



SEVERN
BUSINESS
COLLEGE

Pearson BTEC Level 4 Higher National
Certificate in Business

Course Handbook



Qualification Title

Pearson BTEC Level 4 Higher National Certificate in Business

Qualification Number

601/8364/0

Level

4

TQT

1200

Credit Value

120

Pearson BTEC Level 4 Higher National Certificate in Business

The Pearson BTEC Level 4 HNC in Business provides a specialist work-related programme of study that covers the key knowledge, understanding and practical skills required in the business sector and also offers particular specialist emphasis through specialist units.

Progression Opportunities

Learners studying the Pearson BTEC Level 4 HNC in Business will be able to progress onto the 2nd year of BTEC Level 5 HND in Business, which allows more specialisation; this then allows progression to degree top-up in business subjects.

Structure of the Pearson BTEC Level 4 Higher National Certificate in Business

Unit number	Units	Unit level	Unit credit
1	Business and the Business Environment	4	15
2	Marketing Essentials	4	15
3	Human Resource Management	4	15
4	Management and Operations	4	15
5	Management Accounting	4	15
6	Managing a Successful Business Project	4	15
7	Business Law	4	15
10	Financial Accounting	4	15

Timetable

Course start date is as on acceptance letter

Term 1 (3 months): Business and the Business Environment + Marketing Essentials

Term 2 (3 months): Human Resource Management + Management and Operations

Term 3 (3 months): Management Accounting + Managing a Successful Business Project

Term 4 (3 months): Business Law + Financial Accounting

Assessment

Assessment is through practical assignments with no exams - to more accurately reflect the real working environment.

Students need to submit 2 assignments every 3 months.

Unit Grading

In order to achieve a pass in a unit	• A pass grade is achieved by meeting all the requirements defined in the assessment criteria for pass (all P).
In order to achieve a merit in a unit	• A merit grade is achieved by meeting all the requirements defined in the assessment criteria for merit (all M) as well as meeting all the requirements of pass grade (all P) .
In order to achieve a distinction in a unit	• A distinction grade is achieved by meeting all the requirements defined in the assessment criteria for distinction (all D) as well as meeting all the requirements of pass grade (all P) and merit grade (all M) .
No grade	• plagiarism

UNIT SPECIFICATIONS

Unit Number

1

Unit

Business and the Business Environment

Level

4

TQT

150

Credit Value

15

Introduction

The aim of this unit is to provide students with background knowledge and understanding of business, the functions of an organisation and the wider business environments in which organisations operate. Students will examine the different types of organisations (including for profit and not for profit), their size and scope (for instance, micro, SME, transnational and global) and how they operate.

Students will explore the relationships that organisations have with their various stakeholders and how the wider external environments influence and shape business decision-making.

The knowledge, understanding and skill sets gained in this unit will help students to choose their own preferred areas of specialism in future studies and in their professional career.

Learning Outcomes

LO1 Explain the different types, size and scope of organisations.

LO2 Demonstrate the interrelationship of the various functions within an organisation and how they link to organisational structure.

LO3 Use contemporary examples to demonstrate both the positive and negative influence/impact the macro environment has on business operations.

LO4 Determine the internal strengths and weaknesses of specific businesses and explain their interrelationship with external macro factors.

Assessment

Learning Outcomes	Essential Content	Assessment Criteria
LO1 Explain the different types, size and scope of organisations.	<p><i>Different types of organisations:</i> Differences between for profit and not for profit and non-government organisations (NGOs). Micro, small, medium-sized enterprises (SMEs). Different business purposes, objectives and supply of goods and services. The range of legal structures associated with different forms of business: sole traders, partnerships and private limited companies.</p> <p><i>Size and scope of organisations:</i> Differences between large, medium-sized and small organisations including objectives and goals, market share, profit share, growth and sustainability. Global growth and developments of transnational, international and global organisations. Differences between franchising, joint ventures and licensing. Industrial structures and competitive analysis. Market forces and economic operations e.g. scarcity and choice, supply and demand, income elasticity. Stakeholders and responsibilities of organisations to meet different stakeholder interests and expectations.</p>	<p>P1 Explain different types and purposes of organisations; public, private and voluntary sectors and legal structures.</p> <p>P2 Explain the size and scope of a range of different types of organisations.</p> <p>M1 Analyse how the structure, size and scope of different organisations link to the business objectives and product and services offered by the organisation.</p> <p>D1 Provide a critical analysis of the complexities of different types of business structures and the interrelationships of the different organisational functions.</p>
LO2 Demonstrate the interrelationship of the various functions within an organisation and how they link to organisational structure.	<p><i>The various functions within an organisation:</i> The role of marketing, finance, human resource management and operations within an organisational context and the interrelationships. How functions relate to overall organisation mission and objectives.</p> <p><i>Organisational structure:</i> Different structures depending upon the size and scope of the organisation, including bureaucratic and post-bureaucratic, parent, strategic business units (SBUs), matrix</p>	<p>P3 Explain the relationship between different organisational functions and how they link to organisational objectives and structure.</p> <p>M2 Analyse the advantages and disadvantages of interrelationships between organisational functions and the impact that can have upon organisational structure.</p> <p>D1 Provide a critical analysis of the</p>

	and functional levels. Organisation structures and complexities of transnational, international and global organisations.	complexities of different types of business structures and the interrelationships of the different organisational functions.
LO3 Use contemporary examples to demonstrate both the positive and negative influence/impact the macro environment has on business operations.	<i>The context of the macro environment:</i> The application of the PESTLE framework and how organisations need to monitor and forecast external influences. How the macro environment influences/impacts upon business activities: the impact of the digital revolution on production and consumption; the impact of social technologies; cyberspace security; emerging BRICS markets, the global shift in economic and social power and ethical and sustainable growth. How organisations go through the transformation process and overcome resistance to change in response to the changing market environment.	P4 Identify the positive and negative impacts the macro environment has upon business operations, supported by specific examples. M3 Apply appropriately the PESTLE model to support a detailed analysis of the macro environment within an organisation. D2 Critically evaluate the impacts that both macro and micro factors have upon business objectives and decision-making.
LO4 Determine the internal strengths and weaknesses of specific businesses and explain their interrelationship with external macro factors.	<i>Frameworks for analysis:</i> Introduction to SWOT and/or TOWS analysis and how they can assist in the decision-making process within organisations. Key external macro factors including the competitive environment and government intervention that influence organisations and business.	P5 Conduct internal and external analysis of specific organisations in order to identify strengths and weaknesses. P6 Explain how strengths and weaknesses interrelate with external macro factors. M4 Apply appropriately SWOT/TOWS analysis and justify how they influence decision-making. D2 Critically evaluate the impacts that both macro and micro factors have upon business objectives and decision-making.

