

Next Generation Higher National Unit Specification

Accountant in the Business Environment (SCQF level 7)

Unit code: J6E2 47
SCQF level: 7 (32 SCQF credit points)
Valid from: session 2022–23

Prototype unit specification for use in pilot delivery only (version 2.0) July 2023

This unit specification provides detailed information about the unit to ensure consistent and transparent assessment year on year.

This unit specification is for teachers and lecturers and contains all the mandatory information required to deliver and assess the unit.

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Unit purpose

This unit provides learners with the knowledge and skills to progress to employment in entry level accounting roles or to further learning in accounting professional or degree qualifications. It builds a solid foundation in the wider areas an accountant may interact with in a business organisation. It gives learners the knowledge and skills to succeed in the business environment by considering the accountant's role in the wider organisation.

The unit contains introductory level content that is appropriate for learners who are doing an accounting qualification at SCQF level 7.

Unit outcomes

Learners who complete this unit can:

- 1 explain business and organisation structures and their impact on business operations
- 2 explain the various legal aspects that affect a business, covering business set up, contract law, employment law and government policies
- 3 explain the role of people in running a business, in terms of recruitment, team building, leadership, management, communication and motivation
- 4 explain macroeconomic and microeconomic factors that affect a business and its trade

Evidence requirements

For all outcomes, you should assess learners under open-book conditions.

To successfully achieve the unit, learners must provide the following evidence:

Outcome 1

- ◆ Explain different business structures and the most appropriate structure for specific and/or different contexts.
- ◆ Identify stakeholders using a relevant model and advise a business on how best to engage with each group to aid decision making.
- ◆ Explain functional, divisional, matrix and flat structures and the advantages and disadvantages of each.
- ◆ Explain the role of the accounts team in an organisation and how value is added by:
 - linking activities through an organisation
 - the flow of information through an organisation
- ◆ Define organisational culture and the impact of culture on an organisation.
- ◆ Explain the factors that influence and shape culture in an organisation.
- ◆ Use environment scanning models to analyse a business's internal and external environment to establish the impact of these on the organisation.

Outcome 2

- ◆ Explain the legal characteristics of a company.
- ◆ Identify and explain legal documents required to form a company and those that must be retained over the life of the company.
- ◆ Define the term contract and its validity.
- ◆ Identify the essential elements of a contract of employment and the implications for both employees and employer.
- ◆ Explain the impact of Companies Act on organisations and how the international accounting profession regulates itself through the establishment and monitoring of reporting standards.
- ◆ Explain the responsibility of the individual and organisation to comply with laws on data protection, security, and health and safety.

- ◆ Outline principles of consumer protection, including sale of goods and simple contracts.

Outcome 3

- ◆ Explain the importance of effective recruitment to an organisation.
- ◆ Explain the advantages and disadvantages of different methods of recruitment.
- ◆ Explain the purpose of a team and the difference between a team and a group.
- ◆ Apply management theories to explain the manager's role in building a team.
- ◆ Explain the impact of individual and team effectiveness on the business.
- ◆ Define leadership, management and supervision, and identify them and their appropriateness in different contexts.
- ◆ Explain different styles of management and their effectiveness.
- ◆ Explain the importance of time management.
- ◆ Describe sources of conflict and the impact of conflict on the business.
- ◆ Describe ways of managing conflict.
- ◆ Describe methods of communication, their barriers and their appropriate use.
- ◆ Define motivation and explain its importance to the organisation, teams, and individuals.
- ◆ Advise how to motivate individuals and teams.
- ◆ Explain how effective appraisals can motivate individuals.

Outcome 4

- ◆ Explain, with an example, the basic economic problem.
- ◆ Explain, with an example, the concept of opportunity cost.
- ◆ Identify changes to demand and supply when two determinants for each are altered.
- ◆ Explain, with the aid of a diagram and/or graphical information, the interaction of demand and supply.
- ◆ Explain, with calculations, the concepts of price elasticity of demand and income elasticity of demand.
- ◆ Explain the circular flow of income and explain the operation of the circular flow, including describing the injections and withdrawals from the circular flow.
- ◆ Describe three different ways to measure national income and a difficulty associated with each method.
- ◆ Explain, with calculations, the multiplier effect on national income.
- ◆ Identify and explain four difficulties in comparing national income between countries.
- ◆ Explain national income growth both in monetary and real terms.
- ◆ Explain the role of government in market failure.
- ◆ Select one current government policy on either welfare, competition or the environment:
 - explain the policy
 - identify and describe the instruments used to achieve the policy
 - evaluate the success or failure of the policy in relation to its use within the UK
- ◆ Explain free trade, including the theory of absolute and comparative advantage.
- ◆ Explain barriers to trade, including two forms of protectionism.

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- ◆ Explain why governments may wish to raise barriers to international trade.
- ◆ Explain the role of the World Trade Organization (WTO) in the development of free trade.

