



National 5 Business Management

Course code:	C810 75
Course assessment code:	X810 75
SCQF:	level 5 (24 SCQF credit points)
Valid from:	session 2024–25

The course specification 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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Course overview

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

The course assessment has two components.

Component	Marks	Duration
Component 1: question paper	90	2 hours
Component 2: assignment	30	5 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 fourth curriculum level or the National 4 Business course or equivalent qualifications and/or experience prior to starting this course.</p>	<ul style="list-style-type: none">◆ 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 more time for learning, more focus on skills and applying learning, and 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. It is therefore essential to have effective businesses and business managers to sustain this role.

The National 5 Business Management course helps candidates develop an understanding of the economic and financial environment in which businesses operate. This enables them to make an effective contribution to society as consumers, employees, employers or self-employed people.

Candidates gain skills in personal financial awareness through improving knowledge of financial management in a business context. The course introduces candidates to the dynamic, changing, competitive, and economic environment of industry and commerce. It develops skills in communicating and presenting business-related information, in a variety of formats, to the various stakeholders of an organisation.

By studying this course, candidates develop an appreciation of customer focus, enterprise, and decision-making.

Purpose and aims

The course highlights ways in which organisations operate and the steps they take to achieve their goals. It enables candidates to understand and make use of business information to interpret and report on overall business performance, in a range of contexts.

The course enables candidates to develop:

- ◆ knowledge and understanding of the ways in which society relies on business to satisfy needs and wants
- ◆ an insight into the systems organisations use to ensure customers' needs are met
- ◆ enterprising skills and attributes
- ◆ financial awareness, in a business context
- ◆ an insight into how organisations organise their resources for maximum efficiency and to improve their overall performance
- ◆ an awareness of how external influences impact on organisations

Who is this course for?

This course is suitable for learners who are interested in entering the world of business and exploring the activities of different types of business.

Course content

The course comprises five areas of study:

Understanding business

Candidates are introduced to the business environment while developing skills, knowledge and understanding of enterprise, and the role of different types of business organisations in society. They also learn about the internal and external environments in which organisations operate, and the role of stakeholders in business.

Management of marketing

Candidates develop skills, knowledge and understanding of the importance to organisations of having effective marketing systems. They learn about the processes and procedures organisations use to maintain competitiveness, and how marketing can be used to communicate effectively with consumers, maximising customer satisfaction.

Management of operations

Candidates develop skills, knowledge and understanding of the importance to organisations of having effective operations systems. They learn about the processes and procedures used to maintain quality through the effective management of suppliers, inventory, and methods of production in an ethical manner.

Management of people

Candidates develop skills, knowledge and understanding of the issues facing organisations when managing people. They learn about the theories, concepts and processes relating to human resource management, and how employees contribute to the success of organisations.

Management of finance

Candidates develop skills, knowledge and understanding of the issues facing organisations when managing finance. They learn about the basic theories, concepts and processes relating to financial aspects of business, when preparing and interpreting information to solve financial problems facing organisations.

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:

- ◆ knowledge and understanding of the impact of business activities on society, in contexts which have some complex features
- ◆ decision-making — by applying the ideas of ethical and effective business decisions to solve straightforward business-related problems

- ◆ communicating straightforward business ideas, opinions and information relating to the effects of internal and external factors on business activity
- ◆ knowledge and understanding of how enterprising skills can help in business development
- ◆ understanding how to enhance employability skills
- ◆ knowledge and understanding of the contribution of staff to business success
- ◆ interpreting and evaluating straightforward business financial data to ensure effective financial management
- ◆ analysing the effectiveness of a limited range of marketing activities, and understanding how they can be used to enhance customer satisfaction
- ◆ evaluating a range of production techniques used to maximise the quality of goods/services
- ◆ basic knowledge of using existing and emerging technologies in current business practice

Skills, knowledge and understanding for the course assessment

The following provides details of skills, knowledge and understanding sampled in the course assessment. The question paper and the assignment can draw on any of the mandatory content listed in the areas below.

