



Higher Business Management

Course code:	C810 76
Course assessment code:	X810 76
SCQF:	level 6 (24 SCQF credit points)
Valid from:	session 2024–25

This document provides detailed information about the course and course assessment to ensure consistent and transparent assessment year on year. It describes the structure of the course and the course assessment in terms of the skills, knowledge and understanding that are assessed.

This document is for teachers and lecturers and contains all the mandatory information you need to deliver the course.

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Contents

Course overview	1
Course rationale	2
Purpose and aims	2
Who is this course for?	2
Course content	3
Skills, knowledge and understanding	3
Skills for learning, skills for life and skills for work	8
Course assessment	9
Course assessment structure: question paper	9
Course assessment structure: assignment	10
Grading	13
Equality and inclusion	14
Further information	15
Appendix: course support notes	16
Introduction	16
Developing skills, knowledge and understanding	16
Approaches to learning and teaching	17
Preparing for course assessment	38
Developing skills for learning, skills for life and skills for work	38

Course overview

The course consists of 24 SCQF credit points which includes time for preparation for course assessment. The notional length of time for candidates to complete the course is 160 hours.

The course assessment has two components.

Component	Marks	Duration
Component 1: question paper	90	2 hours and 45 minutes
Component 2: assignment	30	8 hours — see 'Course assessment' section

Recommended entry	Progression
<p>Entry to this course is at the discretion of the centre.</p> <p>Candidates should have achieved the National 5 Business Management course or equivalent qualifications and/or experience prior to starting this course.</p>	<ul style="list-style-type: none">◆ Advanced Higher Business Management course◆ other qualifications in business management or related areas◆ further study, employment and/or training

Conditions of award

The grade awarded is based on the total marks achieved across all course assessment components.

Course rationale

National Courses reflect Curriculum for Excellence values, purposes and principles. They offer flexibility, provide time for learning, focus on skills and applying learning, and provide scope for personalisation and choice.

Every course provides opportunities for candidates to develop breadth, challenge and application. The focus and balance of assessment is tailored to each subject area.

Business plays an important role in society, as it creates wealth, prosperity, jobs, and choices for consumers. It is therefore essential to have effective businesses and business managers to sustain this role.

This course helps candidates understand the dynamic, changing and competitive environment of industry and commerce, and the environments that organisations operate in. It develops skills in communicating and presenting business-related information to stakeholders of an organisation.

Purpose and aims

The course highlights the different ways in which large organisations operate. Candidates learn to understand and make use of business information to interpret and report on overall business performance, in a range of contexts. Using current business theory and practice, the course reflects the integrated nature of large organisations, their functions and decision-making processes.

Candidates develop understanding of:

- ◆ the ways in which society relies on organisations and how external influences can affect them
- ◆ a range of methods that businesses and other organisations use to meet customer needs
- ◆ enterprising skills and attributes
- ◆ how to analyse and interpret business information and communicate it in a clear and concise way

Who is this course for?

The course is suitable for candidates who are interested in entering the world of business, as a manager, employee or self-employed person, and exploring the activities of different types of business.

Course content

The course consists of five areas of study:

Understanding business

Candidates develop their understanding of how large organisations in the private, public and third sectors operate, make decisions and pursue their strategic goals. They analyse the impact that internal and external environments have on an organisation's activity, and consider the implications of these factors.

Management of marketing

Candidates develop their understanding of the importance of effective marketing systems to large organisations. They learn about the relevant theories, concepts and procedures used by organisations to improve competitiveness and customer satisfaction.

Management of operations

Candidates develop their understanding of the importance of effective operations systems to large organisations. They learn about the relevant theories, concepts and procedures used by organisations to improve and/or maintain quality, and the importance of satisfying both internal and external customers' needs.

Management of people

Candidates develop their understanding of the issues that large organisations face when managing people. They learn about the relevant theories, concepts and procedures used by organisations when dealing with staff, including retention, training, leadership and motivation.

Management of finance

Candidates develop their understanding of the issues that large organisations face when managing finance. They learn about the relevant theories, concepts and procedures used by organisations in financial situations.

Skills, knowledge and understanding

Skills, knowledge and understanding for the course

The following provides a broad overview of the subject skills, knowledge and understanding developed in the course:

- ◆ applying knowledge and understanding of the impact of business activities on society, in contexts which have complex features
- ◆ applying the ideas of ethical and effective business decision making to solve strategic business-related problems
- ◆ communicating relatively complex business ideas and opinions from a range of information relating to the effects of opportunities and constraints on business activity, some of which may be unfamiliar
- ◆ understanding how entrepreneurial attributes can help business development and risk management

- ◆ analysing the effectiveness of a range of marketing activities and understanding how they can be used to enhance customer satisfaction
- ◆ analysing a range of activities which can be used during the production process to maximise the quality of goods/services
- ◆ understanding leadership styles and how they can be used to enhance the contribution of staff to business success
- ◆ analysing business financial data to draw conclusions and suggest solutions where appropriate
- ◆ analysing the use of existing and emerging technologies to improve business practice

Skills, knowledge and understanding for the course assessment

The following provides details of skills, knowledge and understanding sampled in the course assessment:

Understanding business	
Role of business in society	<ul style="list-style-type: none"> ◆ sectors of industry ◆ sectors of the economy
Types of organisations	<ul style="list-style-type: none"> ◆ public-sector organisations ◆ private limited companies ◆ public limited companies ◆ franchising ◆ multinationals ◆ third-sector organisations
Objectives	<ul style="list-style-type: none"> ◆ profit maximisation ◆ provide a quality and/or free service ◆ social responsibility ◆ growth ◆ satisficing ◆ managerial objectives ◆ working within a budget
Methods of growth	<ul style="list-style-type: none"> ◆ internal — organic, diversification, increasing advertising, increasing staffing, opening new branches ◆ external — acquisitions (mergers, takeovers), horizontal, vertical (forwards and backwards), lateral, conglomerate ◆ outsourcing ◆ franchising
External factors	<ul style="list-style-type: none"> ◆ impact of PESTEC external factors, including economic and competition policy
Internal factors	<ul style="list-style-type: none"> ◆ corporate culture ◆ availability of finance ◆ staffing ◆ technology
Stakeholders	<ul style="list-style-type: none"> ◆ conflicts of interest and interdependence
Structures	<ul style="list-style-type: none"> ◆ features, benefits and drawbacks of different organisational structures
Decision making	<ul style="list-style-type: none"> ◆ types of decisions ◆ quality decisions ◆ ways of measuring success ◆ SWOT analysis

Understanding business	
	◆ role of a manager

Management of marketing	
Customers	<ul style="list-style-type: none"> ◆ market-led versus product-led ◆ consumer behaviour
Market research	<ul style="list-style-type: none"> ◆ market research methods (including justification for use) ◆ sampling
Marketing mix	<ul style="list-style-type: none"> ◆ product ◆ price ◆ place ◆ promotion ◆ people ◆ process ◆ physical evidence
Product	<ul style="list-style-type: none"> ◆ product life cycle (including sales revenue and profitability at each stage) ◆ extension strategies ◆ product portfolio
Price	<ul style="list-style-type: none"> ◆ pricing strategies
Place	<ul style="list-style-type: none"> ◆ channels of distribution ◆ role of wholesaler and retailer ◆ types of retailers
Promotion	<ul style="list-style-type: none"> ◆ into and out of the pipeline ◆ public relations (PR)
People	<ul style="list-style-type: none"> ◆ people involved in delivering customer satisfaction ◆ levels of after-sales service
Process	<ul style="list-style-type: none"> ◆ systems in place to ensure satisfactory delivery of the service to the customer
Physical evidence	<ul style="list-style-type: none"> ◆ physical environment used to deliver a service
Technology	<ul style="list-style-type: none"> ◆ role of technology in marketing

Management of operations	
Inventory management	<ul style="list-style-type: none"> ◆ inventory management systems ◆ just-in-time ◆ storage, warehousing
Methods of production	<ul style="list-style-type: none"> ◆ capital- and labour-intensive production methods
Quality	<ul style="list-style-type: none"> ◆ quality control (inspection) ◆ quality assurance (prevention) ◆ quality management ◆ quality standards and symbols ◆ benchmarking ◆ quality circles ◆ mystery shopping
Ethical and environmental	<ul style="list-style-type: none"> ◆ ethical operations ◆ environmental responsibility ◆ fair trade
Technology	<ul style="list-style-type: none"> ◆ role of technology in operations

Management of people	
Workforce planning	<ul style="list-style-type: none"> ◆ elements of workforce planning (including costs and benefits of recruitment and selection)
Training and development	<ul style="list-style-type: none"> ◆ staff development ◆ training schemes ◆ work-based qualifications ◆ appraisal
Motivation and leadership	<ul style="list-style-type: none"> ◆ reasons for motivation ◆ theories of motivation and motivational practices ◆ leadership styles
Employee relations	<ul style="list-style-type: none"> ◆ institutions involved ◆ processes
Legislation	<ul style="list-style-type: none"> ◆ impact of current employment legislation
Technology	<ul style="list-style-type: none"> ◆ role of technology in human resources

Management of finance	
Sources of finance	◆ appropriate for larger organisations
Cash budgeting	◆ analysis ◆ cash flow issues and solutions Note: preparation of cash budget not required
Financial Statements	◆ interpretation of Income Statements and Statements of Financial Position Note: preparation of financial statements not required
Ratios	◆ profitability ◆ liquidity ◆ efficiency Note: calculation of ratios not required
Technology	◆ role of technology in finance

Skills, knowledge and understanding included in the course are appropriate to the SCQF level of the course. The SCQF level descriptors give further information on characteristics and expected performance at each SCQF level, and can be found on the SCQF website.

Skills for learning, skills for life and skills for work

This course helps candidates to develop broad, generic skills. These skills are based on [SQA's Skills Framework: Skills for Learning, Skills for Life and Skills for Work](#) and draw from the following main skills areas:

1 Literacy

1.2 Writing

2 Numeracy

2.3 Information handling

4 Employability, enterprise and citizenship

4.1 Employability

4.4 Enterprise

5 Thinking skills

5.3 Applying

5.4 Analysing and evaluating

You must build these skills into the course at an appropriate level, where there are suitable opportunities.

Course assessment

Course assessment is based on the information provided in this document.