Recommended Resources

BARON, P. (2012) *Business and its Environment*. 7th Ed. London: Prentice Hall.

PALMER, A. and HARTLEY, B. (2011) *The Business Environment*. 7th Ed. Maidenhead: McGraw-Hill.

WEATHERLEY, P. (Editor) and OTTER, D. (Editor) (2014) *The Business Environment: Themes and Issues in a Globalised World*. 3rd Ed. Oxford: Oxford University Press.

WORTHINGTON, I. and BRITTON, C. (2014) *The Business Environment*. 7th Ed. Harlow Pearson.

Links

This unit links to the following related units:

Unit 2: Marketing Essentials

Unit 12: Organisational Behaviour

Unit 18: Global Business Environment

Unit 25: Principles of Operations Management

Unit 32: Business Strategy

Unit 34: Business Systems

UNIT SPECIFICATIONS

Unit Number

2

Unit

Marketing Essentials

Level

4

TQT

150

Introduction

This unit is designed to introduce students to the principles of marketing, enabling them to develop a basic marketing plan and to employ elements of the marketing mix to achieve results. While they will learn the underpinning theories and frameworks, they will also be able to relate these to real-world examples, including products/services that they encounter in their own daily lives. Organisations such as Apple, Google, VISA, Burberry, Zara, Cadbury, Nestle, Unilever, Coca-Cola, Unicef, BP and small local businesses all have at least one thing in common: they all use marketing to influence us to engage with their products and/or services. Whether it is becoming a loyal customer buying a product and service or donating to a charity, organisations use a range of marketing techniques and tools to inform and influence us.

The knowledge, understanding and skill sets that students will gain on successfully completing this unit will enhance their career opportunities; whether setting up their own business or being employed by an organisation.

Learning Outcomes

LO1 Explain the role of marketing and how it interrelates with other functional units of an organisation.

LO2 Compare ways in which organisations use elements of the marketing mix (7Ps) to achieve overall business objectives.

LO3 Develop and evaluate a basic marketing plan.

Assessment

Learning Outcomes	Essential Content	Assessment Criteria
<p>LO1 Explain the role of marketing and how it interrelates with other functional units of an organisation.</p>	<p><i>Definitions and the marketing concept:</i> Definitions of marketing and the nature of marketing. The development of the marketing concept, including current and future trends. How the external environment influences and impacts upon marketing activity. <i>The role of marketing:</i> The structure and operations of marketing departments. Overview of marketing processes that include analysis, strategic planning and the marketing mix. The different roles of marketing within both a B2C and B2B context. <i>The interrelationships of functional units:</i> Marketing as a business function. The different roles of business units and the interrelationships between these functional units and marketing.</p>	<p>P1 Explain the key roles and responsibilities of the marketing function. P2 Explain how roles and responsibilities of marketing relate to the wider organisational context. M1 Analyse the roles and responsibilities of marketing in the context of the marketing environment. M2 Analyse the significance of interrelationships between marketing and other functional units of an organisation. D1 Critically analyse and evaluate the key elements of the marketing function and how they interrelate with other functional units of an organisation.</p>
<p>LO2 Compare ways in which organisations use elements of the marketing mix (7Ps) to achieve overall business objectives.</p>	<p><i>The 7Ps marketing mix:</i> Product: Differences between products and services, importance of brands, product development and product lifestyle. Price: Pricing context, pricing strategies and tactics. Place: Channel management, supply chain management and logistics. Promotion: Integrated communication mix and promotional tools. People: The different roles of ‘people’ in marketing, including customer interfacing and support personnel. The different skills, attitudes and behaviour of people delivering the product or service to customers. Physical evidence: The tangible aspects of service delivery – visual, aural and olfactory elements. Process: Systems and processes involved in delivering a consistent service. Different types of processes used to expedite the marketing function. <i>Achieving overall business objectives:</i> The shift from the 4Ps to the 7Ps and the significance of the extended marketing mix. An overview of the marketing planning process (Analysis, Planning, Implementation and Control) and marketing</p>	<p>P3 Compare the ways in which different organisations apply the marketing mix to the marketing planning process to achieve business objectives. M3 Evaluate different tactics applied by organisations to demonstrate how business objectives can be achieved. D2 Design a strategic marketing plan that tactically applies the use of the 7Ps to achieve overall marketing objectives.</p>

	strategy.	
LO3 Develop and evaluate a basic marketing plan.	<p><i>Marketing planning:</i> The importance and value of marketing plans. The links between marketing plans, marketing objectives and marketing strategies. Evaluating and monitoring marketing plans using appropriate control and evaluation techniques such as sales analysis, market-share analysis, efficiency ratios and cost-profitability analysis.</p> <p><i>Structure and development of marketing plans:</i> Market segmentation and target market selection. Setting goals and objectives, situational analysis tools and techniques, creating a marketing strategy and allocation of resources and monitoring and control measures.</p>	<p>P4 Produce and evaluate a basic marketing plan for an organisation. M4 Produce a detailed, coherent evidence-based marketing plan for an organisation. D2 Design a strategic marketing plan that tactically applies the use of the 7Ps to achieve overall marketing objectives.</p>

Recommended Resources

BRASSINGTON, F. and PETTITT, S. (2012) *Essentials of Marketing*. 3rd Ed. Harlow: Pearson.
 GROUCUTT, J. and HOPKINS, C. (2015) *Marketing* (Business Briefings). London: Palgrave Macmillan.
 JOBBER, D. and CHADWICK, F. (2012) *Principles and Practice of Marketing*. 7th Ed. Maidenhead: McGraw-Hill.
 KOTLER, P. and ARMSTRONG, G. (2013) *Principles of Marketing*. London: Prentice Hall.
 MCDONALD, M. and WILSON, H. (2011) *Marketing Plans: How to Prepare Them, How to Use Them*. 7th Ed. Chichester: John Riley and Sons.

