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## Understanding Business

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

**Unit code:** J229 76

### Unit outline

The general aim of this Unit is to enhance learners' understanding of the features and characteristics of large organisations. It will further develop the skills, knowledge and understanding by carrying out activities relating to the operation of large organisations including those that operate globally. The Unit will allow learners to explore issues relating to the internal and external environment in which larger organisations operate and the effect this can have on decision making and profitability.

Learners who complete this Unit will be able to:

- 1 Analyse the features, objectives and internal structures of large organisations
- 2 Analyse the environment in which large organisations operate

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 5 Business Management

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 learning about entrepreneurial and leadership 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 Analyse the features, objectives and internal structures of large organisations by:**
  - 1.1 Comparing features of large organisations from different sectors of the economy
  - 1.2 Identifying the objectives of large organisations and describing the importance of these objectives
  - 1.3 Describing internal structures large organisations may use, justifying why they would use these structures

### Outcome 2

The learner will:

- 2 Analyse the environment in which large organisations operate by:**
  - 2.1 Explaining the impact of internal factors on a large organisation
  - 2.2 Explaining the impact of external factors on a large organisation
  - 2.3 Describing conflicts of interest that could exist between stakeholders

## 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 oral recorded evidence. The evidence can be gathered from a variety of tasks and assessments carried out during the Unit or Course. Learners should use appropriate business terminology and include, where appropriate, the use of real business examples.

Evidence may be presented for individual Outcomes or it may be gathered for the Unit as a whole through combining assessment in one single activity. 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:

- ◆ 5 out of 6 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.

## **1 Literacy**

1.2 Writing

## **4 Employability, enterprise and citizenship**

4.1 Employability

4.2 Enterprise

## **5 Thinking skills**

5.3 Applying

5.4 Analysing and evaluating

Amplification of these skills 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
Role of Business in Society	<p>Learners should be aware of how business activity adds value and helps satisfy the needs of customers in a changing competitive environment.</p> <p>Learners should be able to classify and describe the following:</p> <ul style="list-style-type: none"> <li>◆ sectors of industry</li> <li>◆ business activity in the primary sector, secondary sector, tertiary sector and quaternary sector</li> <li>◆ sectors of the economy</li> <li>◆ organisations in the public, private and third sectors</li> </ul>	<ul style="list-style-type: none"> <li>◆ Independent/group research tasks and/or case studies looking at the different industrial and economic sectors. Presenting findings to the class.</li> </ul>
Types of organisations	<p>From the range below, learners should be aware of the structure of each and be able to describe the similarities and differences between structures in the private, public and third sectors.</p> <ul style="list-style-type: none"> <li>◆ private limited companies</li> <li>◆ public limited companies</li> <li>◆ franchises</li> <li>◆ multinational organisations</li> <li>◆ public sector organisations</li> <li>◆ third sector organisations</li> </ul>	<ul style="list-style-type: none"> <li>◆ Activities which allow learners opportunities to familiarise themselves with public limited companies, franchises and multinational organisations in terms of how they are organised, what they do and how they do it. Examples of such activities could include: <ul style="list-style-type: none"> <li>— surveys to parent/carers/relatives about their employers</li> <li>— using online mapping to examine the distribution of local businesses</li> </ul> </li> </ul>
Objectives	<p>Learners should be aware of the aims/objectives of the organisations listed above and be able to explain any similarities or differences in these aims/objectives.</p>	<ul style="list-style-type: none"> <li>◆ Accessing real-life case studies that will allow learners to understand how commercial business works. Using current businesses as case studies can demonstrate the reasons</li> </ul>

Topic	Skills, knowledge and understanding	Suggested experiences and activities
	<p>Learners should be able to understand the need to set objectives, why organisations have more than one objective, what they do to achieve the objectives and why these objectives may change as circumstances change.</p> <p>Main objectives: Corporate social responsibility; growth; satisficing; managerial objectives.</p>	<p>behind their objectives will enhance understanding of how commercial businesses work.</p> <ul style="list-style-type: none"> <li>◆ Listening to external contributors explaining about their business objectives and the reasons for choosing them.</li> </ul>
Methods of Growth	<p>Learners should be aware of methods of growth available to an organisation, be able to describe the methods, give reasons for using each method and give any drawbacks to the method.</p> <p>Methods include: organic growth, mergers and acquisitions/takeovers, diversification, divestment, de-integration, asset stripping, demerger, buy-in, buy-out <b>and outsourcing.</b></p>	<ul style="list-style-type: none"> <li>◆ Accessing real-life case studies that will allow learners to understand growth methods used. Using current businesses as case studies can demonstrate the reasons for choosing the growth method.</li> <li>◆ Listening to external contributors explaining about their growth methods and the reasons for choosing them.</li> </ul>
External factors	<p>Learners should be aware of the impact that external factors might have on organisations and be able to offer solutions as to how the organisation might lessen the effect.</p> <p>Factors include: political, economic, social, technical, environmental, competitive and ethical.</p>	<ul style="list-style-type: none"> <li>◆ Using current businesses as case studies to illustrate how external factors can positively and negatively affect their activities can be useful (eg how tobacco companies have been affected by the smoking ban).</li> <li>◆ Researching how external factors influence a business of their choice and then presenting their findings.</li> <li>◆ Using appropriate technological and media resources (eg business stories on news websites) to illustrate the impact of external factors on business activity.</li> <li>◆ Listening to external contributors explaining how their business is affected by factors such as competition, competition policy and economic policy.</li> </ul>



