

## Management of People and Finance

**SCQF:** level 5 (6 SCQF credit points)

**Unit code:** J1YY 75

### Unit outline

The general aim of this Unit is to develop learners' understanding of the management of people and finance for small and medium businesses. The Unit will develop the skills, knowledge and understanding required to make decisions about how to manage these resources effectively. In doing so, the Unit is designed to enhance the employability of learners by enabling them to carry out activities that will contribute to organisational success.

Learners who complete this Unit will be able to:

- 1 Apply knowledge and understanding of how the management of people contributes to the success of small and medium sized organisations
- 2 Apply knowledge and understanding of how the management of finance contributes to the success of small and medium sized organisations

This Unit is available as a free-standing Unit. The Unit Specification should be read in conjunction with the *Unit Support Notes*, which provide advice and guidance on delivery, assessment approaches and development of skills for learning, skills for life and skills for work. Exemplification of the standards in this Unit is given *in Unit Assessment Support*.

## **Recommended entry**

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills, knowledge and understanding required by one or more of the following or equivalent qualifications and/or experience:

- ◆ National 4 Business

Examples of other such relevant prior learning and experiences would be the development of thinking skills, and the ability to work with others. The Unit would also be suitable for those who have demonstrated or are interested in developing enterprising skills.

## **Equality and inclusion**

This Unit Specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence. For further information, please refer to the *Unit Support Notes*.

# Standards

## Outcomes and assessment standards

### Outcome 1

The learner will:

- 1 Apply knowledge and understanding of how the management of people contributes to the success of small and medium sized organisations by:**
  - 1.1 Describing stages of the recruitment process
  - 1.2 Describing types and methods of training and outlining their costs and benefits
  - 1.3 Examining methods of motivating staff and outlining their costs and benefits
  - 1.4 Outlining current employment legislation

### Outcome 2

The learner will:

- 2 Apply knowledge and understanding of how the management of finance contributes to the success of small and medium sized organisations by:**
  - 2.1 Describing sources of finance and outlining their costs and benefits
  - 2.2 Interpreting a breakeven chart
  - 2.3 Interpreting a cash budget to identify cash flow issues and outlining appropriate solutions
  - 2.4 Preparing a simple income (profit and loss) statement from data provided

## Evidence Requirements for the Unit

Assessors should use their professional judgement, subject knowledge and experience, and understanding of their learners, to determine the most appropriate ways to generate evidence and the conditions and contexts in which they are used.

Evidence can be drawn from a variety of sources and presented in a variety of formats. This can include short written responses, participation in group tasks, presenting information to other groups and/or recorded oral evidence. The evidence can be gathered from a variety of tasks and assessments carried out while doing the Unit. Learners should use appropriate business terminology and include, where appropriate, the use of real business examples.

Evidence may be presented for individual Outcomes, or gathered for the Unit. If the latter approach is used, it must be clear how the evidence covers each Outcome.

Exemplification of assessment is provided in *Unit Assessment Support*. Advice and guidance on possible approaches to assessment is provided in the *Unit Support Notes*.

## Assessment standard thresholds

If a candidate successfully meets the requirements of the specified number of Assessment Standards they will be judged to have passed the Unit overall and no further re-assessment will be required.

The specific requirements for this Unit is as follows:

- ◆ 6 out of 8 Assessment Standards must be achieved.

It should be noted that there will still be the requirement for candidates to be given the opportunity to meet all Assessment Standards. The above threshold has been put in place to reduce the volume of re-assessment where that is required.

# Development of skills for learning, skills for life and skills for work

It is expected that learners will develop broad, generic skills through this Unit. The skills that learners will be expected to improve on and develop through the Unit are based on SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work* and drawn from the main skills areas listed below. These must be built into the Unit where there are appropriate opportunities.

## 2 Numeracy

2.3 Information handling

## 4 Employability, enterprise and citizenship

4.1 Employability

4.2 Information and communications technology (ICT)

4.4 Enterprise

## 5 Thinking skills

5.1 Remembering

5.2 Understanding

5.3 Applying

Amplification of these is given in SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work*. The level of these skills should be at the same SCQF level of the Unit and be consistent with the SCQF level descriptor. Further information on building in skills for learning, skills for life and skills for work is given in the *Unit Support Notes*.

# Appendix: Unit support notes

## Introduction

These support notes are not mandatory. They provide advice and guidance on approaches to delivering and assessing this Unit. They are intended for teachers and lecturers who are delivering this Unit. They should be read in conjunction with:

- ◆ the *Unit Specification*
- ◆ the *Unit Assessment Support packs*

## Developing skills, knowledge and understanding

Teachers and lecturers are free to select the skills, knowledge, understanding and contexts which are most appropriate for delivery in their centres.