Journals

Journal of Marketing
Harvard Business Review

Websites

American Marketing Association www.ama.org
 Chartered Institute of Marketing (UK) www.cim.co.uk

Links

This unit links to the following related units:
Unit 1: Business and the Business Environment
Unit 22: Product and Service Development
Unit 23: Integrated Marketing Communications
Unit 37: Consumer Behaviour and Insight
Unit 40: International Marketing

UNIT SPECIFICATIONS

Unit Number

3

Unit

Human Resource Management

Level

4

TQT

150

Credit Value

15

Introduction

The aim of this unit is to enable students to appreciate and apply principles of effective Human Resource Management (HRM). People are the lifeblood of any organisation and being able to attract, recruit and retain talented staff is at the core of all HRM activity. This unit will explore the tools and techniques used in HRM to maximise the employee contribution and how to use HR methods to gain competitive advantage. Students will explore the importance of training and development in building and extending the skills base of the organisation and ensuring it is relevant to the ever-changing business environment. Students will

also consider the growing importance of becoming a flexible organisation with an equally flexible labour force, and become familiar with techniques of job design and with different reward systems.

The unit investigates the importance of good employee relations and the ways in which employers engage with their staff and possibly with trade unions. Students will gain an understanding of the law governing HRM processes as well as the best practices which enable an employer to become an 'employer of choice' in their labour market.

Learning Outcomes

LO1 Explain the purpose and scope of Human Resource Management in terms of resourcing an organisation with talent and skills appropriate to fulfil business objectives.

LO2 Evaluate the effectiveness of the key elements of Human Resource Management in an organisation.

LO3 Analyse internal and external factors that affect Human Resource Management decision-making, including employment legislation.

LO4 Understand Apply Human Resource Management practices in a work-related context.

Assessment

Learning Outcomes	Essential Content	Assessment Criteria
LO1 Explain the purpose and scope of Human Resource Management in terms of resourcing an organisation with talent and skills appropriate to fulfil business objectives.	<p><i>The nature and scope of HRM:</i> Definitions of HRM. What are the main functions and activities of HRM. The 'Best Fit' approach vs 'Best Practice'. The hard and soft models of HRM. Workforce planning. Types of labour market, labour market trends and PESTLE. The internal labour market. Analysing turnover, stability and retention. The impact of legal and regulatory frameworks. The impact that advances in technology have had upon improving the efficiency of HR practices.</p> <p><i>Recruitment:</i> Sources of recruitment: internal vs external recruitment. Job analysis, job descriptions, personal specifications and competency frameworks.</p> <p><i>Selection:</i> Main methods of selection: strengths and weaknesses of each. Reliability and validity as key criteria.</p> <p><i>On-boarding and induction:</i> The issues affecting successful induction and socialisation of employees.</p>	<p>P1 Explain the purpose and the functions of HRM, applicable to workforce planning and resourcing an organisation.</p> <p>P2 Explain the strengths and weaknesses of different approaches to recruitment and selection.</p> <p>M1 Assess how the functions of HRM can provide talent and skills appropriate to fulfil business objectives</p> <p>M2 Evaluate the strengths and weaknesses of different approaches to recruitment and selection.</p> <p>D1 Critically evaluate the strengths and weaknesses of different approaches to recruitment and selection, supported by specific examples.</p>
LO2 Evaluate the effectiveness of the key elements of Human Resource Management in an organisation.	<p><i>Learning, development and training:</i> Differentiating development and training. Identifying training needs – the training gap. Types of training. Evaluation of training.</p> <p><i>Job and workplace design:</i> Reward management: extrinsic and intrinsic rewards from work. The link between motivational theory and reward. Series of job design-job extension techniques.</p> <p><i>The flexible organisation:</i> Types of flexibility: numerical, structural and functional flexibility. Models of flexible organisations (e.g. Handy, Atkinson). Flexible working options in modern organisations. Benefits to employers and benefits to employees of flexible working practices.</p> <p><i>Performance and reward:</i> Performance management and methods used to monitor employee performance. Types of payment and reward system. Methods of a determination.</p>	<p>P3 Explain the benefits of different HRM practices within an organisation for both the employer and employee.</p> <p>P4 Evaluate the effectiveness of different HRM practices in terms of raising organisational profit and productivity.</p> <p>M3 Assess different methods used in HRM practices, providing specific examples to support evaluation within an organisational context.</p> <p>D2 Critically evaluate HRM practices and application within an organisational context, using a range of specific examples.</p>
LO3 Analyse internal and external factors that affect Human Resource	<p><i>Employee relations:</i> Maintaining good employee relations. Strategies for building and improving employee relations</p>	<p>P5 Analyse the importance of employee relations in respect to influencing HRM decision-making.</p>

Management decision-making, including employment legislation.	and engagement. <i>Employee relations and the law:</i> The purpose of employment law. Key legal issues and constraints (e.g. equality, data protection, health and safety, redundancy, dismissal, employment contracts). Ethical and social responsibilities. <i>Trade unions and workplace representation:</i> The role of trade unions – local/national. Collective agreements. Discipline, grievances and redundancy – best practice.	P6 Identify the key elements of employment legislation and the impact it has upon HRM decision-making. M4 Evaluate the key aspects of employee relations management and employment legislation that affect HRM decision-making in an organisational context. D3 Critically evaluate employee relations and the application of HRM practices that inform and influence decision-making in an organisational context.
LO4 Apply Human Resource Management practices in a work-related context.	<i>Job and person specifications:</i> Preparing job specifications and person specifications applicable to the recruitment context and needs of the organisations, taking into account legislation and company policies. <i>Recruitment and selection in practice:</i> The impact of technology on improving the recruitment and selection process; the use of online resources, digital platforms and social networking. Designing and placing job advertisements. Shortlisting and processing applications. Interviewing preparation and best practice. Selection best practice.	P7 Illustrate the application of HRM practices in a work-related context, using specific examples. M5 Provide a rationale for the application of specific HRM practices in a work-related context. D3 Critically evaluate employee relations and the application of HRM practices that inform and influence decision-making in an organisational context.