Knowledge and skills

The following table shows the knowledge and skills covered by the unit outcomes:

Knowledge	Skills
<p>Outcome 1 Learners should understand:</p> <ul style="list-style-type: none"> ◆ the purpose and types of business structure ◆ types of stakeholders and their power and influence over the business ◆ organisational structure and design ◆ the value generated by interlinking activities across the organisation and the role and interaction of the accounts team with other teams in the organisation ◆ organisational culture and formal and informal business organisation ◆ internal and external business environment 	<p>Outcome 1 Learners can:</p> <ul style="list-style-type: none"> ◆ explain different types of business structure and their purpose ◆ apply stakeholder theory to identify different stakeholder classifications and the implications for decision-making ◆ explain the advantages and disadvantages of different organisational structures ◆ explain the way that value is added in a business by linking activities and the role of the accounts team within the organisation ◆ define organisational culture and the impact impact of culture on an organisation ◆ explain factors that influence and shape culture in an organisation ◆ analyse an organisation's internal and external environment

Knowledge	Skills
<p>Outcome 2 Learners should understand:</p> <ul style="list-style-type: none"> ◆ legal characteristics of companies ◆ contract formation ◆ employment contracts ◆ principles of law and regulation governing accounting and audit ◆ political and legal factors affecting the business 	<p>Outcome 2 Learners can:</p> <ul style="list-style-type: none"> ◆ explain the legal characteristics of and the legal documents required to form a company ◆ identify the point at which a contract is formed and the legal status of contractual terms ◆ identify the essential elements of a contract of employment and the implications for both employees and employer ◆ explain the regional, national and supra-national sources of authority ◆ explain the responsibility of the individual and organisation in relation to health and safety, data protection, security and consumer protection legislation

Knowledge	Skills
<p>Outcome 3 Learners should understand:</p> <ul style="list-style-type: none"> ◆ the recruitment and selection process ◆ how a team can be formed or built and the characteristics of a high functioning team ◆ leading and managing individuals and teams ◆ effective communication ◆ motivational theory 	<p>Outcome 3 Learners can:</p> <ul style="list-style-type: none"> ◆ explain the importance of effective recruitment ◆ explain the advantages and disadvantages of different methods of recruitment ◆ explain the purpose of a team and the difference between a team and a group ◆ apply management theories to explain the manager’s role in building a team ◆ explain the impact of individual and team effectiveness on the business ◆ define leadership, management, and supervision ◆ explain different styles of management and their effectiveness ◆ explain the importance of time management ◆ describe sources and impact of conflict and ways of managing these ◆ describe methods of and barriers to communication ◆ define motivation and explain its importance to the organisation, teams, and individuals ◆ advise how to motivate individuals and teams ◆ explain how effective appraisals can motivate individuals

Knowledge	Skills
<p>Outcome 4 Learners should understand:</p> <ul style="list-style-type: none"> ◆ how resources are allocated within the economy ◆ the theory of national income ◆ the role of government policy in the UK market ◆ the factors affecting trade of a country with the rest of the world 	<p>Outcome 4 Learners can:</p> <ul style="list-style-type: none"> ◆ explain the basic economic problem and opportunity cost ◆ explain the determinants of supply and demand and interaction of supply and demand ◆ explain the concepts of price and income elasticity ◆ explain the circular flow of income including injections and withdrawals ◆ explain national income and the multiplier effect on national income ◆ explain the difficulties in comparing national income between countries ◆ explain income growth ◆ explain the role of government in market failure ◆ explain current government policies on welfare, competition and the environment ◆ identify and describe instruments to achieve policy and the success or failure of the policy in relation to its use in the UK ◆ explain free trade and the theory of absolute and comparative advantage ◆ explain barriers to trade and why governments may wish to raise them ◆ explain the role of the World Trade Organization (WTO) in the development of free trade

Meta-skills

Throughout the unit, learners develop meta-skills to enhance their employability in the accounting sector.

Self-management

This meta-skill includes:

- ◆ focusing: receiving information affecting a wide range of issues and researching; identifying and filtering out non-essential information
- ◆ adapting: dealing with unfamiliar situations; building resilience and an overall understanding of how the internal and external forces influence their role
- ◆ initiative: developing decision-making skills and confidence in their abilities

Social intelligence

This meta-skill includes:

- ◆ communicating: receiving and conveying a wide range of information; researching complex issues and filtering the relevant information; conveying information in different ways to meet the needs of their intended audience

Innovation

This meta-skill includes:

- ◆ curiosity: identifying the elements of the task that are significant and asking questions, to find out what information is most relevant
- ◆ creativity: exploring ideas and producing solutions
- ◆ sense-making: filtering information on different areas and applying these to different scenarios
- ◆ critical thinking: analysing and evaluating information to solve complex problems

Literacies

Learners develop core skills in the following literacies.

Numeracy

Learners develop the key skills in this profession by performing basic economic calculations.

Communication

Learners develop communication skills by providing advice and communicating accounting information.

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Digital

Learners develop digital skills and computer literacy by using information and communications technology (ICT).

