

Pearson BTEC Level 3 National Extended Diploma in Business



Specification

First teaching from September 2016

First certification from 2018

Issue 9

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Edexcel, BTEC and LCCI qualifications

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This specification is Issue 9. Key changes are sidelined. We will inform centres of any changes to this issue. The latest issue can be found on our website.

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Welcome

With a track record built over 30 years of learner success, BTEC Nationals are widely recognised by industry and higher education as the signature vocational qualification at Level 3. They provide progression to the workplace either directly or via study at a higher level. Proof comes from YouGov research, which shows that 62% of large companies have recruited employees with BTEC qualifications. What's more, well over 100,000 BTEC students apply to UK universities every year and their BTEC Nationals are accepted by over 150 UK universities and higher education institutes for relevant degree programmes either on their own or in combination with A Levels.

Why are BTECs so successful?

BTECs embody a fundamentally learner-centred approach to the curriculum, with a flexible, unit-based structure and knowledge applied in project-based assessments. They focus on the holistic development of the practical, interpersonal and thinking skills required to be able to succeed in employment and higher education.

When creating the BTEC Nationals in this suite, we worked with many employers, higher education providers, colleges and schools to ensure that their needs are met. Employers are looking for recruits with a thorough grounding in the latest industry requirements and work-ready skills such as teamwork. Higher education needs students who have experience of research, extended writing and meeting deadlines.

We have addressed these requirements with:

- a range of BTEC sizes, each with a clear purpose, so there is something to suit each learner's choice of study programme and progression plans
- refreshed content that is closely aligned with employers' and higher education needs for a skilled future workforce
- assessments and projects chosen to help learners progress to the next stage. This means some are set by you to meet local needs, while others are set and marked by Pearson so that there is a core of skills and understanding that is common to all learners. For example, a written test can be used to check that learners are confident in using technical knowledge to carry out a certain job.

We are providing a wealth of support, both resources and people, to ensure that learners and their teachers have the best possible experience during their course. See *Section 10* for details of the support we offer.

A word to learners

Today's BTEC Nationals are demanding, as you would expect of the most respected applied learning qualification in the UK. You will have to choose and complete a range of units, be organised, take some assessments that we will set and mark, and keep a portfolio of your assignments. But you can feel proud to achieve a BTEC because, whatever your plans in life – whether you decide to study further, go on to work or an apprenticeship, or set up your own business – your BTEC National will be your passport to success in the next stage of your life.

Good luck, and we hope you enjoy your course.

Collaborative development

Students completing their BTEC Nationals in Business will be aiming to go on to employment, often via the stepping stone of higher education. It was, therefore, essential that we developed these qualifications in close collaboration with experts from professional bodies, businesses and universities, and with the providers who will be delivering the qualifications. To ensure that the content meets providers' needs and provides high-quality preparation for progression, we engaged experts. We are very grateful to all the university and further education lecturers, teachers, employers, professional body representatives and other individuals who have generously shared their time and expertise to help us develop these new qualifications.

Employers and professional bodies that have worked with us include:

Barclays

John Lewis

Let's Talk Shop

Npower

Peter Jones Foundation

These qualifications have also been approved by the following professional bodies as suitable qualifications for learners wanting to progress onto their approved courses at the appropriate level.

The professional bodies include:

CIPD – Chartered Institute of Personnel & Development

CIPS – Chartered Institute of Procurement and Supply

CMI – Chartered Management Institute

CII – Chartered Insurance Institute

In addition, universities, professional bodies and businesses have provided letters of support confirming that these qualifications meet their entry requirements. These letters can be viewed on our website.

Summary of Pearson BTEC Level 3 National Extended Diploma in Business specification Issue 9 changes

Summary of changes made between the previous issue and this current issue	Page number
The paper for <i>Unit 3: Personal and Business Finance</i> has been revised and changed from being 100 to 80 marks. Details can be found on the specified pages and Issue 4 of the Sample Assessment Materials. The updated 80 mark paper will be used for assessment from June 2020 and the last sitting for the 100 mark paper will be January 2020.	Pages 14 and 37
The command 'Describe' and its' definition has been added to the table in Unit 3.	Page 46
The wording under Section 9 <i>Understanding the qualification grade</i> subsection <i>Calculation of the qualification grade</i> has been updated to clarify current practice in ensuring maintenance and consistency of qualification standards.	Page 352

Summary of Pearson BTEC Level 3 National Extended Diploma in Business specification Issue 7 and Issue 8 changes

Summary of changes made between Issue 6 and Issue 8	Page number
The table in the <i>Structures of the qualifications at a glance</i> section has been updated to show the addition of extra optional units for the Foundation Diploma and Diploma and the addition of new optional units for the Extended Diploma.	Pages 5-6
Two new optional units (Unit 34 and Unit 35) have been added to this qualification.	Pages 13 and 309-332
The assessment window for <i>Unit 2: Developing a Marketing Campaign</i> , <i>Unit 6: Principles of Management</i> and <i>Unit 7: Business Decision Making</i> has changed from a two-day period to a morning.	Page 31, 65 and 73
The wording in Section 7 Teacher/centre malpractice has been updated to clarify suspension of certification in certain circumstances.	Page 349
The wording under Section 9 <i>Understanding the qualification grade</i> has been updated to clarify current practice in ensuring maintenance and consistency of qualification standards.	Page 352

If you need further information on these changes or what they mean, contact us via our website at: qualifications.pearson.com/en/support/contact-us.html

Contents

Introduction to BTEC National qualifications for the business sector	1
Total Qualification Time	2
Qualifications, sizes and purposes at a glance	3
Structures of the qualifications at a glance	5
Qualification and unit content	7
Assessment	7
Grading for units and qualifications	9
UCAS Tariff points	9
1 Qualification purpose	10
2 Structure	12
3 Units	16
Understanding your units	16
Index of units	19
4 Planning your programme	333
5 Assessment structure and external assessment	335
Introduction	335
Internal assessment	335
External assessment	335
6 Internal assessment	337
Principles of internal assessment	337
Setting effective assignments	339
Making valid assessment decisions	341
Planning and record keeping	343
7 Administrative arrangements	344
Introduction	344
Learner registration and entry	344
Access to assessment	344
Administrative arrangements for internal assessment	345
Administrative arrangements for external assessment	346
Dealing with malpractice in assessment	348
Certification and results	350
Additional documents to support centre administration	350
8 Quality assurance	351
9 Understanding the qualification grade	352
10 Resources and support	357
Support for setting up your course and preparing to teach	357
Support for teaching and learning	358
Support for assessment	358
Training and support from Pearson	359
Appendix 1 Links to industry standards	361
Appendix 2 Glossary of terms used for internally-assessed units	362

Introduction to BTEC National qualifications for the business sector

This specification contains the information you need to deliver the Pearson BTEC Level 3 National Extended Diploma in Business. The specification signposts you to additional handbooks and policies. It includes all the units for this qualification.

This qualification is part of the suite of Business qualifications offered by Pearson. In the suite there are qualifications that focus on different progression routes, allowing learners to choose the one best suited to their aspirations.

All qualifications in the suite share some common units and assessments, allowing learners some flexibility in moving between sizes. The qualification titles are given below.

Some BTEC National qualifications provide a broad introduction that gives learners transferable knowledge and skills. These qualifications are for post-16 learners who want to continue their education through applied learning. The qualifications prepare learners for a range of higher education courses and job roles related to a particular sector. They provide progression either by meeting entry requirements in their own right or by being accepted alongside other qualifications at the same level and adding value to them.

In the business sector these qualifications are:

Pearson BTEC Level 3 National Certificate in Business (180 GLH) 601/7155/8

Pearson BTEC Level 3 National Extended Certificate in Business (360 GLH) 601/7159/5

Pearson BTEC Level 3 National Foundation Diploma in Business (510 GLH) 601/7161/3

Pearson BTEC Level 3 National Diploma in Business (720 GLH) 601/7157/1

Pearson BTEC Level 3 National Extended Diploma in Business (1080 GLH) 601/7160/1.

This specification signposts all the other essential documents and support that you need as a centre in order to deliver, assess and administer the qualification, including the staff development required. A summary of all essential documents is given in *Section 7*. Information on how we can support you with this qualification is given in *Section 10*.

The information in this specification is correct at the time of publication.

Total Qualification Time

For all regulated qualifications, Pearson specifies a total number of hours that it is estimated learners will require to complete and show achievement for the qualification: this is the Total Qualification Time (TQT). Within TQT, Pearson identifies the number of Guided Learning Hours (GLH) that we estimate a centre delivering the qualification might provide. Guided learning means activities, such as lessons, tutorials, online instruction, supervised study and giving feedback on performance, that directly involve teachers and assessors in teaching, supervising and invigilating learners. Guided learning includes the time required for learners to complete external assessment under examination or supervised conditions.

In addition to guided learning, other required learning directed by teachers or assessors will include private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

BTEC Nationals have been designed around the number of hours of guided learning expected. Each unit in the qualification has a GLH value of 60, 90 or 120. There is then a total GLH value for the qualification.

Each qualification has a TQT value. This may vary within sectors and across the suite depending on the nature of the units in each qualification and the expected time for other required learning.

The following table shows all the qualifications in this sector and their GLH and TQT values.

Qualifications, sizes and purposes at a glance

Title	Size and structure	Summary purpose
Pearson BTEC Level 3 National Certificate in Business	180 GLH (240 TQT) Equivalent in size to 0.5 of an A Level. 2 units, both mandatory, of which 1 is external. Mandatory content (100%). External assessment (50%).	The Certificate offers an introduction to a vocational sector through applied learning. For learners for whom an element of business would be complementary, the qualification supports progression to higher education when taken as part of a programme of study that includes other vocational or general qualifications.
Pearson BTEC Level 3 National Extended Certificate in Business	360 GLH (480 TQT) Equivalent in size to one A Level. 4 units of which 3 are mandatory and 2 are external. Mandatory content (83%). External assessment (58%).	The Extended Certificate is for learners who are interested in learning about the business sector alongside other fields of study, with a view to progressing to a wide range of higher education courses, not necessarily in business-related subjects. It is designed to be taken as part of a programme of study that includes other appropriate BTEC Nationals or A Levels.
Pearson BTEC Level 3 National Foundation Diploma in Business	510 GLH (670 TQT) Equivalent in size to 1.5 A Levels. 6 units of which 4 are mandatory and 2 are external. Mandatory content (76%). External assessment (41%).	The Foundation Diploma is for learners looking to study business as a one-year, full-time course, or for those wishing to take it alongside another area of contrasting or complementary study, as part of a two-year, full-time study programme. If taken as part of a programme of study that includes other BTEC Nationals or A Levels it supports progression to higher education. It also supports progression to an Apprenticeship in the business sector or to a further year of study at Level 3.

Title	Size and structure	Summary purpose
<p>Pearson BTEC Level 3 National Diploma in Business</p>	<p>720 GLH (950 TQT) Equivalent in size to two A Levels. 8 units of which 6 are mandatory and 3 are external. Mandatory content (83%) External assessment (45%).</p>	<p>The Diploma is designed to be the substantive part of a 16–19 study programme for learners who want a strong core of sector study.</p> <p>This programme may include other BTEC Nationals or A Levels to support progression to higher education courses in business areas before entering employment.</p> <p>The additional qualification(s) studied allow learners either to give breadth to their study programme by choosing a contrasting subject, or to give it more focus by choosing a complementary subject.</p> <p>This qualification can also be used to progress to Higher Apprenticeships.</p>
<p>Pearson BTEC National Extended Diploma in Business</p>	<p>1080 GLH (1430 TQT) Equivalent in size to three A Levels. 13 units of which 7 are mandatory and 4 are external. Mandatory content (66%) External assessment (42%).</p>	<p>The Extended Diploma is a two-year, full-time course that meets entry requirements in its own right for learners who want to progress to higher education courses in business areas before entering employment.</p> <p>It can also support learners who want to progress directly to employment in job roles in business or business management and Higher Apprenticeships in the business sector.</p>

Learners must not register on the BTEC Level 3 Nationals in Business at the same time as the BTEC Level 3 Nationals in Enterprise and Entrepreneurship due to the overlap of content and assessment.

Structures of the qualifications at a glance

This table shows all the units and the qualifications to which they contribute. The full structure for this Pearson BTEC Level 3 National in Business is shown in *Section 2*. **You must refer to the full structure to select units and plan your programme.**

Key

	Unit assessed externally	M	Mandatory units	O	Optional units
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Unit (number and title)	Unit size (GLH)	Certificate (180 GLH)	Extended Certificate (360 GLH)	Foundation Diploma (510 GLH)	Diploma (720 GLH)	Extended Diploma (1080 GLH)
1 Exploring Business	90	M	M	M	M	M
2 Developing a Marketing Campaign	90	M	M	M	M	M
3 Personal and Business Finance	120		M	M	M	M
4 Managing an Event	90			M	M	M
5 International Business	90				M	M
6 Principles of Management	120				M	M
7 Business Decision Making	120					M
8 Recruitment and Selection Process	60		O	O	O	O
9 Team Building in Business	60				O	O
10 Recording Financial Transactions	60			O	O	O
11 Final Accounts for Public Limited Companies	60				O	O
12 Financial Statements for Specific Businesses	60				O	O
13 Cost and Management Accounting	60			O	O	O
14 Investigating Customer Service	60		O	O	O	O
15 Investigating Retail Business	60			O	O	O
16 Visual Merchandising	60			O	O	O
17 Digital Marketing	60			O	O	O
18 Creative Promotion	60				O	O
19 Pitching for a New Business	60			O	O	O
20 Investigating Corporate Social Responsibility	60				O	O
21 Training and Development	60			O	O	O

continued overleaf

Unit (number and title)	Unit size (GLH)	Certificate (180 GLH)	Extended Certificate (360 GLH)	Foundation Diploma (510 GLH)	Diploma (720 GLH)	Extended Diploma (1080 GLH)
22 Market Research	60		0	0	0	0
23 The English Legal System	60		0	0	0	0
24 Employment Law	60			0	0	0
25 Aspects of Civil Liability Affecting Business	60				0	0
26 Aspects of Criminal Law Impacting on Business and Individuals	60				0	0
27 Work Experience in Business	60		0	0	0	0
28 Branding	60					0
29 Relationship Marketing	60					0
30 Legal Principles and Professional Ethics in Financial Services	60					0
31 Effective Management of Personal Debt	60			0	0	0
32 Buying for Business	60					0
33 Supply Chain Operations	60			0		0
34 Investment Opportunities and Financial Planning	60					0
35 Insurance Principles and Policies	60					0

Qualification and unit content

Pearson has developed the content of the new BTEC Nationals in collaboration with employers and representatives from higher education and relevant professional bodies. In this way, we have ensured that content is up to date and that it includes the knowledge, understanding, skills and attributes required in the sector.

Each qualification in the suite has its own purpose. The mandatory and optional content provides a balance of breadth and depth, while retaining a degree of choice for individual learners to study content relevant to their own interests and progression choices. Also, the content may be applied during delivery in a way that is relevant to local employment needs.

The proportion of mandatory content ensures that all learners are following a coherent programme of study and acquiring the knowledge, understanding and skills that will be recognised and valued. Learners are expected to show achievement across mandatory units as detailed in *Section 2*.

BTEC Nationals have always required applied learning that brings together knowledge and understanding (the cognitive domain) with practical and technical skills (the psychomotor domain). This is achieved through learners performing vocational tasks that encourage the development of appropriate vocational behaviours (the affective domain) and transferable skills. Transferable skills are those such as communication, teamwork, research and analysis, which are valued in both higher education and the workplace.

Our approach provides rigour and balance, and promotes the ability to apply learning immediately in new contexts. Further details can be found in *Section 2*.

Centres should ensure that delivery of content is kept up to date. In particular units may include reference to regulation, legislation, policies and regulatory/standards organisations. This is designed to provide guidance on breadth and depth of coverage and may be adjusted to update content and to reflect variations within the UK.

Assessment

Assessment is specifically designed to fit the purpose and objective of the qualification. It includes a range of assessment types and styles suited to vocational qualifications in the sector. There are three main forms of assessment that you need to be aware of: external, internal and synoptic.

Externally-assessed units

Each external assessment for a BTEC National is linked to a specific unit. All of the units developed for external assessment are of 90 or 120 GLH to allow learners to demonstrate breadth and depth of achievement. Each assessment is taken under specified conditions, then marked by Pearson and a grade awarded. Learners are permitted to resit external assessments during their programme. You should refer to our website for current policy information on permitted retakes.

The styles of external assessment used for qualifications in the Business suite are:

- examinations – all learners take the same assessment at the same time, normally with a written outcome
- set tasks – learners take the assessment during a defined window and demonstrate understanding through completion of a vocational task.

Some external assessments include a period of preparation using set information. External assessments are available twice a year. For detailed information on the external assessments please see the table in *Section 2*. For further information on preparing for external assessment see *Section 5*.

Internally-assessed units

Most units in the sector are internally assessed and subject to external standards verification. This means that you set and assess the assignments that provide the final summative assessment of each unit, using the examples and support that Pearson provides. Before you assess you will need to become an approved centre, if you are not one already. You will need to prepare to assess using the guidance in *Section 6*.

In line with the requirements and guidance for internal assessment, you select the most appropriate assessment styles according to the learning set out in the unit. This ensures that learners are assessed using a variety of styles to help them develop a broad range of transferable skills. Learners could be given opportunities to:

- write up the findings of their own research
- use case studies to explore complex or unfamiliar situations
- carry out projects for which they have choice over the direction and outcomes
- demonstrate practical and technical skills using appropriate presentations and role plays.

You will make grading decisions based on the requirements and supporting guidance given in the units. Learners may not make repeated submissions of assignment evidence. For further information see *Section 6*.

Synoptic assessment

Synoptic assessment requires learners to demonstrate that they can identify and use effectively, in an integrated way, an appropriate selection of skills, techniques, concepts, theories and knowledge from across the whole sector as relevant to a key task. BTEC learning has always encouraged learners to apply their learning in realistic contexts using scenarios and realistic activities that will permit learners to draw on and apply their learning. For these qualifications we have formally identified units which contain a synoptic assessment task. Synoptic assessment must take place after the teaching and learning of other mandatory units in order for learners to be able to draw from the full range of content. The synoptic assessment gives learners an opportunity to independently select and apply learning from across their programmes in the completion of a vocational task. Synoptic tasks may be in internally or externally assessed units. The particular unit that contains the synoptic tasks for this qualification is shown in the structure in *Section 2*.

Language of assessment

Assessment of the internal and external units for these qualifications will be available in English. All learner work must be in English. A learner taking the qualifications may be assessed in British or Irish Sign Language where it is permitted for the purpose of reasonable adjustment. For information on reasonable adjustments see *Section 7*.

Grading for units and qualifications

Achievement in the qualification requires a demonstration of depth of study in each unit, assured acquisition of a range of practical skills required for employment or progression to higher education, and successful development of transferable skills. Learners achieving a qualification will have achieved across mandatory units, including external and synoptic assessment.

Units are assessed using a grading scale of Distinction (D), Merit (M), Pass (P), Near Pass (N) and Unclassified (U). The grade of Near Pass is used for externally-assessed units only. All mandatory and optional units contribute proportionately to the overall qualification grade, for example a unit of 120 GLH will contribute double that of a 60 GLH unit.

Qualifications in the suite are graded using a scale of P to D*, **or** PP to D*D*, **or** PPP to D*D*D*. Please see *Section 9* for more details. The relationship between qualification grading scales and unit grades will be subject to regular review as part of Pearson's standards monitoring processes on the basis of learner performance and in consultation with key users of the qualification.

UCAS Tariff points

The BTEC Nationals attract UCAS points. Please go to the UCAS website for full details of the points allocated.

1 Qualification purpose

Pearson BTEC Level 3 National Extended Diploma in Business

In this section you will find information on the purpose of this qualification and how its design meets that purpose through the qualification objective and structure. We publish a full 'Statement of Purpose' for each qualification on our website. These statements are designed to guide you and potential learners to make the most appropriate choice about the size of qualification suitable at recruitment.

Who is this qualification for?

The Pearson BTEC Level 3 National Extended Diploma in Business is an Applied General qualification. It is for post-16 learners who want to continue their education through applied learning. It is equivalent in size to three A Levels and has been designed as a full two-year programme. Learners who wish to take this qualification will have successfully completed a Level 2 programme of learning with GCSEs or vocational qualifications.

The qualification aims to provide a wide-ranging study of the sector. It is primarily designed for learners studying full time in the 16–19 age group, who wish to pursue a career in business, primarily via higher education to access graduate entry employment with businesses, or alternatively through junior business employment.

What does this qualification cover?

This qualification gives learners experience of the breadth and depth of the sector that will prepare them for further study or training. This includes the opportunity for learners to choose several topics from a selection of options reflecting the progression pathways in business.

The learning programme covers the following content areas:

- business environments
- finance
- marketing
- international business
- management.

The optional units have been designed to support progression to business courses in higher education, and to link with relevant occupational areas. They cover content areas such as:

- human resources
- accounting
- financial services
- marketing
- law
- retail.

What could this qualification lead to?

The qualification carries UCAS points and is recognised by higher education providers as contributing to meeting admission requirements to many relevant courses, for example:

- BSc (Hons) in Business and Management
- BA (Hons) in Business and Finance
- BA (Hons) in Business with Human Resource Management
- BA (Hons) and BSc(Hons) in Business Studies
- BSc (Hons) in International Management
- BSc (Hons) or BA (Hons) in Marketing
- BSc (Hons) in Retail Management.

Learners should always check the entry requirements for degree programmes with specific higher education providers.

After this qualification, learners can also progress directly into employment, however it is likely that many will do so via higher study. Areas of employment include junior business roles in marketing, administration, finance, financial services, procurement, events management, human resources, and other related areas in the business sector.

How does the qualification provide employability skills?

In the BTEC National units there are opportunities during the teaching and learning phase to give learners practice in developing employability skills. Where employability skills are referred to in this specification, we are generally referring to skills in the following three main categories:

- **cognitive and problem-solving skills:** use critical thinking, approach non-routine problems applying expert and creative solutions, use systems and technology
- **intrapersonal skills:** communicating, working collaboratively, negotiating and influencing, self-presentation
- **interpersonal skills:** self-management, adaptability and resilience, self-monitoring and development.

There are also specific requirements in some units for assessment of these skills where relevant. For example, where learners are required to undertake real or simulated activities.

How does the qualification provide transferable knowledge and skills for higher education?

All BTEC Nationals provide transferable knowledge and skills that prepare learners for progression to university. The transferable skills that universities value include:

- the ability to learn independently
- the ability to research actively and methodically
- being able to give presentations and being active group members.

BTEC learners can also benefit from opportunities for deep learning where they are able to make connections among units and select areas of interest for detailed study. BTEC Nationals provide a vocational context in which learners can develop the knowledge and skills required for particular degree courses, including:

- effective writing
- analytical skills
- creative development
- preparation for assessment methods used in degrees.

2 Structure

Qualification structure

Pearson BTEC Level 3 National Extended Diploma in Business

Mandatory units

There are seven mandatory units, four external and three internal. Learners must complete and achieve at Near pass grade or above for all mandatory external units and achieve a Pass or above in all mandatory internal units.

Optional units

Learners must complete at least six optional units.

Pearson BTEC Level 3 National Extended Diploma in Business				
Unit number	Unit title	GLH	Type	How assessed
Mandatory units - learners complete and achieve all units				
1	Exploring Business	90	Mandatory	Internal
2	Developing a Marketing Campaign	90	Mandatory	External
3	Personal and Business Finance	120	Mandatory	External
4	Managing an Event	90	Mandatory	Internal
5	International Business	90	Mandatory	Internal
6	Principles of Management	120	Mandatory	External
7	Business Decision Making	120	Mandatory and Synoptic	External
Optional units – learners complete 6 units				
8	Recruitment and Selection Process	60	Optional	Internal
9	Team Building in Business	60	Optional	Internal
10	Recording Financial Transactions	60	Optional	Internal
11	Final Accounts for Public Limited Companies	60	Optional	Internal
12	Financial Statements for Specific Businesses	60	Optional	Internal
13	Cost and Management Accounting	60	Optional	Internal
14	Investigating Customer Service	60	Optional	Internal
15	Investigating Retail Business	60	Optional	Internal
16	Visual Merchandising	60	Optional	Internal
17	Digital Marketing	60	Optional	Internal
18	Creative Promotion	60	Optional	Internal
19	Pitching for a New Business	60	Optional	Internal
20	Investigating Corporate Social Responsibility	60	Optional	Internal
21	Training and Development	60	Optional	Internal
22	Market Research	60	Optional	Internal
23	The English Legal System	60	Optional	Internal
24	Employment Law	60	Optional	Internal

Unit number	Unit title	GLH	Type	How assessed
25	Aspects of Civil Liability Affecting Business	60	Optional	Internal
26	Aspects of Criminal Law Impacting on Business and Individuals	60	Optional	Internal
27	Work Experience in Business	60	Optional	Internal
28	Branding	60	Optional	Internal
29	Relationship Marketing	60	Optional	Internal
30	Legal Principles and Professional Ethics in Financial Services	60	Optional	Internal
31	Effective Management of Personal Debt	60	Optional	Internal
32	Buying for Business	60	Optional	Internal
33	Supply Chain Operations	60	Optional	Internal
34	Investment Opportunities and Financial Planning	60	Optional	Internal
35	Insurance Principles and Policies	60	Optional	Internal

External assessment

This is a summary of the type and availability of external assessment, which is of units making up 42% of the total qualification GLH. See *Section 5* and the units and sample assessment materials for more information.

Unit	Type	Availability
Unit 2: Developing a Marketing Campaign	<ul style="list-style-type: none"> • A task set and marked by Pearson and completed under supervised conditions. • Learners will be given a context two weeks before a supervised assessment period in order to carry out research. • The supervised assessment period is undertaken in a single session of three hours. • Submission completed using a computer. • 70 marks. 	Dec/Jan and May/June First assessment May/June 2017
Unit 3: Personal and Business Finance	<ul style="list-style-type: none"> • Written examination set by Pearson. • 2 hours. • 100 marks. 	For assessment in January 2020 only
	<ul style="list-style-type: none"> • Written examination set by Pearson. • 2 hours. • 80 marks. 	For assessment from June 2020 onwards
Unit 6: Principles of Management	<ul style="list-style-type: none"> • A task set and marked by Pearson and completed under supervised conditions. • Learners will be given a case study one week before a supervised assessment period, in order to carry out preparatory work. • The supervised assessment period is undertaken in a single session of three hours. • Submission completed using a computer. • 88 marks. 	Dec/Jan and May/June First assessment Jan 2018
Unit 7: Business Decision Making	<ul style="list-style-type: none"> • A task set and marked by Pearson and completed under supervised conditions. • The supervised assessment period is undertaken in a single session of three hours. • Submission completed using a computer. • 70 marks. 	Dec/Jan and May/June First assessment Jan 2018

Synoptic assessment

The mandatory synoptic assessment requires learners to apply learning from across the qualification to the completion of a defined vocational task. Within the assessment for *Unit 7: Business Decision Making* learners will need to use financial planning, marketing, business models, economic trends, legislation and quality mechanisms to make appropriate business decisions for the given complex business problems. Learners complete the task using knowledge and understanding from their studies of the sector and apply both transferable and specialist knowledge and skills.

In delivering the unit you need to encourage learners to draw on their broader learning so they will be prepared for the assessment.

Employer involvement in assessment and delivery

You are encouraged to give learners opportunities to be involved with employers. See *Section 4* for more information.

3 Units

Understanding your units

The units in this specification set out our expectations of assessment in a way that helps you to prepare your learners for assessment. The units help you to undertake assessment and quality assurance effectively.

Each unit in the specification is set out in a similar way. There are two types of unit format:

- internal units
- external units.

This section explains how the units work. It is important that all teachers, assessors, internal verifiers and other staff responsible for the programme review this section.

Internal units

Section	Explanation
Unit number	The number is in a sequence in the sector. Numbers may not be sequential for an individual qualification.
Unit title	This is the formal title that we always use and it appears on certificates.
Level	All units are at Level 3 on the national framework.
Unit type	This shows if the unit is internal or external only. See structure information in <i>Section 2</i> for full details.
GLH	Units may have a GLH value of 120, 90 or 60 GLH. This indicates the numbers of hours of teaching, directed activity and assessment expected. It also shows the weighting of the unit in the final qualification grade.
Unit in brief	A brief formal statement on the content of the unit that is helpful in understanding its role in the qualification. You can use this in summary documents, brochures etc.
Unit introduction	This is designed with learners in mind. It indicates why the unit is important, how learning is structured, and how learning might be applied when progressing to employment or higher education.
Learning aims	These help to define the scope, style and depth of learning of the unit. You can see where learners should be learning standard requirements ('understand') or where they should be actively researching ('investigate'). You can find out more about the verbs we use in learning aims in <i>Appendix 2</i> .
Summary of unit	This new section helps teachers to see at a glance the main content areas against the learning aims and the structure of the assessment. The content areas and structure of assessment are required. The forms of evidence given are suitable to fulfil the requirements.
Content	This section sets out the required teaching content of the unit. Content is compulsory except when shown as 'e.g.'. Learners should be asked to complete summative assessment only after the teaching content for the unit or learning aim(s) has been covered.

Section	Explanation
Assessment criteria	<p>Each learning aim has Pass and Merit criteria. Each assignment has at least one Distinction criterion.</p> <p>A full glossary of terms used is given in <i>Appendix 2</i>. All assessors need to understand our expectations of the terms used.</p> <p>Distinction criteria represent outstanding performance in the unit. Some criteria require learners to draw together learning from across the learning aims.</p>
Essential information for assignments	<p>This shows the maximum number of assignments that may be used for the unit to allow for effective summative assessment, and how the assessment criteria should be used to assess performance.</p>
Further information for teachers and assessors	<p>The section gives you information to support the implementation of assessment. It is important that this is used carefully alongside the assessment criteria.</p>
Resource requirements	<p>Any specific resources that you need to be able to teach and assess are listed in this section. For information on support resources see <i>Section 10</i>.</p>
Essential information for assessment decisions	<p>This information gives guidance for each learning aim or assignment of the expectations for Pass, Merit and Distinction standard. This section contains examples and essential clarification.</p>
Links to other units	<p>This section shows you the main relationship among units. This section can help you to structure your programme and make best use of materials and resources.</p>
Employer involvement	<p>This section gives you information on the units that can be used to give learners involvement with employers. It will help you to identify the kind of involvement that is likely to be successful.</p>

External units

Section	Explanation
Unit number	The number is in a sequence in the sector. Numbers may not be sequential for an individual qualification.
Unit title	This is the formal title that we always use and it appears on certificates.
Level	All units are at Level 3 on the national framework.
Unit type	This shows if the unit is internal or external only. See structure information in <i>Section 2</i> for full details.
GLH	Units may have a GLH value of 120, 90 or 60 GLH. This indicates the numbers of hours of teaching, directed activity and assessment expected. It also shows the weighting of the unit in the final qualification grade.
Unit in brief	A brief formal statement on the content of the unit.
Unit introduction	This is designed with learners in mind. It indicates why the unit is important, how learning is structured, and how learning might be applied when progressing to employment or higher education.
Summary of assessment	This sets out the type of external assessment used and the way in which it is used to assess achievement.
Assessment outcomes	These show the hierarchy of knowledge, understanding, skills and behaviours that are assessed. Includes information on how this hierarchy relates to command terms in sample assessment materials (SAMs).
Essential content	For external units all the content is obligatory, the depth of content is indicated in the assessment outcomes and sample assessment materials (SAMs). The content will be sampled through the external assessment over time, using the variety of questions or tasks shown.
Grade descriptors	We use grading descriptors when making judgements on grade boundaries. You can use them to understand what we expect to see from learners at particular grades.
Key terms typically used in assessment	These definitions will help you analyse requirements and prepare learners for assessment.
Resources	Any specific resources that you need to be able to teach and assess are listed in this section. For information on support resources see <i>Section 10</i> .
Links to other units	This section shows the main relationship among units. This section can help you to structure your programme and make best use of materials and resources.
Employer involvement	This section gives you information on the units that can be used to give learners involvement with employers. It will help you to identify the kind of involvement that is likely to be successful.

Index of units

This section contains all the units developed for this qualification. Please refer to *pages 5–6* to check which units are available in all qualifications in the business sector.

Unit 1:	Exploring Business	21
Unit 2:	Developing a Marketing Campaign	31
Unit 3:	Personal and Business Finance	37
Unit 4:	Managing an Event	49
Unit 5:	International Business	57
Unit 6:	Principles of Management	65
Unit 7:	Business Decision Making	73
Unit 8:	Recruitment and Selection Process	81
Unit 9:	Team Building in Business	89
Unit 10:	Recording Financial Transactions	97
Unit 11:	Final Accounts for Public Limited Companies	105
Unit 12:	Financial Statements for Specific Businesses	113
Unit 13:	Cost and Management Accounting	121
Unit 14:	Investigating Customer Service	129
Unit 15:	Investigating Retail Business	137
Unit 16:	Visual Merchandising	145
Unit 17:	Digital Marketing	153
Unit 18:	Creative Promotion	161
Unit 19:	Pitching for a New Business	169
Unit 20:	Investigating Corporate Social Responsibility	177
Unit 21:	Training and Development	185
Unit 22:	Market Research	193
Unit 23:	The English Legal System	201
Unit 24:	Employment Law	211
Unit 25:	Aspects of Civil Liability Affecting Business	221
Unit 26:	Aspects of Criminal Law Impacting on Business and Individuals	231
Unit 27:	Work Experience in Business	239
Unit 28:	Branding	247
Unit 29:	Relationship Marketing	257
Unit 30:	Legal Principles and Professional Ethics in Financial Services	267
Unit 31:	Effective Management of Personal Debt	279
Unit 32:	Buying for Business	289
Unit 33:	Supply Chain Operations	299
Unit 34:	Investment Opportunities and Financial Planning	309
Unit 35:	Insurance Principles and Policies	321

Unit 1: Exploring Business

Level: **3**

Unit type: **Internal**

Guided learning hours: **90**

Unit in brief

In this introductory unit, learners study the purposes of different businesses, their structure, the effect of the external environment, and how they need to be dynamic and innovative to survive.

Unit introduction

A business is any activity that provides goods or services, whether that is to make a profit or not. The common thread in business is that owners and employees are striving to satisfy customers. Nowadays, customers are more informed and have more options in terms of what they buy and who they buy from, so a successful business is one that balances satisfying their customers with selling products or providing services.

In this unit, you will gain an overview of the key ingredients for business success, how businesses are organised, how they communicate, the characteristics of the environment in which they operate, and how this shapes them and their activities. You will also look at the importance of innovation and enterprise to the success and survival of businesses, with the associated risks and benefits.

By developing relevant business knowledge and understanding, this unit will help you to progress to employment, vocational training and higher apprenticeships, or higher education.

Learning aims

In this unit you will:

- A** Explore the features of different businesses and analyse what makes them successful
- B** Investigate how businesses are organised
- C** Examine the environment in which businesses operate
- D** Examine business markets
- E** Investigate the role and contribution of innovation and enterprise to business success.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore the features of different businesses and analyse what makes them successful	A1 Features of businesses A2 Stakeholders and their influence A3 Effective business communications	A report that examines the features of two contrasting businesses, looking at how each is organised, how their structures enable achievement of their aims and objectives and the relationship and communication with stakeholders.
B Investigate how businesses are organised	B1 Structure and organisation B2 Aims and objectives	
C Examine the environment in which businesses operate	C1 External environment C2 Internal environment C3 Competitive environment C4 Situational analysis	A report that examines the effects of the internal and external environment on a large business and how the business has, and will, respond to changes.
D Examine business markets	D1 Different market structure D2 Relationship between demand, supply and price D3 Pricing and output decisions	
E Investigate the role and contribution of innovation and enterprise to business success	E1 Role of innovation and enterprise E2 Benefits and risks associated with innovation	A presentation that investigates the use of enterprise and innovation in an existing business.

Content

Learning aim A: Explore the features of different businesses and analyse what makes them successful

A1 Features of businesses

- Ownership and liability:
 - private, e.g. sole trader, partnership, private limited company, public limited company, cooperative, limited and unlimited liability
 - public, e.g. government department
 - not-for-profit, e.g. charitable trust, voluntary.
- Purposes, e.g. supply of products or services, difference between for-profit and not-for-profit businesses.
- Sectors: primary, secondary, tertiary, quaternary.
- Scope of business activities: local, national, international.
- Size: micro – up to nine staff, Small and Medium Enterprises (SMEs): small – between 10 and 49 staff, medium – between 50 and 249 staff; large: more than 250 staff.
- Reasons for success: how these differ depending on the type of business (profit or non-profit), and its aims and objectives, e.g. clarity of vision, innovative products or processes.

A2 Stakeholders and their influence

- Stakeholders:
 - internal, e.g. managers, employees, owners
 - external, e.g. suppliers, lenders, competitors, debtors, creditors, customers, government agencies and departments (local, national, international), communities (local, national, international), pressure groups, interest groups.
- The influence of stakeholders on business success, e.g. shareholder value; customers as long-term assets (strong customer service enables customer loyalty and retention); employee involvement, corporate social responsibility (community groups and interest groups).

A3 Effective business communications

Appropriate presentation and delivery of information to a given audience:

- written presentations, e.g. financial, non-financial, formal and informal reports
- oral presentations, e.g. computer projection/PowerPoint with speaker notes
- importance of communication to aid business success, e.g. social media, virtual communities.

Learning aim B: Investigate how businesses are organised

B1 Structure and organisation

- Organisational structure, e.g. hierarchical, flat, matrix, holacratic.
- Functional/operational areas, e.g. human resources, research and development, sales, marketing, purchasing, production and quality, finance, customer service, IT, administration.

B2 Aims and objectives

- Aims of businesses in different sectors – mission, vision and values:
 - private, e.g. making profits, profit maximisation, break-even, survival, growth, market leadership
 - public, e.g. service provision, cost control, value for money, service quality, meeting government standards
 - not-for-profit, e.g. education, housing, alleviating poverty, healthcare.
- SMART (Specific, Measurable, Achievable, Relevant, Time constrained) objectives.

Learning aim C: Examine the environment in which businesses operate

C1 External environment

- Political, e.g. government support, membership of trading communities such as the European Union.
- Economic, fiscal, monetary and other government policies, e.g. supply side policy, economic growth, exchange rates.
- Social attitudes to saving, spending and debt; social responsibility requirements; change, e.g. to demographic trends, consumers' tastes/preferences.
- Technological change, e.g. automation, improved communications.
- Environmental factors and ethical trends, e.g. carbon emissions, waste, recycling, pollution.
- Legal environment, e.g. partnership legislation, companies acts, charities legislation, competition legislation, UK Corporate Governance Code, financial services regulation, industry regulators, government departments.

(Statutes and regulations current at the time of teaching should be used.

Outline understanding only is expected.)

C2 Internal environment

- Corporate culture.
- Corporate social responsibility (CSR), ethics.

C3 Competitive environment

- Competition (local, national and international).
- Factors influencing competitive advantage, e.g. differentiation, pricing policies, market leadership, reputation, market share, cost control, technology relationships with customers, suppliers, employees.
- Benefits and importance of establishing and maintaining a competitive advantage.

C4 Situational analysis

- Assessment of the business environment using various techniques, e.g. PESTEL (Political, Economic, Social, Technological, Legal, Environmental) analysis, SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, 5Cs (Company, Competitors, Customers, Collaborators, Climate) analysis, Porter's Five Forces.

Learning aim D: Examine business markets

D1 Different market structures

- Market structures: perfect competition, imperfect competition.
- Features of different market structures: number of firms, freedom of entry, nature of product.

D2 Relationship between demand, supply and price

- Influences on demand, e.g. affordability, competition, availability of substitutes, level of Gross Domestic Product (GDP), needs and aspirations of consumers.
- Influences on supply, e.g. availability of raw materials and labour, logistics, ability to produce profitably, competition for raw materials, government support.
- Elasticity: price elasticity of demand.

D3 Pricing and output decisions

- Impact on pricing and output decisions in different market structures.
- Responses by business to pricing and output decisions of competitors in different market structures.

Learning aim E: Investigate the role and contribution of innovation and enterprise to business success**E1 Role of innovation and enterprise**

- Innovation, e.g. creative process, product or service development, new ways of increasing business efficiency or improving profitability, successfully exploiting a new idea, adding value to products, services or markets to differentiate the business from the competitors.
- Enterprise: identifying opportunities to develop business activities through, e.g. creative, lateral (approaching subjects from alternative perspectives) and 'blue sky' thinking (approaching subjects with no restrictions on perspectives); chance and serendipity, intuition.

E2 Benefits and risks associated with innovation and enterprise

- Benefits: improvements to products, processes, services and customer experience, business growth, development of new and niche markets, offering unique selling points, improved recognition and reputation, smarter working.
- Risks: failing to meet operational and commercial requirements, failing to achieve a return on investment, cultural problems (resistance to change, unsupportive systems and processes, insufficient support from leadership and management).

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore the features of different businesses and what makes them successful		AB.D1 Evaluate the reasons for the success of two contrasting businesses, reflecting on evidence gathered.
A.P1 Explain the features of two contrasting businesses. A.P2 Explain how two contrasting businesses are influenced by stakeholders.	A.M1 Assess the relationship and communication with stakeholders of two contrasting businesses using independent research.	
Learning aim B: Investigate how businesses are organised		
B.P3 Explore the organisation structures, aims and objectives of two contrasting businesses.	B.M2 Analyse how the structures of two contrasting businesses allow each to achieve its aims and objectives.	
Learning aim C: Examine the environment in which businesses operate		C.D2 Evaluate the extent to which the business environment affects a given business, using a variety of situational analysis techniques. D.D3 Evaluate how changes in the market have impacted on a given business and how this business may react to future changes.
C.P4 Discuss the internal, external and competitive environment on a given business. C.P5 Select a variety of techniques to undertake a situational analysis of a given business.	C.M3 Assess the effects of the business environment on a given business.	
Learning aim D: Examine business markets		
D.P6 Explore how the market structure and influences on supply and demand affect the pricing and output decisions for a given business.	D.M4 Assess how a given business has responded to changes in the market.	
Learning aim E: Investigate the role and contribution of innovation and enterprise to business success		E.D4 Justify the use of innovation and enterprise for a business in relation to its changing market and environment.
E.P7 Explore how innovation and enterprise contribute to the success of a business.	E.M5 Analyse how successful the use of innovation and enterprise has been for a given business.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, A.M1, B.M2, AB.D1)

Learning aims: C and D (C.P4, C.P5, D.P6, C.M3, D.M4, C.D2, D.D3)

Learning aim: E (E.P7, E.M5, E.D4)

Further information for teachers and assessors

Resource requirements

There are no specific resource requirements for this unit but centres must give learners access to information on a range of businesses, including local, national and international.

Essential information for assessment decisions

It is expected that learners in a cohort will individually select and research their choice of businesses.

Throughout the unit, learners will show individuality of thought, independent collection, collation and judgement of evidence.

The businesses selected by the learner in Learning aims A and B should be contrasting in terms of their features, e.g. ownership and liability, purpose, sector, scope and/or size.

It is recommended the learner's own centre is not used for this unit.

Learning aims A and B

For distinction standard, learners will produce relevant evidence of how differing features and the complex relationship and communications with its internal and external stakeholders make businesses successful to support the evaluation given.

For merit standard, learners will present a careful consideration of each of the businesses relationship and communication with its stakeholders, and arrive at conclusions about how well each business communication impacts on its relationship with stakeholders. Learners will give a breakdown of the organisational structure including the different functional areas within the structure, what each does and how the areas interrelate or work together to contribute to each business's aims and objectives.

For pass standard, learners will carry out research that allows them to clearly link familiar and obvious features of the businesses and the stakeholder influence to success factors.

Learning aims C and D

For distinction standard, learners will carry out in-depth research on the extent to which the business environment affects a given business, and how it could affect the business in the future. Learners will be able to utilise a variety of situational analysis techniques to support their evaluation.

For merit standard, learners will select and apply relevant knowledge of the effects of the business environment on a given business and how it has responded to changes in the market.

For pass standard, learners will carry out research that allows them to discuss the effect of the internal, external and competitive environment on a given business. Learners will show an understanding of situational analysis techniques that can be used to analyse the business environment.

Learning aim E

For distinction standard, learners will prepare and present an individual assessment and analysis of the use of innovation and enterprise in an existing business. Learners will weigh up risks versus advantages and come to a justified conclusion, supported by relevant evidence that clearly explains the importance of innovation and enterprise.

For merit standard, learners will carry out adequate research to allow them to demonstrate how the use of innovation and enterprise has affected a business, and to analyse how this has affected the success of this business.

For pass standard, learners will carry out research on use of enterprise and innovation in an existing business, and show an understanding that although innovation and enterprise may have its benefits, there are also risks and drawbacks.

Links to other units

This unit is an introductory unit. It is fundamental to, and supports, all other units in the programme.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 2: Developing a Marketing Campaign

Level: **3**

Unit type: **External**

Guided learning hours: **90**

Unit in brief

Learners will gain skills relating to, and an understanding of, how a marketing campaign is developed.

Unit introduction

Marketing is a dynamic field central to the success of any business. You will gain an understanding of how a marketing campaign is developed. You will explore different stages of the process that a business goes through when developing its campaign and develop your own campaign for a given product/service.

You will examine the marketing aims and objectives for existing products/services and understand the importance of relevant, valid and appropriate research in relation to customers' needs and wants. You will use given market research data and other information to make recommendations about the type of marketing campaign that a business should undertake. To complete the assessment task within this unit, you will need to draw on your learning from across your programme.

This unit will give you an insight into how important marketing is to business. It will enable you to make an informed choice as to whether you want to specialise in marketing in employment, training or higher education.

Summary of assessment

This unit is assessed under supervised conditions. Part A is released two weeks before Part B is scheduled for learners to carry out research. Learners will take Part B in a supervised assessment in a single three-hour session timetabled by Pearson. The assessment is set and marked by Pearson.

The number of marks for the unit is 70.

The assessment availability is twice a year in December/January and May/June. The first assessment is available in May/June 2017.

Sample assessment materials will be available to help centres prepare learners for assessment.

Assessment outcomes

AO1 Demonstrate knowledge and understanding of marketing principles, concepts, processes, key terms, data sources and definitions

AO2 Analyse marketing information and data, demonstrating the ability to interpret the potential impact and influence on marketing campaigns

AO3 Evaluate evidence to make informed judgements about how a marketing campaign should be planned, developed and adapted in light of changing circumstances

AO4 Be able to develop a marketing campaign with appropriate justification, synthesising ideas and evidence from several sources to support arguments

Essential content

The essential content is set out under content areas. Learners must cover all specified content before the assessment.

A Introduction to the principles and purposes of marketing that underpin the creation of a rationale for a marketing campaign

A1 The role of marketing

- Principles and purposes of marketing:
 - anticipating demand
 - recognising demand
 - stimulating demand
 - satisfying demand.
- Marketing aims and objectives:
 - understanding customer wants and needs
 - developing new products
 - improving profitability
 - increasing market share
 - diversification
 - increased brand awareness and loyalty.
- Types of market – mass and niche market.
- Market segmentation.
- Branding, brand personality, brand image, unique selling point (USP), implications of business size for marketing activity, budgetary constraints, availability of specialist staff.

A2 Influences on marketing activity

- Internal influences:
 - cost of the campaign
 - availability of finance
 - expertise of staff
 - size and culture of the business.
- External influences:
 - social
 - technological
 - economic
 - environmental
 - political
 - legal
 - ethical.

B Using information to develop the rationale for a marketing campaign

B1 Purpose of researching information to identify the needs and wants of customers

- To identify target markets.
- To identify size, structure and trends in the market.
- To identify competition.

B2 Market research methods and use

- Primary research, to include survey, interview, observation, trials, focus groups.
- Secondary research:
 - internal – business data on customers and financial records to include loyalty cards and sales records
 - external – commercially published reports, government statistics, trade journals, media sources.
- Importance of validity, reliability, appropriateness, currency, cost.
- Quantitative and qualitative data, when and where used.
- Sufficiency and focus of the research.
- Selection and extraction.

B3 Developing the rationale

- Interpretation, analysis and use of data and other information to make valid marketing decisions.
- Identification of any further sources of information that may be required.
- Evaluation of the reliability and validity of the information obtained.
- Product life cycle.

C Planning and developing a marketing campaign

C1 Marketing campaign activity

- Selection of appropriate marketing aims and objectives to suit business goals.
- Situational analysis: SWOT (Strengths, Weaknesses, Opportunities, Threats) and PESTLE (Political, Economical, Social, Technological, Legal, Environmental).
- Use of research data to determine target market.
- Use of research data to conduct competitor analysis.

C2 Marketing mix

- Product development: form and function, packaging, branding.
- Pricing strategies: penetration, skimming, competitor based, cost plus.
- Promotional advertising, public relations (PR). Sponsorship, use of social and other media, guerrilla marketing, personal selling, product placement, digital marketing, corporate image.
- Place, distribution channels: direct to end users (mail/online/auction), retailers, wholesalers.
- Extended marketing mix: people, physical environment, process.

C3 The marketing campaign

- Content of the marketing message.
- Selection of an appropriate marketing mix.
- Selection of appropriate media.
- Allocation of the campaign budget.
- Timelines for the campaign, including monitoring.
- How the campaign is to be evaluated.

C4 Appropriateness of marketing campaign

- How far the marketing activity reinforces and supports brand value.
- The sustainability of marketing activities.
- Flexibility of the campaign to enable response to both internal and external changes.
- Relevance to organisational goals.
- Appropriateness to target market.
- Legal and ethical considerations.

Grade descriptors

To achieve a grade a learner is expected to demonstrate these attributes across the essential content of the unit. The principle of best fit will apply in awarding grades.

Level 3 Pass

Learners will be able to demonstrate knowledge and understanding of the factors that contribute to the development of a successful marketing campaign and how the external environment can influence success. They show understanding of the importance of effective market research in informing decision making and contributing to business success. They can analyse unfamiliar information and data, and consider the implications in the context of the business information given, making appropriate justified recommendations linked to their proposed campaign. Learners will demonstrate the ability to work within a budget and apply marketing decision-making tools when creating their marketing campaign.

Level 3 Distinction

Learners will be able to critically evaluate information and data relating to the development of a successful marketing campaign in context. They can apply a range of relevant marketing concepts and decision-making tools in order to give justified recommendations for a campaign within budget. They demonstrate a thorough grasp of the importance of effective market research in informing decision making and contributing to business success in context. Learners have a thorough understanding of the implications and necessary future actions of the campaign proposed in the context of the external environment, evidenced through sustained links to wider research.

Key terms typically used in assessment

The following table shows the key terms that will be used consistently by Pearson in our assessments to ensure students are rewarded for demonstrating the necessary skills.

Please note: the list below will not necessarily be used in every paper/session and is provided for guidance only.

Command or term	Definition
Primary research	Research compiled directly from the original source, which may not have been compiled before. Learners are expected to understand the advantages and disadvantages of different primary research methods.
Qualitative research	Descriptive data, such as data drawn from open-ended questions in questionnaires, interviews or focus groups.
Quantitative research	Data in numerical form which can be categorised and used to construct graphs or tables of raw data.
Secondary sources/research	Published research reports and data, likely to be based on analysis of primary research.

Links to other units

The assessment for this unit should draw on knowledge, understanding and skills developed from:

- Unit 1: Exploring Business
- Unit 3: Personal and Business Finance
- Unit 4: Managing an Event
- Unit 5: International Business
- Unit 6: Principles of Management.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers and interview opportunities
- work experience
- business material as exemplars
- visits to appropriate businesses.

Unit 3: Personal and Business Finance

Level: **3**

Unit type: **External**

Guided learning hours: **120**

Unit in brief

Learners study the purpose and importance of personal and business finance. They will develop the skills and knowledge needed to understand, analyse and prepare financial information.

Unit introduction

This unit includes aspects of both personal and business finance. Personal finance involves the understanding of why money is important and how managing your money can help prevent future financial difficulties. It is vital you understand the financial decisions you will need to take throughout your life and how risk can affect you and your choices. This unit will also give you an insight into where you can get financial advice and support.

The business finance aspects of the unit introduce you to accounting terminology, the purpose and importance of business accounts and the different sources of finance available to businesses. Planning tools, such as cash flow forecasts and break-even, will be prepared and analysed. Measuring the financial performance of a business will require you to prepare and analyse statements of comprehensive income and statements of financial position.

This unit will provide a foundation for a number of other finance and business units and will help you to analyse profitability, liquidity and business efficiency. It will give you the knowledge and understanding to manage your personal finances and will give you a background to business finance and accounting as you progress to employment or further training.

Summary of assessment

This unit is assessed by a written examination set by Pearson.

The examination will be two hours in length.

The number of marks for the examination is 80. (Section A contains questions on the personal finance unit content and approximately one-third of the marks, and Section B contains questions on the business finance unit content and approximately two-thirds of the marks).

The assessment availability is twice a year in January and May/June. The first assessment is available in June 2017.

The updated 80 mark paper will be used for assessment from June 2020 and the last sitting for the 100 mark paper will be January 2020.

Sample assessment materials will be available to help centres prepare learners for assessment.

Assessment outcomes

AO1 Demonstrate knowledge and understanding of business and personal finance principles, concepts, key terms, functions and theories.

Command words: describe, explain, give, identify, outline

Marks: ranges from 1 to 4 marks

AO2 Apply knowledge and understanding of financial issues and accounting processes to real-life business and personal scenarios

Command words: analyse, assess, calculate, describe, discuss, evaluate, explain

Marks: ranges from 2 to 12 marks

AO3 Analyse business and personal financial information and data, demonstrating the ability to interpret the potential impact and outcome in context

Command words: analyse, assess, discuss, evaluate

Marks: ranges from 6 to 12 marks

AO4 Evaluate how financial information and data can be used, and interrelate, in order to justify conclusions related to business and personal finance

Command words: analyse, assess, discuss, evaluate

Marks: ranges from 6 to 12 marks

Essential content

The essential content is set out under content areas. Learners must cover all specified content before the assessment.

A Understand the importance of managing personal finance

A1 Functions and role of money

The ability to handle money received, and to control money paid, is a fundamental requirement for personal and business success. This success relies on understanding what 'money' is.