Understanding business	
Role of business in society	Factors of production, production of goods, provision of services, consumption of goods and services, satisfaction of human wants, sectors of industry (primary/secondary/tertiary), and sectors of the economy (private/public/third).
Customer satisfaction	Methods of maximising customer service and their importance.
Types of business organisations	The ownership, control, finance of different types of organisations, and the advantages and disadvantages of each: sole traders, partnerships, private limited companies, public sector organisations, non-profit-making organisations, and social enterprises. The skills and qualities of entrepreneurs. The content and purpose of a simple business plan.
Objectives	Profit, provision of a service, social responsibility, survival, customer satisfaction, market share, and innovation.
External factors	Political, environmental, social, technological, economic, and competitive.
Internal factors	Finance, human resources, and current technology.

Understanding business	
Stakeholders	The interest in, influence of, and impact on an organisation of owners or shareholders, employees, banks, customers, suppliers, the local community, and the government.

Management of marketing	
Customers	Market segments and target markets.
Market research	Types (desk and field). Methods, eg sales records, internet, newspapers, surveys, focus groups and personal interviews. The costs and benefits of market research.
Marketing mix	Product, price, place, and promotion.
Product	Product development. Product life cycle: research and development (R&D), introduction, growth, maturity, and decline. Branding.
Price	Factors to be considered when setting price.
Place	Business location and distribution methods.
Promotion	Promotional strategies, advertising, and ethical marketing.
Technology	Role of technology in managing marketing.

Management of operations	
Suppliers	Factors to be considered when choosing a supplier.
Inventory management	Issues associated with overstocking and understocking.
Methods of production	Job, batch, and flow production.
Quality	Quality control, quality assurance, and quality inputs.
Ethical and environmental	Producing ethically and in an environmentally friendly way.
Technology	Role of technology in managing operations.

Management of people	
Recruitment and selection	Stages and methods of recruitment. Methods of selection. Contract of employment.
Training	Types, costs, and benefits.
Motivating and retaining	Payment systems, working practices, and industrial action.
Legislation	Current applicable equality, and health and safety legislation.
Technology	Role of technology in managing people.

Management of finance	
Sources of finance	Appropriate sources for the types of organisations listed in the 'understanding business' area of study, and their advantages and disadvantages.
Break-even	Types of costs, profit, and break-even point.
Cash budgeting	Interpretation, cash-flow issues and solutions.
Income statement	Sales revenue, cost of sales, gross profit, expenses and profit or loss for the year.
Technology	Role of technology in managing 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 (www.scqf.org.uk).

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:

2 Numeracy

2.3 Information handling

4 Employability, enterprise and citizenship

4.1 Employability

4.2 Information and communication technology (ICT)

4.4 Enterprise

5 Thinking skills

5.1 Remembering

5.2 Understanding

5.3 Applying

These skills must be built into the course where there are appropriate opportunities, and the level should be appropriate to the level of the course.

Further information on building in skills for learning, skills for life and skills for work is given in the course support notes.

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:

- ◆ select and research factors that affect business activities
- ◆ interpret and evaluate straightforward business information
- ◆ apply business concepts to resolve issues
- ◆ make decisions that effectively resolve a variety of business issues
- ◆ analyse business decisions
- ◆ communicate business ideas, opinions and information

Course assessment structure: question paper

Question paper

90 marks

The question paper gives candidates the opportunity to demonstrate:

- ◆ applying knowledge and understanding of business concepts, some of which may be relatively complex
- ◆ using data handling techniques to interpret straightforward business information
- ◆ interpreting and analysing straightforward business information
- ◆ evaluating straightforward business information to draw conclusions

The question paper has 90 marks, which represents 75% of the overall marks for the course assessment.

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

The question paper has two sections:

Section 1 has 40 marks (consisting of two 20-mark questions) based on two pieces of stimulus material. Sub-questions may range in value from 1–5 marks. In general, questions assess decision-making, and the application of knowledge and understanding, and can sample course content from any of the five areas of study.

The stimulus material is based on real organisations and can be in the form of text, financial information, graphs, diagrams or charts. The questions generally relate to the stimulus, although some questions may be based on topics surrounding the stimulus material.

Section 2 has 50 marks (consisting of five 10-mark questions). Sub-questions may range in value from 1–4 marks. In general, questions assess the application of knowledge and understanding, and each samples from one of the five different areas of study.