Delivery of unit

The unit is a mandatory unit in the Higher National Certificate (HNC) Accounting. It can also be delivered on a stand-alone basis.

The notional time for delivery and assessment is 160 hours. The amount of time you allocate to each outcome is at your discretion.

Additional guidance

The guidance in this section is not mandatory.

You can deliver this unit outcome by outcome in a continuous flow or combine outcomes together.

The unit covers four areas of business:

- ◆ business management
- ◆ business law
- ◆ economics
- ◆ leadership and management

The unit is mostly a knowledge-based unit with relevant theories covered using a variety of examples. To provide context, we recommend you link the content to real or hypothetical scenarios, for example by using case studies.

Explain and apply business, leadership and management theories in a range of business contexts (outcome 1)

Covers aspects of business management including organisational design, structure and culture, stakeholder engagement, interactions in the organisation, assessing the internal and external environment and the marketing mix, including the role of IT.

You can use case studies to assess this outcome.

Explain the various legal aspects that affect a business covering, contract law, employment law and legal rules regarding business set up and audit (outcome 2)

Learners must recognise the contracts of employment and dismissal of employees along with the formation and possible frustration of a standard contract.

Learners must show they know the theory underpinning this area by recognising the different courses of action that should be taken.

You can use objective response or short answer-based questions to assess this outcome.

Explain the role of people in running a business, in terms of recruitment, team building, leadership, management, motivation and communication (outcome 3)

Learners should identify how team building and motivation can aid a business and further develop their skills learnt from outcomes 1 and 2. We recommend you assess this by asking learners to advise on management style and how they communicate these programmes.

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Learners must show they understand the theory underpinning this area by recognising the different theories of management, motivation, and team building.

You can use case studies to assess this outcome.

Explain macroeconomic and microeconomic factors that affect a business (outcome 4)

Macroeconomic factors

Learners must:

- ◆ identify the macroeconomic factors that affect the business, such as unemployment levels, inflation, and interest rates (monetary policy)
- ◆ consider loans, the employment of workers and potential for overseas expansion
- ◆ consider the economic policy of governments as a way of mitigating or frustrating these factors

Microeconomic factors

Learners must:

- ◆ recognise the microeconomic factors that affect the business, such as the market forces and price elasticity in terms of supply and demand
- ◆ identify the financial context of the business and main functions of the financial markets
- ◆ recognise the impact of changes in interest and exchange rates on controlling and measuring business performance

You can use objective response or short answer-based questions to assess this outcome.

Approaches to assessment

You can use a case study scenario to assess outcomes 1, 2, 3 and 4, or a mix of case studies and objective, short answer-based questions.

Objective response and/or short answer-based questions work well for outcomes 2 and 4. Scenario-based assessment and real-life examples work well for outcomes 1 and 3.

Equality and inclusion

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

You should take into account the needs of individual learners when planning learning experiences, selecting assessment methods or considering alternative evidence.

Guidance on assessment arrangements for disabled learners and/or those with additional support needs is available on the assessment arrangements web page:

www.sqa.org.uk/assessmentarrangements.

Information for learners

Accountant in the Business Environment (SCQF level 7)

This section explains:

- ◆ what the unit is about
- ◆ what you should know or be able to do before you start
- ◆ what you need to do during the unit
- ◆ opportunities for further learning and employment

Unit information

This unit develops your knowledge and understanding of how a business is structured. It also covers the various strands that work together to let it operate within its environment.

The unit covers introductory level content at SCQF level 7 in business management, business law, economics, and leadership and management. Previous knowledge of any or all of these areas is an advantage, but not essential.

Explain and apply business, leadership and management theories in a range of business contexts (outcome 1)

You learn about the different types of business organisations, the stakeholders involved in the business along with the culture and structure of a business. You should see how businesses manage their culture and the expectations that go with this.

Explain the various legal aspects that affect a business covering, contract law, employment law and legal rules regarding business set up and audit (outcome 2)

You consider the legal aspects of a business, including standard contracts, legal documents and setting up a business. You also learn about the laws around employment contracts and accounting in general.

Explain the role of people in running a business, in terms of recruitment, team building, leadership, management, motivation and communication (outcome 3)

The focus is on people in the business and the recruitment and selection process. You consider this along with appraisals and motivational theories, before focusing on management and how to manage and build a team. You do all this while considering the correct and appropriate way to communicate information.

Explain macroeconomic and microeconomic factors that affect a business (outcome 4)

The main economic theories of microeconomics and macroeconomics provide an insight into how these theories affect the business and the demand for its products.

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You may be assessed in different ways, for example questions based on scenarios or case studies, theory-based questions, or by multiple-choice questions.

Opportunities for further learning and employment

The unit shows you how the accounting role fits into the structure of the business organisation and the opportunities that exist in other departments. It also strengthens your understanding of management and the decision-making process, both in helping you make decisions and understanding the decisions of other managers.

Administrative information

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Superclass: AK

History of changes

Version	Description of change	Date
2.0	Unit outcomes, evidence requirements and knowledge and skills table updated for all outcomes.	July 2023

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