- Functions of money:
 - unit of account
 - means of exchange
 - store of value
 - legal tender.
- Role of money is affected and influenced by a number of factors:
 - personal attitudes towards risk and reward, borrowing, spending and saving
 - life stages (childhood, adolescence, young adult, middle age, old age), key features of each stage, financial needs and implications at each stage
 - culture, including religious and ethical beliefs
 - life events can vary the personal life cycle from individual to individual
 - external influences/trends and the financial-related effects
 - interest rates, cost of borrowing versus reward of saving.
- Planning expenditure, common principles to be considered in planning personal finances:
 - to avoid getting into debt
 - to control costs
 - avoid legal action and/or repossession
 - remain solvent
 - maintain a good credit rating
 - avoid bankruptcy
 - to manage money to fund purchases
 - generate income and savings
 - set financial targets and goals
 - provide insurance against loss or illness
 - counter the effects of inflation.

A2 Different ways to pay

The use of money as a payment method, advantages and disadvantages of:

- cash
- debit card
- credit card
- cheque
- electronic transfer
- direct debit
- standing order
- pre-paid cards
- contactless cards
- charge cards
- store cards
- mobile banking
- Banker's Automated Clearing Services (BACS) Faster Payments Service (FPS)
- Clearing House Automated Payment System (CHAPS).

A3 Current accounts

Different types, features, advantages and disadvantages, different services offered:

- standard
- packaged, premium
- basic
- student.

A4 Managing personal finance

- Suitability of different financial products and services against individual needs.
- Different types of borrowing, features, advantages and disadvantages:
 - overdraft
 - personal loans
 - hire purchase
 - mortgages
 - credit cards
 - payday loans
- Different types of saving and investment features, advantages and disadvantages:
 - individual savings accounts (ISAs)
 - deposit and savings accounts
 - premium bonds
 - bonds and gilts
 - shares
 - pensions.
- Risks and rewards of saving versus investment.
- Different insurance products:
 - products (car, home and contents, life assurance and insurance, travel, pet, health)
 - different types of insurance policy for each product
 - features of different types of insurance
 - advantages and disadvantages of different types and features.

B Explore the personal finance sector

B1 Features of financial institutions

Types of organisations and their advantages and disadvantages:

- Bank of England
- banks
- building societies
- credit unions
- National Savings and investments
- insurance companies
- pension companies
- pawnbrokers
- payday loans.

B2 Communicating with customers

Methods of interacting with customers, advantages and disadvantages:

- branch
- online banking
- telephone banking
- mobile banking
- postal banking

B3 Consumer protection in relation to personal finance

Function, role and responsibilities of:

- Financial Conduct Authority (FCA)
- Financial Ombudsmen Service (FOS)
- Financial Services Compensation Scheme (FSCS)
- legislation – consumer credit.

B4 Information guidance and advice

Function, role and responsibilities, advantages and disadvantages of:

- Citizens Advice
- independent financial advisor (IFA)
- price comparison websites
- debt counsellors
- Individual Voluntary Arrangements (IVAs)
- bankruptcy.

C Understand the purpose of accounting**C1 Purpose of accounting**

- Recording transactions.
- Management of business (planning, monitoring and controlling).
- Compliance (preventing fraud, compliance with law and regulations).
- Measuring performance.
- Control – assisting with the prevention of fraud, trade receivables and trade payables.

C2 Types of income

- Capital income:
 - loan
 - mortgages
 - shares
 - owner's capital
 - debentures.
- Revenue income:
 - cash sales
 - credit sales
 - rent received
 - commission received
 - interest received
 - discount received.

C3 Types of expenditure

- Capital expenditure:
 - non-current assets – tangible (land, buildings and premises, machinery and equipment, vehicles, fixtures and fittings)
 - intangible (goodwill, patents, trademarks, brand names).
- Revenue expenditure:
 - inventory
 - rent
 - rates
 - heating and lighting
 - water
 - insurance
 - administration
 - telephone
 - postage
 - stationery
 - salaries
 - wages
 - marketing
 - bank charges
 - interest paid
 - straight-line depreciation
 - reducing balance depreciation
 - discount allowed.

D Select and evaluate different sources of business finance

D1 Sources of finance

Advantages, disadvantages, short term and long term:

- internal:
 - retained profit
 - net current assets
 - sale of assets
- external:
 - owner's capital
 - loans
 - crowd-funding
 - mortgages
 - venture capital
 - debt factoring
 - hire purchase
 - leasing
 - trade credit
 - grants
 - donations
 - peer to peer lending
 - invoice discounting

E Break-even and cash flow forecasts

Formulas used in this topic will not be given in external assessment.

E1 Cash flow forecasts

- Inflows/receipts:
 - cash sales
 - credit sales
 - loans
 - capital introduced
 - sale of assets
 - bank interest received.
- Outflows/payments:
 - cash purchases
 - credit purchases
 - rent
 - rates
 - salaries
 - wages
 - utilities
 - purchase of assets
 - Value Added Tax (VAT)
 - bank interest paid.
- Prepare, complete, analyse, revise and evaluate cash flow.
- Use of cash flow forecasts for planning, monitoring, control, target setting.
- Benefits and limitations of cash flow forecasts.

E2 Break-even analysis

- Costs:
 - variable
 - semi-variable
 - fixed
 - total.
- Sales:
 - total revenue
 - total sales
 - selling price per unit
 - sales in value and/or units.
- Calculation using/manipulating, break-even formula (units and/or sales value), completion of break-even chart, break-even point.
- Identification of area of profit, area of loss.
- Identify and calculate margin of safety (units and value).
- Calculation of total contribution, contribution per unit benefits and limitations.
- Use of break-even for planning, monitoring, control, target setting.
- Prepare, complete, analyse, revise and evaluate break-even.

F Complete statements of comprehensive income and financial position and evaluate a business's performance

This relates to sole traders only. Formulas used in this topic will not be given in external assessment.

F1 Statement of comprehensive income

- Purpose and use.
- Completion, calculation and amendment to include gross profit (revenue, opening inventories, purchases, closing inventories, cost of goods sold), calculation of profit/loss for the year (expenses, other income).
- Adjustments for depreciation (straight-line and reducing balance).
- Adjustments for prepayments, accruals.
- Interpretation, analysis and evaluation of statements.

F2 Statement of financial position

- Purpose and use.
- Completion, calculation and amendment of statement using vertical presentation to include:
 - non-current assets (tangible and intangible, cost, depreciation and amortisation, net book value)
 - current assets (inventories, trade receivables, prepayments, bank, cash)
 - current liabilities (bank overdraft, accruals, trade payables)
 - net current assets/liabilities
 - non-current liabilities (bank loan and mortgage)
 - net assets
 - capital (opening capital, transfer of profit or loss, drawings, closing capital).
- Adjustments for straight line (cost $x\%$), depreciation, reducing balance (cost – depreciation to date $x\%$).
- Adjustments for prepayments, accruals.
- Interpretation, analysis, and evaluation of statements.

F3 Measuring profitability

Calculation, interpretation, analysis and evaluation of:

- gross profit margin: $(\text{gross profit}/\text{revenue}) \times 100$
- mark-up: $(\text{gross profit}/\text{cost of sales}) \times 100$
- profit margin: $(\text{profit}/\text{revenue}) \times 100$
- return on capital employed (ROCE): $(\text{profit}/\text{capital employed}) \times 100$

F4 Measuring liquidity

Calculation, interpretation, analysis and evaluation of:

- current ratio: $\text{current assets}/\text{current liabilities}$
- liquid capital ratio: $(\text{current assets} - \text{inventory})/\text{current liabilities}$

F5 Measuring efficiency

Calculation, interpretation, analysis and evaluation of:

- trade receivable days: $(\text{trade receivable}/\text{credit sales}) \times 365$
- trade payable days: $(\text{trade payables}/\text{credit purchases}) \times 365$
- inventory turnover: $(\text{average inventory}/\text{cost of sales}) \times 365$

F6 Limitations of ratios

- Limitations of ratios when assessing business performance.

Grade descriptors

To achieve a grade a learner is expected to demonstrate these attributes across the essential content of the unit. The principle of best fit will apply in awarding grades.

Level 3 Pass

Learners will be able to demonstrate knowledge and understanding of the principles of personal and business finance, and determine appropriate courses of action. They will be able to rationalise the data available in different personal and business situations. Learners can appreciate the challenges faced by individuals and businesses and how these have been influenced by the financial situation. They will be able to apply accounting processes, and show understanding of the factors influencing the financial performance of a business. They will show an understanding of the need to prepare and analyse statements of comprehensive income and statements of financial position. Learners can propose and justify recommendations for personal finances and business improvement based on analysis of financial information.

Level 3 Distinction

Learners will be able to apply principles of personal and business finance in order to critically evaluate real-life situations and determine appropriate courses of action. They can apply relevant concepts, models and theories in order to present reasoned evaluations in realistic personal and business scenarios. Learners make appropriate judgements and present fully justified recommendations for courses of action based on the analysis of financial data. They will understand the importance of statements of comprehensive income and statements of financial position and can analyse these statements methodically and critically. Learners can fully justify recommendations for personal finances and business improvement based on thorough analysis of financial information.

Key terms typically used in assessment

The following table shows the key terms that will be used consistently by Pearson in our assessments to ensure students are rewarded for demonstrating the necessary skills.

Please note: the list below will not necessarily be used in every paper/session and is provided for guidance only.

Command or term	Definition
Analyse	Learners present the outcome of methodical and detailed examination either by breaking down: <ul style="list-style-type: none"> • a theme, topic or situation in order to interpret and study the relationships between the parts and/or • information or data to interpret and study key trends and interrelationships.
Assess	Learners present a careful consideration of varied factors or events that apply to a specific situation or to identify those which are the most important or relevant and arrive at a conclusion.
Calculate	Learners work out an answer, usually by adding, multiplying, subtracting or dividing. Can involve the use of formula.

Command or term	Definition
Describe	Learners give an account of something, steps in a process or characteristics of something. Statements in the response need to be developed, as they are often linked/in a logical order, but do not need to include a justification or reason.
Discuss	Learners consider different aspects of: <ul style="list-style-type: none"> • a theme or topic; • how they interrelate; and • the extent to which they are important. A conclusion is not required.
Evaluate	Learners' work draws on varied information, themes or concepts to consider aspects such as: <ul style="list-style-type: none"> • strengths or weaknesses • advantages or disadvantages; • alternative actions • relevance or significance. Learners' inquiries should lead to a supported judgement showing relationship to its context. This will often be in a conclusion. Evidence will be written.
Explain	Learners' work shows clear details and gives reasons and/or evidence to support an opinion, view or argument. It could show how conclusions are drawn (arrived at). Learners are able to show that they comprehend the origins, functions and objectives of a subject, and its suitability for purpose.
Give	Learners can provide: <ul style="list-style-type: none"> • examples • justifications.
Identify	Learners indicate the main features or purpose of something by recognising it and/or being able to discern and understand facts or qualities.
Illustrate	Learners include examples, images or diagrams to show what is meant in a specific context.
Outline	Learners' work, performance or practice gives a summary or overview or a brief description of something.

Links to other units

This unit links to:

- Unit 7: Business Decision Making
- Unit 10: Recording Financial Transactions
- Unit 11: Final Accounts for Public Limited Companies
- Unit 12: Financial Statements for Specific Businesses
- Unit 13: Cost and Management Accounting.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 4: Managing an Event

Level: **3**

Unit type: **Internal**

Guided learning hours: **90**

Unit in brief

Learners will work as part of a small group to plan, coordinate and manage a business or social enterprise event and evaluate the skills gained.

Unit introduction

Events management is one of the most exciting and dynamic sectors of business. This unit combines your creativity and organisational skills to produce successful, memorable events, whether for profit or social enterprise.

You will investigate a number of successful events, both large and small, and use this research to assess the feasibility of events to plan and run yourself. Examples could range from organising meetings, product launches, exhibitions, promotions, charity events, team-building events and staff development, to a full-scale conference. Your chosen event will be carefully planned, demonstrating your ability to use planning tools. You will then stage the event, testing the effectiveness of your planning. This will require you to 'think on your feet', deal with financial and security issues, liaise with suppliers and venue personnel, and utilise your problem-solving skills. Afterwards you will evaluate the success of the event. To complete the assessment task within this unit, you will need to draw on your learning from across your programme.

This unit will develop your teamwork, communication, time-management, negotiation and problem-solving skills. It will help you develop the essential transferable skills that employers look for. The unit will provide a useful opportunity to consider whether to pursue a career in events management or to continue on to further study in this area.

Learning aims

In this unit you will:

- A** Explore the role of an event organiser
- B** Investigate the feasibility of a proposed event
- C** Develop a detailed plan for a business or social enterprise event
- D** Stage and manage a business or social enterprise event
- E** Reflect on the running of the event and evaluate own skills development.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore the role of an event organiser	<p>A1 Different tasks needed to be completed by an event organiser</p> <p>A2 Different skills needed by an effective event organiser</p> <p>A3 Common formats for skills audit collection</p>	<p>An individual report identifying tasks that would need to be carried out by an event organiser.</p> <p>Summary of skills needed by an event organiser and identification of own personal skills, highlighting areas for development.</p>
B Investigate the feasibility of a proposed event	<p>B1 Different types of event, and the factors affecting success</p> <p>B2 Feasibility measures and critical success factors</p>	<p>An individual summary report and group presentation, following a detailed investigation into a range of large and small successful events, to include a justification of the chosen proposal.</p> <p>A detailed plan of the event, identifying critical success factors.</p>
C Develop a detailed plan for a business, or social enterprise event	<p>C1 Event planning and the use of planning tools</p> <p>C2 Factors to be considered, including budgets, resources and contingency planning</p>	
D Stage and manage a business or social enterprise event	<p>D1 Management of the event</p> <p>D2 Problem solving</p>	<p>Learners must take an active part in staging and managing the event. Evidence of this, such as photographic evidence, witness statements, assessor records, must be presented.</p> <p>A written report recording and evaluating the success of the event in terms of:</p> <ul style="list-style-type: none"> • meeting event objectives • achieving targets • satisfaction survey or feedback from participants • analysis and evaluation of own event-management skills.
E Reflect on the running of the event and evaluate own skills development	<p>E1 Evaluation of the event</p> <p>E2 Review of personal skills development in the running of the event</p>	

Content

Learning aim A: Explore the role of an event organiser

A1 Different tasks needed to be completed by an event organiser

- Organising: venue, location, catering, planning and reserving facilities, e.g. toilets if outdoor event, setting up programme, preparing and distributing documents, contracts.
- Investigating current legal requirements, including consumer protection.
- Setting up organisational procedures, e.g. risk assessment and security.

A2 Different skills needed by an effective event organiser

- Organisational.
- Problem solving.
- Time management.
- Negotiation.
- Communication.
- Interpersonal.

A3 Common formats for skills audit collection

- Likert scale.
- Semantic differential scale.
- Observation.
- Questionnaire.
- Appraisal.

Learning aim B: Investigate the feasibility of a proposed event

B1 Different types of event, and the factors affecting success

- Business events: conferences, exhibitions, product launches, trade shows, shareholders' meetings, press conferences, awards evenings, team building, seminars.
- Sport and recreation events: the Olympic Games, the Paralympic Games, the Commonwealth Games, sports tournaments, sports matches, motor sports events, racing, equestrian events, country fairs, food festivals, fun runs, village fetes, sailing regattas, dog shows, collectors' fairs.
- Entertainment: music festivals, concerts, plays.
- Celebrations: weddings, prom nights, birthdays, anniversaries.
- Social enterprise events: charity sports events, charity fundraising events, e.g. dinners, galas, auctions.

B2 Feasibility measures and critical success factors

- Mind map event ideas.
- Purpose of event.
- Aims and objectives.
- Constraints: budget, venue, resources; human and physical.
- Success factors: setting goals and targets.

Learning aim C: Develop a detailed plan for a business, or social enterprise event

C1 Event planning and the use of planning tools

- Gantt charts.
- Critical path analysis.
- Online planning tools.

C2 Factors to be considered, including budgets, resources and contingency planning

- Aims and objectives.
- Budget: available finance, expected sales figures, banking, cost of resources, expenses such as venue, catering, staff, travel.
- Resources: flipcharts, Wi-Fi, telephone, display boards, ability to take money, chairs, tables, computer, Smart Board.
- Venue: size of room, facilities available, car parking, access arrangements.
- Catering: special consideration of dietary needs.
- Legal constraints: contracts, health and safety (risk assessment), negligence liability.
- Team working: allocation of tasks, planning meetings.
- Insurance, including public liability.
- Methods of communication: promotion, letters, invitations.
- Contingency planning: 'what if' scenarios, e.g. 'What if the caterers don't turn up?'

Learning aim D: Stage and manage a business or social enterprise event

D1 Management of the event

- Contracts for venue: suppliers, personnel.
- Marketing of the event: publicity, advertising, sponsorship, guest list, invitations.
- Customer service.
- Monitoring procedures to ensure tasks allocated have been completed.
- Security and health and safety.
- Methods of communication: internally and externally.
- Attendee evaluation: prepare, issue and collect questionnaires.

D2 Problem solving

- Implementation of contingency plan, e.g. non-delivery of resources.
- Customer service issues.
- Health and safety issues.

Learning aim E: Reflect on the running of the event and evaluate own skills development

E1 Evaluation of the event

- Review of success: meeting aims and objectives, timing, keeping to budget set, effectiveness of contingency plan.
- Analysis of evaluation forms.
- Suggestions for improvement.

E2 Review of personal skills development in the running of the event

- Event management.
- Employability.
- Communication.
- Negotiation.
- Time management.
- Problem solving.
- Team working.
- Analysis of own skills.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore the role of an event organiser		A.D1 Fully justify how own skills match those of an event organiser.
A.P1 Explain the role and skills required to be an effective event organiser. A.P2 Investigate own skills in the form of a skills audit.	A.M1 Analyse own skills against those required by an event organiser, highlighting areas for development.	
Learning aim B: Investigate the feasibility of a proposed event		BC.D2 Evaluate and justify the feasibility of the plan, tools, budget and risk, making any required contingency adjustments.
B.P3 Investigate the staging of several events to determine common success factors. B.P4 Explain the chosen event idea, including reasons for choice.	B.M2 Assess the feasibility of the event proposal.	
Learning aim C: Develop a detailed plan for a business, or social enterprise event		
C.P5 Explain factors that need to be considered when producing a detailed plan for the proposed event. C.P6 Produce a detailed plan for your chosen event using planning tools, detailed budget and consideration of risk assessment and contingency planning.	C.M3 Analyse the key factors that need to be considered when producing a plan for an event.	
Learning aim D: Stage and manage a business or social enterprise event		DE.D3 Justify how own contribution has contributed to a successful outcome of the event by the demonstration of outstanding management skills throughout the arranging and staging of an event.
D.P7 Stage an event, demonstrating some relevant management skills.	D.M4 Demonstrate effective and safe management skills when organising and staging an event.	
Learning aim E: Reflect on the running of the event and evaluate own skills development		
E.P8 Review the success of the event in meeting aims and objectives, achieving targets and receiving good feedback from stakeholders.	E.M5 Analyse the planning and running of the event, how risks and contingencies were managed, making recommendations for future improvements.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aims: B and C (B.P3, B.P4, C.P5, C.P6, B.M2, C.M3, BC.D2)

Learning aims: D and E (D.P7, E.P8, D.M4, E.M5, DE.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

The event selected should allow learners to fulfil the skills and activities required by the assessment criteria whilst ensuring learners and participants are safe.

Learners should produce their own independent evidence if working in a group.

Learning aim A

For distinction standard, learners will justify how personal skills match those required by an event organiser.

For merit standard, learners will compare their own personal skills to those required by an event organiser. They will highlight areas where they need to develop their skills and make suggestions as to how this might happen.

For pass standard, learners will produce a report/interview transcript, identifying the role and skills required to be an effective event organiser. A personal skills audit will be included.

Learning aims B and C

For distinction standard, learners will show clear justification, based on their research, of their choice of event and why it will be successful.

For merit standard, learners will assess the feasibility of the proposed event. There will be an analysis to show that they clearly understand the importance of producing a contingency plan when organising an event and a rationale presented for the proposed contingency plans.

For pass standard, learners will show evidence of research into a number of different successful events and an identification of the common success factors. This will enable them to produce an effective event plan, taking into account all key planning factors and using planning tools. A budget for the event will also be provided.

Learning aims D and E

For distinction standard, learners will produce a detailed justification on how well the event was managed and to what extent the initial plan contributed to the success (or not) of the event. Learners will justify how their own contribution was instrumental in the success of the event and the skills developed throughout the process. Learners need to show a significant and sustained participation through the planning, staging and evaluation of the event to fully achieve a distinction. A witness statement will be needed to support this.

For merit standard, learners will analyse the planning and staging of the event, with a particular focus on how potential risks and contingencies were managed. They will also include detailed recommendations for improvement.

For pass standard, learners will give evidence in the form of a diary covering all stages of the event, together with witness statements, photographic evidence and observation records. Learners will also submit a written review of the success of the event based on feedback from stakeholders.

Links to other units

The assessment for this unit should draw on knowledge, understanding and skills developed from:

- Unit 1: Exploring Business
- Unit 2: Developing a Marketing Campaign
- Unit 3: Personal and Business Finance
- Unit 5: International Business
- Unit 6: Principles of Management.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers from event management businesses
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 5: International Business

Level: **3**

Unit type: **Internal**

Guided learning hours: **90**

Unit in brief

Learners study how UK businesses develop strategies to trade globally. Learners will also consider the factors that influence the implementation of these strategies.

Unit introduction

International business has a significant influence on the national economy. It takes place in a globally competitive environment and involves both small and large businesses. A number of factors need to be taken into account by businesses that are engaged in international business activities. Governments can influence international business to maximise the benefits to the national economy. Countries join international trading blocs to promote and protect international business.

In this unit, you will explore the benefits and issues associated with international business activities. You will investigate the economic environment and cultural factors in international markets and the influence they have on how business is conducted. You will also examine the strategic and operational approaches to developing business in an international context. To complete the assessment task within this unit, you will need to draw on your learning from across your programme.

This unit will give you a greater understanding of the global business environment, which will help your career choices. The unit also gives you the skills and a firm basis to undertake advanced or specialist studies in international business at higher education level.

Learning aims

In this unit you will:

- A** Explore the international context for business operations
- B** Investigate the international economic environment in which business operates
- C** Investigate the external factors that influence international businesses
- D** Investigate the cultural factors that influence international businesses
- E** Examine the strategic and operational approaches to developing international trade.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore the international context for business operations	A1 International business A2 Financing of international business A3 Support for international business	A report on the factors that influence the decision making of businesses when operating internationally; it will look at how international business is financed and the support given to it.
B Investigate the international economic environment in which business operates	B1 Globalisation B2 International trading blocs B3 Barriers to international business	
C Investigate the external factors that influence international businesses	C1 External influences C2 International business support systems	A journal article/case study giving a situational analysis of contrasting markets supported with a report on the results of the analysis.
D Investigate the cultural factors that influence international businesses	D1 Cultural factors D2 Impact of cultural factors	
E Examine the strategic and operational approaches to developing international trade	E1 Strategies for operating internationally E2 Resource considerations	A presentation examining the strategies and resources used by a business operating internationally.

Content

Learning aim A: Explore the international context for business operations

A1 International business

- Types of business activity:
 - exporting businesses
 - importing businesses
 - multinational enterprises
 - associated businesses, e.g. logistics and marketing.
- The reasons for conducting business internationally: growth, additional revenue streams, brand exploitation, access to new markets, diversification, increasing market share, market leadership, technological dominance, comparative advantage, economies of scale, fiscal benefits, preferential tax rates.
- Choice of markets in which to operate, e.g. developed economies, emerging markets, less developed economies.
- Factors influencing the choice of market, e.g. type of product, costs, size of market.

A2 Financing of international business

- Methods used to finance international trade, e.g. prepayment by the importer, letters of credit, export credits, bank loans.

A3 Support for international business

- Agencies that support international business, e.g. UK Export Finance, UK Trade and Investment, Chambers of Commerce, regional advisory organisations.
- Types of support provided, e.g. UK Export Finance Advisors, trade fairs, identifying international partners, grants for international promotions.

Learning aim B: Investigate the international economic environment in which business operates

B1 Globalisation

- The main features of globalisation, e.g. trading blocs, international mobility of labour and capital, international currencies, multinational corporations, international business communications, international payment systems.

B2 International trading blocs

- World Trade Organization (WTO).
- Customs unions and common markets, e.g. European Union (EU), Mercosur (South American nations).
- Free-trade areas such as North American Free Trade Area (NAFTA), Asia-Pacific Economic Cooperation (APEC).

B3 Barriers to international business

- The reasons for protectionism in international markets, e.g. to protect infant industries, to protect employment/local business.
- Methods for protecting markets, e.g. tariffs, customs duties, currency restrictions, quotas, subsidies, legal restrictions.
- Barriers to trade, e.g. trade restrictions, exchange rate volatility, legal and regulatory systems, financial requirements, operating risks, economic sanctions.

Learning aim C: Investigate the external factors that influence international businesses

C1 External influences

- Factors that influence international business: political, economic, social, technological, legal and regulatory, environmental and ethical factors.
- Impact of factors using situational analysis.

C2 International business support systems

- The influence of the internet, e.g. speed and ease of communication, changes to business processes.
- International payment methods, e.g. cash in advance, letters of credit, open account, consignment, international credit cards, international bank transfers, commercial payment systems.

Learning aim D: Investigate the cultural factors that influence international businesses

D1 Cultural factors

- Cultural factors, e.g. language, ethnic make-up of populations, social structures, religion, values, attitudes to business, attitudes to work, openness to change.

D2 Impact of cultural factors

- The impact of cultural factors on international business, e.g. contract negotiations, composition of the workforce, management style and its impact on the workforce and organisational culture, marketing strategies/brand names and advertising.

Learning aim E: Examine the strategic and operational approaches to developing international trade

E1 Strategies for operating internationally

- Strategies for operating internationally, e.g. subsidiary businesses, joint ventures, partnerships, agencies, licensing, franchising, sub-contracting and outsourcing.
- Reasons for using selected strategy, e.g. the speed of establishing operations, access to local business knowledge and expertise, cost control, risk control.
- Re-engineering products and services to meet the demands and preferences of international markets, e.g. manufacturing vehicles for export with left-hand drives.

E2 Resource considerations

- Capital costs.
- Revenue costs.
- Expertise and intellectual capital, which can be local and/or provided by the incoming business.
- Training costs for local labour.
- Organisational structure of international business.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore the international context for business operations		AB.D1 Evaluate the impact of globalisation on a business.
A.P1 Explain why two businesses operate in contrasting international markets.	A.M1 Analyse the support that is available to contrasting businesses that operate internationally.	
Learning aim B: Investigate the international economic environment in which business operates		
A.P2 Explain the types of finance available for international business.		
B.P3 Explain the main features of globalisation that affect two contrasting businesses.	B.M2 Analyse the barriers of operating internationally for two contrasting businesses.	
Learning aim C: Investigate the external factors that influence international businesses		C.D2 Recommend one country that a selected business could target for international trade, justifying your decision. D.D3 Evaluate the impact of cultural differences on international business.
B.P4 Explore the role of trading blocs on international trade.		
C.P5 Explain the external factors that influence a selected business considering trading internationally.	C.M3 Carry out a situational analysis on two countries a selected business may consider trading in.	
Learning aim D: Investigate the cultural factors that influence international businesses		
C.P6 Explain how business support systems enable a selected business to trade internationally.		
D.P7 Explore the cultural differences affecting international businesses.	D.M4 Analyse how cultural differences affect international businesses.	
Learning aim E: Examine the strategic and operational approaches to developing international trade		E.D4 Evaluate the success of the strategies and resources used by a selected international business in one of its markets.
E.P8 Explain how products and processes have to be adapted for international markets by a selected business.	E.M5 Analyse the effectiveness of the strategies and resources used by a selected international business.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, B.M2, AB.D1)

Learning aims: C and D (C.P5, C.P6, D.P7, C.M3, D.M4, C.D2, D.D3)

Learning aim: E (E.P8, E.M5, E.D4)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to current business information, for example from websites and printed resources.

Essential information for assessment decisions

Learning aims A and B

To complete this assignment, learners must ensure they select businesses that give them the depth of information they will need.

For distinction standard, learners will prepare individual reports that incorporate a wide range of research evidence that is drawn from relevant sources evaluating the impact of globalisation on a particular business, over a period of five to ten years. Learners will ensure that careful consideration is given to all relevant factors.

For merit standard, learners will show that they have selected relevant research sources, and applied their knowledge and understanding of international business. They will identify the similarities and differences in approach to engaging in international business that have been taken by their two selected businesses. Learners will consider how the respective strategies adopted by the two businesses for engaging in international business impact on their structure. For example, a business operating in a number of different countries may have a different structure to that of a business that operates in one country but sells its goods internationally.

For pass standard, learners will identify the similarities and differences in their international business operations between the two businesses. You will expect the characteristics of target markets to be identified and for learners to show the impact of these characteristics on business operations and management practices. For example, the relative importance of the size of the market, the cost of labour and capital, and access to raw materials could be considered in relation to the different types of businesses, depending on their business objectives, products and structure.

Learning aims C and D

For distinction standard, learners will present a case study as a journal article that incorporates a wide range of research evidence drawn from relevant sources which have been analysed and assessed. Learners will ensure that careful consideration is given to all relevant factors that may impact on international business strategies. On the basis of their situational analysis learners will recommend, with justification, one suitable country for a business to trade with internationally. The case study will also evaluate the impact of cultural differences on the chosen business.

For merit standard, learners will carry out a situational analysis on two different countries in which the selected business could consider trading in. The analysis must consider the impact of external influences and international business support systems. The learners analysis will also consider ways in which the cultural differences of each country might affect the international trading of businesses.

For pass standard, learners will explain the external factors that influence the business and the support systems available to manage them. Consideration will also be given to the cultural factors affecting the businesses in both countries.

Learning aim E

It is important that the correct business is individually selected to enable the learner to be able to research the right depth of information.

For distinction standard, learners will present a research study that incorporates evidence drawn from relevant sources. Careful consideration will be given to all relevant and influencing factors that may impact on business decisions taken in respect of changes to the product portfolio, including the development of new products. An analysis of how effectively the business resources are being used and an evaluation of the success of the strategic decisions will be included.

For merit standard, learners will analyse the business strategy for product development aimed at an international market. For example, the learner will identify different strategies that could be adopted in different market conditions with regard to the resource implications of developing new products in an international context.

For pass standard, learners will study an international business involved in either the manufacturing or service sector of the economy. They must review the product portfolio and how different elements of the product need to be adapted when trading in different markets.

Links to other units

The assessment for this unit should draw on knowledge, understanding and skills developed from:

- Unit 1: Exploring Business
- Unit 2: Developing a Marketing Campaign
- Unit 3: Personal and Business Finance
- Unit 5: International Business
- Unit 6: Principles of Management.

Employer involvement

Centres may involve employers in the delivery of this unit if there are local opportunities to do so.

Unit 6: Principles of Management

Level: **3**

Unit type: **External**

Guided learning hours: **120**

Unit in brief

This unit enables learners to understand how the role of management and leadership in the workplace contributes towards business success.

Unit introduction

Managers are vital to the running of any business; they shape and influence business through their managerial performance and leadership.

In this unit, you will examine how businesses adapt their approaches to management in response to challenges in their environment. Depending on their roles and responsibilities, managers need to develop skill sets that enable them to work effectively in areas such as the management of people, financial, resource and quality management, and the management of change. You will investigate some of the issues that managers and leaders have to deal with in the workplace in making businesses more efficient and ensuring their survival and growth. The effective planning and organising of a business's activity can significantly influence the success of a business.

This unit will help you to progress to employment, by considering a career working in supervision and management, and/or to vocational training. Additionally you might move on to related higher education having developed a knowledge and understanding of management.

Summary of assessment

This unit is assessed under supervised conditions. Part A is released one week before Part B is scheduled for learners to prepare. Learners will take Part B in a supervised assessment in a single three-hour session timetabled by Pearson. The assessment is set and marked by Pearson.

The number of marks for the unit is 88.

The assessment availability is twice a year in December/January and May/June. The first assessment is available in January 2018.

Sample assessment materials will be available to help centres prepare learners for assessment.

Assessment outcomes

AO1 Demonstrate knowledge and understanding of management and leadership principles, concepts, key terms, functions and theories

AO2 Apply knowledge and understanding of management and leadership issues to real-life business scenarios

AO3 Analyse and evaluate management information and data, demonstrating the ability to interpret the potential impact and influence on business effectiveness in context

AO4 Be able to recommend management and leadership proposals in context with appropriate justification, using a range of evidence to support arguments

Essential content

The essential content is set out under content areas. Learners must cover all specified content before the assessment.

A The definitions and functions of management

A1 Definitions of management and leadership

- Management by objectives.
- Situational and contingency.
- Functional and action centred.
- Transformational and transactional.
- The concept of leadership continuum for management behaviour.

A2 Functions of management and leadership

- Functions of management:
 - planning
 - organising
 - coordinating
 - controlling
 - monitoring
 - delegating.
- Functions of leadership:
 - inspiring
 - energising
 - influencing stakeholders
 - envisioning
 - determining best path/route to achieve success.

A3 Business culture

- Definition.
- Business vision, mission and values/ethos.
- Influence of business culture on management practices.
- Policies and procedures.
- Management styles.
- Structure of the workforce.
- How people work.

B Management and leadership styles and skills

B1 Management and leadership styles

- Autocratic.
- Democratic/participative.
- Paternalistic.
- Laissez-faire.
- Transactional.
- Transformational.
- Charismatic.

B2 Management and leadership skills

- Setting objectives.
- Motivating.
- Decision making.
- Team building.

- Leading by example.
- Consulting.
- Problem solving.
- Valuing and supporting others.
- Managing conflict.
- Building positive interpersonal relationships.
- Using emotional intelligence.
- Communicating.
- Giving feedback.

C Managing human resources

C1 Human resources (HR)

- Human resources as a factor of production.
- Labour market analyses.
- Forecasting labour demand.
- Sources of information available to conduct labour market analyses.
- The link between business planning and human resources.
- The impact of globalisation on human resource planning.

C2 Human resource planning

- The nature of the work and the characteristics required to perform work roles.
- Skill levels.
- Experience.
- Educational level.
- Aptitude.
- Need for flexibility in the workforce.
- Core versus peripheral workers.
- Full-time versus part-time workers.
- Sub-contracting.
- Zero hours contracts.
- Temporary staff.
- Agency staff.
- Management actions to address human resource issues at an operational level.
- Labour turnover (expressed in words and numbers).
- Productivity.
- Skill shortages.
- Workplace stress.
- Absenteeism (expressed in words and numbers).
- Motivation.
- Engagement with business culture.
- Employee satisfaction.

D Factors influencing management, motivation and performance of the workforce

D1 Motivation in the workplace

- Theories of motivation (A Maslow, F Herzberg, F W Taylor, E Mayo et al).
- Impact of motivation on business performance.
- Financial motivators.
- Non-financial motivators.

D2 Techniques to meet skills requirements

- Recruitment.
- Upskilling/reskilling/training.
- Outsourcing.
- Changing job roles.
- Restructuring.

D3 Training and development

- The purpose of training needs analysis.
- Types of training:
 - internal/external
 - on-the-job/off-the-job
 - mentoring
 - coaching.
- Effectiveness of training.

D4 Performance appraisal

- Purpose of performance appraisal:
 - to set individual and group targets
 - to assess individual and group performance
 - to provide employee feedback
 - to identify training needs.
- Types of appraisal:
 - self-assessment
 - management by objectives
 - ratings scales
 - 360° appraisal.
- Impact of performance appraisal:
 - on the individual
 - on the business.

E Impact of change**E1 Managing change**

- The need to manage change for business survival and success.
- Factors influencing change:
 - internal
 - external.
- Stakeholders who influence change:
 - owners
 - managers
 - customers
 - regulators
 - financial institutions
 - government
 - employees.

F Quality management

F1 Quality standards

- British Standards Institution (BSI).
- International Organization for Standardization (ISO).
- Kite marks – IIP
(use standards relevant at time of teaching).

F2 Developing a quality culture

- Setting quality standards.
- Managerial commitment and staff buy-in.
- Quality circles.
- Partnership working with suppliers and customers.
- Transparent and open communication.

F3 The techniques and tools of quality management

- Quality control.
- Lean manufacturing.
- Six sigma.

F4 The importance and benefits of quality management

- Zero defect production and output.
- Continuous improvement.
- Improved output quality.
- Reduced inspection requirements.
- Supplier engagement and satisfaction.
- Customer involvement and satisfaction.
- Improved efficiency and profitability.

Grade descriptors

To achieve a grade a learner is expected to demonstrate these attributes across the essential content of the unit. The principle of best fit will apply in awarding grades.

Level 3 Pass

Learners will be able to demonstrate knowledge and understanding of the principles and functions of management and leadership, and determine business best practice in context. They will be able to rationalise the styles and skills required in different management and leadership situations. Learners can appreciate the challenges faced by businesses and how these have influenced the management of human resources. They will be able to apply motivational theories, and show understanding of the factors influencing management and performance of the workforce and their application in the workplace. They will show an understanding of the need to manage change and quality to ensure business success. Learners can propose and justify recommendations for business improvement based on management and leadership principles.

Level 3 Distinction

Learners will be able to critically evaluate information in context relating to improving the effectiveness of management and leadership practices. They can apply relevant concepts, models and theories in order to present reasoned evaluations in realistic business scenarios. Learners make appropriate judgements and present fully justified recommendations for business improvement. They will understand the importance of change to ensure business success and how a quality standards culture needs to be embedded, developed and maintained to remain successful.

Key terms typically used in assessment

The following table shows the key terms that will be used consistently by Pearson in our assessments to ensure students are rewarded for demonstrating the necessary skills.

Please note: the list below will not necessarily be used in every paper/session and is provided for guidance only.

Command or term	Definition
Executive summary	Brief but comprehensive synopsis of a business plan or proposal.
Formal report	This is a formal business report structured in an appropriate format and layout, using business language and style.
Presentation	Using software to prepare the materials for a visual presentation.

Links to other units

This unit links to:

- Unit 1: Exploring Business
- Unit 8: Recruitment and Selection Process
- Unit 20: Investigating Corporate Social Responsibility
- Unit 21: Training and Development
- Unit 24: Employment Law.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- business materials as exemplars
- support from local business staff as mentors
- visits to appropriate businesses.

Unit 7: Business Decision Making

Level: **3**

Unit type: **External**

Guided learning hours: **120**

Unit in brief

Learners study skills relating to business concepts, processes and data developed in earlier mandatory units to enable the formulation of business decisions and solutions.

Unit introduction

The aim of this unit is to consolidate understanding and skills to enable you to interpret data, and to formulate decisions and solutions to given complex business problems.

You will consider business situations/scenarios where you are required to select and use appropriate evidence from several sources to support your arguments. You will predict probable consequences, identify faulty arguments or misrepresentations of information or data, compare information and data, provide reasonable alternatives, and evaluate and justify your proposed solutions. To complete the assessment task within this unit, you will need to draw on your learning from across your programme.

This unit will help you to understand the importance of decision making and planning in a business and enable you to progress to employment, self-employment, training or higher education. This has been selected as an externally-assessed unit as it allows you to demonstrate your ability to extract relevant information and apply the knowledge and understanding you have developed.

Summary of assessment

This unit is assessed under supervised conditions. The supervised assessment period is a maximum of three-hours single session timetabled by Pearson. Learners will complete and submit a set task on a case study/business scenario released at the start of the supervised assessment period.

The set task is provided and marked by Pearson

The number of marks for the set task is 70.

The assessment availability is twice a year in December/January and May/June. The first assessment is available in January 2018.

Sample assessment materials will be available to help centres prepare learners for assessment.

Assessment outcomes

AO1 Demonstrate knowledge and understanding of the concepts, key terms, functions, processes and theories that determine business decisions

AO2 Apply knowledge and understanding of the factors that influence decision making to real-life business scenarios

AO3 Analyse and evaluate evidence and data, demonstrating the ability to interpret the potential impact and influence on complex business planning and development problems

AO4 Be able to recommend business solutions in context with appropriate justification, using a range of evidence to support arguments

Essential content

The essential content is set out under content areas. Learners must cover all specified content before the assessment.

A Business plans

A1 Business ideas

Business ideas can be justified in different ways:

- 'start-up' business:
 - gap in the market
 - competitors
 - current trends
 - likely demand.
- 'developing' business:
 - changes in the economic climate
 - trends
 - competition may force diversification for survival.

A2 Purpose and structure of a business

- Aims and objectives.
- Product/service.
- Types of ownership.
- Reasons why a business may need to change its ownership.
- The structure of the business – flat, matrix, hierarchical.
- The location of the business – local, national, international.
- Evaluation, justification and synthesis of business ideas.

B Decision making in business

B1 Sources for data collection

- Primary sources.
- Secondary sources.
- Storage:
 - security of information
 - legislative
 - regulatory and ethical issues.
- Analysis, comparison and evaluation of data to predict consequences, provide reasonable alternatives and justify solutions.

B2 The use of business models to aid decision making

- Porter's five forces model.
- 5Cs analysis.
- Ansoff Matrix.
- Boston Matrix.

B3 Techniques to analyse data effectively for business purposes

- Representative values:
 - mean, median, mode
 - calculation from raw data and frequency distributions using appropriate software
 - using the results to draw valid conclusions.
- Measures of dispersion: standard deviation for small and large samples, typical uses (statistical process: control, buffer stock levels).
- Calculation: use of quartiles, percentiles, correlation coefficient.

B4 Appropriate formats for decision making in a business context

- Creation and interpretation of graphs using spreadsheets:
 - line
 - pie
 - bar charts
 - histograms.
- Scatter (XY) graphs and linear trend lines: extrapolation for forecasting (reliability).
- Presentations and report writing: utilisation of appropriate formats, presentation software and techniques.

B5 Software-generated information for decision making in a business

- Management information systems: computers and information processing tools for operational, tactical and strategic levels of the business.
- Project management: networking and critical path analysis, Gantt charts.
- Financial tools:
 - net present value
 - discounted cash flow
 - internal rates of return.

C Use of research to justify the marketing of a business

C1 Types of research

- Primary research:
 - survey
 - interview
 - observation
 - focus groups.
- Secondary research:
 - published reports
 - back data
 - industry reports
 - government data
 - consumer reviews.

C2 Competitor analysis

- Research and analyse the effect of competitors on the business:
 - the effect on the product/service to be offered
 - pricing strategies
 - location.

C3 Trends

- Economic trends.
- Market trends.
- Social trends.

C4 Marketing plan

- Elements of the 7Ps:
 - product
 - price
 - promotion
 - place
 - people
 - process
 - physical environment.

- Target market.
- USP.
- Segmentation.

D Efficient operational management of the business

D1 Legislation

Legislation has a huge influence on the manner in which a business can operate.

- Relevant industry legislation – a catering business would need to consider applicable food legislation.
- Health and safety at work
- Data protection
- Employment rights
- Consumer rights.

(Statutes and regulations current at the time of teaching should be used. Outline understanding only is expected.)

D2 Quality issues

In order to keep customers, and attract new ones, a business must ensure the quality of the product/service and customer care.

- Quality control.
- Quality assurance.
- Benchmarking.
- Quality circles.
- Self-checking or inspection.
- ISO 9000.
- Total quality management (TQM).

E Understand the importance of managing resources

E1 Human resources

- Staff requirements for efficiency.
- Wages/salaries.
- Full time/part time.
- Recruitment process.
- Training requirements and cost of training. In-house versus external?

E2 Physical resources

- Premises decision to rent or buy.
- Equipment required.
- Vehicles.
- IT hardware and software.
- Suppliers and cost of equipment.

E3 Financial resources

- Sources of finance.
- Start-up and running costs.

F Creation and interpretation of financial forecasts

F1 Creation and analysis of a sales forecast

- Use data to predict sales over a 12-month period.

F2 Create and interpret a cash flow forecast

- Creation of a cash flow forecast from data given.
- Analysis of a cash flow forecast to predict consequences and suggest and justify solutions.

F3 Creation and interpretation of a break-even chart

- Creation of a break-even chart from data given.
- Analysis of a break-even chart to predict consequences and suggest and justify solutions.

F4 Creation and interpretation of an income statement

- Creation of an income statement from data given.
- Analysis of an income statement to predict consequences and suggest and justify solutions.

F5 Creation and interpretation of a statement of financial position

- Creation of a statement of financial position from data given.
- Analysis of a statement of financial position to predict consequences and justify solutions.

G Viability of a business

G1 Ratio analysis

- Calculation of liquidity, profitability and performance ratios from given data.
- Interpretation of ratios calculated.

G2 Threats and 'what if' scenarios

- SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to identify possible threats.
- 'What if' scenarios to analyse how a proposed business/business development could be affected in a variety of alternative situations.
- PESTLE (Political, Economical, Social, Technological, Legal, Environmental) analysis to identify possible risks/opportunities for the proposed business/business development.

G3 Contingency plan

- Creation of a contingency plan.

H Demonstrate business skills/IT skills

H1 Business skills

- Consideration of all key factors and alternative approaches.
- Consideration of risk (legal, reputation, financial) when making final recommendations/judgements.

H2 Use IT skills to create appropriate documentation

- Appropriate software for the production of a formal business report/executive summary.
- Appropriate software for the production of a presentation.
- Programmes/software packages for production and manipulation of financial information, generation of graphs and 'what if' scenarios.

Grade descriptors

To achieve a grade a learner is expected to demonstrate these attributes across the essential content of the unit. The principle of best fit will apply in awarding grades.

Level 3 Pass

Learners will be able to demonstrate knowledge and understanding of the factors that influence decision making in business and can apply this to real-life scenarios. They understand how existing businesses can be developed and the importance of planning for a new business. They can make recommendations for future actions in context resulting from interpretation of analysis and evaluation of the business information and financial data provided.

Level 3 Distinction

Learners will be able to critically evaluate and synthesise information relating to business viability and future business success. They can apply key concepts and business decision-making models to real-life scenarios, analyse complex information and financial data from different sources and assess its impact and influence on business decisions. Learners can consider the implications in the context of the business information and financial detail both given and created, making appropriate justified recommendations for necessary future actions.

Key terms typically used in assessment

The following table shows the key terms that will be used consistently by Pearson in our assessments to ensure students are rewarded for demonstrating the necessary skills.

Please note: the list below will not necessarily be used in every paper/session and is provided for guidance only.

Command or term	Definition
Business plan	A written document that comprises all areas of a business proposal.
Executive summary	Brief but comprehensive synopsis of a business plan or an investment proposal.
Formal report	This is a formal business report structured in an appropriate format and layout, using business language and style.
Presentation	Using software to prepare the materials for a visual presentation.

Links to other units

The assessment for this unit should draw on knowledge, understanding and skills developed from:

- Unit 1: Exploring Business
- Unit 2: Developing a Marketing Campaign
- Unit 3: Personal and Business Finance
- Unit 4: Managing an Event
- Unit 5: International Business
- Unit 6: Principles of Management.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers from small businesses
- participation in audience assessment of presentations
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 8: Recruitment and Selection Process

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners explore how the recruitment process is carried out in a business. The unit gives learners the opportunity to participate in selection interviews and review their performance.

Unit introduction

Recruiting the right people is essential to the success of a business. It is important that the processes and procedures involved in recruitment and selection meet the needs of the business and comply with current regulations. You will learn that successful recruitment is key to maintaining the success of a business, as people are often considered to be the most valued resource. You will explore the various selection tools and the enhanced use of technology in this area. Businesses with an effective recruitment process in place are more likely to make successful appointments. In a competitive labour market this is a major advantage and will support business success.

This unit gives you the opportunity, through role play, to take part in selection interviews. They will need to be organised and prepared so that they demonstrate your communication skills in this work-related competence.

This unit will give you a foundation for progression to employment, for example in a human resources role, or to higher education. Through undertaking recruitment activities the unit will help you to develop the skills needed in an interview situation. You will have an opportunity to review your individual performance and analyse your skills for development.

Learning aims

In this unit you will:

- A** Examine how effective recruitment and selection contribute to business success
- B** Undertake a recruitment activity to demonstrate the processes leading to a successful job offer
- C** Reflect on the recruitment and selection process and your individual performance.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Examine how effective recruitment and selection contribute to business success</p>	<p>A1 Recruitment of staff A2 Recruitment and selection process A3 Ethical and legal considerations in the recruitment process</p>	<p>A report that examines the recruitment process in a large business.</p>
<p>B Undertake a recruitment activity to demonstrate the processes leading to a successful job offer</p>	<p>B1 Job applications B2 Interviews and skills</p>	<p>Learners must participate in a recruitment and selection activity. They will need to interview and be interviewed, and complete the appropriate documentation.</p>
<p>C Reflect on the recruitment and selection process and your individual performance</p>	<p>C1 Review and evaluation C2 SWOT analysis and action plan</p>	<p>Learners will need to evidence all the documents created.</p> <p>Ability to self-critique performance, including what could have gone better and what skills need to be developed, so that learners can enhance their employability.</p> <p>SWOT analysis on performance in their interviewing activity linked to their personal future.</p>

Content

Learning aim A: Examine how effective recruitment and selection contribute to business success

A1 Recruitment of staff

- Workforce planning: in a large 250+ staff business, e.g. retail, a production company or financial business, look at the reasons for recruiting new staff, such as:
 - growth of the business: locally, nationally, globally
 - changing job roles
 - systems change
 - filling new vacancies created by more space or product development
 - vacancies caused by leavers/turnover of staff
 - internal promotions
 - new office or branch and need for additional staff
 - seasonal fluctuations leading to the requirement for temporary staff.
- Use of jobcentres and agencies, internal advertisements versus external advertisements, online recruitment and traditional methods.
- How the recruitment process links to business success.
- How a professional recruitment process leads to efficient staff integration.

A2 Recruitment and selection process

- Recruitment process – the purpose of the documents for internal and external recruitment:
 - job advertisement – placing of the advertisement, internal/external, journal/website
 - job analysis
 - job description – the content of the tasks and responsibilities of the job
 - person specification and skills the position requires – are they essential or desirable?
 - CV versus application forms
 - letter of application
 - online recruitment and how the application process can be more cost-effective when using technology.
- Selection, including assessment centres and psychometric testing, group/team activity interviews (by telephone, face-to-face, group and panel), presentations in interviews, short tests at interviews:
 - interview protocol, type of selection and how it contributes to the process – advantages and disadvantages
 - initial selection processes with telephone screening interviews or short, online tests, appreciation that different processes are appropriate for different roles in a business
 - use of technology in the process, online applications, uploaded CVs or use of post
 - communication with prospective employees: are the channels easy to access, can the process be monitored?
 - quality of the process and the documents
 - linking the process to efficiency and business success.

A3 Ethical and legal considerations in the recruitment process

- Why recruitment processes have to be ethical and adhere to equal opportunities legislation; what the ethical responsibilities and the current legislation relating to equal opportunities are.
- Ethical considerations, including:
 - being honest in an advertisement
 - the maintenance of confidentiality
 - ensuring the same questions are asked to all candidates interviewed
 - same criteria used for all applicants
 - disclosure if family or friends work for the same business.

- Current equal opportunities legislation with regard to gender, age, race, disability, minimum wage all impact on the recruitment process; issues can arise if all current law is not adhered to in this area.
- Current right-to-work legislation, document check.

Learning aim B: Undertake a recruitment activity to demonstrate the processes leading to a successful job offer

B1 Job applications

Selection of a job role for the business as above and then preparation of all the relevant documents:

- a job advertisement giving suitable examples of where it could be placed
- job analysis
- job description
- person specification
- application form
- personal CV
- letter of application.

B2 Interviews and skills

- Communication skills required for interview situations: body language and listening skills, professional approaches, formal language, skills and attitudes of both interviewer and interviewee, role play, body language, dress, interview questions.
- Designing interview questions.
- Interview feedback form.
- Observation form.
- Reviewing applications from peer group.
- Submitting applications to peer group.
- Demonstration of a work-related competence (interviewing and being interviewed), analysis of how the activity worked, if the correct questions were asked to achieve the desired outcome, if the advertisement, job description and person specification led to the application form and covering letter being completed with the right level of information; adherence to equal opportunities legislation.
- Evaluation of documentation produced for the process: was it prepared to select the right candidate? Did the interview process forms/questions ensure the candidates demonstrated their skills effectively? Could it have been improved?

Learning aim C: Reflect on the recruitment and selection process and your individual performance

C1 Review and evaluation

- Role-play activity.
- Individual appraisal of own roles in being interviewed, interviewing and observing.
- Review of communication skills.
- Review of organisational ability.
- Assessment of how the skills acquired support the development of employability skills.

C2 SWOT analysis and action plan

- SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis on individual performance in the role-play activities.
- Self-critique of the events and documentation prepared, and how it supported the activity.
- Review if the process was effective and how a learner feels they may need to develop skills further to be able to conduct and participate in interviews more effectively.
- Action plan to highlight how to address any weaknesses in skill set.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine how effective recruitment and selection contribute to business success		A.D1 Evaluate the recruitment processes used and how they contribute to the success of the selected business.
A.P1 Explain how a large business recruits and selects giving reasons for their processes. A.P2 Explain how and why a business adheres to recruitment processes which are ethical and comply with current employment law.	A.M1 Analyse the different recruitment methods used in a selected business.	
Learning aim B: Undertake a recruitment activity to demonstrate the processes leading to a successful job offer		B.D2 Evaluate how well the documents prepared and participation in the interview activities supported the process for a job offer. C.D3 Evaluate how well the recruitment and selection process complied with best practice, drawing reasoned conclusions as to how it will support your future career.
B.P3 Prepare appropriate documentation for use in selection and recruitment activities. B.P4 Participate in the selection interviews, as an interviewer and interviewee.	B.M2 In recruitment interviews, demonstrate analytical responses and questioning to allow assessment of skills and knowledge.	
Learning aim C: Reflect on the recruitment and selection process and your individual performance		
C.P5 Complete a SWOT analysis on your performance in the interviewing activities. C.P6 Prepare a personal skills development plan for future interview situations.	C.M3 Analyse the results of the process and how your skills development will contribute to your future success.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aims: B and C (B.P3, B.P4, C.P5, C.P6, B.M2, C.M3, B.D2, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

Learning aim A

Learners will write a report that includes information about how a business recruits employees. A large business of 250+ employees will be used as not all small businesses have a transparent easily accessible recruitment system. To ensure the material they require is available, learners could research a few businesses before they select one for study.

Recent and relevant ethical and legal considerations must be stated in the report. The individual report must be written in appropriate business language.

For distinction standard, learners will evaluate the recruitment processes, reach a reasoned conclusion and make insightful reference to how it is linked to the success of a selected business. The report will consider the problems that can impact on a business if there are staff shortages or if unsuitable employees are selected because of ineffective recruitment systems.