Setting, conducting and marking the question paper

The question paper is set and marked by SQA.

It is conducted in centres under conditions specified for external examinations by SQA. Candidates complete the paper in 2 hours.

Specimen question papers for National 5 courses are published on SQA's website. These illustrate the standard, structure and requirements of the question papers candidates sit. The specimen question 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 topic
- ◆ research and gather suitable business data/information/evidence relating to the context of the topic, from a range of sources
- ◆ apply knowledge and understanding of business concepts to explain and analyse the key features of the topic
- ◆ draw valid conclusions and/or recommendations to make informed business judgements and/or decisions
- ◆ produce an appropriately formatted business report suitable for the purpose, intended audience and context of the assignment

Some example topics are provided in the following table for guidance:

Examples of topics
An investigation into the marketing mix of X.
The effectiveness of X's recruitment policy.
How can X improve the quality of their product?
How does X compete with Y?
Customer service of X.

The assignment has 30 marks, which represents 25% of the overall marks for the course assessment.

The assignment requires candidates to research and analyse information, and produce a business report using given headings. The report is based on the evidence of the research findings and should detail appropriate conclusions and/or recommendations. Teachers and lecturers may wish to suggest to candidates that they frame the report title as a question, allowing candidates to reach justified conclusions more readily.

Marks for the assignment are awarded for:

- ◆ background information (4 marks)
- ◆ research methods and sources (6 marks)
- ◆ findings, analysis and interpretation (12 marks)
- ◆ conclusion(s)/recommendation(s) (6 marks)
- ◆ collating and reporting (2 marks)

Setting, conducting and marking the assignment

The assignment is:

- ◆ set by SQA
- ◆ conducted in centres under some supervision and control

Evidence is submitted to SQA for external marking and all marking is quality assured by SQA.

Assessment conditions

Time

Assessment is carried out over a period of time and should start at an appropriate point, normally when candidates have completed most of the work in the course.

Candidates should be given up to 5 hours to complete the assignment (this includes time for research and production of the final report).

Supervision, control and authentication

The assignment is completed in centres under some supervision and control.

Data collection and analysis must be completed individually. As it is possible for candidates to complete part of their research outwith the learning and teaching setting, teachers and lecturers must put in place processes to authenticate evidence. The following suggested methods can help ensure that this work is the candidate's own:

- ◆ regular checkpoint meetings with candidates
- ◆ short spot-check interviews with candidates
- ◆ checklists recording activity/progress
- ◆ photographs, film or audio evidence

Resources

The assignment is an open-book assessment and there are no restrictions on the resources candidates can access.

The level of research involved in the assignment does not necessarily require direct contact with organisations. It is therefore recommended that candidates make use of websites and other information.

Desk research should be conducted in centres. However, if candidates choose to conduct field research, this may need to be completed outwith the classroom setting and outwith the time allocated.

Reasonable assistance

Candidates must complete the assignment independently, however, reasonable assistance may be provided 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 assistance. If any candidates require more than what is deemed to be 'reasonable assistance', they may not be ready for assessment, or it may be that they have been entered for the wrong level of qualification.

Teachers and lecturers may:

- ◆ advise candidates on the choice of a topic and organisation to research
- ◆ advise candidates on the likely availability and accessibility of resources for their chosen topic
- ◆ advise candidates on possible sources of information
- ◆ advise candidates on how best to structure their business report
- ◆ clarify instructions/requirements of the assignment

Teachers and lecturers may not:

- ◆ provide candidates with full exemplar assignments
- ◆ direct candidates to specific text within an article/PDF, etc
- ◆ tell candidates what analysis they can deduce from a research finding
- ◆ read and mark drafts

Evidence to be gathered

A business report should be produced by the candidate, together with any appendices to support the report. Appendices should show a list of all the sources of information used and may include:

- ◆ website addresses used in research
- ◆ statistical, graphical, or numerical data
- ◆ interview questions and/or responses
- ◆ questionnaire/survey questions and/or results

- ◆ extracts/photos/images from appropriate websites
- ◆ notes taken from a visit or a talk
- ◆ notes taken from an audio-visual source

Volume

The final report should be no longer than 1,300 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 two pages of appendices attached to the report.