The course assessment meets the key purposes and aims of the course by addressing:

- ◆ breadth — drawing on knowledge and skills from across the course
- ◆ challenge — requiring greater depth or extension of knowledge and/or skills
- ◆ application — requiring application of knowledge and/or skills in practical or theoretical contexts as appropriate

This enables candidates to:

- ◆ assess the impact of business activities on society in unfamiliar contexts
- ◆ make decisions by applying business concepts and ideas to resolve business-related issues
- ◆ research, interpret, analyse and evaluate relatively complex business information to draw valid conclusions and suggest solutions where appropriate
- ◆ communicate relatively complex business ideas and opinions from a wide range of sources

Course assessment structure: question paper

Question paper

90 marks

The question paper gives candidates the opportunity to demonstrate their ability to:

- ◆ apply and integrate knowledge and understanding of business concepts from all aspects of the course
- ◆ use data handling techniques to interpret and analyse business information
- ◆ draw valid conclusions and suggest resolutions to business-related issues

All questions are mandatory and sample from the 'Skills, knowledge and understanding for the course assessment' section of this document.

The question paper has a total mark allocation of 90 marks. This is 75% of the overall marks for the course assessment.

The question paper has two sections.

Section 1 is worth 30 marks and contains one question. This is a multi-part question, with each part attracting a mark from a range of 1–8 marks. The question is based on stimulus material in the form of a case study and samples course content from any of the five areas of study. In general, it assesses decision making and the application of knowledge and understanding.

The stimulus material is based on a real organisation and can include text, financial information, graphs, diagrams and charts. The question generally relates to the stimulus, although some could be based on topics surrounding the stimulus material.

Section 2 is worth 60 marks and contains four questions worth 15 marks each. These are multi-part questions, with each part attracting a mark from a range of 1–8 marks. This section samples course content from any of the five areas of study. In general, it assesses breadth of knowledge and understanding from across the course.

Setting, conducting and marking the question paper

The question paper is set and marked by SQA, and conducted in centres under conditions specified for external examinations by SQA.

Candidates have 2 hours and 45 minutes to complete the question paper.

Specimen question papers for Higher courses are published on SQA's website. These illustrate the standard, structure and requirements of the question papers candidates sit. The specimen papers also include marking instructions.

Course assessment structure: assignment

Assignment

30 marks

The assignment gives candidates the opportunity to demonstrate their ability to:

- ◆ select an appropriate business and topic
- ◆ collect information/evidence relating to the context of the assignment, from a range of sources
- ◆ apply relevant business concepts and theories to the context of the assignment
- ◆ analyse and evaluate the business data/information
- ◆ solve problems by applying relatively complex business ideas and concepts relevant to the context of the assignment
- ◆ communicate valid, justified conclusions and/or recommendations
- ◆ produce a business report relating to the context of the assignment

Candidates research and analyse information, and produce a business report using given headings. The report is based on an analysis of the research findings and details appropriate conclusions and/or recommendations.

Candidates choose a topic to research. Teachers and lecturers may wish to encourage candidates to frame their report title as a question, for example:

Examples of topics
Is the product portfolio of xxx effective?
Have the product extension strategies used by xxx been successful in maintaining/increasing its market share of yyy (a product)?
Have the quality measures used by xxx maintained/increased customer satisfaction?
An analysis of the extended marketing mix of xxx.

The assignment has a total mark allocation of 30 marks. This is 25% of the overall marks for the course assessment. Marks are awarded for:

◆ introduction	2 marks
◆ research	4 marks
◆ analysis and interpretation	13 marks
◆ conclusions and recommendations	10 marks
◆ structure	1 mark

Setting, conducting and marking the assignment

The assignment is:

- ◆ set by SQA
- ◆ conducted in centres under some supervision and control
- ◆ submitted to SQA for external marking

All marking is quality assured by SQA.

Assessment conditions

Time

The assignment is designed to be completed over a notional period of 8 hours. This includes time for research and producing the final business report. Candidates can complete their research and write-up simultaneously.

Candidates who choose to carry out field research may need more than the notional 8 hours to complete their research.

Assessment should start at an appropriate point, normally once most of the content has been delivered.

Supervision, control and authentication

Candidates must carry out the assignment on an individual basis. Research, data collection and analysis must be completed independently.

Desk research should be carried out in centres — field research can be conducted outwith the classroom setting.

Candidates carry out the assignment under some supervision and control, to ensure that work presented is their own. Teachers and lecturers must put in place mechanisms to authenticate candidate evidence and/or research not completed within the classroom setting. For example:

- ◆ regular checkpoint meetings with candidates
- ◆ short spot-check interviews with candidates
- ◆ checklists which record activity/progress

Resources

The assignment is open-book — there are no restrictions on the resources that candidates may have access to when undertaking the assignment.

Candidates do not need to make direct contact with organisations as part of their research. They may find that information on websites and elsewhere is enough for the level of research required.

Reasonable assistance

Candidates must complete the assignment independently. However, reasonable assistance may be provided by teachers and lecturers at relevant stages in the process, as identified below. The term 'reasonable assistance' is used to try to balance the need for support with the need to avoid giving too much help. If any candidate requires more than what is thought to be 'reasonable assistance', they may not be ready for assessment, or they may have been entered for the wrong level of qualification.