For merit standard, learners will analyse the different recruitment methods, looking at the strengths and weaknesses of the systems in place.

For pass standard, learners will examine the factors for workforce planning and the reasons for businesses having to recruit additional employees. The report must demonstrate an understanding of the recruitment methods and why the different processes are used. Learners will indicate whether external bodies and/or agencies contribute to the process of assessment or interviewing, highlighting their specific contribution to the practice. The report will show a clear understanding of the importance of sequencing in the recruitment process and the use of technology/new technologies in this field.

Learning aims B and C

Learners will form part of an interview panel and be interviewed to enable skills to be developed for both roles. Witness statements will need to be completed by the teacher, recording participation and including feedback that the learner can use to help develop their SWOT analysis.

Learners will demonstrate effective communication skills. They will design interview questions that clearly relate to the job role and which allow skills and competencies to be assessed. Learners will develop a fair system for monitoring answers in the interviews, selecting the most appropriate candidate. Documents should be included in their learner portfolios.

For distinction standard, learners will make an individual detailed evaluation of the documents used. The report will reach a reasoned conclusion on whether or not the interview documents were effective and if they fully supported the interview activity. It will also include a balanced evaluation, highlighting how well the processes were related to professional best practice. Learners will offer a detailed conclusion as to how this will support career progression.

For merit standard, learners will offer an individual analysis of the effectiveness of the interview questions in assessing skills and knowledge. A report will include clear analysis of the interview activity. Learners will show clear links between skills development and enhancement of their career prospects.

For pass standard, learners will use the business studied in learning aim A to create the relevant recruitment selection documents for a specific job role. In order to contribute to the development of employability skills, the role selected will be realistic to the learner's current skills. These documents could be shared among learners so that they can then apply for a position created by someone else, and then be interviewed for the role. Documents will be fit for purpose, professional and written in appropriate business language. Job application forms must be completed in full. Evidence will include a detailed SWOT analysis of the individual performance in the interview task that then leads to a development plan showing how a learner plans to enhance weaknesses and build confidence in the interview process. Details of any other personal experiences of employment interviews may be referred to here and used to support the development plan.

Links to other units

This unit links to:

- Unit 1: Exploring Business
- Unit 6: Principles of Management
- Unit 9: Team Building in Business
- Unit 21: Training and Development.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 9: Team Building in Business

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners study the dynamics of team building, examine the underpinning theory and participate in team activities.

Unit introduction

The importance of teams that perform well cannot be underestimated. It is generally accepted that successful businesses have effective teams in place. An effective team is one that is led and managed well. The team is also motivated, well-briefed, and communicates well.

In this unit you will learn how successful businesses draw on effective teams, for example Formula One® motor racing relies on excellent teamwork that is modelled by many businesses. A team allows its members to use their collective strength and to share ideas, perspectives and experiences. You will learn that nearly all individuals in a business belong to one or more groups or teams that contribute to the overall corporate strategy of the business. In this unit you will get to work in, and lead a team.

The unit and the team activities will give you the practical tools you need to support and lead a team. It develops key employability skills and will be useful both in the workplace and in your studies.

Learning aims

In this unit you will:

- A** Examine the benefits of teams in a business setting
- B** Investigate techniques and theories used for the development of an effective business team
- C** Develop effective team skills through practical activities.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Examine the benefits of teams in a business setting</p>	<p>A1 The difference between a group and a team</p> <p>A2 Types and purposes of business teams</p> <p>A3 Characteristics and benefits of an effective team</p>	<p>A report that examines teams in business settings. It should consider types of teams and their purpose, and the benefits of these teams to the businesses.</p> <p>A report that examines the effectiveness of a real team in a business setting. It should reflect on team theories, and make recommendations for improvements to the team.</p>
<p>B Investigate techniques and theories used for the development of an effective business team</p>	<p>B1 Team-building techniques</p> <p>B2 Theories of team development</p> <p>B3 Causes of team conflict</p>	<p>The evidence will focus on what went well and what did not in the team activities.</p> <p>Learners should evaluate and self-critique their performance in a team, the development of their skills, and evaluate the effectiveness of the team.</p>
<p>C Develop effective team skills through practical activities</p>	<p>C1 Being an effective team member</p> <p>C2 Being an effective team leader</p>	<p>The evidence will focus on what went well and what did not in the team activities.</p> <p>Learners should evaluate and self-critique their performance in a team, the development of their skills, and evaluate the effectiveness of the team.</p>

Content

Learning aim A: Examine the benefits of teams in a business setting

A1 The difference between a group and a team

- Definitions of a group and a team.

A2 Types and purposes of business teams

- Structure: formal, informal.
- Size: small, large.
- Type: temporary, permanent, remote/virtual, horizontal or vertical.
- Purpose: to achieve goals, increase efficiency and productivity, to be innovative.

A3 Characteristics and benefits of an effective team

- Characteristics:
 - sense of purpose
 - prioritisation of team goal
 - members have clear roles
 - clear lines of authority and decision making
 - conflict dealt with openly
 - personal traits appreciated and utilised
 - group norms set for working together
 - success shared and celebrated
 - trained and skilled members
 - good interpersonal relationships
 - all have opportunity to contribute.
- Benefits:
 - contribution to the productivity and effectiveness of the business
 - development of a common purpose
 - clarification of roles
 - reduction of alienation
 - sharing of expertise
 - identification and development of talent
 - increased motivation
 - fostering innovation
 - stretching people's talents.

Learning aim B: Investigate techniques and theories used for the development of an effective business team

B1 Team-building techniques

- Team membership and roles: team members have the required technical and role-based skills, leadership is established, clear lines of authority.
- Purpose and goal: purpose is communicated and agreed, all team members working towards a common goal, collaborative decision-making, responsibility for tasks.
- Communication:
 - vision/objectives/targets are shared
 - work proceeds more smoothly and efficiently
 - cooperation among team members is enhanced
 - feedback is encouraged
 - openness and trust are promoted
 - good work ethics and mutual respect are established
 - team is led by example
 - members are encouraged to deal with challenges without complaining
 - members support and respect each other.

- Rewards:
 - regular positive and supportive feedback
 - acknowledgement and recognition of team and individual success.

B2 Theories of team development

- Belbin's nine team roles: identification of people's behavioural strengths and weaknesses in the workplace to provide a balanced team, contributions and allowable weaknesses of each role.
- Tuckman's four stages of team development: the link between the relationships in the group and the focus on the task.

B3 Causes of team conflict

- Importance of group/team dynamics.
- Bell and Hart's eight causes of conflict: conflicting resources, conflicting work styles, conflicting perceptions, conflicting goals, conflicting pressures, conflicting roles, different personal values, unpredictable policies.
- Non-compliance with rules and policies: personal non-compliance or disregard for company policy by colleagues (discriminatory behaviour, unacceptable language, poor attendance and timekeeping).
- Misunderstandings: poor communication leading to misunderstandings.
- Competition/rivalry: competition instead of collaboration, anti-productive behaviour.

Learning aim C: Develop effective team skills through practical activities

C1 Being an effective team member

Skills:

- objective setting, common purpose
- trust and respect for all
- feedback: to be able to give and receive
- interpersonal and communication
- motivation
- responsibility
- clarifying objectives, agreeing tasks, working towards a common purpose.

C2 Being an effective team leader

Skills:

- objective setting, common purpose
- motivation of others
- integrity
- managing aspirations and talent
- resolution of conflict
- leadership style.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the benefits of teams in a business setting		A.D1 Justify how and why a given team will benefit a chosen business.
A.P1 Explain the purpose of a given team in a chosen business. A.P2 Explain the characteristics of a given team in a chosen business.	A.M1 Assess how and why a given team will benefit a chosen business.	
Learning aim B: Investigate techniques and theories used for the development of an effective business team		B.D2 Evaluate the effectiveness of an existing business team, including overall team performance, individual performance and leadership linking to theory.
B.P3 Discuss the roles in an existing team at a chosen business, giving clear links and references to a recognised theorist. B.P4 Discuss the dynamics of an existing team and how they work towards their goals.	B.M2 Analyse the roles and dynamics of an existing business team and make recommendations for improvements to its cohesiveness.	
Learning aim C: Develop effective team skills through practical activities		C.D3 Demonstrate initiative, self-management and creativity in the professional development of team skills.
C.P5 Show the ability to work as a team leader and team member through active participation in team activity. C.P6 Reflect on your own effectiveness in team activities and use feedback to plan improvement in performance.	C.M3 Work efficiently as a member of a team and as a team leader and use feedback to assess how conflict was managed.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

Learners will individually select a team of their choice.

Learning aims A and B

For distinction standard, learners will give examples of the types and purposes of business teams and the challenges in building an effective team. To support the evaluation, learners will use examples from their chosen business and from other businesses. They will evaluate the performance and leadership of their chosen team, linking relevant theory and including how the team works together.

For merit standard, learners will demonstrate clear analysis of the range of techniques used to build effective teams. Some of this analysis should be gained from a visit or interview. The report will analyse how the roles in a team support the outcomes of the effective team and this should be referenced to theory.

For pass standard, learners will explain the purpose and characteristics of the chosen team and they will discuss the roles and dynamics of a team in their chosen business, and how teams are used in a variety of ways. This will include reference to different types of teams. Team-building techniques and the theory of team development will be included in the report.

Learning aim C

Learners will participate in substantial team activities. Team activities will be full-day events or carried out in several sessions over a short time. Learners will have an opportunity to both lead a team and be a team member. Detailed peer and assessor observation/feedback sheets and an individual learner logbook will be completed so that information is available for review.

For distinction standard, learners will demonstrate a professional approach throughout the unit; they will have shown self-management together with initiative and creativity in their research and teamwork. An independent approach is one where a learner develops their own ideas or develops ideas in distinctive ways. They will demonstrate a professional approach to teamwork, and an attention to detail and precision throughout their work. A witness statement will be needed to support this.

For merit standard, learners will assess their individual performance both as team members and as team leaders. Learners will need to explain how conflict was managed.

For pass standard, learners will reflect on their skills, both as team members and as team leaders. Learners will explain how they dealt with situations that arose during the activities in which they participated.

Links to other units

This unit links to:

- Unit 4: Managing an Event
- Unit 6: Principles of Management
- Unit 8: Recruitment and Selection Process
- Unit 21: Training and Development.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 10: Recording Financial Transactions

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners explore how and why financial transactions are recorded as well as checking bank records and dealing with errors.

Unit introduction

The accounting or bookkeeping system is the process that provides all the information for the final accounts of a business. It is essential that accounting records are clear, concise and accurate.

In this unit, you will complete a set of accounts for a typical business. You will learn how source documents are recorded in the accounts, how to record this information into double entry ledger accounts and extract a trial balance. You will consider the importance of keeping accurate financial records, including the legal and professional obligations of a business relationship with stakeholders and the risk of fraud. You will also learn how control mechanisms such as bank reconciliation, and how control accounts are prepared and used to help keep accurate financial records. You will examine how and why errors may occur in the financial records of a business and make the necessary corrections. You will consider how these errors affect the financial statements for the business as well as understanding the wider implications of errors and inaccurate financial records to the success of a business.

This unit provides a useful opportunity to gain the practical and professional skills of working in an accounting environment, which will enable you to decide if you want to progress to further study or training in this area.

Learning aims

In this unit you will:

- A** Undertake the accurate recording of financial transactions using the double entry accounting system
- B** Carry out bank reconciliation as a function of accurate financial control
- C** Construct control accounts for debtors and creditors for accurate financial control
- D** Examine the correction of errors in accounting records for financial control.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Undertake the accurate recording of financial transactions using the double entry accounting system	A1 Importance of accurate records A2 Financial documents A3 Types of transactions A4 Double entry system A5 Books of original entry A6 Double entry ledger accounts and cash books A7 The trial balance	<p>A detailed assessment of the importance of keeping accurate financial records.</p> <p>Draw up books of original entry and make entries from a given set of transactions for a business, including purchase, sales, returns, cash and bank transactions.</p> <p>Draw up double entry accounts from a given set of transactions for a business and extract the trial balance.</p>
B Carry out bank reconciliation as a function of accurate financial control	B1 Need for bank reconciliation B2 Completion of bank reconciliation B3 Importance of bank reconciliation	<p>Draw up and make entries to a bank reconciliation statement from a given set of financial data for a typical business.</p> <p>Write a report to analyse the importance of bank reconciliation statements.</p>
C Construct control accounts for debtors and creditors for accurate financial control	C1 Definition and purpose of control accounts C2 Preparation and calculation of control accounts C3 Correction of errors in the control accounts and the schedule of debtors and creditors	<p>Prepare and make entries in the 'total debtors' and 'total creditors' accounts from a given set of financial transactions.</p> <p>Identify and correct errors in the control accounts and schedule of debtors and creditors from given set of errors.</p> <p>Write a report to evaluate the benefits of control accounts.</p> <p>Write a report to examine and explain errors affecting a typical accounting system.</p>
D Examine the correction of errors in accounting records for financial control	D1 Identification and explanation of different types of errors D2 Correction of errors not affecting the trial balance D3 Correction of errors and suspense accounts D4 The effect of errors on financial statements	<p>Draw up a journal and suspense account, make entries to correct errors from a given set of errors.</p> <p>Table or list calculations to show how errors have changed the final accounts.</p> <p>Write a report to assess how and why errors have affected financial statements.</p> <p>Written report to evaluate the implications of errors and inaccurate financial records.</p>

Content

Learning aim A: Undertake the accurate recording of financial transactions using the double entry accounting system

A1 Importance of accurate records

- Importance of accurate financial record keeping, including: audits, comply with concepts, measuring performance, legal obligations, risk of fraud, professional responsibility, security, reputation, tax liability, stakeholder confidence.

A2 Financial documents

- Purpose of source documents, including: cash receipt, cheque, purchase order, delivery note, invoice, goods received note, credit note, debit note, statement of account, remittance advice.
- Types of discounts available to customers.

A3 Types of transactions

- Including: cash, bank, credit card, debit card, credit transactions, BACS, direct debit, internet banking and online security implications.

A4 Double entry system

- The double entry bookkeeping and accounting equation, layout of a ledger account ('T' account).

A5 Books of original entry

- Purpose and completion of day books and journals, including: sales day book, sales returns day book, journal, purchases day book, purchase returns day book. NOTE: the journal should include the purchase and disposal of fixed assets, depreciation and bad debts only (i.e. not the recording of errors).

A6 Double entry ledger accounts and cash books

- Purpose and completion of double entry accounts, including all those in the following ledgers: sales ledger (all personal debtor accounts), purchase ledger (all personal creditor accounts), cash book (cash, bank, discount allowed, discount received), general ledger (all other accounts).
- Balancing all ledger accounts accurately to show total columns, balance carried down (c/d) and balance brought down (b/d).

A7 The trial balance

- Prepare a trial balance from a set of double entry ledger accounts.
- Why the debit and credit trial balances should equal one another, link between the trial balance and financial statements.

Learning aim B: Carry out bank reconciliation as a function of accurate financial control

B1 Need for bank reconciliation

- Reasons why the cash book (bank column) balance differs from the bank statement, including timing, receipts credited by the bank, payments debited by the bank, transaction errors, balancing errors, banking security procedures.

B2 Completion of bank reconciliation

- Complete appropriate bank reconciliation examples, following steps.
- Unusual items, including out-of-date cheques, dishonoured cheques, stopped cheques, bank errors, bank charges and interest.

B3 Importance of bank reconciliation

- Reasons for bank reconciliation for control purposes, including correction of errors and omissions, correct entry in trial balance, queries to suppliers and/or customers, late presented cheques, segregation of duty, and fraud.

Learning aim C: Construct control accounts for debtors and creditors for accurate financial control

C1 Definition and purpose of control accounts

- The benefits of control accounts, including: deterrent against fraud, 'mini' trial balance for debtors and creditors, tracking what is owed to debtors and by creditors, division of responsibility, locating errors.

C2 Preparation and calculation of control accounts

- Purpose of control accounts for debtors and creditors.
- Make entries to the control accounts, including: balances b/d, returns, sales and purchases, receipts and payments, discounts, bad debts, dishonoured cheques, interest on overdue amounts, refunds, contra entries.

C3 Correction of errors in the control accounts and the schedule of debtors and creditors

- Identification and correction of errors by updating (revising) the control account.
- Preparation of a reconciliation statement of the control account(s) balance with the schedule(s) of debtors' and/or creditors' personal accounts.

Learning aim D: Examine the correction of errors in accounting records for financial control

D1 Identification and explanation of different types of errors

- Transposition, omission, principle, compensating, reversal, original entry, commission.

D2 Correction of errors not affecting the trial balance

- Make journal entries to show how the error must be corrected and complete a narrative to identify and explain the type of error.

D3 Correction of errors and suspense accounts

- Make journal entries to show how the error must be corrected and complete a narrative to identify and explain the type of error, open and post entries to a suspense account where appropriate.

D4 The effect of errors on financial statements

- Preparation of a revised profit statement to show how errors have altered financial statements.
- Analysis of how errors affect a business, including financial and non-financial factors.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Undertake the accurate recording of financial transactions using the double entry accounting system		AB.D1 Evaluate the importance of accuracy in the double entry process and bank reconciliation for accurate financial control.
A.P1 Record straightforward financial transactions from different sources in the books of original entry. A.P2 Complete straightforward double entry accounts and extract a trial balance using a given set of financial transactions.	A.M1 Complete records for a given set of complex financial transactions using books of original entry, double entry accounts and extract a trial balance.	
Learning aim B: Carry out bank reconciliation as a function of accurate financial control		
B.P3 Accurately prepare a straightforward bank reconciliation statement for financial control.	B.M2 Accurately prepare a complex bank reconciliation statement for financial control.	
Learning aim C: Construct control accounts for debtors and creditors for accurate financial control		C.D2 Evaluate the importance of control mechanisms in the accurate recording of financial transactions. D.D3 Evaluate the effect and impact of errors in accounting records on the final accounts for a given business.
C.P4 Accurately prepare control accounts using a given set of financial transactions for financial control.	C.M3 Analyse control and personal accounts to correct errors for financial control.	
Learning aim D: Examine the correction of errors in accounting records for financial control		
D.P5 Explain the types of error that occur in accounting records. D.P6 Record straightforward journal entries, which do not involve a suspense account to support the correction of errors for a given set of financial transactions.	D.M4 Record complex journal and suspense account entries accurately to support the correction of errors and prepare a revised profit statement.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, A.M1, B.M2, AB.D1)

Learning aims: C and D (C.P4, D.P5, D.P6, C.M3, D.M4, C.D2, D.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

Learning aims A and B

Complex **financial transactions** must include the following: sales and purchase returns, discount allowed and received, depreciation entries (amount should be given), bad debts.

Complex **bank reconciliation** entries must include: dishonoured and stopped cheques, out-of-date cheques, bank interest, using a cash book and/or bank statement which is overdrawn.

For distinction standard, learners will produce a written report that evaluates the importance of accurate reporting and recording of financial transactions, including bank reconciliation, to ensure accurate financial control.

For merit standard, learners will record more complex financial transactions from the whole range of books of original entry. They will then produce a more comprehensive set of double entry ledger accounts and extract a trial balance from a given set of documents and financial records. In addition, learners will produce complex bank reconciliation from a given set of business documents and financial records

For pass standard, learners will record financial transactions from a number of different books of original entry; complete double entry accounts and extract a trial balance from a given set of documents and financial records. They will accurately prepare straightforward bank reconciliation from a given set of financial records.

Learning aims C and D

For distinction standard, learners will produce a written report evaluating the importance of control mechanisms in the accurate recording of financial transactions. Types of errors will be identified and learners will evaluate the implications of these errors and inaccurate financial records in terms of the success of the given business. Learners will show consistent accuracy, individuality and independence in their presented assessment evidence.

For merit standard, learners will identify and correct complex errors in both the control accounts and the schedule of debtors and creditors, and analyse the benefits of control accounts in ensuring financial control. Learners will show analysis of the effect of errors in accounting records on final accounts.

For pass standard, learners will produce written evidence explaining the types of errors that occur in accounting records. Learners will also produce simple control accounts not requiring suspense accounts for debtors and creditors from a given set of transactions, together with a revised set of accounts showing their ability to identify and correct given errors. Learners will record journal entries to support the correction of errors.

Links to other units

This unit links to:

- Unit 3: Personal and Business Finance
- Unit 7: Business Decision Making
- Unit 11: Final Accounts for Public Limited Companies
- Unit 12: Financial Statements for Specific Businesses
- Unit 13: Cost and Management Accounting.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 11: Final Accounts for Public Limited Companies

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will understand the importance of completed and well-analysed financial statements for limited companies.

Unit introduction

In this unit, you will gain a thorough understanding of why financial statements are prepared in the way they are. You will cover end-of-year financial statements for limited companies, learn about the importance of the information contained in them, and how this can be used by interested stakeholders. You will also consider the importance of complying with accounting concepts and standards so that financial statements are prepared accurately and consistently.

You will learn how an analysis of a business's cash flow statement can help to identify the amount of cash available from one accounting period to another, and enables users to understand why a large profit does not necessarily result in an abundance of cash. You will consider the importance of ratio analysis to help shareholders and potential investors make decisions about the likely future success of a limited company.

It will help you progress to an accounting apprenticeship or to one of the higher education routes in business and financial management.

Learning aims

In this unit you will:

- A** Examine the end-of-year financial statements for a public limited company
- B** Explore the cash flow statement of a public limited company
- C** Undertake shareholder ratio analysis for public limited company accounts.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Examine the end-of-year financial statements for a public limited company	A1 Accounting concepts A2 Accounting standards A3 Accounting adjustments A4 End-of-year financial statements A5 Analysis and interpretation of end-of-year financial statements	<p>A report to explain the accounting concepts and standards to be followed when preparing end-of-year financial statements.</p> <p>Calculation of end-of-year adjustments and completion of the end-of-year financial statements for a public limited company.</p>
B Explore the cash flow statement of a public limited company	B1 Purpose of cash flow statements B2 Completion of cash flow statements B3 Changes to cash flow	<p>A report to assess and apply the relevant concepts and standards to the end-of-year financial statements.</p> <p>A written evaluation of the significance of the financial statements to different stakeholders of the public limited company.</p>
C Undertake shareholder ratio analysis for public limited company accounts	C1 Definition and purpose of shareholder ratios C2 Calculation of shareholder ratios C3 Merits and drawbacks of shareholder ratios C4 Ratio analysis	<p>A report to explain the purpose of a cash flow statement and shareholder ratios.</p> <p>Calculation and preparation of a public limited company cash flow statement in accordance with the format for publication.</p> <p>A written analysis of the cash flow statement.</p> <p>A written evaluation of the financial position of the public limited company.</p> <p>Calculation of specified shareholder ratios.</p> <p>An oral presentation to analyse the ratio results.</p> <p>A written evaluation of the financial position of the two limited companies.</p>

Content

Learning aim A: Examine the end-of-year financial statements for a public limited company

A1 Accounting concepts

- Definition and application of the accounting concepts: materiality, realisation, going concern, business entity, duality, consistency, historical cost, accruals (matching), money measurement, prudence, to the end-of-year financial statements for limited companies.
- Importance of the accounting concepts listed above when preparing limited company accounts.
- Importance of accounting principles: relevance, reliability, comparability and understanding of the financial statements of limited companies.

A2 Accounting standards

- Definition and application of the following international accounting standards (IAS): IAS1 (presentation of financial statements), IAS2 (inventories), IAS3 (accounting policies, changes in accounting estimates and errors), IAS10 (events after reporting period), IAS 16 (property, plant and equipment), IAS 37 (provisions, contingent liabilities and contingent assets), IAS 38 (intangible assets), IFRS (fair value measurement).
- Importance of the standards listed above.

A3 Accounting adjustments

- Explanation and calculation of the following adjustments to limited company accounts: depreciation of non-current assets (straight-line and reducing balance method), revaluation of non-current assets, bad debts, accrued and prepaid expenses and revenues, provision for doubtful debts, loan and/or debenture interest, corporation tax, transfer to reserves, preference and/or ordinary share dividends.
- NOTE: Corporation tax and reserves will be given entries and not require calculation.
- Application and explanation of relevant accounting concepts and standards.

A4 End-of-year financial statements

- The calculation and preparation of a statement of comprehensive income (profit and loss account), appropriation account and a statement of financial position (balance sheet) for limited companies in accordance with the format for publication.
- The statements to include the adjustments in A3.
- Application and explanation of relevant accounting concepts and standards.

A5 Analysis and interpretation of end-of-year financial statements

- The differing requirements of information for user groups (stakeholders), including: shareholders, customers (debtors), suppliers (creditors), employees, directors, managers, potential investors, government, lenders, public and environmental groups.

Learning aim B: Explore the cash flow statement of a public limited company

B1 Purpose of cash flow statements

- Definition of a cash flow statement.
- Purpose of a cash flow statement, including: use of funds, analysis of liquidity, relationship to other financial statements, difference between cash and profit, sources of finance, comparison with previous accounting periods.

B2 Completion of cash flow statements

- The calculation and preparation of a cash flow statement in accordance with the format in IAS7.
- Reconciliation of operating profit to net cash flow from operating activities.
- Application and explanation of relevant accounting concepts and standards.

B3 Changes to cash flow

- Explanation and analysis of the changes in cash flow as shown in the cash flow statement from one accounting period to another.

Learning aim C: Undertake shareholder ratio analysis for public limited company accounts

C1 Definition and purpose of shareholder ratios

- Definition, formula and purpose of the following shareholder ratios: dividend per share, dividend yield, earnings per share, dividend cover, price/earnings ratio, gearing ratio.

C2 Calculation of shareholder ratios

- Workings and calculation of the shareholder ratios listed in C1 for two separate limited companies in the same industry.

C3 Merits and drawbacks of shareholder ratios

- Consideration of the merits of shareholder ratios using the calculations from C2, including: comparison to previous accounting periods, comparison to firms in same industry, comparison with alternative investment opportunities.
- Consideration of the drawbacks of shareholder ratios using the calculations from C2, including: historical data, time lags, external factors/shocks, basis of comparison, degree of risk in investment opportunities, importance of non-financial factors.

C4 Ratio analysis

- Comparison and analysis of the ratios calculated in C2 to ascertain the overall financial position of limited companies for existing and prospective shareholders.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the end-of-year financial statements for a public limited company		
A.P1 Outline and apply accounting concepts and standards.	A.M1 Discuss and assess relevant accounting concepts and standards used in the preparation of the financial statements for a limited company.	
A.P2 Calculate adjustments to limited company accounts.		
A.P3 Prepare end-of-year financial statements for limited companies.		
Learning aim B: Explore the cash flow statement of a public limited company		
B.P4 Explain the purpose of a limited company's cash flow statement.	B.M2 Analyse the changes in the financial position of a limited company using a cash flow statement.	
B.P5 Complete a limited company's cash flow statement.		
Learning aim C: Undertake shareholder ratio analysis for public limited company accounts		
C.P6 Describe the main purposes of shareholder ratios.	C.M3 Discuss the merits and limitations of ratio analysis for a limited company.	
C.P7 Calculate shareholder ratios for two limited companies in the same industry.		
	C.M4 Analyse the results of the shareholder ratios for two limited companies in the same industry.	
		A.D1 Evaluate the significance of financial statements to different stakeholders of a limited company.
		B.D2 Evaluate the financial position of the limited company for current stakeholders, using the cash flow statement.
		C.D3 Evaluate the financial position of the limited company for current and potential shareholders, using shareholder ratio analysis.

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of one summative assignment for this unit. The relationship of the learning aims and criteria is:

Learning aims: A, B and C (A.P1, A.P2, A.P3, B.P4, B.P5, C.P6, C.P7, A.M1, B.M2, C.M3, C.M4, A.D1, B.D2, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

Learning aims A, B and C

For distinction standard, learners will conduct additional independent research and use information from the given scenario/case study to give a thorough and justified evaluation of the financial statement to the stakeholders of a limited company.

Learners will fully use their results and analysis at pass and merit standard to comprehensively evaluate the overall financial position of a limited company.

Learners will show consistent accuracy, individuality and independence in their selection and use of techniques for calculations and ratio analysis.

For merit standard, learners will use their own knowledge and research, together with calculations from their work at pass standard and the given scenario/case study, to fully assess the relevant accounting concepts and standards used in the completion of the financial statements.

Learners will use their own independent research and knowledge, together with calculations from the pass standard to discuss the merits and limitations of ratio analysis for a limited company.

Learners will use their results of calculations at pass standard to conduct a ratio analysis for two limited companies in the same industry.

For pass standard, learners will use some independent research and knowledge as well as information from the given scenario/case study to explain and apply the accounting concepts and standards. Learners will produce accurate calculations of adjustments and end-of-year financial statements for a limited company.

Learners will use their own knowledge as well as information from the given scenario/case study to describe the purpose of the main shareholder ratios, together with calculations of shareholder ratios for two limited companies in the same industry.

Links to other units

This unit links to:

- Unit 3: Personal and Business Finance
- Unit 7: Business Decision Making
- Unit 10: Recording Financial Transaction
- Unit 12: Financial Statements for Specific Businesses.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 12: Financial Statements for Specific Businesses

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will apply financial accounting to different types of business, including partnerships, non-profit-making businesses and manufacturing businesses.

Unit introduction

Financial accountants are concerned with the recording, summarising and interpreting of financial information and accounts. They must keep accurate and up-to-date records for different types of business.

In this unit, you will develop a greater understanding of the accounting records for different types of business, in particular the end-of-year financial statements for partnerships, non-profit-making businesses and manufacturing businesses. You will learn how to produce the final accounts for these types of business along with other related accounting records and ledger accounts. You will need to use your analytical skills to consider the differing capital structures, legal requirements and financial information which are required by these types of business.

The unit will help you to progress to an accounting apprenticeship or to one of the higher education routes in business financial management.

Learning aims

In this unit you will:

- A** Understand different types of businesses and their capital structure
- B** Examine the end-of-year financial statements for partnerships
- C** Explore the end-of-year financial statements for non-profit-making organisations
- D** Explore manufacturing accounts.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Understand different types of businesses and their capital structure	A1 Ownership and purpose A2 Capital structure A3 Legal requirements A4 Features and aims of partnerships and non-profit-making businesses	<p>A report to explain the features and ownership of partnership and non-profit-making businesses.</p> <p>The report will also include a description of suitable trading activities for the different businesses, an assessment of their relative merits and drawbacks and a full evaluation as to the suitability of given trading activities to each type of business.</p>
B Examine the end-of-year financial statements for partnerships	B1 Accounting adjustments B2 End-of-year financial statements B3 Changes to partnerships	<p>A calculation and completion of accounting adjustments and end-of-year financial statements for a partnership business.</p>
C Explore the end-of-year financial statements for non-profit-making organisations	C1 Nature of non-profit-making organisations C2 Accounting adjustments C3 End-of-year financial statements	<p>A report to assess the relevance, importance and accounting treatment of goodwill in partnership accounts.</p> <p>A calculation and completion of accounting adjustments and end-of-year financial statements for a non-profit-making organisation.</p> <p>A report to analyse the importance of non-profit-making organisations.</p>
D Explore manufacturing accounts	D1 Features and aims D2 Manufacturing costs and profit D3 Accounting adjustments D4 Manufacturing accounts	<p>A report to explain the main features and aims of manufacturing businesses together with a full description of manufacturing profit and the costs of a manufacturer. The report will also include an evaluation of the importance and treatment of manufacturing profit.</p> <p>A calculation and completion of accounting adjustments and a manufacturing account, including manufacturing profit.</p>

Content

Learning aim A: Understand different types of businesses and their capital structure

A1 Ownership and purpose

- Outline the principles, ownership and purpose of the differing types of business.
- Examples of the differing types of business.

A2 Capital structure

- Outline the capital structures of the differing types of business.
- Distinguish between owner's capital and loans made to the business.

A3 Legal requirements

- Definition and explanation of the Partnership Act 1890 Section 24 (or as subsequently amended) insofar as it concerns interest on loans, capital and drawings, partners' salaries and the division of profits and losses.
- Explanation, purpose and content of a partnership agreement.
- Legal requirements and legal regulations of non-profit-making organisations.
- Application of relevant accounting concepts: materiality, realisation, going concern, business entity, duality, consistency, historical cost, accruals (matching), money measurement, prudence.

A4 Features and aims of partnerships and non-profit-making businesses

- Reasons why businesses become partnerships.
- The benefits and limitations of partnerships as a business.
- Examples of typical industry structures which are suited to operating as a partnership with reasons why.
- The main types of non-profit-making organisations, including charities, clubs and societies.

Learning aim B: Examine the end-of-year financial statements for partnerships

B1 Accounting adjustments

- Explanation and calculation of the following adjustments to partnership accounts: depreciation, accrued and prepaid expenses and revenues, bad debts, loan interest, interest on partners' capital, interest on partners' drawings, partners' salaries.
- Prepare and balance the following ledger accounts: partners' capital accounts, partners' current accounts.
- Application and explanation of relevant accounting concepts.

B2 End-of-year financial statements

- The calculation and preparation of a statement of comprehensive income (trading and profit and loss account), appropriation accounts and a statement of financial position (balance sheet) for partnerships, including the accounting adjustments in B1.
- Account for the appropriation of profit and losses in accordance with the profit and loss sharing ratio.
- Application and explanation of relevant accounting concepts.

B3 Changes to partnerships

- Explanation and examples of goodwill and the revaluation of assets.
- Calculation and appropriation of goodwill and the revaluation of assets from the following changes to partnerships: a new partner joining, a partner leaving, revaluation of assets, a change in the profit and loss sharing ratio.
- Make the necessary accounting entries to incorporate the changes to goodwill and revaluation of assets in the following ledger accounts: partners' current accounts, partners' capital accounts, goodwill account, asset accounts, bank account.
- Application and explanation of relevant accounting concepts.

Learning aim C: Explore the end-of-year financial statements for non-profit-making organisations

C1 Nature of non-profit-making organisations

- Examples and explanation of the sources of income (revenue), including subscriptions, life memberships, donations, fundraising activities, interest on savings accounts/investments, loans.
- Analyse the importance of non-profit-making organisations to the wider economic and social environment and to key stakeholders, including individuals, groups in society, the government, business, local community.

C2 Accounting adjustments

- Explanation and calculation of the following adjustments to non-profit-making accounts: depreciation, bad debts, loan interest, accrued and prepaid expenses and revenues, accrued and prepaid subscriptions.
- Complete and balance the following ledger accounts: receipts and payments account, subscriptions account.
- Application and explanation of relevant accounting concepts.

C3 End-of-year financial statements

- Calculation and preparation of trading accounts (any profit-making element such as bar, café, shop), income and expenditure accounts (to include subscriptions and other sources of income) and balance sheets (to include adjustments listed under B2).
- Application and explanation of relevant accounting concepts.

Learning aim D: Explore manufacturing accounts

NOTE: A full set of final accounts, i.e. statement of comprehensive income (trading and profit and loss account) and statement of financial position (balance sheet) are NOT required.

D1 Features and aims

- Main features of a manufacturing business.
- Examples of manufacturing businesses.
- Reasons why most manufacturing businesses are limited companies, e.g. size and scale, high capital and/or sunk costs, risk factors, investment potential, access to finance.

D2 Manufacturing costs and profit

- Explanation, calculation and examples of the following: prime cost; direct costs including labour, materials and expenses, indirect costs (factory overheads) including labour, materials and expenses, work in progress and production cost.
- Definition, explanation and reasons for incorporating manufacturing profit into the manufacturing account.
- Explanation and examples of different categories of inventory (stocks), including: direct materials, work in progress, finished goods.
- Application and explanation of relevant accounting concepts.

D3 Accounting adjustments

- Explanation and calculation of the following adjustments: depreciation, bad debts, work in progress at start and end, loan interest, accrued and prepaid expenses and revenues, manufacturing profit.
- Application and explanation of relevant accounting concepts.

D4 Manufacturing accounts

- Calculation and preparation of a manufacturing account, including: direct materials, labour and expenses, prime cost, indirect costs (factory overheads), work in progress at start, work in progress at end, production cost and manufacturing profit.
- Application and explanation of relevant accounting concepts.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Understand different types of businesses and their capital structure		
A.P1 Explain the ownership, capital structure and legal requirements of the different types of business. A.P2 Describe examples of suitable business activity for the differing types of business.	A.M1 Assess the merits and drawbacks of the different types of business, capital structure and legal requirements.	
Learning aim B: Examine the end-of-year financial statements for partnerships		
B.P3 Prepare end-of-year financial statements for partnerships, incorporating appropriate adjustments.	B.M2 Prepare the accounting entries to record goodwill for changes to a partnership.	
Learning aim C: Explore the end-of-year financial statements for non-profit-making organisations		
C.P4 Complete end-of-year financial statements for non-profit-making organisations, incorporating appropriate adjustments.	C.M3 Analyse the importance of non-profit-making organisations.	
Learning aim D: Explore manufacturing accounts		D.D3 Evaluate and justify the accounting treatment of manufacturing profit.
D.P5 Describe manufacturing costs and profit. D.P6 Explain main features and aims of manufacturing businesses.	D.M4 Accurately prepare manufacturing accounts, incorporating appropriate adjustments and manufacturing profit.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A, B and C (A.P1, A.P2, B.P3, C.P4, A.M1, B.M2, C.M3, A.D1, BC.D2)

Learning aim: D (D.P5, D.P6, D.M4, D.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

Learning aims A, B and C

For distinction standard, learners will conduct additional independent research and use information and data from the given scenario/case study to conduct a thorough evaluation of the concepts and conventions and the suitability of each business to its overall purpose and activity.

For merit standard, learners will use their own knowledge and research, together with calculations from their work at pass standard and the given scenario/case study, to fully assess the treatment of goodwill in partnership accounts. Learners will also be expected to include the application of relevant accounting concepts and conventions. Learners will use independent research and information from the given scenario/case to write a full analysis of the importance of non-profit-making businesses to the wider economic and social environment.

For pass standard, learners will use some independent research and knowledge as well as information from the given scenario/case study to explain the main features, ownership, capital structure and legal requirements of the different businesses. Learners will outline other suitable examples from their own research. They will produce accurate calculations and end-of-year financial statements for the partnership business and the non-profit-making business from the given scenario/case study.

Learning aim D

For distinction standard, learners will use the results of their calculations at pass and merit standard to comprehensively evaluate and justify the accounting treatment of manufacturing profit. Learners will be able to consider why manufacturing profit is important, as well as where it goes in the accounts, together with an appreciation of relevant accounting concepts and conventions. Learners will show consistent accuracy, individuality and independence in their selection and use of techniques to produce accurate calculations for end-of-year statements.

For merit standard, learners will prepare an accurate manufacturing account, including all the given accounting adjustments and manufacturing profit.

For pass standard, learners will use their own research and knowledge as well as information from the given scenario/case study to give a full description of:

- the manufacturing profit and the different manufacturing costs
- the features, aims and examples of manufacturing business activity.

Links to other units

This unit links to:

- Unit 3: Personal and Business Finance
- Unit 7: Business Decision Making
- Unit 10: Recording Financial Transactions
- Unit 11: Final Accounts for Public Limited Companies
- Unit 13: Cost and Management Accounting.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 13: Cost and Management Accounting

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners study cost and management accounting and its involvement with financial planning, controlling, monitoring and evaluation of business costs and revenues.

Unit introduction

Cost and management accountants are concerned with providing information to help the decision making process in business. Cost accountants are primarily involved with the identification, classification and calculation of costs vital to helping managers make decisions about prices and potential profits. Management accountants provide management with the information they need to forecast, control and evaluate costs.

In this unit, you will learn how to develop a more in-depth understanding and application of management accounts and their role in financial planning. Typical cost accounting methods and budgets will be applied to appropriate business scenarios. Control measures will involve calculating and analysing the difference between standard and actual costs. Finally, long-term management accounting decisions will be considered using capital investment appraisal. Management accounting is not just about numerical calculations, you will need to use your analytical skills to weigh up alternative courses of action, evaluate options and make reasoned judgements and recommendations.

Cost and management accounting has clear links to all the other finance units and will help you to progress to employment and accounting apprenticeships. This unit will give you an excellent foundation for higher education routes, such as accounting or professional courses.

Learning aims

In this unit you will:

- A** Explore absorption and marginal costing techniques for decision making
- B** Carry out standard costing and variance analysis statements
- C** Explore budgets for financial planning and control
- D** Undertake investment appraisal of long-term capital investment.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Explore absorption and marginal costing techniques for decision making</p>	<p>A1 Classification of costs and costing methods A2 Use of costing methods A3 Analysis of costing methods</p>	<p>A written report that outlines the different types of costs, main costing methods and their uses.</p> <p>Calculate and apply absorption and marginal costing from a given scenario/case study.</p>
<p>B Carry out standard costing and variance analysis statements</p>	<p>B1 Purpose and stages of standard costing B2 Type and calculation of variances B3 Variance analysis</p>	<p>The written report will also compare, contrast and evaluate the usefulness of absorption and marginal costing techniques and assess the significance of non-financial factors.</p>
<p>C Explore budgets for financial planning and control</p>	<p>C1 Type and purpose of budgets C2 Usefulness of budgetary control C3 Preparation of budgets</p>	<p>A table of overall and sub-variance calculations from a given scenario/case study.</p> <p>A written report that examines and analyses the variances.</p> <p>The report must include the possible reasons for, and interrelationship between, the overall and sub-variances.</p> <p>It will also include recommendations for variances that need further investigation.</p> <p>A written report to explain the main types of budget. An analysis of the main purposes of budgeting as a management tool in planning and control. An evaluation of the advantages and limitations of budgets.</p> <p>Practical exercises to prepare suitable subsidiary, cash and master budgets.</p>
<p>D Undertake investment appraisal of long-term capital investment</p>	<p>D1 Investment appraisal methods D2 Financial and non-financial perspectives</p>	<p>A calculation of the three main investment appraisal methods using an appropriate scenario.</p> <p>An evaluation of the capital investment proposals from a financial and non-financial perspective. The presentation must include a supported and justified capital investment recommendation.</p>

Content

Learning aim A: Explore absorption and marginal costing techniques for decision making

A1 Classification of costs and costing methods

- Difference between cost and management accounting.
- Definition of cost
 - fixed costs, e.g. rent and rates, insurance, salaries
 - variable costs, e.g. raw materials, components, production wages
 - semi-variable costs, e.g. heat and light, telephone
 - stepped costs
 - total cost
 - unit cost.
- Cost centres, departmental overheads.
- Definition of absorption and marginal costing and their main uses.

A2 Use of costing methods

- Absorption costing: allocation of variable (direct) costs to each unit of production, apportioning of fixed costs (overheads) to each unit of production.
- Calculating total cost (per unit) using absorption costing, calculation of markup and profit margin to set prices.
- Preparing job cost sheets using absorption costing, including variable cost, fixed cost, total cost, profit markup/margin and price.
- Marginal costing: allocation of variable (direct) costs only to each unit of production.
- Calculation and application of marginal costing in decision making, including: the acceptance of special orders, make or buy policy, limiting factor/constraint.

A3 Analysis of costing methods

- Comparison and contrasting of absorption and marginal costing methods, benefits and limitations of marginal and absorption costing, significance of non-financial factors in the use of marginal costing.

Learning aim B: Carry out standard costing and variance analysis statements

B1 Purpose and stages of standard costing

- Definition of a standard costing, types of standards: ideal and attainable.
- Stages in setting up standard costing, including standard materials, labour and overheads.
- Advantages and limitations of standard costing.

B2 Type and calculation of variances

- Calculation and explanation of the following variances (and sub-variances): material variances (price and usage), labour variances (rate and efficiency), sales variances (price and volume), overheads variances.

B3 Variance analysis

- Reasons for variances, including the interrelationships of sub-variances, including sales volume and sales price variance, labour rate and labour efficiency variance, material price and material usage variance.

Learning aim C: Explore budgets for financial planning and control

C1 Type and purpose of budgets

- The importance of budgeting for operational and tactical planning by management.
- Subsidiary budgets, including purchase, sales, production, debtor and creditor budget, cash budget.
- Master budgets, including profit and loss budget and budgeted statement of financial position/balance sheet.

- How to prepare budgets, including ideal and attainable standards, fixed and flexible budgets.
- Main purposes of budgets, including forecasting, monitoring, control, planning, coordination, communication and motivation.

C2 Usefulness of budgetary control

- Variance analysis as a way of monitoring and controlling budgets, management by exception (management response to the analysis of budgets).
- Benefits and limitations of budgetary control, including reliability of data, rigidity, assistance with cost control and setting prices, motivation/involvement of staff, greater awareness of cost control, external factors.

C3 Preparation of budgets

- Calculation and completion of the subsidiary and master budgets.

Learning aim D: Undertake investment appraisal of long-term capital investment

D1 Investment appraisal methods

- Importance of investment appraisal methods for strategic planning by management, examples of long-term projects of at least five years, e.g. purchase of fixed assets, expansion plans, new product development.
- Definition, purpose and analysis of the main methods of investment appraisal: payback, accounting rate of return and net present value.
- Calculation and application of net cash flows, payback period, accounting rate of return and net present value.
- Concept of the time value of money.

D2 Financial and non-financial perspectives

- Analysis and evaluation of investment opportunities from a financial perspective appreciating the importance of time, short- and long-term cash flow priorities and the relative merits of each method.
- Analysis and evaluation of the non-financial perspectives, including social and responsibility accounting, key stakeholders (internal and external), health and safety, the environment and sustainability, unemployment and ethics.
- Justified recommendations of capital investment proposals using financial and non-financial considerations.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore absorption and marginal costing techniques for decision making		
A.P1 Categorise and explain different types of costs and costing methods in given scenarios. A.P2 Produce accurate absorption and marginal cost statements for given scenarios.	A.M1 Assess the appropriateness of absorption and marginal costing techniques used for decision making in given scenarios.	
Learning aim B: Carry out standard costing and variance analysis statements		
B.P3 Calculate sub- and overall variances in given scenarios using standard costing.	B.M2 Analyse the reasons for the variances in given scenarios.	
Learning aim C: Explore budgets for financial planning and control		
C.P4 Explain how budgeting is used in a selected business for financial planning and control. C.P5 Prepare accurate subsidiary and master budgets in a given scenario.	C.M3 Assess the viability of the completed budgets in a given scenario.	
Learning aim D: Undertake investment appraisal of long-term capital investment		D.D3 Evaluate the long-term capital investment proposal, taking into account both financial and non-financial considerations and formulate a set of appropriate and relevant recommendations.
D.P6 Apply investment appraisal methods to alternative capital investment proposals in given scenarios. D.P7 Explain how non-financial considerations affect capital investment proposals.	D.M4 Analyse the results of the capital investment appraisal for decision making.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A, B and C (A.P1, A.P2, B.P3, C.P4, C.P5, A.M1, B.M2, C.M3, A.D1, BC.D2)

Learning aim: D (D.P6, D.P7, D.M4, D.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

Learning aims A, B and C

For distinction standard, learners will use the results of their calculations to make justified recommendations on improving the future costing and budgetary performance of the business in the given scenario. They will also evaluate the usefulness of costing and budgetary control using independent research, and examples from the given scenario.

For merit standard, learners will show they are able to assess how the business in the given scenario can use absorption and marginal costing techniques to make appropriate business decisions. Learners will give evidence of analysis and reasons why sub-variances have occurred and how viable the completed budgets will be.

For pass standard, learners will explain different types of costs and costing methods in relation to a given scenario and an explanation regarding how the business uses budgeting in their financial planning and control. Learners will produce accurate absorption and marginal cost statements, sub- and overall variances used in standard costing, and accurate subsidiary and master budgets.

Learning aim D

For distinction standard, learners will use the results of their investment appraisal calculations, together with a consideration of other factors to evaluate the long-term capital investment appraisal. Fully supported and justified recommendations will also be expected.

Learners will have shown accuracy, individuality and independence in their presented assessment evidence throughout the unit.

For merit standard, learners will analyse the results of their capital investment appraisal calculations.

For pass standard, learners will produce accurate calculations using three main investment appraisal techniques, together with a written explanation regarding how other non-financial factors, such as sustainability and ethics, may have a bearing on the final decision.

Links to other units

This unit links to:

- Unit 3: Personal and Business Finance
- Unit 7: Business Decision Making
- Unit 10: Recording Financial Transactions
- Unit 11: Final Accounts for Public Limited Companies
- Unit 12: Financial Statements for Specific Businesses.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- design/ideas to contribute to unit assignment/case study/project materials.

Unit 14: Investigating Customer Service

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will study how excellent customer service contributes to business success. The unit gives learners the opportunity to develop their customer service skills.

Unit introduction

How is excellent customer service linked to business success? In this unit you will learn that attracting new customers costs a business more than keeping existing customers, so it is important to keep existing customers happy. You can do this by building relationships with internal and external customers and giving them excellent service that exceeds their needs and expectations.

When working in a customer service role you need to understand the procedures to follow when dealing with customer requests and complaints. This unit will help you develop communication and interpersonal skills when dealing with customers, and to understand the importance of having good product or service knowledge. You will explore how a business builds effective relationships with customers through identifying and confirming the customer's needs. You will examine how businesses monitor and evaluate their level of customer service provision through obtaining feedback and see how this helps inform improvements to the level of service provided.

The unit will enable you to evaluate your own customer service skills and to create a development plan for improvement. The unit also supports further training, study or employment in a business environment.

Learning aims

In this unit you will:

- A** Explore how effective customer service contributes to business success
- B** Investigate the methods used to improve customer service in a business
- C** Demonstrate customer service in different situations, using appropriate behaviours to meet expectations.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore how effective customer service contributes to business success	A1 Customer service in business A2 Customer expectations and satisfaction A3 Benefits of building customer relationships A4 Customer service legislation and regulations	<p>A report examining the customer service provision/process in a business and the value of delivering excellent customer service to support business success. Prepare a training handbook for a selected business on customer service, including relevant legislation and regulations.</p> <p>The report should also include monitoring methods used to review the customer service provision and should draw on quantitative and qualitative data.</p>
B Investigate the methods used to improve customer service in a business	B1 Monitoring and evaluating customer service provision B2 Indicators in improved performance	
C Demonstrate customer service in different situations, using appropriate behaviours to meet expectations	C1 Customer service skills and behaviours C2 Dealing with customer service requests and complaints C3 Individual skills audit and development plan	<p>Demonstration of customer service skills in at least three different business situations. Focus on a demonstration of product/service knowledge when dealing with customers' queries, requests and problems. An evaluation of skills is also included.</p>

Content

Learning aim A: Explore how effective customer service contributes to business success

A1 Customer service in business

- Definition of customer service.
- Customer service roles and importance of teamwork.
- Importance of following organisational rules and procedures.
- Different approaches to customer service across industries need different skills and knowledge, such as:
 - retail shops selling tangible goods, need for detailed product knowledge and effective selling skills
 - offices, such as those offering a non-tangible service, either face-to-face with customers, online, written or telephone customer contact
 - contact centres with telephone contact with customers, time limitations
 - hospitality industry, such as serving skills for food or drinks.

A2 Customer expectations and satisfaction

- Different types of customer, including:
 - internal and external customers and the differences between them
 - customer personalities, such as aggressive, quiet, demanding
 - customers with special requirements, e.g. different language or culture, age, gender, families, special needs such as visual, hearing or mobility.
- Customer complaints.
- Customer expectations and satisfaction, including:
 - anticipation of good service, reliable information or service, offering different options, impact of advertisements, reputation, word of mouth, recommendations from others
 - importance of responding to customer needs, exceeding customer expectations through providing additional help and assistance, dealing promptly with problems, offering discounts, offering additional products or services, providing exceptional help and assistance for customers with special requirements
 - balancing customer satisfaction with business goals, aims and objectives.
- Understanding the risk to the business of not dealing with complaints.

A3 Benefits of building customer relationships

- Enhanced reputation of business.
- Repeat business.
- Customer confidence in business.
- Job satisfaction for employees.

A4 Customer service legislation and regulations

- Industry and sector-specific codes of practice, ethical issues and standards.
- Implications for the business of not meeting all legal and regulatory requirements, including consumer protection, distance selling, sale of goods, health and safety, data protection, equal opportunities.

Learning aim B: Investigate the methods used to improve customer service in a business

B1 Monitoring and evaluating customer service provision

- Using research from customers to identify improvements and monitor complaints.
- Monitoring using:
 - customer profiles, data, e.g. types of customer, products or services provided, customer care and service
 - sources of information, e.g. customers, colleagues, management
 - methods, e.g. questionnaires, comment cards, quality circles, suggestion boxes, staff surveys, mystery shoppers, recording and sharing information.
- Evaluating customer service, including:
 - analyse responses, e.g. level of customer satisfaction, quality of product or service, meeting regulatory requirements, balancing cost and benefits
 - planning for change, resolving problems/complaints.

B2 Indicators in improved performance

- Reduction in numbers of complaints.
- Increase in profits.
- Reduction in turnover of staff.
- Repeat business from loyal customers.

Learning aim C: Demonstrate customer service in different situations, using appropriate behaviours to meet expectations

C1 Customer service skills and behaviours

- Communication skills:
 - face-to-face, written, email or other electronic media, telephone
 - verbal, e.g. pitch and tone of voice, open and closed questions, using the telephone
 - non-verbal, e.g. sign and body language, listening skills
 - barriers to communication.
- Interpersonal skills:
 - personal presentation approach, e.g. attitude, behaviour, hygiene, personality, conversation skills, giving a consistent and reliable response.
- Behaviours, e.g. being positive, offering assistance, showing respect.

C2 Dealing with customer service requests and complaints

- Customer service situations:
 - providing information, products or services, promoting additional products and services, giving advice, taking and relaying messages
 - limitations of role and authority, keeping records
 - dealing with problems, handling complaints, remedial measures, emergency situations, organisational policy.

C3 Individual skills audit and development plan

- Skills audit of customer service skills.
- Personal SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to assess any gaps, e.g. interpersonal and communication skills – body language, listening skills, handling complaints, working with others.
- Set objectives to meet skills development goals for a specified customer services role by:
 - identifying resources and available support needed to meet the objectives
 - setting review dates
 - monitoring the plan to assess progress against targets.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore how effective customer service contributes to business success		
<p>A.P1 Describe the different approaches to customer service delivery in contrasting businesses.</p> <p>A.P2 Examine ways that customer service in a selected business can meet the expectations and satisfaction of customers and adhere to relevant current legislation and regulations.</p>	<p>A.M1 Analyse how legislation and regulation impacts on customer service provision in a selected business.</p>	
Learning aim B: Investigate the methods used to improve customer service in a business		
<p>B.P3 Research methods a business can use to make improvements to the customer service provision.</p>	<p>B.M2 Analyse different methods of monitoring customer service for a product or service in a selected business.</p>	
Learning aim C: Demonstrate customer service in different situations, using appropriate behaviours to meet expectations		
<p>C.P4 Demonstrate communication and interpersonal skills appropriate to meet customer needs in different situations.</p> <p>C.P5 Review own customer service skills, identifying gaps where improvements could be made.</p> <p>C.P6 Present a clear, effective development plan for own customer service skills.</p>	<p>C.M3 Assess how the development plan has improved the performance of customer service skills.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P4, C.P5, C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

Learning aims A and B

For distinction standard, learners will prepare evidence based on research. The report will give details of what is required to ensure that good customer service leads to business success. Examples of how to enhance customer service will be original and imaginative. The evidence will include references to legislation and how a business ensures that customer expectations are exceeded. There will be clear examples of monitoring and how effective customer service can be in ensuring that customers are happy.