Recommended Resources

ARMSTRONG, M. and TAYLOR, S. (2014) *Armstrong's Handbook of Human Resource Management Practice*. 13th Ed. London: Kogan Page.

BACH, S. and EDWARDS, M. (2013) *Managing Human Resources*. Oxford: Wiley.

BRATTON, J. and GOLD, J. (2012) *Human Resource Management: Theory and Practice*. 5th Ed. Basingstoke: Palgrave.

TORRINGTON, D, et al. (2011) *Human Resource Management*. 8th Ed. London: Prentice Hall.

CIPD (Chartered Institute of Personnel and Development) available at www.cipd.co.uk.

Links

This unit links to the following related units:

Unit 7: Business Law

Unit 12: Organisational Behaviour

Unit 19: Resource and Talent Planning

Unit 20: Employee Relations

Unit 21: Strategic Human Resource Management

Unit 29: Managing and Running a Small Business

UNIT SPECIFICATIONS

Unit Number

4

Unit

Management and Operations

Level

4

TQT

150

Credit Value

15

Introduction

The aim of this unit is to help students understand the difference between the function of a manager and the role of a leader. Students will consider the characteristics, behaviours and traits which support effective management and leadership. In addition, this unit will introduce the concept of operations as both a function and a process which all organisations must adopt to conduct business. Students will be introduced to contemporary and historical theories and concepts which will support their learning for this unit.

On successful completion of this unit students will have developed sufficient knowledge and understanding of how management and operations make a positive, efficient and effective contribution to an organisation at a junior level. This could be in the role of a team leader or managing a specific aspect of an operation function and/or process.

Underpinning all aspects of the content for this unit you will consider topics under two broad headings: management and operations.

Learning Outcomes

LO1 Differentiate between the role of a leader and the function of a manager.

LO2 Apply the role of a leader and the function of a manager in given contexts.

LO3 Demonstrate an appreciation of the role leaders and managers play in the operations function of an organisation.

LO4 Demonstrate an understanding of the relationship between leadership and management in a contemporary business environment.

Assessment

Learning Outcomes	Essential Content	Assessment Criteria
LO1 Differentiate between the role of a leader and the function of a manager.	<p><i>Management theory:</i> Contemporary and seminal theories of management such as management by objectives, classical management theories, behavioural theory and contingency theory.</p> <p><i>Leadership vs management:</i> The definitions and differences of both a leader and a manager. Management functions such as planning, organising, controlling and directing. Theories of leadership traits, style and contingency. Transformational and Transactional Leadership. Action Centred Leadership. 'Hard' management skills and 'soft' leadership skills.</p>	<p>P1 Define and compare the different roles and characteristics of a leader and a manager.</p> <p>M1 Analyse and differentiate between the role of a leader and function of a manager by effectively applying a range of theories and concepts.</p> <p>D1 Critically analyse and evaluate the different theories and approaches to leadership in given contexts.</p>
LO2 Apply the role of a leader and the function of a manager in given contexts.	<p><i>How situations affect the role of a leader and function of a manager:</i> Situational leadership, systems leadership, task or relationship-orientated approaches. The application of chaos theory and management by objectives.</p>	<p>P2 Examine examples of how the role of a leader and the function of a manager apply in different situational contexts.</p> <p>P3 Apply different theories and models of approach, including situational leadership, systems leadership and contingency.</p> <p>M2 Examine strengths and weaknesses to appraise different approaches to situations within the work environment.</p> <p>D1 Critically analyse and evaluate the different theories and approaches to leadership in given contexts.</p>
LO3 Demonstrate an appreciation of the role leaders and managers play in the operations function of an organisation.	<p><i>Theories of operations and operations management:</i> Six sigma, lean production and queuing theory.</p> <p><i>Different operations management approaches:</i> The use of different management approaches: Principles of Total Quality Management (TQM), Just-in-Time Inventory and the concept of continuous improvement (Kaizen)</p> <p><i>Operational functions:</i> Control and Distribution Systems. Transformation of raw material into finished goods/services. Process design. Capacity management. Logistics and inventory management. Scheduling.</p>	<p>P4 Explain the key approaches to operations management and the role that leaders and managers play.</p> <p>P5 Explain the importance and value of operations management in achieving business objectives.</p> <p>M3 Evaluate how leaders and managers can improve efficiencies of operational management to successfully meet business objectives.</p> <p>D2 Critically evaluate application of operations management and factors that impact on the wider business</p>

<p>LO4 Demonstrate an understanding of the relationship between leadership and management in a contemporary business environment.</p>	<p><i>Different dimensions of contemporary business environment:</i> The relationship that leadership and management have in the context of corporate social responsibility; culture, values, ethics and sustainability. The relationship with stakeholders and meeting stakeholder expectations in the context of encouraging, developing and sustaining entrepreneurship and intrapreneurship.</p>	<p>environment.</p> <p>P6 Assess the factors within the business environment that impact upon operational management and decision-making by leaders and managers.</p> <p>M4 Analyse how these different factors affect the business environment and wider community.</p> <p>D2 Critically evaluate application of operations management and factors that impact on the wider business environment.</p>
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Recommended Resources

HILL, A and HILL, T. (2011) *Essential Operations Management*. London: Palgrave.
 PETTINGER, R. (2007) *Introduction to Management*. 4th Ed. London: Palgrave Macmillan.
 SLACK, N., BRANDON-JONES, A. and JOHNSTON, R. (2013) *Operations Management*. 7th Ed. Harlow: Pearson.
 SCHEDLITZKI, D. and EDWARDS, G. (2014) *Studying Leadership: Traditional and Critical Approaches*. London: SAGE.