Reasonable assistance may include:

- ◆ clarifying the instructions/requirements of the assignment
- ◆ advising candidates on a suitable topic to research
- ◆ advising candidates on which organisation to choose
- ◆ advising candidates on the likely availability and accessibility of resources for their chosen topic
- ◆ advising candidates on possible sources of information
- ◆ advising candidates on how best to structure their business report

Reasonable assistance does not include:

- ◆ providing candidates with full exemplar assignments
- ◆ directing candidates to specific text within a source of information

- ◆ telling candidates what analysis they can draw from a research finding
- ◆ reading and marking drafts

Evidence to be gathered

Candidates produce a business report including supporting appendices. The appendices should show a list of all the sources of information used, which may include:

- ◆ website addresses used in research
- ◆ details of newspaper and/or magazine articles (publication name, date, article title) or books (title, chapter, author)
- ◆ statistical, graphical or numerical data
- ◆ interview questions and/or responses
- ◆ questionnaire/survey questions and/or results
- ◆ appropriate photos/images
- ◆ notes taken from a visit or a talk
- ◆ notes taken from an audio-visual source

Volume

The business report should be no longer than 2,000 words (excluding appendices). If the word count exceeds the maximum by more than 10%, a penalty will be applied.

There should be no more than four pages of appendices attached to the report.

Grading

Candidates' overall grades are determined by their performance across the course assessment. The course assessment is graded A–D on the basis of the total mark for all course assessment components.

Grade description for C

For the award of grade C, candidates will typically have demonstrated successful performance in relation to the skills, knowledge and understanding for the course.

Grade description for A

For the award of grade A, candidates will typically have demonstrated a consistently high level of performance in relation to the skills, knowledge and understanding for the course.

Equality and inclusion

This course is designed to be as fair and as accessible as possible with no unnecessary barriers to learning or assessment.

For guidance on assessment arrangements for disabled candidates and/or those with additional support needs, please follow the link to the assessment arrangements web page: www.sqa.org.uk/assessmentarrangements.

Further information

The following reference documents provide useful information and background.

- ◆ [Higher Business Management subject page](#)
- ◆ [Assessment arrangements web page](#)
- ◆ [Building the Curriculum 3–5](#)
- ◆ [Guide to Assessment](#)
- ◆ [Guidance on conditions of assessment for coursework](#)
- ◆ [SQA Skills Framework: Skills for Learning, Skills for Life and Skills for Work](#)
- ◆ [Coursework Authenticity: A Guide for Teachers and Lecturers](#)
- ◆ [Educational Research Reports](#)
- ◆ [SQA Guidelines on e-assessment for Schools](#)
- ◆ [SQA e-assessment web page](#)

The SCQF framework, level descriptors and handbook are available on the SCQF website.

Appendix: course support notes

Introduction

These support notes are not mandatory. They provide advice and guidance to teachers and lecturers on approaches to delivering the course. You should read these in conjunction with this course specification and the specimen question paper and coursework.

Developing skills, knowledge and understanding

This section provides further advice and guidance about skills, knowledge and understanding that you could include in the course. You have considerable flexibility to select contexts that will stimulate and challenge candidates, offering both breadth and depth.

The following tables suggest activities to support the delivery of the course and are suitable for candidates with different learning styles.

Approaches to learning and teaching

Learning in this course should be contextualised to large private-sector businesses, public-sector and third-sector organisations.

Understanding business

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Role of business in society	<p>Candidates should be aware of how business activity:</p> <ul style="list-style-type: none"> ◆ adds value ◆ helps satisfy the needs of customers in a changing competitive environment <p>Candidates should be able to classify and describe the following:</p> <ul style="list-style-type: none"> ◆ sectors of industry <ul style="list-style-type: none"> — business activity in the primary sector, secondary sector, tertiary sector and quaternary sector ◆ sectors of the economy <ul style="list-style-type: none"> — organisations in the public, private and third sectors 	<ul style="list-style-type: none"> ◆ carrying out independent or group research tasks and/or case studies to look at the different industrial and economic sectors ◆ presenting findings to the class
Types of organisations	<p>From the range below, candidates should:</p> <ul style="list-style-type: none"> ◆ be able to describe the similarities and differences between structures in terms of ownership, control and finance: <ul style="list-style-type: none"> — public-sector organisations 	<ul style="list-style-type: none"> ◆ carrying out independent or group research tasks and/or case studies to look at the different types of organisations in terms of how they are organised, what they do and how they do it ◆ carrying out surveys of parents, carers, relatives about their employers

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
	<ul style="list-style-type: none"> — private limited companies — public limited companies — third-sector organisations <p>◆ features of and costs and benefits of:</p> <ul style="list-style-type: none"> — franchising — multinationals 	<p>◆ using online mapping to examine the distribution of local businesses</p>
Objectives	<p>Candidates should be aware of the objectives of the types of organisations listed above, for example:</p> <ul style="list-style-type: none"> ◆ profit maximisation ◆ provide a quality and/or free service ◆ social responsibility ◆ growth ◆ satisficing ◆ managerial objectives ◆ working within a budget <p>Candidates should:</p> <ul style="list-style-type: none"> ◆ be aware of similarities or differences in these objectives ◆ be aware of what organisations do to achieve objectives 	<ul style="list-style-type: none"> ◆ accessing case studies to understand how commercial business works ◆ using current businesses as case studies to demonstrate the reasons behind their objectives ◆ listening to guest speakers explain their business objectives and the reasons for choosing them