The training pack will be high quality with clear detail on all aspects of customer service so that it can be used in practical situations to ensure that employees exceed customer expectations.

For merit standard, learners will analyse examples of how legislation and regulation impact on customer service. Details of how to make improvements and monitor customer service will be included, with examples of good practice. The training pack created will be to a good standard with relevant practical information and detail to enable the provision of very good customer service.

For pass standard, learners will prepare evidence that covers the approaches that businesses take to customer service and will include details of how improvements can be made. The training pack created will give practical information on how to deliver customer service to ensure business success.

Learning aim C

This learning aim will be completed with a number of role-play activities or, if a learner is working part-time in customer service, real evidence from their employment can be included in the form of witness statements. Activities and role play will be developed to challenge learners and should include dealing with difficult situations.

For distinction standard, learners will produce a report after the role-play activities have taken place. The report will give realistic details of how learners need to work on their individual skill sets to enhance their customer service and communication skills. Learners will produce a clear critique, highlighting their strengths and weaknesses. They will have fully embraced the role-play scenarios, demonstrated their skills with confidence and used initiative when dealing with challenging situations.

For merit standard, learners will produce a clear analytical report showing how their skills should be improved. Participation in customer service situations will have been good with levels of confidence shown across the activities.

For pass standard, learners will show effective customer service and communication skills in the customer service situations and a realistic plan for addressing weaknesses will have been developed.

Links to other units

This unit links to:

- Unit 1: Exploring Business
- Unit 15: Investigating Retail Business
- Unit 25: Aspects of Civil Law Affecting Business
- Unit 26: Aspects of Criminal Law Impacting on Business and Individuals.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers and interview opportunities
- work experience
- business material as exemplars
- participation in audience assessment of presentations
- visits to appropriate businesses.

Unit 15: Investigating Retail Business

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will explore the current structure of the retail sector and its supply chain through practical activities.

Unit introduction

Retail is a broad sector and encompasses businesses of all sizes. You will probably already have some experience of the sector, either simply through purchasing goods, or selling them – perhaps while employed in a part-time capacity in a clothing or food outlet.

In this unit, you will carry out research into local and national retail businesses, exploring how the supply chain supports retailing. You will consider how the sector responds to change, the opportunities for employment in the sector, and the types of job roles available. You will apply your research and findings to current businesses in the sector.

Retail is important for the UK economy and trends in retail sales often mirror those of the country's economy as a whole. It is a sector with good opportunities for your future career and there is a tradition amongst the larger employers of excellent in-house training schemes that support progression opportunities and career advancement for employees. The unit will provide a useful opportunity for you to consider whether you wish to pursue employment or further specialist study in retail management at higher education level.

Learning aims

In this unit you will:

- A** Explore the current structure of the sector through investigation of the local retail environment
- B** Investigate how the retail sector has responded to change and trends
- C** Examine the importance of the supply chain and stock control management to the success of retail business.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Explore the current structure of the sector through investigation of the local retail environment</p>	<p>A1 The nature of retailing A2 Classification of retailers A3 Structure of retailing A4 Employment in retail</p>	<p>An individual presentation with leaflet and report following a detailed investigation of the nature, structure and classification of the UK retail sector and employment opportunities locally.</p>
<p>B Investigate how the retail sector has responded to change and trends</p>	<p>B1 The retail environment B2 Impact of social change B3 Changes due to new technologies used in the sector B4 The competitive environment and trends</p>	<p>Impact of change in the UK and global retail environment and how retail businesses are responding to the changes, with particular emphasis on two selected UK retailers. Interview with current employees to see how changes have impacted on particular retail businesses.</p>
<p>C Examine the importance of the supply chain and stock control management to the success of retail business</p>	<p>C1 Distribution channels C2 Retail supply chains and logistic processes C3 Stock control C4 Impact of digital technology</p>	<p>A written report examining the role of retailing as part of the supply chain. Examination of the impact of digital technology on all participants in the supply chain. Two different retail businesses should be selected.</p>

Content

Learning aim A: Explore the current structure of the sector through investigation of the local retail environment

A1 The nature of retailing

- Definition of retailing, adding value to products and services, development of retailing, meeting customer needs through different retail formats and distribution channels, e.g. high street shopping, out-of-town shopping centres, direct delivery from internet orders, bricks and clicks.

A2 Classification of retailers

- Store based, non-store based, product/service retailing.
- Ownership, e.g. independents, multiples, chain stores, franchises, cooperatives, social enterprises
 - size, e.g. number of employees, sales area, number of branches, turnover, type of activity, product range
 - location, e.g. town centre, local, out of town, retail parks, regional centres
 - store formats, e.g. convenience stores, department stores, supermarkets, hypermarkets, specialist/niche, premium/value.

A3 Structure of retailing

- Retail sub-sectors, e.g. food, fashion, sports.
- Business models used by retail businesses: their advantages and disadvantages, e.g. value stores, premium brand stores, artisan stores.

A4 Employment in retail

- Job roles, training and promotion prospects in both small and large businesses.

Learning aim B: Investigate how the retail sector has responded to change and trends

B1 The retail environment

- Macro-environment, e.g. external factors including political, legal, economic, sociocultural and technological factors.
- Response to external changes, e.g. new products, new online formats, government policy on store trading hours and planning permission.
- Tensions and competing priorities, e.g., reorganisation in response to changing circumstances, environmental issues, sustainability, fair trade, packaging.

B2 Impact of social change

- Demographics, household occupancy, mobility, new technologies, diverse communities, ageing population, migration, changing lifestyles, cultural differences, leisure time.

B3 Changes due to new technologies used in the sector

- Growth of online shopping.
- Mobile apps for shopping.
- Chip and PIN and contactless payment.

B4 The competitive environment and trends

- Competitors, market position, barriers to entry, pricing, product development.
- New products and services, retailers' power over manufacturers, new retail concepts, i.e. social enterprise stores.
- Global influences on UK retailing.

Learning aim C: Examine the importance of the supply chain and stock control management to the success of retail business

C1 Distribution channels

- Availability of products, e.g. time, place, quantity, movement of goods through the supply chain, different channels for different types of goods and services, the role of wholesalers, intermediaries, transport, storage, after-sales service.

C2 Retail supply chains and logistic processes

- Movement of goods and services, sourcing from the UK and internationally, suppliers, distributors, warehousing, transport, carriers, storage locations, disposal of unsold products, recycling, impact of ICT in supply chain management.
- Competing supply chain issues, e.g. communication, coordination, collaboration, costs, delays, targets, power issues in chains.

C3 Stock control

- Links to merchandising, business objectives.
- Types of stock control, e.g. manual and computerised.
- Factors affecting stock control, e.g. sales forecasts, planning, targets, risks.
- Stock management, e.g. total quality management (TQM), stock management systems: Just in Time (JIT), Last in, First out (LIFO) and First in, First out (FIFO).
- Stock control security systems, e.g. CCTV and tags.

C4 Impact of digital technology

- Information flows, supply and demand information between suppliers and customers, B2B and B2C, EDI, internet and electronic trading, networks, intranets, e-commerce, integrated systems.
- Customer Relationship Management (CRM) systems, Electronic Point of Sale (EPOS), Electronic Funds Transfer at the Point of Sale (EFTPOS), stock control systems, hands-free ordering.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore the current structure of the sector through investigation of the local retail environment		
A.P1 Explore the retail provision in your local area including the current nature and structure. A.P2 Investigate the range of job roles, entry points and progression opportunities available locally in contrasting retail businesses.	A.M1 Analyse how local retail businesses are structured, satisfying differing customer needs.	
Learning aim B: Investigate how the retail sector has responded to change and trends		
B.P3 Explain how the retail environment and social trends are affecting a local retail business.	B.M2 Assess how a retail business' ability to respond to change improves its competitiveness.	
Learning aim C: Examine the importance of the supply chain and stock control management to the success of retail business		C.D2 Evaluate the effectiveness of the supply chain and stock control on the success of a specific retail business. C.D3 Evaluate the impact digital technology has had on processes of a specific retail business.
C.P4 Explain how the process of distributing goods through different channels from manufacturer to customer differs in two businesses. C.P5 Investigate the impact digital technology has on the retail and logistic processes of two contrasting businesses.	C.M3 Analyse the impact of digital technological developments on retailing, the supply chain and stock control.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, A.M1, B.M2, AB.D1)

Learning aim: C (C.P4, C.P5, C.M3, C.D2, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources.

Essential information for assessment decisions

Learning aims A and B

For distinction standard, learners will select two retail businesses and provide an individual evaluation on how developments and change in the UK and globally have impacted these two specific retail businesses. Clear examples of how and why should be evidenced. This could be, for example, linked to opening smaller stores in prime locations, going into partnerships, mergers or acquisitions, entering new markets or changes in employment patterns. At least two examples of change for each business would be expected in the evaluation. Clear speaker notes will be required to support the presentation.

For merit standard, learners will assess how one retail business has responded to change. This will need to be assessed in depth with examples included relating to how it has enhanced its competitiveness. Some evidence may be drawn from an interview conducted with a member of the retail profession.

For pass standard, learners will clearly show the make-up of the local retail facilities. Evidence of employment and job roles in contrasting businesses in the sector will be included. Evidence will include an explanation on how the retail sector has responded to change and trends by perhaps streamlining its operations, expanding globally, looking at the size and location of its outlets or diversifying.

Learning aim C

It will be useful to use individual research from visits to retail businesses and interviews with employees to gain the information required for this assignment.

For distinction standard, learners will evaluate how important the management of the supply chain and stock control have been in one particular business. It is important that the right business is chosen to allow development of a detailed individual evaluation. The evaluation must be supported by appropriate examples. Learners will also evaluate how digital technology has impacted on the range of processes in a selected retail business.

For merit standard, learners will analyse, by reference to one sub-sector, how digital technology developments have impacted on retailing, the supply chain and how they are used for controlling stock and monitoring delivery to the end user.

For pass standard, learners will investigate the process of distribution from manufacture to end customer in two different businesses. The businesses need to be sufficiently different so that the processes are varied. Stock control methods in the different businesses will need to be explained. They will also need to explain the importance of digital technology on the retail and logistic process, and how integrated stock control systems are important.

Links to other units

This unit links to:

- Unit 1: Exploring Business
- Unit 14: Investigating Customer Service
- Unit 16: Visual Merchandising
- Unit 27: Work Experience in Business.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers and interview opportunities
- work experience
- business material as exemplars
- participation in audience assessment of presentations
- visits to appropriate businesses.

Unit 16: Visual Merchandising

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners study the practice and techniques used to visually promote the sale of products in retail outlets.

Unit introduction

Every time you go to a shopping centre you are faced with stimulating and engaging displays designed to encourage the sales of products or services. Visual merchandising (or VM) is the art of setting out stores in ways that customers will find attractive and appealing. Window and internal displays, product positioning and effective promotional techniques are all important aspects of visual merchandising designed to increase store traffic and sales volume.

In this unit, you will look at different visual merchandising and display techniques. These techniques will vary according to the type and size of a retail business and the products it sells. If customers are to be persuaded to spend money there are many issues that have to be considered, such as health and safety and other legislation, as well as creative and psychological factors.

This unit will give you an insight into the elements used to create attractive displays, including product information, colour, light, space, smell, touch and sound. Digital technology can also be used to create displays and interactive installations. You will have the opportunity to investigate and demonstrate some of the practical skills and techniques that retailers use to tempt customers into their stores. The unit will also help you to decide if you would like to work in or continue to further study in this area.

Learning aims

In this unit you will:

- A** Explore how retail outlets apply visual merchandising and display techniques in line with legislation and safety considerations
- B** Examine the psychological and technological merchandising techniques used to influence customers
- C** Create a successful display for a retail outlet through the use of appropriate visual merchandising techniques.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore how retail outlets apply visual merchandising and display techniques in line with legislation and safety considerations	A1 Visual merchandising A2 Display techniques A3 Legislation and safety considerations	A written report that examines the visual merchandising used by two contrasting retail businesses and that considers the effectiveness of the visual merchandising in each. This is to be supported by a presentation explaining the impact of legislation on visual merchandising.
B Examine the psychological and technological merchandising techniques used to influence customers	B1 Psychology of visual merchandising B2 Psychological techniques B3 Technological techniques	
C Create a successful display for a retail outlet through the use of appropriate visual merchandising techniques	C1 Retail outlets C2 Success factors C3 Legal and safety aspects	A practical demonstration of visual merchandising techniques to create a successful display suitable for an outlet of choice.

Content

Learning aim A: Explore how retail outlets apply visual merchandising and display techniques in line with legislation and safety considerations

A1 Visual merchandising

- Promoting the sale of products and services by the way they are presented in retail outlets; combining product, environment and space into a stimulating and engaging display to encourage the sale of a product or service; the physical display of goods in the most attractive manner possible.

A2 Display techniques

- Product placement: window, front end, aisle ends, near stairs, at entrance, near escalators/lifts, high-traffic aisles, complementary merchandise placement.
- Product segmentation: by theme, promotion, event, and season; across business.
- Techniques: themes/stories, coordination, colour/style blocks, complementary/contrasting colours, repetition, mirror imaging and triangular formulation, focal points, branding/signage, mass display, micro-merchandising.
- Props: mannequins/busts/forms, furnishing enhancements, product demonstration.
- Fixtures: gondolas, end caps, dump tables/bins, garment rails, slat walls, counters, shelves, platforms, showcases, forms.
- Free-standing displays: stacks, islands.

A3 Legislation and safety considerations

- Point of sale (POS) and ticketing:
 - price marking regulation: obligation to indicate selling price in sterling on display, on goods, on shelf-edge price, ticket positioning.
 - product labelling: quantity, size, composition, origin.
- Trade description legislation.
- Food safety regulations.
- Display safety: height of merchandise, stability, weight distribution/capacity, correct temperature, signage.

Learning aim B: Examine the psychological and technological merchandising techniques used to influence customers

B1 Psychology of visual merchandising

- How consumers are influenced by the use of visual merchandising; effective use of an environment's design through visual communications, lighting, colours, music and scent to stimulate customers' perceptual and emotional responses, and ultimately to affect their purchasing behaviour.

B2 Psychological techniques

- Tangible techniques: store location, design and aesthetics, store windows, transition zones, use of company/brand names, fixtures positioning, signage, promotions, odd versus even pricing, fitting rooms, packaging design, angles and sight lines, composition (vertical and horizontal), point of sale (POS), displays, in-store announcements.
- Intangible techniques: atmospherics (music, mirrors, lighting), sensual environment (sight, touch, scent, taste, sound, temperature), visual effects (light, colour, texture, shape and dimension combined).

B3 Technological techniques

- Electronic displays to broadcast in-store advertising messages and information on services.
- Demonstrations of new products and services.
- Interactive/touch screen/windows, interactive point of sale, QR (Quick Response) codes, digital media.

Learning aim C: Create a successful display for a retail outlet through the use of appropriate visual merchandising techniques

C1 Retail outlets

- Department stores, discount stores, supermarkets, hypermarkets, convenience tobacco newsagents (CTNs), factory outlets, not-for-profit organisations, 'pop-up' shops, farm shops, outdoor/indoor markets.

C2 Success factors

- Appropriate merchandising style for product and outlet type, incorporation of appropriate props and displays, effective use of signage and graphics.

C3 Legal and safety aspects

- Health and safety, risk assessment, ticketing legislation.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore how retail outlets apply visual merchandising and display techniques in line with legislation and safety considerations		
A.P1 Investigate the visual merchandising and display techniques that can be used in retail outlets. A.P2 Explain how visual merchandising is affected by legal and safety regulations.	A.M1 Analyse the different approaches to visual merchandising used by contrasting businesses, supported by independent research.	
Learning aim B: Examine the psychological and technological merchandising techniques used to influence customers		A.D1 Evaluate the extent to which different visual merchandising and display techniques contribute to the success of two contrasting businesses. B.D2 Evaluate how psychological and technological techniques are used to increase business success.
B.P3 Explain how psychological techniques are used by two contrasting retail outlets. B.P4 Explain how technological techniques are used by two contrasting retail outlets.	B.M2 Analyse how psychological and technological techniques are used to increase business success.	
Learning aim C: Create a successful display for a retail outlet through the use of appropriate visual merchandising techniques		C.D3 Demonstrate individual self-management and initiative in the presentation of a high-quality, successful display for a retail outlet through the creative use of visual merchandising.
C.P5 Produce a realistic plan for a visual merchandising display for a product or service in a retail outlet. C.P6 Create a successful visual merchandising display for a product or service in a retail outlet.	C.M3 Plan and create an individual visual merchandising display, using recommendations and feedback to assess the success of the project.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information on websites and from printed resources.

Essential information for assessment decisions

Learning aims A and B

For distinction standard, learners will have relevant evidence from contrasting businesses of the differing approaches to visual marketing to support the evaluation given.

For merit standard, learners will demonstrate clear analysis of the range of approaches and techniques used in visual merchandising. Evidence of independent research should be included.

For pass standard, learners will explain how visual merchandising techniques can be affected by legislative and safety requirements. Learners should also explain how psychological and technological techniques are used in two contrasting retail outlets.

Learning aim C

For distinction standard, learners will participate in a practical activity to create a successful display that has been informed by their prior research. Learners should have demonstrated an independent approach throughout their work, together with good research skills, initiative and creativity that demonstrate a high standard of individual technical ability. There should be an attention to detail and precision throughout their work. A creative approach is one where a learner develops their own ideas or develops ideas in distinctive ways. It is not a measure of artistic design skills.

Preparation and planning documents, photographic evidence of the assembly and completion of a suitable display should evidence this criterion. Observation records and witness statements should also be included.

For merit standard, learners will create an individual display using recommendations and feedback from peers and others to contribute to its success.

For pass standard, learners will present evidence of planning to produce an appropriate display.

Links to other units

This unit links to:

- Unit 2: Developing a Marketing Campaign
- Unit 15: Investigating Retail Business.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers and interview opportunities
- work experience
- business material as exemplars
- participation in audience assessment of presentations
- visits to appropriate businesses.

Unit 17: Digital Marketing

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners examine the different aspects of web-based marketing, and the channels that can be used to deliver a successful digital marketing campaign.

Unit introduction

This unit will allow you to develop your marketing skills and provide an understanding of the role of digital marketing in identifying and satisfying customers.

In this unit, you will examine the purpose of digital marketing in a business, and consider the specific aims and objectives of this function. You will research how digital marketing is used today, and develop an understanding of the benefits of, and concerns about, digital marketing. You will investigate the different delivery methods and the use of key performance indicators (KPIs) used to evaluate the success of the digital message. You will use this knowledge to make recommendations for a digital marketing campaign for a selected business.

This unit will give you an insight into the importance of digital marketing as part of the wider marketing function, and enable you to make an informed choice on the suitability of this area of marketing as an employment or training possibility.

Learning aims

In this unit you will:

- A** Examine the role of digital marketing within the broader marketing mix
- B** Investigate the effectiveness of existing digital marketing campaigns
- C** Develop a digital marketing campaign for a selected product or brand.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Examine the role of digital marketing within the broader marketing mix	A1 Digital marketing in the marketing function A2 How the digital communication is delivered A3 Devices for displaying digital communications	A presentation that assesses the influence of digital marketing in shaping customer behaviour and buying habits, and which then outlines the effectiveness of two existing digital marketing campaigns from two different types of business. There will also be an evaluation that highlights different compensation models, benefits and concerns. An accompanying report considering the benefits and potential concerns of digital marketing will also be provided.
B Investigate the effectiveness of existing digital marketing campaigns	B1 Digital marketing objectives B2 Digital strategies to meet target objectives B3 Return on investment compensation models B4 Benefits and concerns of online advertising	
C Develop a digital marketing campaign for a selected product or brand	C1 Marketing planning process C2 Integration in the wider marketing and promotional mix	A fully justified plan for a digital marketing campaign.

Content

Learning aim A: Examine the role of digital marketing within the broader marketing mix

A1 Digital marketing in the marketing function

- Definitions of digital marketing:
 - the use of digital technologies to create integrated, targeted and measurable communications that help to acquire and retain customers while building deeper relationships with them (Digital Marketing Institute)
 - achievement of marketing objectives through the use of digital media and technology.
- Role of digital marketing as an extension rather than a replacement for the traditional marketing and promotional mix.
- Current trends in digital marketing, e.g. the move to mobile communications.
- The use of digital marketing to target specific market segments.
- The development of customer databases in delivering digital communications, including the use of free content for lead generation.

A2 How the digital communication is delivered

- Display advertising, banners, pop-ups, floating advertisements (ads), interstitial ads, text ads.
- Search engine marketing, optimisation and sponsored searches.
- Social media marketing.
- Email advertising.

A3 Devices for displaying digital communications

- Personal computers, smartphones, tablets and games consoles.

Learning aim B: Investigate the effectiveness of existing digital marketing campaigns

B1 Digital marketing objectives

- Lead generation.
- Brand awareness.
- Customer retention.

B2 Digital strategies to meet target objectives

- Content marketing – relevance, pressure to keep refreshed.
- Paid search advertising.
- Search engine optimisation.
- Social media marketing.
- Video marketing.
- Video blogging (vlogging).
- Email marketing.
- Mobile applications (apps).
- QR codes.
- Responsive web design.

B3 Return on investment compensation models

- Cost per mile (CPM).
- Cost per click (CPC).
- Cost per engagement (CPE).
- Cost per view (CPV).
- Fixed cost.

B4 Benefits and concerns of online advertising

- Benefits, including cost, measurability, formatting, targeting, coverage, speed.
- Concerns, including banner blindness, fraud and other illegal activity, display variations, ad blocking, privacy/data security, consumer location tracking, spam.

Learning aim C: Develop a digital marketing campaign for a selected product or brand

C1 Marketing planning process

- Set objectives – lead generation, brand awareness, customer retention.
- Analysis of target segment, brand persona and competition.
- Resource identification – human, financial and technological.
- Implementation planning and testing.
- Measurement against targets.

C2 Integration in the wider marketing and promotional mix

- Marketing objectives.
- Marketing mix.
- Promotional mix.
- Anticipated returns.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the role of digital marketing within the broader marketing mix		
<p>A.P1 Explain the role of digital marketing as an extension of traditional marketing and the ways the messages can be delivered.</p> <p>A.P2 Investigate the ways in which advertisers are targeting mobile device users.</p>	<p>A.M1 Analyse, using examples, the effectiveness of different digital delivery methods.</p>	
Learning aim B: Investigate the effectiveness of existing digital marketing campaigns		
<p>B.P3 Discuss the digital strategies that a selected business uses to meet two different objectives.</p> <p>B.P4 Outline different compensation models used in digital marketing.</p> <p>B.P5 Explain the benefits of, and concerns about, digital marketing from the perspective of both the customer and the marketer.</p>	<p>B.M2 Analyse the different digital strategies and compensation models used to create brand recognition and brand loyalty.</p>	
Learning aim C: Develop a digital marketing campaign for a selected product or brand		
<p>C.P6 Produce an outline for a digital marketing campaign that will create brand loyalty for a new or existing product or brand.</p>	<p>C.M3 Produce a detailed digital marketing campaign and demonstrate how it integrates into the wider marketing and promotional mix for a new or existing product or brand.</p>	
		<p>A.D1 Justify the extent to which the digital environment is influencing consumer choices.</p> <p>B.D2 Evaluate the effectiveness of digital marketing campaigns from different businesses, and suggest ways to overcome concerns raised about digital marketing.</p> <p>C.D3 Produce creatively a digital marketing campaign, justifying the key decisions taken and potential improvements that could be used to create brand loyalty.</p>

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, B.P5, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information on websites and from printed resources.

Essential information for assessment decisions

Learning aims A and B

For distinction standard, learners will investigate a range of digital marketing campaigns to identify the different types of communications used and their effectiveness in reaching different target segments. Different strategies should be considered, one of which should be the use of video or vlogging to help create brand recognition or brand loyalty. Two different campaigns from different businesses will be discussed and then evaluated in detail to establish how successful they were. Learners will have discussed the suitability of the compensation model used. There will be justified solutions to overcome the concerns about digital marketing.

For merit standard, learners will demonstrate their analytical skills by discussing the merits and disadvantages of at least three digital communications methods, which should be chosen from at least two different types. For example, learners could choose to discuss the use of interstitial adverts, search engine optimisation and social media marketing. Learners should also analyse the different digital strategies and compensation models used and explain how these are used to create brand recognition or brand loyalty.

For pass standard, learners will describe the role digital marketing is playing in the marketing process. Current examples should be used to demonstrate latest trends, such as the use of vlogging to promote goods and the distribution of free digital content to acquire new leads. They will also explain the different ways in which digital communications can be delivered to consumers, the devices that are currently being used and the trend towards the increasing use of mobile devices. There will be an attempt at discussing the digital strategies and compensation models used and an attempt to explain some of the limitations and benefits to the consumer and the marketer of digital marketing.

Learning aim C

For distinction standard, learners will produce a fully justified and creative digital marketing campaign for a product or brand. There will be reflection on the key decisions taken when producing the elements of the campaign, and suggestions on how the campaign might be improved.

For merit standard, learners will develop a fully detailed digital campaign and explain how the plan is integrated into and complements the wider marketing and promotional mix.

For pass standard, learners will produce an outline for a digital marketing campaign that clearly demonstrates brand loyalty for a new or existing brand. Clear reference will be made to the digital application and how brand loyalty is created.

Links to other units

This unit links to:

- Unit 2: Developing a Marketing Campaign
- Unit 16: Visual Merchandising
- Unit 18: Creative Promotion
- Unit 22: Market Research.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- business materials as exemplars
- design/ideas to contribute to unit assessment
- support from local business staff as mentors
- visits to appropriate businesses.

Unit 18: Creative Promotion

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners study how creative promotion influences the buying decisions of customers, stimulates demand, creates brand personality, and promotes products and services.

Unit introduction

Effective promotion attracts and persuades customers to buy products and services. It is used to stimulate sales and develop brand loyalty. Businesses use a range of marketing communications and activities to convey their messages.

This unit will develop your understanding of the ways in which businesses communicate with current and potential customers for promotional purposes. You will explore the methods used by contrasting businesses and reflect on the suitability of specific methods used to achieve marketing objectives.

In this unit, you will use your creative skills to produce a fully costed plan for a promotional campaign. The unit will help you to decide if you would like to work in or continue to further study in this area.

Learning aims

In this unit you will:

- A** Explore the role of integrated marketing communications in creative promotion
- B** Review the effectiveness of the promotional mix used by different businesses
- C** Create a plan for a promotional campaign.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore the role of integrated marketing communications in creative promotion	A1 The purposes of marketing communications A2 Developing effective marketing communications A3 The importance of integrated marketing communications	<p>A report on the role of integrated marketing communication activities used in a range of different businesses.</p>
B Review the effectiveness of the promotional mix used by different businesses	B1 The elements of the promotional mix B2 Influences on the choice of promotional activities	<p>A report on the effectiveness of the promotional activities used by different businesses, comparing the campaign plan produced by learners to other businesses.</p>
C Create a plan for a promotional campaign	C1 Linking promotional methods to market segments C2 Costing promotional activities C3 Planning promotional activities C4 Ethical and legal dimensions of promotional activities	<p>Learners will produce and present a proposal for a promotional campaign, showing how appropriate communication methods will be utilised in order to meet the needs of customers. The plan will be fully costed and the learner will show how they intend to spend their budget on different activities.</p> <p>Learners will need to produce examples of proposed promotional materials in their presentation.</p>

Content

Learning aim A: Explore the role of integrated marketing communications in creative promotion

A1 The purposes of marketing communications

- To inform, e.g. create awareness of a product, service or brand, to develop understanding of the features and/or characteristics of a product or service.
- To persuade, e.g. convince current or potential customers to change their behaviour, encourage purchasing decisions, visit a website or physical store.
- To differentiate, e.g. highlight unique characteristics of different products, position products, influence the behaviour and attitudes of customers.
- To reinforce and reassure, e.g. positive experiences of products or services, beliefs about own and/or competitors' products.

A2 Developing effective marketing communications

- Communications objectives, e.g. raise awareness, increase knowledge, encourage choice; links between these and promotional and marketing objectives; their role in the achievement of corporate objectives.
- Identify target audience, e.g. adapt messages for different target groups, develop a brand; use marketing research to make judgements.
- Design a message: content, structure, format; appropriateness to target market; potential legal and ethical issues; types of appeal.
- Receive feedback: product trials, promotions and messages; use feedback to measure customer satisfaction, manage expectations and modify promotional activities.

A3 The importance of integrated marketing communications

- Consistency of promotional activities, e.g. branding elements and being 'on message'; consequences of inconsistency.
- Consistency with other elements of the marketing mix, e.g. with pricing, distribution and product; ensuring that customers get a consistent message.

Learning aim B: Review the effectiveness of the promotional mix used by different businesses

B1 The elements of the promotional mix

- Advertising: forms, e.g. print, cinema, TV, online; considerations when planning advertising; cost, reach, penetration.
- Personal selling: sales behaviour, e.g. getting, giving and using information; ethics of selling, e.g. high-pressure sales, mis-selling of products (e.g. banks and PPI).
- Sales promotion: methods, e.g. competitions, discounts, multi-buy offers; customer loyalty versus increased sales; effect on the credibility of messages in other channels.
- Direct marketing: forms, e.g. postal, email; costs and benefits of direct communications.
- Public relations: approaches, benefits and drawbacks of PR activity.
- The effectiveness of promotional activity: integration with the marketing mix and promotional objectives; allocation of budget to methods used; choice of message channels and their effectiveness in conveying messages; impact of competitors.

B2 Influences on the choice of promotional activities

- Appropriateness of promotional activities in different types of market, e.g. mass, niche, B2B, B2C, goods, services.
- Link between promotional activities and strategies, e.g. push and pull strategies.
- Ethical issues and promotional activities, e.g. accuracy of messages, targeting of vulnerable groups (payday loans aimed at younger people, pester power).
- Use of statistics and research to mislead, e.g. claims about customer preferences based on poorly-designed research.

- Legal issues, e.g. consumer legislation, other issues relating to taste and decency, sponsorship; industry codes of practice.
- Organisational influences on promotional activity, e.g. availability of finance, corporate objectives.
- Political influences, e.g. government, media, relevant pressure groups; impact of scandals such as horsemeat in food.
- Social factors, e.g. fashions, trends, demographics, religious beliefs.
- Competitive pressures: rivals' actions, e.g. spoiler campaigns; market context growth, decline; market position; leader or follower.

Learning aim C: Create a plan for a promotional campaign

C1 Linking promotional methods to market segments

- Approaches to market segmentation, e.g. demographic, geographic, geo-demographic; specific requirements of different market segments; importance of adapting communication techniques to meet these.

C2 Costing promotional activities

- Setting a promotional budget, e.g. percentage-of-sales method, competitive parity, objective and task method, affordable method.
- Costing different forms of promotion, e.g. production costs, channel costs.
- Monitoring promotional expenditure, identifying variances, understanding reasons for variances in promotional spending.

C3 Planning promotional activities

- Producing a proposal, e.g. storyboards, maquettes; gaining approval; consistency with branding and marketing mix elements.
- Producing a promotional plan: timescale, print deadlines, shoot times, campaign duration; frequency of activity; budget; link between plan and promotional objectives, marketing objectives and corporate objectives.
- Monitoring marketing activity, e.g. 'web metrics', audience response, impact on business performance indicators; control measures for promotional activity, e.g. responding to unsuccessful promotional activity.

C4 Ethical and legal dimensions of promotional activities

- Laws relating to selling, e.g. consumer protection, sale of goods; codes of practice; Direct Marketing Association, Advertising Standards Authority.
- Ethical considerations, e.g. 'lifestyle' promotions, impact on vulnerable consumers; ethics and morals, e.g. maximising profits versus protecting consumers.
- Effects of compliance and non-compliance, consideration of moral grey areas, e.g. controversial promotion as a public relations technique.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore the role of integrated marketing communications in creative promotion		
<p>A.P1 Explore and illustrate how marketing communication aids creative product promotion.</p> <p>A.P2 Explain the importance of integrated marketing communication activity to contrasting businesses.</p>	<p>A.M1 Analyse the effectiveness of the marketing communication activities of contrasting businesses.</p>	<p>A.D1 Assess the extent to which promotional activity supports the achievement of promotional objectives for a selected business.</p>
Learning aim B: Review the effectiveness of the promotional mix used by different businesses		
<p>B.P3 Explain the promotional mix used by contrasting businesses.</p> <p>B.P4 Illustrate and explain the influences on the promotional activities used by contrasting businesses.</p>	<p>B.M2 Analyse the factors that influence the choice of promotional activity in contrasting businesses.</p>	<p>B.D2 Evaluate the extent to which internal and external factors will influence the success of promotional activity.</p>
Learning aim C: Create a plan for a promotional campaign		
<p>C.P5 Describe the target market for a product or service offered by a selected business.</p> <p>C.P6 Plan and prepare a costed promotional plan for a product or service for a selected business.</p>	<p>C.M3 Assess the extent to which the proposed promotional plan meets both business and consumer needs.</p>	<p>C.D3 Demonstrate individual self-management, research and initiative in the preparation and evaluation of a high-quality and creative plan for a promotional campaign.</p>

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aims: B and C (B.P3, B.P4, C.P5, C.P6, B.M2, C.M3, B.D2, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, Learners will need access to a range of current business information on websites and from printed resources.

Essential information for assessment decisions

Learning aim A

For distinction standard, learners will evaluate from their investigations how far a business's promotional activities are able to support business objectives. They will research the contrasting promotional activities of a suitable, local (or other) business and investigate the techniques and methods used. The work will be illustrated with examples of good practice, and reasoned conclusions will be drawn on the effectiveness of the chosen promotional activities.

For merit standard, learners will have to analyse how effective the selected promotional activities of contrasting businesses are and give some examples of where this has been achieved.

For pass standard, learners will explain why promotional activities are important to contrasting businesses, with some discussion of how and why these activities are undertaken.

Learning aims B and C

Learners should ensure they carefully select a business that will allow them to fully develop a promotional campaign. The choice of business should not be class or teacher led.

For distinction standard, learners will evaluate the effects of internal and external influences on promotional activities used by contrasting businesses to contribute to the achievement of business aims. The work will be illustrated with reference to successful promotional activities/campaigns.

Learners will produce, and present individually, a creative plan for a promotional campaign demonstrating individuality in evaluation, thought and skill, as well as reaching justified conclusions on the plan itself and/or possible revision. This will be evidenced by an observation statement.

For merit standard, learners will analyse factors that influence the choice of the investigated promotional activities. The work will use examples indicating an understanding of the promotional mixes described.

Learners will produce and present a creative plan for a promotional campaign using examples that show how this meets both business and consumer needs.

For pass standard, learners will cover how different businesses use promotional campaigns and understand the promotional mix. They will identify a target market and produce and present a costed creative plan for a chosen business that shows understanding of the need to meet the demands of the chosen market.

Links to other units

This unit links to:

- Unit 2: Developing a Marketing Campaign
- Unit 16: Visual Merchandising
- Unit 17: Digital Marketing
- Unit 22: Market Research.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- business materials as exemplars
- design/ideas to contribute to unit assessment
- support from local business staff as mentors
- visits to appropriate businesses.

Unit 19: Pitching for a New Business

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners study the practical skills and acquire the knowledge needed to undertake the necessary preparation and steps to set up and pitch for funding for a micro-business.

Unit introduction

Entrepreneurs explore potential business opportunities, select viable business ideas, prepare appropriate business plans and pitch these to potential investors. This unit will teach you how to carry out these steps which are critical to the development of new businesses.

In this unit, you will investigate a potential micro-business idea and outline a business plan. You will present your business plan to potential investors with a view to securing appropriate funding. It is important that you are able to recognise what should be included in a pitch and how the process of idea formulation, selection, planning and presentation should be managed in order to secure funding.

This unit will develop the skills needed if you decide to set up your own business, or if you want to work in or study further a sector or area that needs entrepreneurial or innovative skills.

Learning aims

In this unit you will:

- A** Explore potential ideas for a micro-business start-up
- B** Develop a business plan for a viable micro-business start-up
- C** Carry out a pitch for funding for the chosen micro-business.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore potential ideas for a micro-business start-up	A1 Exploration of ideas for a micro-business start-up A2 Models for business opportunities A3 Factors to be considered when setting up a micro-business	A portfolio comprising research, analysis and risk evaluation that collectively supports a specific recommendation for setting up a new micro-business.
B Develop a business plan for a viable micro-business start-up	B1 Market analysis and planning B2 Legal aspects B3 Financial aspects B4 Evaluation	A business plan with the detail to enable the pitch to be prepared.
C Carry out a pitch for funding for the chosen micro-business	C1 Documents and materials for pitch to audience C2 Professional presentation skills demonstrated in the pitch C3 Review and evaluation of the pitch	Professional presentation with supporting documentation designed to secure potential funding and to stimulate feedback, from which justified modifications to the proposal and pitch can be made.

Content

Learning aim A: Explore potential ideas for a micro-business start-up

A1 Exploration of ideas for a micro-business start-up

- Idea generation for new products, services and/or market for business opportunities.
- Decision matrix: generation of selection criteria and scoring for business opportunities.

A2 Models for business opportunities

- Business activity: primary, secondary or tertiary sector of activity.
- Processes: manufacturing, outsourcing, sourcing, channels to market.
- Organisational form: structure, roles and responsibilities.

A3 Factors to be considered when setting up a micro-business

- Capability and core competencies.
- Time constraints.
- Financial constraints.
- Potential stakeholder influences.
- Access to physical resources.
- Availability of IT.
- Environmental influences.
- Internal risks.
- External risks.

Learning aim B: Develop a business plan for a viable micro-business start-up

B1 Market analysis and planning

- Target market definition.
- Secondary and primary research.
- Business environment: Porter and PESTLE.
- Marketing mix.
- Unique selling points (USPs).

B2 Legal aspects

- Business legal form and liability insurance.
- Consumer protection legislation.
- Employment legislation.
- Health and safety legislation.
- Data protection legislation.
- Environmental protection legislation.

B3 Financial aspects

- Pricing policy.
- Sales forecasts.
- Projected costs: set-up, fixed and variable costs.
- Break-even forecast.
- Cash flow forecast.
- Forecast opening and closing statement of financial position, capital structure to show investment necessary from potential investors.
- Forecast income statement for trading period.

B4 Evaluation

- Marketing mix SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis.
- Financial forecasts, including liquidity analysis, profitability analysis, sensitivity analysis.

Learning aim C: Carry out a pitch for funding for the chosen micro-business

C1 Documents and materials for pitch to audience

- Appropriate documents and materials that are detailed, appropriate, and relate to individual business proposal.
- Documentation to support funding investment.
- Evidence of exploration of potential questions and answers from potential investors, including risk, expectations for return, share ownership and voting rights, percentage of shareholding and control.

C2 Professional presentation skills demonstrated in the pitch

- Presentation, behaviour and conduct of presenter, e.g. attire, attitude, business-like skills, suitable for audience, well prepared.
- Negotiation and communication skills.

C3 Review and evaluation of the pitch

- Receive feedback on the business content of the pitch, analyse feedback and make amendments accordingly.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore potential ideas for a micro-business start-up		
<p>A.P1 Describe the potential business opportunities for a micro-business start-up.</p> <p>A.P2 Review the factors that need to be considered to start up a micro-business.</p>	<p>A.M1 Analyse the internal and external factors associated with a selected micro-business start-up.</p>	
Learning aim B: Develop a business plan for a viable micro-business start-up		
<p>B.P3 Explain your marketing plan for a selected micro-business.</p> <p>B.P4 Explain how legal and financial aspects will affect the start-up of the business.</p>	<p>B.M2 Analyse the financial and marketing plans for your micro-business.</p>	<p>A.D1 Evaluate the internal and external factors associated with a selected micro-business start-up.</p> <p>B.D2 Evaluate your plan for a micro-business and justify your conclusions.</p> <p>C.D3 Demonstrate individual responsibility and effective self-management in the preparation, delivery and review of the presentation of a high-quality pitch.</p>
Learning aim C: Carry out a pitch for funding for the chosen micro-business		
<p>C.P5 Pitch for funding to start up a micro-business.</p> <p>C.P6 Review the viability and risks of the start-up using audience feedback.</p>	<p>C.M3 Effectively present an individual pitch to negotiate funding for a micro-business start-up, analysing audience feedback and viability issues.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aims: B and C (B.P3, B.P4, C.P5, C.P6, B.M2, C.M3, B.D2, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information on websites and from printed resources.

Essential information for assessment decisions

Learning aim A

For distinction standard, learners will evaluate a range of internal and external factors for the small business start-up, along with how they can be a risk to the new business (at least four factors and four risks will be evaluated).

For merit standard, learners will analyse the factors, ensuring there is a good range and noting that some factors and risks will affect some types of business and not others.

For pass standard, learners will research a new business and the model outlined. Details of the activity and its processes, and the business form will be evidenced in the portfolio. At least four factors will be explained. If learners work in groups to research and explore, work must be submitted individually in a professional portfolio. As this is for a micro-business, the choice of business should be a small entity that does not require more than four employees to start it up.

Learning aims B and C

Professional business language will be used and data must be realistic for the business. Learners will be encouraged to create their own plan template for the business plan. If learners work in groups, the group size should not exceed four. An individual plan is required in the portfolio.

Learners will need to pitch their plan to an informed audience, ideally a panel of local business people, staff and peers. It should be organised formally as if in the workplace. Witness statements will be produced and included in the learner's portfolio.

For distinction standard, learners will show clear justification of the plan, giving reasons for all of its elements. A SWOT and sensitivity analysis will be used, together with a ratio analysis to give an evaluation of predicted success. Learners will present their plan individually. They will have used initiative and creativity in their pitch presentation, demonstrating a high standard of individual technical ability, attention to detail, innovation and precision.

For merit standard, learners will show the range of financial statements and the marketing mix will be analysed, clearly demonstrating how sales figures were arrived at. All costs will be realistic for the size of the business. Learners will need to present a professional, individual pitch and analyse the feedback from the panel and viability issues.

For pass standard, learners will design a coherent plan, comprising key sections, including legal and financial, supported with research. Learners will present their plan individually and will be able to answer questions on their plan asked by the panel.

Links to other units

This unit links to:

- Unit 4: Managing an Event
- Unit 9: Team Building in Business
- Unit 14: Investigating Customer Service.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers from small businesses
- participation in audience assessment of presentations
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 20: Investigating Corporate Social Responsibility

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners develop an understanding of how businesses adopt policies to respond to challenges and how they are socially responsible.

Unit introduction

In this unit, you will learn how corporate social responsibility (CSR) and ethical behaviour are part of business in the modern marketplace. Consumers make informed decisions about who they select to provide the goods and services they use. You will see how demonstrating a strong corporate social image can lead to a competitive advantage. Businesses that respect and care for the environment and the communities in which they operate, and are also concerned with making the right choices, are more likely to be successful in winning or maintaining customers. You will understand how this incurs additional costs to the business.

You will investigate how major businesses demonstrate their CSR to different stakeholder groups. You will consider how some of the current CSR issues impact on selected businesses and how legislation can encourage businesses to act more responsibly.

This unit will enable you to make an informed choice on suitable CSR businesses for employment or training.

Learning aims

In this unit you will:

- A** Examine the CSR issues facing large private sector businesses
- B** Investigate the benefits and drawbacks for businesses of adopting a CSR policy
- C** Review the CSR record of a private sector business.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Examine the CSR issues facing large private sector businesses</p>	<p>A1 CSR issues and the impact on stakeholders A2 Environmental issues A3 Consumer protection issues A4 Supply chain and community issues A5 Methods of strengthening the CSR image of a business</p>	<p>A report outlining the key CSR issues facing large businesses, and their stakeholders, that uses up-to-date examples from press reports and/or the businesses own CSR reporting.</p>
<p>B Investigate the benefits and drawbacks for businesses of adopting a CSR policy</p>	<p>B1 Benefits of acting responsibly B2 Potential drawbacks from adopting a corporate socially responsible approach to business B3 The costs and benefits of seeking recognition from external bodies</p>	<p>A presentation explaining the benefits and drawbacks of CSR, the costs and benefits of recognition from key external bodies and an analysis of the competitive advantage gained by a selected business as a result of its CSR activities. Also to include an evaluation of how the selected business has responded to a recent environmental, or social issue.</p>
<p>C Review the CSR record of a private sector business</p>	<p>C1 CSR/social audits C2 Corporate governance and executive pay C3 Financial responsibilities C4 Employment and diversity policies C5 Help for communities</p>	<p>A case study which critically reviews the CSR record of a major business and evaluates its corporate governance. The case study will assess whether the business is successful in meeting its corporate aims and presents an acceptable image through its CSR stance.</p>

Content

Learning aim A: Examine the CSR issues facing large private sector businesses

A1 CSR issues and the impact on stakeholders

- Definition of CSR.
- Key stakeholder groups:
 - owners
 - employees
 - customers
 - suppliers
 - governments
 - local communities.

A2 Environmental issues

- Waste reduction and recycling.
- Sustainability of resources.
- Carbon and pollution reduction initiatives.
- Sustainability.

A3 Consumer protection issues

Statutory and legal requirements:

- product safety
- food labelling
- misleading and inappropriate advertising
- false descriptions
- effect of products on consumer health.

A4 Supply chain and community issues

Statutory and legal requirements:

- the fair treatment and working conditions of employees of key suppliers
- minimum/living wage for both own and suppliers' workforce
- restrictive trading practices.

A5 Methods of strengthening the CSR image of a business

- Promoting diversity and inclusion.
- Transparency with consumers.
- Transparency in financial matters.
- Education and support for the local community.
- Environmental management.

Learning aim B: Investigate the benefits and drawbacks for businesses of adopting a CSR policy

B1 Benefits of acting responsibly

- Improved public opinion.
- Improve customer loyalty/brand image.
- Ability to charge premium prices.
- Enhanced recruitment, motivation and staff retention.
- Reduced pressure from government and other stakeholder groups.

B2 Potential drawbacks from adopting a corporate socially responsible approach to business

- Opportunity cost of implementing policies.
- Distraction from core business objectives and lowering of operating profits.
- Smaller businesses less able to trade in a CSR way due to costs.
- Perceived as a 'green washing' exercise with little actual substance.
- Cost versus benefit analysis of CSR.

B3 The costs and benefits of seeking recognition from external bodies

- Types of bodies:
 - Investors in People
 - Business in the Community
 - Fairtrade Foundation
 - FTSE4Good.
- Advantages to the business of recognition.
- Role of the external body to monitor business ethics and policies and assist in organisational change.

Learning aim C: Review the CSR record of a private sector business

C1 CSR/social audits

- Definition and purpose of CSR reports/social audits.
- Internal stakeholders.
- External stakeholders.

C2 Corporate governance and executive pay

- Division of responsibilities, divorce of ownership and control.
- Decision makers have the requisite skills, principal agent problem.
- Identification of risk.
- Appropriate internal checks and controls, such as remuneration committees.

C3 Financial responsibilities

- Responsibility to pay taxes promptly/tax avoidance.
- Corrupt practices, including bribery and fraud.
- Excessive remuneration, severance packages and corporate bonus systems.

C4 Employment and diversity policies

- Promotion of diversity in the workplace.
- Inclusion and equal opportunities in all areas of the business, from recruitment to promotion, and training opportunities.
- Health and safety responsibilities.

C5 Help for communities

- Impact of the business on the local community:
 - support for local projects
 - volunteering in the community
 - provision of education and training opportunities
 - job creation for local workers.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the CSR issues facing large private sector businesses		A.D1 Evaluate how a selected business has responded to a recent environmental or social issue and whether this response has strengthened their CSR image.
<p>A.P1 Explain how CSR issues impact on the stakeholders of businesses.</p> <p>A.P2 Explain how CSR issues can impact on businesses taking them beyond their statutory and regulatory requirements.</p>	<p>A.M1 Compare and contrast the effect two CSR issues have had on two different businesses.</p>	
Learning aim B: Investigate the benefits and drawbacks for businesses of adopting a CSR policy		B.D2 Evaluate the role a CSR policy, and recognition by an external body, has played in assisting with organisational change for a selected business.
<p>B.P3 Investigate the potential benefits of the CSR policy of a selected business.</p> <p>B.P4 Explain the potential drawbacks of the CSR policy of a selected business.</p> <p>B.P5 Explain why a selected business has sought recognition from a third party and how this has enhanced and benefitted their reputation.</p>	<p>B.M2 Analyse the competitive advantage gained by a selected business as a result of its CSR activities and its recognition by an external body.</p>	
Learning aim C: Review the CSR record of a private sector business		C.D3 Evaluate the potential impact of poor corporate governance on a major private sector business.
<p>C.P6 Explain the impact of a selected business's behaviour, and its help in a local community, on its CSR record.</p>	<p>C.M3 Analyse the impact of a selected business's financial, employment and diversity policies, across its entire operation, on its CSR record.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aim: B (B.P3, B.P4, B.P5, B.M2, B.D2)

Learning aim: C (C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access and facilities to research business materials.

Essential information for assessment decisions

Learning aim A

It is expected that learners will select two large private sector businesses (250+ employees). It would be useful for learners to select businesses from different industries, e.g. leisure and food, or by sector, e.g. a secondary sector business and a tertiary sector business.

For distinction standard, learners will evaluate how one business has responded to an appropriately chosen recent issue. The individual report must evaluate how the business has responded to this change concluding with the impact on its CSR image.

For merit standard, learners will compare and contrast CSR issues from relevant and up-to-date case studies across different businesses.

For pass standard, learners will include in their report coverage of two businesses, be fit for purpose, professional, and written in appropriate business language. The report must include examples from articles that have been individually researched, selected and sourced.

Learning aim B

The business selected for this assignment must be a different business from the one used in the final assignment, but both can be used in the first assignment.

The presentation and materials/speaker notes must be professional, business-like and suitable for presentation to decision makers in a business. Learners will be prepared to answer audience questions on their presentation and show a firm grasp and understanding of the information presented.

For distinction standard, learners will deliver a presentation with notes that clearly include references to evaluation of the role of CSR, and how an external body has supported organisational change. The presentation will be to a very professional standard.

For merit standard, learners will have demonstrated clear analysis through the presentation, and the examples chosen will clearly show how a competitive advantage has been gained.

For pass standard, learners will include in their presentation references to the benefits and drawbacks of a business having a CSR policy, and details on how recognition from a third party has enhanced the reputation of the business.

Learning aim C

This needs to be an individual learner case study of a major private sector business and cover the entirety of its operations.

For distinction standard, learners will include in their case study a clear evaluation of the impact of the CSR record on the chosen business, with focus on its governance across the operations of the business.

For merit standard, learners will include clear analysis of how the CSR record and the policies developed have impacted on the operations of the business.

For pass standard, learners will give a clear explanation of how the CSR record can support the community; this must be demonstrated throughout the case study.

Links to other units

This unit has links with most of the other units in the specification, particularly *Unit 1: Exploring Business*.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 21: Training and Development

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners study training and development and recognise that successful businesses need to plan and manage the training programmes they offer.

Unit introduction

What is the difference between training and development? Training can be defined as teaching someone new skills or knowledge, while development enables them to be more productive and effective at work. Training and development is an expense to the business but an investment that helps staff to perform better. Types of training and development differ, as they must meet both the objectives of the business and the individual. If the business is to compete effectively in today's market, it is important that training and development is updated constantly.

In this unit, you will learn that training and development is the key to running a successful business; managers need to have well thought-out training plans in place. For a business to succeed, it needs staff with the correct range of up-to-date skills and knowledge that will allow them to perform effectively. A good manager will be able to identify training needs across the business, understand the cost that comes with training, and be able to provide and monitor training programmes in their training budgets.

This unit will help you by developing relevant business knowledge and understanding to progress into employment, vocational training or higher education.

Learning aims

In this unit you will:

- A** Investigate training and development in a selected business
- B** Examine the planning and delivery of training programmes in a selected business
- C** Develop an appropriate induction programme for a group of new starters in a selected business.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Investigate training and development in a selected business	A1 Training and development A2 Reasons for training A3 Identification of training needs	A professional presentation with speaker notes that examines training and development in a selected business setting, and the likely financial and non-financial costs and benefits to the business.
B Examine the planning and delivery of training programmes in a selected business	B1 Types of training B2 Costs and benefits of training and development	
C Develop an appropriate induction programme for a group of new starters in a selected business	C1 Induction C2 Benefits of a good induction programme and costs of a poor induction programme C3 Developing an appropriate induction programme	<p>A plan for a group of new starters based on independent research that covers their first month at the business, accompanied by appropriate checklists.</p> <p>The selected business could be one where they are carrying out a work-related activity such as work experience.</p>

Content

Learning aim A: Investigate training and development in a selected business

A1 Training and development

- Training is the acquisition of skills, knowledge and competencies as a result of teaching.
- Development teaches staff how to become more productive and effective.

A2 Reasons for training

To fulfil business objectives:

- strategic, e.g. to increase profit and turnover, to become market leader
- operational, e.g. to increase productivity, to introduce new technology, to improve health and safety, to satisfy UK and EU legislation, to create a more flexible workforce, to introduce succession training for promotion, to improve job performance and motivation
- departmental, e.g. to meet sales targets, to improve customer service
- individual, e.g. to prepare for change, new job role, new equipment, new procedures, new products and/or services, new technology, new range of customers.

A3 Identification of training needs

Training Needs Analysis (TNA) or Training and Learning Needs Analysis (TLNA) is a health check on the skills, talent and capabilities of the business, which:

- reviews current skill levels of staff
- identifies skills/knowledge gaps in the business/of an individual
- looks at new skills that could take the business forward.

