



SQA Advanced Diploma in Travel and Tourism

GM5F 48

Course Tutor Guide

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Acknowledgement

SQA acknowledges the valuable contribution that Scotland's colleges have made to the development of SQA Advanced Diplomas.

Further information

Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000.

Alternatively, complete our [Centre Feedback Form](#).

History of changes

It is anticipated that changes will take place during the life of the qualification and this section will record these changes. Centres are advised to check SQA's Connect to confirm they are using the up-to-date qualification structure.

NOTE: Where a Unit is revised by another Unit:

- ◆ No new centres may be approved to offer the Unit which has been revised.
- ◆ Centres should only enter candidates for the Unit which has been revised where they are expected to complete the Unit before its finish date.

Version number	Description	Date
03	<p>Revision of units: HP72 48 Economics 2: The World Economy (finish date 31/7/2024) has been replaced by J5AY 48 Economics: The World Economy (start date 1/8/2021)</p> <p>HP6P 48 Economics 1: Micro and Macro Theory and Application (finish date 31/7/2024) has been replaced by J5AX 48 Economics: Micro and Macro Theory and Application (start date 1/8/2021)</p> <p>Centres may continue to enter students on these units but all students must have completed and results submitted for the units by no later than 31/07/2024</p>	13/6/2022
02	<p>Revision of unit: HP6T 47 Economic Issues: An Introduction (finish date 31/7/2024) has been replaced by J461 47 Economic Issues: An Introduction (start date 01/08/2020).</p> <p>Centres may continue to enter students on HP6T 47 but all students must have completed and results submitted for the unit by no later than 31/07/2024</p>	2/6/20

Contents

1	Introduction	1
1.1	Purpose of Course Tutor Guide	1
2	Setting up the course	1
3	The SQA Advanced Diploma Structure	2
3.1	General SQA Advanced Diploma Qualification Framework	2
3.2	Core Skills	4
3.3	Graded Units	6
4	SQA Advanced Diploma Travel and Tourism	6
4.1	Target audience	6
4.2	Access to the course	7
4.3	Aims of course	7
4.4	SQA Advanced Diploma in Travel and Tourism Framework	8
4.5	Core Skills	9
4.6	Graded Unit	9
5	Course delivery of an SQA Advanced Diploma	10
5.1	How the course is delivered	10
5.2	Support for students	12
6	SQA Advanced Diploma in Travel and Tourism course delivery	12
6.1	Teaching plan	12
6.2	Overview of Units	17
6.3	Opportunities for integration of Units	28
7	Assessment in an SQA Advanced Diploma Award	29
7.1	Assessment in learning and for certification	29
7.2	Assessment planning of an SQA Advanced Diploma	30
7.3	Planning the Unit summative assessment	30
7.4	Negotiating summative assessments with the students	31
7.5	Summative assessment exemplars	31
8	SQA Advanced Diploma in Travel and Tourism assessment strategy and plan	33
8.1	SQA Advanced Diploma in Travel and Tourism assessment strategy	33
8.2	SQA Advanced Diploma in Travel and Tourism course assessment plan	36
8.3	SQA Advanced Diploma in Travel and Tourism Graded Unit assessments	36
8.4	What happens if a student does not achieve an assessment?	37
9	Quality Assurance	38
10	Verification	38
10.1	Introduction	38
10.2	Why do we need verification?	39
10.3	Internal verification	39
10.4	External verification	39
	Appendix 1a: Core Skills Year 1	40
	Appendix 1b: Core Skills Year 2	41
	Appendix 2a: Year 1, Semester 1 — Assessment Plan (Option A)	42
	Appendix 2a: Year 1, Semester 2 — Assessment Plan (Option A)	43
	Appendix 2b: Year 2, Semester 1 — Assessment Plan (Option A)	44
	Appendix 2b: Year 2, Semester 2 — Assessment Plan (Option A)	45
	Appendix 3: Error Tolerance Guidance Notes	46
	Appendix 4: New Terminology to Comply with FRS 102 Requirements	48
	Appendix 5: Suggested Layouts for Financial Statements	49

Appendix 6: Summary of Commonly Used Ratios within SQA Advanced Accounting Units	70
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1 Introduction

1.1 Purpose of Course Tutor Guide

This Guide is aimed at staff in SQA Approved Centres who are responsible for the SQA Advanced Diploma in Travel and Tourism. It will assist you in the delivery, assessment and internal verification SQA Advanced Diploma by providing information on setting up a course, the course framework, centre support with course delivery, teaching plans and guidance on assessment of the Units within the course. It also provides information about Core Skills, Graded Units, Quality Assurance and Verification.

2 Setting up the course

Centres will have been approved to offer this course and will have internal processes for liaising with appropriate parties. Liaison with SQA is normally via the centre's SQA Co-ordinator.

It is recommended that a Course Team is set-up by the Institution/Department appointed to oversee the delivery of the course. The Course Team should comprise of all tutors teaching on the course and one tutor should be nominated as Course Team Leader.

The Course Team would have the responsibility for overseeing the quality of delivery on the course and to ensure that academic standards are maintained. The Course Team would also be responsible for monitoring student progress and determining the support required for individuals who are not progressing well.

The Course Team should meet to discuss matters relating to course delivery, assessment and internal verification on a regular basis (usually two/three times a year) to ensure that any action points are achieved and that the course is delivered efficiently and effectively. It is good practice to maintain a record of such meetings to ensure that any action points are noted and accomplished. This will benefit centres and their students by ensuring that all students achieve their full potential whilst maintaining the appropriate standards.

It is good practice for centres to maintain a library of master folders for each of the Units within the course — these may be stored electronically as long as all relevant staff have access to them as and when required. Electronic files on a secure part of the centre's network/intranet are particularly appropriate if the award is delivered across different campuses allowing all tutors to access the most up-to-date materials wherever they are located.

The master folders should contain Unit specifications, teaching materials (including details of learning, teaching and assessment plans; and if appropriate, details of any integration across Units of either teaching or assessment), assessment exemplars and re-assessments. This enables new members of staff to access this valuable resource prior to, and during, delivery of the course.

It is good practice for tutors to familiarise themselves with the Units and specific requirements of the assessments prior to the start of the course. Unit specifications set out the statement of standards and evidence required for achieving each Unit, along with guidance on content and assessment. Assessment exemplars provide an Instrument of Assessment for each Unit and suggested marking scheme. **The assessment exemplars MUST be kept secure at all times.**

All tutors delivering this course have a collective responsibility to ensure that all students are supported in a manner that meets their individual needs as they progress through the course.

3 The SQA Advanced Diploma Structure

3.1 General SQA Advanced Diploma Qualification Framework

To be awarded an SQA Advanced Diploma, the student is required to achieve **30 SQA Credits** with a mixture of SCQF level 6, 7 and Level 8 Units. The SQA Advanced Diploma Travel and Tourism qualification is a mixture of SCQF level 7 and level 8 Units only.

Each Unit is assigned an **SQA Credit** value of either 1 or 2. This credit value is based approximately on 80 hours of study per credit which consists of 40 hours of structured learning and a further 40 hours of student led study to consolidate and reinforce learning.

Each Unit is also assigned a **Scottish Credit and Qualifications Framework (SCQF) level and credit point value**. (See below for further details regarding the SCQF).

Each Unit is assigned an agreed number of SCQF credit points. One point represents a notional 10 hours of study by the student at the identified level.

3.1.1 The Scottish Credit and Qualifications Framework (SCQF)

The SCQF has 12 levels ranging from National 1 at SCQF level 1, up to Doctorate at level 12. The different levels indicate the level of difficulty of a particular qualification and the difference between levels is dependent on factors such as:

- ◆ the complexity and depth of knowledge and understanding
- ◆ links to associated academic, vocational or professional practice
- ◆ the degree of integration, independence and creativity required
- ◆ the range and sophistication of application/practice
- ◆ the role(s) taken in relation to other students/workers in carrying out tasks

3.1.2 SCQF level Descriptors

The SCQF level Descriptors outline the general outcomes of learning at SCQF levels under five broad headings:

- ◆ Knowledge and understanding (mainly subject-based)
- ◆ Practice (applied knowledge and understanding)
- ◆ Generic cognitive skills (eg evaluation, critical analysis)
- ◆ Communication, numeracy and IT skills
- ◆ Autonomy, accountability and working with others

The Descriptors allow broad comparisons to be made between the outcomes of any learning and allow students, employers and the public in general to understand the range of skills and learning that should be achieved at each level. SCQF levels are increasingly used in job advertisements to help employers articulate the skills they require for a particular role and to help potential employees to highlight their skills thus ensuring the right person gets the right job.

For SQA Advanced Diploma courses each Unit is also assigned an SCQF level which will be 6, 7 or 8. These levels indicate the degree of difficulty of the work for that Unit.

SCQF level 6 is approximately equivalent to sixth year of compulsory secondary education. SCQF level 7 is approximately equivalent to first year of degree level study and SCQF level 8 is approximately equivalent to second year of degree level study.

SCQF level 7 might be given to an introductory Unit in a subject area and SCQF level 8 to the continuing Unit.

Tutors involved in the delivery and assessment of Units would find the SCQF level descriptors helpful in determining the appropriate level of difficulty/complexity required.

For example:

The Unit *Air Travel* (HP5A 47) has an **SQA credit value of 2**. This represents 160 hours of teaching and learning.

These 160 hours will equal **16 SCQF points** (1 point = 10 hours of learning) at **SCQF level 7**.

The Unit *Air Travel Advanced* (HP59 48) follows on from *Air Travel* (HP5A 47) and has an **SQA credit value of 2**. This represents 160 hours of teaching and learning.

These 160 hours will equal **16 SCQF points** at **SCQF level 8**.

This means that the Unit progresses the student's learning to a higher level.

The Unit *Creating a Culture of Customer Care* (HP73 47) has an **SQA credit value of 1**. This represents 80 hours of teaching and learning

These 80 hours will equal **8 SCQF points** (1 point = 10 hours of learning) at **SCQF level 7**.

The Unit *Business Accounting* (HP7K 47) has an **SQA credit value of 2**. This represents 160 hours of teaching and learning.

These 160 hours will equal **16 SCQF points** at **SCQF level 7**.

This means that students will take longer to study but the level is the same.

3.2 Core Skills

The Core Skills are a group of five skills that are key to learning and working in today's world. Employers have identified Core Skills as those that are most likely to be needed in any work environment. This does not mean that every job will need people who are proficient in all five Core Skills but it does mean that every job will require some level of ability in some or all of these skills.

The five Core Skills are: *Communication*, *Numeracy*, *Information and Communication Technology (ICT)*, *Problem Solving* and *Working with Others*. Each Core Skill is available at levels 2 to 6 of the Scottish Credit and Qualifications Framework (SCQF). A brief description of each Core Skill is detailed below. A fuller description of each Core Skill at the SCQF levels 2–6 is available on SQA's website: www.sqa.org.uk/international.

3.2.1 Communication

Communication skills underpin almost all personal, social, learning, and working activity. They are essential in clarifying one's own thoughts, in interacting and conversing with others, in expressing thoughts and in conveying information, feeling and opinions.

The Core Skill in *Communication* has two components:

- ◆ Oral Communication
- ◆ Written Communication

3.2.2 Numeracy

Numeracy skills are necessary for coping with the demands of everyday life, including work and study. People need to be comfortable with numbers, and with graphs, symbols, diagrams and calculators.

The Core Skill in *Numeracy* has two components:

- ◆ Using Graphical Information
- ◆ Using Number

3.2.3 Information and Communication Technology (ICT)

Information and Communication Technology (ICT) focuses on the ability to use Information Technology (IT) to process information in ways which will be useful in work and in the home — it is not about developing IT specialists.

The Core Skill in *Information and Communication Technology (ICT)* has two components:

- ◆ Accessing Information
- ◆ Providing/Creating Information

3.2.4 Working with Others

Working with Others develops the skills needed to co-operate with others in learning and working situations to identify and achieve shared goals.

The Core Skill in *Working with Others* has two components:

- ◆ Working Co-operatively with Others
- ◆ Reviewing Co-operative Contribution

3.2.5 Problem Solving

Problem Solving develops the skills needed for tackling issues and problems in personal, social, vocational and occupational contexts.

The Core Skill in *Problem Solving* has three components:

- ◆ Critical Thinking
- ◆ Planning and Organising
- ◆ Reviewing and Evaluating

All qualifications offered by SQA are evaluated against the Core Skill framework and where opportunities exist to develop and/or achieve a Core Skill (embedded), these have been noted and a table is provided showing where these skills are embedded and/or developed. (See Appendices 1a and 1b.)

3.3 Graded Units

In the framework of every SQA Advanced Diploma there are 3 SQA Credits of Graded Unit. There are Graded Units built into the framework towards the latter part of Year 1 and Year 2. Depending on the SQA Advanced Diploma, there may be three individual Graded Units of 1 SQA Credit or there may be two Graded Units — a 1-credit Unit and a 2-credit Unit. The purposes of Graded Units are to:

- ◆ demonstrate that the student has achieved the principal aims of the Group Award
- ◆ demonstrate the student's ability to integrate the knowledge and understanding gained from other Units making up the Group Award
- ◆ grade student performance

Graded Units are specific to the Group Award being delivered, and reflect the principal aims of that Group Award. This means that they will also clearly reflect the uniqueness of the title of the Group Award.