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Methods of growth	<p>Candidates should:</p> <ul style="list-style-type: none"> ◆ be aware of methods of growth available to organisations ◆ be able to describe the methods ◆ understand reasons for using each method ◆ be aware of the advantages and disadvantages of each method <p>Methods of growth include:</p> <ul style="list-style-type: none"> ◆ internal (organic), for example: diversification, increasing advertising, increasing staffing, opening new branches (including becoming multinational) ◆ external (acquisitions: mergers and takeovers), for example: horizontal, forwards vertical, backwards vertical, lateral, conglomerate ◆ outsourcing ◆ franchising 	<ul style="list-style-type: none"> ◆ accessing case studies to understand the different methods of growth used ◆ using current businesses as case studies to demonstrate the reasons for choosing the method of growth ◆ listening to guest speakers explain their methods of growth and the reasons for choosing them
External factors	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the impact that external factors might have on organisations <p>Factors include:</p> <ul style="list-style-type: none"> ◆ political (including economic policy and competition policy) 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to illustrate how external factors can positively and negatively affect business activities, for example how tobacco companies, bars, restaurants, garden furniture sellers have been affected by the smoking ban ◆ researching how external factors influence a business of their choice ◆ presenting findings to the class

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
	<ul style="list-style-type: none"> ◆ economic ◆ social (including ethical pressures) ◆ technological (including new innovations that become available) ◆ environmental ◆ competitive 	<ul style="list-style-type: none"> ◆ using business stories to illustrate the impact of external factors on business activity ◆ listening to guest speakers explain how factors have affected their businesses, for example competition, competition policy and economic policy
Internal factors	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the impact that internal factors might have on organisations' abilities to meet their objectives ◆ the ways organisations might be able to overcome any constraints <p>Factors include:</p> <ul style="list-style-type: none"> ◆ corporate culture (including methods, costs and benefits) ◆ finance (budget constraints and availability) ◆ staffing (skill set, availability and motivation) ◆ technology (that is currently available in an organisation) 	<ul style="list-style-type: none"> ◆ using analytical techniques to illustrate how internal factors can positively and negatively affect business activities, for example how workers' striking affects a business ◆ researching how internal factors influence choices made by businesses ◆ presenting findings to the class ◆ using business stories to illustrate the impact of contemporary technology on business activity ◆ listening to guest speakers explain how internal factors affect their businesses, for example corporate culture
Stakeholders	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ conflicting interests of stakeholders ◆ interdependence between stakeholders 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to provide examples of stakeholder conflict and interdependence ◆ using business stories to illustrate contemporary examples of stakeholder conflict and interdependence ◆ listening to guest speakers explain how they manage stakeholder conflict and interdependence

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Structures	<p>Candidates should:</p> <ul style="list-style-type: none"> ◆ be aware of the different organisational structures and groupings available ◆ be able to describe these structures and groupings ◆ be aware of advantages and/or disadvantages of the structures and groupings ◆ be aware of the effect of both downsizing and delayering on an organisation's structure <p>Structures include:</p> <ul style="list-style-type: none"> ◆ tall and flat ◆ centralised and decentralised ◆ matrix ◆ entrepreneurial <p>Groupings include:</p> <ul style="list-style-type: none"> ◆ function ◆ place/territory/geographical ◆ product ◆ technological ◆ customer 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to provide examples of staff and management structures and groupings ◆ listening to guest speakers explain how they organise their managers and staff, and their reasons for doing so

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Decision making	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ types of decisions: <ul style="list-style-type: none"> — strategic, tactical and operational decisions — centralised and decentralised decision making ◆ factors that affect quality decisions ◆ ways of measuring the success of decisions ◆ SWOT analysis and its use as a decision-making tool ◆ the role of a manager in making decisions: <ul style="list-style-type: none"> — plan, organise, command, control, coordinate, delegate, and motivate 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to provide examples of strategic, tactical and operational decisions ◆ listening to guest speakers explain the skills needed by a manager in order to make effective decisions ◆ preparing a SWOT analysis on a business and using the analysis to suggest a suitable action the business could take

Management of marketing

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Customers	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ what is meant by market-led and product-led, and the differences between them ◆ consumer behaviours, for example: <ul style="list-style-type: none"> — routine/habitual — informed — impulsive 	<ul style="list-style-type: none"> ◆ using the internet to research organisations that have had successful or unsuccessful marketing campaigns ◆ using the internet to compare market-led organisations with product-led organisations ◆ conducting a class survey to find out what products, and in what circumstances, consumer behaviour differs when making buying decisions
Market research	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the different methods of field research, and their costs and benefits ◆ the different methods of desk research, and their costs and benefits ◆ how random and quota sampling can be used in market research ◆ how market research information can be used by a business 	<ul style="list-style-type: none"> ◆ preparing and conducting market research ◆ analysing market research data to aid decision making ◆ researching and justifying suitable sampling activities ◆ using technological resources appropriately to assist in preparing and analysing market research, for example word processing, online survey tools and spreadsheet software
Marketing mix	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the impact of one element of the marketing mix on another, for example: <ul style="list-style-type: none"> — starting to sell online may mean having to charge a lower price to compete — one way to do this is to use cheaper materials which may result in a lower quality product 	<ul style="list-style-type: none"> ◆ investigating the use of successful and unsuccessful marketing strategies involving the marketing mix ◆ using websites to gather information about a current successful marketing mix ◆ listening to guest speakers explain their marketing mix

