

## Understanding Business

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

**Unit code:** H20R 75

### Unit outline

The general aim of this Unit is to develop learners' understanding of the business environment. The Unit will develop skills, knowledge and understanding by carrying out activities relating to the role of business organisations and entrepreneurship in society. It introduces learners to the main roles, activities and functions associated with businesses and other organisations. The Unit will allow learners to explore issues relating to the external environment in which organisations operate and the effect this can have on organisational activity.

Learners who complete this Unit will be able to:

- 1 Give an account of the key objectives and activities of small and medium-sized business organisations
- 2 Apply knowledge and understanding of factors that impact on the activities of small and medium-sized business 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 Give an account of the key objectives and activities of small and medium-sized business organisations by:**
  - 1.1 Outlining the role of business organisations in society
  - 1.2 Outlining why customer satisfaction is crucial to the success of a business organisation
  - 1.3 Outlining the objectives of business organisations in different sectors of the economy

### Outcome 2

The learner will:

- 2 Apply knowledge and understanding of factors that impact on the activities of small and medium-sized business organisations by:**
  - 2.1 Outlining how internal factors impact on business activity
  - 2.2 Outlining how external factors impact on business activity
  - 2.3 Examining the impact stakeholders have on business activity

## 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.

### In Outcome 1:

- ◆ sectors of the economy refer to private, public and third
- ◆ small and medium-sized businesses include sole traders, partners, limited companies, local government organisations, non-profit making organisations and social enterprises

## **In Outcome 2:**

- ◆ stakeholders include owners, shareholders, employees, banks, the local community, pressure groups and the government
- ◆ internal factors include financial, human resources and current technology used by the organisation
- ◆ external factors include political, economic, environmental, social, technical and competition

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.

## **2 Numeracy**

2.3 Information handling

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

4.1 Employability

4.2 Information and Communication 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
<b>Role of business in society</b>	<p><b>Role of business in society</b></p> <ul style="list-style-type: none"> <li>◆ how businesses satisfy human wants and create wealth</li> <li>◆ how businesses operate in different sectors of industry</li> <li>◆ the different sectors of the economy</li> </ul>	<ul style="list-style-type: none"> <li>◆ Using video clips to illustrate the businesses that operate in the different sectors of the economy/industry.</li> <li>◆ Researching and investigating the different businesses that operate in the local area and identifying the sector to which they belong.</li> </ul>
<b>Customer satisfaction</b>	<ul style="list-style-type: none"> <li>◆ how businesses maximise customer service</li> <li>◆ why customer service is important to business success</li> </ul>	<ul style="list-style-type: none"> <li>◆ Using case study tasks focused on customer service issues which can be solved through collaborative working and presentations.</li> <li>◆ Role playing to work through customer service situations.</li> </ul>
<b>Types of business organisations</b>	<p>Their differing aims, objectives, sources of finance, industrial and economic sectors they operate in</p> <ul style="list-style-type: none"> <li>◆ sole trader</li> <li>◆ partnerships</li> <li>◆ private limited company</li> <li>◆ social enterprises</li> <li>◆ charities</li> <li>◆ public organisations</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>◆ how enterprising skills and qualities help business development</li> </ul>	<ul style="list-style-type: none"> <li>◆ Allowing learners' to familiarise themselves with sole traders, partners, private limited companies, social enterprises, government organisations and agencies, non-profit making organisations and social enterprises.</li> </ul> <p>Examples of such activities could include:</p> <ul style="list-style-type: none"> <li>— surveying parent/carers to establish who they work for, what the organisation does and what its aims are</li> <li>— using online mapping to examine the distribution of local businesses</li> <li>— taking part in field trips to survey businesses operating in the local area.</li> </ul> <ul style="list-style-type: none"> <li>◆ Completing research, case study and presentation tasks to develop an understanding of how employee roles may differ within commercial businesses and not-for-profit organisations.</li> </ul>

		<ul style="list-style-type: none"> <li>◆ Researching local entrepreneurs and their businesses.</li> </ul>
<b>Objectives</b>	Profit, provision of a service, social responsibility, survival, customer satisfaction, market share, enterprise	<ul style="list-style-type: none"> <li>◆ Using current businesses as case studies to examine the objectives of different businesses and the reasons behind their choice of objective.</li> <li>◆ Using the internet to research objectives of different businesses.</li> </ul>
<b>External factors</b>	<ul style="list-style-type: none"> <li>◆ political</li> <li>◆ economic</li> <li>◆ social</li> <li>◆ technological</li> <li>◆ environmental</li> <li>◆ competitive</li> </ul>	<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 new legislation affects the operation of the business).</li> <li>◆ Using technological and media resources (eg business stories on news websites, business blogs, podcasts, video clips, newspapers) to illustrate the impact of external factors on business activity. Class/group discussion to follow to share findings.</li> </ul>
<b>Internal factors</b>	<p>How they affect the operation of and decisions made in the organisations listed above; the main ones being:</p> <ul style="list-style-type: none"> <li>◆ employees/staff</li> <li>◆ finance</li> <li>◆ management</li> <li>◆ technological systems</li> </ul>	<ul style="list-style-type: none"> <li>◆ Using case studies of businesses to illustrate how internal factors can positively and negatively affect their activities (eg how striking affects a business).</li> <li>◆ Using technological and media resources (eg business stories on news websites, business blogs, podcasts, video clips, newspapers) to illustrate the impact of contemporary technology on business activity and discussing the findings.</li> </ul>
<b>Stakeholders</b>	<ul style="list-style-type: none"> <li>◆ owners</li> <li>◆ shareholders</li> <li>◆ employees</li> <li>◆ banks</li> <li>◆ customers</li> </ul>	<ul style="list-style-type: none"> <li>◆ Considering a business or organisation known to the learner, for example the school or college, to introduce the topic.</li> <li>◆ Using current businesses as case studies to provide examples of stakeholders.</li> </ul>



	<ul style="list-style-type: none"><li>◆ suppliers</li><li>◆ local community</li><li>◆ pressure groups</li><li>◆ local and national government</li></ul>	<ul style="list-style-type: none"><li>◆ Using technological and media resources (eg business stories on news websites) to illustrate current examples of stakeholder influence on businesses and discussing the findings.</li></ul>
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## **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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**Published:** September 2018 (version 1.1)

**Superclass:** AE

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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

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