The allocation of grades awarded are as follows:

- ◆ Grade A — Student has achieved a mark of 70% or above
- ◆ Grade B — Student has achieved a mark of between 60% and 69%
- ◆ Grade C — Student has achieved a mark of between 50% and 59%
- ◆ F (Fail) — Student has failed to reach the required standard and achieved a mark of less than 50%

4 SQA Advanced Diploma Travel and Tourism

4.1 Target audience

The SQA Advanced Diploma Travel and Tourism develops skills and knowledge in a range of technical skills such as itinerary preparation, fare calculations, documentation completion and user skills in computer reservation systems as well as generic skills in business, information processing and management skills, problem solving, information and communication technology areas and interpersonal skills.

The SQA Advanced Diploma in Travel and Tourism is designed to lead to employment in a range of organisations such as retail and business travel agencies, tour operators, airlines, coach, rail and sea operators and providers of ancillary services including car rental, insurance and foreign exchange. An SQA Advanced Diploma in Travel and Tourism may also provide preparation for employment in the general field of commerce in areas such as customer services and administration.

4.2 Access to the course

As with all SQA qualifications, access will be at the discretion of the centre and the following recommendations are for guidance only. It should be noted that this qualification will be taught and assessed in English.

Some examples of appropriate formal entry qualifications are specified below. They are not exhaustive or mutually exclusive and may be offered in a variety of combinations.

- ◆ An appropriate level of skill in the English language
- ◆ Experience in the use of IT applications software
- ◆ Different combinations of relevant National Qualifications, Vocational Qualifications and equivalent qualifications from other awarding bodies may be acceptable, as would suitable industry standard qualifications at an appropriate level
- ◆ Mature students with suitable work experience will be accepted for entry provided the enrolling centre believes that the student is likely to benefit from undertaking the award

4.3 Aims of course

The SQA Advanced Diploma in Travel and Tourism Award has a range of aims relating to academic and vocational progression. These are to:

- 1 Provide basis for future career and personal development.
- 2 Enable progression within SCQF.
- 3 Develop research and study skills.
- 4 Develop ability to manage and absorb large amounts of information.
- 5 Develop transferable skills.
- 6 Develop ability to be flexible and work co-operatively with others.
- 7 Develop the ability to take responsibility for one's own learning.
- 8 Develop organisational, research and investigative skills. The SQA Advanced Diploma will develop skills in planning and organising and require students to investigate in-depth problems and issues.
- 9 Develop critical and evaluative thinking looking at key issues and problems from a managerial perspective.
- 10 Develop key skills and knowledge in marketing, economics and customer service applied to the travel and tourism sector.
- 11 Develop sound product knowledge of international destinations, and relevant practical technical skills in for example tour guiding, itinerary preparation, fare calculations and document completion.
- 12 Develop generic skills in ICT, communication and personal effectiveness.
- 13 Develop employability skills.
- 14 Develop managerial competences in the meaningful travel and tourism context of tour operations and retail travel.
- 15 Provide scope for an in-depth look at the key issue of sustainability.
- 16 Prepare students for progression to degree courses delivered by UK universities.

4.4 SQA Advanced Diploma in Travel and Tourism Framework

The table below shows the whole framework of Units for the SQA Advanced Diploma in Travel and Tourism and includes their SQA Credit value and SCQF level.

Unit name	Unit code	Credit value	SCQF level
Year 1			
Air Travel	HP5A 47	2	7
Applying Marketing Principles in Travel and Tourism	HP58 47	1	7
Business Accounting	HP7K 47	2	7
Communication: Business Communication	HP75 47	1	7
Creating a Culture of Customer Care	HP73 47	1	7
Developing Skills for Personal Effectiveness	HP4Y 46	1	6
Economic Issues: An Introduction	J461 47*	1	7
Information Technology: Applications Software 1	HP6L 47	1	7
International Tourist Destinations	HP57 46	1	6
Retail Travel Practice	HP5C 47	2	7
Presentation Skills	HP79 48	1	8
Travel and Tourism: Graded Unit 1	HP5D 47	1	7
Year 2			
Air Travel: Advanced	HP59 48	2	8
Developing the Individual within a Team	HP3C 48	1	8
Information and Communication Technology in Business	HP7A 48	2	8
Marketing Planning in Travel and Tourism	HP56 48	1	8
Planning and Sustainable Development in Tourism	HP55 48	2	8
Economics: Micro and Macro Theory and Application	J5AX 48*	1	8
Economics: The World Economy	J5AY 48*	1	8
Tour Guiding and Resort Representation	HP54 47	1	7
Tour Operations	HP50 48	2	8
Travel and Tourism: Graded Unit 2	HP5E 48	2	8

*Refer to History of changes

4.5 Core Skills

All of the revised Units within this award have been assessed and validated against the Core Skills 2013 framework.

Successful students will exit from the SQA Advanced Diploma in Travel and Tourism with the following Core Skills profile:

Core Skill	Certificated exit level
Communication	SCQF level 6
Numeracy	SCQF level 6
Information and Communication Technology (ICT)	SCQF level 6
Problem Solving	SCQF level 6
Working with Others	SCQF level 6

A detailed analysis of the Core Skills profile is provided in Appendices 1a and 1b.

4.6 Graded Unit

Students will take a 1-credit Graded Unit at SCQF level 7 in the first year of the SQA Advanced Diploma Group Award, and a further 2-credit Graded Unit at SCQF level 8 in the second year of the SQA Advanced Diploma Group Award.

The Graded Units take the form of:

Travel and Tourism: Graded Unit 1 (HP5D 47) Project (Case Study) at SCQF level 7 — 1 SQA Credit

Travel and Tourism: Graded Unit 2 (HP5E 48) Project (Investigation) at SCQF level 8 — 2 SQA Credits

Further details are provided in Section 8.3.

5 Course delivery of an SQA Advanced Diploma

5.1 How the course is delivered

All tutors must ensure that they deliver this course using teaching methods that engage students in ‘active learning’ to encourage them to participate in the learning activities set. All SQA qualifications are designed to enable students to develop their knowledge and skills and then they are required to apply this new knowledge/skill to a new situation. Criterion-referenced assessments assume that all parties are fully informed of the criteria that students must achieve and the assessment conditions under which the students carry out the assessment activity.¹

To ensure that students are fully prepared it is essential that tutors provide as many opportunities as possible for students to be actively engaged throughout the learning process. Students should be:

- ◆ fully informed of the criteria they must achieve
- ◆ offered a range of learning activities to research, analyse and apply new knowledge/skills to new situations
- ◆ offered opportunities to experience the type of activity that they will be required to carry out as part of the summative assessment
- ◆ able to critically evaluate their personal contribution and to receive feedback from the tutor on how to enhance their understanding

Tutors should develop a learning, teaching and assessment plan for each Unit within the course and provide activities that students should undertake.

Each Unit should have a master folder containing the Unit specification, teaching materials, the teaching and assessment plan along with assessment exemplars and re-assessments. The teaching materials and teaching plan should provide details of activities that students should undertake. Typically they include activities such as small group/whole class discussion, group problem solving, eg analysing a case study and offering solutions based on the new learning, group project work to find examples, to research new knowledge and to present their findings to their fellow students.

The following is a list of learning activities but it is not exhaustive:

- ◆ lectures
- ◆ tutorials
- ◆ study packs
- ◆ problem-based scenarios
- ◆ case studies
- ◆ group/teamwork
- ◆ online materials

¹ For further information about different assessment activities — whether they be for formative or summative purposes, tutors may wish to complete the new online course: Produce SQA Advanced Assessments for successful prior verification OR read the SQA Guide to Assessment

- ◆ IT-based teaching materials
- ◆ projects
- ◆ quizzes
- ◆ research and presentation of findings to fellow students
- ◆ role play
- ◆ short response questions, multiple choice questions
- ◆ create questions for other students (with answers), etc

Tutors should consider the nature of the assessment method as well as the assessment content when planning learning activities so that students are appropriately prepared.

It is the tutor's responsibility to explain to the students what is required of them and then to direct, encourage, co-ordinate and support students to complete the activity. It is also the tutor's responsibility to ensure the resources needed are available to the students. Materials should be reviewed on a regular basis to ensure they are still relevant.

Some activities could require students to work in pairs or small groups to discuss issues or to solve a given problem. Other activities could require the student to undertake some independent research outwith the classroom and to bring their findings to the next lesson and present this to the class in a report or presentation format. Some Units will require the student to undertake independent reading and students should be prepared to discuss key issues within the classroom as organised and led by the tutor.

In practical skills classes, students should be directed to use practice exercises to enable them to become proficient. Tutors may demonstrate the skill first and then coach the students individually when unsure. In terms of developing independent students, in the case of information technology, students should be encouraged to independently use the online Help facilities within applications. It should be noted that even in practical classes, students should be encouraged to work in small groups and to support one another as part of the learning process — by explaining to another, a student has to reformulate and communicate the learning point thus deepening their learning.

When undertaking group work, students should be encouraged/directed to work with different groups each time they attempt a new task so that they get to know and work with a wide range of individuals. The groups should be given clear task activities. Tutors should note the various roles assigned to the group members and they should set a time limit for the completion of the task.

At the end of each activity tutors should make time to receive feedback from each group so that they can assess knowledge and understanding and use the feedback session to repeat important key points and to clear up any misunderstandings. Tutors must also provide feedback to students on their performance in activities, etc.

Where centres have access to electronic resources such as Virtual Learning Environments, Blogs, Wikis, etc — tutors/lecturers are encouraged to use these collaborative tools in the learning process.

5.2 Support for students

All tutors delivering on a course have a collective responsibility to ensure that all students are supported in a manner that meets their individual needs as they progress through the course.

Each individual tutor has a role to monitor an individual student's understanding and progress at Unit level and feed comments to the Course Team. At individual Unit level, tutors may wish to use a range of mechanisms to support students and to establish if students are progressing well on the course.

6 SQA Advanced Diploma in Travel and Tourism course delivery

6.1 Teaching plan

The Units that make up this Group Award are listed in Section 6.2 — **Overview of Units**.

This Section — **Teaching plan** — provides a **suggested** delivery schedule for the Units and highlights the best way to sequence the Units over two years.

When constructing this teaching plan consideration was given to the following points:

- ◆ Year 1 will contain Units which are mainly at SCQF level 6/7.
- ◆ Year 2 will contain Units which are mainly at SCQF level 7/8 and there should be a natural progression from some of the Units delivered in Year 1 to those being delivered in Year 2.
- ◆ Some Units are 2-credit and thought must be given as to whether the Unit should be covered in one semester or across the whole year.
- ◆ Finally, the Graded Units completed at the end of Years 1 and 2 are based on some of the mandatory Units. The Units being assessed as part of the Graded Unit, must be delivered and assessed to ensure that sufficient learning will have taken place to enable the students a fair opportunity at achieving the Graded Unit at an appropriate grade.

Students will study 15-credits worth of Units in each year. One semester will have 7 credits and one semester 8 credits. The weighting of these Units will depend on the relationship of the relevant Unit with other Units in terms of prior knowledge needed and/or complementary knowledge.

Rationale for the suggested delivery schedule

Two suggested delivery schedules have been given for Year 1 and Year 2 of the SQA Advanced Diploma in Travel and Tourism — Option A and Option B.

The majority of the SCQF level 7 Units have been included in Year 1, so that students are provided with introductory knowledge and understanding in the subject areas of — Air Travel, Marketing, Business Accounting, Customer Care, Economics,

Retail Travel Practice, International Tourist Destinations, Presentation Skills and Information Technology.

The majority of the Units in Year 2 are SCQF level 8 Units that will develop on the knowledge and understanding gained in Year 1. Students will be able to extend their knowledge and skills in Air Travel, Marketing, Economics, Tour Operations, Tour Guiding and Resort Representation, and Information Technology.

6.1.1 Year 1: Suggested delivery schedule

Year 1 — Option A

Semester 1	Semester 2
International Tourist Destinations (HP57 46) — SCQF level 6, 1 SQA Credit	Presentation Skills (HP79 48) — SCQF level 8, 1 SQA Credit
Communication: Business Communication (HP75 47) — SCQF level 7, 1 SQA Credit	Economic Issues: An Introduction (J461 47) — SCQF level 7, 1 SQA Credit
Business Accounting (HP7K 47) — SCQF level 7, 2 SQA Credits —————→	
Air Travel (HP5A 47) — SCQF level 7, 2 SQA Credits —————→	
Retail Travel Practice (HP5C 47) — SCQF level 7, 2 SQA Credits —————→	
Applying Marketing Principles in Travel and Tourism (HP58 47) — SCQF level 7, 1 SQA Credit	Developing Skills for Personal Effectiveness (HP4Y 46HP4Y 46) — SCQF level 6, 1 SQA Credit
Creating a Culture of Customer Care (HP73 47) — SCQF level 7, 1 SQA Credit	Travel and Tourism: Graded Unit 1 (HP5D 47) — SCQF level 7, 1 SQA Credit
Information Technology: Applications Software 1 (HP6L 47) — SCQF level 7, 1 SQA Credit	
8 Units studied: 1 at SCQF level 6, 7 at SCQF level 7 (5 credits completed, 3 Units partially completed)	7 Units studied: 1 at SCQF level 6, 5 at SCQF level 7, 1 at SCQF level 8 (10 credits completed)

Rationale for Year 1 — Option A

Option A spreads the 2-credit Units *Business Accounting* (HP7K 47), *Air Travel* (HP5A 47) and *Retail Travel Practice* (HP5C 47) over two semesters. The advantage of this is that it can assist students with the completion of their Graded Unit as tutors can integrate teaching and students will have better retention of information. It offers students a good foundation in Semester 1, ensuring students have the required knowledge and skills to complete the Graded Unit 1 in Semester 2. *Information Technology: Applications Software 1* (HP6L 47) will also assist students throughout their studies. *Communication: Business Communication* (HP75 47) is particularly important as it not only teaches students skills for the workplace but also prepares them to critically read and understand complex written communication and produce

well-structured, written reports on complex issues. This will be particularly useful for students and help them prepare for assessment in their other subjects. Students are introduced to a wider range of subjects such as *Economic Issues: An Introduction* (J461 47) and *Presentation Skills* (HP79 48).