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Product	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the sales revenue and profit levels at each stage of a product's lifecycle ◆ using extension strategies to enhance product sales and profits ◆ product portfolios: <ul style="list-style-type: none"> — costs and benefits — the Boston Matrix and its use <p>Product lifecycle:</p> <ul style="list-style-type: none"> ◆ research and development (R&D) ◆ introduction ◆ growth ◆ maturity/saturation ◆ decline 	<ul style="list-style-type: none"> ◆ investigating the different lifecycle stages of various products ◆ suggesting and justifying appropriate extension strategies ◆ evaluating the costs/benefits product portfolios from case study material
Price	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ pricing strategies ◆ advantages and disadvantages of each strategy <p>Pricing strategies:</p> <ul style="list-style-type: none"> ◆ cost-based (cost plus) ◆ skimming 	<ul style="list-style-type: none"> ◆ discussing real contexts and experiences to exemplify how product type, business size, business objectives, and market structure affect the pricing strategy of a product ◆ using price-comparison websites to assist in analysing pricing strategies used by different businesses ◆ listening to guest speakers explain the importance of their pricing strategies

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
	<ul style="list-style-type: none"> ◆ penetration ◆ price discrimination ◆ destroyer/predatory (an illegal practice) ◆ loss leaders ◆ promotional ◆ psychological 	
Place	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the channels of distribution available to organisations: <ul style="list-style-type: none"> — reasons for choosing different channels — costs and benefits of different channels ◆ the costs and benefits of using: <ul style="list-style-type: none"> — wholesalers — different types of retailers — direct sales (including different methods) 	<ul style="list-style-type: none"> ◆ surveying local businesses about channels of distribution used ◆ researching and justifying suitable channels of distribution for different scenarios ◆ attending field trips to local business areas to investigate reasons for their channel of distribution choices ◆ listening to guest speakers talk about the importance of their channel of distribution
Promotion	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ into the pipeline promotions (offered by manufacturers to retailers), for example: <ul style="list-style-type: none"> — point of sale materials — sale or return — dealer loaders — promotional gifts — staff training 	<ul style="list-style-type: none"> ◆ investigating the key features that make promotions effective ◆ surveying local businesses for promotions being used ◆ listening to guest speakers explain the importance of their promotional activities

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
	<ul style="list-style-type: none"> ◆ out of the pipeline promotions (offered by retailers to consumers), for example: <ul style="list-style-type: none"> — BOGOF — free trial/sample packs — vouchers/money-off coupons — competitions ◆ public relations (PR) 	
People	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the way people can be used as part of an extended marketing mix when providing a service, for example: <ul style="list-style-type: none"> — delivering customer satisfaction — providing after-sales service — training staff in customer service — having helpful staff 	<ul style="list-style-type: none"> ◆ investigating the use of successful and unsuccessful marketing strategies involving people and/or processes and/or physical evidence ◆ listening to guest speakers explain their marketing strategy involving people and/or processes and/or physical evidence
Process	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the processes that can be used as part of an extended marketing mix when providing a service, for example: <ul style="list-style-type: none"> — the process of delivering the product or service from start to finish — the impression left on the customer — short waiting times — user-friendly websites — helpful information given to customers 	<ul style="list-style-type: none"> ◆ investigating the use of successful and unsuccessful marketing strategies involving people and/or processes and/or physical evidence ◆ listening to guest speakers explain their marketing strategy involving people and/or processes and/or physical evidence

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Physical evidence	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the physical evidence that can be used as part of an extended marketing mix when providing a service, for example: <ul style="list-style-type: none"> — the physical environment experienced by the customer — the layout and design of premises — the layout and design of websites — ambience 	<ul style="list-style-type: none"> ◆ investigating the use of successful and unsuccessful marketing strategies involving people and/or processes and/or physical evidence ◆ listening to guest speakers explain their marketing strategy involving people and/or processes and/or physical evidence
Technology	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ how technology can be used in marketing, and the costs and benefits of using it, for example: <ul style="list-style-type: none"> — electronic point of sale (EPOS) for market research — online survey — internet advertising — e-commerce — e-mail — databases — social media — desktop publishing (DTP) — text alerts — apps — quick response (QR) codes 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to illustrate how technology is used when managing marketing ◆ using business stories to keep up to date with contemporary examples of technology being used by business and its impact on business activity ◆ listening to guest speakers explain how the marketing of their business is affected by technological factors

Management of operations

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Inventory management	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the purpose of an inventory management control system (including drawing the diagram): <ul style="list-style-type: none"> — maximum/economic inventory level — minimum inventory level — re-order level — re-order quantity — buffer inventory — lead time ◆ features, costs and benefits of just-in-time inventory control ◆ inventory storage and warehousing (including centralised and decentralised) 	<ul style="list-style-type: none"> ◆ choosing suitable inventory storage for businesses from a case study or scenario ◆ listening to guest speakers talk about their inventory management choices
Methods of production	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the costs and benefits of capital-intensive, mechanised and automated production ◆ the costs and benefits of labour-intensive production ◆ the reasons for production choices 	<ul style="list-style-type: none"> ◆ investigating production methods used by different businesses ◆ recommending suitable production methods for products ◆ using business stories to demonstrate different methods of production ◆ attending field trips to businesses to examine production methods ◆ listening to guest speakers explain their production methods