Grading

A candidate's overall grade is 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.

- ◆ [National 5 Business Management subject page](#)
- ◆ [Assessment arrangements web page](#)
- ◆ [Building the Curriculum 3–5](#)
- ◆ [Design Principles for National Courses](#)
- ◆ [Guide to Assessment](#)
- ◆ [SCQF Framework and SCQF level descriptors](#)
- ◆ [SCQF Handbook](#)
- ◆ [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](#)

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. They should be read in conjunction with this course specification and the specimen question paper and/or coursework.

Developing skills, knowledge and understanding

This section provides further advice and guidance about skills, knowledge and understanding that could be included in the course. Teachers and lecturers should refer to this course specification for the skills, knowledge and understanding for the course assessment. Course planners have considerable flexibility to select coherent contexts which will stimulate and challenge their candidates, offering both breadth and depth.

The following tables also provide suggested experiences and activities that teachers and lecturers could use to deliver the course.

Approaches to learning, teaching and assessment

Centres should remember that learning in this course should be contextualised to **small to medium-sized** private sector businesses, and **public and third sector** organisations.

Understanding business

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
Role of business in society	<ul style="list-style-type: none"> ◆ the factors of production, ie land, labour, capital, and enterprise ◆ production of goods and provision of services, eg non-durable and durable ◆ consumption of goods and services ◆ how businesses satisfy human wants and create wealth ◆ the different sectors of industry, ie primary, secondary, and tertiary ◆ the different sectors of the economy, ie private, public, and third 	<ul style="list-style-type: none"> ◆ using flash cards of examples of different factors of production and sorting them into land, labour, capital and enterprise ◆ using flash cards of examples of different types of goods and services, and sorting them into durable, non-durable, assets and services ◆ using video clips to illustrate businesses that operate in different sectors of the economy/industry ◆ researching and investigating different businesses that operate in the local area and identify the sector to which they belong ◆ using flash cards of examples of different businesses and sorting them into primary, secondary and tertiary sectors ◆ using flash cards of examples of different businesses and sorting them into private, public and third sectors ◆ using software/apps (eg Windows Movie Maker/iMovie) to create a revision video about the sectors of industry ◆ identifying corners/areas of the classroom as the different sectors of industry/economy and asking candidates to move to the correct zone

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
Customer satisfaction	<ul style="list-style-type: none"> ◆ how businesses maximise customer service ◆ how businesses measure customer service ◆ why customer service is important for business success 	<ul style="list-style-type: none"> ◆ using case-study tasks focused on customer service issues to stimulate discussion ◆ using role play to work through customer service situations ◆ using the internet sites (eg TripAdvisor/Trustpilot) to identify customer service problems and suggesting how these could be improved
Types of business organisations	<p>The ownership, control, finance of different types of organisations, and the advantages and disadvantages of each:</p> <ul style="list-style-type: none"> ◆ sole trader ◆ partnerships ◆ private limited companies ◆ public sector organisations ◆ social enterprises ◆ non-profit-making organisations/charities/voluntary organisations <p>Skills and qualities of entrepreneurs, eg decision-making skills, determination, and creativity</p> <p>Purpose and content of a simple business plan.</p>	<ul style="list-style-type: none"> ◆ carrying out surveys with parents/carers to establish who they work for, what their organisation does and what its aims are ◆ using online mapping to examine the distribution of local businesses ◆ taking part in field trips to survey businesses operating in the local area ◆ using a mix-and-match exercise for business types and definitions ◆ inviting speakers to discuss their business or business start-up, eg local entrepreneurs and business gateway ◆ using flash cards of advantages and disadvantages for businesses and sorting them into different business types ◆ researching entrepreneurs and creating presentations ◆ using scenarios to create simple business plans
Objectives	<p>The objectives of the different types of organisations listed above, eg:</p> <ul style="list-style-type: none"> ◆ to make a profit 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to examine the objectives of different businesses ◆ researching the stated objectives of different businesses