Key features of Year 1 — Option A

- ◆ able to introduce more subjects in Semester 1
- ◆ variety may increase student motivation
- ◆ able to integrate teaching with Graded Unit 1
- ◆ less Units completed in Semester 1

Year 1 — Option B

Semester 1	Semester 2
Air Travel (HP5A 47) — SCQF level 7, 2 SQA Credits	Information Technology: Applications Software 1 (HP6L 47) — SCQF level 7, 1 SQA Credit
Retail Travel Practice (HP5C 47) — SCQF level 7, 2 SQA Credits	Business Accounting (HP7K 47) — SCQF level 7, 2 SQA Credits
International Tourist Destinations (HP57 46) — SCQF level 6, 1 SQA Credit	Presentation Skills (HP79 48) — SCQF level 8, 1 SQA Credit
Creating a Culture of Customer Care (HP73 47) — SCQF level 7, 1 SQA Credit	Economic Issues: An Introduction (J461 47) — SCQF level 7, 1 SQA Credit
Applying Marketing Principles in Travel and Tourism (HP58 47) — SCQF level 7, 1 SQA Credit	Developing Skills for Personal Effectiveness (HP4Y 46) — SCQF level 6, 1 SQA Credit
Communication: Business Communication (HP75 47) — SCQF level 7, 1 SQA Credit	Travel and Tourism: Graded Unit 1 (HP5D 47) — SCQF level 7, 1 SQA Credit
6 Units studied: 1 at SCQF level 6, 5 at SCQF level 7 (8 credits completed)	6 Units studied: 1 at SCQF level 6, 4 at SCQF level 7, 1 at SCQF level 8 (7 credits completed)

Rationale for Year 1 — Option B

Option B offers students a good foundation in Semester 1, ensuring students have the required knowledge and skills to complete the Graded Unit 1 in Semester 2. *Communication: Business Communication* (HP75 47) is particularly important as it not only teaches students skills for the workplace but also prepares them to critically read and understand complex written communication and produce well-structured, written reports on complex issues. This will be particularly useful for students and help them prepare for assessment in their other subjects.

Key features of Year 1 — Option B

- ◆ fewer subjects in each semester
- ◆ earlier completion of Units
- ◆ helps students to focus and builds confidence and motivation through earlier completion of Units
- ◆ all subjects for Graded Unit 1 covered in Semester 1

6.1.2 Year 2: Suggested delivery schedule

Year 2 — Option A

Semester 1	Semester 2
Tour Guiding and Resort Representation (HP54 47) — SCQF level 7, 1 SQA Credit	Developing the Individual within a Team (HP3C 48) — SCQF level 8, 1 SQA Credit
Economics: Micro and Macro Theory and Application (J5AX 48) — SCQF level 8, 1 SQA Credit	Economics: The World Economy (J5AY 48) — SCQF level 8, 1 SQA Credit
Tour Operations (HP50 48) — SCQF level 8, 2 SQA Credits —————→	
Air Travel: Advanced (HP59 48) — SCQF level 8, 2 SQA Credits —————→	
Planning and Sustainable Development in Tourism (HP55 48) — SCQF level 8, 2 SQA Credits —————→	
Marketing Planning in Travel and Tourism (HP56 48) — SCQF level 8, 1 SQA Credit	Travel and Tourism: Graded Unit 2 (HP5E 48) — SCQF level 8, 2 SQA Credits
Information and Communication Technology in Business (HP7A 48) — SCQF level 8, 2 SQA Credits	
7 Units studied: 1 at SCQF level 7, 6 at SCQF level 8 (5 credits completed, 3 Units partially completed)	6 Units studied: all at SCQF level 8 (10 credits completed)

Rationale for Year 2 — Option A

Option A spreads the 2-credit Units *Tour Operations* (HP50 48), *Air Travel: Advanced* (HP59 48), and *Planning and Sustainable Development in Tourism* (HP55 48) over two semesters. The advantage of this is that it can assist students with the completion of their Graded Unit as tutors can integrate teaching and students will have better retention of information. It offers students a good foundation in Semester 1, ensuring they have the required knowledge and skills to complete the Graded Unit 2 in Semester 2. *Information Communication Technology in Business* (HP7A 48) will also assist students throughout their studies. Students study Economics in more depth building on the Economics Unit from Year 1, *Economics: Micro and Macro Theory and Application* (J5AX 48) and *Economics: The World Economy* (J5AY 48).

Key features of Year 2 — Option A

- ◆ more subjects introduced in Semester 1
- ◆ variety may increase student motivation
- ◆ fewer units completed in Semester 1

Year 2 — Option B

Semester 1	Semester 2
Tour Guiding and Resort Representation (HP54 47) — SCQF level 7, 1 SQA Credit	Develop the Individual within a Team (HP3C 48) — SCQF level 8, 1 SQA Credit
Air Travel: Advanced (HP59 48) — SCQF level 8, 2 SQA Credits	Information and Communication Technology in Business (HP7A 48) — SCQF level 8, 2 SQA Credits
Tour Operations (HP50 48) — SCQF level 8, 2 SQA Credits	Economics: Micro and Macro Theory and Application (J5AX 48) — SCQF level 8, 1 SQA Credit
Marketing Planning in Travel and Tourism (HP56 48) — SCQF level 8, 1 SQA Credit	Economics: The World Economy (J5AY 48) — SCQF level 8, 1 SQA Credit
Planning Sustainable Development in Tourism (HP55 48) — SCQF level 8, 2 SQA Credits	Travel and Tourism: Graded Unit 2 (HP5E 48) — SCQF level 8, 2 SQA Credits
5 Units studied: 1 at SCQF level 7, 4 at SCQF level 8 (8 credits completed)	5 Units studied: all at SCQF level 8, (7 credits completed)

Rationale for Year 2 — Option B

Option B offers students a good foundation in Semester 1; ensuring students have the required knowledge and skills to complete the Graded Unit 2 in Semester 2.

Economic Issues: An Introduction (J461 47) delivered in Year 1 introduces economics to students. The Year 2 Units *Economics: Micro and Macro Theory and Application* (J5AX 48) and *Economics: The World Economy* (J5AY 48) must be delivered in sequence.

Key features of Year 2 — Option B

- ◆ fewer subjects in each semester
- ◆ earlier completion of Units
- ◆ helps students to focus and builds confidence and motivation through earlier completion of Units
- ◆ all subjects for Graded Unit 2 covered in Semester 1

6.2 Overview of Units

An overview of each Unit delivered within Years 1 and 2 is given below. However, tutors should refer to the Unit specification for full details of the Knowledge and/or Skills to be covered and Evidence Requirements. The Evidence Requirements clearly state the type of evidence required, the standard of evidence required and any conditions of assessment. The Unit specification also contains guidance on the delivery and assessment of the Unit.

Year 1 Units

Air Travel (HP5A 47)

This 2-credit Unit is designed to enable students to demonstrate that they can process routine air travel requirements including those for low cost carriers and carry out reservation and associated procedures on an airline computer reservation system. Students will also gain an understanding of current trends in the industry.

There are five Outcomes in this Unit.

Outcome 1 covers the current trends in the airline/airport industry.

In Outcome 2, students are required to process client enquiries for general information on scheduled air travel.

Outcome 3 focuses on airline computer reservation and associated procedures.

In Outcome 4, students are required to quote and calculate published fares for domestic and international journeys.

Outcome 5 looks at the current documentation used in air travel.

This Unit could be assessed by a series of practical exercises. Outcomes 1, 3 and 5 may be assessed separately with the assessment of Outcomes 2 and 4 being integrated by using the same client enquiry.

Applying Marketing Principles in Travel and Tourism (HP58 47)

This 1-credit Unit is designed to introduce students to the principles of marketing as a management discipline, and to their application within the context of the travel and tourism industry. It focuses strongly on the way in which the particular nature of the tourism product impacts on the marketing activities of travel and tourism businesses. Students investigate the dynamic nature of the travel and tourism industry and consider methods that can be used to understand and identify existing and potential customers. This includes a study of consumer motivation and market segmentation as well as identification of the factors which influence demand for the travel and tourism product.

There are three Outcomes in this Unit.

Outcome 1 covers the meaning of marketing and analyses its significance for businesses in travel and tourism.

Outcome 2 looks at the methods used to identify and understand customers in travel and tourism.

Outcome 3 focuses on the concept of the marketing mix in travel and tourism.

A holistic approach to assessment is recommended as this best reflects 'real life' situations and gives students the opportunity to demonstrate their grasp of the total concept of marketing. Projects and the use of case studies of travel and tourism businesses and events are suggested in order to facilitate the application of the principles and techniques of marketing.

A case study could be used to form the basis of one integrated report which covers all three Outcomes.

Business Accounting (HP7K 47)

This 2-credit Unit enables students to develop their knowledge and understanding in the preparation and use of accounting information within a business organisation. Students will develop skills in preparing basic financial and management accounting reports and in interpreting and using financial information for decision making.

There are five Outcomes in this Unit. Outcomes 1 and 2 are assessed separately and the assessment is integrated for Outcomes 3, 4 and 5.

In Outcome 1 students will prepare the financial statements for a limited company comprising an income statement, statement of financial position and statement of changes in equity, and incorporating year-end adjustments.

Outcome 2 focuses on the preparation of management accounting information and students will prepare a cash budget. Further, students will calculate the breakeven point for making business decisions; for example considering the launch of a new product.

It is recommended that Outcomes 3, 4 and 5 are delivered and assessed following an integrated approach. These Outcomes cover: users of financial information and the purposes for which it is needed; sources of finance available to a business, both short-term and long-term; and an analysis of the performance and financial position of a business by looking at statements of cash flows and use of accounting ratios. The assessment could take the form of a case study covering these three areas.

Communication: Business Communication (HP75 47)

This 1-credit Unit is designed to help students respond to and present complex business communication. This Unit is taught and assessed within the subject area of the Group Award. The practical skills developed and assessed in this Unit may be integrated with other Units.

Outcomes may be integrated with elements of the course which require the analysis and production of complex written and/or oral communication.

There are three Outcomes in this Unit:

Outcome 1 analyses complex written business information and develops skills in reading and analysing complex text, summarising key information and evaluating the suitability of written text for its purpose. Assessment should be undertaken in controlled conditions where arrangements are in place to assure the authenticity of students' work.

Outcome 2 assists students in the production of complex written business documents. It covers a selection of relevant information, sequencing for impact and effectiveness, appropriateness of language and style for formal business documents.

Outcome 3 requires students to organise and participate in a formal meeting. Students will plan, prepare and take part effectively in a formal meeting.

It is possible to integrate Outcome 2 and Outcome 3, combining the report and meeting. Setting up meetings can be time-consuming and it is recommended the report is marked at key stages and students given constructive feedback.

Creating a Culture of Customer Care (HP73 47)

This 1-credit Unit enables students to recognise and evaluate effective customer care. The Unit emphasises that customer care is a key area of importance and value to organisations and is, therefore, critical to the work of every employee.

There are two Outcomes and student evidence can be gathered in a variety of ways, eg presentations, case study analysis, structured questions, oral questioning, e-portfolio, etc.

Outcome 1 focuses on the analysis of the factors which contribute to a culture of customer care and the achievement of high standards of customer care.

Outcome 2 students apply these principles to an organisation and evaluate its customer care strategy.

Developing Skills for Personal Effectiveness (HP4Y 46HP4Y 46)

This 1-credit Unit enables students to develop the knowledge, skills and attributes which underpin personal effectiveness. It provides them with the underpinning knowledge to audit their own personal effectiveness; equip them with the skills to create an action plan to develop their own personal effectiveness — based on the audit of their existing strengths and development needs; provide them with a framework to implement the action plan: and, require them to evaluate their plan, its implementation and its contribution to developing their personal effectiveness.

Outcome 1 covers the development of self-awareness and use of personal skills.

Outcome 2 looks at effective approaches to stress management.

Outcome 3 focuses on the development and application of interpersonal skills for effective working with others.

The primary source of assessment evidence for achievement of the Unit Outcomes will arise from the individual student's action plan and supporting documentation. A case study will be used to assess Outcome 2. The activities associated with the Unit should provide students with ample opportunities to generate and gather evidence of achievement. The nature and operation of the Unit requires that it should be assessed holistically.