Learning aim B: Examine the planning and delivery of training programmes in a selected business

B1 Types of training

- Internal/in-house/on-the-job training, e.g. induction, coaching, mentor/buddy systems, shadowing, peer training, job rotation, projects, business documentation, presentations, wikis.
- External/off-the-job training, e.g. secondments, e-learning/online learning, vocational and professional courses, conferences, seminars, workshops.
- Integration of strategies, e.g. course of study with work-based learning, day release systems.
- Training programmes, e.g. graduate, management.

B2 Costs and benefits of training and development

- Costs:
 - planning, e.g. identification and assessment of training needs
 - programme development and design, e.g. research, purchase of training materials and supplies
 - delivery, e.g. trainers, training spaces, refreshments, technology such as Wi-Fi, and audio-visual (AV) equipment
 - evaluation, e.g. time spent evaluating the training
 - time, e.g. staff involved away from productive work.
- Benefits, e.g. increased productivity, increased efficiency, better quality of service, reduction in complaints, higher morale, staff retention.

Learning aim C: Develop an appropriate induction programme for a group of new starters in a selected business

C1 Induction

- Induction is the process whereby employees adjust, or acclimatise, to their jobs and working environment.
- The purpose of induction is to ensure the effective integration of staff into, or across, the business for the benefit of both parties.

C2 Benefits of a good induction programme and costs of a poor induction programme

- An induction programme is SMART training that provides all the information needed by new employees, and develops the relevant skills, knowledge and behaviour that their posts require.
- Benefits of a good programme:
 - helps the individual understand their role, the department they work in and the business as a whole
 - familiarises them with the physical environment, the culture and the business's procedures and policies
 - makes sure they understand their responsibilities, e.g. health and safety duties, contract of employment duties
 - enables staff to quickly become more productive.
- Costs of a poor programme:
 - limited understanding of the business and their role
 - lack of engagement
 - low morale
 - poor relationships with colleagues
 - poor quality of work
 - damage to the reputation of the business
 - employee resigns/is dismissed.

C3 Developing an appropriate induction programme

- Induction programme, e.g. pre-employment packs/letters/handbooks, outline of job requirements, explanation of terms and conditions, explanation of key policies and business objectives, physical orientation, organisational orientation, awareness of functions of the business, meeting key employees, health and safety, practical information, follow-up meetings.
- Communication techniques, e.g. presentations (PowerPoint/overheads/slides/videos), talks, discussions, introductory one-to-ones, company documentation, visits, tours, e-learning, internet/interactive facilities, off-site training.
- Stage of induction:
 - pre-employment
 - first day
 - first week
 - first month and beyond.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Investigate training and development in a selected business		
<p>A.P1 Explain why a selected business trains its employees.</p> <p>A.P2 Describe how a selected business identifies training needs.</p>	<p>A.M1 Assess the reasons for training in a selected business.</p>	
Learning aim B: Examine the planning and delivery of training programmes in a selected business		
<p>B.P3 Describe the types of training and development used by a selected business.</p> <p>B.P4 Explain the impact training has had on an individual in a selected business.</p>	<p>B.M2 Analyse the likely costs and benefits of different types of training to a selected business and its staff.</p>	
Learning aim C: Develop an appropriate induction programme for a group of new starters in a selected business		
<p>C.P5 Plan an appropriate induction programme for a group of new starters in a selected business using own research.</p>	<p>C.M3 Assess the factors likely to make induction successful for new starters in the selected business.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P5, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current business information from websites and printed resources, including training and development materials.

Essential information for assessment decisions

Learning aims A and B

The choice of business should be individual and not teacher/class led.

For distinction standard, learners will research and select relevant evidence to show why, and how, a selected business trains their staff. Learners must be able to successfully present the information gathered, and produce a fully supported evaluation of the reasons for training, plus evaluate the costs and benefits of training.

For merit standard, learners will select and apply relevant knowledge of training and development. Learners must demonstrate clear assessment and analysis of the financial and non-financial costs and benefits of training and how it can support the business; examples will be included to underpin analysis.

For pass standard, learners will carry out research that allows them to explain why a business trains employees, the types of training a selected business offers.

Learning aim C

For distinction standard, learners will formulate an induction programme and evaluate its likely impact, both on the selected business and the individuals. Learners must be able to come to a reasoned conclusion as to the strengths of their plan and the benefits it would offer the business and the employees.

For merit standard, learners will formulate a plan that would be suitable for a group of inductees and include how it would be monitored. Learners will assess the likely effects of the proposed plan on both the selected business and the new recruits.

For pass standard, learners will prepare a plan that would be suitable for a formal induction of new recruits to a business, covering pre-employment and beyond. The plan must be fully documented and include checklists to monitor the induction process.

Links to other units

This unit links to *Unit 8: Recruitment and Selection Process*.

Employer involvement

Centres may involve employers in the delivery of this unit if there are local opportunities.

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 22: Market Research

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners examine the different aspects of market research used by businesses. They will undertake a research project, interpret their findings and produce a report.

Unit introduction

This unit will develop your research skills and your understanding of the role marketing information plays in identifying and satisfying customers' needs.

In this unit, you will examine the purpose and type of market research undertaken in a business, consider the objectives of the research and the processes followed. You will plan and undertake a research activity using the most appropriate design and sampling method. You will analyse and interpret market research data and present your findings. You will use this knowledge to make recommendations for improvements to the market research process for a selected business.

This unit will give you an insight into the importance of collecting and interpreting marketing information as a tool for making wider marketing decisions, and enable you to make an informed choice on the suitability of this marketing area as a possible employment or training opportunity.

Learning aims

In this unit you will:

- A** Examine the types of market research used in business
- B** Plan and implement a market research activity to meet a specific marketing objective
- C** Analyse and present market research findings and recommend process improvements.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Examine the types of market research used in business</p>	<p>A1 Purpose of market research A2 Types of research A3 Appropriateness of choice of research</p>	<p>Report explaining the different types of research used in a chosen business. The report will judge the appropriateness of each type of research for a stated purpose.</p>
<p>B Plan and implement a market research activity to meet a specific marketing objective</p>	<p>B1 Planning stage B2 Implementation stage</p>	<p>Market research plan detailing methods and sample size, to be used together with a copy of the pilot questionnaire and some pilot research. Final questionnaire with sampling plan accompanied by evidence of the research data collected.</p>
<p>C Analyse and present market research findings and recommend process improvements</p>	<p>C1 Statistical analysis and interpretation of primary and secondary research C2 Presentation of research results C3 Value of the information</p>	<p>Analysis and interpretation of market research activity using a range of statistical methods to meet a specific marketing objective. Recommendations to improve the quality of the process/data.</p>

Content

Learning aim A: Examine the types of market research used in business

A1 Purpose of market research

- Understand customer behaviour.
- Determine buying trends.
- Investigate brand/advertising awareness.
- Aid new product development.
- Investigate feasibility of entry into new markets.
- To meet marketing objectives.

A2 Types of research

- Qualitative and quantitative.
- Secondary research.
- Internal sources:
 - loyalty schemes
 - EPOS records
 - website monitoring
 - accounting records
 - specialist market research agencies.
- External sources:
 - internet
 - government statistics
 - competitor reports
 - specialist market intelligence agencies, e.g. Mintel, IPSO, Mori.
- Primary research:
 - surveys
 - observation
 - e-marketing
 - focus groups
 - pilot research.

A3 Appropriateness of choice of research

- Cost.
- Accuracy.
- Timelines.
- Response rates.

Learning aim B: Plan and implement a market research activity to meet a specific marketing objective

B1 Planning stage

- Problem definition.
- Set research objectives.
- Budget.
- Determine what data is to be collected.
- Methods to be used:
 - secondary and primary
 - quantitative and/or qualitative.

- Pilot questionnaire design:
 - question type
 - sequencing
 - length of questionnaire
 - avoiding bias
 - relevance of questions to objectives.
- Pilot sampling plan.
- Probability sampling:
 - random
 - systematic
 - stratified
 - cluster.
- Non-probability sampling:
 - quota
 - convenience
 - observation.
- Sample size and effect on confidence levels.
- Pilot research.

B2 Implementation stage

- Review of pilot primary research.
- Final questionnaire design.
- Final sampling plan.
- Data collection, primary and secondary.

Learning aim C: Analyse and present market research findings and recommend process improvements

C1 Statistical analysis and interpretation of primary and secondary research

- Data analysis/interpretation:
 - arithmetic mean, mode, median
 - range and interquartile range
 - standard deviation
 - time series
 - scatter diagrams and trends.
- Interpretation of secondary research.

C2 Presentation of research results

- Reports, tables, graphs.
- Presentation of conclusions and recommendations.
- Awareness of audience type.

C3 Value of the information

- Limitations of the research:
 - sufficiency
 - accuracy
 - bias
 - subjectivity
 - reliability of sample.
- Recommend improvements to the process.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the types of market research used in business		A.D1 Justify the use of specialist marketing agencies for carrying out original market research.
A.P1 Explain the range of market research methods used by a selected business.	A.M1 Assess, using suitable examples, how different market research methods are appropriate in helping to meet marketing objectives and inform decision making.	
Learning aim B: Plan and implement a market research activity to meet a specific marketing objective		B.D2 Evaluate the effectiveness of the pilot research, recommending changes that should be made to the final market research activity.
B.P2 Undertake secondary research for a selected marketing objective. B.P3 Undertake pilot primary market research and collect sample data. B.P4 Undertake the final market research activity using a detailed sampling plan to obtain a range of secondary and primary data.	B.M2 Analyse the reasons for choosing particular research methods, the type of data to be collected and the sampling plan.	
Learning aim C: Analyse and present market research findings and recommend process improvements		C.D3 Assess the limitations of the data collected and justify research planning process improvements in light of the work undertaken.
C.P5 Interpret findings from the market research undertaken, presenting them in a range of different formats.	C.M3 Analyse the findings of the market research using a wide range of statistical techniques and comment on confidence levels.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.M1, A.D1)

Learning aim: B (B.P2, B.P3, B.P4, B.M2, B.D2)

Learning aim: C (C.P5, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access and facilities to enable the required research for the unit.

Essential information for assessment decisions

Learning aim A

For distinction standard, learners will judge the usefulness of using specialist external agencies when carrying out original new market research. The work will be supported by appropriate examples throughout.

For merit standard, learners will assess the different types of research that can be used by a selected business that has different marketing objectives.

For pass standard, learners will include in their report examples of types of research used by a selected business. It will be, it will be fit for purpose, professional and written in appropriate business language. The report explains at least two primary and two secondary types of research for the business and will use realistic examples.

Learning aim B

For distinction standard, learners will plan a small-scale market research activity for a stated purpose. They will carry out a pilot survey, evaluate the effectiveness of their pilot research and recommend changes to be made prior to undertaking the final market research activity. Both pilot and final research findings must be provided as an appendix to the learner's work.

For merit standard, learners will analyse their final plan, consider the methods chosen and their suitability for the stated purpose. Pilot data will be collected and changes will be made to the plan before learners undertake the actual research. The analysis will cover the type of data to be collected and include both primary and secondary methods. The sampling plan will include sample type and size.

For pass standard, learners will produce a plan for carrying out both primary and secondary research. At least two methods of each type must be included in the plan. Pilot data will be collected before learners undertake the actual research.

Learning aim C

For distinction standard, learners will produce a short report that assesses the limitations of the data collected in terms of its accuracy, subjectivity, bias and reliability. The report must go on to judge the effectiveness of the process undertaken in terms of meeting the research/marketing objectives, and to make recommendations for improvements based on the experience gained.

For merit standard, learners will use a wide range of statistical analysis techniques to fully interpret the findings of the market research data collected, and present these findings using charts, tables and diagrams to show the outcomes of the data analysis.

For pass standard, learners will present a basic interpretation of the research data using at least two different formats and two statistical techniques.

Links to other units

This unit links to:

- Unit 2: Developing a Marketing Campaign
- Unit 17: Digital Marketing
- Unit 18: Creative Promotion.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 23: The English Legal System

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will examine how the English legal system operates to resolve criminal and civil cases, and why businesses and individuals may require legal advice and representation.

Unit introduction

Most businesses, whether large or small, require legal advice at some point. This unit involves researching current criminal and civil issues and cases, investigating the people involved in the operation of the legal system, and examining the impact of decisions made in court cases on businesses and individuals.

In this unit, you will examine the characteristics of criminal and civil law in order to determine situations that may result in court actions or settlement by alternative means. You will investigate the different courts in England and Wales and examine how they arrive at decisions. You will research case law, acts of parliament and European Union (EU) laws. You will explore how different laws apply to everyone and how laws are used and applied to real-life cases.

This unit will give you an insight into the relevance and importance of law to the business sector. It will enable you to make an informed choice on the suitability of law as a specialism for study or employment.

Learning aims

In this unit you will:

- A** Examine the jurisdiction of the courts, and their alternatives, in contributing to case outcomes
- B** Investigate the role of the legal profession and lay people in contributing to case outcomes
- C** Explore sources of law relevant for providing legal advice.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Examine the jurisdiction of the courts, and their alternatives, in contributing to case outcomes</p>	<p>A1 Meaning, purpose and terminology of the law</p> <p>A2 The role and jurisdiction of criminal first instance and appeal courts</p> <p>A3 The role and jurisdiction of civil first instance and appeal courts</p> <p>A4 Alternative dispute resolution (ADR)</p>	<p>An individual presentation on the appropriate courts and personnel for settlement of cases, for given scenarios/case studies, and the practice and procedures used in both civil and criminal courts to come to a verdict or decision.</p>
<p>B Investigate the role of the legal profession and lay people in contributing to case outcomes</p>	<p>B1 Different types of judges and their roles</p> <p>B2 Different types of lawyers and their roles</p> <p>B3 Participation of lay people and their roles</p>	
<p>C Explore sources of law relevant for providing legal advice</p>	<p>C1 Judicial precedent</p> <p>C2 How acts of Parliament are created and applied to cases</p> <p>C3 Types of European legislation and their influence on domestic law</p>	<p>An individual presentation to demonstrate the legislative process, precedent and statutory interpretation rules.</p> <p>An individual report on how far the sources of law provide certainty for lawyers giving legal advice and the impact of European Union (EU) law.</p>

Content

Learning aim A: Examine the jurisdiction of the courts, and their alternatives, in contributing to case outcomes

A1 Meaning, purpose and terminology of the law

- Rights and duties, law and morality, law and rules.
- Purpose of law, e.g. protection, upholding rights, maintaining order, delivering justice, evaluation of effectiveness of the legal system.
- Differences between criminal law and civil law, purpose, remedies, punishment, parties to an action, standard of proof in criminal and civil cases.
- Specific terminology used in civil and criminal cases, case names, current cases, having an impact on business.

A2 The role and jurisdiction of criminal first instance and appeal courts

- Types of offences, including summary, either way and indictable offences, verdicts and potential consequences.
- The role and function of the magistrates' court, Crown court, Court of Appeal, Supreme Court and European Court of Justice.
- Magistrates' court:
 - civil and criminal jurisdiction
 - summary trials
 - plea
 - either way cases
 - committal and youth court.
- Crown court:
 - jurisdiction
 - first
 - second and third tier.
- Court of Appeal:
 - criminal division
 - permission to appeal.
- Supreme Court:
 - jurisdiction for civil and criminal cases
 - permission to appeal.

A3 The role and jurisdiction of civil first instance and appeal courts

- Types of civil issues, case allocation, liability and potential consequences.
- The role and function of the county court, high court, Court of Appeal, Supreme Court and Court of Justice of the European Union.
- County court:
 - starting a claim
 - allocation to track
 - consequences of legal action.
- High court:
 - allocation
 - divisions
 - Civil Procedure Rules.
- Court of Appeal:
 - civil division
 - permission to appeal.
- Supreme Court:
 - jurisdiction for civil cases
 - permission to appeal.

- The Court of Justice of the European Union:
 - the main court
 - the general court
 - civil service tribunal
 - judicial and supervisory role.
- Application and evaluation of roles and jurisdictions to case decisions, both civil and criminal.

A4 Alternative dispute resolution (ADR)

- Tribunals, arbitration, mediation, conciliation, negotiation.
- Comparison with each other and with civil courts, advantages, disadvantages.
- Issues, e.g. cost, time, privacy, appeals, formality, representation, accessibility, appropriateness.

Learning aim B: Investigate the role of the legal profession and lay people in contributing to case outcomes

B1 Different types of judges and their roles

- The judicial hierarchy.
- Appointment, selection, skills, training and roles.
- Ceasing to be a judge.
- Application and evaluation of roles and jurisdictions to case decisions, in civil and criminal courts and ADR.

B2 Different types of lawyers and their roles

- Solicitors and barristers:
 - work
 - roles
 - skills
 - differences
 - training and qualifications.
- Paralegals, roles.
- Application and evaluation of roles and jurisdictions to case decisions, in civil and criminal courts and ADR.

B3 Participation of lay people and their roles

- Juries:
 - selection
 - eligibility
 - role in criminal and civil cases.
- Magistrates:
 - selection
 - appointment
 - training and role.
- Evaluation of the roles, use, their place in the court system and in ADR.

Learning aim C: Explore sources of law relevant for providing legal advice**C1 Judicial precedent**

- How it works, binding, persuasive, distinguishing, overruling, reversing.
- Advantages and disadvantages, evaluation and application.

C2 How acts of Parliament are created and applied to cases

- The legislative process.
- Delegated legislation.
- Statutory interpretation, rules and aids to interpretation, evaluation and application.

C3 Types of European legislation and their influence on domestic law

- Types of European legislation, law making in the European Union and impact on domestic law.
- Evaluation of influence and impact, and application.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the jurisdiction of the courts, and their alternatives, in contributing to case outcomes		
<p>A.P1 Using case examples, accurately apply and explain the jurisdiction of civil courts.</p> <p>A.P2 Using case examples, accurately apply and explain the jurisdiction of criminal courts.</p>	<p>A.M1 Compare and contrast the criminal and civil court hierarchies and appeal routes, demonstrating accurate use of legal terminology, case law citation and application, to both civil and criminal law situations.</p>	
Learning aim B: Investigate the role of the legal profession and lay people in contributing to case outcomes		<p>A.D1 Evaluate how dispute solving in the courts compares with methods of ADR.</p> <p>B.D2 Evaluate the effectiveness of lay personnel in the English courts and ADR.</p>
<p>B.P3 Using case examples, accurately apply and explain the role in the civil courts and ADR of the legal profession and lay people.</p> <p>B.P4 Using case examples, accurately apply and explain the role in the criminal courts of the legal profession and lay people.</p>	<p>B.M2 Compare and contrast the role and function of lawyers and lay people in the English courts and ADR.</p>	
Learning aim C: Explore sources of law relevant for providing legal advice		<p>C.D3 Evaluate how far the sources of law provide certainty for lawyers giving legal advice.</p>
<p>C.P5 Demonstrate how the legislative process would apply in given scenarios.</p> <p>C.P6 Explain the rules of precedent and statutory interpretation through accurate application in given scenarios.</p>	<p>C.M3 Analyse the impact European law has had on domestic law in given situations.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to law reports and statutes.

Essential information for assessment decisions

It is essential that learners do not copy large sections of information from textbooks or websites. Centres need to prepare a variety of detailed case studies or scenarios, which allow learners to use their own words and fully demonstrate their understanding and application of the law and its processes using problem-solving, decision-making, analytical and critical-thinking skills.

It is also essential that learners reference all sources correctly. If a presentation format is selected a detailed observation sheet must be provided for each verbal presentation for each learner.

To have first-hand experience as a basis for their evaluation, it is desirable that learners attend and watch cases in different courts, and see the process and personnel in action. Court staff, local solicitors and barristers are often willing to speak to learners. If a presentation format is selected, a detailed observation sheet must be provided for each verbal presentation for each learner.

Learning aims A and B

For distinction standard, learners will support their advice and judgements on jurisdictions, appeals ADR, personnel and roles with a comprehensive discussion and evaluation. Learners must include individual and original examples to demonstrate clear understanding and justification of their arguments and conclusion. Advice will be detailed, professional and presented appropriately.

For merit standard, learners will demonstrate a clear understanding of the courts, appeals, ADR and personnel. Their advice, communication and application will be professional, showing understanding and appropriate application, accurately covering both first instance and appellate situations and personnel. They will demonstrate good analytical skills covering all roles, actions and outcomes.

For pass standard, learners will demonstrate in their submission that their work is professional and appropriate, showing basic but clear understanding and application of where cases are dealt with at first instance, although some of the finer points of appellate jurisdictions may not be fully evidenced. They will show clear understanding and application relating to personnel and their roles. If making a verbal presentation, learners will be prepared to answer audience questions, and show a firm grasp and understanding of the information presented.

Learning aim C

For distinction standard, learners will provide an evaluation based on the application of precedent and statutory interpretation to case study. The work will be professional and show clear application, explanation and understanding. The supporting materials must be comprehensive, including clear examples of binding, persuasive, distinguishing, reversing and overruling precedents, together with some basic understanding and application of statutory interpretation rules.

For merit standard, learners will demonstrate individual analysis of the impact EU laws have on domestic laws. They will demonstrate good analytical skills, providing and applying examples for all aspects of the criterion.

For pass standard, learners will plan a draft a suitable idea for a new statute. The learner must be sufficiently informed about the need for change in the law and they will also demonstrate understanding and application of delegated legislation.

Links to other units

This unit links to:

- Unit 24: Employment Law
- Unit 25: Aspects of Civil Liability Affecting Business
- Unit 26: Aspects of Criminal Law Impacting on Business and Individuals

Employer involvement

Centres may involve employers in the delivery of this unit if there are local opportunities.

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 24: Employment Law

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners explore how a business meets legal obligations relating to employment rights. They will consider processes associated with solving employment disputes.

Unit introduction

It is essential that all employees understand their employment rights and duties. This unit considers the important legal rights, duties, documents and remedies available under law.

In this unit, you will gain an understanding of important employment documents, the rights and duties of both employees and employers, and the effect of non-compliance with the law. You will explore the process of resolving work-related disputes, make judgements on tribunal decisions and explore the support available from other organisations.

By investigating employment law, you will have a good foundation for employment. Undertaking research and discussion on employment issues with other people will give you an understanding of the process of law. You will also develop communication skills through discussion and presentations. Employment law is a specialist area and can help you develop a career in human resources and management.

Learning aims

In this unit you will:

- A** Examine employment rights and how those rights impact on a business and its employees
- B** Investigate the importance of equality within the workplace and the influence of support organisations
- C** Explore the legal approaches used to resolve employment work-based issues.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Examine employment rights and how those rights impact on a business and its employees</p>	<p>A1 Basic employment rights available to all employees</p> <p>A2 Contracts of employment and other documentation</p>	<p>A guide for a new employee on rights, duties and documents.</p> <p>A presentation applying the basic laws relating to employment and equality and the effect on a given business of non-compliance.</p>
<p>B Investigate the importance of equality within the workplace and the influence of support organisations</p>	<p>B1 Ensuring equality in employment</p> <p>B2 Organisations who can support the rights of the employer and employee</p>	<p>A briefing sheet on relevant support organisations.</p> <p>A fully justified report, or brief, giving advice on the impact of compliance and non-compliance with employment and equality rights in the workplace on the employer and employee, including a discussion on these rights and support available.</p>
<p>C Explore the legal approaches used to resolve employment work-based issues</p>	<p>C1 Grounds for the termination of employment</p> <p>C2 Formal and informal methods of resolving problems in the workplace</p>	<p>A presentation applying the basic laws relating to termination of employment, using case studies.</p> <p>A briefing sheet giving advice in problem work scenarios.</p> <p>A fully justified report, or brief, giving advice on the impact and effectiveness of formal and informal grievance and disciplinary procedures on employees and businesses.</p>

Content

Learning aim A: Examine employment rights and how those rights impact on a business and its employees

A1 Basic employment rights available to all employees

- Pay, national minimum wage, illegal deductions, timing of payment.
- Holiday entitlement: full- and part-time employees.
- Family:
 - maternity and paternity leave
 - unpaid parental leave.
- Workplace, e.g. rights associated with flexible working, time off for trade union duties, access to a trade union representative in the event of a grievance, weekly and daily rest breaks, not to be harassed or discriminated against, 'whistle blowing', rights to study and training if aged 16-17.
- Duties of employer:
 - provide work
 - pay
 - health and safety compliance.
- Duties of employee:
 - obey reasonable instructions/orders
 - not to steal
 - comply with health and safety requirements.
- Evaluation, application of case law and statutes.

A2 Contracts of employment and other documentation

- Types of contract:
 - full
 - part-time
 - temporary
 - fixed
 - trainee
 - zero hours
 - flexible.
- Formation of a contract:
 - offer
 - acceptance
 - consideration
 - intent.
- Express and implied terms, terms incorporated through custom and practice.
- Commencement of a contract.
- Determining if the employee is employed or self-employed.
- Changes to a contract.
- Rules relating to issuing of the written statement, e.g. where it can be found if not a single document, timescales for issuing to a new employee, what to do if a written statement is not received.
- Contents of the written statement of employment particulars, e.g. business name, employee's name, job title and/or job description, start date, if a previous job counts towards service, how much and when the employee will be paid, hours of work and the days/times that work will be undertaken, details relating to overtime, holiday entitlements, location of work.
- Other contents, e.g. length of temporary employment, end date of fixed contract, notice periods, collective agreements, pension details, processes for dealing with a grievance, how to complain.

- Access to information or policies on sick pay, disciplinary, grievance and dismissal procedures.
- Content of a contract of employment, reasons for having a contract of employment versus statement of particulars.
- Evaluation, application of case law and statutes.

Learning aim B: Investigate the importance of equality within the workplace and the influence of support organisations

B1 Ensuring equality in employment

- Protected characteristics, definition and description (Equality legislation), e.g. age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation – need for employee training to avoid work-based problems.
- Prohibited conduct, e.g. direct and indirect discrimination, violence, bullying, theft, illegal use of electronic communication, harassment, gambling on the job, verbal and physical abuse, practices relevant to the specific business.
- Evaluation, application of case law and statutes.

B2 Organisations who can support the rights of the employer and employee

- The Advisory, Conciliation and Arbitration Service (ACAS).
- Trade unions.
- Health and Safety Executive (HSE).
- Citizens Advice.
- Equality Advisory and Support Service (EASS).
- Law centres.
- Tribunal service and Employment Appeal Tribunal (EAT) database.
- European Court of Human Rights.
- Confederation of British Industry (CBI).

Learning aim C: Explore the legal approaches used to resolve employment work-based issues

C1 Grounds for the termination of employment

- An employee can leave their place of work for a variety of reasons:
 - resignation
 - capability
 - conduct
 - redundancy
 - where the employee cannot continue in their post because this would break the law
 - some other substantial reason that justifies dismissal of the employee from the job they do
 - wrongful, unfair or constructive dismissal
 - evaluation
 - application of case law and statutes.

C2 Formal and informal methods of resolving problems in the workplace

- Grievance and disciplinary procedures are used to ensure that the process of complaint is fair and transparent for both sides. Where appropriate, there should be an accurate written record.
- Reference to the contract of employment.
- Deciding if the problem constitutes a formal or informal work-based problem, disciplinary meetings, use of mediation.
- Use and reference to the businesses grievance and disciplinary policy, procedures, investigation, use of representatives, formal and informal meetings, decision and further action, written record, use of verbal and written warning.
- Role of ACAS.

- Tribunals: procedures, using the decisions of the Employment Appeal Tribunal.
- Compensation for redundancy, calculation.
- Ensuring the employee is not unfairly dismissed.
- Collective disputes and their resolution.
- Evaluation.
- Application of case law and statutes.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine employment rights and how those rights impact on a business and its employees		A.D1 Evaluate the impact that employment rights in the workplace have had on businesses, using decided cases and recent statutes to justify conclusions.
A.P1 Explain, using case scenarios, what the written statement of employment particulars and the contract of employment must include to comply with the law. A.P2 Provide advice to a business on the effects of non-compliance with the written statement of employment particulars.	A.M1 Analyse the impact of employment rights on employees, applying appropriate current law.	
Learning aim B: Investigate the importance of equality within the workplace and the influence of support organisations		B.D2 Evaluate the impact that support from organisations has had in ensuring businesses comply with equality legislation in the workplace.
B.P3 Explain, using case scenarios, how compliance with equality issues can help employers and employees. B.P4 Discuss how relevant organisations can support the rights of employers and employees.	B.M2 Analyse the support available from relevant organisations to employees to ensure equality in the workplace.	
Learning aim C: Explore the legal approaches used to resolve employment work-based issues		C.D3 Evaluate the impact and effectiveness of formal, and informal, grievance and disciplinary procedures on employees and businesses, using appropriate illustrations to substantiate a conclusion.
C.P5 Present client advice, explaining the ways employment can be terminated. C.P6 Present client advice, explaining how formal and informal problems in the workplace can be resolved.	C.M3 Analyse how formal and informal grievance and disciplinary procedures can be used to determine the potential outcome of work-based problems. C.M4 Discuss the likely consequences if a problem cannot be resolved in the workplace.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.M4, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to law reports and statutes.

Essential information for assessment decisions

Learning aims A and B

For distinction standard, learners will support their evaluations of the impact on both employers and employees with individual and original statements and examples. They will demonstrate a comprehensive use and application of relevant precedent and statutes to justify their arguments and conclusion. The application of the law to the scenarios must include the relevant decided cases and statutes to support the advice given.

The briefing sheet on support organisations must be professional, business-like and suitable for presentation by a lawyer/adviser to clients. If a presentation is made, learners must be prepared to answer audience questions on their presentation and show a firm grasp and understanding of the information presented, at all levels. A detailed observation statement will be provided for each learner.

For merit standard, learners will demonstrate a considered and comprehensive understanding of all areas of law covered by the assignment and assessment criteria. They will demonstrate good analytical skills which fully cover all possible decisions and outcomes from the scenarios or case studies. The application of the law to the scenarios must include application and analysis, using relevant decided cases and statutes to provide comprehensive and appropriate advice.

For pass standard, learners will show their understanding of employment rights and documents. The scenarios or case studies must be drafted so that learners demonstrate problem-solving, decision-making and analytical skills. An explanation of each of the elements will be clear and detailed and written in the learner's own words to convey a clear understanding of laws relating to employment and equality rights.

Learning aim C

For distinction standard, learners will provide a professional report that supports their evaluations with individual and original statements and examples. They will demonstrate a comprehensive use and application of relevant precedent and statutes to justify their arguments and conclusion. The scenarios must be drafted so that they require learners to demonstrate problem-solving, decision-making and analytical skills. An explanation of each criterion will be clear, detailed and professional; presented in the learner's own words to indicate a clear understanding. The application of the law to the scenarios, or case studies, will include all relevant decided cases and statutes to support the advice given. Learners will have shown individuality and independence in their presented assessment evidence.

For merit standard, learners will demonstrate individual analysis on grievance and disciplinary procedures, they will demonstrate a considered and comprehensive understanding of this area of law. They will demonstrate good analytical skills which fully cover all possible decisions and outcomes from the scenarios. The application of the law to the scenarios will include relevant decided cases and statutes to provide detailed advice. The briefing sheet and report must be professional, business-like and suitable for presentation by a lawyer/adviser to clients.

For pass standard, learners will demonstrate a clear understanding, explanation and application of the law relating to termination of employment and, work-based problems to the case studies/scenarios in a presentation and briefing sheet.

Links to other units

This unit links to:

- Unit 23: The English Legal System
- Unit 25: Aspects of Civil Liability Affecting Business
- Unit 26: Aspects of Criminal Law Impacting on Business and Individuals.

Employer involvement

Centres may involve employers in the delivery of this unit if there are local opportunities.

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 25: Aspects of Civil Liability Affecting Business

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners explore the relationship that businesses have with consumers and employees, and consider the civil legal obligations placed on them and how they are required to respond by law.

Unit introduction

In order for a business to survive successfully, it needs to retain a good reputation, operate in a safe manner, and be a safe place for employees, customers and visitors. If not, liability may result in a claim against the business or its employees in the law of tort. Businesses make numerous contracts on a daily basis, and case law and statutes establish the resulting legal rights and duties.

In this unit, you will explore how, within the law of tort, claims for negligence can arise and affect both businesses and individuals. For example, injuries or damage sustained on business premises could be the fault of the business or the employee. You will also examine contract and consumer situations, covered by both case law and statute, and have the opportunity to apply the law to various scenarios and give advice.

On a daily basis, civil liability issues can affect all individuals, and every business, in a variety of ways. This unit gives you the opportunity to develop problem-solving, decision-making, analytical and critical-thinking skills by applying relevant laws to case study scenarios. Studying civil law, in the context of its relationship to business, will allow you to make an informed choice on the suitability of law as a specialism for your employment, training or studies.

Learning aims

In this unit you will:

- A** Examine the elements of negligence in order to establish liability
- B** Examine the elements of vicarious and occupiers' liability in order to establish liability
- C** Explore the responsibilities that a business has for the products and services it provides.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
<p>A Examine the elements of negligence in order to establish liability</p>	<p>A1 Elements of the tort of negligence A2 Remedies in the event of liability</p>	<p>One or more of: A presentation applying the principles of negligence in given case scenarios to conclude on liability. Also to include the potential amounts of damages, both pecuniary and non-pecuniary.</p>
<p>B Examine the elements of vicarious and occupiers' liability in order to establish liability</p>	<p>B1 Vicarious liability B2 Independent contractors B3 Occupiers' liability</p>	<p>A briefing sheet for a new business on rights and duties in vicarious liability and occupiers' liability. A fully justified report, or brief, giving advice on the impact of negligence in given situations, for both businesses and individuals.</p>
<p>C Explore the responsibilities that a business has for the products and services it provides</p>	<p>C1 Formation of contracts C2 Sale of goods and supply of goods C3 Consumer protection and the safety of products</p>	<p>Presentation advising on liability in contract, sale and supply of goods scenarios. Leaflet on consumer protection issues. Leaflet on advisory bodies. A fully justified report, or brief, on the effectiveness of the law in protecting consumers from faulty products, contract formation, or sale and supply of goods disputes.</p>

Content

Learning aim A: Examine the elements of negligence in order to establish liability

A1 Elements of the tort of negligence

- Definition of tort.
- Duty of care, neighbour test, the Caparo test.
- Breach: objective test.
- Factors relevant to a breach:
 - magnitude
 - 'thin skull' rule
 - cost of precautions
 - common practice
 - role of professionals
 - inexperienced practitioners.
- Causation:
 - 'but for' test
 - remoteness of damage
 - foreseeability
 - relevance of an intervening act.
- Evaluation, relevant up-to-date case law.

A2 Remedies in the event of liability

- Damages, types:
 - pecuniary
 - non-pecuniary
 - contributory negligence
 - 'no win no fee'
 - calculation.

Learning aim B: Examine the elements of vicarious and occupiers' liability in order to establish liability

B1 Vicarious liability

- Definition, employer controls employee, employer has insurance/financial means to compensate injured party, deterrent to poor behaviour at work.
- Testing the employment status, is there a contract of employment?
- Was the tort committed during the course of employment, was it authorised/unauthorised/a prohibited act, is the employer liable for theft or other criminal act of the employee?
- Not liable, frolic, acting outside the course of employment.
- Defences, contributory negligence, consent.
- Remedies.
- Evaluation and relevant up-to-date case law.

B2 Independent contractors

- Business not normally liable for the acts of a sub-contractor, but there are exceptions.
- Definition of an independent contractor.
- Employer may still be liable if failure to ensure compliance with duty of care.

B3 Occupiers' liability

- Liability to visitors, Occupiers' Liability Act 1957.
- Liability to trespassers, Occupiers Liability Act 1984.

Learning aim C: Explore the responsibilities that a business has for the products and services it provides

C1 Formation of contracts

- Offer:
 - contrast with invitation to treat
 - termination of offer
 - communication of offer and revocation.
- Acceptance:
 - verbal
 - post
 - electronic commerce regulations
 - distance selling regulations
 - communication.
- Intention to create legal relations.
- Consideration generally, Contracts (Rights of Third Parties) Act 1999.
- Evaluation and relevant up-to-date case law.

C2 Sale of goods and supply of goods

- Contract terms:
 - express
 - implied by statute and common law
 - conditions
 - warranties.
- Terms implied by the Sale of Goods Act (SOGA) 1979 as amended by Consumer Rights Act 2015:
 - seller owns the goods and has the right to sell
 - satisfactory quality and fit for purpose
 - goods as described.
- Terms implied by the Supply of Goods and Services Act (SGASA) 1982 as amended by Consumer Rights Act 2015:
 - reasonable care and skill
 - reasonable time
 - reasonable cost.
- Remedies under SOGA as amended by Consumer Rights Act 2015:
 - repair
 - replace
 - refund.
- Remedies under SGASA as amended by Consumer Rights Act 2015:
 - rejection
 - specific performance
 - damages for non-delivery or breach of warranty
 - payment for part performance.
- Other remedies, use of small claims court.
- Exclusion clauses:
 - validity
 - Unfair Contract Terms regulations and legislation.
- Role of advisory bodies when making a complaint, e.g. Citizens Advice consumer service, Trading Standards, The Consumers Association (Which?), the Office of Fair Trading (OFT), ombudsman.
- Evaluation and relevant up-to-date case law.

C3 Consumer protection and the safety of products

- The Consumer Safety Act 1987 defines 'defects', the use of strict liability, what is meant by damage and remedies available.
- Consumer Protection Act 1987:
 - defining a product
 - defect and producer
 - use of strict liability for resultant damage.
- Breach of implied terms under the Sale of Goods Act 1979 ss. 12–15, negligence as amended by Consumer Rights Act 2015.
- Identification of defect, design, manufacture, information about the product.
- Causation, balance of probabilities.
- Defining damage:
 - death
 - injury
 - loss or damage to property.
- Defences:
 - product complies with EU regulations
 - product not supplied by business or not in the course of business
 - not possible to discover the problem
 - problem did not exist when the product was supplied
 - scientific or technical knowledge could not have foreseen the product problem.
- Remedies.
- Evaluation.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the elements of negligence in order to establish liability		A.D1 Evaluate the impact that negligence liability issues and their consequent remedies have on businesses and individuals in given scenarios, applying appropriate and relevant legal precedents to justify conclusions.
A.P1 Explain the key elements of negligence necessary to establish liability, and apply this to case scenarios. A.P2 Discuss appropriate remedies available for liability in negligence, and apply this to case scenarios.	A.M1 Analyse negligence liability issues and potential outcomes for individuals and businesses in given scenarios, applying appropriate and relevant legal precedents.	
Learning aim B: Examine the elements of vicarious and occupiers' liability in order to establish liability		B.D2 Evaluate the impact that the current law of vicarious and occupiers' liability has on businesses, applying appropriate and relevant legal precedents to justify conclusions.
B.P3 Explain the responsibilities that a business has for the negligent acts of an employee, and apply this to case scenarios. B.P4 Discuss the responsibilities that an occupier has for injuries or damage caused on property, and apply this to case scenarios.	B.M2 Analyse the benefits of being a visitor or an employee, rather than a trespasser or independent contractor, in the event of a legal dispute.	
Learning aim C: Explore the responsibilities that a business has for the products and services it provides		C.D3 Evaluate the effectiveness of the law in protecting consumers from faulty products and disputes relating to contract formation and sale and supply of goods, applying appropriate legal precedents and recent statutes to justify a conclusion.
C.P5 Present client advice, explaining how the law imposes contractual responsibility, both by case law and by statute, using case scenarios. C.P6 Explain how the key areas of consumer law can contribute to the effective production of goods and services.	C.M3 Analyse the impact of consumer law on businesses applying relevant case and statute law. C.M4 Discuss how advisory bodies can assist consumers with their complaints relating to contracts, products or services supplied by a business.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.M4, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to law reports and statutes.

Essential information for assessment decisions

It is essential that learners do not copy large sections of information from textbooks or websites. Centres need to prepare a variety of detailed case studies, or scenarios, that allow learners to use their own words and fully demonstrate their understanding and application of the law and its processes using problem-solving, decision-making, analytical and critical-thinking skills.

The scenarios must be sufficiently detailed and complex enough to enable learners to demonstrate their understanding of each, at the appropriate level. Learners should use decided cases and statutes to justify their advice.

Advice could be given either in written format or in a presentation supported by slides, notes questions and individual observation record.

It is also essential that learners reference all sources correctly, and give advice where required, in a professional format.

Learning aims A and B

For distinction standard, learners will support their evaluations of the impact on both businesses and individuals, with individual and original statements, examples and comprehensive use and application of relevant precedent and statutes to demonstrate and justify their arguments and conclusion.

Learners' explanations of each of the elements must be clear and detailed and written in their own words to demonstrate clear understanding. The application of the law to the scenarios must include all relevant decided cases and statutes to support the advice given.

The report/presentation and briefing sheet will be professional, business-like and suitable for presentation by a lawyer/adviser to clients. If a presentation is made, learners must be prepared to answer audience questions on their presentation and show a firm grasp and understanding of the information presented, at all levels. A detailed observation statement will be provided for each learner.

For merit standard, learners will demonstrate a considered and comprehensive understanding of all areas of law covered by the assignment and assessment criteria. They will demonstrate good analytical skills which fully cover all possible decisions and outcomes from the scenarios.

The application of the law to the scenarios should include application and analysis, using relevant decided cases and statutes to provide comprehensive and appropriate advice.

For pass standard, learners will show their understanding of the elements of negligence required for liability and relevant case law, together with remedies, vicarious and occupiers' liability, and apply these to the case studies/scenarios. The scenarios must be drafted in such a way that they require learners to demonstrate problem-solving, decision-making and analytical skills.

Learning aim C

For distinction standard, learners will support their evaluations of the effectiveness of the law in protecting consumers from faulty products and disputes relating to contract formation and sale and supply of goods with individual and original statements and examples. Learners will demonstrate a comprehensive use and application of relevant precedent and statutes to justify their arguments and conclusion. The scenarios must be drafted so that they require learners to demonstrate problem-solving, decision-making and analytical skills, and be complex enough to cover formation of contract, sale of goods implied terms situations, supply of goods and services situations, exclusion clauses, unfair terms and remedies. Learners' explanations of each of the elements will be clear and detailed and written in their own words to demonstrate a clear understanding.

The application of the law to the scenarios must include all relevant decided cases and statutes to support the advice given. Learners will show individuality and independence in their presented assessment evidence.

For merit standard, learners will demonstrate individual analysis of the impact of consumer law for businesses by demonstrating a considered and comprehensive understanding of this area of law. They will demonstrate good analytical skills which fully cover possible decisions and outcomes from the scenarios. The application of the law to the scenarios must include relevant decided cases and statutes to provide detailed advice. The leaflet on advisory bodies will be professional, business-like and suitable for presentation by a lawyer/adviser to clients.

For pass standard, learners will demonstrate clear understanding, explanation and application of the law relating to contract, sale and supply of goods and apply these to the case studies/scenarios.

Links to other units

This unit links to:

- Unit 23: The English Legal System
- Unit 24: Employment Law
- Unit 26: Aspects of Criminal Law Impacting on Business and Individuals.

Employer involvement

Centres may involve employers in the delivery of this unit if there are local opportunities.

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 26: Aspects of Criminal Law Impacting on Business and Individuals

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners examine crimes relating to people and property and the impact that crime has both on business and individuals. Learners will also consider strategies to improve security.

Unit introduction

Local, national and international news articles constantly show how businesses and individuals can be affected by crime as victims, offenders or witnesses. Security of resources is crucial for the success of business, as 'prevention is better than cure'.

In this unit, you will examine crimes relating to people and property. You will consider the extent and impact of these crimes on businesses and individuals, including criminal statistics, current criminal cases and consequences of crime. You will plan the security of people, property and information for a local business by looking at policies, procedures, training and specific security measures, including new technologies. You will examine the role and impact of a range of enforcement agencies whose aim is to protect business organisations. These agencies may include the police, health and safety officers, Trading Standards, environmental health officers, Border Force and the Serious Fraud Office. In this part of the unit you will consider work skills and potential career plans.

Criminal law applies to everyone and every business and keeping up to date with the law and changes in the law is important. In this unit you will develop problem-solving, decision-making, analytical and critical-thinking skills. Studying criminal law in the context of its relationship to business will allow you to make an informed choice on the suitability of law as a specialism for your employment, training or studies.

Learning aims

In this unit you will:

- A** Examine the elements of crimes against people in order to establish liability
- B** Examine the elements of crimes against property in order to establish liability
- C** Explore strategies for crime prevention and the roles of enforcement agencies in protecting businesses.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Examine the elements of crimes against people in order to establish liability	A1 Elements of crime A2 Corporate manslaughter A3 Non-fatal offences	Learners give advice on case studies/scenarios involving business problems relating to offences committed either against, or by, the business.
B Examine the elements of crimes against property in order to establish liability	B1 The elements of offences under the Theft Acts B2 The elements of offences under the Fraud Act B3 The elements of criminal damage offences	
C Explore strategies for crime prevention and the roles of enforcement agencies in protecting businesses	C1 Strategies to prevent crime for businesses C2 The role and powers of specific enforcement agencies	<p>A report on the security plan of a local business that includes the help and advice which could be available/ provided by enforcement agencies.</p> <p>An individual written report, evaluating how effective the law is in protecting businesses and the people connected to business.</p>

Content

Learning aim A: Examine the elements of crimes against people in order to establish liability

A1 Elements of crime

- Common law and statutory offences.
- Summary, either way and indictable offences.
- *Actus Reus* (wrongful act):
 - positive and voluntary actions
 - omissions
 - state of affairs.
- Legal and factual causation.
- *Mens Rea* (guilty mind):
 - intention
 - recklessness
 - negligence
 - dishonesty.
- Aggravating and mitigating factors.
- Defences relating to property offences and offences against the person.
- Strict liability and types of offences.
- Evaluation of these elements and offences.

A2 Corporate manslaughter

- Involuntary manslaughter, e.g. gross negligence, duty, breach, death and behaviour such to be classed as criminal.
- Defendant is a qualifying organisation, causation, relevant duty of care and gross breach as a result of serious management failure, investigation, prosecution, exemptions, sanctions under corporate manslaughter and corporate homicide legislation.
- Recent case law examples relating to charges of corporate manslaughter to assess how such situations could be prevented.
- Evaluation of these principles.

A3 Non-fatal offences

- Non-fatal offences: common assault and what has to be proved to establish liability.
- Offences from Offences Against the Person Act 1861:
 - ABH (actual bodily harm)
 - GBH (grievous bodily harm)
 - malicious wounding
 - what has to be proved to establish liability.
- Recent case law examples relating to charges of offences against the person committed in the workplace to assess how such situations could be prevented.
- Evaluation of these offences, principles and cases.

Learning aim B: Examine the elements of crimes against property in order to establish liability

B1 The elements of offences under the Theft Acts

- Theft Acts 1968 and 1996, relevant case law.
- The elements of theft:
 - dishonesty
 - appropriation
 - property
 - belonging to another
 - intention to permanently deprive the rightful owner.

- Examine a range of offences which may include making off without payment, burglary, robbery, handling stolen goods, taking a conveyance and establish what has to be proved to establish criminal liability.
- Evaluation of these offences, principles and cases.

B2 The elements of offences under the Fraud Act

- Deception offences under fraud act legislation:
 - false representation
 - failing to disclose information
 - abuse of position
 - obtaining goods or services dishonestly.
- Recent case law examples relating to charges of offences against property committed in the workplace to assess how such situations could be prevented.
- Evaluation of these offences, principles and cases.

B3 The elements of criminal damage offences

- Criminal damage and aggravated criminal damage, arson and aggravated arson, relevant statute and case law.
- The elements which have to be proved to establish liability for criminal damage offences.
- Evaluation of these offences, principles and cases.

Learning aim C: Explore strategies for crime prevention and the roles of enforcement agencies in protecting businesses

C1 Strategies to prevent crime for businesses

- Extent of crime and how to interpret criminal statistics.
- Typical crimes against businesses, including shoplifting, theft by employees and supplier fraud.
- Workplace security surveys and risk assessments: purpose and benefits.
- Workplace policies, procedures and training for crime prevention.
- Onion peeling process:
 - target hardening
 - target removal
 - remove means to commit crime
 - reduce the pay off
 - access control, visibility and surveillance
 - environmental design
 - rule setting
 - increase the chance of being caught
 - deflecting offenders.
- Security measures which are up to date, appropriate, realistic and cost effective, including new technologies.

C2 The role and powers of specific enforcement agencies

- The role and powers of the police, Border Force, Trading Standards, environmental health, health and safety officers and the Serious Fraud Office.
- Search and seizure of property, arrest, charge and consequences for offenders.
- Positive impact of the agencies in protecting businesses and negative impact should a business breach any laws enforced by the agencies.
- Recent case law examples relating to the enforcement agencies to assess how such situations could be prevented.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the elements of crimes against people in order to establish liability		
<p>A.P1 Explain the elements of crime necessary to establish liability for corporate manslaughter, and apply in given scenarios.</p> <p>A.P2 Explain the elements of crime necessary to establish liability for non-fatal offences against the person, and apply in given scenarios.</p>	<p>A.M1 Analyse corporate manslaughter liability issues for individuals and businesses in given scenarios, applying appropriate and relevant decided cases and current statute law.</p> <p>A.M2 Analyse liability issues in non-fatal offence scenarios, applying appropriate and relevant decided cases and current statute law.</p>	
Learning aim B: Examine the elements of crimes against property in order to establish liability		
<p>B.P3 Explain the elements of crime necessary to establish liability for crimes of theft and fraud, and apply in given scenarios.</p> <p>B.P4 Explain the elements of crime necessary to establish liability for crimes, relating to criminal damage, and apply in given scenarios.</p>	<p>B.M3 Analyse liability issues for theft, fraud and criminal damage scenarios, applying appropriate and relevant decided case law examples and current statute law.</p>	
Learning aim C: Explore strategies for crime prevention and the roles of enforcement agencies in protecting businesses		
<p>C.P5 Present client advice, explaining why a specific local business will need a strategy for crime prevention.</p> <p>C.P6 Present client advice, explaining the role and benefits of enforcement agencies in protecting businesses.</p>	<p>C.M4 Discuss an appropriate security plan for crime prevention for a specific local business, including the support available from relevant enforcement agencies.</p>	
		<p>A.D1 Evaluate the impact that crimes of fatal and non-fatal offences against the person may have on both businesses and individuals, using decided cases and recent statutes to illustrate a conclusion.</p> <p>B.D2 Evaluate the impact that crime against property may have on businesses, using decided cases to illustrate a conclusion.</p> <p>C.D3 Evaluate how effective the law is in preventing crime and protecting businesses and their resources, giving a justified conclusion.</p>

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, A.M2, B.M3, A.D1, B.D2)

Learning aim: C (C.P5, C.P6, C.M4, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to law reports and statutes.

Essential information for assessment decisions

Learning aims A and B

It is essential that learners do not copy large sections of information from textbooks or websites. Centres need to prepare a variety of detailed case studies, or scenarios, which allow learners to use their own words and fully demonstrate their understanding and application of the law and its processes using problem-solving, decision-making, analytical and critical-thinking skills.

The scenarios will cover all five areas of crime, and the elements covered in learning aims A and B. Advice could be given either in written format or in a presentation supported by slides, notes questions and individual observation record.

It is also essential that learners reference all sources correctly, and give advice where required, in a professional format.

For distinction standard, learners will support their evaluations of the impact of criminal law on both businesses and individuals with original statements and examples. Learners should demonstrate a comprehensive use of relevant precedent and statutes to justify their arguments and conclusion. The scenarios will be drafted so that they require learners to demonstrate problem-solving, decision-making and analytical skills. Learners' explanations of each of the offence categories must be clear and detailed and written in their own words to demonstrate a clear understanding. The application of the law to the scenarios must include all relevant decided cases and statutes to support the advice given.

For merit standard, learners will demonstrate a considered and comprehensive understanding of all areas of law covered by the assignment and assessment criteria. They will demonstrate good analytical skills which fully cover all possible decisions and outcomes from the scenarios. The application of the law to the scenarios must include some relevant decided cases and statutes to provide comprehensive and appropriate advice.

For pass standard, learners will show clear understanding of corporate manslaughter, non-fatal offences, offences against property and criminal damage, as required by the assignment and assessment criteria. They will demonstrate some analytical skills to cover possible decisions and outcomes from the scenarios. The application of the law to the scenarios must include some decided cases and statutes to provide comprehensive and appropriate advice.

Learning aim C

For distinction standard, learners will support their evaluations of the effectiveness of the law in protecting businesses, and the people connected to businesses, with individual statements and examples. Learners should demonstrate a comprehensive use and application of relevant precedent and statutes to justify their arguments and conclusion.

Learners will include client advice which must explain in detail both the role and benefits of enforcement agencies in protecting businesses. There must be specific application of precedent and statutory interpretation. The supporting materials must be comprehensive and clearly show understanding and application of concepts.

For merit standard, learners will demonstrate individual analysis and discussion on an appropriate security plan for crime prevention for a specific local business. This will include the support available from relevant enforcement agencies. They will demonstrate good analytical skills, providing and applying examples for all aspects of the criterion.

For pass standard, learners will demonstrate clear understanding by explaining why the business in question will need a strategy for crime prevention, and what this should include, referring to their research. They must apply the research to the specific requirements, location and business type, giving specific examples of required actions.

Links to other units

This unit links to:

- Unit 23: The English Legal System
- Unit 24: Employment Law
- Unit 25: Aspects of Civil Liability Affecting Business.

Employer involvement

Centres may involve employers in the delivery of this unit if there are local opportunities.

This unit would benefit from employer involvement in the form of:

- guest speakers
- participation in audience assessment of presentations
- design/ideas to contribute to unit assignment/case study/project materials
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 27: Work Experience in Business

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners study the benefits of work experience in business. They reflect on their practical workplace skills by completing forty hours of appropriate work experience.

Unit introduction

Are you thinking about a career in business and would like to gain experience to prepare for the kind of job you would like to do? Work-related learning opens your eyes to a range of opportunities in business. It gives you first-hand practical experience and the chance to see what a variety of different jobs are really like, including some you may never have considered. It will give you a means of documenting practical experience, planning for personal and professional development and reflecting on your own skills.

In this practical unit, you will learn about different types of work-related learning and their benefits. You will learn what information you need before starting the placement, and how the placement can help you to develop key competencies needed for employability, such as self-management, team working, problem-solving and communication skills. You will learn more about the expectations of different roles. You will research and take on relevant work experience, and evaluate your performance through a reflective journal.

Work experience is highly valued by employers for a variety of careers in the business sector; employers are looking to recruit those who have some knowledge of the world of work. A record of your work experience is also an advantage for higher education level study and courses.