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
	<ul style="list-style-type: none"> ◆ to provide a service ◆ to be socially responsible ◆ to survive ◆ to satisfy customers ◆ to increase market share ◆ to be innovative 	
External factors	<p>External factors and how they affect the different types of organisations listed above:</p> <ul style="list-style-type: none"> ◆ political ◆ economic ◆ social ◆ technological ◆ environmental ◆ competitive 	<ul style="list-style-type: none"> ◆ using current businesses as case studies to illustrate how external factors can positively and negatively affect business activity, for example how changing laws affect businesses ◆ using current business stories in the media to illustrate the impact of external factors on business activity ◆ creating a 'news wall' with current examples of external factors
Internal factors	<p>Internal factors and how they affect the different types of organisations listed above:</p> <ul style="list-style-type: none"> ◆ finance available ◆ human resources (employees and management) ◆ technology currently used by the organisation 	<ul style="list-style-type: none"> ◆ using case studies of businesses to illustrate how internal factors can positively and negatively affect business activity, for example how striking affects a business ◆ using current business stories in the media to illustrate the impact of contemporary technology on business activity and discussing the findings
Stakeholders	<p>The definition of a stakeholder.</p> <ul style="list-style-type: none"> ◆ owners or shareholders ◆ employees ◆ banks 	<ul style="list-style-type: none"> ◆ using a business or organisation known to the candidates to introduce the topic, eg the school or college ◆ using current businesses as case studies to provide examples of stakeholders

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
	<ul style="list-style-type: none"> ◆ customers ◆ suppliers ◆ local community ◆ government <p>The interests of stakeholders in an organisation.</p> <p>The influences of stakeholders on an organisation.</p> <p>The impacts of stakeholders on an organisation.</p>	<ul style="list-style-type: none"> ◆ using business stories in the media to illustrate current examples of stakeholder influence on businesses and discussing the findings ◆ using flash cards of different interests in, and influences of, businesses and sorting them into interests and influences ◆ dividing the class into three groups (stakeholders, interests, and influences) and giving each candidate a label relevant to their group. Candidates then find each other and create paper chains by matching the stakeholder with an appropriate interest and influence.

Management of marketing

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
Customers	<ul style="list-style-type: none"> ◆ how businesses segment their customers in markets, eg age, class, gender, and income ◆ how target marketing is beneficial to businesses 	<ul style="list-style-type: none"> ◆ using flash cards of examples of different products and sorting them into different market segments ◆ creating advertising materials to suit different target markets ◆ using magazines to find examples of products tailored to different markets and justifying the choices
Market research	<ul style="list-style-type: none"> ◆ the different types of market research, ie desk and field ◆ the different methods of market research, eg sales records, internet, newspapers, surveys (such as online, telephone, and postal), focus groups, and personal interviews ◆ the costs and benefits of market research 	<ul style="list-style-type: none"> ◆ creating market research surveys using word-processing, spreadsheets or survey development software ◆ discussing market research results to decide what actions could be taken to support the business ◆ using spreadsheets to record market research results and to produce charts/graphs ◆ using spreadsheets to record data from secondary research on prices charged at different supermarkets
Marketing mix	<ul style="list-style-type: none"> ◆ the definitions of product, price, place and promotion 	<ul style="list-style-type: none"> ◆ using a mix-and-match exercise to join identities and definitions
Product	<ul style="list-style-type: none"> ◆ the stages of product development ◆ the different phases of a product's life cycle, ie research and development (R&D), introduction, growth, maturity, and decline ◆ draw and/or interpret a product life-cycle diagram ◆ the purpose and development of brands, own brands ◆ the advantages and disadvantages of branding ◆ the advantages and disadvantages of packaging 	<ul style="list-style-type: none"> ◆ showing examples of complete or partially obscured brand logos to identify businesses ◆ showing examples of complete or partially obscured brand logos, or showing adverts, to identify straplines ◆ drawing product life-cycle diagrams and identifying on them where different products belong