Economic Issues: An Introduction (J461 47)

This Unit introduces learners to fundamental issues in economics with a particular emphasis on the business environment. Learners will consider the basic economic problem, how consumers and other economic agents address this problem, and how markets can be used to allocate resources. Learners are introduced to the operation of markets and actions that can be taken to help avoid market failure. The Unit introduces the theory of National Income and the circular flow of income model.

Learners are required to analyse complex information on national policies and their application.

In Outcome 1 learners are required to explain the allocation of resources within the economy. In this they will cover aspects such as the basic economic problem, opportunity cost, determinants of demand and supply, interaction of demand and supply, and price and income elasticity.

In Outcome 2 learners are required to explain the theory of National Income. In this they will cover areas such as circular flow of income, injections and withdrawals, multiplier, measures of national income, difficulties in measuring national income, comparison of national income between countries and national income growth measured in monetary and real terms.

In Outcome 3 learners are required to explain and evaluate the role of government policy in correcting market failures. In this they will cover the role of government in correcting market failures, current Government policy, Government policy instruments, and evaluation of Government policy.

Evidence for this Unit will be generated using a closed book examination with a standard completion time of 90 minutes completed under supervised conditions. The examination will contain questions that cover all three outcomes with an appropriate balance of marks allocated to the questions for each outcome. To achieve this Unit a learner must gain a minimum of 50% of the available 60 marks in the examination in order to pass the Unit. There are no gradings applied to the results and no remediation is permitted.

Where reassessment has to take place a different set of questions must be used on the second sitting.

The Evidence Requirements section of the Unit Specification sets out criteria which must be complied with when assessing this Unit.

Information Technology: Applications Software 1 (HP6L 47)

This 1-credit Unit is designed to enable students to use Information Technology (IT) systems and applications independently to support a range of information processing activities and to develop a broad knowledge of the theoretical concepts of IT applications.

There are two Outcomes in this Unit.

Outcome 1 focuses on operating a range of IT equipment independently, giving attention to security and to other users.

In Outcome 2, students use a range of software application packages to meet complex information requirements.

Assessment is largely practical and lends itself to a single assessment containing a number of tasks in the form of a project or case study. An observation checklist should be used for Outcome 1. Outcome 2 requires the student to use four or more software packages, eg text, number, graphics, audio or video and to integrate two or more different data types, eg using Word, Excel, PowerPoint, Publisher, Access, Outlook and the Internet.

International Tourist Destinations (HP57 46)

This 1-credit Unit is a practical Unit designed to give students knowledge of the principal worldwide tourist destinations and attractions. Students will develop a working knowledge of a range of tourist destinations around the world. Key aspects of tourist destinations are studied including physical features and attractions. Students develop their knowledge and skills in researching worldwide tourist destinations through reference materials such as atlases, brochures, tourist guides and the internet. Students who successfully complete the Unit will be able to provide resort and destination information to customers of airlines, travel agencies or tour operators in a professional manner.

There are three Outcomes in this Unit.

Outcome 1 focuses on the identification and location of the most popular international tourist destinations.

Outcome 2 looks at the key features of the most popular international tourist destinations.

Outcome 3 is a practical Outcome in which students will provide information on a range of the most popular international tourist destinations.

This Unit may be assessed by a combination of closed-book tests and practical activities.

Retail Travel Practice (HP5C 47)

This 2-credit Unit is designed to enable students to demonstrate technical skills and apply product knowledge to process and administer client requirements for general travel and ancillary services.

There are five Outcomes in this Unit.

In Outcome 1, students will select components to dynamically package specific client requirements by presenting at least one customer arrangement involving three components.

Outcome 2 involves students processing client requirements for packaged travel arrangements.

In Outcome 3, students will process client requirements for long haul inclusive tours.

Outcome 4 consists of processing client requirements for cruise products.

In Outcome 5, students will provide information and process client requirements for ancillary services.

Assessment will be by a series of practical exercises. As this Unit is intended for students employed in or intending to seek employment in the retail travel industry, students should be able to have open access to any trade reference materials or their notes as required. Assessment should take place under supervised conditions.

Presentation Skills (HP79 48)

This 1-credit Unit is designed to develop the skills required for the advanced use of presentation software, including a range of multi-media and to apply these skills to deliver effective presentations.

There are three Outcomes in this Unit.

In Outcome 1, students are required to evaluate a selection of business presentation methods appropriate to different presentation scenarios.

In Outcome 2, students are required to prepare and evaluate a screen-based presentation on an agreed topic.

In Outcome 3, students are required to deliver a screen-based presentation.

Assessment should be undertaken in open-book conditions. This Unit can be assessed by means of a case study which outlines a minimum of three different presentation scenarios for Outcome 1 and a holistic Instrument of Assessment to cover Outcomes 2 and 3 which requires students to deliver a presentation on an agreed topic.

The ability to deliver effective presentations is a valuable skill and this Unit is about developing the practical skills for using presentation hardware and software, researching the topic and presenting the facts. It is also about the skills a public speaker needs to develop in terms of reading and handling an audience, delivery style, non-verbal communication and how to control nervousness. Visiting speakers would be an appropriate way to develop students' skills and knowledge for this Unit.

Travel and Tourism: Graded Unit 1 (HP5D 47)

This 1-credit project-based Graded Unit will be assessed by the use of a case study. The developed case study will provide students with the opportunity to produce evidence that demonstrates they have met the aims of the Group Award. The project is generated over time and involves three distinct stages, planning, developing and evaluation, each stage has to be achieved before the next is undertaken.

Year 2 Units

Air Travel: Advanced (HP59 48)

This 2-credit Unit is designed to enable students to demonstrate that they can process advanced air travel requirements including complex fare calculations, document issue and reservation and associated procedures on an airline computer reservation system (CRS).

There are three Outcomes in this Unit.

In Outcome 1, students are required to demonstrate airline computer reservation and associated procedures. Students will be required to use a live CRS/GDS or a recognised GDS or CRS training package to carry out a variety of practical activities.

Outcome 2 focuses on the calculation of fares in Neutral Units of Construction (NUCs) for complex itineraries.

In Outcome 3, students are required to identify the implications of making alterations to complex itineraries.

This Unit could be assessed by a series of practical exercises.

Developing the Individual within a Team (HP3C 48)

This 1-credit Unit is designed to enable students to demonstrate the knowledge and skills required to participate effectively in team projects and to lead teams completing projects.

There are three Outcomes in this Unit.

In Outcome 1, students are required to investigate the skills required by team members to ensure effective team performance.

In Outcome 2, students are required to analyse the membership, development, leadership, and effectiveness of a team.

In Outcome 3, students evaluate their own skills and roles through participation in, and leadership of, a team project.

The assessment of Outcomes 1 and 2 can be integrated. The evaluation criteria identified by the student in Outcome 1 can be used to evaluate the teamwork in Outcome 2. Outcome 3 requires students to work with others in a collaborative project, involving planning, implementation and evaluation stages. Students must produce a reflective log, and the log entries must provide sufficient detail to enable evaluation, conclusions and recommendations to be made on completion of the project. Students may analyse a case study, a real-life work-based situation, the team project for Outcome 3, or a combination of these for Outcomes 1 and 2.

Information and Communication Technology in Business (HP7A 48)

This 2-credit Unit is designed to develop students' knowledge and skills in identifying, evaluating, managing and presenting business information to facilitate and influence decision making.

There are five Outcomes in this Unit.

Outcome 1, students are required to identify and evaluate the role of business information in decision making.

Outcome 2, students are required to describe and evaluate data communications and new ICT innovations.

Outcome 3, students are required to plan project development work using project management software to meet client needs.

Outcome 4, students are required to schedule project development work using project management software to meet client needs.

Outcome 5, students are required to create a presentation using appropriate presentation software.

The assessment of Outcomes 1, 2 and 3 can be linked using an appropriate case study.

Outcome 3 requires the use of Project Management software.

Outcome 4 is a practical activity based on Outcome 3 and the evidence presented as a report.

Outcome 5 is a practical assignment using presentation software.

Marketing Planning in Travel and Tourism (HP56 48)

This 1-credit Unit is designed to enhance a basic knowledge of marketing by providing students with the opportunity to put theory into practice through the gathering of marketing information and the development of a marketing plan for a travel or tourism business, based on an assessment of the marketplace. It also gives students an insight into practices in marketing research and some exposure to designing and administering a questionnaire for the purposes of gathering data for travel and tourism businesses.

There are three Outcomes in this Unit.

Outcome 1 focuses on the collection and analysis of marketing information for a travel or tourism related business, event or project.

Outcome 2 involves the development of a marketing plan for a travel or tourism related business.

In Outcome 3, students will devise marketing programmes to achieve stated marketing objectives.

It is recommended that this Unit be assessed by a case study/scenario. For Outcome 1, students could design a questionnaire which should be used to conduct a survey. The results of the survey could be analysed and presented in a report. The assessment covering Outcomes 2 and 3 should build on the case study/scenario already established in Outcome 1. Students develop a marketing plan for the travel or tourism business already described in Outcome 1 using the research information gathered.

Planning and Sustainable Development in Tourism (HP55 48)

This 2-credit Unit is designed to enable students to understand the concepts of planning and sustainable development in tourism. It gives them an understanding of the planning system in the UK and a vital insight into the positive and negative impacts arising from tourism development.

There are five Outcomes in this Unit.

In Outcome 1, students investigate and evaluate the sources of funding available for tourism development in the UK.

Outcome 2 covers the stages involved in the tourism development planning process.

In Outcome 3, students examine and analyse the concept of sustainability and its application within tourism planning and development.

Outcome 4 looks at the positive and negative impacts arising from tourism development and sustainable solutions.

Outcome 5 involves the evaluation of current marketing trends and the tourism industry's response to visitors' needs, within the concept of sustainability.

The assessment for this Unit could be made up of separate assessment tasks using a case study based on a hypothetical, existing or proposed tourism development and/or a field trip investigation.

If a case study is used it should be given to the students in advance allowing them to produce all the relevant evidence required.

Economics: Micro and Macro Theory and Application (J5AX 48)

This 1-credit Unit is designed to build on students' knowledge of introductory economics and expose them to micro-economic and macro-economic applications of theory. The Unit allows the introduction of current issues in economics and provides an opportunity for students to analyse and evaluate these issues.

There are two Outcomes for this Unit.

Outcome 1 introduces the costs of the firm in the short run and the long run and the market structures within which a firm operates. It also covers the role of profit and the objective of profit maximisation as well as alternative objectives of the firm.

In Outcome 2, students will cover the macroeconomic environment and examples of major issues which occur within that environment including unemployment and inflation. They will consider the causes and effects of unemployment and inflation and explore government policy and the choices governments have to make with regard to revenue and spending. The use of both fiscal, monetary and supply side policies will be considered along with non-mainstream economic policy options.

Students will be asked to complete two assessment tasks. Both of these assessment tasks will be completed on an open-book unsupervised basis. The first assessment could be in the form of an essay, report or presentation. The second will be an investigative assignment during the completion of which students will be able to access a variety of learning resources.

Economics: The World Economy (J5AY 48)

This 1-credit unit introduces the world economy, the main focus being the key features of the global economic environment. It advances economic concepts and allows students to develop their research and analytical skills. The core economic issues that are focused on in this unit are trade, international payments, exchange rates and economies undergoing change.

In Outcome 1 students will explain international trade and the role of trade organisations. Areas to be included are trade theory, barriers to international trade, protectionism, the World Trade Organisation and trading blocs.

In Outcome 2 students will analyse the operations of the international monetary system. Areas to be covered include the structure of the UK balance of payments accounts, and the significance of surpluses/deficits, foreign exchange markets, national exchange rate systems and international trade data.

In Outcome 3 students will evaluate the issues facing developing countries. Areas to be covered include classifications of countries and the characteristics of and issues facing economies in transition and developing countries.

In Outcome 4 students will assess the importance of multinational enterprises (MNEs) in the world economy. Areas covered will be the characteristics of such firms and an examination of their importance to the world economy.

Assessment could be undertaken by using one instrument of assessment which allows students to develop their research skills. An investigative approach could be taken by the student to enable them to gather evidence. This could be a portfolio.

Tour Guiding and Resort Representation (HP54 47)

This 1-credit Unit gives students an insight into tour management including itinerary planning, resort representative duties and procedures, and tour guiding skills involving presentation of a live tour.

There are four Outcomes for this Unit.

Outcome 1 looks at the roles of tour guides, resort representatives and couriers.

Outcome 2 focuses on the demonstration of tour management skills.

In Outcome 3, students will perform resort representative duties.

Outcome 4 involves students conducting an on-site tour.

A holistic approach to assessment is recommended with Outcomes being integrated. Evidence could be gathered by means of a project in the form of a tour operator's staff procedure manual. This will be supported by practical activities.

Tour Operations (HP50 48)

This 2-credit Unit is designed to enable students to develop an in-depth knowledge of the tour operations sector of the travel and tourism industry and to demonstrate competence in applying techniques used by tour operators launching a new tour operating programme.

There are five Outcomes in this Unit.

In Outcome 1, students will plan an inclusive tour programme.

Outcome 2 involves the evaluation of contracting methods used in different types of programmes.

In Outcome 3, students will cost tour components and determine the selling price of an inclusive tour.

