

-SQA- SCOTTISH QUALIFICATIONS AUTHORITY

HIGHER NATIONAL UNIT SPECIFICATION

GENERAL INFORMATION

-Unit Number- **6690025**
-Superclass- **AE**
-Title- **ASSESSING SMALL BUSINESS VENTURES**

-DESCRIPTION-

GENERAL COMPETENCE FOR UNIT: Assessing and advising on the potential viability of small business ventures and the suitability of the person for self-employment.

OUTCOMES

1. appraise the suitability of the client for self-employment;
2. assess the viability of the business proposal;
3. assess the management of a small business.

CREDIT VALUE: 2 HN Credits

ACCESS STATEMENT: Access to this unit is at the discretion of the centre. However it would be beneficial if candidates has completed Higher National Unit 6690015 Introduction to Self-Employment and Small Business.

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).

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STATEMENT OF STANDARDS

UNIT NUMBER: 6690025

UNIT TITLE: ASSESSING SMALL BUSINESS VENTURES

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. APPRAISE THE SUITABILITY OF THE CLIENT FOR SELF EMPLOYMENT

PERFORMANCE CRITERIA

- (a) Assessment of the personal qualities of the client is clear, concise and in accordance with the demands of self-employment and the venture.
- (b) Evaluation of the skills the client requires to develop are in accordance with his or her existing skills and the skills required for the venture.

RANGE STATEMENT

Personal qualities: management skills; leadership; confidence; communication skills.

Skills: administrative; organisational; technical.

EVIDENCE REQUIREMENTS

Oral or written evidence which shows the ability to appraise a client from both a manufacturing and a service/distribution background. Additional written or oral evidence should be provided to cover all aspects of the performance criteria and the range statements.

OUTCOME

2. ASSESS THE VIABILITY OF THE BUSINESS PROPOSAL

PERFORMANCE CRITERIA

- (a) Analysis of the strengths, weaknesses, opportunities and threats to the venture is accurate in relation to its micro-environment.
- (b) The chosen marketing strategy is consistent with the size, type and operation of the proposed venture.
- (c) Analysis of the feasibility of the venture is consistent with skills and resources available to it.
- (d) Assessment of the legal requirements to establish the venture is consistent with the size, type and operational area of the venture.
- (e) Advice given is consistent with identified weaknesses and for the size, type and operational area of the venture.

RANGE STATEMENT

Micro-environment: customers; suppliers; competitors.

Legal requirements: planning permission; licences; taxation; employment; Health and Safety.

Type of business: sole trader; partnership; limited company.

Operational area: manufacturing; service/distribution.

Skills: administrative; organisational; technical.

EVIDENCE REQUIREMENTS

Oral or written evidence which shows the candidate's ability to assess a business proposal from both a manufacturing and a service/distribution background and which cover two different types of businesses. Additional written or oral evidence should be provided to ensure full coverage of the performance criteria and the range statements.

OUTCOME**3. ASSESS THE MANAGEMENT OF A SMALL BUSINESS****PERFORMANCE CRITERIA**

- (a) Evaluation of information systems is accurate and related to the needs of the venture.
- (b) Assessment of the performance of the venture is accurate and in accordance with expectations and the objectives of the business.
- (c) Weaknesses in the management of the venture are identified and corrective action proposed.
- (d) Analysis of the future prospects of the venture over the next twelve months is in line with market research information and the resources available to the venture.

RANGE STATEMENT

Information systems: monitoring changes in legislation; productivity; wages and salaries records; credit purchases; sales.

Performance: annual accounts; cash flows.

EVIDENCE REQUIREMENTS

Written or oral evidence which shows the ability to assess a small business's results from both a manufacturing and a service/distribution background. At least one of the businesses should have employees. Additional written or oral evidence should be provided to ensure full coverage of the performance criteria and the range statements.

MERIT Pass with merit may be awarded to candidates who have successfully achieved all outcomes and performance criteria and who, in so doing, consistently demonstrate superior performance with respect to some or all of the following:

- (a) a high level of coherence in analysis and evaluation;
- (b) originality in approach;
- (c) giving particularly suitable advice to all clients throughout the range of the unit outcomes.

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 also be kept. These records will be required 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: 6690025

UNIT TITLE: ASSESSING SMALL BUSINESS VENTURES

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 the 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 80 hours. The use of notional design length for programme design and timetabling is advisory only.

CONTENT/CONTEXT Small businesses may include sole traders with no employees as well as firms with a number of employees.

This unit has been aimed at those who will be in an advisory capacity and who may have to deal with individuals/groups wishing to set up their own business. The following notes give an indication of other SQA Units in the same area, the contents of which will assist anyone doing this unit.

Outcome 1: All candidates should have completed the unit 'Introduction to Self-Employment and Small Business'. This outcome requires them to use the knowledge gained in Outcome 2 of that unit and to apply it to specific individuals ie does the individual in front of them have the qualities required of a person seeking self-employment?

Outcome 2: The unit 'Preparing and Presenting a Business Plan' sets the criteria to be met by individuals/groups starting up in business and seeking financial help by way of a business plan document. In order to achieve this outcome candidates should be able to identify that these criteria have in fact been met.

Outcome 3: The unit 'Managing a Small Business' identifies the various administrative and management systems required in a small business which will aid its survival and/or development. Candidates should be able to identify that these systems are in place and meet the needs of the business concerned.

In many respects this unit should be treated in the same way that a bank manager might operate. He or she would not have to undergo each of the separate units but would be expected to take the contents of these units and to apply them to individuals or groups seeking assistance in setting up a small business.

APPROACHES TO GENERATING EVIDENCE Candidates should be encouraged to interview people running their own businesses to get their views

on the types of help they need now and what they would have liked when they started off.

ASSESSMENT PROCEDURES Written or oral evidence can be used to assess the candidate's performance in each of the outcomes. Where written evidence is used this could take the form of a series of mini reports based on case study materials presented to the candidate and designed to cover each of the outcomes. Where oral evidence is being collected this could take the form of tape/video recordings of interviews with 'clients'.

Where circumstances permit it may be possible for candidates to assess the work of candidates doing 6690035 Preparing and Presenting a Business Plan (Outcome 2) and/or 6690045 Managing a Small Business (Outcome 3).

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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