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Quality	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the importance of quality to organisations and customers ◆ quality standards and symbols as a way of documenting and displaying quality, for example: <ul style="list-style-type: none"> — CE Marking (EU only) — BSI Kitemark — trade logos ◆ the costs and benefits of a range of methods of ensuring quality, for example: <ul style="list-style-type: none"> — quality control (inspection) — quality assurance (prevention) — benchmarking — quality circles — mystery shoppers — quality management (continual improvement of process and system) 	<ul style="list-style-type: none"> ◆ investigating methods used by different businesses to provide quality products ◆ recommending suitable methods to enhance the quality of products ◆ watching consumer affairs programmes to consider consumer viewpoints on quality ◆ reading consumer affairs magazines to consider consumer viewpoints on quality ◆ attending field trips to businesses to examine quality activities employed ◆ listening to guest speakers explain how they ensure quality in their products
Ethical and environmental	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ methods, costs and benefits of ethical operations ◆ methods, costs and benefits of environmental responsibility ◆ costs and benefits of fair trade activities (including The Fairtrade Foundation) 	<ul style="list-style-type: none"> ◆ investigating environmental activities of large businesses ◆ investigating fair trade activities carried out by businesses ◆ investigating the work of The Fairtrade Foundation ◆ investigating unethical activities of large businesses ◆ listening to guest speakers explain what they do to be ethical and environmentally responsible

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Technology	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ how technology can be used in operations, and the costs and benefits of using it, for example: <ul style="list-style-type: none"> — computer-aided design (CAD) — computer-aided manufacture (CAM) — electronic point of sale (EPOS) — robotics — barcodes and QR codes — e-mail — internet — databases 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to illustrate how technology is used to manage operations ◆ using business stories to keep up to date with contemporary examples of technology being used by business and its impact on business activity ◆ listening to guest speakers explain how the operations of their business are affected by technological factors

Management of people

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Workforce planning	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ elements of workforce planning, for example: <ul style="list-style-type: none"> — skills analysis of current staff — staffing forecasts to meet demand — planning internal and external supply of staff — costs and benefits of internal and external recruitment — costs and benefits of selection methods 	<ul style="list-style-type: none"> ◆ exploring different careers, researching job specifications and the desirable and/or essential attributes for different job roles ◆ using business case studies that illustrate workforce planning ◆ listening to guest speakers explain how their business implements workforce planning
Training and development	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the relevance of staff development and training to organisations and employees ◆ different ways of training staff, for example: <ul style="list-style-type: none"> — apprenticeships — graduate training schemes — corporate training schemes — work-based qualifications — continuing professional development (CPD) ◆ the costs and benefits of different ways of training staff ◆ different types of appraisal, for example: <ul style="list-style-type: none"> — one-to-one — 360-degree — peer-to-peer ◆ the costs and benefits of appraisal to organisations and employees 	<ul style="list-style-type: none"> ◆ investigating training methods and recommending suitable methods for different scenarios ◆ listening to guest speakers explain the costs and benefits of staff training, and the different training types and methods they use in their business ◆ using business stories to illustrate how organisations have used appraisal methods and the effect these have had on the organisation and its employees

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Motivation and leadership	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the reasons for and advantages of motivating employees ◆ motivation theories — Maslow and Herzberg <ul style="list-style-type: none"> — motivational theories in practice for example satisfying esteem needs by offering promotional opportunities, satisfying hygiene factors by providing good working conditions — the benefits of these motivational theories in practice ◆ styles of leadership: <ul style="list-style-type: none"> — autocratic — democratic — laissez-faire 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to provide examples of motivation in the workplace ◆ taking part in team-building activities ◆ listening to guest speakers talk about what their business does to motivate and lead staff
Employee relations	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the meaning of employee relations ◆ the impact of positive employee relations ◆ legal and company policies and processes, and their impact on employee relations, for example: <ul style="list-style-type: none"> — grievance — discipline — dismissal — absenteeism — redundancy 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to provide examples of the impact of employee relation activities ◆ participating in mock wage negotiation activities ◆ listening to guest speakers talk about how they manage employee relations

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
	<ul style="list-style-type: none"> ◆ the role of external institutions and their impact on organisations and employees, for example: <ul style="list-style-type: none"> — Trades Unions — ACAS ◆ how organisations use employee participation and their costs and benefits, for example: <ul style="list-style-type: none"> — works councils — worker directors — consultative committees 	
Legislation	<p>Candidates should be aware of the impact of current employment legislation on organisations and employees, for example:</p> <ul style="list-style-type: none"> ◆ Health and Safety at Work Act ◆ Equality Act, including a description of the types of discrimination at work: <ul style="list-style-type: none"> — direct discrimination — discrimination by association — discrimination by perception — indirect discrimination — victimisation — harassment ◆ National Minimum Wage Regulations ◆ National Living Wage Regulations 	<ul style="list-style-type: none"> ◆ use examples to illustrate how organisations have changed their behaviour to comply with current employee legislation

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Technology	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ how technology can be used in human resource management, and the costs and benefits of using it, for example: <ul style="list-style-type: none"> — database — video conferencing — online application form — internet (job advertising) — social media — e-diary — presentation software — virtual learning environment (VLE) training — electronic testing 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to illustrate how technology is used when managing people ◆ using business stories to keep up to date with contemporary examples of technology being used by business and its impact on business activity