Links

This unit links to the following related units:

Unit 12: Organisational Behaviour

Unit 17: Understanding and Leading Change

Unit 25: Principles of Operations Management

Unit 33: Business Information Technology Systems

Unit 34: Business Systems

UNIT SPECIFICATIONS

Unit Number

5

Unit

Management Accounting

Level

4

TQT

150

Credit Value

15

Introduction

The overall aim of this unit is to introduce the fundamentals of management accounting which apply to the wider business environment and the organisations which operate within that environment. Students will explore how management accounting uses financial data to aid planning decisions, and the monitoring and control of finance within organisations.

On successful completion of this unit students will be in a position to present financial statements in a workplace context and be able to assist senior colleagues with financial business planning. In addition, students will have the fundamental knowledge and skills to progress onto a higher level of study.

Learning Outcomes

LO1 Demonstrate an understanding of management accounting systems.

LO2 Apply a range of management accounting techniques.

LO3 Explain the use of planning tools used in management accounting.

LO4 Compare ways in which organisations could use management accounting to respond to financial problems.

Assessment

Learning Outcomes	Essential Content	Assessment Criteria
LO1 Demonstrate an	<i>Introduction to management accounting:</i>	P1 Explain management accounting

<p>understanding of management accounting systems.</p>	<p>What is management accounting? Definition of management accounting. What is a management accounting system? Why is it important to integrate these within an organisation? Explore the origin, role and principles of management accounting. The distinction between management and financial accounting. <i>Different types of management accounting systems:</i> Cost-accounting systems, inventory management systems, job-costing systems and price-optimising systems. Benefits of different types of systems. <i>Presenting financial information:</i> Why information should be relevant to the user, reliable, up to date and accurate. Why the way in which the information is presented must be understandable. Different types of managerial accounting reports.</p>	<p>and give the essential requirements of different types of management accounting systems. P2 Explain different methods used for management accounting reporting. M1 Evaluate the benefits of management accounting systems and their application within an organisational context. D1 Critically evaluate how management accounting systems and management accounting reporting is integrated within organisational processes.</p>
<p>LO2 Apply a range of management accounting techniques.</p>	<p><i>Microeconomic techniques:</i> What is meant by cost? Different costs and cost analysis. Cost-volume profit, flexible budgeting and cost variances. Applying absorption and marginal costing. <i>Product costings:</i> Fixed and variable costs, cost allocation. Normal and standard costing, activity-based costing and the role of costing in setting price. <i>Cost of inventory:</i> Definition and meaning of inventory costs and different types of inventory costs. The benefits of reducing inventory costs to an organisation. Valuation methods. Cost variances. Overhead costs.</p>	<p>P3 Calculate costs using appropriate techniques of cost analysis to prepare an income statement using marginal and absorption costs. M2 Accurately apply a range of management accounting techniques and produce appropriate financial reporting documents. D2 Produce financial reports that accurately apply and interpret data for a range of business activities.</p>
<p>LO3 Explain the use of planning tools used in management accounting.</p>	<p><i>Using budgets for planning and control:</i> Preparing a budget. Different types of budgets (e.g. capital and operating). Alternative methods of budgeting. Behavioural implications of budgets. <i>Pricing:</i> Pricing strategies. How do competitors determine their prices? Supply and demand considerations. <i>Common costing systems:</i> Actual costing, normal costing and standard costing systems. How cost systems differ depending on the costing activity: job costing, process costing, batch costing and contract costing. <i>Strategic planning:</i> Applying PEST, SWOT, balance scorecard or Porter's Five Forces analysis to the financial position of an organisation.</p>	<p>P4 Explain the advantages and disadvantages of different types of planning tools used for budgetary control. M3 Analyse the use of different planning tools and their application for preparing budgets and forecasts. D3 Evaluate how planning tools for accounting respond appropriately to solving financial problems to lead organisations to sustainable success.</p>
<p>LO4 Compare ways in which organisations could use management accounting to respond to financial problems.</p>	<p><i>Identifying financial problems:</i> Using benchmarks, key performance indicators (financial and non-financial) and budgetary targets to identify variances and problems. <i>Financial governance:</i> Definitions of financial governance, and how this can be used to pre-empt or prevent financial problems. Using financial governance to monitor strategy. <i>Management accounting skill sets:</i> What are the characteristics of an effective management</p>	<p>P5 Compare how organisations are adapting management accounting systems to respond to financial problems. M4 Analyse how, in responding to financial problems, management accounting can lead organisations to sustainable success. D3 Evaluate how planning tools for accounting respond appropriately to</p>

	<p>accountant? How can these skills be used to prevent and/or deal with problems? <i>Effective strategies and systems:</i> The development of strategies and systems which require effective and timely reporting, full disclosure of financial positions and are responsibly owned and governed.</p>	<p>solving financial problems to lead organisations to sustainable success.</p>
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Recommended Resources

DRURY, C. (2015) *Management and Cost Accounting*. 9th Ed. Cengage Learning.
EDMONDS, T. and OLDS, P. (2013) *Fundamental Managerial Accounting Concepts*. 7th Ed. Maidenhead: McGraw-Hill.
HORNGREN, C., SUNDEN, G., STRATTON, W., BURGSTALLER, D. and SCHATZBERG, J. (2013) *Introduction to Management Accounting*. Global Ed. Harlow: Pearson. (This text is available electronically and is supported by access to an online course)
SEAL, W. et al (2014) *Management Accounting*. 5th Ed. Maidenhead: McGraw-Hill.