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
		<ul style="list-style-type: none"> ◆ carrying out a taste-testing exercise, to stimulate discussion of brand/own brand in relation to price and quality ◆ inventing a new product and creating a presentation about it. (As price, place and promotion are taught, the presentation can be re-visited to add further slides to it. At the end of the marketing section, candidates can pitch their idea in a ‘Dragon’s Den’ type of scenario.) ◆ researching established products and tracking how they have changed over the years ◆ evaluating the usefulness/benefits of the packaging of various products and using the findings to identify target markets
Price	<ul style="list-style-type: none"> ◆ the factors to consider when setting prices, eg competition, quality, image, production cost, and profit per unit ◆ pricing strategies, ie premium, competitive, and low 	<ul style="list-style-type: none"> ◆ using the internet to collect information on prices for the same product(s) from different outlets. Creating a spreadsheet to show similarities and differences, and discussing the findings ◆ using different scenarios for the launch of new products and asking candidates to explain suitable pricing strategies ◆ adding to the ‘new product presentation’ by selecting and justifying a price for the product candidates have invented
Place	<ul style="list-style-type: none"> ◆ the factors to consider when choosing a location, eg competition, availability of resources, costs, government incentives, transport links, and infrastructure 	<ul style="list-style-type: none"> ◆ using different scenarios to stimulate discussions on the best options for locating a new branch or business

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
	<ul style="list-style-type: none"> ◆ methods of distribution, eg road, rail, air, and sea ◆ the costs and benefits of the different methods of distribution 	<ul style="list-style-type: none"> ◆ researching businesses to discover the reasons for their location choice ◆ adding to the 'new product presentation' by selecting and justifying a sales location and distribution method for the product candidates have invented
Promotion	<ul style="list-style-type: none"> ◆ promotional strategies, eg coupons, loyalty cards, competitions, and special offers ◆ how promotional strategies help promote a business ◆ forms of advertising, eg broadcast media, print media, apps, and SMS messaging ◆ the advantages and disadvantages of different forms of advertising ◆ ethical marketing, eg non-discriminatory, not misleading, and not offensive 	<ul style="list-style-type: none"> ◆ watching clips of adverts to stimulate discussion on what makes them good, bad, memorable, etc ◆ watching clips of products in product placement scenarios, to stimulate discussion of whether or not the products are noticeable ◆ creating promotional materials for existing products ◆ discussing the best methods of promotion, based on given scenarios ◆ adding to the 'new product presentation' by creating a promotional campaign for the product candidates have invented and justifying its suitability ◆ holding a 'Dragon's Den' type competition for candidates to pitch their new product idea to the class
Technology	Using ICT to increase efficiency in the marketing department, eg website, database, desktop publishing online surveys, social media, quick response (QR) codes, e-mail, apps, and e-commerce.	<ul style="list-style-type: none"> ◆ using/demonstrating types of ICT in tasks, based on scenarios in the marketing department ◆ creating a QR code treasure hunt

Management of operations

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
Suppliers	<ul style="list-style-type: none"> ◆ the factors to consider when choosing a supplier, eg price, quality, location, lead time, reliability, reputation, discounts available, and credit terms 	<ul style="list-style-type: none"> ◆ using various scenarios to select the best supplier of different products, for different organisations
Inventory management	<ul style="list-style-type: none"> ◆ the costs and risks of overstocking, eg warehousing, security, theft, deterioration, obsolescence, and cash-flow problems ◆ the costs and risks of understocking, eg production halt, customer dissatisfaction, loss of reputation, admin costs, and loss of discounts ◆ the processes that businesses use to manage their inventory levels, ie computerised inventory control 	<ul style="list-style-type: none"> ◆ using flash cards of examples of costs to businesses of overstocking and understocking and sorting them into overstock and understock costs ◆ use a spreadsheet to record inventory information
Methods of production	<ul style="list-style-type: none"> ◆ definitions and examples of job, batch and flow production ◆ the costs and benefits of job, batch and flow production ◆ the factors to consider when choosing an appropriate method of production 	<ul style="list-style-type: none"> ◆ showing video clips of different methods of production used by businesses ◆ demonstrating different methods of production, for example by using paper models of cars being assembled individually to demonstrate job production and then working as a class to produce the same model to demonstrate flow production ◆ using a production game to highlight the difference between job, batch and flow production methods and highlighting issues that could affect production ◆ arranging field trips to businesses to examine production methods used ◆ inviting guest speakers to discuss their production methods

