

-SQA- SCOTTISH QUALIFICATIONS AUTHORITY

HIGHER NATIONAL UNIT SPECIFICATION

GENERAL INFORMATION

-Unit Number- **6690045**
-Superclass- **AE**
-Title- **MANAGING A SMALL BUSINESS**

-DESCRIPTION-

GENERAL COMPETENCE FOR UNIT: Maintaining the various administrative and management systems required in a small business.

OUTCOMES

1. assess established information systems to ensure the effective operation of the small business venture;
2. appraise the performance of the small business;
3. plan the future needs of the 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 had 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).

HIGHER NATIONAL UNIT SPECIFICATION**STATEMENT OF STANDARDS**

UNIT NUMBER: 6690045

UNIT TITLE: MANAGING A SMALL BUSINESS

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. ASSESS ESTABLISHED INFORMATION SYSTEMS TO ENSURE THE EFFECTIVE OPERATION OF THE SMALL BUSINESS VENTURE

PERFORMANCE CRITERIA

- (a) Established information systems are effective for monitoring changes in legislation concerning the business.
- (b) Established information systems are effective for monitoring the management requirements of the business.
- (c) Established information systems are effective for identifying future prospects in terms of marketing research.
- (d) Corrective action proposed is consistent with weaknesses and the resources of the business.

RANGE STATEMENT

Changes in legislation: premises; manufacture and distribution of products and/or provision of services; protection of public; employees; collection and payment of taxes.

Management requirements: productivity; wages and salaries records; credit purchases; credit sales; cash flow.

Marketing research: market information; primary data; secondary data.

EVIDENCE REQUIREMENTS

Oral or written evidence which shows that one business has systems in place to meet its needs. Where this business does not need some of the systems identified in the Performance Criteria then oral or written evidence needs to be produced to show how these systems would be introduced into that business when the need arose.

OUTCOME

2. APPRAISE THE PERFORMANCE OF THE SMALL BUSINESS

PERFORMANCE CRITERIA

- (a) Interpretation of accounts produced for the last twelve months is accurate and related to the objectives of a venture.
- (b) Comparison of actual performance and expected performance is accurate in relation to pre-set budgets and available data.
- (c) Corrective action proposed is consistent with the resources available and market conditions.

RANGE STATEMENT

Pre-set budgets: sales; purchases; overhead expenses for one year.

Resources available: manpower; premises; equipment.

Market conditions: competition; pricing; new customers.

EVIDENCE REQUIREMENTS

Written evidence to show that the appraisal has been carried out on one business which ensures full coverage of the performance criteria and the full range.

OUTCOME

3. PLAN THE FUTURE NEEDS OF THE SMALL BUSINESS

PERFORMANCE CRITERIA

- (a) Enumeration of costs and benefits of future expansion in a given venture is accurate in terms of available information and the objectives of the venture.
- (b) Tactical business goals set are attainable with respect to the resources available to the venture.
- (c) Specification of strategic goals is in accordance with market research data and present and future plans for capital and personnel requirements.

RANGE STATEMENT

Tactical business goals: short-term targets for sales penetration; short-term targets for market penetration.

Strategic business goals: long-term strategies for market penetration.

EVIDENCE REQUIREMENTS

Written evidence applied to one business which ensures 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 of approach;
- (c) consistent ability to consider the use of materials from a wide range of resources;
- (d) integration of material involving several aspects of the business venture.

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.

© Copyright SQA 1995

Please note that this publication may be reproduced in whole or in part for educational purposes provided that:

- (i) no profit is derived from the reproduction;
- (ii) if reproduced in part, the source is acknowledged.

HIGHER NATIONAL UNIT SPECIFICATION**SUPPORT NOTES**

UNIT NUMBER: 669045

UNIT TITLE: MANAGING A SMALL BUSINESS

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.

Candidates should be encouraged to visit small businesses to see how they cope with their own management needs. The results of this research can then be used to assist in drawing up their own answers to problems they have met.

Outcome 1: Types of insurance needed. Types of book-keeping systems. Time management. Marketing plans - developing new products. Personnel records - employee records, PAYE.

Outcome 2: Ratio analysis - comparison over time and within the industry. Stock control.

APPROACHES TO GENERATING EVIDENCE Candidates should be encouraged to draw evidence from their own business or from the business they work for. Where confidentiality applies arrangements should be put in place to ensure that assessments can be made available to external assessors eg. by altering materials so that the information being used is no longer applicable to the business it has been drawn from but the ratios are the same.

ASSESSMENT PROCEDURES Where written evidence is being produced this could take the form of a report based either on a real life situation or a case study of 1 business. Where oral evidence is being used then this could take the form of tape/video recordings or of checklists to show that performance criteria have been met.

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.

An exemplar assessment pack for this unit is available from SQA. Please call our Sales and Despatch section on 0141 242 2168 to check availability and costs. Quote product code C042.

© Copyright SQA 1995

Please note that this publication may be reproduced in whole or in part for educational purposes provided that:

- (i) no profit is derived from the reproduction;
- (ii) if reproduced in part, the source is acknowledged.