Links

This unit links to the following related units:

Unit 10: Financial Accounting

Unit 13: Financial Reporting

Unit 14: Advanced Management Accounting

Unit 15: Financial Management

Unit 29: Managing and Running a Small Business

UNIT SPECIFICATIONS

Unit Number

6

Unit

Managing a Successful Business Project

Level

4

TQT

150

Credit Value

15

Introduction

This unit is assessed by a Pearson-set assignment. The project brief will be set by the centre, based on a theme provided by Pearson (this will change annually). The theme and chosen project within the theme will enable students to explore and examine a relevant and current topical aspect of business in the context of the business environment.

The aim of this unit is to offer students an opportunity to demonstrate the skills required for managing and implementing a project. They will undertake independent research and investigation for carrying out and executing a business project which meets appropriate business aims and objectives.

On successful completion of this unit students will have the confidence to engage in decision-making, problem-solving and research activities using project management skills. They will have the fundamental knowledge and skills to enable them to investigate and examine relevant business concepts within a work-related context, determine appropriate outcomes, decisions or solutions and present evidence to various stakeholders in an acceptable and understandable format.

Learning Outcomes

LO1 Establish project aims, objectives and timeframes based on the chosen theme.

LO2 Conduct small-scale research, information gathering and data collection to generate knowledge to support the project.

LO3 Present the project and communicate appropriate recommendations based on meaningful conclusions drawn from the evidence findings and/or analysis.

LO4 Reflect on the value gained from conducting the project and its usefulness to support sustainable organisational performance.

Assessment

Learning Outcomes	Essential Content	Assessment Criteria
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<p>LO1 Establish project aims, objectives and timeframes based on the chosen theme.</p>	<p><i>Project management:</i> What is project management and what does it involve? The key stages of project management. The advantages of using project management and why it is important. <i>Initiation of the project and project planning phase:</i> Scoping a project – defining objectives, scope, purpose and deliverables to be produced. Steps and documentation required in the initiation phase. Developing the project plan, including planning for timescales and time management, cost, quality, change, risk and issues. The work breakdown structure. Use of Bar and Gantt Charts for effective planning.</p>	<p>P1 Devise project aims and objectives for a chosen scenario. P2 Produce a project management plan that covers aspects of cost, scope, time, quality, communication, risk and resources. P3 Produce a work breakdown structure and a Gantt Chart to provide timeframes and stages for completion. M1 Produce a comprehensive project management plan, milestone schedule and project schedule for monitoring and completing the aims and objectives of the project. D1 Critically evaluate the project management process and methods applied for gathering information and data collection.</p>
<p>LO2 Conduct small-scale research, information gathering and data collection to generate knowledge to support the project.</p>	<p><i>Project execution phase:</i> Selecting appropriate methods of information gathering, data collection and material resourcing. The distinct phases which support a coherent and logical argument. Use of secondary research to inform a primary empirical study. Qualitative and quantitative research methods. <i>Field work:</i> Selecting a sample of the consumer market, businesses or individuals (those who meet certain characteristics relevant to the research theme) is used to gather data (qualitative or quantitative). Sampling approaches and techniques, including probability and non-probability sampling. <i>Ethics, reliability and validity:</i> All research should be conducted ethically – how is this achieved and reported? Research should also be reliable (similar results achieved from a similar sample) and valid (the research should measure what it aimed to measure). <i>Analysing information and data:</i> Using data collection tools such as interviews and questionnaires. Using analytical techniques such as trend analysis, coding or typologies.</p>	<p>P4 Carry out small-scale research applying primary and secondary methods appropriate for meeting project aims and objectives. M2 Evaluate the accuracy and reliability of primary and secondary methods applied. D1 Critically evaluate the project management process and methods applied for gathering information and data collection.</p>
<p>LO3 Present the project and communicate appropriate recommendations based on meaningful conclusions drawn from the evidence findings and/or analysis.</p>	<p><i>Communicating outcomes:</i> Consider the method (e.g. written, verbal) and the medium (e.g. report, online, presentation). Both method and medium will be influenced by the project research and its intended audience. <i>Convincing arguments:</i> All findings/outcomes should be convincing and presented logically where the assumption is that the audience has little or no knowledge of the project process. Developing evaluative conclusions. <i>Critical and objective analysis and evaluation:</i> Secondary and primary data should be critiqued and considered with an objective mindset. Objectivity results in more robust evaluations where an analysis justifies a judgement.</p>	<p>P5 Present findings and data using appropriate tools and techniques. P6 Communicate appropriate recommendations as a result of research and data analysis to draw valid and meaningful conclusions. M3 Evaluate the selection of appropriate tools and techniques for accuracy and authenticity to support and justify recommendations. D2 Critically evaluate and reflect on the project outcomes, the decision-making process and changes or developments of the initial project management plan to support justification of recommendations and learning during the project.</p>

<p>LO4 Reflect on the value gained from conducting the project and its usefulness to support sustainable organisational performance.</p>	<p><i>Reflection for learning and practice:</i> The difference between reflecting on performance and evaluating a project – the former considers the research process, information gathering and data collection, the latter the quality of the research argument and use of evidence.</p> <p><i>The cycle of reflection:</i> To include reflection in action and reflection on action. How to use reflection to inform future behaviour, particularly directed towards sustainable performance.</p> <p><i>Reflective writing:</i> Avoiding generalisation and focusing on personal development and the research journey in a critical and objective way.</p> <p><i>Generalisation:</i> Many studies result in generalised findings. Research which has its basis in a specific field such as Human Resource Management (HRM) and in a specific context should avoid generalised conclusions. Outcomes should be specific and actionable.</p>	<p>P7 Reflect on the value of undertaking the project to meet stated objectives and own learning and performance.</p> <p>M4 Evaluate the value of the project management process and to meet stated objectives and support own learning and performance.</p> <p>D2 Critically evaluate and reflect on the project outcomes, the decision-making process and changes or developments of the initial project management plan to support justification of recommendations and learning during the project.</p>
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Additional Evidence Requirements

In addition to the above assessment criteria students will also be required to complete a project logbook to record ideas, changes and developments as they progress and complete the project.