Learning aims

In this unit you will:

- A** Investigate opportunities for work-related learning
- B** Carry out work experience in an appropriate and safe manner
- C** Reflect on work experience undertaken and its influence on own personal and professional development.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Investigate opportunities for work-related learning	A1 Work-related learning A2 Outcomes and benefits of work experience A3 Planning for work experience	A resource portfolio including details of research into a placement.
B Carry out work experience in an appropriate and safe manner	B1 Induction B2 Role and tasks B3 Working safely	A diary/journal/log/online blog and portfolio. This will cover tasks done and refer to health and safety.
C Reflect on work experience undertaken and its influence on own personal and professional development	C1 Learning from work placement C2 Using feedback and setting goals	Reflection for a personal/professional development portfolio (PDP).

Content

Learning aim A: Investigate opportunities for work-related learning

A1 Work-related learning (a minimum of 40 hours in total is required)

- Work experience opportunities, work placement: a period of work experience arranged with an employer.
- Voluntary work: any type of work undertaken for no payment.
- Part-time work: paid or unpaid work undertaken.

A2 Outcomes and benefits of work experience

- Clarifying career goals.
- Gaining insight into the way businesses operate and the challenges they face.
- Increasing skills and knowledge.
- Networking.
- Understanding a particular job or industry.
- Gaining referees.
- Attending in-house training courses.

A3 Planning for work experience

- Opportunities for work experience.
- Gaining information about the business, e.g. company leaflets, brochures or website, learners who have previously been on a work placement at the same business, staff from the business, conversation or correspondence with business.
- Key information, e.g. hours of work, absence procedures, dress code, practical considerations such as DBS checks.
- Application process.

Learning aim B: Carry out work experience in an appropriate and safe manner

B1 Induction

- Information about the business, e.g. structure, features.
- Work placement roles.
- Health and safety responsibilities, e.g. evacuation procedures, first-aid procedures, reporting hazards.
- Reporting absence and late arrival.
- Confidentiality.
- Shadowing.

B2 Role and tasks

- Carrying out activities within the extent and limitations of role and responsibilities.
- Understanding how the role will develop key competencies needed for employability, e.g. self-management, teamwork, problem-solving, communication skills.
- Following instructions.
- Communicating with others.
- Self-management.
- Appropriate interaction.

B3 Working safely

- Identifying potential risks and hazards, e.g. slipping on wet floor, tripping over trailing wires, loud noise resulting in hearing loss, breathing in toxic substances.
- Personal safe conduct, e.g. applying organisational procedures, following and upholding health and safety rules, safe lifting, applying guidelines from training manual, following dress codes, personal safety equipment.

Learning aim C: Reflect on work experience undertaken and its influence on own personal and professional development

C1 Learning from work placement

- Reflection on knowledge gained:
 - knowledge of new vocational area or area of interest
 - confirming whether or not to work in a particular sector or industry
 - to find out further information about a particular career, industry or business.
- Reflection on skills used and gained.
- Personal skills:
 - communication
 - problem solving
 - self-confidence
 - assertiveness
 - flexibility
 - positive approach.
- Work skills:
 - IT
 - teamwork
 - note taking
 - meeting attendance
 - punctuality
 - telephone manner
 - business and customer awareness
 - following instructions.
- Reflection on experiences gained:
 - identifying what went well and what could be improved
 - challenges faced
 - problems arising and how these were overcome or resolved.

C2 Using feedback and setting goals

- Feedback from tutors, supervisors, mentors and peers, e.g. identifying areas of positive and constructive feedback, highlighting areas for improvement.
- Setting goals for personal and professional development, e.g. short-term, long-term, personal, work-related goals, skills development, qualifications targeted.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Investigate opportunities for work-related learning		
<p>A.P1 Describe three realistic opportunities for work experience in business and how each can prepare you for the workplace.</p> <p>A.P2 Explain your preparation for a selected work experience opportunity.</p>	<p>A.M1 Analyse the benefits of work experience and how it can support you in gaining a realistic understanding of opportunities in business.</p>	
Learning aim B: Carry out work experience in an appropriate and safe manner		
<p>B.P3 Complete a logbook which explains your role in a selected appropriate work experience.</p> <p>B.P4 Describe in your logbook the activities you undertook in the workplace.</p>	<p>B.M2 Analyse the importance of carrying out your role in a safe and appropriate manner.</p>	
Learning aim C: Reflect on work experience undertaken and its influence on own personal and professional development		
<p>C.P5 Review own strengths and areas for development during work experience.</p> <p>C.P6 Identify improvements to be made to own personal and professional skills in response to feedback from work experience.</p>	<p>C.M3 Assess your performance during work experience, making recommendations for personal and professional development.</p>	
		<p>A.D1 Evaluate how preparing for work experience can support your understanding of the workplace and appropriate career opportunities.</p> <p>B.D2 Evaluate the effectiveness of the business's induction and health and safety practice, making recommendations for improvement.</p> <p>C.D3 Evaluate your work experience, drawing reasoned conclusions as to how it can support your future career.</p>

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, B.P3, B.P4, A.M1, B.M2, A.D1, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

A work placement is necessary (a minimum of 40 hours in total is required).

Essential information for assessment decisions

Learning aims A and B

For distinction standard, learners will carry out in-depth research and select relevant evidence to show how they chose an appropriate work experience opportunity. Learners will successfully use a variety of research techniques, choose and procure an appropriate placement, and produce a fully supported evaluation of the benefits of the placement. Learners will evaluate the health and safety in their placement businesses and make recommendations for any required improvements.

For merit standard, learners will select and apply relevant knowledge of work experience. Learners will demonstrate clear analysis of the benefits of work experience and how it can support them in gaining a realistic understanding of opportunities in business. They will also clearly explain the importance of carrying out their role in their chosen work experience in a safe and appropriate manner.

For pass standard, learners will carry out research that allows them to initially explain appropriate work experience opportunities, then subsequently choose and describe their undertakings and skills shown in a work experience role.

Learning aim C

For distinction standard, learners will carry out in-depth reflection on their work experience and its benefits for their career in the future. Learners will come to a reasoned conclusion, supported by relevant evidence and feedback from others, as to their strengths and weaknesses and reflect on opportunities for improvement.

For merit standard, learners will reflect to show that they have assessed the workplace skills they have been shown and, listening to the feedback from others, the skills they will need in future workplaces. Learners will be able to successfully support their assessment with examples from the work experience.

For pass standard, learners will reflect to show an understanding of the skills needed in the workplace, both personal and professional, and use the feedback gained to suggest goals for improvement.

Links to other units

This unit links with all other units in the specification.

Employer involvement

Centres may involve employers in the delivery of this unit if there are local opportunities.

This unit would benefit from employer involvement in the form of:

- guest speakers
- work experience
- business materials as exemplars
- support from local business staff as mentors.

Unit 28: Branding

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will investigate the role of branding and explore how it is used and will give recommendations for changes to a brand for a selected product.

Unit introduction

Brands surround us in our everyday lives. People may judge others by their brand of car, their brand of clothes or the brand of drinks they consume. Brands can help give people identity and image. Because of this, marketing is often brand driven, with the objective of establishing a product (good or service) with a separate identity in consumers' minds, making the product desirable, wanted and even needed. Messages are carefully crafted to build customer views and expectations of the products associated with the brand. Constant advances in digital-based processes and systems, and changes in customer behaviour and their use of social media, present a challenge for businesses who work to maintain, develop or reinforce their brand identity. Businesses invest a huge amount of effort and resources to ensure that the customer recognises and responds to their brand identity in the right way.

In this unit, you will consider the ways in which businesses use branding to achieve their marketing objectives and business aims. You will explore the ways in which branding influences the marketing mix and how brand-strategy recommendations are developed according to market needs.

This unit will support your continuing studies of branding through a marketing-related degree or a professional qualification. The unit will also give you the skills you need to progress to employment in a branding related role.

Learning aims

In this unit you will:

- A** Investigate the role of branding in a selected business
- B** Review how branding is used by a selected business
- C** Recommend changes to a brand for an existing product.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Investigate the role of branding in a selected business	A1 Principles of branding A2 Brand as an asset A3 Benefits and drawbacks of branding for a business	A report on the impact of branding on a selected large business.
B Review how branding is used by a selected business	B1 Branding as part of business strategy B2 Brand design B3 Factors influencing branding activities	A report on the extent to which the branding of a product meets the aim(s) of the selected large business, including recommendations on changes to be made to a brand in response to a brand audit.
C Recommend changes to a brand for an existing product	C1 Challenges of managing brands C2 Changing a brand	

Content

Learning aim A: Investigate the role of branding in a selected business

Learners will understand the principles of branding, the value of a brand and the benefits and drawbacks of branding to a business.

A1 Principles of branding

- Product: good or service.
- Branding: the elements that define the image, ethos and tone of a business and its products.
- Brand: a characteristic name, symbol or shape that distinguishes a product from that of another supplier.
- Brand portfolio: a collection of brands under the control of a business.
- Types of brand:
 - business name, such as manufacturers and retailers
 - product and product ranges, such as cars or drinks
 - person, such as a celebrity actor, singer or entrepreneur.
- Use of branding:
 - new brands
 - brand extensions
 - sub-brands
 - product extension.
- Target audiences for brands.
- Consumer feelings about and connections with a brand:
 - brand awareness and recognition of the brand
 - perceived qualities associated with the brand
 - loyalty to the brand.
- Customer loyalty ladder:
 - suspects to prospects
 - prospects to customers
 - customers to clients
 - clients to advocates.
- Branding as part of the marketing mix.

A2 Brand as an asset

- Value of a brand: the total financial value of a brand.
- Brand equity (positive and negative): the differential effect that knowing the brand name has on a customer's response to the product and its marketing, the value of your brand beyond physical assets.
- Customer equity: the value of customer relationships that a brand creates.
- Protecting the brand: legal issues – trademark registration, copyright, patent registration/IP (intellectual property).

A3 Benefits and drawbacks of branding for a business

- Benefits of strong branding:
 - differentiates the product from the competition
 - increases customer engagement
 - increases customer loyalty and customer advocates
 - can command premium prices/higher prices than non-branded products
 - reduces price sensitivity
 - increases value of the business
 - makes consumer choice and recognition of products easier
 - strong brand awareness leads to high sales and high market share
 - retailers and service sellers are more likely to stock top-selling brands than less well-known brands
 - brand portfolios allow businesses to compete in many different marketplaces with a range of product lines.
- Disadvantages of branding:
 - may take years to build a brand
 - high cost of advertising, keeping brand in the customers' eyes
 - loss of brand value for one product can affect a range of similar products
 - brands invite competition and copycats
 - high cost of research and development in ensuring brand continues to develop and lead the market.

Learning aim B: Review how branding is used by a selected business

Learners will understand how branding and business strategies align, and how branding activities can be affected by internal and external factors.

B1 Branding as part of business strategy

- Brand strategy:
 - a long-term plan for the development of a successful brand in order to achieve specific goals
 - aligns with business aims and objectives for the product
 - influences the marketing strategy of a business.

B2 Brand design

- Brand values: reflecting the core values and culture of the business and its employees.
- Brand personality and voice.
- Brand identity.
- Brand names: descriptive, evocative, inventive, geographical, acronym, founder, lexical.
- Brand elements:
 - intangibles – promise, personality, positioning and emotion
 - tangibles – identifying symbols, e.g. logos, graphics, colours, and sounds, e.g. music, jingles, voice.
- Using packaging to communicate a brand.
- Touchpoints – any place where consumers encounter a brand, such as:
 - advertising
 - business vehicles and livery used
 - company clothing, e.g. uniforms
 - signage and logos
 - branded mobile apps
 - content marketing, to include web landing pages, blogging, videos, podcasts, email, social media sites and communities.

B3 Factors influencing branding activities

- Internal influences:
 - size of the business
 - stage of the business – start-up, growth, decline
 - type of product
 - geographical location of business
 - budget for branding.
- External influences:
 - competition from other businesses
 - social pressure and conventions relating to the product
 - political climate
 - advances in technology and scope of digital platforms available
 - digital impact of customers communicating positively and negatively about the brand.

Learning aim C: Recommend changes to a brand for an existing product

Learners will understand how brands are managed and why they are changed, and how this is achieved.

C1 Challenges of managing brands

- Brand management: analysis and planning of how a brand is perceived in the market, brand success and brand failure.
- Maintaining branding relationship with customers throughout the product lifecycle.

C2 Changing a brand

- Brand audit – a formal assessment of a brand’s strengths and weaknesses, to include:
 - existing marketing strategies, materials and communications
 - the customer perception of brand through primary and secondary data, such as questionnaires, focus groups, customer satisfaction surveys, sales and revenue data, blogs
 - comparison with competitors’ brands for similar products.
- Changing the perceptions of a brand:
 - re-branding
 - brand refreshing
 - brand relaunching.
- Reasons for changing a brand:
 - change in business focus
 - changes in the market
 - trends
 - changes in customer behaviour, values and needs
 - competitors branding strategies
 - technological and digital impact.
- Changes in branding and promotion to reflect social trends:
 - viral marketing – encouraging consumers to share information about products via the internet
 - social media sites – used to show benefits and features of products to differentiate from the competition
 - emotional branding – creating a bond between the consumer and the product by creating an emotional response to the advertising.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Investigate the role of branding in a selected business		A.D1 Evaluate the impact of branding on a selected large business.
A.P1 Explore the principles of branding for a selected large business. A.P2 Explain how brands can be an asset to a selected large business.	A.M1 Analyse the advantages and disadvantages of branding to a selected large business.	
Learning aim B: Review how branding is used by a selected business		B.D2 Evaluate the extent to which the branding of a product meets the aim(s) of a selected large business.
B.P3 Investigate the reasons for a selected large business to have a brand strategy. B.P4 Explain, using examples, the branding of two contrasting products in a selected large business.	B.M2 Analyse the potential impact of internal and external factors on branding activities of a product.	
Learning aim C: Recommend changes to a brand for an existing product		C.D3 Justify suggested changes to an existing brand for a product.
C.P5 Explain the challenges of managing an existing brand for a product. C.P6 Investigate an existing brand for a product using a brand audit.	C.M3 Analyse the reasons why an existing brand for a product may need to change.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aims: B and C (B.P3, B.P4, C.P5, C.P6, B.M2, C.M3, B.D2, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners will need access to a range of current marketing information on websites and from printed resources.

Essential information for assessment decisions

Learning aim A

Learners will carry out an investigation into a large business with a reputation for strong brands. They must ensure that they select a business that will give them the depth of information required to cover all assessment criteria fully. The choice of business will be individual and not teacher led.

For distinction standard, learners will investigate a large business, looking in detail at the branding of the business and using their results to make reasoned judgements. They will come to a supported conclusion on the impact of branding on that business. They will show understanding of the link between branding and achieving the aims and objectives of the business, such as an increase or improvement in market share, and improved competitive advantage.

For merit standard, learners will investigate a large business and explore its application of the principles of branding. They will analyse the advantages and disadvantages of branding to the business, including an explanation of how brands can be an asset.

For pass standard, learners will carry out research into a selected large business to explore its application of the principles of branding and explain how brands can be an asset.

Learning aims B and C

Learners will continue their investigation into the business chosen for learning aim A.

For distinction standard, learners will investigate the reasons for the business having a brand strategy. They will look in more depth at the branding of one of the two products investigated, and explain the challenges of managing this brand and the potential impact of internal and external factors on the branding activities for the product. They will evaluate the extent to which branding of this product meets the aim(s) of the business and, with a view to changing the brand, they will carry out a brand audit to inform an analysis of reasons to change the brand, justifying all recommended changes.

For merit standard, learners will investigate the reasons for the business having a brand strategy. They will look in more depth at the branding of one of the two products investigated, and explain the challenges of managing this brand and the potential impact of internal and external factors on the branding activities for the product. Using a brand audit, they will analyse the reasons for changing the brand.

For pass standard, learners will investigate the reasons for the business having a brand strategy and use examples to explain the branding of two of its contrasting products. They will choose one of these products and explain the challenges of managing the brand. They will use primary and secondary research to carry out a brand audit on the product, including the existing marketing strategies, materials and communications, the customer perception of the brand and a comparison with competitors' brands for similar products.

Links to other units

This unit links to:

- Unit 2: Developing a Marketing Campaign
- Unit 14: Investigating Customer Service
- Unit 16: Visual Merchandising
- Unit 17: Digital Marketing
- Unit 22: Market Research
- Unit 29: Relationship Marketing.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers and interview/discussion opportunities
- work experience
- opportunities to visit suitable businesses
- support from local business staff as mentors
- provision of business materials as exemplars
- ideas and suggestions to contribute to unit assessment.

Unit 29: Relationship Marketing

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will study the purposes and benefits of relationship marketing and the methods used by a selected business to attract and retain customers.

Unit introduction

Relationship marketing puts the customer and customer retention at the centre of the business, rather than its products and services. Businesses engage in relationship marketing to continually attract repeat business. Strategies are designed to raise interaction, communication, customer loyalty and long-term engagement by providing information directly suited to customer needs and interests.

You will learn how relationship marketing attempts to keep customers engaged by providing marketing information and responses to enquiries, as well as promoting and selling additional products and services. In this unit you will focus on how technology supports and facilitates this as businesses build databases of customer details that they then use to create tailored relationships with individual customers. Similarly, you will understand how social media offers a direct and instant way for businesses and customers to communicate with each other. You will also learn how effective relationship marketing results in customers who continue to buy goods and services, satisfying their own needs and helping businesses meet their objectives.

This unit will support you in continuing your study of relationship marketing through a marketing-related degree or a professional qualification. The unit will also give you the skills you need to progress to employment in this area.

Learning aims

In this unit you will:

- A** Examine the purposes and benefits to a selected business of relationship marketing
- B** Investigate the information required to implement relationship marketing
- C** Review the relationship marketing methods of a selected business.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Examine the purposes and benefits to a selected business of relationship marketing	A1 Purposes of relationship marketing A2 Business benefits A3 Customer benefits	A report on the purposes of relationship marketing and the benefits to a selected business and its customers.
B Investigate the information required to implement relationship marketing	B1 Gathering and using relationship marketing information B2 Implementing relationship marketing strategies B3 Relationship marketing and the marketing mix	A report on the importance of gathering and using customer information in order to develop and implement successful relationship marketing in a selected business, and the effectiveness of the relationship marketing methods in terms of customer loyalty and purchasing behavior.
C Review the relationship marketing methods of a selected business	C1 Key factors of relationship marketing C2 Attracting and retaining customers using financial and non-financial methods C3 Performance measurement	

Content

Learning aim A: Examine the purposes and benefits to a selected business of relationship marketing

Learners will understand the purpose of relationship marketing and how it can benefit both the business and the customer.

A1 Purposes of relationship marketing

- Difference between transactional and relationship marketing:
 - transactional marketing focuses on obtaining new customers with little emphasis on customer service
 - relationship marketing focuses on customer retention with a high emphasis on customer service.
- Relationship marketing:
 - is part of the marketing plan of a business
 - makes a bridge between the buyer and the seller
 - emphasises customer retention, satisfaction and lifetime customer value
 - markets to current customers rather than acquiring customers through sales and advertising
 - builds brand awareness and positions brand as the customer's best option
 - facilitates two-way conversations with customers
 - tailors marketing activities to customers' needs and interests using digital and social networks
 - contributes to the achievement of marketing objectives such as an increase in market share, repeat sales, satisfaction ratings, revenue growth and brand recognition.

A2 Business benefits

- Retains long-term customers and improves repeat sales.
- Improves ability to cross-sell.
- Builds better client relationships.
- Builds brand loyalty and trust.
- Increases the likelihood of referrals.
- Improves reputation.
- Adds/attracts new customers.
- Profiles customer, which supports targeted marketing and increases sales.
- Reduces costs by restricting:
 - customer loss/customer turnover/churn
 - negative customer perceptions that affect future sales
 - reputational damage.
- Adds value to the customer relationship by developing further revenue-generating opportunities.
- Supports business objectives such as an increase/improvement in market share, quality of service to existing customers and competitive advantage.

A3 Customer benefits

- Needs are better understood.
- Provides preferential treatment and premium products and services.
- Targets the marketing of products and services.
- Provides financial and non-financial rewards.

Learning aim B: Investigate the information required to implement relationship marketing

Learners will understand the importance of gathering and analysing customer data to inform relationship marketing strategies.

B1 Gathering and using relationship marketing information

- Customer databases.
- Data mining to analyse information for marketing purposes.
- Customer profiling and categorisation.
- Segmenting the market:
 - macro – dividing the market into groups of consumers that share one or more common characteristics
 - micro – grouping consumers into very specific audiences within various niche markets.
- Behavioural patterns and associations.
- Behaviour prediction.
- Transaction tracking and follow through.
- Customer defection.
- Identifying and removing unprofitable/unwanted customers.

B2 Implementing relationship marketing strategies

- Building a customer-centric culture.
- Providing communication:
 - digital media such as email, digital messaging, push notifications, social media, real-time social software, chipped data carriers (loyalty cards, payment cards), data terminals, point of sale (PoS) terminals, contactless systems, use of cookies
 - paper-based media
 - telephone based, to include fixed line and mobile
 - scripts for verbal communications.
- Use of house style.
- Providing web pages with personalised information such as login, transaction history, browsing history, preferences, wish lists, order tracking.
- Gathering customer feedback through satisfaction surveys and rating forms.

B3 Relationship marketing and the marketing mix

- Product: using mined data to customise products according to customer wishes.
- Price: 'made-to-measure' prices for customers.
- Place: offering a wide range of possibilities for the customer to get the product.
- Promotion: individual communication with customers.

Learning aim C: Review the relationship marketing methods of a selected business

Learners will understand the key factors of relationship marketing, and the advantages and disadvantages of using financial and non-financial methods to attract and retain customers.

C1 Key factors of relationship marketing

- Provides customer satisfaction.
- Ensures high standards of customer service.
- Develops segmentation techniques to focus on the right customer.

C2 Attracting and retaining customers using financial and non-financial methods

- Financial methods:
 - bonuses such as cash rewards and vouchers
 - discounts and reductions.
- Non-financial methods:
 - loyalty/reward programmes such as store points, frequent user credits, clubs with regular and tiered memberships
 - additional products and services such as airline lounges, tailored products and customised services
 - preferential services such as previews, special events, gifts, offers, coupons, priority booking, upgrades
 - live-in marketing: consumers use products and services for free before making a purchase
 - helplines and named points of contact
 - 'nudge' marketing with mobile communication systems such as check-in reminders, availability of ancillary products and services, proximity of products and services
 - response speeds such as use of QR codes, order confirmation, order tracking.
- Relationship costs: the costs involved in setting up and maintaining relationships.

C3 Performance measurement

- Setting standards for relationship marketing activities:
 - service levels
 - quality standards
 - customer charters.
- Relationship profitability: the value outcome from the development of relationships.
- Lifetime value: the value of customers' purchasing over the lifetime of the relationship.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the purposes and benefits to a selected business of relationship marketing		A.D1 Evaluate the extent to which relationship marketing can contribute to the achievement of the business objectives of a selected business.
A.P1 Explain the purpose of relationship marketing. A.P2 Explain how relationship marketing benefits both a business and its customers.	A.M1 Analyse the importance of relationship marketing to a selected business in achieving its business objectives.	
Learning aim B: Investigate the information required to implement relationship marketing		B.D2 Evaluate the importance of customer information to the development and implementation of successful relationship marketing.
B.P3 Explain the types of information used by a selected business to develop relationship marketing activities. B.P4 Explain the impact of relationship marketing on the marketing mix of a selected business.	B.M2 Analyse the use of relationship marketing information in developing customer relationships in a selected business.	
Learning aim C: Review the relationship marketing methods of a selected business		C.D3 Evaluate the effectiveness of relationship marketing methods in a selected business and their effect on customer loyalty and purchasing behaviour.
C.P5 Explain the relationship marketing methods of a selected business. C.P6 Explore how businesses can judge the effectiveness of relationship marketing methods.	C.M3 Analyse the financial and non-financial relationship marketing methods of a selected business.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aims: B and C (B.P3, B.P4, C.P5, C.P6, B.M2, C.M3, B.D2, C.D3)

Further information for teachers and assessors

Resource requirements

There are no specific additional requirements for this unit but centres must give learners access to information on a range of businesses and their relationship marketing activities.

Essential information for assessment decisions

Learning aim A

To complete this assignment, learners must ensure that they select a business that gives them the depth of information on relationship marketing they need. The choice of business will be individual and not teacher led. To ensure the material they require is available, learners could research a few businesses before they select one for study.

For distinction standard, learners will look in detail at the impact that relationship marketing has on a selected business. They should use this research to make reasoned judgements on the extent to which relationship marketing can contribute to the achievement of the business objectives of the business they have selected and come to a supported conclusion.

For merit standard, learners will use their research to produce a detailed examination of the importance of relationship marketing to the achievement of the business objectives of the business they have selected.

For pass standard, learners will show understanding of the purpose of relationship marketing, and how relationship marketing benefits both a business and its customers, giving clear details and reasons to support their argument.

Learning aims B and C

Learners will continue their study of the business chosen for learning aim A.

For distinction standard, learners will carry out research into the way that customer information is used to develop and implement relationship marketing. They will use this research to prepare a balanced argument, giving a supported conclusion on its importance to successful relationship marketing in the selected business. They will consider the effectiveness of the relationship marketing methods used and their effect on customer loyalty and purchasing behaviour, giving reasoned judgements.

For merit standard, learners will analyse the use of relationship marketing information in developing customer relationships and the financial and non-financial relationship marketing methods of a selected business, through methodical and detailed examination.

For pass standard, learners will provide clear evidence on the types of information used by a selected business to develop relationship marketing activities and the impact of relationship marketing on the marketing mix of this business. They will examine the relationship marketing methods used through the use of examples and explore how businesses can judge the effectiveness of their relationship marketing activities.

Links to other units

This unit links to:

- Unit 2: Developing a Marketing Campaign
- Unit 14: Investigating Customer Service
- Unit 16: Visual Merchandising
- Unit 17: Digital Marketing
- Unit 22: Market Research
- Unit 28: Branding.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers and interview/discussion opportunities
- work experience
- opportunities to visit suitable businesses
- support from local business staff as mentors
- provision of business materials as exemplars
- ideas and suggestions to contribute to unit assessment.

Unit 30: Legal Principles and Professional Ethics in Financial Services

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will study the main legal principles that underpin the financial services sector. They will learn about the importance of making ethical choices at all stages of their financial services career.

Unit introduction

For any society to operate, it must have a system of rules and accepted behaviours in place and all society members need to understand that they must abide by them or be subjected to a penalty or exclusion. The UK as a country has a legal framework in place and the financial services sector operates within it. For anyone who works in the financial services sector, it is vital that they have an understanding of this framework and of the rules as they apply to financial services.

In this unit, you will understand the need for strict regulation of organisations and individuals providing financial services products, and how this regulation is designed primarily to protect consumers. You will learn about the importance of working ethically – acting with honesty and integrity, even when that might not be the easiest route to choose.

You will develop sound knowledge of legal principles and professional ethics in this unit and it will help you to progress to the study of financial services at a higher level, for example professional qualifications and degree-related programmes. The unit will also help you to progress to employment in the financial services industry.

Learning aims

In this unit you will:

- A** Explore the laws regulating financial services in the UK
- B** Examine business and professional ethics standards in financial services
- C** Investigate the principles and application of ethical behaviour in providing financial services to customers.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore the laws regulating financial services in the UK	A1 High-level regulation A2 Financial crime A3 Other areas of consumer protection	A presentation that outlines: <ul style="list-style-type: none"> • how laws are created and the main purpose and function of the UK financial services regulators • the main ways in which financial crime can be committed and the laws relevant to those crimes • the protection for consumers which exists in law.
B Examine business and professional ethics standards in financial services	B1 Business ethics B2 Professional ethics	A case study that includes: <ul style="list-style-type: none"> • a comparison of the ethical policies of two major businesses from different sectors in the financial services industry • examples of the standards of professional ethics that financial services employees are expected to adhere to.
C Investigate the principles and application of ethical behaviour in providing financial services to customers	C1 Business regulation and compliance C2 Know Your Customer (KYC) C3 Act with integrity	Training materials for new staff to a financial services business that includes: <ul style="list-style-type: none"> • the compliance processes related to providing advice to customers • confirming client identification • fact finding and suitability • acting with integrity recognising and dealing with conflict of interest situations.

Content

Learning aim A: Explore the laws regulating financial services in the UK

Teaching should include the main features of each of the specific statutes listed, sufficient to ensure that learners can understand their relevance and application to the financial services industry.

A1 High-level regulation

How law is formed in the UK, with a particular focus on those laws that have a direct effect on the delivery of financial services.

- Creation of UK law, including:
 - primary legislation with laws made by Parliament
 - secondary legislation with delegated powers, e.g. the Lord Chancellor making decisions on taxation.
- Acts of Parliament relating to financial services, to include:
 - Financial Services and Markets Act 2000
 - Financial Services Act 2012
 - Consumer Insurance (Disclosures and Representations) Act 2012.
- Role of the Bank of England as a regulator, to include:
 - The Financial Policy Committee (FPC)
 - provision of strategic direction for the entire regulatory regime.
- Role of the Prudential Regulation Authority (PRA), to include:
 - part of the Bank of England
 - responsibility for the stability of systemically important financial institutions, e.g. banks, building societies and insurers
 - primary objective to promote safety and soundness of PRA-authorized organisations
 - ensuring capital adequacy of firms, e.g. Solvency II for insurers, Basel III for banks.
- Role of the Financial Conduct Authority (FCA), to include:
 - independent regulator responsible for conduct of business and market issues for all financial services firms
 - majority of firms authorised by PRA are dual registered with the FCA
 - strategic objective to protect and enhance confidence in the UK financial services system
 - operational objectives of consumer protection in relation to finance, protecting integrity of the financial services system and promoting competition
 - codes of conduct sourcebooks, e.g. BCOBS, MCOBS, ICOBS
 - Treating Customers Fairly (TCF).

A2 Financial crime

Understanding of the types of financial crime that can be committed and the laws in place to prevent and punish this crime.

- Data protection, to include:
 - definition of personal and sensitive data
 - role of the Information Commissioner's Office
 - General Data Protection Regulation (GDPR).
- Money laundering, including:
 - definition and offences from Proceeds of Crime Act 2002
 - three stages of money laundering – placement, layering and integration
 - Money Laundering Regulations 2017
 - client due diligence (CDD)
 - role of the National Crime Agency (NCA).

- Market abuse, including:
 - insider dealing, e.g. using knowledge not available to the public to make gains from shares
 - market manipulation, e.g. disseminating false or misleading information to manipulate the price of financial instruments, such as shares.
- Bribery:
 - offences under the Bribery Act 2010 – offering or giving a bribe, agreeing to or accepting a bribe, bribing a foreign public official, failure by a commercial organisation to prevent bribery being committed on its behalf.

A3 Other areas of financial protection

Consumer protection and human rights laws, applicable to all situations of daily living and therefore also to financial services.

- Equality Act legislation, including protected characteristics such as gender, disability, ethnicity, marital status.
- Financial Services Compensation Scheme (FSCS), to include:
 - protection in the event of a financial services provider becoming insolvent
 - up to £85,000 of deposits protected and £1 m short-term deposits protected
 - 100 per cent of compulsory insurance claims, e.g. 3rd party motor and employer liability
 - 90 per cent of non-compulsory insurance claims, e.g. travel and household insurance.
- Financial Ombudsman Service (FOS), to include:
 - independent body to consider complaints made against financial service providers
 - circumstances in which FOS would become a complaint, including client dissatisfaction after the financial service provider has given their final response to the client
 - maximum compensation that FOS can impose is £150,000 plus expenses and interest
 - decision of FOS is binding on the financial services provider but not on the consumer.
- Advertising Standards Authority (ASA), including requirements for all advertising to be legal, decent, honest and truthful.

Note: the legislation and compensation amounts detailed above are current at time of publication and are subject to change, please ensure that at delivery, current legislation and compensation amounts are covered.

Learning aim B: Examine business and professional ethics standards in financial services

Should include an understanding of how a business makes choices to be shareholder focused or stakeholder focused. The study of professional ethics should enable learners to apply the relevant codes of conduct to a number of scenarios.

B1 Business ethics

The ways in which financial services businesses decide on their own philosophy and code of ethics, whether focused purely on making a profit or more outward facing.

- Definition of ethics in business, including:
 - shareholder-focus approach
 - stakeholder-focus approach – employees, community, shareholders, consumer groups.

B2 Professional ethics

Understanding that professional ethics is about doing what is right in all circumstances and appreciating how this can, at times, differ from what the employer and/or the employer's client wants them to do.

- Definition of professional ethics, including:
 - doing what is right, not just doing what the rules state have to be done
 - acting with honesty and integrity.
- Codes of conduct, to include:
 - FCA Code of Conduct
 - employer codes of conduct.
- Membership of professional bodies, including codes of ethics of relevant professional body or bodies for a job role, e.g. the Chartered Insurance Institute (CII) for insurance, the London Institute of Banking and Finance (LIBF) for banking.

Learning aim C: Investigate the principles and application of ethical behaviour in providing financial services to customers**C1 Business regulation and compliance**

The application of regulatory laws and rules to the delivery of financial services to customers.

- Customer service standards, including:
 - standards set out by individual companies to meet customer requirements and manage expectations
 - standards relating to FCA rules, e.g. refund of premium within 30 days of cancellation, paying of claims promptly, responding fully to complaints within eight weeks.
- Service level agreement standards:
 - set between companies who are contracted to each other
 - set between different departments within a company.
- Role of the Compliance Officer and their team, to include:
 - liaison with regulators, e.g. the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA)
 - disseminating regulatory changes across the company
 - ensuring that relevant compliance training is in place for all employees
 - carrying out audits of files and calls to ensure that work is carried out compliantly.
- Role of Money Laundering Reporting Officer (MLRO), to include:
 - ensuring all staff are aware of anti-money laundering procedures, including customer due diligence
 - carrying out an assessment of reported money laundering suspicions
 - reporting appropriate money laundering suspicions to the National Crime Agency (NCA).
- Complaints procedures, to include:
 - all expressions of dissatisfaction to be treated as a complaint – can be received verbally or in writing
 - maintenance of complaints log and reporting to FCA
 - responding to complaints within prescribed timescales – prompt acknowledgement and final response within eight weeks
 - carrying out root-cause analysis.

C2 Know Your Customer (KYC)

The process of fact finding and providing customers with advice and financial services product recommendations.

- Initial disclosure process, including an explanation to the customer of the nature of the advice provided, e.g. independent, restricted.
- Fact-finding process, including establishing customer circumstances, needs and available budget.
- Recommendation process, including:
 - deciding on a suitable product
 - providing customer with key features document
 - providing customer suitability letter or statement of needs.

C3 Act with integrity

An understanding of the types of situation where those working for financial services organisations are required to act with integrity, putting the interests of the customer first.

- Conflict of interest, including:
 - definition
 - possible scenarios, e.g. same insurer for claimants, selling of a product that will provide benefits to the employee in terms of bonus or similar, customer wanting to take out unsuitable product.
- Whistleblowing, to include:
 - informing on illegal/unethical practice by others in the company
 - protection provided by the Public Interest Disclosure Act (PIDA) 1998.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore the laws regulating financial services in the UK		A.D1 Evaluate how laws are created in the UK and the structure of the financial services regulatory framework, with an in-depth assessment as to how effective they are in the detection and reduction of financial crime.
<p>A.P1 Investigate how laws are created and the structure of the financial services regulatory framework in the UK.</p> <p>A.P2 Explain the main types of financial crime.</p>	<p>A.M1 Analyse how laws are created in the UK and the structure of the financial services regulatory framework, assessing how effective these are in the detection and reduction of financial crime.</p>	
Learning aim B: Examine business and professional ethics standards in financial services		B.D2 Justify how the owners of a business decide on the ethical philosophy of a business, including an in-depth assessment of professional ethics and how professional bodies work to encourage individuals to apply these ethics in their daily work.
<p>B.P3 Investigate how the owners of a business decide on the ethical philosophy of that business.</p> <p>B.P4 Explain professional ethics and how professional bodies work to encourage individuals to apply these ethics in their daily work.</p>	<p>B.M2 Analyse how the owners of a business decide on the ethical philosophy of a business, including an assessment of professional ethics and how professional bodies work to encourage individuals to apply these ethics in their daily work.</p>	
Learning aim C: Investigate the principles and application of ethical behaviour in providing financial services to customers		C.D3 Justify the need for the standards and regulatory procedures financial services business must have in place to provide services to its customers.
<p>C.P5 Explain the standards, procedures and roles that a financial services business has in place to be able to provide services to its customers, and which are compliant with the regulatory framework.</p> <p>C.P6 Explain the importance of knowing customers' needs and giving financial advice with integrity.</p>	<p>C.M3 Analyse the standards, procedures and roles a financial services business must have in place to be able to provide services to its customers, and which are compliant with the regulatory framework including knowing the customer and behaving with integrity.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1,)

Learning aim: B (B.P3, B.P4, B.M2, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, to understand their ethical philosophy and compliance procedures, learners must have access to information on a range of financial services companies, including banks, building societies, insurance companies and investment companies. Information can come from direct contact with the organisations or via their websites.

Essential information for assessment decisions

Learning aim A

For distinction standard, learners will research and evaluate how laws are created in the UK and show a comprehensive knowledge of the structure of the financial services regulatory framework, understanding the role of the main regulators, and the interaction between regulators and the authorised firms that they supervise. They will demonstrate a strong understanding of legislation applicable to financial services and to all consumer circumstances, such as anti-discriminatory and advertising legislation. Learners will show a comprehensive knowledge of the types of financial crime, be able to give well-worked examples and provide justification as to their conclusions on whether or not the legislation and supervision in place is sufficiently robust to detect and deter financial crime. The presentation of their research must be written professionally and be well structured, using fully-correct legal and financial services terminology and produced to a high quality standard.

For merit standard, learners will research and assess how laws are created in the UK and show a good knowledge of the structure of the financial services regulatory framework, understanding the role of the main regulators, and the interaction between regulators and the authorised firms that they supervise. They will demonstrate a good understanding of legislation applicable to financial services and to all consumer circumstances, such as anti-discriminatory and advertising legislation. Learners will show a good knowledge of the types of financial crime, be able to give examples and provide some justification as to their conclusions on whether or not the legislation and supervision in place is sufficiently robust to detect and deter financial crime. The presentation of their research must be mostly professionally written and mostly well structured, using appropriate legal and financial services terminology and produced to a good quality standard.

For pass standard, learners will research how laws are created in the UK and will explain the structure of the financial services regulatory framework, having some understanding of the role of the main regulators and the authorised firms that they supervise. They will demonstrate some understanding of legislation applicable to financial services and to all consumer circumstances, such as anti-discriminatory and advertising legislation. Learners will show some knowledge of the types of financial crime and give some examples. The presentation of their research must be structured, using some correct legal and financial services terminology and be clear for the given audience.

Learning aim B

For distinction standard, learners will research and evaluate the ethical policies of a large financial services business, justifying how it decides on its own policies with reference to the different ethical stances it could choose to take. They will show a comprehensive understanding of professional bodies and their role in setting and monitoring the professional ethical standards of their members. This will include consideration of professional qualifications offered by the bodies being considered and their code of conduct. Their case study must be professionally written and well structured, using fully correct legal and financial services terminology, it will be produced to a high quality standard.

For merit standard, learners will research and analyse the ethical policies of a business, assessing how a business decides on its own policies. They will show a good understanding of professional bodies and their role in setting and monitoring the professional ethical standards of their members. The case study must be mostly professionally written and mostly well structured, using appropriate legal and financial services terminology and be produced to a good quality standard.

For pass standard, learners will research the ethical policies of a business, explaining how a business decides on its own policies. They will show some understanding of professional bodies and their role in setting and monitoring the professional ethical standards of their members. Their case study must be structured, using some correct legal and financial services terminology and must be clear for the given audience.

Learning aim C

For distinction standard, learners will research and comprehensively evaluate the standards, procedures and roles that a financial service organisation must have in place to provide services to its customers, and which are compliant with regulations, including having an in-depth understanding of the rules of Know Your Customer (KYC). Learners will be able to identify a range of situations where a conflict of interest might arise and justify the measures which should be put in place to manage such events. The training pack must be professionally written and well structured, using fully correct legal and financial services terminology and be produced to a high quality.

For merit standard, learners will research and analyse the standards, procedures and roles that a financial service organisation must have in place to provide services to its customers and which are compliant with regulations, including having a good understanding of the rules of Know Your Customer (KYC). Learners will be able to identify a range of situations where a conflict of interest might arise and analyse the measures which should be put in place to manage such events. The training pack must be professionally written and well structured, using fully correct legal and financial services terminology and be produced to a high quality.

For pass standard, learners will research and explain the standards, procedures and roles that a financial service organisation must have in place to provide services to its customers that are compliant with regulations, including having some understanding of the rules of Know Your Customer (KYC). Learners will be able to demonstrate an awareness of the types of situation where a conflict of interest might arise. The training pack must be structured, using some correct legal and financial services terminology and must be clear for the given audience.

Links to other units

This unit links to:

- Unit 1: Exploring Business
- Unit 3: Personal and Business Finance
- Unit 7: Business Decision Making
- Unit 14: Investigating Customer Service
- Unit 23: The English Legal System
- Unit 26: Aspects of Criminal Law Impacting on Businesses and Individuals
- Unit 27: Work Experience in Business
- Unit 31: Effective Management of Personal Debt.

Employer involvement

Centres can involve employers in the delivery of this unit if there are local opportunities to do so. There is no specific guidance related to this unit.

Unit 31: Effective Management of Personal Debt

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will study how borrowing and debt are used in an individual's financial transactions to enable lifestyle choices and to fulfil their needs and wants.

Unit introduction

The use of debt to finance the purchase of cars, houses, electronic goods, furniture and other goods and services is commonplace in the UK. Levels of consumer debt have an impact on the economy and on the lives of those who use credit. The effective management of personal debt and its repayment is key to an individual's financial wellbeing.

In this unit, you will learn about how borrowing can be used in everyday life and the advantages it can offer, and how debt can be managed effectively. You will also learn about the methods of resolution available for unmanageable debt.

In this unit you will develop a sound knowledge of debt and its management, which will help you to progress to study debt-related subjects at a higher level, including professional qualifications and degree-related programmes in financial services, and to progress to employment in financial services.

Learning aims

In this unit, you will:

- A** Understand the use of personal debt and its impact on the individual and society
- B** Explore sources of debt advice and management strategies available for individuals
- C** Develop a budget plan to service and manage debt for an individual.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Understand the use of personal debt and its impact on the individual and society	A1 Debt and the individual A2 Impact of personal debt on an individual A3 Personal debt and society A4 Personal indebtedness	An article relating to: <ul style="list-style-type: none"> • use of debt to finance lifestyle and societal, and wider environmental factors that have influenced the use of consumer debt • ways that debt might impact on an individual throughout their financial lifecycle.
B Explore sources of debt advice and management strategies available for individuals	B1 Debt advice sources B2 Debt management strategies and credit solutions B3 Consequences of debt management strategies	A report, guide or case study that details: <ul style="list-style-type: none"> • organisations that provide debt advice or counselling • the main types of formal and informal debt-management strategies available to the individual and the potential consequences for the individual.
C Develop a budget plan to service and manage debt for an individual	C1 Purpose of effective financial planning C2 Planning and producing a personal budget plan C3 Monitor, review and revise a personal budget plan	A personal budget plan for an individual, including: <ul style="list-style-type: none"> • the benefits of having a plan • a personal budget showing expenditure financed through debt • a cash-flow forecast • monitor and review plans as circumstances change.

Content

Learning aim A: Understand the use of personal debt and its impact on the individual and society

A1 Debt and the individual

Factors that influence the use of consumer debt, such as borrowing for purchases, falling into debt for everyday living needs.

- Levels of personal debt, to include:
 - historical levels of personal debt compared to current borrowing patterns
 - current levels of personal debt, e.g. household debt, unsecured credit, car finance, student loans, mortgages.
- Consumerism, to include:
 - the concept that an increasing consumption of goods is economically desirable
 - potential advantages, including lower cost of living, increase in demand for goods and services, leading to wider choice and increase in employment
 - potential disadvantages, including quality of goods and services, waste of resources and duplication, lower wages and poorer working conditions
 - longer-term effects on the economy and the sustainability of increased levels of debt.

Consumer rights and consumer protection to include relevant legislation relating to debt and affordability, consumer body protection.

- Technological change and the packaging of debt based purchase options for consumers, including:
 - cashless transactions
 - app-based payment systems
 - instant decision credit on purchases and 'buy now pay later' options
 - automated credit underwriting
 - pre-approvals and instant acceptance of credit application.

A2 Impact of personal debt on an individual

The financial lifecycle of the individual, the choices to be made at each stage and factors that may limit the borrowing capacity of an individual.

- The stages in an individual's financial lifecycle, to include:
 - childhood
 - adolescence
 - young adult
 - middle age
 - old age.
- Advantages to individuals of personal debt, including:
 - purchase of assets that can appreciate in value
 - using debt to make major purchases rather than withdrawing funds from savings
 - using debt to provide assets that would otherwise be unaffordable, e.g. house, car.
- Physical and mental effects, e.g. stress and depression, relationships – family conflict, loss of community standing.
- Access to credit and limiting factors, to include:
 - eligibility for credit to include age, income, county court judgments (CCJs), credit history, number of credit accounts.
- Lifestyle choices:
 - employment patterns
 - regularity of credit usage
 - cultural restrictions including religious beliefs.

A3 Personal debt and society

The ways in which an individual's personal debt choices are impacted by, and impact on, the wider society.

- Changing attitudes to debt in society caused by changes in technology, to include:
 - purchasing habits
 - everyday transactions
 - needs, wants and lifecycle influences
 - credit history and ratings.
- Normalisation of borrowing through growth in businesses, including payday lenders, guarantor and logbook loans, personal asset sales.
- Demographics to include age, culture, social status.
- Wider external factors to include lengthy periods of low interest rates, government economic decision making, e.g. the Bank of England, the Office for Budget Responsibility (OBR) forecasts.
- Factors that can limit or promote debt to include:
 - unplanned purchases, one-off costs and charges, uninsured loss
 - lifecycle changes, e.g. marriage, retirement, house purchase
 - ease of access to credit
 - unforeseen circumstances, e.g. illness, loss of employment, loss of state benefits
 - default on existing debt being resolved by additional borrowing
 - behaviours and mind set to include debt aversion, debt tolerance.
- Consequences, including debt poverty, family breakdown, disincentive to find employment, narrowing of employment choices to reward based occupations, financial exclusion.

A4 Personal indebtedness

The benefits and risks to an individual of using different types of lending products.

- Secured lending products, to include mortgages, hire purchase, homeowner loans:
 - benefits, including lower credit ratings accepted, greater borrowing secured against equity, relatively low interest rates, longer repayment periods
 - risks, including falling into arrears, eviction and repossession, legal proceedings, employment termination, limitations to future employment opportunities.
- Unsecured lending products, including personal loans, overdrafts, credit cards, 'pay day' loans:
 - benefits, to include increasing working capital, cash flow management, ease of access, flexibility, creation of good credit history
 - risks, to include falling into arrears, legal proceedings, employment termination, limitations to future employment opportunities.

Learning aim B: Explore sources of debt advice and management strategies available for individuals

Reasons why an individual seeks debt advice and management strategies, and the types of advice and resolution available.

B1 Debt advice sources

- Providers of debt advice, to include:
 - central government, e.g. Money Advice Service
 - local government
 - debt-counselling charities and advice agencies, including Citizens Advice and StepChange
 - commercial providers, including banks, building societies, credit unions
 - specialist debt-management services
 - costs associated with debt counselling, e.g. charges, consultation fees, administration fees.

B2 Debt management strategies and credit solutions

The characteristics of the main formal and informal methods of easing and resolving personal debt.

- Debt consolidation.
- Pre-payments.
- Regular payment schemes.
- Individual voluntary arrangements.
- Debt relief orders.
- Bankruptcy.
- Debt-management plans.

B3 Consequences of debt management strategies

Impact on the individual of making use of common debt-management strategies.

- Financial consequences, to include:
 - ability to access credit and financial services now and in the future
 - restrictions or increase in spending
 - legal and contractual obligations
 - ongoing costs.
- Personal and family consequences, e.g. changes in lifestyle, reduction in disposable income, changes patterns of personal consumption.

Learning aim C: Develop a budget plan to service and manage debt for an individual

The importance to an individual of choices made based on what is affordable and the use of a personal budget plan.

C1 Purpose of effective financial planning

- Planning, monitoring and controlling of personal finance.
- Household budgeting.
- Being able to meet unexpected expenses.
- Being able to save for the future.
- Meeting financial obligations and agreements.
- Personal cash flow forecast, to include prioritisation of budget items.

C2 Planning and producing a personal budget plan

- Typical income sources, to include earnings from employment, investments, interest on savings, gifts, inheritance, universal and discretionary benefits, pensions, child maintenance.
- Typical expenditure items, to include rent, mortgage, rates, utilities, insurance, transport, food, clothing, holidays, entertainment and leisure, education, subscriptions, pension contributions, child maintenance.
- Timings of income and expenditure and its affect on cash flow in servicing debt.
- Payments in advance.
- Payments in arrears.
- Regular and irregular payments.
- Methods of budgeting:
 - templates, to include personal budget planner tools and software available from sources including Money Advice Service, high-street banks, debt charities
 - use of software applications used by individuals to manage personal budgets.

C3 Monitor, review and revise a personal budget plan

- Using sources of advice, e.g. StepChange, Citizens Advice.
- Costs incurred, to include essential, non-essential, recurring.
- Unexpected costs, e.g. accommodation, living costs, travel, gifts.
- Monitoring schedule and plans to include frequency and reconciliation against income and expenditure.
- Changing financial lifecycle considerations, e.g. family changes, retirement, upsizing or downsizing, caring responsibilities.
- Benefits and limitations of personal budget plans, to include:
 - benefits, to include control over money, ability to monitor cash flows, plan for future expenses and purchases, prevent overspending, allows for contingency saving, avoidance of penalties, interest charges, fees for late or missed payments
 - limitations, to include ability to predict future events, inaccuracy of data and incorrect assumptions on future costs, e.g. fuel or cost of living increases, inflexibility and short termism in decision making, spending to the budget.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Understand the use of personal debt and its impact on the individual and society		A.D1 Evaluate the impact on the individual and wider society of growth in the use of personal debt, considering the factors affecting change.
A.P1 Explain the impact on the individual of the growth in the use of personal debt. A.P2 Explain the impact on society of the growth in the use of personal debt, considering factors affecting change.	A.M1 Analyse the impact on the individual and wider society of growth in the use of personal debt, considering factors affecting change.	
Learning aim B: Explore sources of debt advice and management strategies available for individuals		B.D2 Evaluate the role of debt-advice sources, considering in detail the appropriateness of formal and informal debt-management strategies for an individual.
B.P3 Explain the sources of debt advice available to an individual. B.P4 Explain the types of formal and informal debt-management strategies available to an individual.	B.M2 Analyse the role of debt-advice sources, considering the appropriateness of formal and informal debt-management strategies for an individual.	
Learning aim C: Develop a budget plan to service and manage debt for an individual		C.D3 Produce a comprehensive personal budget plan for an individual, monitoring the budget and making revisions to reflect changes in an individual's financial circumstances.
C.P5 Produce a personal budget plan for an individual. C.P6 Produce revisions to reflect changes in an individual's financial circumstances.	C.M3 Produce a detailed personal budget plan for an individual, making revisions to reflect changes in an individual's financial circumstances.	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aim: B (B.P3, B.P4, B.M2, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.D3).

Further information for teachers and assessors

Resource requirements

The personal budgeting templates and plans for statistical and economic data, and the debt resolution advice and strategies that might be required for this unit can be widely accessed through UK central and local government websites. They are also freely available at high-street banks, debt charities and consumer advice organisations.

Essential information for assessment decisions

Learning aim A

Learners will write a series of articles for a money advice web site.

For distinction standard, learners will research the impact on society of the growth in the use of personal debt. They will make thorough use of historical and current economic data to support their conclusions and make well-qualified judgements on whether or not current personal debt levels are beneficial to the overall economy. Their judgements must be based on the factors that have affected these changes in society and individuals. The articles must be professionally written and well structured, using fully correct economic and financial terminology, they must be produced to a high quality standard.

For merit standard, learners will research the impact on society of the growth in the use of personal debt. They will make good use of historical and current economic data to support their conclusions. They should make some qualified judgements on whether or not current personal debt levels are beneficial to the overall economy and can be sustained. Their judgements must include some analysis of factors that have affected these changes in society and individuals. The articles must be mostly professionally written and mostly well structured, using appropriate economic and financial terminology, they must be produced to a good quality standard.

For pass standard, learners will explain the impact on society of the growth in the use of personal debt. Their work must include consideration of factors that have affected these changes in society and individuals. The articles must be structured, using some economic and financial terminology, they are produced to a clear standard for the given audience.

Learning aim B

Learners will independently produce a guide for individuals that may be posted on a debt advice web site.

For distinction standard, learners will research and evaluate the role of debt-advice sources and be able to justify the appropriateness of formal and informal debt-management strategies. They must demonstrate a comprehensive understanding of when formal and informal debt-management strategies would be most suitable to an individual's needs. Their work must be professionally written and well structured, using fully correct financial and legal terminology, it must be produced to a high quality standard.

For merit standard, learners will research and analyse the role of debt-advice sources and be able to assess the appropriateness of formal and informal debt-management strategies. They must demonstrate a detailed understanding of when formal and informal debt-management strategies would be most suitable to an individual's needs. Their work must be mostly professionally written and mostly well structured, using mostly correct financial and legal terminology, it must be produced to a good quality standard.

For pass standard, learners will research and explain the role of debt-advice sources and be able to show the appropriateness of formal and informal debt-management strategies. They must demonstrate some understanding of when formal and informal debt-management strategies would be suitable to an individual's needs. Their work must be structured, using some correct financial and legal terminology, it will be written in good-quality language.

Learning aim C

For distinction standard, learners will produce a comprehensive personal budget plan for an individual, monitoring the budget and making revisions to reflect changes in an individual's financial circumstances. The plan will list all forms of individual income and expenditure, including a detailed cash-flow forecast predicting when funds will be received and paid out. The plan will have a contingency for unexpected expenses. The plan will set a clear schedule for monitoring and for revisions to be made, in a well-defined and highly organised way.

For merit standard, learners will produce a detailed personal budget plan for an individual, monitoring the budget and making revisions to reflect changes in an individual's financial circumstances. The plan will list most forms of individual income and expenditure, including a cash-flow forecast predicting when funds will be received and paid out. The plan will also have a contingency for unexpected expenses. The plan will set a clear schedule for monitoring and for revisions to be made, in a mostly well-defined and organised way.