Outcome 4 covers the evaluation of the main marketing tools and chain of distribution used by tour operators.

Outcome 5 focuses on the job functions of key tour operator personnel involved in customer relations.

This Unit has been designed to allow all Outcomes to be assessed through an integrated assessment resulting in a proposal for a tour, which should be built up in logical stages as the students progress through the Unit. Students are required to show that they can apply techniques to different types of tour programmes. Students select a tour operator profile from a range of briefs, but may, in consultation with their tutor, devise one of their own. Students then apply appropriate tour operating practices and techniques to the particular tour operating brief selected, at all stages of the operation.

Travel and Tourism: Graded Unit 2 (HP5E 48)

This 2-credit project-based Graded Unit will provide evidence that students have met the principal aims of the Group Award.

It will be assessed by an investigation. The project will be based on the investigation of a business issue relating to an organisation or a topical issue in the Travel and Tourism sector of the economy. The issue selected by the student will focus on at least one of the main aims of the course, and involve an investigation which provides a solution to an identified issue. The investigation will allow the student to demonstrate creative solutions in response to the changing needs of the organisation or the Travel and Tourism industry. Customer care, marketing and management are acceptable topics for this depth of investigation.

6.3 Opportunities for integration of Units

It is envisaged that where possible centres will deliver this award in an integrative manner to help the students appreciate the interconnections between the various subjects.

Integration means identifying opportunities to combine areas of learning or assessment. This could mean devising one lesson which includes teaching two related topics or devising one assessment task which assesses more than one Outcome. A single assessment task could assess more than one Outcome from a Unit, or could bring Outcomes from different Units together in one task. This approach can reduce the overall number of assessment tasks needed, which is beneficial for students and for tutors.

For example, in the Unit *Communication: Business Communication* (HP75 47), Outcome 2 requires students to produce complex written business documents (which can be one or more documents) of approximately 1,500 words but which must conform to a range of standards. The content of the 'complex written business documents' are not stated and it would, therefore, be possible to select a topic from another theory based Unit, for example, *Applying Marketing Principles in Travel and*

Tourism (HP58 47) to form the basis of a 'formal business report'. Hence two Outcomes are being assessed in a single assessment activity.

Based on the proposed delivery of Years 1 and 2 the following opportunities exist for integration of delivery and/or assessment:

Year 1

Unit code	Unit title	Integration opportunity
HP79 48	Presentation Skills	Outcome 3 could be combined with Outcome 3 in <i>International Tourist Destinations</i> (HP57 46). For example the student could present the information to meet the enquiry using presentation software (PowerPoint).
HP57 46	International Tourist Destinations	For Outcome 3, one of the customer enquiries could be presented using presentation software and this would meet the requirements of Outcome 3 for <i>Presentation Skills</i> (HP79 48).
HP75 47	Communication: Business Communication	Outcome 2 requires students to produce complex written business documents, <i>Applying Marketing Principles in Travel and Tourism</i> (HP58 47) requires students to produce a 'formal business report'.
HP58 47	Applying Marketing Principles in Travel and Tourism	<i>Communication: Business Communication</i> (HP75 47), Outcome 2 requires students to produce complex written business documents — this could use the 'formal business report' from <i>Applying Marketing Principles in Travel and Tourism</i> (HP58 47).

Year 2

Unit code	Unit title	Integration opportunity
HP7A 48	Information and Communication Technology in Business	Outcome 5 requires students to create a presentation using appropriate presentation software. This could be integrated with Outcome 1 of <i>Tour Operations</i> (HP50 48) as one assessment.
HP50 48	Tour Operations	Outcome 1 the plan an inclusive tour programme could be presented using appropriate software as an integrated assessment with Outcome 5 for <i>Information and Communication Technology in Business</i> (HP7A 48) as one assessment.

7 Assessment in an SQA Advanced Diploma Award

7.1 Assessment in learning and for certification

Assessment is the process of evaluating a student's learning.

Assessment takes place throughout the learning and teaching processes as well as the final assessment for certification. It can take many forms (for example: practical exercises, case studies, extended response questions) and can be used for different purposes — including identifying prior knowledge, identifying gaps in learning, providing feedback to students as well as measuring student attainment.

Assessment as part of the learning process is called **formative** assessment. It provides developmental feedback to a student and tutors so that they can adjust their plan for future learning. It is not recorded for external purposes. **Formative** assessment is often called ‘assessment for learning’.

Summative assessment is carried out for the purpose of certification. Through **summative assessment**, students provide evidence to demonstrate that they can achieve the Evidence Requirements detailed in the statement of standards of the relevant Unit specification. It is generally undertaken at the end of a learning activity or programme of learning and is used to make a judgement on the student’s overall attainment.

7.2 Assessment planning of an SQA Advanced Diploma

All SQA Advanced Diploma qualifications are **summatively assessed** using a mix of continuous Unit assessment and Graded Unit assessments. It is helpful for students, the Course Team and the internal verifiers if the Course Team has an overview of when summative assessments are likely to occur. It is, therefore, common practice for a Course Team, prior to the start of course delivery to agree the overall learning, teaching and assessment plan for the course. Part of this process requires tutors to agree when each Unit in the course will be **summatively assessed**.

In situations where Units of a course are being delivered in parallel, it is important that Course Teams make sure that the assessment load placed on students is manageable, although it is recognised that by its very nature summative assessments will occur towards the end of learning.

7.3 Planning the Unit summative assessment

For each Unit, it is helpful for tutors/assessors to draw up a Unit assessment plan which:

- ◆ describes what is to be assessed
- ◆ says what assessment methods will be used
- ◆ describes how the assessments are to be administered, eg practical, online, etc
- ◆ defines opportunities for integrating assessment
- ◆ provides a timetable for when the assessment will take place
- ◆ notes arrangements that need to be made to take account of additional support needs or prior learning
- ◆ describes the measures to be taken to ensure that the evidence produced is authentic and current

- ◆ describes how and when requirements for record-keeping and quality assurance processes will be met

7.4 Negotiating summative assessments with the students

Ultimately, it is up to the tutor to determine when a student is ready for summative assessment (within the agreed time constraints of the course timetable). A good way of gauging if a student is ready for assessment is to use a **practice assessment** (a final formative assessment which mirrors the summative assessment in terms of assessment method and an aspect of the Evidence Requirement where appropriate but it must not contain the same task detail as the summative assessment).

The tutor can use this assessment to identify the level of an individual student's competence and the outcome can help the tutor determine if the student is ready to attempt the summative assessment or if the student still has gaps in knowledge and understanding that need to be addressed through further work.

It is good practice to communicate assessment plans to students as early as possible in the course so that they know what to expect. A copy of the **proposed Course Assessment Plan** may be given to students at the start of the course, often during course induction. Thereafter, it is up to each tutor to make sure that students receive early warning of when assessment is likely to take place.

7.5 Summative assessment exemplars

Assessment exemplars are produced by SQA and are made available to centres for all Units in this SQA Advanced Diploma. Assessment exemplars are intended solely for the purpose of assessment of students against the standards given in the Unit specifications. **They must not be released prior to the assessment or be distributed for any other purpose. It is the centre's responsibility to maintain the security of all assessment exemplars.**

A Unit assessment exemplar will contain:

- ◆ details of the conditions under which the assessment is to be carried out
- ◆ assessment tasks for each Outcome
- ◆ a marking scheme or model answer
- ◆ checklists (where appropriate)

It is vital that tutors:

- ◆ adhere to the conditions for the assessment, ie open-book, closed-book, controlled conditions
- ◆ mark assessments consistently in line with the marking scheme or model answer provided
- ◆ keep all assessment exemplars secure so that they can be used for future student assessments

Once the student has completed the summative assessment, it is good practice for tutors to mark their student's work quickly and provide constructive feedback.

8 SQA Advanced Diploma in Travel and Tourism assessment strategy and plan

8.1 SQA Advanced Diploma in Travel and Tourism assessment strategy

A guide to the type and number of assessments in each Unit of the SQA Advanced Diploma in Travel and Tourism is shown below.

Unit	Assessment — Year 1				
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Creating a Culture of Customer Care (HP73 47)	Open-book. Written/oral evidence.	Open-book. Questions linked to case study.			
Economic Issues: An Introduction (J461 47)	Integrative assessment. Set questions. Controlled conditions with defined amount of notes.		Open-book short investigative exercise.		
Air Travel (HP5A 47)	Closed-book. Restricted response questions.	Practical exercise. Supervised conditions with access to reference sources.	Practical exercise using a CRS/GDS or recognised GDS or CRS training package.	Practical exercise. Supervised conditions with access to reference sources.	Practical exercise. Supervised conditions with access to reference materials.
Business Accounting (HP7K 47)	Practical exercise. Supervised with access to pro forma layout only (integrate Outcomes 1 and 2).		Open-book report generated under supervised conditions. Questions and report linked to case study (integrate Outcomes 3, 4 and 5).		
Communication: Business Communication (HP75 47)	Analysis of business text.	Open-book report — extended response and formal meeting (integrate Outcomes 2 and 3).			
Information Technology: Applications Software 1 (HP6L 47)	Observation checklist.	Practical tasks.			

Unit	Assessment — Year 1				
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Applying Marketing Principles in Travel and Tourism (HP58 47)	Integrated report which covers all three Outcomes. Open-book supervised conditions.				
Developing Skills for Personal Effectiveness (HP4Y 46)	Action plan.	Questions linked to case study/scenario.	Review of action plan.		
International Tourist Destinations (HP57 46)	Closed-book. Practical mapping exercises and structured questions.		Open-book. Practical assignment.		
Retail Travel Practice (HP5C 47)	Practical exercise. Supervised conditions.	Practical exercises and questions. Supervised conditions.	Practical exercise. Supervised conditions.	Practical exercises. Supervised conditions.	Practical exercises. Supervised conditions.
Presentation Skills (HP79 48)	Open-book report.	Open-book practical task.	Oral presentation. Supervised conditions.		
Travel and Tourism: Graded Unit 1 (HP5D 47)	Project based on case study.				

Unit	Assessment — Year 2				
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Air Travel: Advanced (HP59 48)	Completion of tasks on a live CRS/GDS or recognised GDS or CRS training package. Supervised conditions.	Practical exercises. Supervised conditions with access to reference sources.	Case studies. Supervised conditions with access to reference sources.		
Developing the Individual within a Team (HP3C 48)	Case study/real-life work-based situation.		Reflective log evaluating the performance of the team.		
Information and Communication Technology in Business (HP7A 48)	Case study with set questions and tasks.			Report based on practical activity.	Practical assignment.
Marketing Planning in Travel and Tourism (HP56 48)	Marketing research report based on case study.	Marketing plan based on the report for Outcome 1.	Marketing programmes to achieve the marketing objectives based on plan in Outcome 2.		
Planning and Sustainable Development in Tourism (HP55 48)	Case study/field investigation.	Case study integrated with Outcome 4.	Essay.	Case study integrated with Outcome 2.	Marketing plan.
Economics: Micro and Macro Theory and Application (J5AX 48)	Open-book report Investigative assignment				
Economics: The World Economy (J5AY 48)	Open-book. Integrative assessment. Portfolio of evidence.				
Tour Guiding and Resort Representation (HP54 47)	Open-book integrative assessment — mock training manual. Portfolio of evidence.				
			Presentation.	Conducted tour.	
Tour Operations (HP50 48)	Open-book integrated project.				
Travel and Tourism: Graded Unit 2 (HP5E 48)	Investigative project.				

8.2 SQA Advanced Diploma in Travel and Tourism course assessment plan

Suggested course assessment schedules for Year 1 and Year 2 are found in Appendices 2a and 2b.

They are based on two semesters of 17 weeks, where centres have a different length of semester, they should amend their schedules accordingly.

If centres decide to deliver Units in a different order, they should amend their schedules accordingly.

8.3 SQA Advanced Diploma in Travel and Tourism Graded Unit assessments

Travel and Tourism: Graded Unit 1 (HP5D 47) Project (Case Study) at SCQF level 7 — 1 SQA Credit

Travel and Tourism: Graded Unit 2 (HP5E 48) Project (Investigation) at SCQF level 8 — 2 SQA Credits

Graded Unit 1 is a project based on a case study. This Unit covers the integration of a range of knowledge and skills achieved through study of the mandatory Units, but focusing on:

- ◆ *Applying Marketing Principles in Travel and Tourism* (HP58 47)
- ◆ *Creating a Culture of Customer Care* (HP73 47)
- ◆ *International Tourist Destinations* (HP57 46)
- ◆ *Retail Travel Practice* (HP5C 47)
- ◆ *Air Travel* (HP5A 47)

This assessment should take place towards the end of the programme to ensure that students have covered the topics which will be assessed within the Graded Unit.

Graded Unit 2 is a project investigation to be completed on an open-book basis over a period of time.