Management of finance

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Sources of finance	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ how different sources of finance can be suitable for large organisations ◆ sources of finance, for example: <ul style="list-style-type: none"> — retained profit — sale of assets — share issue — bank loan — commercial mortgage — debt factoring — debentures — grants — venture capital — crowdfunding ◆ determining factors for selecting sources of finance, for example: <ul style="list-style-type: none"> — finance costs (interest rates) — payback term 	<ul style="list-style-type: none"> ◆ investigating the role and operation of the stock market in providing finance for public limited companies ◆ researching and justifying suitable finance for different scenarios ◆ participating in stock market investment simulations ◆ visiting banks and stock exchanges ◆ listening to guest speakers talk about sources of business finance
Cash budgeting	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the purpose of budgeting as an aid to decision making ◆ the interpretation and analysis of cash budgets ◆ the solutions to cash flow problems 	<ul style="list-style-type: none"> ◆ interpreting cash budgets and identifying any cash flow or profitability problems ◆ justifying suitable solutions to problems identified ◆ using spreadsheets to interpret cash budgets

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Financial Statements	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the purpose, main elements and interpretation of an Income Statement ◆ the purpose, main elements and interpretation of the Statement of Financial Position ◆ who uses financial information and what they use it for 	<ul style="list-style-type: none"> ◆ using Income Statements and Statements of Financial position to illustrate profits, losses and net worth ◆ using spreadsheets to interpret Income Statements and Statements of Financial Position
Ratios	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the purpose of ratio analysis ◆ the limitations of ratio analysis ◆ the interpretation of profitability, liquidity and efficiency ratios to make evaluative comments on business performance <p>Ratios include:</p> <ul style="list-style-type: none"> ◆ Gross Profit Percentage ◆ Profit for the Year Percentage ◆ Current Ratio ◆ Acid-test Ratio ◆ Return on Equity Employed Percentage ◆ Rate of Inventory Turnover 	<ul style="list-style-type: none"> ◆ using Income and Statements of Financial Position to illustrate how to calculate and interpret profitability, liquidity and efficiency ratios ◆ using spreadsheets to help prepare and interpret ratios

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Technology	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ how technology can be used in financial management, and the costs and benefits of using it, for example: <ul style="list-style-type: none"> — spreadsheets — online banking — BACS payments — Sage software — EFTPOS (for example, debit card, credit card, contactless payment, and Apple Pay) 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to illustrate how technology is used to manage finance ◆ using appropriate technological and media resources (for example technology business stories) to keep up to date with contemporary examples of technology being used by business and its impact on business activity

Preparing for course assessment

The course assessment focuses on breadth, challenge and application. Candidates should apply the skills they have learned during the course.

In preparation, you should provide opportunities for candidates to practise activities similar to those expected in the course assessment. For example, you could develop tasks and questions similar to those in the specimen and past papers.

Developing skills for learning, skills for life and skills for work

You should identify opportunities throughout the course for candidates to develop skills for learning, skills for life and skills for work.

Candidates should be aware of the skills they are developing, and you can provide advice on opportunities to practise and improve them.

SQA does not formally assess skills for learning, skills for life and skills for work.

There may also be opportunities to develop additional skills depending on approaches being used to deliver the course in each centre. This is for individual teachers and lecturers to manage.

Skill	How it is developed
Literacy	<ul style="list-style-type: none">◆ creating structured responses to questions◆ watching news updates◆ reading newspapers◆ looking at media◆ communicating when working in groups, during discussions, question and answer sessions, and through presentations◆ carrying out mini investigations◆ carrying out self and/or peer evaluation◆ listening to business radio broadcasts or podcasts◆ listening to guest speakers◆ attending lectures◆ presenting findings from research in a structured format to convey ideas, thoughts and information
Numeracy	<ul style="list-style-type: none">◆ carrying out calculations, for example when completing cash budgets, financial records and calculating ratios◆ gathering and interpreting numerical information from a range of sources and presenting it in a table, graph or diagram interpreting and extracting information from tables, charts, graphs or diagrams to help make informed decisions

Skill	How it is developed
Employability, enterprise and citizenship	<ul style="list-style-type: none"> ◆ investigating how commercial businesses work, particularly when looking at working practices, business structures and customer satisfaction ◆ encouraging autonomy and initiative through personal research ◆ accessing the world of work, for example exploring career opportunities ◆ improving ICT skills for a technology-driven society ◆ working with others ◆ using initiative and innovation, and displaying creativity, flexibility and resourcefulness, for example when developing new and enhanced products and working in groups ◆ meeting deadlines, being proactive in roles and being part of a team
Thinking skills	<ul style="list-style-type: none"> ◆ using business vocabulary in the correct setting ◆ using case studies and scenarios ◆ setting concepts using real examples ◆ completing personal research and team working ◆ sharing information and explaining its importance ◆ using information to solve problems ◆ planning, organising and completing tasks

Administrative information

Published: May 2024 (version 2.1)

History of changes

Version	Description of change	Date
2.0	Course support notes added as appendix.	May 2018
2.1	'Skills, knowledge and understanding' section — updated some of the content in the tables to help clarify topic areas. 'Approaches to learning, teaching and assessment' section — amended to reflect the updates made to skills knowledge and understanding. Format changes to improve accessibility of 'approaches to learning, teaching and assessment' tables.	May 2024

Note: you are advised to check SQA's website to ensure you are using the most up-to-date version of this document.

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