For pass standard, learners will produce a simple personal budget plan for an individual and make revisions to reflect changes in an individual's financial circumstances. The plan will list some forms of individual income and expenditure. The plan will also have some contingency for unexpected expenses. The plan will set a schedule for revisions to be made, in a mostly organised way.

Links to other units

This unit links to:

- Unit 1: Exploring Business
- Unit 3: Personal and Business Finance
- Unit 7: Business Decision Making
- Unit 14: Investigating Customer Service
- Unit 23: The English Legal System
- Unit 26: Aspects of Criminal Law Impacting on Business and Individuals
- Unit 27: Work Experience in Business
- Unit 30: Legal Principles and Professional Ethics in Financial Services.

Employer involvement

Centres can involve employers in the delivery of this unit if there are local opportunities to do so. There is no specific guidance related to this unit.

Unit 32: Buying for Business

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will study the principles of procurement, focusing on how the efficient acquisition of resources and materials helps businesses to remain competitive by controlling their costs.

Unit introduction

Resources and materials are used in the production of goods and services, which are then sold and distributed to customers. For businesses to remain competitive, buyers have specific requirements in terms of the quantity, quality and price of these resources and materials, as well as expecting suppliers to deliver them on time and to the correct location. As materials are a significant input cost, it is the buyer in a business who works to control these costs, while at the same time ensuring the quality and continuity of supply to meet customer demand.

In this unit, you will examine how businesses buy the materials they need efficiently. You will investigate how businesses calculate their purchasing requirements and synchronise these activities with the anticipated demand from customers. You will explore how financial considerations ensure that all parties in the procurement process aim to make a profit, while the buyers' outcomes will focus on controlling costs. You will investigate the fundamental role of commercial agreements between buyers and suppliers and how they are formalised into binding contracts. You will learn how effective procurement practices ensure the continuity of cost-effective, efficient business operations.

The knowledge you gain from this unit will help you to progress to higher education or to further specialist training in procurement and to a career in buying.

Learning aims

In this unit you will:

- A** Understand the role of procurement for procuring resources
- B** Examine the activities that support an efficient procurement process
- C** Investigate the role of negotiation and contracting in procurement.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Understand the role of procurement for procuring resources	A1 Supplies that meet purchasers' requirements A2 Specifications A3 Suppliers	An individual poster presentation with a supporting leaflet, highlighting the adoption of effective procurement activities for a business that is seeking to improve the efficiency of its operations.
B Examine the activities that support an efficient procurement process	B1 Identifying procurement requirements B2 Sourcing supplies B3 Securing supplies at required times B4 Planning the procurement of goods from suppliers B5 Calculating supply and demand requirements B6 Procedural and regulatory requirements	
C Investigate the role of negotiation and contracting in procurement	C1 Negotiation C2 The law of contract C3 Agreements with suppliers C4 Agreements with customers	A report evaluating the role of negotiations and contracts in securing products or services for two contrasting businesses.

Content

Learning aim A: Understand the role of procurement for procuring resources

Learners need to develop an understanding of the procurement role concentrating on the demands of the five rights, the drafting of specifications in setting the scene for managing suppliers post-contract and the focus of supplier selection through market analysis.

A1 Supplies that meet purchasers' requirements

- Obtaining supplies of goods and services to meet the buyers requirements.
- The five rights of procurement:
 - right quality
 - right quantity
 - right price
 - right place
 - right time.

A2 Specifications

- Creating specifications for the procurement of products and services using conformance and output/outcome- based approaches.
- Types of specification such as drawings, samples, technical descriptions.
- Specifications and contracts with external customers and suppliers.
- The importance of specifications in the procurement process.

A3 Suppliers

- Surveying the supplier market for goods and services to identify the capacity of the market to supply goods and/or services.
- Appraising suppliers to ensure their:
 - ability to fulfil the five rights of procurement
 - financial viability.
- Competition among and working with suppliers to secure the five rights.
- Measuring supplier performance against key performance indicators to ensure suppliers provide value for money for the goods and services procured.

Learning aim B: Examine the activities that support an efficient procurement process

The procurement process from identifying the need through to tendering, while complying with legislative constraints and the changes in demand from external factors.

B1 Identifying procurement requirements

- Liaising with users and customers to understand and review their commercial business needs.
- Make or buy decisions and the calculations required to support the decisions.

B2 Sourcing supplies

- Requests for information, quotations, tenders and proposals from suppliers.
- Comparing quotations to ensure they fulfil the five rights of procurement and provide value for money.
- Criteria for supplier selection and selecting a supplier to contract.
- Use of e-sourcing technologies to source supplies.
- Quality standards, processes and procedures.
- Quality assurance techniques in procurement and applying specified standards to assess the quality of the supply of products and services by.

B3 Securing supplies at required times

- Lead times, including internal, external and total lead time.
- Expediting and measuring delivery performance.
- Planning milestones and activities for the supply of inventories.
- Scheduling to ensure the timely supply of goods and services.
- Inventories and inventory holding costs.

B4 Planning the procurement of goods from suppliers

- Organisational policies and procedures that govern the procurement of goods and services.
- Planning horizons, such as short term, medium term and long term.
- Objectives of the procurement process.
- Producing plans with SMART objectives to ensure continuity of supply in the production and distribution processes.
- Selection criteria, such as quality assurance, sustainability, environmental impact, technical capability, labour standards, financial capability, corporate responsibility.
- Contract award criteria, such as price, life cycle costs, technical merit, value added.

B5 Calculating supply and demand requirements

- Calculating potential demand on suppliers and from customers based on procurement and supply data, using:
 - historic sources and patterns
 - market intelligence and market trend
 - demand forecasts models
 - extrapolation
 - confidence estimates.
- Reviewing and revising demand forecasts and establishing reasons for variances by considering internal and external factors such as, more efficient stock management (internal) and shorter or longer lead times (external).
- Factors influencing product and service pricing, based on an analysis of:
 - direct and indirect costs
 - full costs and marginal costs
 - break even
 - margins and mark-ups
 - whole life costs
 - market factors.
- Pricing techniques, such as pricing schedules, fixed pricing, cost plus, price indexation, incentivised pricing.
- Impact of pricing on profits/losses, cash flows, budgets.
- Use of financial data to assess the financial stability and profitability of businesses in procurement and supply.

B6 Procedural and regulatory requirements

- Documentation used in the procurement of goods and services, such as purchase requisitions, purchase orders, goods received notes, inspection reports, goods returned notes and reconciliation of the information they contain.
- Transport documentation required for different goods, transport methods, routes and destination.
- Customs documentation required for different goods and services and goods in transit.
- Financial documentation.

Learning aim C: Investigate the role of negotiation and contracting in procurement

Only a foundation level of legal knowledge is required to be able to explore the law of contract and the responsibilities of parties to meet the outcomes of commercial agreements.

C1 Negotiation

- Approaches to the use of negotiation in commercial negotiations.
- Negotiation preparations.
- Factors that affect the negotiation process.
- Stages of a commercial negotiation.
- Calculating supply and demand requirements.

C2 The law of contract

- Law of contract in respect of procurement.
- Types of contract, to include purchasing and the supply of services.
- Law relating to the hire and leasing of assets.

C3 Agreements with suppliers

- Requests for information, quotations, tenders and proposals from suppliers.
- Comparison of quotations to ensure that they fulfil the five rights of procurement and provide value for money.
- Terms relating to price, payment method, delivery, quantities, conformance to order requirements, liabilities, indemnity, insurance, guarantees.

C4 Agreements with customers

- Responses to requests for information, quotations and proposals from customers.
- Tenders for the supply of goods and services, to include finding tender notices, evaluating tender requirements, expressing interest, submitting tenders that meet customer requirements in full.
- Terms relating to price, payment terms, delivery, quantities, conformance to order and liabilities, indemnity, insurance, guarantees.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Understand the role of procurement for procuring resources		
<p>A.P1 Explain why it is necessary to specify procurement requirements when purchasing goods and services.</p> <p>A.P2 Explain the importance of a supplier meeting the purchaser's requirements when products and services are procured for use in the production process.</p>	<p>A.M1 Assess the reasons why purchasers and suppliers create specifications for the procurement of goods and services.</p>	
Learning aim B: Examine the activities that support an efficient procurement process		
<p>B.P3 Explain the sourcing process for procuring resources cost effectively.</p> <p>B.P4 Explain how quality assurance processes support effective procurement activities.</p> <p>B.P5 Explain the process of selecting suppliers for goods and services.</p>	<p>B.M2 Analyse the importance to a business of having a secure supply of good quality goods and services.</p> <p>B.M3 Analyse the techniques used by sellers and buyers to establish the prices in the procurement of products and services.</p>	
Learning aim C: Investigate the role of negotiation and contracting in procurement		
<p>C.P6 Explain the stages of negotiation and contracting for the supply of goods and services.</p>	<p>C.M4 Assess the impact of contractual obligations on the parties purchasing and supplying goods and services.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, A.M1, A.D1, B.P3, B.P4, B.P5, B.M2, B.M3, B.D2)

Learning aim: C (C.P6, C.M4, C.D3)

Further information for teachers and assessors

Resource requirements

Learners will need access to a range of current business information in relation to procurement from websites and printed resources.

Essential information for assessment decisions

Learning aims A and B

Learners should select the businesses to use as a context to complete the task and evidence from specific business case studies will be referenced for the posters and leaflet.

Learners will benefit from conducting interviews with buyers or with someone working in a procurement environment. Learners should carry out any research independently.

For distinction standard, learners will research a range of businesses and identify effective practices in the securing of goods and services for two contrasting businesses. From their research, learners will produce a number of posters demonstrating that they have evaluated the market factors that buyers and suppliers have to consider to ensure continuity of supply to maintain production. This will also include how effective sourcing contributes to the overall efficiencies of business operations.

Evidence should be supported by clear examples of businesses using collaboration and competition in specific market conditions to secure supply.

Learners will provide a rationale behind the use of supplier compatibility and performance management techniques. The poster presentation and leaflet will focus on sharing best practice with businesses wanting to improve their operational efficiencies through procurement. The posters will be eye-catching, look professional and be at least A3 in size.

For merit standard, learners will assess the advantages of creating specifications when procuring goods and services. Learners will provide clear examples of performance and conformance specifications, and assess the advantages of creating clear specifications and the disadvantages of each type of specification. Learners will produce a poster presentation and leaflet that demonstrates their understanding and analysis of the advantages of securing a sustainable supply of goods or services based on quality. Learners will explain clearly the implications of not considering quality when securing the supply of goods or services.

A clear analysis of at least three techniques used to establish the prices of products and services should be included in the leaflet, along with an explanation of four factors that could initially influence the price, such as direct and indirect costs, full costs and marginal costs, break even, mark-ups, whole life costs and market factors.

For pass standard, in their leaflet/poster presentation, learners will give an account of how specific information is gathered and used in the supplier selection process, and how quality assurance processes are used to support effective procurement of specific goods and services.

Learners will show how demand for goods and services can be calculated by using historical data, market analysis and estimating and forecasting models. Learners will describe, with examples, the criteria used for supplier selection, defining the difference between selection criteria and contract award criteria.

Learning aim C

For distinction standard, learners will produce a report that evaluates the contribution of negotiation and contracting to secure the supply of goods and services. This will be based on their research of how these processes are carried out in a successful business. Learners will refer to the law of contract.

For merit standard, learners will produce a report that assesses the impact of contractual agreements in the supply of goods and services. They will assess the content of agreements with suppliers and customers in relation to making the procurement process more efficient.

For pass standard, learners will produce a report that provides evidence of a thorough investigation of the role of negotiation and contracting in procurement.

Links to other units

This unit links to:

- Unit 1: Exploring Business
- Unit 15: Investigating Retail Business
- Unit 27: Work Experience in Business
- Unit 33: Supply Chain Operations.

Employer involvement

This unit would benefit from employer involvement in the form of:

- guest speakers and interview opportunities
- work experience
- business material as exemplars
- participation in audience assessment of presentations
- opportunities to visit suitable businesses.

Unit 33: Supply Chain Operations

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will examine how and why purchasing, production and distribution are coordinated to ensure the continuity of cost-effective, efficient business activities.

Unit introduction

How do goods such as new fashion lines and upgraded computer tablets arrive in stores in sufficient quantities, on specific dates, to meet customer demand? Even though they have been designed many months previously and manufactured thousands of miles away?

In this unit, you will examine the components that make up logistical operations, such as inventory management, storage, handling and transportation. You learn how businesses buy materials and goods for their operational activities and how they organise the delivery and distribution of their output to the next stage in the production process – which may be to the final consumer. You will investigate how businesses move materials and manufactured goods from suppliers to customers, so that for all parties in the supply chain production is not interrupted and products are always in stock. You will consider how the supply chain is managed to ensure that it is fully integrated and operated reliably. You will explore how techniques such as just-in-time, controls for inventory management and technology provide real-time information to support the efficient management of business operations.

This unit will help you to progress to further study in higher education or to professional qualifications in buying, logistics and supply chain management. The unit will also help you to progress to employment in supply chain management.

Learning aims

In this unit you will:

- A** Examine the role of logistics operations in ensuring effective supply chain operations
- B** Investigate the importance of supply chain organisation and operation to businesses
- C** Examine the impact of technology on the efficient management of supply chain operations.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Examine the role of logistics operations in ensuring effective supply chain operations	A1 Inventory management A2 Storage and handling A3 Transportation	A report on the operation of two supply chains, one from a growing national business and one from a growing international business.
B Investigate the importance of supply chain organisation and operation to businesses	B1 Supply chain components B2 Integrating supply chains B3 Managing the supply chain B4 Benefits of supply chain integration	A report suggesting how downstream and upstream supply chain operations can be improved through greater integration.
C Examine the impact of technology on the efficient management of supply chain operations	C1 Technologies C2 Technology and supply chain components C3 The impact of technology	An individual presentation, with a supporting leaflet and report that analyses the technology available and how it can be used to support and improve the management and operation of the supply chain for two contrasting businesses.

Content

Learning aim A: Examine the role of logistics operations in ensuring effective supply chain operations

Learners will need a general understanding of the modern methods of logistics and of how businesses ensure that inventory requirements are calculated and managed so that manufacturers, national retailers and public services meet the needs of their customers.

A1 Inventory management

- Logistics activities in the supply chain, including materials handling, production, packaging, inventory management, warehousing, transportation and security of supplies.
- Purpose of inventories in providing buffers between different supply chain activities to ensure continuing supply chain operations.
- Types of inventory, including opening stock, work in progress, finished goods and safety stocks.
- Costs of carrying inventories such as acquisition and holding costs.
- Techniques for the valuation of inventory such as last in first out (LIFO), first in first out (FIFO), average cost, standard cost.
- Monitoring and controlling inventory using:
 - Pareto analysis and ABC classifications
 - dependent and independent demand
 - materials resource planning (MRP and MRP II)
 - just-in-time supply and Kanban systems
 - consignment stocking and vendor managed inventory.
- Calculating the inventory requirements recognising factors, including:
 - economic order quantity
 - reorder point
 - bullwhip effect
 - materials resource planning
 - service levels for inventory when working with manufacturing, sales and marketing
 - qualitative and quantitative approaches to forecasting.

A2 Storage and handling

- Warehouse location for ensuring efficient supply chain operations.
- Warehouse design to optimise flow, space utilisation and flexibility in handling inventories.
- Methods of efficient inventory handling such as palletisation and unit loads.
- Systems for product coding, such as bar coding and radio frequency identification (RFID), to identify and track product movement.

A3 Transportation

- Modes of freight transportation, including road, rail, air and sea and the reasons for their use.
- International transportation use of incoterms (international commercial terms).
- Techniques for optimising transportation systems and goods movement.
- Reverse logistics to recapture value, including:
 - return of merchandise
 - return of packaging
 - refurbishment
 - safe disposal.

Learning aim B: Investigate the importance of supply chain organisation and operation to businesses

Learners will need to understand how efficient supply chains are structured and how the integrated supply chain creates competitive advantage.

B1 Supply chain components

- Supply chain components, including materials handling, manufacture, packaging, inventory management, warehousing, transportation and security.
- Prioritising customer needs at each stage in supply chain operations.
- Supply chain configurations such as linear and networked, the length of supply chains in terms of the number of supply chain businesses, the location of supply chain businesses and the geographic distance between supply chain businesses.

B2 Integrating supply chains

- Linking the activities of all businesses in the supply chain by:
 - identifying a supply chain strategy
 - specifying complementary objectives and policies
 - developing organisational structures to bridge functional barriers
 - sharing requirements and needs for goods and services
 - integrating computer systems that use data common to all businesses
 - common communication standards such as electronic data interchange (EDI)
 - agreeing quality standards
 - specifying and agreeing responsibilities of individual businesses
 - specifying service levels.

B3 Managing the supply chain

- Performance monitoring using key performance indicators (KPIs), specific, measurable, achievable, realistic, time-constrained (SMART) targets, budgetary control.
- Sources of information, including internal, external, formal reports, ad hoc reports, anecdotal.
- Risks to supply chains, including external shocks (earthquakes, tsunami), lack of capacity by businesses in the supply chain, reliance on a single business, computer system failures (information, finance), domination of the supply chain by an individual business, poor customer service, inter-organisational conflict.
- Managerial actions to restore and improve supply chain operations.

B4 Benefits of supply chain integration

- Advantages of integrated supply chains, including:
 - improved service to downstream and upstream businesses in the supply chain
 - harmonisation of activities between supply chain businesses
 - automation of activities
 - improved reliability and error reduction such as avoiding stock outs
 - reduced personnel costs
 - improved resource utilisation
 - reduced lead times through the use of just-in-time techniques
 - improved competitive advantage and enhanced reputation for businesses in the supply chain.

Learning aim C: Examine the impact of technology on the efficient management of supply chain operations

Learners will need an understanding of technology as a business enabler in the context of supply chain management.

C1 Technologies

- Software applications, such as databases and spreadsheets, used to manage resources and processes in supply chain operations.
- Enterprise resource planning (ERP) software for the collection, storage, management and interpretation of data and information in integrated ways for supply chain operations.
- Radio-frequency identification (RFID) for identifying and tracking the progress of resources through the supply chain.
- Geographic information system (GIS) and global positioning system (GPS) in transport/logistics.
- Procurement to pay (P2P) to integrate procurement and invoicing operations.
- Communication systems for moving data and information across supply chain operations.

C2 Technology and supply chain components

- The use of technology for:
 - supply chain activities such as e-requisitioning, e-sourcing, e-ordering, e-bidding, e-auctioning, e-invoicing, e-payment
 - computer modelling
 - decision analysis
 - inventory management
 - facilities location
 - logistics
 - distribution.

C3 The impact of technology

- Managing information through the use of systems to:
 - keep supply chain stakeholders informed
 - synchronise activities across the supply chain
 - smooth fluctuations between demand and supply
 - reduce lead times
 - reduce costs
 - generate efficiencies across the supply chain.
- Provision of information in real time through the use of integrated, linked databases and ERP techniques to improve decision making by the businesses in the supply chain.
- Track and trace systems to determine the current and past locations of and other information about individual items in the supply chain.
- Transport planning, modelling and routing software to ensure cost effective distribution in the supply chain.
- The integration and automation of the procurement process from requirements identification through to planning, budgeting, purchasing and payment.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Examine the role of logistics operations in ensuring effective supply chain operations		
A.P1 Explain the role of inventory management in ensuring the uninterrupted operation of a supply chain. A.P2 Explore the contribution made by a range of handling techniques and transportation methods to inventory management	A.M1 Assess how inventory requirements can be calculated to ensure cost effective and efficient management of inventories.	
Learning aim B: Investigate the importance of supply chain organisation and operation to businesses		
B.P3 Compare the structure of the supply chains for businesses operating nationally and internationally. B.P4 Explain how efficient operations at each stage in the supply chain ensure the provision of goods and services that meet customers' needs.	B.M2 Analyse the effectiveness of the techniques that are used to integrate supply chain operations.	
Learning aim C: Examine the impact of technology on the efficient management of supply chain operations		
C.P5 Describe the technologies used to support supply chain operations. C.P6 Explain how technology can improve supply chain operations.	C.M3 Analyse the impact of technology on the management of supply chains.	
		A.D1 Evaluate the use of different inventory monitoring and control techniques in the efficient management of inventories. B.D2 Evaluate the impact of an integrated supply chain on all businesses in the supply chain.
		C.D3 Evaluate a successful business's management of supply chain operations and the technology associated with it.

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of two summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aims: A and B (A.P1, A.P2, A.M1, A.D1, BP.1, BP.2, B.M2, B.D2)

Learning aim: C (C.P5, CP6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

Learners will need access to a range of current business information on supply chain operations from websites and printed resources.

Essential information for assessment decisions

Learning aims A and B

Learners should produce a report that explains how a supply chain is organised and how effective supply chains are key to gaining competitive advantage. Learners should use diagrams of the supply chains of two successful businesses trading nationally and internationally to support their descriptions. Learners need to include clear explanations of different activities that link all the businesses in the specified supply chains, including how the efficiency of the supply chains meets customer needs.

Learners should explore the specific considerations when increasing warehouse capabilities, including handling and transportation, and the different modes of transportation, along with the principles of reverse logistics.

For distinction standard, learners will evaluate the use of different inventory management methods in two contrasting businesses, including a range of monitoring and control techniques, with justification and relevant references presented in the report.

Learners will provide a comprehensive evaluation of the integrated supply chain in a specific organisation, comparing and contrasting the transferable benefits for businesses.

For merit standard, learners will assess how inventory requirements of two businesses can be calculated. Learners will explore and analyse activities that can be used to integrate the supply chain. From this, learners will assess the appropriateness of these activities for the two selected businesses.

For pass standard, learners will define logistics and describe how logistics contribute to an effective supply chain operation, using relevant examples of businesses operating nationally and internationally.

Learning aim C

For distinction standard, learners will evaluate the effectiveness of supply chain operations management, including the use of technology, for a chosen successful business. Learners will provide clear examples of increased efficiencies and the information and systems utilised.

For merit standard, learners will analyse the technological impact on the management of supply chain operations for two contrasting businesses. Learners will assess examples of specific technological advancements and their implementation in the two businesses and link them to business improvements.

For pass standard, learners will describe the range of technologies available for two contrasting businesses and why these businesses used each of the technologies to support their supply chain operation. Learners will explain how the technologies identified contribute to improving both businesses' supply chain operations.

Links to other units

This unit links to:

- Unit 1: Exploring Business
- Unit 15: Investigating Retail Business
- Unit 27: Work Experience in Business
- Unit 32: Buying for Business.

Employer involvement

This unit would benefit from employer involvement in the form of:

- work experience
- business material as exemplars
- participation in audience assessment of presentations
- opportunities to visit suitable businesses.

Unit 34: Investment Opportunities and Financial Planning

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will study the four main asset classes of investment and understand how they can be integrated into a range of investment products.

Unit introduction

The financial services industry contributes over £150 billion to the UK economy each year and provides job opportunities to over two million people. Money can be invested in several ways. It can be deposited in a bank to earn interest, invested in the stock market or used to purchase assets, for example property. Without investment, businesses cannot grow, houses cannot be built and the UK economy would cease to exist.

In this unit, you will learn about the four main asset classes and how they can be used to create investment portfolios suitable for individuals' circumstances in line with their attitude to risk. You will learn about collective investments such as unit trusts and bonds, and will gain an understanding of the different types of pension plans available.

You will develop sound knowledge of investment opportunities to help you to progress to the study of financial services at a higher level, for example professional qualifications and degree-related programmes. This unit will also help you to progress to employment in the financial services industry in a customer-facing or call-centre environment. The unit can also help you to progress to a more technical role, working, for example, in a paraplanning, report-writing role, or providing research support to fund managers.

Learning aims

In this unit, you will:

- A** Investigate the four main asset classes of investment
- B** Explore the construction and uses of collective investment products
- C** Develop appropriate retirement plans to suit different situations.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Investigate the four main asset classes of investment	A1 Cash A2 Bonds A3 Equities A4 Property	<p>A support document for investors, which explains the four main asset classes for first-time investors and who they would go to invest these assets. The document will include:</p> <ul style="list-style-type: none"> • an explanation of bonds • an explanation of equities, supported by a report on the share price of two financial services companies • information on residential and commercial properties that would provide investment opportunities.
B Explore the construction and uses of collective investment products	B1 Unit trusts and Open-ended Investment Contracts (OEICs) B2 Investment trusts B3 Investment bonds B4 Exchange-traded funds (ETF's) B5 Tax-efficient collective investments	<p>A case study on the structure, investment opportunities and charges of unit trusts, OEICs, investment trusts and investment bonds.</p>
C Develop appropriate retirement plans to suit different situations	C1 The stages in an individual's financial life cycle C2 State pension benefits C3 Defined benefit (final salary) pension schemes C4 Defined contribution pension schemes C5 Auto-enrolment	<p>A range of plans to advise individuals on the investment options open to them as part of saving for retirement. This will include a variety of pension plan options and a range of investment plan options, including ISAs and building a share portfolio.</p>

Content

Learning aim A: Investigate the four main asset classes of investment

Learners will understand the investment terminology and how the value of investments may change over time, the benefits and risks of cash deposits, fixed interest bonds, equities and investment in property, and their use as part of a diversified investment portfolio.

A1 Cash

Learners will understand cash deposits and the risks associated with interest payments, and how capital can be eroded if interest rates do not exceed inflation rates.

- Interest earning instant access accounts:
 - bank and building society savings accounts.
- Interest earning restricted access:
 - bank and building society savings accounts with higher interest rates but with limitations on withdrawals.
- Fixed term:
 - bank and building society savings accounts with higher interest rates but with loss of interest penalties for withdrawal before the end of the fixed term.
- Cash funds within investment management portfolios:
 - low-risk investment fund options, often used to hold money to pay for charges and regular withdrawals
 - money market instruments, including call or notice deposits, use of foreign currency exchange.

A2 Bonds

Learners will understand how fixed-rate interest bonds can be bought and sold on stock exchanges and how the price can go up and down depending on other market factors, including prevailing interest rates.

- Gilt-edged securities:
 - loans to the UK government, regarded as safe investments
 - examples of gilts, e.g. 5% treasury 2033
 - regular receipt of interest, payable half-yearly at fixed rate
 - types of gilts (index-linked bonds fixed-rate bonds).
- Corporate bonds:
 - loans to companies
 - generally higher risk than gilt-edged securities
 - examples of corporate bonds, e.g. 6% ABC plc 2025
 - regular receipt of interest, payable half-yearly at fixed rate
 - types of corporate bonds (including fixed-rate bonds, floating rate notes and convertible bonds).
- Secured and unsecured:
 - use of credit rating agencies.
- Trading fixed interest bonds:
 - gilts and corporate bonds can be traded on stock exchanges
 - prices change according to prevailing interest rates.
- Calculating running yields:
 - $\frac{\text{Annual income on investment}}{\text{Current market value}} \times 100$

A3 Equities

Learners will understand how shares can be bought and sold on stock exchanges, and how gains and losses can be made depending on the performance of the company, market sentiment and other external factors.

- Ordinary shares:
 - share issues to raise capital
 - voting and dividend rights of ordinary shareholders
 - secondary share trading through stock markets
 - share price movements
 - use of share price charts and stochastic analysis tools
 - risk to investment capital.
- Preference shares:
 - dividend rights of preference shareholders.
- Corporate actions:
 - rights issue
 - bonus shares.
- Calculating dividend yield:
 - $\frac{\text{Annual dividend}}{\text{Current stock price}} \times 100$
- Choosing shares to invest in:
 - types of shares available
 - relative risks of different types of shares
 - diversification of a portfolio
 - role of stockbrokers
 - stock market indices (UK and global).

A4 Property

Learners will gain an understanding of investment in residential and commercial property and the benefits and drawbacks of each. This investment can be for personal use or as an investment vehicle to generate an income.

- Direct investment in residential property:
 - use as own residence but investment through increase in equity
 - investment in buy-to-let properties
 - direct investment in commercial property
 - large variety and value of commercial properties.
- Indirect investment through property funds:
 - investment in insurer or fund manager property funds
 - managers can impose limited withdrawals owing to illiquidity of property.
- Illiquidity of property:
 - property cannot usually be part bought or part sold and can take considerable time to liquidise.

Learning aim B: Explore the construction and uses of collective investment products

B1 Unit trusts and Open-ended Investment Contracts (OEICs)

Learners will understand how unit trusts and OEICs are structured, the investment choices they offer and how they can be used by individual investors to gain much wider diversification of their portfolio than could be achieved through direct investment.

- Direct or indirect investments (discretionary and non-discretionary).
- Investment strategies (active, passive funds or core satellite).
- Structure of a unit trust:
 - set up as a trust
 - interests of investors protected by trustees
 - role of fund manager
 - unit trust is open-ended.
- Structure of an Open-ended Investment Contract (OEIC):
 - set up as a company
 - interests of investors protected by depository
 - fund managed by Authorised Corporate Director (ACD)
 - OEIC is open-ended.
- Charging structures:
 - initial charges
 - annual management charges
 - dual price bid offer spread for unit trusts
 - single pricing for OEICs and some unit trusts.
- Diversification of investment:
 - types of funds offered
 - fund manager/ACD selects investment within limits of fund strategy
 - investors able to choose from funds according to attitude to risk.

B2 Investment trusts

Learners will understand the structure of an investment trust, particularly its similarities and differences when compared to open-ended collective investments, and how investment trusts can be used by investors to achieve a much greater level of portfolio diversification than could be achieved through direct investment.

- Structure of an investment trust:
 - investment trust is set up as a company
 - investors become shareholders
 - investment trust is closed ended
 - real estate investment trusts (REITs)
 - calculating net asset values (NAVs)
 - Annual current value of fund's assets dividend
Total number of shares outstanding
 - trading at a premium or discount on net asset values (NAVs).
- Gearing:
 - borrowing to invest using existing investments as security
 - the ability of investment trusts to borrow
 - increased risks associated with gearing:
 - fall in the value of investments may occur, however the loan balance remains
 - interest costs may outweigh investment returns, thereby impacting cash flow.

B3 Investment bonds

Learners will understand the structure and uses of investment bonds as single premium contracts offered by life insurance companies, with a choice of investment funds, the tax advantages they can offer to certain individuals and the calculation of top slicing.

- Structure of an investment bond:
 - single premium investment bonds with no fixed term
 - offered by insurers and include a life insurance – usually 101% of investment
 - classified as non-qualifying life policy
 - choice of funds available to match attitude to risk.
- Tax deferral using an investment bond:
 - a percentage of original investment can be taken each year without the need to pay tax
 - uses spreading mechanism for taxable gains
 - basic rate taxpayers have no tax to pay
 - most suitable for individuals who are higher rate tax payers but moving to be basic rate tax payers in the future.
- Top slicing relief:
 - reduces the liability arising in respect of the gain on the disposal of a life assurance policy that takes an individual into a higher or additional rate tax bracket
 - calculated when a chargeable event occurs to include withdrawals and death.
- Calculating top slicing:
 - $$\frac{\text{Gain}}{\text{Number of years invested}}$$

B4 Exchange-traded funds (ETF)

- Marketable security that tracks an index.
- A commodity, bonds, or a basket of assets like an index fund.
- Passive fund.

B5 Tax-efficient collective investments

Learners will understand how governments encourage savings and investment through offering tax advantages to certain financial services products.

- Stocks and shares ISAs:
 - investment in unit trust, OEIC or investment trust can be placed in ISA wrapper
 - maximum amount that can be invested is set for each year
 - growth is tax free.
- Enterprise Investment Schemes (EIS):
 - investment in shares of small, unlisted company
 - proportion of fund tax free sum.
- Seed Enterprise Investment Schemes (SEIS):
 - investment in small companies, unlisted and under two years old.
- Real estate investment trusts (REITs):
 - buying shares in a company that owns property
 - shares can be held in an ISA
 - real estate investment trusts (REITs) benefit from tax advantages in the fund growth.

Learning aim C: Develop appropriate retirement plans to suit different situations

Learners will understand pensions and their suitability at different stages in the financial life cycle.

C1 The stages in an individual's financial life cycle

- Stages:
 - childhood
 - adolescence
 - young adult
 - middle age
 - old age.

C2 State pension benefits

- Funding state pensions:
 - National Insurance Contributions (NICs)
 - need to contribute a minimum number of years to receive state benefits.
- Changing demographics and state retirement age:
 - ageing population linked to greater longevity
 - expectations of higher living standards in retirement
 - equalisation of pension ages for men and women.
- Calculation of new state pension benefits:
 - new, flat-rate state pension from April 2016
 - calculations based on number of years of National Insurance Contributions (NICs).

C3 Defined benefit (final salary) pension schemes

Learners will understand the structure of a defined benefit pension scheme provided by an employer, how benefits are based on salary and years of service with the employer, and the impacts of the current market on these schemes.

- Structure of defined benefit (final salary) pension schemes:
 - benefits linked to salary and years' service, not to contribution levels.
- Closure of defined benefit (final salary schemes):
 - ageing population linked to greater longevity
 - schemes struggling to obtain growth on investment due to low fixed interest rates
 - well-publicised collapse of schemes
 - schemes closing to new and existing members
 - schemes folding and transferring to Pension Protection Fund.
- Calculation of final salary benefits:
 - calculations using examples of final salaries and membership of 1/60th or 1/80th pension schemes
 - death in service and spouse's benefits.

C4 Defined contribution pension schemes

Learners will gain an understanding of the wide range of defined contribution pension schemes available through employers, for the individual employed and for the self-employed and the options available to the scheme member in retirement.

- Structure of defined benefit pension schemes:
 - offered as employer-managed or insurance-company managed pension scheme
 - final benefits dependent on size of pension fund and age at retirement
 - proportion of fund can be taken as tax-free lump sum
 - proportion of fund can be taken as taxable lump sum, left invested in pension or used to purchase annuity.
- Personal pension plans:
 - individual or group pension plans
 - wide choice of investment funds to suit attitude to risk and life stage
 - contribution levels up to 100% of salary, some of which is tax free
 - set lifetime allowance in pension fund.
- Stakeholder pension plans:
 - simplified form of personal pension
 - created to encourage greater number of individuals to save for retirement
 - maximum annual management charge of 1.5% for first 10 years and 1% thereafter
 - no penalties on ceasing contributions or transfer
 - low minimum contribution levels.
- Self-Invested Personal Pension (SIPPS):
 - personal pension plan with wider range of investment choices
 - can include unlisted shares and unauthorised investment funds
 - can hold commercial property in the pension.

C5 Auto-enrolment

Learners will gain an understanding of why the government introduced the concept of all employees being auto-enrolled on to an appropriate pension scheme with mandatory contribution levels for employee and employer unless the employee chooses to opt out of the pension scheme.

- Reasons for introduction of auto-enrolment:
 - low uptake of pension savings plans, even after introduction of stakeholder pensions
 - increasing age of population and associated longevity
 - increasing reliance on state benefits.
- Rules for auto-enrolment:
 - all employers must offer an appropriate pension scheme
 - definition of qualifying employees
 - employer and employee minimum contribution levels.
- National Employment Savings Trust (NEST):
 - pension scheme set up by government
 - independent of the government
 - used for auto-enrolment by employers who do not have an appropriate pension scheme
 - offers choice of funds with lifestyle-matching options.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Investigate the four main asset classes of investment		A.D1 Evaluate the features, risks and benefits of the four main asset classes of investment, demonstrating how the value of investments will change over time, using relevant calculations to demonstrate investment losses and gains.
<p>A.P1 Explain the main features, risks and benefits of the four main asset classes of investment.</p> <p>A.P2 Explain how the value of investments has changed over time.</p>	<p>A.M1 Assess the features, risks and benefits of the four main asset classes of investment, demonstrating how the value of investments will change over time.</p>	
Learning aim B: Explore the construction and uses of collective investment products		B.D2 Evaluate the main features of a range of collective investments, considering their opportunities for income, growth and tax savings.
<p>B.P3 Research the main features of a range of collective investment products.</p> <p>B.P4 Explain how collective investment products can offer opportunities for income, growth and tax savings.</p>	<p>B.M2 Analyse the main features of a range of collective investments, considering their opportunities for income, growth and tax savings.</p>	
Learning aim C: Develop appropriate retirement plans to suit different situations		C.D3 Evaluate how the information gathered in retirement plans allow given individuals to make informed choices that meet their needs and situations.
<p>C.P5 Produce suitable pension/investment plans for a range of given individuals that consider the individuals financial life cycle.</p> <p>C.P6 Explain the advantages and disadvantages of a range of different retirement plans in terms of the availability of funds for given individuals.</p>	<p>C.M3 Assess how the information gathered in retirement plans allow given individuals to make informed choices that meet their needs and situations.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aim: B (B.P3, B.P4, B.M2, B.D2)

Learning aim: C (C.P5, C.P6, C.M3, C.D3)

Further information for teachers and assessors

Resource requirements

There are no specific resource requirements for this unit but learners must have access to information on a range of local, national and international businesses.

Essential information for assessment decisions

Learning aim A

For distinction standard, learners will produce a comprehensive document, aimed at investors, to aid investment decisions. The document will clearly evaluate the features, risks and benefits of the four main asset classes of investment. Learners will demonstrate their knowledge and understanding by incorporating the use of relevant calculations to show how investments can change over time in terms of loss and profit. They will use appropriate terminology consistently and accurately throughout.

For merit standard, learners will produce a detailed document aimed at investors to aid investment decisions. The document will assess the features, risks and benefits of the four main asset classes of investment. Learners will demonstrate their knowledge and understanding by showing how investments can change over time in terms of loss and profit. They will use appropriate terminology accurately.

For pass standard, learners will produce a document aimed at investors to aid investment decisions. The document will explain the main features, risks and benefits of the four main asset classes of investment. Learners will demonstrate their knowledge and understanding by explaining how investments can change over time in terms of loss and profit owing to changes in the economy, and they will use appropriate terminology.

Learning aim B

For distinction standard, learners will carry out extensive research into a wide range of collective investment products offered by investment companies. The research will include information on unit trusts, OEICs, investment trusts and investment bonds. Learners will evaluate the main features of each type of investment opportunity and weigh up the opportunities for income, growth and tax savings that each one offers.

For merit standard, learners will carry out detailed research into a range of collective investment products offered by investment companies. The research will include information on unit trusts, OEICs, investment trusts and investment bonds. Learners will then analyse the main features of each type of investment provides.

For pass standard, learners will carry out research into collective investment products offered by investment companies. The research will include information on unit trusts, OEICs, investment trusts and investment bonds. Learners will then explain the main features of each type of investment opportunity and identify some of the opportunities for income, growth and tax savings that each one provides.

Learning aim C

For distinction standard, learners will thoroughly consider different types of retirement plans available, including different types of pensions and investment opportunities. Learners will evaluate the information and clearly link the evaluation to the needs and situations of individuals.

For merit standard, learners will consider different types of retirement plans available, including different types of pensions and investment opportunities. Learners will assess the information and clearly link the assessment to the needs and situations of individuals.

For pass standard, learners will identify different types of retirement plans available, including different types of pensions and investment opportunities. Learners will explain how the information links to the needs and situations of individuals.

Links to other units

This unit links to:

- Unit 3: Personal and Business Finance
- Unit 30: Legal Principles and Professional Ethics
- Unit 36: Global Financial Services.

Employer involvement

Centres can involve employers in the delivery of this unit if there are local opportunities to do so. There is no specific guidance related to this unit.

Unit 35: Insurance Principles and Policies

Level: **3**

Unit type: **Internal**

Guided learning hours: **60**

Unit in brief

Learners will develop their understanding of the main principles of insurance and the organisations that make up the industry to identify suitable insurance policies for given situations.

Unit introduction

Insurance is an essential part of the UK economy. Insurance protects our assets, such as cars, houses and businesses. The UK insurance industry employs over 300,000 people and gives those who want to progress in the industry a clear, professional career pathway.

In this unit, you will learn about risk and its management through the use of insurance. You will also learn about some of the basic legal principles that underpin insurance. You will investigate the different types of organisations that make up the insurance industry, the job roles within them, and the various insurance policies that companies provide. This will enable you to identify the correct insurance policies needed for given customer situations.

This unit will give you a good foundation if you want to progress to further study in higher education in business with financial studies or to industry-recognised professional qualifications. Completing this unit will give you the knowledge and skills you need to support your progression to an apprenticeship in financial services and to employment with either an insurance company or an insurance broker.

Learning aims

In this unit, you will:

- A** Explore the main principles relating to insurance contracts
- B** Investigate different insurance providers and job roles within the insurance industry
- C** Review insurance policies to meet 'customers' needs.

Summary of unit

Learning aim	Key content areas	Recommended assessment approach
A Explore the main principles relating to insurance contracts	A1 Principles of risk management and risk measurement A2 Principles of contract law A3 The main principles underpinning all insurance contracts	A report on: <ul style="list-style-type: none"> types of risk and how risk can be managed and measured for a chosen place or event the law of contract and how it will be applied to an insurance policy the main principles of insurance and how they relate to the chosen place or event.
B Investigate different insurance providers and job roles within the insurance industry	B1 Insurance providers B2 Jobs roles within the insurance industry	Learners will complete a case study on two contrasting insurance providers, including research on two job roles available in each one and a study of the responsibilities involved with the job roles.
C Review insurance policies to meet 'customers' needs	C1 Motor insurance policies C2 Personal insurance policies C3 Commercial insurance policies C4 The needs of customers and the insurance policies to meet these needs	Learners will create an information pack to be used by a broker to give guidance and information to three different customers who want different types of insurance (i.e. one for motor, one for personal and one for commercial).

Content

Learning aim A: Explore the main principles relating to insurance contracts

A1 Principles of risk management and risk measurement

Learners will gain an understanding of risk and how risk can be measured and managed by making physical changes or by taking out insurance to financially control risk.

- Choices made depending on whether individuals are risk seeking or risk averse.
- Risk management steps:
 - identification
 - analysis
 - control.
- Risk measurement:
 - high-frequency, low-severity risks, e.g. low-impact motor collisions
 - low-frequency, high-severity risks, e.g. aircraft crashes.
- The definition in insurance terms of peril and hazard:
 - peril – an event that gives rise to a claim
 - hazard – anything that has an effect on that peril.
- The difference between physical and moral hazard:
 - physical hazard – one that is concrete in the environment
 - a moral hazard – results from the attitude and behaviour of individuals.

A2 Principles of contract law

Learners will understand that an insurance policy is a contract and must therefore meet with all requirements of contract law for it to be valid, and that an agent can bring parties together into a contract.

- Definition of a contract:
 - a legal and binding agreement between two or more parties.
- The legal requirements for all contracts:
 - the intention of all parties to create a legal agreement
 - offer and acceptance
 - consideration – which, for insurance policies, is the premium paid.
- The role of an agent:
 - acting on behalf of a principal – their client
 - insurance brokers.
- Creating an agency relationship by:
 - agreement – the most usual way to create the relationship
 - necessity – an agent acting on behalf of a client to mitigate loss
 - ratification – an agent acting without consent and this being later ratified (agreed to) by the client.

A3 The main principles underpinning all insurance contracts

Learners will understand the basic common law principles applicable to all insurance policies and will be able to explain them using relevant examples.

- The pooling of risk:
 - everyone with the same type of risk paying into a common pool.
- Equitable premiums:
 - everyone paying a fair premium for the level of risk they bring to the common pool.
- Underinsurance and averaging calculations:
 - underinsurance will result in full claims not being paid
 - an individual who does not contribute equitably to the pool should not be able to fully benefit in the event of a claim
 - averaging principle formula: $\frac{\text{sum insured}}{\text{value of goods at risk}} \times \text{loss} = \text{claim}$
- Indemnity:
 - the principle of putting someone back into the financial position they were in before the loss
 - benefit policies, e.g. critical illness, are not policies of indemnity.
- Subrogation:
 - applies to policies of indemnity and not benefit policies
 - in paying out a claim to a policyholder, the insurer then assumes their right of recourse against a third party.

Learning aim B: Investigate different insurance providers and job roles within the insurance industry**B1 Insurance providers**

Learners will understand the different types of providers that operate in the insurance sector of the financial services industry, how they are structured and owned, and the types of insurance product they offer.

- Composite and specialist insurers:
 - large, composite insurers that offer a range of general and life insurance products, e.g. large insurers that offer many different types of policy, including motor insurance, household insurance, employer liability, commercial property, life and critical illness cover
 - specialist insurers who offer only a very limited range of insurance products, e.g. a small insurer such as Petplan®, which offers insurance only for veterinary cover for pets and horses.
- Classification of insurance companies by ownership:
 - proprietary companies owned by shareholders
 - mutual companies owned by policyholders.
- Lloyd's of London:
 - provider of specialist insurance in the market place
 - investment by names who form syndicates
 - reinsurance
 - syndicates appoint managing agents
 - managing agents appoint underwriters.
- Insurance intermediaries and brokers:
 - independent insurance brokers who offer the products of many insurers
 - appointed representatives who offer the products of one or a limited number of insurers.
- Different insurance products:
 - motor
 - personal
 - commercial.

B2 Job roles within the insurance industry

Learners will understand the wide range of job roles available with insurance companies and intermediaries, and the skills and responsibilities appropriate to these job roles.

- Policy sales and servicing:
 - working in a call-centre environment
 - client-facing roles working for high-street intermediaries
 - back-office functions processing applications and other documentation
 - skills in communicating with members of the public and colleagues, being personable and good team players.
- Underwriting:
 - reviewing applications and what risks an insurer can accept up to set authorisation levels
 - deciding any relevant terms and conditions that should be attached to a policy
 - skills in making decisions under pressure, analytical skills and good attention to detail.
- Claims handling:
 - dealing with first notification of loss
 - gathering information and investigating claims
 - settling claims up to set authorisation levels
 - investigating potentially fraudulent claims
 - must be skilled in communicating with members of the public who may be upset either with their situation or the claims decision
 - able to work as part of a team.
- Actuarial – actuaries and actuarial assistants:
 - dealing with statistics and predictions
 - technical pricing of insurance products
 - calculating reserves
 - calculating solvency capital requirements
 - must have strong mathematical, analytical and IT skills and the ability to produce reports that can be understood by others in the company.
- Insurance brokers:
 - specialist in insurance and risk management
 - key role to negotiate for client with the insurance company for the best deal.
- Loss adjusters:
 - appointed by insurers to carry out independent investigation of claims
 - often work on their own outside of the office
 - must be self-reliant and confident to deal with potentially difficult policyholders, must be able to produce timely and accurate reports for their clients.

Learning aim C: Review insurance policies to meet customers' needs

Learners will consider insurance customer needs and insurance policies available to allow customers to make informed choices about their policies.

C1 Motor insurance policies

Learners will understand the legal requirement for motor insurance, the different levels of cover available and the special insurance requirements for a range of commercial vehicles.

- Road Traffic Act 1988:
 - scope of the act and requirement for all motorized vehicles on public road to be insured.
- Levels of insurance cover available for personal vehicles:
 - third party only insurance
 - third party fire and theft insurance
 - comprehensive insurance.
- Insurance for commercial vehicles and the specific insurance requirements according to function of vehicle:
 - passenger-carrying vehicles
 - load-carrying vehicles
 - agricultural vehicles
 - specialist commercial vehicles.
- Motor Insurers' Bureau:
 - uninsured drivers' agreement
 - untraced drivers' agreement.

C2 Personal insurance policies

Learners will understand the range of personal insurance policies available to individuals that can be used to protect their assets in the event of damage to property, illness or death.

- Household cover:
 - buildings, including risk of fire, flood, subsidence, malicious damage and other risks
 - contents insurance, including risk of fire, theft, flood, accidental damage and other risks.
- Travel insurance cover:
 - medical expenses cover
 - cancellation and delay cover
 - theft and loss of property.
- Life insurance cover:
 - level term insurance for family protection
 - decreasing term insurance for mortgage protection
 - whole of life assurance for family and inheritance tax protection
 - funeral expenses insurance.
- Critical illness insurance cover:
 - percentage of income payed on illness, incapacity or inability to work
 - payment made on diagnosis of specified critical illness.

C3 Commercial insurance policies

Learners will understand the range of commercial insurance policies available to companies and other organisations that can be used to protect their assets in the event of damage to property or third-party liability.

- Property insurance:
 - business/commercial assets, e.g. equipment
 - buildings cover to protect against fire, flood, theft, malicious damage and other risks
 - rating by insurer will depend on use of property and its construction
 - theft defined for commercial properties as forceful or violent entry or exit
 - product liability.
- Employee liability insurance:
 - compulsory by law for all employers
 - includes all employees, contractors, voluntary workers
 - cover provided for accident, injury, illness, death resulting from work activities, e.g. key person insurance.
- Public liability insurance:
 - not compulsory by law; few exceptions, e.g. nuclear installations
 - includes all members of the public the policyholder comes into contact with
- cover provided for accident, injury, illness, death and damage to property resulting from negligence by the policyholder.
- Professional indemnity insurance:
 - compulsory for some professionals, e.g. solicitors and insurance brokers
 - taken out by professionals who advise or treat others and then act on this advice, including doctors, dentists, solicitors, accountants
 - claims made when customer/patients suffer loss as a result of negligence on the part of the professional who advised or treated them.

C4 The needs of customers and the insurance policies to meet these needs

Learners will understand the varying insurance needs of motor, personal and commercial customers.

- Personal and motor insurance needs:
 - budget available, debts and personal income
 - no claims history and protection
 - legal requirements for coverage
 - dependants
 - legal support
 - level of cover:
 - period of cover
 - period of payment
 - upfront or spread costs
 - benefits or contributions from employer
 - life stage, health and medical history.
- Commercial insurance in terms of priority of need depending on type of business, available budget and legal requirements:
 - insurance that is compulsory by law, e.g. motor insurance, employer liability cover and professional indemnity for some occupations
 - property insurance, and cover for any machinery, stock and other equipment necessary for the business
 - business interruption cover for expenses such as staff wages, rent, council tax and similar incurred during a period when the business is unable to operate
 - key person life cover to ensure that a business can continue in the event of the death of a key owner/employee.

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore the main principles relating to insurance contracts		A.D1 Evaluate the main principles of insurance and related contract law and be able to recommend how they can be applied to measure and manage risk in a given insurance context.
<p>A.P1 Explain how risk is measured and managed in a given insurance context.</p> <p>A.P2 Outline the main principles of insurance and related contract law in a given insurance contract/ context.</p>	<p>A.M1 Assess principles of insurance and related contract law, and how they can be applied to measure and manage risk in a given insurance context.</p>	
Learning aim B: Investigate different insurance providers and job roles within the insurance industry		B.D2 Evaluate the way in which two job roles contribute to fulfilling the aims of the insurance provider.
<p>B.P3 Explain the purpose, ownership and products offered by two contrasting insurance providers.</p> <p>B.P4 Outline the main job roles with insurance providers.</p>	<p>B.M2 Compare the purpose, ownership and products of two different insurance providers.</p> <p>B.M3 Compare two different job roles with insurance providers.</p>	
Learning aim C: Review insurance policies to meet 'customers' needs'		C.D3 Justify how the selection of insurance policies meets the needs of customers.
<p>C.P5 Identify the needs of customers for motor, personal and commercial insurances.</p> <p>C.P6 Describe the terms for motor, personal and commercial insurances.</p>	<p>C.M4 Compare how insurance policies meet the needs of customers for motor, personal and commercial insurances.</p>	

Essential information for assignments

The recommended structure of assessment is shown in the unit summary along with suitable forms of evidence. *Section 6* gives information on setting assignments and there is further information on our website.

There is a maximum number of three summative assignments for this unit. The relationship of the learning aims and criteria is:

Learning aim: A (A.P1, A.P2, A.M1, A.D1)

Learning aim: B (B.P3, B.P4, B.M2, B.M3, B.D2)

Learning aim: C (C.P5, C.P6, C.M4, C.D3)

Further information for teachers and assessors

Resource requirements

For this unit, learners must have access to information on a range of insurance companies and insurance brokers, including Lloyd's of London. Learners can access this information by contacting organisations directly or via their websites.

Essential information for assessment decisions

Learning aim A

For distinction standard, learners will be able to show a clear understanding of risk, how risk is assessed and how it can be managed, using a range of physical and financial controls. Learners will be able to apply these principles to a selected context. They will consider the context in detail, identifying a number of potential risks and discussing management opportunities for each risk.

Learners will show detailed knowledge and understanding of contract law as it applies to insurance contracts. They will be able to discuss the ways in which an agency agreement can be formed in a given insurance context.

Learners will show good knowledge and understanding of the principles that underpin all insurance contracts. They will be able to explain how risk is pooled and how an equitable premium is calculated, and they will be able to discuss factors that may result in a policyholder not being fully indemnified. They will understand the extent to which an insurer can recover its losses in a given insurance context.

Learners will show breadth and depth in their understanding. They will use appropriate terminology consistently and accurately throughout.

For merit standard, learners will be able to show a clear understanding of risk, how risk is assessed and how it can be managed using physical and financial controls. Learners will be able to link these principles to a selected context. They will consider the context, identifying a number of potential risks to possible management opportunities.

Learners will show a clear understanding of contract law as it applies to insurance contracts and will be able to outline the ways in which an agency agreement can be formed in a given insurance context.

Learners will show a clear understanding of most of the principles that underpin all insurance contracts. They will be able to explain in simple terms how risk is pooled and how an equitable premium is calculated, they will be able to discuss some of the factors that may result in a policyholder not being fully indemnified. They will also have some understanding of the extent to which an insurer can recover its losses in a given insurance context.

Learners will show a clear understanding of the key factors of insurance risk, contract law and principles. Some aspects of their knowledge, however, may be inaccurate. Learners will show some breadth and depth in their understanding. They will use appropriate terminology accurately.

For pass standard, learners will be able to show some understanding of risk, how risk is assessed and how it can be managed using physical and financial controls. Learners will be able to make limited links between these principles and a selected context.

Learners will show understanding of contract law as it applies to insurance contracts and will be able to explain, with limited scope, the purpose of an agency agreement in a given insurance context.

Learners will show some understanding of most of the principles that underpin all insurance contracts and will be able to make relevant references to the pooling of risk, equitable premiums and policyholders being indemnified. They will also show some understanding as to when an insurer can recover its losses in a given insurance context.

Learners will show a limited understanding of the key factors of insurance risk, contract law and principles. They will use basic terminology with some accuracy.

Learning aim B

For distinction standard, learners will consider detailed aspects of the job responsibilities and the skills required to implement the role. They will look at these aspects on balance with the insurance provider and will form considered opinions based on relevant information about the relevance, significance and overall contribution the job roles to the insurance provider.