This Unit covers the integration of a range of knowledge and skills achieved throughout selected Units of the SQA Advanced Diploma:

- ◆ *Creating a Culture of Customer Care* (HP73 47)
- ◆ *Applying Marketing Principles to Travel and Tourism* (HP58 47)
- ◆ *Tour Operations* (HP50 48)
- ◆ *Marketing Planning in Travel and Tourism* (HP56 48)
- ◆ *Planning and Sustainable Development in Tourism* (HP55 48)
- ◆ *International Tourist Destinations* (HP57 46)
- ◆ *Air Travel: Advanced* (HP59 48)
- ◆ *Retail Travel Practice* (HP5C 47)
- ◆ *Economics: Micro and Macro Economic Theory and Application* (J5AX 48)
- ◆ *Economics: The World Economy* (J5AY 48)

In addition to the integration of knowledge and skills needed to complete the project investigation, students will develop their skills in planning, negotiation, research, analysis, time management and problem-solving.

8.4 What happens if a student does not achieve an assessment?

If a student fails to demonstrate competence in a summative assessment, it is good practice to communicate this to the student quickly. Tutors should take time to individually feed back to students where they went wrong. Having given feedback, tutors should then advise students on what they need to do to prepare for re-assessment.

The student then undertakes additional work as discussed with the tutor, this is called remediation. It is when the student revises class work or practises skills covered in class **before** they attempt the re-assessment. It is important that students do get time to consolidate their knowledge and understanding before being re-assessed.

Re-assessment may take a variety of forms.

- ◆ For some assessments, students may be allowed to provide additional information, eg if a student has submitted a report based on a piece of independent research, s/he would be allowed to add the missing evidence and resubmit the report. The new information should be highlighted in such a way to show that it had been added, eg underlined, coloured and dated in the margin.
- ◆ For practical tasks related to their use of information technology, students may be permitted to correct work and resubmit — the original submission and the re-submission should both be kept.
- ◆ For multiple choice, short response and Graded Units, students may be required to attempt a completely new assessment instrument.

Where specific action has to be taken for re-assessment details will be noted in the Unit specification and tutors must be familiar with the Unit specification requirements for re-assessment.

It is important to note that re-assessment does **not** always require that students complete a full new assessment. Re-assessment may (and often does) allow students to re-attempt the part of the Outcome that they have not completed to a standard which meets the Unit specification.

For all Units within this SQA Advanced Diploma in Travel and Tourism, SQA has provided **one** summative assessment. Centres are encouraged to produce their own material for summative and re-assessment purposes.

Once a draft assessment has been prepared by the centre it should first be quality checked by centre staff (internally verified) and submitted to SQA for prior verification to ensure that it is fit for purpose.

If a student fails to reach the pass mark in the Graded Unit 1 — Project then he/she should be allowed to sit an alternative project before the beginning of the next session to allow progression to Year 2. Students must complete all aspects of the new assessment instrument.

9 Quality Assurance

SQA is committed to providing qualifications and support to match the needs of individuals, society and the economy of Scotland and internationally. SQA believes that global interaction in education and training benefits our customers, clients, partners and SQA through the sharing of expertise and experience.

SQA has a balanced portfolio of qualifications that is inclusive, facilitates progression, reflects Scotland's educational, economic, social and cultural needs and changes, and supports education and training worldwide.

SQA works in partnership with our approved centres to achieve our shared goals of excellence and consistency. This ensures that SQA's qualifications continue to meet the requirements of all users of our qualifications.

SQA's quality assurance models are designed to ensure that assessment decisions made to national standards are correct and consistent, and that national standards are maintained. We are committed to maintaining an assessment and quality system that is easy to understand, effectively administered, publicly accountable, and cost-effective to operate.

As well as working with centres to manage and enhance the quality of SQA qualifications, SQA routinely monitors its own performance. SQA establishes processes that need to be followed and submit these to regular auditing. This includes systematic evaluation and review of the effectiveness of our quality management processes. SQA also monitors standards across all our qualifications over time, to ensure consistency. Feedback from stakeholders is an integral part of SQA's review activities.

SQA is subject to external audit by a number of agencies, including the Scottish Government.

For assessed qualifications, SQA regularly monitors centres to ensure that they have the resources and expertise to assess students against the qualification criteria. (Assessment is where centres use assessment instruments to make decisions about students' work. External assessment is where SQA takes on these duties, usually in the form of examinations or externally assessed coursework. Only assessments are subject to quality assurance by verification.)

10 Verification

10.1 Introduction

SQA's quality assurance processes have been developed to ensure that national standards are applied to internally assessed Units or course components.

To maintain the credibility of SQA qualifications, we rely on effective collaboration with centres to ensure national standards are maintained across all qualifications at all levels.

Verification is the procedure that SQA uses to make sure that centres' assessment decisions are valid and reliable and are in line with national standards.

10.2 Why do we need verification?

Verification is one of a range of Quality Assurance measures used by SQA to confirm that:

- ◆ centres' assessment decisions are sound (ie valid, reliable and practicable)
- ◆ national standards are being uniformly applied
- ◆ assessments are accurately and consistently applied across all students and levels

This ensures qualifications and certification is credible with all students being assessed to a common standard.

10.3 Internal verification

Centres are responsible for the internal verification of their assessments. This means that centres should have an internal verification system — a system of having quality checks in place — which can be operated throughout the centre. Each tutor who is responsible for the assessment of students and/or internal verification of student material should:

- ◆ be made aware of their centre's quality assurance procedures
- ◆ comply with these procedures

Centres will appoint staff members to be internal verifiers. Internal verifiers will ensure that assessors apply standards of assessment uniformly and consistently. They should keep records of internal verification activity for external verifiers to access. Examples of records include:

- ◆ evidence of planned verification for the semester which conforms to the centre's verification strategy
- ◆ minutes of meetings where assessment work is examined and where discussion about acceptable standards is noted and decisions recorded
- ◆ internal verification forms showing which students' work has been verified and the outcome (note where an assessor carries out observations, internal verifiers should also observe the assessor)
- ◆ evidence of discussion and support of assessors, particularly where student work has not been accepted by the internal verifier
- ◆ evidence of reporting back to the Course Team, any recommendations/actions required and evidence that these are acted upon

10.4 External verification

To ensure national consistency in assessment decisions, SQA appoints experienced teachers/lecturers who have good, recent experience in the delivery and assessment of their subject to carry out external verification in centres. SQA will notify the SQA Co-ordinator if your centre has been selected for verification.

SQA wants to encourage centres and staff to see verification in a positive light, as a valuable Quality Improvement tool.

Appendix 1a: Core Skills Year 1²

Unit code	Unit title	Communication		Numeracy		ICT		Problem Solving			Working with Others	
		Written Communication	Oral Communication	Using Number	Using Graphical Information	Accessing Information	Providing/Creating Information	Critical Thinking	Planning and Organising	Reviewing and Evaluating	Working Co-operatively with Others	Reviewing Co-operative Contribution
HP75 47	Communication: Business Communication	SCQF 6 E	SCQF 6 E									
HP73 47	Creating a Culture of Customer Care	SCQF 6 S	SCQF 6 S					SCQF 6 S		SCQF 6 S		
HP7K 47	Business Accounting	SCQF 5 S	SCQF 5 S		SCQF 6 E							
J461 47	Economic Issues: An Introduction	SCQF 6 S	SCQF 6 S					SCQF 5 S	SCQF 5 S	SCQF 5 S		
HP6L 47	Information Technology: Applications Software 1					SCQF 6 E	SCQF 6 E					
HP57 46	International Tourist Destinations											
HP5A 47	Air Travel			SCQF 4 S	SCQF 4 S	SCQF 5 S	SCQF 5 S	SCQF 5 S	SCQF 5 S			
HP5C 47	Retail Travel Practice	SCQF 5 S	SCQF 5 S	SCQF 4 S	SCQF 4 S	SCQF 4 S	SCQF 4 S					
HP58 47	Applying Marketing Principles in Travel and Tourism											
HP79 48	Presentation Skills	SCQF 6 S	SCQF 6 S			SCQF 5 S	SCQF 5 S	SCQF 6 E	SCQF 6 E	SCQF 6 E		
HP4Y 46	Developing Skills for Personal Effectiveness							SCQF 5 E	SCQF 5 E	SCQF 5 E		
HP5D 47	Travel and Tourism: Graded Unit 1							SCQF 6 S	SCQF 6 S	SCQF 6 S		

²S = signposted, E = embedded (shade as S — yellow and E — green)

Appendix 1b: Core Skills Year 2³

Unit code	Unit title	Communication		Numeracy		ICT		Problem Solving			Working with Others	
		Written Communication	Oral Communication	Using Number	Using Graphical Information	Accessing Information	Providing/Creating Information	Critical Thinking	Planning and Organising	Reviewing and Evaluating	Working Co-operatively with Others	Reviewing Co-operative Contribution
J5AX 48	Economics: Micro and Macro Theory and Application	SCQF 6 S				SCQF 6 S		SCQF 6 E				
J5AY 48	Economics: The World Economy	SCQF 6 S	SCQF 6 S			SCQF 5 S	SCQF 5 S	SCQF 6 E	SCQF 6 S	SCQF 6 S		
HP7A 48	Information and Communication Technology in Business	SCQF 6 S				SCQF 6 S	SCQF 6 S	SCQF 6 S	SCQF 6 S			
HP54 47	Tour Guiding and Resort Representation											
HP50 48	Tour Operations											
HP59 48	Air Travel: Advanced			SCQF 4 S	SCQF 4 S	SCQF 5 S	SCQF 5 S	SCQF 5 S	SCQF 5 S			
HP55 48	Planning and Sustainable Development in Tourism	SCQF 6 S				SCQF 6 S		SCQF 6 S				
HP56 48	Marketing Planning in Travel and Tourism											
HP3C 48	Developing the Individual within a Team										SCQF 6 E	SCQF 6 E
HP5E 48	Travel and Tourism: Graded Unit 2	SCQF 6 S	SCQF 6 S	SCQF 5 S	SCQF 5 S	SCQF 5 S	SCQF 5 S				SCQF 6 S	SCQF 6 S

³S = signposted, E = embedded (shade as S — yellow and E — green)

Indicates integrated assessment for Outcomes 1 and 2 will be carried out in Week 13

Appendix 2a: Year 1, Semester 1 — Assessment Plan (Option A)

Unit title and code/week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Business Accounting (HP7K 47)													X* 1,2				
Communication: Business Communication (HP75 47)					X					X					X		
Creating a Culture of Customer Care (HP73 47)							X								X		
Air Travel (HP5A 47)					X						X						X
Retail Travel Practice (HP5C 47)							X					X					
International Tourist Destinations (HP57 46)						X			X							X	
Applying Marketing Principles in Travel and Tourism (HP58 47)														X* 1,2,3			
Information Technology: Applications Software 1 (HP6L 47)															X* 1,2		

Assessment submission date is shown by an X

X* indicates integrated assessment and Outcomes integrated

Appendix 2a: Year 1, Semester 2 — Assessment Plan (Option A)

Unit title and code\week	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Business Accounting (HP7K 47)													X* 3,4,5				
Air Travel (HP5A 47)						X								X			
Retail Travel Practice (HP5C 47)	X							X								X	
Presentation Skills (HP79 48)				X												X* 2,3	
Economic Issues: An Introduction (J461 47)									X					X			
Developing Skills for Personal Effectiveness (HP4Y 46)					X				X						X		
Travel and Tourism: Graded Unit 1 (HP5D 47)				X Stage 1									X Stage 2			X Stage 3	

Assessment submission date is shown by an X

X* indicates integrated assessment and Outcomes integrated

Appendix 2b: Year 2, Semester 1 — Assessment Plan (Option A)

Unit title and code/week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Tour Operations (HP50 48)																	
Air Travel: Advanced (HP59 48)													X				
Planning and Sustainable Development in Tourism (HP55 48)									X					X			
Tour Guiding and Resort Representation (HP54 47)												X* 1,2,3				X	
Economics: Micro and Macro Theory and Application (J5AX 48)						X								X			
Marketing Planning in Travel and Tourism (HP56 48)								X				X				X	
Information and Communication Technology in Business (HP7A 48)										X* 1,2,3				X		X	

Assessment submission date is shown by an X

X* indicates integrated assessment and Outcomes integrated

Appendix 2b: Year 2, Semester 2 — Assessment Plan (Option A)

Unit title and code\week	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Tour Operations (HP50 48)																X	
Air Travel: Advanced (HP59 48)						X								X			
Planning and Sustainable Development in Tourism (HP55 48)	X									X						X	
Developing the Individual within a Team (HP3C 48)									X* 1,2						X		
Economics: The World Economy (J5AY 48)													X				
Travel and Tourism: Graded Unit 2 (HP5E 48)				X Stage 1								X Stage 2				X Stage 3	

Assessment submission date is shown by an X

X* indicates integrated assessment and Outcomes integrated.

Appendix 3: Error Tolerance Guidance Notes

There are a range of **SQA Advanced Diploma Accounting Units** that are included in a number of the SQA Advanced Diploma fixed frameworks. These are:

- ◆ Recording Financial Transactions – HP6F 46
- ◆ Recording Financial Information – HP04 47
- ◆ Business Accounting – HP7K 47
- ◆ Financial Reporting and Analysis – HP08 48
- ◆ Management Accounting for Decision Making – HP05 48
- ◆ Preparing Financial Forecasts – HP70 48
- ◆ Cost Accounting – HP5H 47

In the past these Units were designed with the need for students to achieve a percentage of available marks (usually 70%) for each Outcome within the Unit specification. In line with SQA policy, a new approach to Accounting Units was introduced in 2010. This new approach is called 'Error Tolerance'. An Error Tolerance statement is provided within each Unit under the Evidence Requirements for each Outcome. This statement clearly indicates the acceptable number of errors (ie the threshold) a student may make within the evidence they produce.