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
Quality	<ul style="list-style-type: none"> ◆ methods of ensuring quality, ie quality control (inspection), quality assurance (prevention), and use of quality inputs ◆ the costs and benefits of ensuring quality 	<ul style="list-style-type: none"> ◆ researching how different businesses ensure they produce a quality product ◆ reading news articles where quality is highlighted ◆ discussing what the class considers to be good quality products and why ◆ inviting guest speakers to discuss their quality measures
Ethical and environmental	<ul style="list-style-type: none"> ◆ methods, costs and benefits of producing in an ethical way, eg high farm standards, paying fair wages, and not using child labour ◆ methods, costs and benefits of producing in an environmentally friendly way, eg reducing waste, recycling, and minimising packaging 	<ul style="list-style-type: none"> ◆ researching news articles and company websites where ethical and environmental issues are raised ◆ using case studies and scenarios to encourage class/group discussion on current ethical and environmental issues
Technology	Using ICT to increase efficiency in the operations department, eg computer-aided manufacturing (CAM), online inventory ordering, barcodes/EPOS, software applications, and e-mail.	<ul style="list-style-type: none"> ◆ using/demonstrating types of ICT in tasks, based on scenarios in the operations department ◆ watching video clips about technology in production

Management of people

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
Recruitment and selection	<ul style="list-style-type: none"> ◆ stages of recruitment, eg identify the vacancy, job analysis, job description, person specification, advertising, and send out application forms ◆ methods of recruitment — internal, external, eg bulletin board, online advertisement, national press, local press, and recruitment agencies ◆ methods of selection and reasons for choosing, eg application forms, CVs, testing, references, interviews, and appointment ◆ contract of employment 	<ul style="list-style-type: none"> ◆ using a mix-and-match exercise to join recruitment and selection terms with their definitions ◆ using recruitment websites to research job vacancies and the attributes which employers look for in different job roles ◆ producing job descriptions and person specifications for different jobs ◆ producing job adverts using different media ◆ identifying poor practice/errors in a CV which has been presented with spelling mistakes, bad layout, inconsistent fonts, etc ◆ creating a CV, filling in an application form, writing a letter of application ◆ discussing what interviewers look for during an interview ◆ holding mock interviews ◆ writing peer references ◆ looking at a basic contract of employment to identify statutory elements
Training	<ul style="list-style-type: none"> ◆ types of training, ie induction, on the job, and off the job ◆ the costs and benefits of each type of training ◆ general costs and benefits of training for employees and employers 	<ul style="list-style-type: none"> ◆ using flash cards of examples of costs and benefits of training and sorting them into different types of training ◆ using current businesses as case studies to look at training and development offered by businesses to enhance their staffs' skills ◆ researching training providers, looking at the service they provide, timescales and costs

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
Motivating and retaining	<ul style="list-style-type: none"> ◆ how businesses minimise staff turnover ◆ financial methods used to motivate staff, ie payment systems — time, piece, bonus, commission, overtime and salary ◆ non-financial methods used to motivate staff, eg flexible work practices (job share, flexitime, teleworking), perks, working conditions, and social events ◆ industrial relations, ie role of trade unions ◆ industrial action, eg strike, sit in, overtime ban, and work to rule ◆ the effects of industrial action on employers and employees 	<ul style="list-style-type: none"> ◆ using a mix-and-match exercise to join payments systems with their definitions ◆ using scenarios to justify the suitability of different payment systems for different jobs ◆ using the internet to research the benefits offered to employees by businesses ◆ interviewing family and friends to establish ways their employers help to retain and motivate staff ◆ designing team-building activities ◆ participating in team-building activities ◆ using a mix-and-match exercise to join types of industrial action with their definitions and effects ◆ carrying out research to find current news articles on industrial action
Legislation	<p>Names and features of current legislation, including:</p> <ul style="list-style-type: none"> ◆ Equality Act ◆ Health and Safety at Work Act ◆ National Minimum Wage Regulations ◆ National Living Wage Regulations 	<ul style="list-style-type: none"> ◆ using flash cards of examples of main features of legislation and sorting them into correct legislation names ◆ researching current legislation that affects businesses and presenting the findings ◆ creating a leaflet/booklet/poster to highlight legislation information for staff to follow and implement
Technology	<p>Using ICT to increase efficiency in the HR department, eg video conferencing, database, internet, e-mail, and e-diary.</p>	<ul style="list-style-type: none"> ◆ using/demonstrating types of ICT in tasks based on scenarios in the HR department