For merit standard, learners will identify the main factors relating to the purpose, ownership and products of two different insurance providers. Learners will show some depth of knowledge through selection and isolation of important distinguishing characteristics of the insurance providers. They will use this information to make a broad comparison of the similarities and differences of the products and the purposes these serve.

Learners will select two different common insurance provider job roles. They will define the most significant similarities and differences between the roles, the purpose the roles serve and how they contribute to the purpose of the company.

For pass standard, learners will give clear details of the purpose, ownership and products offered by two contrasting insurance providers. Learners will show some comprehension of the purpose of the insurance provider in terms of its objectives and suitability. They will outline the form of ownership of the insurance provider and give broad details covering the range of products offered, with some insight as to who the products are aimed at and the suitability of purpose.

Learners will summarise the main insurance provider job roles with a brief description of the skills and responsibilities relating to each one. They will use industry terminology for insurance types, activities, skills and practice to illustrate their points.

Learning aim C

For distinction standard, learners will give reasons and evidence to support their view and prove that the selection of insurance policies is right and reasonable, and meets the needs of a particular customer, based on the information provided by that customer. They will justify why a particular policy is more beneficial than another and how it fits in with the customer's requirements and budget. Learners will use appropriate terminology consistently and accurately throughout.

For merit standard, learners will compare motor insurance policies for a particular customer need, personal insurance policies for a particular customer need and commercial insurance policies for a particular customer need. In their comparison, learners will identify the main factors relating to different insurance policies. Learners will explain the similarities, differences, advantages and disadvantages. They will consider customer priorities and balance their budget with the policies on offer. Learners will use appropriate terminology accurately.

For pass standard, learners will indicate the main protection needs of customers for motor, personal and commercial insurances by recognising customer priorities and determining the features of the policies. They will give a clear, objective account, in their own words, of the relevant features of, and information about, the terms for motor, personal and commercial insurance. Learners will use basic terminology with some accuracy.

Links to other units

This unit links to:

- Unit 3: Personal and Business Finance
- Unit 25: Aspects of Civil Liability Affecting Business
- Unit 30: Legal Principles and Professional Ethics in Financial Services.

Employer involvement

This unit would benefit from employer involvement in the form of:

- work experience within insurance companies or insurance brokers
- meeting with employees of insurers or insurance brokers to gain knowledge about the company, its products and employment opportunities.

4 Planning your programme

How do I choose the right BTEC National qualification for my learners?

BTEC Nationals come in a range of sizes, each with a specific purpose. You will need to assess learners very carefully to ensure that they start on the right size of qualification to fit into their 16–19 study programme, and that they take the right pathways or optional units that allow them to progress to the next stage.

Some learners may want to take a number of complementary qualifications or keep their progression options open. These learners may be suited to taking a BTEC National Certificate or Extended Certificate. Learners who then decide to continue with a fuller vocational programme can transfer to a BTEC National Diploma or Extended Diploma, for example for their second year.

Some learners are sure of the sector they want to work in and are aiming for progression into that sector via higher education. These learners should be directed to the two-year BTEC National Extended Diploma as the most suitable qualification.

As a centre, you may want to teach learners who are taking different qualifications together. You may also wish to transfer learners between programmes to meet changes in their progression needs. You should check the qualification structures and unit combinations carefully as there is no exact match among the different sizes. You may find that learners need to complete more than the minimum number of units when transferring.

When learners are recruited, you need to give them accurate information on the title and focus of the qualification for which they are studying.

Is there a learner entry requirement?

As a centre it is your responsibility to ensure that learners who are recruited have a reasonable expectation of success on the programme. There are no formal entry requirements but we expect learners to have qualifications at or equivalent to Level 2.

Learners are most likely to succeed if they have:

- five GCSEs at good grades and/or
- BTEC qualification(s) at Level 2
- achievement in English and mathematics through GCSE or Functional Skills.

Learners may demonstrate ability to succeed in various ways. For example, learners may have relevant work experience or specific aptitude shown through diagnostic tests or non-educational experience.

What is involved in becoming an approved centre?

All centres must be approved before they can offer these qualifications – so that they are ready to assess learners and so that we can provide the support that is needed. Further information is given in *Section 8*.

What level of sector knowledge is needed to teach these qualifications?

We do not set any requirements for teachers but recommend that centres assess the overall skills and knowledge of the teaching team to ensure that they are relevant and up to date. This will give learners a rich programme to prepare them for employment in the sector.

What resources are required to deliver these qualifications?

As part of your centre approval you will need to show that the necessary material resources and work spaces are available to deliver BTEC Nationals. For some units, specific resources are required. This is indicated in the units.

How can myBTEC help with planning for these qualifications?

myBTEC is an online toolkit that supports the delivery, assessment and quality assurance of BTECs in centres. It supports teachers with activities, such as choosing a valid combination of units, creating assignment briefs and creating assessment plans. For further information see *Section 10*.

Which modes of delivery can be used for these qualifications?

You are free to deliver BTEC Nationals using any form of delivery that meets the needs of your learners. We recommend making use of a wide variety of modes, including direct instruction in classrooms or work environments, investigative and practical work, group and peer work, private study and e-learning.

What are the recommendations for employer involvement?

BTEC Nationals are vocational qualifications and, as an approved centre, you are encouraged to work with employers on the design, delivery and assessment of the course to ensure that learners have a programme of study that is engaging and relevant and that equips them for progression. There are suggestions in many of the units about how employers could become involved in delivery and/or assessment but these are not intended to be exhaustive and there will be other possibilities at local level.

What support is available?

We provide a wealth of support materials, including curriculum plans, delivery guides, authorised assignment briefs, additional papers for external assessments and examples of marked learner work.

You will be allocated a Standards Verifier early on in the planning stage to support you with planning your assessments. There will be extensive training programmes as well as support from our Subject Advisor team.

For further details see *Section 10*.

How will my learners become more employable through these qualifications?

All BTEC Nationals are mapped to relevant occupational standards (see *Appendix 1*).

Employability skills, such as team working and entrepreneurialism, and practical hands-on skills have been built into the design of the learning aims and content. This gives you the opportunity to use relevant contexts, scenarios and materials to enable learners to develop a portfolio of evidence that demonstrates the breadth of their skills and knowledge in a way that equips them for employment.

5 Assessment structure and external assessment

Introduction

BTEC Nationals are assessed using a combination of *internal assessments*, which are set and marked by teachers, and *external assessments* which are set and marked by Pearson:

- mandatory units have a combination of internal and external assessments
- all optional units are internally assessed.

We have taken great care to ensure that the assessment method chosen is appropriate to the content of the unit and in line with requirements from employers and higher education.

In developing an overall plan for delivery and assessment for the programme, you will need to consider the order in which you deliver units, whether delivery is over short or long periods and when assessment can take place. Some units are defined as synoptic units (see *Section 2*). Normally, a synoptic assessment is one that a learner would take later in a programme and in which they will be expected to apply learning from a range of units. Synoptic units may be internally or externally assessed. Where a unit is externally assessed you should refer to the sample assessment materials (SAMs) to identify where there is an expectation that learners draw on their wider learning. For internally-assessed units, you must plan the assignments so that learners can demonstrate learning from across their programme. A unit may be synoptic in one qualification and not another because of the relationship it has to the rest of the qualification.

We have addressed the need to ensure that the time allocated to final assessment of internal and external units is reasonable so that there is sufficient time for teaching and learning, formative assessment and development of transferable skills.

In administering internal and external assessment, the centre needs to be aware of the specific procedures and policies that apply, for example to registration, entries and results. An overview with signposting to relevant documents is given in *Section 7*.

Internal assessment

Our approach to internal assessment for these qualifications will be broadly familiar to experienced centres. It offers flexibility in how and when you assess learners, provided that you meet assessment and quality assurance requirements. You will need to take account of the requirements of the unit format, which we explain in *Section 3*, and the requirements for delivering assessment given in *Section 6*.

External assessment

A summary of the external assessment for this qualification is given in *Section 2*. You should check this information carefully, together with the unit specification and the sample assessment materials, so that you can timetable learning and assessment periods appropriately.

Learners must be prepared for external assessment by the time they undertake it. In preparing learners for assessment you will want to take account of required learning time, the relationship with other external assessments and opportunities for retaking. You should ensure that learners are not entered for unreasonable amounts of external assessment in one session. Learners may resit an external assessment to obtain a higher grade of near pass or above. If a learner has more than one attempt, then the best result will be used for qualification grading, up to the permitted maximum. It is unlikely that learners will need to or benefit from taking all assessments twice so you are advised to plan appropriately. Some assessments are synoptic and learners are likely to perform best if these assessments are taken towards the end of the programme.

Key features of external assessment in business

In business after consultation with stakeholders, we have developed the following.

- *Unit 2: Developing a Marketing Campaign*, here learners will examine marketing aims and objectives for existing products/services and understand the importance of relevant, valid and appropriate research in relation to the needs and wants of customers. They will use market research data and other information to make recommendations about the type of marketing campaign that a business should undertake.
- *Unit 3: Personal and Business Finance* includes aspects of both personal and business finance. Personal finance involves the understanding of why money is important and how managing money can help prevent future financial difficulties. Learners need to understand the financial decisions they will need to take throughout life. This unit will also give learners an insight into where they can get financial advice and support. The business finance aspects of the unit introduces learners to accounting terminology, the purpose and importance of business accounts and the different sources of finance available to businesses. Planning tools, such as cash flow forecasts and break-even, will be prepared and analysed and measuring the financial performance of a business will require learners to prepare and analyse statements of comprehensive income and statements of financial position.
- *Unit 6: Principles of Management*, learners will examine how businesses adapt their approaches to management in response to challenges in their environment. Depending on their roles and responsibilities, managers need to develop skill sets that enable them to work effectively in areas such as the management of people, financial, resource and quality management, and the management of change. Learners will investigate some of the issues that managers and leaders have to deal with in the workplace in making businesses more efficient and ensuring their survival and growth.
- *Unit 7: Business Decision Making*, learners will be drawing together learning from previous units in the qualification. The unit consolidates understanding and skills to enable the interpretation of data, and formulation of decisions and solutions to given complex business problems. Learners will consider business situations/scenarios where they are required to select and use appropriate evidence from several sources and support their arguments. They will be able to predict probable consequences, identify faulty arguments or misrepresentations of information or data, compare information and data, provide reasonable alternatives, and evaluate and justify proposed solutions.

Units

The externally-assessed units have a specific format which we explain in *Section 3*. The content of units will be sampled across external assessments over time through appropriate papers and tasks. The ways in which learners are assessed are shown through the assessment outcomes and grading descriptors. External assessments are marked and awarded using the grade descriptors. The grades available are Distinction (D), Merit (M), Pass (P) and Near Pass (N). The Near Pass (N) grade gives learners credit below a Pass, where they have demonstrated evidence of positive performance which is worth more than an unclassified result but not yet at the Pass standard.

Sample assessment materials

Each externally-assessed unit has a set of sample assessment materials (SAMs) that accompanies this specification. The SAMs are there to give you an example of what the external assessment will look like in terms of the feel and level of demand of the assessment. In the case of units containing synoptic assessment, the SAMs will also show where learners are expected to select and apply from across the programme.

The SAMs show the range of possible question types that may appear in the actual assessments and give you a good indication of how the assessments will be structured. While SAMs can be used for practice with learners, as with any assessment the content covered and specific details of the questions asked will change in each assessment.

A copy of each of these assessments can be downloaded from our website. An additional sample of each of the Pearson-set units will be available before the first sitting of the assessment to allow your learners further opportunities for practice.

6 Internal assessment

This section gives an overview of the key features of internal assessment and how you, as an approved centre, can offer it effectively. The full requirements and operational information are given in the *Pearson Quality Assurance Handbook*. All members of the assessment team need to refer to this document.

For BTEC Nationals it is important that you can meet the expectations of stakeholders and the needs of learners by providing a programme that is practical and applied. Centres can tailor programmes to meet local needs and use links with local employers and the wider vocational sector.

When internal assessment is operated effectively it is challenging, engaging, practical and up to date. It must also be fair to all learners and meet national standards.

Principles of internal assessment

Assessment through assignments

For internally-assessed units, the format of assessment is an assignment taken after the content of the unit, or part of the unit if several assignments are used, has been delivered. An assignment may take a variety of forms, including practical and written types. An assignment is a distinct activity completed independently by learners that is separate from teaching, practice, exploration and other activities that learners complete with direction from, and formative assessment by, teachers.

An assignment is issued to learners as an assignment brief with a defined start date, a completion date and clear requirements for the evidence that they need to provide. There may be specific observed practical components during the assignment period. Assignments can be divided into tasks and may require several forms of evidence. A valid assignment will enable a clear and formal assessment outcome based on the assessment criteria.

Assessment decisions through applying unit-based criteria

Assessment decisions for BTEC Nationals are based on the specific criteria given in each unit and set at each grade level. To ensure that standards are consistent in the qualification and across the suite as a whole, the criteria for each unit have been defined according to a framework. The way in which individual units are written provides a balance of assessment of understanding, practical skills and vocational attributes appropriate to the purpose of qualifications.

The assessment criteria for a unit are hierarchical and holistic. For example, if an M criterion requires the learner to show 'analysis' and the related P criterion requires the learner to 'explain', then to satisfy the M criterion a learner will need to cover both 'explain' and 'analyse'. The unit assessment grid shows the relationships among the criteria so that assessors can apply all the criteria to the learner's evidence at the same time. In *Appendix 2* we have set out a definition of terms that assessors need to understand.

Assessors must show how they have reached their decisions using the criteria in the assessment records. When a learner has completed all the assessment for a unit then the assessment team will give a grade for the unit. This is given simply according to the highest level for which the learner is judged to have met all the criteria. Therefore:

- to achieve a Distinction, a learner must have satisfied all the Distinction criteria (and therefore the Pass and Merit criteria); these define outstanding performance across the unit as a whole
- to achieve a Merit, a learner must have satisfied all the Merit criteria (and therefore the Pass criteria) through high performance in each learning aim
- to achieve a Pass, a learner must have satisfied all the Pass criteria for the learning aims, showing coverage of the unit content and therefore attainment at Level 3 of the national framework.

The award of a Pass is a defined level of performance and cannot be given solely on the basis of a learner completing assignments. Learners who do not satisfy the Pass criteria should be reported as Unclassified.

The assessment team

It is important that there is an effective team for internal assessment. There are three key roles involved in implementing assessment processes in your centre, each with different interrelated responsibilities, the roles are listed below. Full information is given in the *Pearson Quality Assurance Handbook*.

- The Lead Internal Verifier (the Lead IV) has overall responsibility for the programme, its assessment and internal verification to meet our requirements, record keeping and liaison with the Standards Verifier. The Lead IV registers with Pearson annually. The Lead IV acts as an assessor, supports the rest of the assessment team, makes sure that they have the information they need about our assessment requirements and organises training, making use of our guidance and support materials.
- Internal Verifiers (IVs) oversee all assessment activity in consultation with the Lead IV. They check that assignments and assessment decisions are valid and that they meet our requirements. IVs will be standardised by working with the Lead IV. Normally, IVs are also assessors but they do not verify their own assessments.
- Assessors set or use assignments to assess learners to national standards. Before taking any assessment decisions, assessors participate in standardisation activities led by the Lead IV. They work with the Lead IV and IVs to ensure that the assessment is planned and carried out in line with our requirements.

Effective organisation

Internal assessment needs to be well organised so that the progress of learners can be tracked and so that we can monitor that assessment is being carried out in line with national standards. We support you through, for example, providing training materials and sample documentation. Our online myBTEC service can help support you in planning and record keeping. Further information on using myBTEC can be found in *Section 10* and on our website.

It is particularly important that you manage the overall assignment programme and deadlines to make sure that learners are able to complete assignments on time.

Learner preparation

To ensure that you provide effective assessment for your learners, you need to make sure that they understand their responsibilities for assessment and the centre's arrangements.

From induction onwards, you will want to ensure that learners are motivated to work consistently and independently to achieve the requirements of the qualifications. Learners need to understand how assignments are used, the importance of meeting assignment deadlines, and that all the work submitted for assessment must be their own.

You will need to give learners a guide that explains how assignments are used for assessment, how assignments relate to the teaching programme, and how learners should use and reference source materials, including what would constitute plagiarism. The guide should also set out your approach to operating assessment, such as how learners must submit work and request extensions.

Setting effective assignments

Setting the number and structure of assignments

In setting your assignments, you need to work with the structure of assignments shown in the *Essential information for assignments* section of a unit. This shows the structure of the learning aims and criteria that you must follow and the recommended number of assignments that you should use. For some units we provide authorised assignment briefs, for all the units we give you suggestions on how to create suitable assignments. You can find these materials along with this specification on our website. In designing your own assignment briefs you should bear in mind the following points.

- The number of assignments for a unit must not exceed the number shown in *Essential information for assignments*. However, you may choose to combine assignments, for example to create a single assignment for the whole unit.
- You may also choose to combine all or parts of different units into single assignments, provided that all units and all their associated learning aims are fully addressed in the programme overall. If you choose to take this approach, you need to make sure that learners are fully prepared so that they can provide all the required evidence for assessment and that you are able to track achievement in the records.
- A learning aim must always be assessed as a whole and must not be split into two or more tasks.
- The assignment must be targeted to the learning aims but the learning aims and their associated criteria are not tasks in themselves. Criteria are expressed in terms of the outcome shown in the evidence.
- You do not have to follow the order of the learning aims of a unit in setting assignments but later learning aims often require learners to apply the content of earlier learning aims and they may require learners to draw their learning together.
- Assignments must be structured to allow learners to demonstrate the full range of achievement at all grade levels. Learners need to be treated fairly by being given the opportunity to achieve a higher grade if they have the ability.
- As assignments provide a final assessment, they will draw on the specified range of teaching content for the learning aims. The specified content is compulsory. The evidence for assessment need not cover every aspect of the teaching content as learners will normally be given particular examples, case studies or contexts in their assignments. For example, if a learner is carrying out one practical performance, or an investigation of one organisation, then they will address all the relevant range of content that applies in that instance.

Providing an assignment brief

A good assignment brief is one that, through providing challenging and realistic tasks, motivates learners to provide appropriate evidence of what they have learned.

An assignment brief should have:

- a vocational scenario, this could be a simple situation or a full, detailed set of vocational requirements that motivates the learner to apply their learning through the assignment
- clear instructions to the learner about what they are required to do, normally set out through a series of tasks
- an audience or purpose for which the evidence is being provided
- an explanation of how the assignment relates to the unit(s) being assessed.

Forms of evidence

BTEC Nationals have always allowed for a variety of forms of evidence to be used, provided that they are suited to the type of learning aim being assessed. For many units, the practical demonstration of skills is necessary and for others, learners will need to carry out their own research and analysis. The units give you information on what would be suitable forms of evidence to provide learners with the opportunity to apply a range of employability or transferable skills. Centres may choose to use different suitable forms for evidence to those proposed. Overall, learners should be assessed using varied forms of evidence.

Full definitions of types of assessment are given in *Appendix 2*. These are some of the main types of assessment:

- written reports
- projects
- time-constrained practical assessments with observation records and supporting evidence
- recordings of performance
- sketchbooks, working logbooks, reflective journals
- presentations with assessor questioning.

The form(s) of evidence selected must:

- allow the learner to provide all the evidence required for the learning aim(s) and the associated assessment criteria at all grade levels
- allow the learner to produce evidence that is their own independent work
- allow a verifier to independently reassess the learner to check the assessor's decisions.

For example, when you are using performance evidence, you need to think about how supporting evidence can be captured through recordings, photographs or task sheets.

Centres need to take particular care that learners are enabled to produce independent work.

For example, if learners are asked to use real examples, then best practice would be to encourage them to use their own or to give the group a number of examples that can be used in varied combinations.

Making valid assessment decisions

Authenticity of learner work

Once an assessment has begun, learners must not be given feedback on progress towards fulfilling the targeted criteria.

An assessor must assess only learner work that is authentic, i.e. learners' own independent work. Learners must authenticate the evidence that they provide for assessment through signing a declaration stating that it is their own work.

Assessors must ensure that evidence is authentic to a learner through setting valid assignments and supervising them during the assessment period. Assessors must take care not to provide direct input, instructions or specific feedback that may compromise authenticity.

Assessors must complete a declaration that:

- the evidence submitted for this assignment is the learner's own
- the learner has clearly referenced any sources used in the work
- they understand that false declaration is a form of malpractice.

Centres can use Pearson templates or their own templates to document authentication.

During assessment, an assessor may suspect that some or all of the evidence from a learner is not authentic. The assessor must then take appropriate action using the centre's policies for malpractice. Further information is given in *Section 7*.

Making assessment decisions using criteria

Assessors make judgements using the criteria. The evidence from a learner can be judged using all the relevant criteria at the same time. The assessor needs to make a judgement against each criterion that evidence is present and sufficiently comprehensive. For example, the inclusion of a concluding section may be insufficient to satisfy a criterion requiring 'evaluation'.

Assessors should use the following information and support in reaching assessment decisions:

- the *Essential information for assessment decisions* section in each unit gives examples and definitions related to terms used in the criteria
- the explanation of key terms in *Appendix 2*
- examples of assessed work provided by Pearson
- your Lead IV and assessment team's collective experience, supported by the standardisation materials we provide.

Pass and Merit criteria relate to individual learning aims. The Distinction criteria as a whole relate to outstanding performance across the unit. Therefore, criteria may relate to more than one learning aim (for example A.D1) or to several learning aims (for example DE.D3). Distinction criteria make sure that learners have shown that they can perform consistently at an outstanding level across the unit and/or that they are able to draw learning together across learning aims.

Dealing with late completion of assignments

Learners must have a clear understanding of the centre policy on completing assignments by the deadlines that you give them. Learners may be given authorised extensions for legitimate reasons, such as illness at the time of submission, in line with your centre policies.

For assessment to be fair, it is important that learners are all assessed in the same way and that some learners are not advantaged by having additional time or the opportunity to learn from others. Therefore, learners who do not complete assignments by your planned deadline or the authorised extension deadline may not have the opportunity to subsequently resubmit.

If you accept a late completion by a learner, then the assignment should be assessed normally when it is submitted using the relevant assessment criteria.

Issuing assessment decisions and feedback

Once the assessment team has completed the assessment process for an assignment, the outcome is a formal assessment decision. This is recorded formally and reported to learners.

The information given to the learner:

- must show the formal decision and how it has been reached, indicating how or where criteria have been met
- may show why attainment against criteria has not been demonstrated
- must not provide feedback on how to improve evidence
- must be validated by an IV before it is given to the learner.

Resubmission of improved evidence

An assignment provides the final assessment for the relevant learning aims and is normally a final assessment decision, except where the Lead IV approves one opportunity to resubmit improved evidence based on the completed assignment brief.

The Lead IV has the responsibility to make sure that resubmission is operated fairly. This means:

- checking that a learner can be reasonably expected to perform better through a second submission, for example that the learner has not performed as expected
- making sure that giving a further opportunity can be done in such a way that it does not give an unfair advantage over other learners, for example through the opportunity to take account of feedback given to other learners
- checking that the assessor considers that the learner will be able to provide improved evidence without further guidance and that the original evidence submitted remains valid.

Once an assessment decision has been given to the learner, the resubmission opportunity must have a deadline within 15 working days in the same academic year.

A resubmission opportunity must not be provided where learners:

- have not completed the assignment by the deadline without the centre's agreement
- have submitted work that is not authentic.

Retake of internal assessment

A learner who has not achieved the level of performance required to pass the relevant learning aims after resubmission of an assignment may be offered a single retake opportunity using a new assignment. The retake may only be achieved at a pass.

The Lead Internal Verifier must only authorise a retake of an assignment in exceptional circumstances where they believe it is necessary, appropriate and fair to do so. For further information on offering a retake opportunity, you should refer to the *BTEC Centre Guide to Assessment*. We provide information on writing assignments for retakes on our website (www.btec.co.uk/keydocuments).

Planning and record keeping

For internal processes to be effective, an assessment team needs to be well organised and keep effective records. The centre will also work closely with us so that we can quality assure that national standards are being satisfied. This process gives stakeholders confidence in the assessment approach.

The Lead IV must have an assessment plan, produced as a spreadsheet or using myBTEC. When producing a plan, the assessment team may wish to consider:

- the time required for training and standardisation of the assessment team
- the time available to undertake teaching and carry out assessment, taking account of when learners may complete external assessments and when quality assurance will take place
- the completion dates for different assignments
- who is acting as IV for each assignment and the date by which the assignment needs to be verified
- setting an approach to sampling assessor decisions through internal verification that covers all assignments, assessors and a range of learners
- how to manage the assessment and verification of learners' work so that they can be given formal decisions promptly
- how resubmission opportunities can be scheduled.

The Lead IV will also maintain records of assessment undertaken. The key records are:

- verification of assignment briefs
- learner authentication declarations
- assessor decisions on assignments, with feedback given to learners
- verification of assessment decisions.

Examples of records and further information are given in the *Pearson Quality Assurance Handbook*.

7 Administrative arrangements

Introduction

This section focuses on the administrative requirements for delivering a BTEC qualification. It will be of value to Quality Nominees, Lead IVs, Programme Leaders and Examinations Officers.

Learner registration and entry

Shortly after learners start the programme of learning, you need to make sure that they are registered for the qualification and that appropriate arrangements are made for internal and external assessment. You need to refer to the *Information Manual* for information on making registrations for the qualification and entries for external assessments.

Learners can be formally assessed only for a qualification on which they are registered. If learners' intended qualifications change, for example if a learner decides to choose a different pathway specialism, then the centre must transfer the learner appropriately.

Access to assessment

Both internal and external assessments need to be administered carefully to ensure that all learners are treated fairly, and that results and certification are issued on time to allow learners to progress to chosen progression opportunities.

Our equality policy requires that all learners should have equal opportunity to access our qualifications and assessments, and that our qualifications are awarded in a way that is fair to every learner. We are committed to making sure that:

- learners with a protected characteristic are not, when they are undertaking one of our qualifications, disadvantaged in comparison to learners who do not share that characteristic
- all learners achieve the recognition they deserve for undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

Further information on access arrangements can be found in the Joint Council for Qualifications (JCQ) document *Access Arrangements, Reasonable Adjustments and Special Consideration for General and Vocational Qualifications*.

Administrative arrangements for internal assessment

Records

You are required to retain records of assessment for each learner. Records should include assessments taken, decisions reached and any adjustments or appeals. Further information can be found in the *Information Manual*. We may ask to audit your records so they must be retained as specified.

Reasonable adjustments to assessment

A reasonable adjustment is one that is made before a learner takes an assessment to ensure that they have fair access to demonstrate the requirements of the assessments. You are able to make adjustments to internal assessments to take account of the needs of individual learners. In most cases this can be achieved through a defined time extension or by adjusting the format of evidence. We can advise you if you are uncertain as to whether an adjustment is fair and reasonable. You need to plan for time to make adjustments if necessary.

Further details on how to make adjustments for learners with protected characteristics are given on our website in the document *Supplementary guidance for reasonable adjustment and special consideration in vocational internally-assessed units*.

Special consideration

Special consideration is given after an assessment has taken place for learners who have been affected by adverse circumstances, such as illness. You must operate special consideration in line with our policy (see previous paragraph). You can provide special consideration related to the period of time given for evidence to be provided or for the format of the assessment if it is equally valid. You may not substitute alternative forms of evidence to that required in a unit, or omit the application of any assessment criteria to judge attainment. Pearson can consider applications for special consideration in line with the policy.

Appeals against assessment

Your centre must have a policy for dealing with appeals from learners. These appeals may relate to assessment decisions being incorrect or assessment not being conducted fairly. The first step in such a policy could be a consideration of the evidence by a Lead IV or other member of the programme team. The assessment plan should allow time for potential appeals after assessment decisions have been given to learners. If there is an appeal by a learner, you must document the appeal and its resolution. Learners have a final right of appeal to Pearson but only if the procedures that you have put in place have not been followed. Further details are given in the document *Enquiries and appeals about Pearson vocational qualifications and end point assessment policy*.

Administrative arrangements for external assessment

Entries and resits

For information on the timing of assessment and entries, please refer to the annual examinations timetable on our website.

Access arrangements requests

Access arrangements are agreed with Pearson before an assessment. They allow students with special educational needs, disabilities or temporary injuries to:

- access the assessment
- show what they know and can do without changing the demands of the assessment.

Access arrangements should always be processed at the time of registration. Learners will then know what type of arrangements are available in place for them.

Granting reasonable adjustments

For external assessment, a reasonable adjustment is one that we agree to make for an individual learner. A reasonable adjustment is defined for the individual learner and informed by the list of available access arrangements.

Whether an adjustment will be considered reasonable will depend on a number of factors, to include:

- the needs of the learner with the disability
- the effectiveness of the adjustment
- the cost of the adjustment; and
- the likely impact of the adjustment on the learner with the disability and other learners.

Adjustment may be judged unreasonable and not approved if it involves unreasonable costs, timeframes or affects the integrity of the assessment.

Special consideration requests

Special consideration is an adjustment made to a student's mark or grade after an external assessment to reflect temporary injury, illness or other indisposition at the time of the assessment. An adjustment is made only if the impact on the learner is such that it is reasonably likely to have had a material effect on that learner being able to demonstrate attainment in the assessment.

Centres are required to notify us promptly of any learners who they believe have been adversely affected and request that we give special consideration. Further information can be found in the special requirements section on our website.

Conducting external assessments

Centres must make arrangements for the secure delivery of external assessments. External assessments for BTEC qualifications include examinations, set tasks and performance.

Each external assessment has a defined degree of control under which it must take place. Some external assessments may have more than one part and each part may have a different degree of control. We define degrees of control as follows.

High control

This is the completion of assessment in formal invigilated examination conditions.

Medium control

This is completion of assessment, usually over a longer period of time, which may include a period of controlled conditions. The controlled conditions may allow learners to access resources, prepared notes or the internet to help them complete the task.

Low control

These are activities completed without direct supervision. They may include research, preparation of materials and practice. The materials produced by learners under low control will not be directly assessed.

Further information on responsibilities for conducting external assessment is given in the document *Instructions for Conducting External Assessments*, available on our website.

Dealing with malpractice in assessment

Malpractice means acts that undermine the integrity and validity of assessment, the certification of qualifications, and/or that may damage the authority of those responsible for delivering the assessment and certification.

Pearson does not tolerate actions (or attempted actions) of malpractice by learners, centre staff or centres in connection with Pearson qualifications. Pearson may impose penalties and/or sanctions on learners, centre staff or centres where incidents (or attempted incidents) of malpractice have been proven.

Malpractice may arise or be suspected in relation to any unit or type of assessment within the qualification. For further details regarding malpractice and advice on preventing malpractice by learners, please see Pearson's *Centre guidance: Dealing with malpractice and maladministration in vocational qualifications*, available on our website.

The procedures we ask you to adopt vary between units that are internally-assessed and those that are externally assessed.

Internally-assessed units

Centres are required to take steps to prevent malpractice and to investigate instances of suspected malpractice. Learners must be given information that explains what malpractice is for internal assessment and how suspected incidents will be dealt with by the centre. The *Centre Guidance: Dealing with Malpractice* document gives full information on the actions we expect you to take.

Pearson may conduct investigations if we believe that a centre is failing to conduct internal assessment according to our policies. The above document gives further information, examples and details the penalties and sanctions that may be imposed.

In the interests of learners and centre staff, centres need to respond effectively and openly to all requests relating to an investigation into an incident of suspected malpractice.

Externally-assessed units

External assessment means all aspects of units that are designated as external in this specification, including preparation for tasks and performance. For these assessments centres must follow the JCQ procedures set out in the latest version of *JCQ Suspected Malpractice in Examinations and Assessments Policies and Procedures* (www.jcq.org.uk).

In the interests of learners and centre staff, centres need to respond effectively and openly to all requests relating to an investigation into an incident of suspected malpractice.

Learner malpractice

Heads of Centres are required to report incidents of any suspected learner malpractice that occur during Pearson external assessments. We ask that centres do so by completing a *JCQ Form M1* (available at www.jcq.org.uk/exams-office/malpractice) and emailing it and any accompanying documents (signed statements from the learner, invigilator, copies of evidence, etc.) to the Investigations Team at candidatemalpractice@pearson.com. The responsibility for determining appropriate sanctions or penalties to be imposed on learners lies with Pearson.

Learners must be informed at the earliest opportunity of the specific allegation and the centre's malpractice policy, including the right of appeal. Learners found guilty of malpractice may be disqualified from the qualification for which they have been entered with Pearson.

Teacher/centre malpractice

Heads of Centres are required to inform Pearson's Investigations Team of any incident of suspected malpractice by centre staff, before any investigation is undertaken. Heads of centres are requested to inform the Investigations Team by submitting a *JCQ Form M2(a)* (available at www.jcq.org.uk/exams-office/malpractice) with supporting documentation to pqsmalpractice@pearson.com. Where Pearson receives allegations of malpractice from other sources (for example Pearson staff or anonymous informants), the Investigations Team will conduct the investigation directly or may ask the head of centre to assist.

Incidents of maladministration (accidental errors in the delivery of Pearson qualifications that may affect the assessment of learners) should also be reported to the Investigations Team using the same method.

Heads of Centres/Principals/Chief Executive Officers or their nominees are required to inform learners and centre staff suspected of malpractice of their responsibilities and rights; see Section 6.15 of the *JCQ Suspected Malpractice in Examinations and Assessments Policies and Procedures* document.

Pearson reserves the right in cases of suspected malpractice to withhold the issuing of results and/or certificates while an investigation is in progress. Depending on the outcome of the investigation results and/or certificates may be released or withheld.

You should be aware that Pearson may need to suspend certification when undertaking investigations, audits and quality assurances processes. You will be notified within a reasonable period of time if this occurs.

Sanctions and appeals

Where malpractice is proven we may impose sanctions or penalties.

Where learner malpractice is evidenced, penalties may be imposed such as:

- mark reduction for external assessments
- disqualification from the qualification
- being barred from registration for Pearson qualifications for a period of time.

If we are concerned about your centre's quality procedures we may impose sanctions such as:

- working with you to create an improvement action plan
- requiring staff members to receive further training
- placing temporary blocks on your certificates
- placing temporary blocks on registration of learners
- debarring staff members or the centre from delivering Pearson qualifications
- suspending or withdrawing centre approval status.

The centre will be notified if any of these apply.

Pearson has established procedures for centres that are considering appeals against penalties and sanctions arising from malpractice. Appeals against a decision made by Pearson will normally be accepted only from heads of centres (on behalf of learners and/or members of staff) and from individual members (in respect of a decision taken against them personally). Further information on appeals can be found in our *Enquiries and appeals about Pearson vocational qualifications and end point assessment policy*, which is on our website. In the initial stage of any aspect of malpractice, please notify the Investigations Team by email via pqsmalpractice@pearson.com who will inform you of the next steps.

Certification and results

Once a learner has completed all the required components for a qualification, even if final results for external assessments have not been issued, then the centre can claim certification for the learner, provided that quality assurance has been successfully completed. For the relevant procedures please refer to our *Information Manual*. You can use the information provided on qualification grading to check overall qualification grades.

Results issue

After the external assessment session, learner results will be issued to centres. The result will be in the form of a grade. You should be prepared to discuss performance with learners, making use of the information we provide and post-results services.

Post-assessment services

Once results for external assessments are issued, you may find that the learner has failed to achieve the qualification or to attain an anticipated grade. It is possible to transfer or reopen registration in some circumstances. The *Information Manual* gives further information.

Changes to qualification requests

Where a learner who has taken a qualification wants to resit an externally-assessed unit to improve their qualification grade, you firstly need to decline their overall qualification grade. You may decline the grade before the certificate is issued. For a learner receiving their results in August, you should decline the grade by the end of September if the learner intends to resit an external assessment.

Additional documents to support centre administration

As an approved centre you must ensure that all staff delivering, assessing and administering the qualifications have access to this documentation. These documents are reviewed annually and are reissued if updates are required.

- *Pearson Quality Assurance Handbook*: this sets out how we will carry out quality assurance of standards and how you need to work with us to achieve successful outcomes.
- *Information Manual*: this gives procedures for registering learners for qualifications, transferring registrations, entering for external assessments and claiming certificates.
- *Lead Examiners' Reports*: these are produced after each series for each external assessment and give feedback on the overall performance of learners in response to tasks or questions set.
- *Instructions for the Conduct of External Assessments (ICEA)*: this explains our requirements for the effective administration of external assessments, such as invigilation and submission of materials.
- *Regulatory policies*: our regulatory policies are integral to our approach and explain how we meet internal and regulatory requirements. We review the regulated policies annually to ensure that they remain fit for purpose. Policies related to this qualification include:
 - adjustments for candidates with disabilities and learning difficulties, access arrangements and reasonable adjustments for general and vocational qualifications
 - age of learners
 - centre guidance for dealing with malpractice
 - recognition of prior learning and process.

This list is not exhaustive and a full list of our regulatory policies can be found on our website.

8 Quality assurance

Centre and qualification approval

As part of the approval process, your centre must make sure that the resource requirements listed below are in place before offering the qualification.

- Centres must have appropriate physical resources (for example, equipment, IT, learning materials, teaching rooms) to support the delivery and assessment of the qualification.
- Staff involved in the assessment process must have relevant expertise and/or occupational experience.
- There must be systems in place to ensure continuing professional development for staff delivering the qualification.
- Centres must have in place appropriate health and safety policies relating to the use of equipment by learners.
- Centres must deliver the qualification in accordance with current equality legislation.
- Centres should refer to the teacher guidance section in individual units to check for any specific resources required.

Continuing quality assurance and standards verification

On an annual basis, we produce the *Pearson Quality Assurance Handbook*. It contains detailed guidance on the quality processes required to underpin robust assessment and internal verification.

The key principles of quality assurance are that:

- a centre delivering BTEC programmes must be an approved centre, and must have approval for the programmes or groups of programmes that it is delivering
- the centre agrees, as part of gaining approval, to abide by specific terms and conditions around the effective delivery and quality assurance of assessment; it must abide by these conditions throughout the period of delivery
- Pearson makes available to approved centres a range of materials and opportunities, through online standardisation, intended to exemplify the processes required for effective assessment, and examples of effective standards. Approved centres must use the materials and services to ensure that all staff delivering BTEC qualifications keep up to date with the guidance on assessment
- an approved centre must follow agreed protocols for standardisation of assessors and verifiers, for the planning, monitoring and recording of assessment processes, and for dealing with special circumstances, appeals and malpractice.

The approach of quality-assured assessment is through a partnership between an approved centre and Pearson. We will make sure that each centre follows best practice and employs appropriate technology to support quality-assurance processes, where practicable. We work to support centres and seek to make sure that our quality-assurance processes do not place undue bureaucratic processes on centres. We monitor and support centres in the effective operation of assessment and quality assurance.

The methods we use to do this for BTEC Level 3 include:

- making sure that all centres complete appropriate declarations at the time of approval
- undertaking approval visits to centres
- making sure that centres have effective teams of assessors and verifiers who are trained to undertake assessment
- assessment sampling and verification, through requested samples of assessments, completed assessed learner work and associated documentation
- an overarching review and assessment of a centre's strategy for delivering and quality assuring its BTEC programmes, for example making sure that synoptic units are placed appropriately in the order of delivery of the programme.

Centres that do not fully address and maintain rigorous approaches to delivering, assessing and quality assurance cannot seek certification for individual programmes or for all BTEC Level 3 programmes. An approved centre must make certification claims only when authorised by us and strictly in accordance with requirements for reporting.

Centres that do not comply with remedial action plans may have their approval to deliver qualifications removed.

9 Understanding the qualification grade

Awarding and reporting for the qualification

This section explains the rules that we apply in awarding a qualification and in providing an overall qualification grade for each learner. It shows how all the qualifications in this sector are graded.

The awarding and certification of these qualifications will comply with regulatory requirements.

Eligibility for an award

In order to be awarded a qualification, a learner must complete all units, achieve a near pass (N) or above in all external units and a pass or above in all mandatory units unless otherwise specified. Refer to the structure in *Section 2*.

To achieve any qualification grade, learners must:

- complete and **have an outcome** (D, M, P, N or U) for all units within a valid combination
- achieve the required units at Pass or above shown in *Section 2*, and for the Extended Diploma achieve a minimum 900 GLH at Pass or above (or N or above in external units)
- achieve the **minimum number of points** at a grade threshold.

It is the responsibility of a centre to ensure that a correct unit combination is adhered to.

Learners who do not achieve the required minimum grade (N or P) in units shown in the structure will not achieve a qualification.

Learners who do not achieve sufficient points for a qualification or who do not achieve all the required units may be eligible to achieve a smaller qualification in the same suite provided they have completed and achieved the correct combination of units and met the appropriate qualification grade points threshold.

Calculation of the qualification grade

The final grade awarded for a qualification represents an aggregation of a learner's performance across the qualification. As the qualification grade is an aggregate of the total performance, there is some element of compensation in that a higher performance in some units may be balanced by a lower outcome in others.

In the event that a learner achieves more than the required number of optional units, the mandatory units along with the optional units with the highest grades will be used to calculate the overall result, subject to the eligibility requirements for that particular qualification title.

BTEC Nationals are Level 3 qualifications and are awarded at the grade ranges shown in the table below.

Qualification	Available grade range
Certificate, Extended Certificate, Foundation Diploma	P to D*
Diploma	PP to D*D*
Extended Diploma	PPP to D*D*D*

The *Calculation of qualification grade* table, shown further on in this section, shows the minimum thresholds for calculating these grades. The table will be kept under review over the lifetime of the qualification. The most up to date table will be issued on our website.

Pearson will monitor the qualification standard and reserves the right to make appropriate adjustments.

Learners who do not meet the minimum requirements for a qualification grade to be awarded will be recorded as Unclassified (U) and will not be certificated. They may receive a Notification of Performance for individual units. The *Information Manual* gives full information.

Points available for internal units

The table below shows the number of **points** available for internal units. For each internal unit, points are allocated depending on the grade awarded.

	Unit size	
	60 GLH	90 GLH
U	0	0
Pass	6	9
Merit	10	15
Distinction	16	24

Points available for external units

Raw marks from the external units will be awarded **points** based on performance in the assessment. The table below shows the **minimum number of points** available for each grade in the external units.

	Unit size	
	90 GLH	120 GLH
U	0	0
Near Pass	6	8
Pass	9	12
Merit	15	20
Distinction	24	32

Pearson will automatically calculate the points for each external unit once the external assessment has been marked and grade boundaries have been set. For more details about how we set grade boundaries in the external assessment please go to our website.

Claiming the qualification grade

Subject to eligibility, Pearson will automatically calculate the qualification grade for your learners when the internal unit grades are submitted and the qualification claim is made. Learners will be awarded qualification grades for achieving the sufficient number of points within the ranges shown in the relevant *Calculation of qualification grade* table for the cohort.

Calculation of qualification grade

Applicable for registration from 1 November 2019.

Certificate		Extended Certificate		Foundation Diploma		Diploma		Extended Diploma	
180 GLH		360 GLH		510 GLH		720 GLH		1080 GLH	
Grade	Points threshold	Grade	Points threshold	Grade	Points threshold	Grade	Points threshold	Grade	Points threshold
U	0	U	0	U	0	U	0	U	0
Pass	18	P	36	P	51	PP	72	PPP	108
						MP	88	MPP	124
								MMP	140
Merit	26	M	52	M	73	MM	104	MMM	156
						DM	124	DMM	176
								D	196
Distinction	42	D	74	D	104	DD	144	DDD	216
						D*D	162	D*DD	234
								D*D*D	252
Distinction*	48	D*	90	D*	130	D*D*	180	D*D*D*	270

The table is subject to review over the lifetime of the qualification. The most up-to-date version will be issued on our website.

Examples of grade calculations based on table applicable to registrations from November 2019

Example 1: Achievement of an Extended Diploma with a PPP grade

	GLH	Type (Int/Ext)	Grade	Unit points
Unit 1	90	Int	Pass	9
Unit 2	90	Ext	Pass	9
Unit 3	120	Ext	Near Pass	8
Unit 4	90	Int	Merit	15
Unit 5	90	Int	Pass	9
Unit 6	120	Ext	Pass	12
Unit 7	120	Ext	Merit	20
Unit 8	60	Int	U	0
Unit 9	60	Int	Pass	6
Unit 10	60	Int	Merit	10
Unit 11	60	Int	Pass	6
Unit 12	60	Int	Pass	6
Unit 13	60	Int	Pass	6
Totals	1080		PPP	116

The learner has achieved a Near Pass or higher in Units, 2, 3, 6 and 7 and a Pass or higher in Units 1, 4 and 5

The learner has sufficient points for a PPP grade

Example 2: Achievement of an Extended Diploma with a DDD grade

	GLH	Type (Int/Ext)	Grade	Unit points
Unit 1	90	Int	Merit	15
Unit 2	90	Ext	Pass	9
Unit 3	120	Ext	Distinction	32
Unit 4	90	Int	Merit	15
Unit 5	90	Int	Distinction	24
Unit 6	120	Ext	Distinction	32
Unit 7	120	Ext	Near Pass	8
Unit 8	60	Int	Distinction	16
Unit 9	60	Int	Distinction	16
Unit 10	60	Int	Merit	10
Unit 11	60	Int	Merit	10
Unit 12	60	Int	Distinction	16
Unit 13	60	Int	Distinction	16
Totals	1080		DDD	219

The learner has sufficient points for a DDD grade

Example 3: An Unclassified result for an Extended Diploma

	GLH	Type (Int/Ext)	Grade	Unit points
Unit 1	90	Int	Pass	9
Unit 2	90	Ext	Merit	15
Unit 3	120	Ext	Pass	12
Unit 4	90	Int	Merit	15
Unit 5	90	Int	Pass	9
Unit 6	120	Ext	Merit	20
Unit 7	120	Ext	Distinction	32
Unit 8	60	Int	Merit	10
Unit 9	60	Int	Unclassified	0
Unit 10	60	Int	Merit	10
Unit 11	60	Int	Unclassified	0
Unit 12	60	Int	Unclassified	0
Unit 13	60	Int	Unclassified	0
Totals	1080		U	132

The learner has 240 GLH at U.

The learner has sufficient points for an MPP and has achieved a Near Pass or higher in Units, 2, 3, 6 and 7 and a Pass or higher in Units 1, 4 and 5 but has not met the minimum requirement for 900 GLH at Near Pass or above.

10 Resources and support

Our aim is to give you a wealth of resources and support to enable you to deliver BTEC National qualifications with confidence. On our website you will find a list of resources to support teaching and learning, and professional development.

Support for setting up your course and preparing to teach

Specification

This **specification** (for teaching from September 2016) includes details on the administration of qualifications and information on all the units for the qualification.

Delivery Guide

This free guide gives you important advice on how to choose the right course for your learners and how to ensure you are fully prepared to deliver the course. It explains the key features of BTEC Nationals (for example employer involvement and employability skills). It also covers guidance on assessment (internal and external) and quality assurance. The guide tells you where you can find further support and gives detailed unit-by-unit delivery guidance. It includes teaching tips and ideas, assessment preparation and suggestions for further resources.

Schemes of work

Free sample schemes of work are provided for each mandatory unit. These are available in Word™ format for ease of customisation.

Curriculum models

These show how the BTECs in the suite fit into a 16–19 study programme, depending on their size and purpose. The models also show where other parts of the programme, such as work experience, maths and English, tutorial time and wider study, fit alongside the programme.

Study skills activities

A range of case studies and activities is provided; they are designed to help learners develop the study skills they need to successfully complete their BTEC course. The case studies and activities are provided in Word™ format for easy customisation.

myBTEC

myBTEC is a free, online toolkit that lets you plan and manage your BTEC provision from one place. It supports the delivery, assessment and quality assurance of BTECs in centres and supports teachers with the following activities:

- checking that a programme is using a valid combination of units
- creating and verifying assignment briefs (including access to a bank of authorised assignment briefs that can be customised)
- creating assessment plans and recording assessment decisions
- tracking the progress of every learner throughout their programme.

To find out more about myBTEC, visit the myBTEC page on the support services section of our website. We will add the new BTEC National specifications to myBTEC as soon as possible.

Support for teaching and learning

Pearson Learning Services provides a range of engaging resources to support BTEC Nationals, including:

- textbooks in e-book and print formats
- revision guides and revision workbooks in e-book and print formats
- teaching and assessment packs, including e-learning materials via the Active Learn Digital Service.

Teaching and learning resources are also available from a number of other publishers. Details of Pearson's own resources and of all endorsed resources can be found on our website.

Support for assessment

Sample assessment materials for externally-assessed units

Sample assessments are available for the Pearson-set units. One copy of each of these assessments can be downloaded from the website/available in print. For each suite an additional sample for one of the Pearson-set units is also available, allowing your learners further opportunities for practice.

Further sample assessments will be made available through our website on an ongoing basis.

Sample assessment materials for internally-assessed units

We do not prescribe the assessments for the internally-assessed units. Rather, we allow you to set your own, according to your learners' preferences and to link with your local employment profile.

We do provide a service in the form of Authorised Assignment Briefs, which are approved by Pearson Standards Verifiers. They are available via our website or free on myBTEC.

Sample marked learner work

To support you in understanding the expectation of the standard at each grade, examples of marked learner work at PM/MD grades are linked to the Authorised Assignment Briefs.

Training and support from Pearson

People to talk to

There are many people who are available to support you and provide advice and guidance on delivery of your BTEC Nationals. These include:

- Subject Advisors – available for all sectors. They understand all Pearson qualifications in their sector and so can answer sector-specific queries on planning, teaching, learning and assessment
- Standards Verifiers – they can support you with preparing your assignments, ensuring that your assessment plan is set up correctly, and support you in preparing learner work and providing quality assurance through sampling
- Curriculum Development Managers (CDMs) – they are regionally based and have a full overview of the BTEC qualifications and of the support and resources that Pearson provides. CDMs often run network events
- Customer Services – the 'Support for You' section of our website gives the different ways in which you can contact us for general queries. For specific queries, our service operators can direct you to the relevant person or department.

Training and professional development

Pearson provides a range of training and professional development events to support the introduction, delivery, assessment and administration of BTEC National qualifications. These sector-specific events, developed and delivered by specialists, are available both face to face and online.

'Getting Ready to Teach'

These events are designed to get teachers ready for delivery of the BTEC Nationals. They include an overview of the qualifications' structures, planning and preparation for internal and external assessment, and quality assurance.

Teaching and learning

Beyond the 'Getting Ready to Teach' professional development events, there are opportunities for teachers to attend sector- and role-specific events. These events are designed to connect practice to theory; they provide teacher support and networking opportunities with delivery, learning and assessment methodology.

Details of our training and professional development programme can be found on our website.

Appendix 1 Links to industry standards

BTEC Nationals have been developed in consultation with industry and appropriate sector bodies to ensure that the qualification content and approach to assessment aligns closely to the needs of employers. Where they exist, and are appropriate, National Occupational Standards (NOS) and professional body standards have been used to establish unit content.

Appendix 2 Glossary of terms used for internally-assessed units

This is a summary of the key terms used to define the requirements in the units.

Term	Definition
Analyse	Learners present the outcome of methodical and detailed examination either: <ul style="list-style-type: none"> • breaking down a theme, topic or situation in order to interpret and study the interrelationships between the parts and/or • of information or data to interpret and study key trends and interrelationships. Analysis can be through activity, practice, written or verbal presentation.
Assess	Learners present a careful consideration of varied factors or events that apply to a specific situation or, to identify those which are the most important or relevant and arrive at a conclusion.
Compare	Learners can identify the main factors relating to two or more items/situations or aspects of a subject that is extended to explain the similarities, differences, advantages and disadvantages. This is used to show depth of knowledge through selection of characteristics.
Communicate	Learners are able to convey ideas or information to others
Create/construct	Skills to make or do something, for example a display or set of accounts.
Discuss	Learners consider different aspects of: <ul style="list-style-type: none"> • a theme or topic; • how they interrelate; and • the extent to which they are important. A conclusion is not required.
Demonstrate	Learners show knowledge and understanding.
Develop	Learners grow or progress a plan, ideas, skills and understanding.
Evaluate	Learners' work draws on varied information, themes or concepts to consider aspects, such as: <ul style="list-style-type: none"> • strengths or weaknesses • advantages or disadvantages • alternative actions • relevance or significance. Learners' inquiries should lead to a supported judgement showing relationship to its context. This will often be in a conclusion. Evidence will often be written but could be through presentation or activity.
Explore	Skills and/or knowledge involving practical research or testing.
Examine	Knowledge with application where learners are expected to select and apply to less familiar contexts.
Identify	Learners indicate the main features or purpose of something by recognising it and/or being able to discern and understand facts or qualities.

Term	Definition
Interpret	<ul style="list-style-type: none"> Learners state the meaning, purpose or qualities of something through the use of images, words or other expressions.
Investigate	Learners conduct an inquiry or study into something to discover and examine facts and information.
Justify	Learners give reasons or evidence to: <ul style="list-style-type: none"> support an opinion; or prove something right or reasonable.
Manage	Learners can engage with and influence an activity or process.
Report	Learners can adhere to protocols, codes and conventions where, findings or judgements are set down in an objective way.
Research	Learners proactively seek information from primary and secondary sources.
Review	Learners make a formal assessment of work produced. The assessment allows learners to: <ul style="list-style-type: none"> appraise existing information or prior events reconsider information with the intention of making changes, if necessary.
Stage and manage	Organisation and management skills, for example running an event or a business pitch.
Undertake/carry out	Learners use a range of skills to perform a task, research or activity.

This is a key summary of the types of evidence used for BTEC Nationals.

Type of evidence	Definition and purpose
Case study	A specific example to which all learners must select and apply knowledge.
Project	A large-scale activity requiring self-direction of selection of outcome, planning, research, exploration, outcome and review.
Independent research	An analysis of substantive research organised by learners from secondary and if applicable primary sources.
Written task or report	Individual completion of a task in a work-related format, for example a report, marketing communication, set of instructions, giving information.
Simulated activity/role play	A multi-faceted activity mimicking realistic work situations.
Group task	Learners work together to show skills in defining and structuring activity as a group.
Presentation	Oral or through demonstration.
Production of plan/business plan	Learners produce a plan as an outcome related to a given or limited task.
Reflective journal	Completion of a journal from work experience detailing skills acquired for employability.
Poster/leaflet	Documents providing well-presented information for a given purpose.
Skills audit	An audit of relevant skills for a task/activity or job role.
SWOT analysis	Strengths, Weaknesses, Opportunities and Threats – an analysis using terms on a particular topic or skill.

Pearson BTEC Level 3 Nationals in Business

Certificate in Business

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