Centres must note:

- ◆ The Error Tolerance approach is **only** applicable to the Units listed above and where indicated within the Unit specification.
- ◆ It is the centre's responsibility to ensure that they use most **current** Unit specification at the time of assessment. Error Tolerances may be reviewed and amended from time to time.

Error Tolerance Guidance Notes

Following extensive consultation and feedback from stakeholders SQA has developed two types of error which fall within the guidance. These are:

- ◆ Errors of Principle, and
- ◆ Arithmetic or Computational Errors

To help assessors develop an understanding of the use of Error Tolerances, SQA has produced a list for each category. The information which follows is not an exhaustive list, but a guidance note to assist assessors in making assessment decisions. As with all SQA qualifications, the professional judgement of the assessor is paramount and remains at the centre of all assessment decisions.

In addition to the list provided, an example of marked scripts for two Outcomes of two Units is also available to illustrate the marking of assessments under the Error Tolerance guidelines. This can be downloaded from SQA's secure website. This document **must** be retained in a secure manner in the same way that all SQA produced Assessment Exemplars and Assessment Support Packs (ASPs) must be treated.

Types of Errors

Commonly in the Unit specifications, two types of errors will be mentioned — Arithmetic/Computational Errors and Errors of Principle.

Arithmetic/Computational Errors

Common types of errors which are likely to be classified as arithmetic are:

- ◆ Transposition errors
- ◆ Errors where students write 'add' but subtract the figure instead
- ◆ Incorrect processing of £000s where a Trial Balance, for example, is presented in £000 but the notes to the accounts provide the full figures and the student has included the full figure, including the £000
- ◆ Incorrect totals — the individual figures may be correct but the addition and subtraction has been incorrectly completed
- ◆ Running balances in ledger accounts not correctly identified as Debit or Credit
- ◆ Incorrect calculations of inventory in inventory valuation tasks
- ◆ Incorrect application of time multiplied by rate, for example in wages calculations
- ◆ Incorrect calculation of proportions in overhead analysis

Errors of Principle

Common types of errors which are likely to be classified as errors of principle are:

- ◆ Error of commission
- ◆ Error of omission
- ◆ Reversal of entries
- ◆ Incorrect classification of items in financial statements eg Trade Payables included in current assets
- ◆ Incorrect use of inventory valuation methods ie FIFO instead of LIFO
- ◆ Inclusion of depreciation in a Cash Budget
- ◆ Wrong equations used in variances
- ◆ Wrong figures selected for ratios
- ◆ Gross figures entered in the general ledger
- ◆ VAT calculations not correct
- ◆ Inappropriate method of apportionment
- ◆ When preparing master budgets, incorrect figures included in final accounts eg figure for materials consumed included rather than materials purchased
- ◆ Depreciation calculations incorrectly carried out ie reducing balance rather than straight line
- ◆ Incorrect calculation of contribution
- ◆ Outputs and inputs reversed in VAT
- ◆ Process costs calculated not taking wastage into account
- ◆ Ledger balances posted to the Trial Balance incorrectly, ie credit balances on inventory accounts; sales in the DR column
- ◆ Capital allowances incorrectly identified
- ◆ Transposition of the rate of exchange to be used in a currency transaction
- ◆ Failure to apply a currency purchase as a debit/current delivery as a credit
- ◆ Incorrect formulae used to calculate an investment ratio
- ◆ Incorrect application of calculation of settlement days in a gilts transaction

Appendix 4: New Terminology to Comply with FRS 102 Requirements

Current UK terminology	International terminology
Accruals	Other payables
Balance sheet	Statement of financial position
Bank and cash	Cash and cash equivalents
Cash flow statement	Statement of cash flows
Cost of goods sold	Cost of sales
Creditors: amounts falling due within one year (heading)	Current liabilities
Equity or capital	Equity
Final accounts	Financial statements
Fixed assets	Non-current assets
Goodwill, etc	Intangible assets
Interest payable	Finance costs
Interest receivable	Investment revenues
Investments	Investment property
Land and buildings	Property
Loans repayable after one year	Bank loan (also other loans)
Loans repayable within one year	Bank overdrafts and loans
Long term liabilities Creditors: amounts falling due after more than one year	Non-current liabilities
Net loss	Loss for the year
Net profit	Profit for the year
Prepayments	Other receivables
Profit and loss account	Income statement
Profit and loss appropriation account	There is no appropriation account – this is partly replaced by the statement of changes in equity
Proposed dividends	No proposed dividends as only dividends that have been approved are included
Sales	Revenue (where used in income statements)
Stocks of raw materials and finished goods	Inventory
Sundry expenses	Other operating expenses
Sundry income	Other operating income
Trade creditors	Trade payables
Trade debtors	Trade receivables
Trading and profit and loss account	Income statement

Appendix 5: Suggested Layouts for Financial Statements

These layouts are **suggestions** only and are not prescriptive.

Other suitable alternatives which conform to the general principles of FRS 102 will be acceptable.

SOLE TRADER

J Bloggs - Sole Trader		
Income Statement for the year ended 31 December		
	£	£
Revenue <i>[net of Discount Allowed]</i>		150,000
<u>Cost of goods sold</u>		
Opening inventory	12,000	
Add: Purchases <i>[net of Discount Received]</i>	<u>68,000</u>	
	80,000	
<u>Less: closing inventory</u>	<u>14,000</u>	
		<u>66,000</u>
Gross profit		84,000
<u>Less: Expenses</u>		
Rent and rates	1,400	
Heat and light	1,600	
Wages and salaries	8,800	
Loan interest	1,200	
Van expenses	900	
Depreciation	2,000	
Sundry expenses	<u>3,000</u>	
		<u>18,900</u>
		65,100
Other operating income: Commission Received		<u>2,000</u>
Profit for the year		<u>67,100</u>

J Bloggs - Sole Trader		
Statement of Financial Position at 31 December		
	£	£
<u>Non-current assets</u>		
Property, plant and equipment		60,000
<u>Current assets</u>		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	<u>4,000</u>	
		<u>58,000</u>
Total Assets		<u>118,000</u>
Capital		
Opening balance		36,000
Add: Profit for year		<u>67,100</u>
		103,100
Less: Drawings		<u>5,000</u>
		98,100
<u>Non-current liabilities</u>		
Loan		8,300
<u>Current liabilities</u>		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	<u>1,300</u>	
		<u>11,600</u>
Total Equity and Liabilities		<u>118,000</u>

PARTNERSHIP

Blogg & Blagg - Partnership		
Income Statement and Appropriation Account for the year ended 31 December		
	£	£
Revenue <i>[net of Discount Allowed]</i>		150,000
<u>Cost of goods sold</u>		
Opening inventory	12,000	
Add: Purchases <i>[net of Discount Received]</i>	68,000	
	80,000	
Less: closing inventory	14,000	
		66,000
Gross profit		84,000
<u>Less: Expenses</u>		
Rent and rates	1,400	
Heat and light	1,600	
Wages and salaries	8,800	
Loan interest	1,200	
Van expenses	900	
Depreciation	2,000	
Sundry expenses	3,000	
		18,900
		65,100
Other operating income: Commission Received		2,000
Profit for the year		67,100
Interest on drawings		
Blogg	500	
Blagg	600	1,100
		68,200
Salary		
Blogg		12,200
Interest on Capital		
Blogg	5,000	
Blagg	4,000	9,000
		47,000
Profit share		
Blogg 60%	28,200	
Blagg 40%	18,800	
		47,000

Blogg & Blagg - Partnership		
Statement of Financial Position at 31 December		
	£	£
Non-current assets		
Property, plant and equipment		60,000
Current assets		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	4,000	
		58,000
Total Assets		118,000
Capital Accounts		
Blogg	22,000	
Blagg	20,000	
		42,000
Current Accounts		
Blogg <i>note⁴</i>	26,000	
Blagg <i>note</i>	30,100	
		56,100
Non-current liabilities		
Loan		8,300
Current liabilities		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	1,300	
		11,600
Total Equity and Liabilities		118,000

⁴ Working note required to calculate closing Current Account balances.

MEDIUM-SIZED LIMITED COMPANY

Medium Ltd - Limited Company		
Income Statement for the year ended 31 December		
	£	£
Revenue <i>[net of Discount Allowed]</i>		150,000
<u>Less: Cost of Sales</u>		
Opening inventory	12,000	
Add: Purchases <i>[net of Discount Received]</i>	68,000	
	<u>80,000</u>	
Less: closing inventory	14,000	
		<u>66,000</u>
Gross profit		84,000
<u>Less: Expenses</u>		
Rent and rates	1,400	
Heat and light	1,600	
Wages and salaries	8,800	
Van expenses	900	
Depreciation	2,000	
Sundry expenses	3,000	
		<u>17,700</u>
		66,300
Other operating income		2,000
Profit/loss on disposal of operations		<u>0</u>
Operating profit <i>[profit before interest and tax]</i>		68,300
Finance income/investment income <i>[interest receivable and similar income]</i>		0
Finance costs <i>[interest payable and similar charges]</i>		<u>-1,200</u>
Profit on ordinary activities before taxation		67,100
Taxation		<u>0</u>
Profit on ordinary activities after taxation and profit for the financial year <i>[to SOCE]</i>		67,100
Other comprehensive income		
Actuarial losses on defined benefit pension plans	minus	0
Deferred tax movement relating to actuarial losses	plus	<u>0</u>
Total comprehensive income for the year		<u>67,100</u>

Medium Ltd - Limited Company		
Statement of Financial Position at 31 December		
	£	£
<u>Non-current assets</u>		
Intangible assets		0
Property, plant and equipment		60,000
Investments		0
		<u>60,000</u>
<u>Current assets</u>		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	4,000	
	<u>4,000</u>	58,000
Total Assets		<u>118,000</u>
 Capital and Reserves		
Ordinary Share Capital		16,000
Share premium		4,000
General reserve		6,100
Retained earnings		72,000
Equity <i>see SOCE</i>		<u>98,100</u>
 Non-current liabilities		
Loan		8,300
 Current liabilities		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	1,300	
	<u>1,300</u>	11,600
Total Equity and Liabilities		<u>118,000</u>

Medium Ltd - Limited Company					
Statement of Changes in Equity					
	Share Capital £	Share Premium £	Retained Earnings £	General Reserve £	Total Equity £
Balance at 1 January.....	16,000	4,000	5,300	6,100	31,400
Changes in Equity for 2XXX					
Issue of share capital	0	0			0
Transfers				0	0
Profit for year			67,100		67,100
Dividends			-400		-400
Balance at 31 December.....	16,000	4,000	72,000	6,100	98,100

Worked Example of Question for a PLC conforming to FRS 102

(The Statement of Financial Position included in this example is slightly different from the others contained in this Appendix. Large PLCs usually have *much more going on* re the complexity and movements in their capital and especially reserves so tend to present it last. It is a question of relevance and style to the organisation involved.)

Public Limited Company**BOSS plc****The following Trial Balance has been extracted from the books as at 31 December 2014**

	£000	£000
Trade receivables	1,200	
Trade payables		408
Inventory 1 January 2014	160	
Revenue		3,700
Purchases of goods for resale	1,820	
Retained earnings		300
Freehold land	980	
Property	600	
Depreciation: Property 1 January 2014		40
Plant and Machinery	900	
Depreciation: Plant and Machinery 1 January 2014		300
Distribution costs	120	
Deferred taxation		140
Corporation tax		30
Cash at bank and in hand	100	
Administration expenses	488	
Interim dividend paid on Ordinary Shares	80	
Non-current asset investments	280	
Dividends from investments		40
Ordinary Shares of £1		1,000
4% Preference Shares of £1 fully paid		600
8% Debentures		200
Preference dividend paid	24	
Other receivables	36	
Other payables		12
Allowance for doubtful debts		34
Loss on discontinued operations	16	
	<u>6,804</u>	<u>6,804</u>

Required:

From the Trial Balance and additional information, together with your knowledge of UK Companies Act legislation and relevant accounting standards, you are required to complete a 'draft' set of financial statements for the year ended

Note that there is no requirement for comparative figures or a Statement of Cash Flows.

- | | | |
|----|---|-----------|
| 1 | Inventories at 31 December was estimated to be worth (valued at the lower of cost of NRV) | 180,000 |
| 2 | During the year Plant and Machinery was acquired for | 300,000 |
| 3 | Government grants are due to be received relating to the acquisition of the Plant and Machinery during the year. No record has yet been made of this in the accounts. | 60,000 |
| 4 | Depreciation is to be provided on the basis of:

Property – 50 years on a SLN basis. Depreciation to be apportioned: 70% to production; 20% to distribution; 10% to administration

Plant and Machinery – 20% on a RBM basis. Plant and machinery relates to production.