Recommended Resources

COSTLEY, C., ELLIOT, G. and GIBBS, P. (2010) *Doing Work Based Research: Approaches to Enquiry for Insider-researchers*. London: SAGE.

FLICK, U. (2011) *Introducing Research Methodology: A Beginner's Guide to Doing a Research Project*. London: SAGE.

GRAY, D. (2009) *Doing Research in the Real World*. 2nd Ed. London: SAGE.

SAUNDERS, M., LEWIS, P. and THORNHILL, A. (2012) *Research Methods for Business Students*. 6th Ed. Harlow: Pearson.

Journals

International Journal of Quantitative and Qualitative Research.

Qualitative Research Journal.

Links

This unit links to the following related units:

Unit 8: Innovation and Commercialisation

Unit 11: Research Project

Unit 16: Operations and Project Management

UNIT SPECIFICATIONS

Unit Number

7

Unit

Business Law

Level

4

TQT

150

Credit Value

15

Introduction

The aim of this unit is to enhance students' understanding of how business law is applied to the running of a business organisation. Students will gain knowledge of business law and examine the impact of the law on business operations and

decision-making. Throughout the unit students will identify legal solutions available to business owners and assess their suitability. Their experiences in this unit will help them better understand the different areas of law that apply. They will be able to illustrate the impact of the law on normal business operations and when registering a company and inviting shareholders to invest in it. They will gain an understanding of the law in relation to market abuse and director responsibilities. Students will be able to recognise the application of employment law between employers and employees.

Learning Outcomes

- LO1** Explain the nature of the legal system.
- LO2** Illustrate the potential impact of the law on a business.
- LO3** Examine the formation of different types of business organisations.
- LO4** Recommend appropriate legal solutions to resolve areas of dispute.

Assessment

Learning Outcomes	Essential Content	Assessment Criteria
LO1 Explain the nature of the legal system.	<p><i>The legal system:</i> What constitutes a legal system? The purpose of law, the evolution of law and different sources of law e.g. legislation, directives, case law and treaties relevant to country. Divisions and key terminology of the legal system e.g. court structures. The differences between civil and criminal law.</p> <p><i>The justice system:</i> The role of government in law-making and the justice system. Organisation of the judiciary.</p>	<p>P1 Explain different sources of law. P2 Explain the role of government in lawmaking and how statutory and common law is applied in the justice courts. M1 Evaluate the effectiveness of the legal system in terms of recent reforms and developments. D1 Provide a coherent and critical evaluation of the legal system and law, with evidence drawn from a range of different relevant examples to support judgements.</p>
LO2 Illustrate the potential impact of the law on a business.	<p><i>The impact of Law:</i> Contract law e.g. the formation of contracts, the elements and terms of contract Competition Law Data protection The tort of negligence, consumer protection, health and safety and product liability Duties of employer and employee e.g. the employment contract, employer obligations and employee rights in the work place. Managing cases of dismissal, redundancy, discrimination, health and safety.</p>	<p>P3 Using specific examples illustrate how company, employment and contract law has a potential impact upon business. M2 Differentiate between legislation, regulations and standards to analyse potential impacts upon business. D1 Provide a coherent and critical evaluation of the legal system and law, with evidence drawn from a range of different relevant examples to support judgements.</p>
LO3 Examine the formation of different types of business organisations.	<p><i>The nature and formation of a company:</i> Unincorporated V's incorporated legal structures Different types of business organisations and legal structures e.g. Sole trader, partnership and registered company Classification of companies e.g. public and private companies, limited and unlimited Starting up a business organisation and registration requirements The management of a company e.g. appointment of directors, company secretary, auditor. The role of the shareholders. The application of company law in forming different types of business organisations and companies, raising capital and liquidation.</p>	<p>P4 Explore how different types of business organisations are legally formed. P5 Explain how business organisations are managed and funded. M3 Assess the advantages and disadvantages of the formation of different types of business organisations. D2 Critically evaluate the formation of different types of business organisations.</p>
LO4 Recommend appropriate legal solutions to resolve areas of dispute.	<p><i>Legal solutions for different types of dispute resolution:</i> Areas of employment e.g. health and safety, equality of pay claims, compromise and severance agreements, wrongful or unfair dismissal claims. Corporate and commercial disputes e.g. breach of contract, contesting a damages claim, dispute between directors. Commercial property e.g. commercial lease transactions,</p>	<p>P6 Recommend legal solutions for resolving a range of disputes using examples to demonstrate how a party might obtain legal advice and support. M4 Compare and contrast different sources of legal advice and support</p>

	<p>real estate and investment properties.</p> <p><i>Alternative Dispute Resolution:</i></p> <p>The role of Alternative Dispute Resolution (ADR)</p> <p>Civil litigation procedures and funding</p> <p>Tribunals</p> <p>The role of unions</p> <p>Citizens Advice.</p>	<p>for dispute resolution.</p> <p>D3 Evaluate the effectiveness of legal solutions, legal advice and support for dispute resolution.</p>
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Recommended Resources

ADAMS, A. (2016) *Business Law for Students*. 9th ed. London: Pearson.

ANDREWS, N. (2011) *Contract Law*. Cambridge: Cambridge University Press.

ELLIOTT, C and QUINN, F. (2015). *The English Legal System*. 16th Ed. London: Pearson

HONEYBALL, S. (2016) *Honeyball and Bowers Text to Employment Law*. 14th ed. Oxford: Oxford University Press.

MARSON, J and FERRIS, M. (2015) *Business Law*. 4th ed. Oxford: Oxford University Press.

