality industry.

ASSESSMENT PROCEDURES Centres may use instruments of assessment which are considered by tutors to be most appropriate in the assessment of outcomes 1-4:

Examples of instruments of assessments which could be used are:

- multi-choice questions (particularly outcome 1)
- oral or short written questions
- restricted response questions

Integration across the outcomes should be considered where practicable.

REFERENCES

1. Guide to unit writing.
2. For a fuller discussion on assessment issues, please refer to SQA's Guide to Assessment.
3. Information for centres on SQA's operating procedures is contained in SQA's Guide to Procedures.
4. For details of other SQA publications, please consult SQA's publications list.

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