Topic	Skills, knowledge and understanding	Suggested experiences and activities
Internal factors	<p>Learners should be aware of the impact that internal factors might have on organisation's ability to meet its objectives and the ways the organisation might be able to overcome any constraints in term of:</p> <ul style="list-style-type: none"> <li>◆ staffing</li> <li>◆ finance</li> <li>◆ technology</li> <li>◆ corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>◆ Using analytical techniques to illustrate how internal factors can positively and negatively affect business activities (eg how workers taking strike action affects a business).</li> <li>◆ Researching how internal factors are influencing choices made by businesses and then present their findings.</li> <li>◆ Using appropriate technological and media resources (eg business stories on news websites) to illustrate the impact of contemporary technology on business activity.</li> <li>◆ Listening to external contributors explaining how internal factors affect their business such as corporate culture.</li> </ul>
Business structures	<p>Learners should be aware of business structures available to an organisation, be able to describe these structures, give reasons for using each one and give any drawbacks to the structure</p> <ul style="list-style-type: none"> <li>◆ tall and flat management structures</li> <li>◆ centralised and decentralised management structures</li> <li>◆ matrix management structure</li> <li>◆ entrepreneurial management structure</li> <li>◆ staff groupings such as function, location, product, technological and customer</li> </ul>	<ul style="list-style-type: none"> <li>◆ Using current businesses as case studies to provide examples of staff and management.</li> <li>◆ Listening to external contributors explaining how they organise their managers and staff and their reasons for doing so.</li> </ul>
Stakeholders	<p>Learners should be aware of the differing objectives of groups of stakeholders in terms of:</p> <ul style="list-style-type: none"> <li>◆ stakeholder conflict and resolution</li> <li>◆ stakeholder interdependence</li> </ul>	<ul style="list-style-type: none"> <li>◆ Using current businesses as case studies to provide examples of stakeholder conflict and interdependence.</li> <li>◆ Using appropriate technological and media resources (eg business stories on news websites) to illustrate contemporary examples of stakeholder conflict and interdependence.</li> </ul>

Topic	Skills, knowledge and understanding	Suggested experiences and activities
		<ul style="list-style-type: none"> <li>◆ Listening to external contributors explaining how they manage stakeholder conflict and interdependence.</li> </ul>
Decision Making	<p>Learners should be aware:</p> <ul style="list-style-type: none"> <li>◆ strategic, tactical and operational decisions</li> <li>◆ the role of a manager in making decisions</li> <li>◆ SWOT analysis and its use as a decision-making tool</li> <li>◆ factors which affect quality decisions</li> </ul>	<ul style="list-style-type: none"> <li>◆ Using current businesses as case studies to provide examples of strategic, tactical and operational decisions.</li> <li>◆ Listening to external contributors explaining the skills needed by a manager in order to make effective decisions.</li> <li>◆ Preparing a SWOT analysis on a business and using the analysis to suggest a suitable action the business could take.</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:** AE

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## History of changes to National Unit Specification

Version	Description of change	Authorised by	Date
1.1	Minor wording changes to Unit Outline section, Outcomes and all related Assessment Standards to improve clarity.  The word 'business' removed from AS 1.1 and 'detailing' replaced by 'describing' in AS 1.2.  Minor edits to wording in AS 2.1 and AS 2.2 to clarify meaning.  The word 'outlining' replaced by 'describing' in AS 2.3. Removal of last sentence in second last paragraph in Evidence requirements section.	Qualifications Development Manager	April 2014
2.0	Level changed from Higher to SCQF level 6. Unit support notes added. Assessment standard threshold added.	Qualifications Manager	September 2018
3.0	Unit code updated	Qualifications Manager	July 2019

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Note: readers are advised to check SQA's website: [www.sqa.org.uk](http://www.sqa.org.uk) to ensure they are using the most up-to-date version of the Unit Specification.

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