This unit links to the following related units:

Unit 1: Business and the Business Environment

Unit 19: Resource and Talent Planning

Unit 20: Employee Relations

Unit 29: Managing and Running a Small Business

Unit 45: Law of Contract and Tort

Unit 46: Company Law and Corporate Governance

Unit 47: Sales and Consumer Law

UNIT SPECIFICATIONS

Unit Number

10

Unit

Financial Accounting

Level

4

TQT

150

Credit Value

15

Introduction

Balancing the books is at the heart of all business management. The overall aim of this unit is to introduce students to essential financial accounting principles and techniques which will enable them to record and prepare basic final accounts. Students will learn how to prepare accounts for sole traders and partnerships as well as limited companies.

On successful completion of this unit students will be able to contribute effectively to the accounting function of an organisation, or to understand how to record and prepare basic financial accounts for their own business. They will have the knowledge and skills required to progress to a higher level of study.

Learning Outcomes

LO1 Record business transactions using double entry book-keeping, and be able to extract a trial balance.

LO2 Prepare final accounts for sole-traders, partnerships and limited companies in accordance with appropriate principles, conventions and standards.

LO3 Perform bank reconciliations to ensure company and bank records are correct.

LO4 Reconcile control accounts and shift recorded transactions from the suspense accounts to the right accounts.

Assessment

Learning Outcomes	Essential Content	Assessment Criteria
LO1 Record business transactions using double entry book-keeping, and be able to extract a trial	<i>Business transactions:</i> Giving consideration to the types of business transactions (sales, purchases, receipts and payments) and the regulations which apply to financial accounting.	P1 Apply the double entry book-keeping system of debits and credits. Record sales and purchases transactions in a general ledger.

balance.	<p><i>Double entry book-keeping:</i> Double entry recording in sales, purchases, cash disbursement and cash receipt journals before posting to the ledger accounts. Manual and electronic systems will be introduced and how, why and when these are used. Effectively recording debits and credits; regulations that apply to financial accounting.</p> <p><i>Trial balance:</i> Understanding how the trial balance is produced and its role in the identification and rectification of errors; the components of a trial balance and their importance will be considered.</p>	<p>P2 Produce a trial balance applying the use of the balance off rule to complete the ledger. M1 Analyse transactions to show the progression from a previous trial balance to the next one using double entry bookkeeping. D1 Apply trial balance figures to show which statement of financial accounts they will end up in.</p>
<p>LO2 Prepare final accounts for sole-traders, partnerships and limited companies in accordance with appropriate principles, conventions and standards.</p>	<p><i>Financial reports and financial statements:</i> What is the difference between the two? How, why and when are each one produced? Different types of financial statements and what they cover. Adjustments required for accruals, prepayments, bad debts, etc.</p> <p><i>Types of accounts:</i> Preparing final accounts (e.g. for sole-traders, partnerships or limited companies).</p> <p><i>Principles and conventions:</i> Understanding accounting rules and principles. Understanding the concepts and conventions of consistency and material disclosure.</p>	<p>P3 Prepare final accounts from given trial balance. P4 Produce final accounts for a range of examples that include sole-traders, partnerships or limited companies. M2 Make adjustments to balances of sum accounts for example, accruals, depreciation and prepayments before preparing the final accounts. D2 Compare the essential features of each financial account statement to analyse the differences between them in terms purpose, structure and content.</p>
<p>LO3 Perform bank reconciliations to ensure company and bank records are correct.</p>	<p><i>Bank reconciliation:</i> What is meant by bank reconciliation and why is it required? How is this achieved? Why is this necessary? Who would be interested in the outcome of a reconciliation?</p> <p><i>The process of reconciliation:</i> Ensuring that all entries relating to a particular period are correctly entered in the ledger system to support the preparation of the profit and loss account and balance sheet. Using tools and techniques to check general accounts and balance sheets against liquid holdings and cash reserves.</p> <p><i>Differences:</i> Identify differences between the balance in the accounting book and in the bank statement. Identifying variances through a bank reconciliation. Ensuring the same entry for every debit and credit entry, and that the balance for each account is calculated and entered correctly.</p>	<p>P5 Apply the bank reconciliation process to prepare a number of bank reconciliations. M3 Apply the reconciliation process demonstrating the use of deposit in transit, outstanding checks and Not Sufficient Funds (NSF) check. D3 Prepare accurate bank reconciliations that apply appropriate tools and techniques to check general accounts and balance sheets.</p>
<p>LO4 Reconcile control accounts and shift recorded transactions from the suspense accounts to the right accounts.</p>	<p><i>Control accounts:</i> What are they? How and why are they used? How do they support effective financial management?</p> <p><i>Suspense accounts:</i> How do they differ from control accounts? Why are they required? How are funds in suspense accounts legally protected?</p> <p><i>Reconciling these accounts:</i> Why is reconciliation required? How is this conducted? The role of debtors and creditors accounts.</p>	<p>P6 Explain the process taken to reconcile control accounts and clear suspense accounts using given account examples. M4 Demonstrate understanding of the different types of accounts and how and why they are reconciled. D4 Produce accurate accounts that have been reconciled applying the appropriate methods.</p>

Recommended Resources

ATRILL, P. and McLANEY, E. (2012) *Accounting and Finance for Non-Accounting Specialists*. 8th Ed. Harlow: Pearson.
DYSON, J. R. (2010) *Accounting for Non-Accounting Students*. 8th Ed. London: Prentice Hall.

GLAUTIER, M. (2010) *Accounting Theory and Practice*. Harlow: Prentice Hall.
LOUGHRAN, M. (2011) *Financial Accounting for Dummies*. New Jersey: Wiley Publishing.
MCLANEY, E. and ATRILL, P. (2012) *Accounting: An introduction*. 6th Ed Harlow: Pearson.

Journals

Journal of Accounting, Auditing and Finance
Journal of Business Finance and Accounting
International Journal of Managerial and Financial Accounting

Links

This unit links to the following related units:
Unit 5: Management Accounting
Unit 13: Financial Reporting
Unit 14: Advanced Management Accounting
Unit 15: Financial Management
Unit: Managing and Running a Small Business