## Approaches to learning and teaching

Topic	Skills, knowledge and understanding	Suggested experiences and activities
Recruitment and selection	<ul style="list-style-type: none"> <li>◆ methods of recruitment (online advertisement, national press, local press, recruitment agencies)</li> <li>◆ methods of selection (application forms, CVs, assessment centres, testing, interviews)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Researching job vacancies and the attributes which employers look for in different job roles. Learning activities could include:               <ul style="list-style-type: none"> <li>— producing appropriate job and person specifications</li> <li>— producing job advertisements</li> <li>— producing draft CVs and cover letters to apply for vacancies</li> <li>— peer assessing the suitability of draft CVs and cover letters</li> <li>— carrying out mock interviews</li> <li>— writing a peer reference</li> <li>— using interactive business software that includes recruitment and selection tasks eg 'Business@Work'</li> <li>— carrying out tasks that would be undertaken during an assessment centre, eg team building tasks, group discussions</li> </ul> </li> </ul>
Training	<ul style="list-style-type: none"> <li>◆ types and methods of training (in-house, college, peer, training centres, 'off-the-job')</li> <li>◆ costs and benefits of training types and methods</li> </ul>	<ul style="list-style-type: none"> <li>◆ using current businesses as case studies to look at training and development offered by businesses to enhance their staff's skills</li> <li>◆ researching training providers to look at the service they provide, timescales and costs</li> </ul>
Retaining and motivating	<ul style="list-style-type: none"> <li>◆ methods used to motivate staff — financial and non-financial</li> <li>◆ how businesses minimise staff turnover</li> <li>◆ importance of stable staffing</li> </ul>	<ul style="list-style-type: none"> <li>◆ participating in team building activities</li> <li>◆ using the internet to research to look at the benefits offered to employees by businesses</li> <li>◆ interviewing family and friends to establish ways their employers help to retain and motivate their staff</li> </ul>

Legislation	<ul style="list-style-type: none"> <li>◆ Equality Act</li> <li>◆ Health and Safety</li> <li>◆ National Minimum Wage</li> </ul>	<ul style="list-style-type: none"> <li>◆ using technological and media resources to research current legislation that affects businesses</li> <li>◆ presenting the findings from the research to the whole class/group to share findings or information</li> <li>◆ creating a leaflet/booklet/poster to pass this information on to staff who will have to follow and implement the legislation</li> </ul>
Sources of finance	<ul style="list-style-type: none"> <li>◆ sources of finance</li> <li>◆ suitability of different types of finance</li> </ul>	<ul style="list-style-type: none"> <li>◆ researching and justifying suitable sources of finance for different business scenarios</li> <li>◆ input from financial institutions and organisations regarding sources of business finance</li> </ul>
Cash budgeting	<ul style="list-style-type: none"> <li>◆ how businesses generate cash</li> <li>◆ what businesses spend cash on</li> <li>◆ why businesses must have enough cash</li> <li>◆ why cash flow problems may occur</li> <li>◆ how cash flow problems can be resolved</li> <li>◆ producing a cash budget</li> <li>◆ interpreting a cash budget and identifying any cash flow problems</li> <li>◆ justifying suitable solutions to cash flow problems</li> </ul>	<ul style="list-style-type: none"> <li>◆ creating a personal budget to introduce the topic</li> <li>◆ using exemplar cash budgets to illustrate how to track and predict cash flows</li> <li>◆ preparing cash budgets using spreadsheets</li> </ul>
Break-even	<ul style="list-style-type: none"> <li>◆ different types of fixed and variable costs</li> <li>◆ calculating total fixed costs total variable costs and selling price</li> <li>◆ understanding profit and how to calculate it</li> <li>◆ producing and interpreting break-even charts</li> </ul>	<ul style="list-style-type: none"> <li>◆ using break-even charts to illustrate how to track and predict cash flows</li> </ul>
Income (Profit) statement	<ul style="list-style-type: none"> <li>◆ producing an income (a profit) statement</li> <li>◆ interpreting an income (a profit) statement to identify loss, profit, identifying reasons for loss and justifying suitable solutions to problems</li> </ul>	<ul style="list-style-type: none"> <li>◆ using exemplar profit statements to illustrate how to record sales and production costs in order to calculate gross profit and profit for the year (gross and net profit)</li> </ul>

## **Combining assessment within Units**

Assessment could be combined in this Unit by holistically assessing all the Outcomes of the Unit in a single assessment. When assessment within the Unit is holistic, teachers and lecturers should take particular care to track the evidence for each individual Outcome.

## Administrative information

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**Superclass:** AF

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### History of changes to National Unit Specification

Version	Description of change	Authorised by	Date
1.1	Assessment standard thresholds added Unit Support Notes added	Qualifications Manager	September 2018
2.0	Unit code updated	Qualifications Manager	July 2019

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