Management of finance

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
Sources of finance	<ul style="list-style-type: none"> ◆ sources of finance for small to medium sized organisations eg: <ul style="list-style-type: none"> — personal savings — bank loan — mortgage — bank overdraft — share issue — grants — hire purchase — trade credit ◆ the advantages and disadvantages of different sources of finance 	<ul style="list-style-type: none"> ◆ researching and justifying suitable sources of finance for different business scenarios ◆ input from financial institutions and organisations regarding sources of business finance ◆ researching sources of finance available to young start-up entrepreneurs
Break-even	<ul style="list-style-type: none"> ◆ different types of fixed and variable costs ◆ calculating total fixed costs, total variable costs and selling price ◆ understanding profit and how to calculate it ◆ producing and interpreting break-even charts 	<ul style="list-style-type: none"> ◆ using flash cards of examples of fixed and variable costs and sorting them into types of costs ◆ using data to calculate fixed costs, variable costs, selling price and the break-even point ◆ drawing break-even charts from given data ◆ using break-even charts to illustrate how to track and predict cash flow
Cash budgeting	<ul style="list-style-type: none"> ◆ how businesses generate cash ◆ what businesses spend cash on ◆ why businesses must have enough cash ◆ why cash-flow problems may occur ◆ how cash-flow problems can be resolved ◆ producing a cash budget 	<ul style="list-style-type: none"> ◆ creating a personal budget to introduce the topic ◆ using exemplar cash budgets to illustrate how to track and predict cash flows ◆ preparing cash budgets using spreadsheets ◆ using a mix-and-match exercise to join cash-flow problems and solutions

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities
	<ul style="list-style-type: none"> ◆ interpreting a cash budget and identifying any cash-flow problems ◆ justifying suitable solutions to cash-flow problems 	<ul style="list-style-type: none"> ◆ using partially-completed budgets to calculate missing figures
Income statement	<ul style="list-style-type: none"> ◆ purpose of an income statement ◆ producing a basic income statement including: sales revenue, cost of sales, gross profit, expenses and profit/loss for the year interpreting an income statement to identify profit or loss ◆ identifying reasons for loss and justifying suitable solutions to problems 	<ul style="list-style-type: none"> ◆ using exemplar income statements to illustrate how to record sales and production costs, in order to calculate gross profit and profit for the year ◆ completing missing figures in income statements ◆ comparing templates of income statements from data given
Technology	Using ICT to increase efficiency in the finance department, eg spreadsheets (and other software applications) and online banking.	<ul style="list-style-type: none"> ◆ using/demonstrating types of ICT in tasks based on scenarios in the finance department

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, candidates should be given opportunities to practise activities similar to those expected in the course assessment. For example, centres 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

Course planners 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 teachers and lecturers 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">◆ watching news updates◆ reading newspapers (media)◆ communicating through presentations/working in groups/discussions/question and answer sessions◆ self/peer evaluation◆ presenting findings from research in a structured format to convey ideas, thoughts and information
Numeracy	<ul style="list-style-type: none">◆ simple numerical calculations, for example when completing a cash budget◆ gathering different sources of numerical information and presenting this in a table, graph or diagram to aid interpretation◆ 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"> ◆ demonstrating an understanding of how commercial businesses work ◆ encouraging autonomy/initiative through personal research ◆ developing skills to assist entry into the world of work, such as exploring career opportunities ◆ improving ICT skills for a technology-driven society ◆ working with others ◆ using initiative and innovation appropriately, for example when developing new and enhanced product ideas
Thinking skills	<ul style="list-style-type: none"> ◆ using business vocabulary in the correct setting ◆ using case studies/scenarios ◆ setting concepts in real-life examples ◆ personal research and teamworking ◆ sharing information and explaining its importance ◆ using information to solve problems ◆ planning, organising and completing a task

Administrative information

Published: May 2024 (version 2.1)

History of changes to course specification

Version	Description of change	Date
2.0	Course support notes added as appendix.	June 2017
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

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