Note: A full year's depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. | |
| 5 | The freehold land was purchased several years ago when the company moved premises. On 30 June 2013 the land was valued on an open market basis by qualified surveyors at

The directors wish to incorporate this into the accounts. | 1,400,000 |
| 6 | Corporation tax on profits on ordinary activities for the year ended 31 December is estimated at | 180,000 |
| 7 | Administration expenses include auditors' remuneration of | 34,000 |
| 8 | The debenture interest should be accrued | |
| 9 | The allowance for doubtful debts should be adjusted to 2% of net debtors. | |
| 10 | Deferred tax should be increased by | 48,000 |
| 11 | A legal claim for damages due to faulty products is pending. It is probable that the company may have to pay this claim of | 44,000 |

Statement of Comprehensive Income

Continuing operations	£000
Revenue	3,700
Cost of Sales	<u>-1,960</u>
Gross profit	1,740
Operating expenses	<u>-602</u>
Profit from operations	1,138
Finance costs	-16
Fair value adjustment	0
Investment income	<u>40</u>
Profit before tax	1,162
Taxation	<u>-198</u>
Profit for year	964
Discontinued operations	
Loss from discontinued operations	<u>-16</u>
Total profit for the period	948
Other comprehensive income:	
Revaluation gain	<u>420</u>
Total comprehensive income	<u>1,368</u>

BOSS plc	
Statement of Financial Position	
Non-current assets	£000
Intangible assets	0
Property, plant and equipment	2,428
Investments	280
	2,708
Current assets	
Inventories	180
Trade and other receivables	1,272
Cash and cash equivalents	100
	1,552
Total assets	4,260
Current liabilities	
Trade and other payables	-420
Deferred income	-12
Financial liabilities	-16
Current tax liabilities	-180
	-628
Non-current liabilities	
Provisions	-44
Deferred income	-36
Financial liabilities	-200
Deferred tax liabilities	-188
Total liabilities	-1,096
Net Assets	3,164
Shareholders' equity	
Called up share capital	1,600
Share premium account	0
Revaluation reserve	420
Retained earnings	1,144
Equity shareholders' funds	3,164
Total equity	3,164

Statement of Changes in Equity for the year ended...

	Share Capital £000	Retained Earnings £000	Share Premium £000	Revaluation Reserve £000	Total £000
Balance as at 1 January 20xx	1,600	300	0	0	1,900
Gain on revaluation of land and buildings				420	420
Share issue	0		0		0
Profit/loss for the year		948			948
Dividends		-104			-104
Balance as at 31 December 20xx	1,600	1,144	0	420	3,164

Property, Plant and Equipment

Tangible Non-Current Assets	<small>1,000</small>	Land	Property	P&M	Total
Cost/Valuation					
As at 1 January		980	600	600	2,180
Additions		0	0	300	300
Revaluations		420	0		420
Disposals		0	0		0
As at 31 December		1,400	600	900	2,900
Depreciation					
As at 1 January			40	300	340
Charge for year			12	120	132
Relating to disposals					0
As at 31 December		0	52	420	472
Net Book Value					
As at 31 December		1,400	548	480	2,428

Workings

Cost of Sales				£000
i	Opening inventory			160
	Purchases of goods for resale			1,820
	Government grant receivable [60 * 20%]			-12
	Depreciation	Property	70%	8
		P&M		120
	Provision for Liability			44
				2,140
	Less: Closing inventory			-180
				1,960
Distribution costs				
ii	As per trial balance			120
	Depreciation	Property	20%	2
				122
Administration expenses				
iii	As per trial balance			488
	Depreciation	Property	10%	1
	Bad debt provision - decrease			-10
				479
Operating expenses				
iv	Distribution costs			122
	Administration expenses			479
				602
v	Finance costs			
	Debenture Interest [200 * 8%]			16
vi	Taxation			
	Tax for year			180
	Adjustment for over-provision			-30
	Transfer to deferred taxation			48
				198
vii	Deferred tax			
	As per TB			140
	Increase in deferred taxation			48
				188

viii Provisions			
Deferred taxation as per TB			140
Deferred taxation - increase			48
Contingent liability			44
			232
ix Current liabilities			
Trade creditors			408
Other payables			12
			420
x Deferred income			
Government grant receivable	CL		12
Deferred income	NCL	[60 – 24]	36
			48
xi Current tax liabilities			
Tax for year			180
xii Trade and other receivables			
Trade receivables			1,200
BDP	[1,200 * 2% = 24]		-24
As per trial balance		34	1,176
		-10	
Prepayments and accrued income			36
Government grant			60
			1,272

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			Dr	Cr
1	Inventory	SFP	180	
	Cost of Sales (Closing Inventory)	SCI		180
	<i>Being value of closing inventory at the year end</i>			
2	Trade and other receivables	SFP	60	
	Cost of sales	SCI		12
	Deferred income CL	SFP		12
	NCL	SFP		36
	<i>Being government grant receivable</i>			
3	Cost of sales	SCI	128	
	Distribution costs	SCI	2	
	Administration expenses	SCI	1	
	Depreciation Property	SFP		12
	P&M	SFP		120
	<i>Being depreciation charges for the year</i>			
4	Freehold land	SFP	420	
	Revaluation reserve	SFP		420
	<i>Being revaluation of freehold land</i>			
5	Taxation	SCI	180	
	Current tax liabilities	SFP		180
	<i>Being corporation tax estimate for the year</i>			
6	Finance costs	SCI	16	
	Financial liabilities CL	SFP		16
	<i>Being accrued debenture interest</i>			
7	BDP	SFP	10	
	Administration expenses	SCI		10
	<i>Being adjustment to BDP</i>			
8	Taxation	SCI	48	
	Deferred tax	SFP		48
	<i>Being increase in deferred taxation</i>			
9	Cost of Sales	SCI	44	
	Provisions	SFP		44
	<i>Being claim for damages</i>			

Statement of Financial Position as at 31 December

	Year 1		Year 2	
	£000	£000	£000	£000
Non-Current Assets				
Intangible non-current assets		260		700
Property, plant and equipment		710		1,800
Investments		1,400		1,400
		<u>2,370</u>		<u>3,900</u>
Current Assets				
Inventories	520		660	
Trade receivables	890		1,200	
Investments	240		240	
Other receivables	2		10	
Bank	60		80	
Cash	0		0	
	<u>1,712</u>		<u>2,190</u>	
Less: Current liabilities				
Trade payables	700		900	
Overdraft	11		152	
Corporation tax	120		200	
Debenture interest	10		10	
Income tax due	2		2	
Other payables	5		22	
Proposed dividends				
Ordinary	200		70	
Preference	10		10	
	<u>1,058</u>		<u>1,366</u>	
Net current assets		<u>654</u>		<u>824</u>
		3,024		4,724
Less: Non-Current Liabilities				
Debentures		<u>900</u>		<u>1,000</u>
Total net assets		<u>2,124</u>		<u>3,724</u>
Capital and Reserves				
Ordinary share capital	1,300		1,600	
Preference share capital	<u>100</u>		<u>120</u>	
		1,400		1,720
Share premium	0		50	
General reserve	200		448	
Retained profit	<u>524</u>		<u>1,506</u>	
		<u>724</u>		<u>2,004</u>
		<u>2,124</u>		<u>3,724</u>

Notes to the accounts:

1	Non-Current Asset disposal:	£000
	Net book value	160
	Sold for	210
2	Depreciation charge for year	120

Required: Prepare a Statement of Cash Flows for the year to Year 2.

STATEMENT OF CASH FLOWS

Statement of Cash Flows for year ended 31 December		
	Note	£000
Cash flows from operating activities		
Profit for the financial year		1,520
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment		120
Gain/Loss on disposal		-50
Interest paid		0
Interest received		0
Taxation		0
Decrease/(increase) in trade and other receivables		-310
Decrease/(increase) in prepayments		-8
Decrease/(increase) in inventories		-140
Increase/(decrease) in trade payables		200
Increase/(decrease) in trade accruals		17
Cash from operations		1,349
Interest paid		-10
Income taxes paid		-120
Net cash generated from operating activities		1,219
Cash flows from investing activities		
Proceeds from sale of equipment		210
Purchases of property, plant and equipment		-1,370
Purchases of intangible assets		-440
Interest received		0
Net cash from investing activities		-1,600
Cash flows from financing activities		
Issue of ordinary share capital		300
Issue of preference share capital		20
Increase in share premium		50
Issues/Repayment of borrowings		100
Dividends paid		-210
Net cash used in financing activities		260
Net increase/(decrease) in cash and cash equivalents		-121
Cash and cash equivalents at beginning of year		289
Cash and cash equivalents at end of year		168

Workings

Asset		NBV
NCA	s/y	710
	Less: Disposals	<u>160</u>
		550
	Less: Depreciation	<u>120</u>
		430
	Acquisitions	<u>1,370</u>
	e/y	<u>1,800</u>

Total Acquisitions	
Intangible	440
NCA	<u>1,370</u>
	1,810

Total Receipts	
NCA	<u>210</u>
	210

NCA	
Net book value	160
Receipt	<u>210</u>
Gain/loss on disposal	<u>-50</u>

Profit for financial year		£000
Retained profit	Year 2	1,506
Retained profit	Year 1	<u>-524</u>
		982
Add back:		
Proposed dividends		80
General reserve		248
Corporation tax		200
Debenture interest		<u>10</u>
		<u>1,520</u>

	Yr 2	Yr 1	Change
Bank	80	60	20
Cash	0	0	0
	-		
Overdraft	152	-11	-141
Investments	240	240	0
	<u>168</u>	<u>289</u>	<u>-121</u>

Appendix 6: Summary of Commonly Used Ratios within SQA Advanced Accounting Units

For SQA Advanced accounting Units at SCQF levels 6, 7 and 8, these are the most commonly used ratios, but other alternatives are acceptable in line with current accounting practice.

Profitability Ratios

'Profit before interest' is profit before interest and tax where applicable.

$$\text{Gross Profit ratio} = \frac{\text{Gross Profit}}{\text{Net Sales (Revenue)}} \times 100$$

(also known as Gross Profit percentage)

$$\text{Mark up} = \frac{\text{Gross Profit}}{\text{Cost of Sales}} \times 100$$

$$\text{Operating Profit ratio} = \frac{\text{Profit Before Interest}}{\text{Net Sales (Revenue)}} \times 100$$

(also known as Operating Profit percentage)

$$\text{Return on Capital Employed (ROCE)} = \frac{\text{Profit Before Interest}}{\text{Capital Employed}} \times 100$$

$$\text{Return on Equity} = \frac{\text{Profit After Preference Dividends}}{\text{Ordinary Shares + Reserves}} \times 100$$

$$\text{Return on Total Assets} = \frac{\text{Profit Before Interest}}{\text{Non-current Assets + Current Assets}} \times 100$$

$$\text{Operating Expenses to Revenue ratio} = \frac{\text{Operating Expenses}}{\text{Net Sales (Revenue)}} \times 100$$

$$\text{Non-current Asset Turnover} = \frac{\text{Net Sales (Revenue)}}{\text{Total Net Book Value of Non-current Assets}}$$

Liquidity Ratios

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Acid Test (or Quick) ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

Efficiency Ratios

$$\begin{aligned} \text{Trade Receivables Turnover} &= \frac{\text{Trade Receivables}}{\text{Credit Sales}} \times 365 \text{ days} \\ (\text{also known as Average Collection Period}) \end{aligned}$$

$$\begin{aligned} \text{Trade Payables Turnover} &= \frac{\text{Trade Payables}}{\text{Credit Purchases}} \times 365 \text{ days} \\ (\text{also known as Average Payment Period}) \end{aligned}$$

$$\text{Inventory Turnover} = \frac{\text{Average Inventory} *}{\text{Cost of Goods Sold}} \times 365 \text{ days}$$

$$* \text{Average Inventory} = (\text{Opening Inventory} + \text{Closing Inventory}) / 2$$

OR

$$\text{Rate of Inventory Turnover (times per year)} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$$

$$\text{Working Capital Cycle} = \text{Trade Receivables Turnover} + \text{Inventory Turnover} - \text{Trade Payables Turnover}$$

$$\text{Working Asset Turnover} = \frac{\text{Net Working Assets} *}{\text{Net Sales (Revenue)}} \times 100$$

$$* \text{Net Working Assets} = \text{Inventories} + \text{Trade Receivables} - \text{Trade Payables}$$

Capital Structure Ratios

$$\text{Interest Cover (times)} = \frac{\text{Profit before Interest}}{\text{Finance Costs (Interest Payable)}}$$

$$\text{Gearing ratio} = \frac{\text{Fixed Cost Capital}}{\text{Total Capital}} \times 100$$

$$\text{OR} = \frac{\text{Non-current Liabilities} + \text{Preference Share Capital}}{\text{Issued Ordinary Share Capital} + \text{all Reserves} + \text{Non-current Liabilities} + \text{Preference Shares}} \times 100$$

Investment Ratios

$$\text{Earnings per Share} = \frac{\text{Profit after Tax} - \text{Preference Dividend}}{\text{No of Issued Ordinary Shares}}$$

$$\text{Price Earnings ratio} = \frac{\text{Market Price per Share}}{\text{Earnings per Share}}$$

$$\text{Dividend Yield} = \frac{\text{Ordinary Dividend}}{\text{Market Price per Ordinary Share}} \times 100$$

$$\text{Dividend Cover} = \frac{\text{Profit for the Year} - \text{Preference Dividend}}{\text{Ordinary Dividend}}$$

$$\text{Dividend per Share} = \frac{\text{Ordinary Dividend}}{\text{No of Issued Ordinary Shares}}$$