



# **OTHM LEVEL 5 DIPLOMA IN ACCOUNTING AND BUSINESS**

Qualification Number: 610/1479/5

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Specification | September 2022

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## QUALIFICATION OBJECTIVES

Accounting and finance are at the very heart of business operations. From banking to manufacturing, from huge service industries to micro businesses, the ability to manage, plan and account for money is still the ultimate measure of business success and the key driver of growth. Many accountants occupy key managerial positions in business, yet few are qualified managers. In the increasingly complex modern business environment, there is a high demand for skilled professionals who can work flexibly in teams across business boundaries.

The objective of the OTHM Level 5 Diploma in Accounting and Business qualification is to provide learners with an understanding of accounting and business in the broader business context, and to provide them with the practical, industry-focused skills to manage business finances, budgets and cash flow effectively, and to play a key role in business growth. Learners will build the knowledge and skills required for a career in a wide range of businesses, where accounting and business literacy are key skills for managers at all levels.

Learners have the opportunity to progress and apply key skills and techniques to a variety of relevant subject areas through the Level 5 units. The course will provide learners with knowledge and skills in the areas of business strategy, financial management, planning, reporting and human resource management. Learners will also integrate their knowledge and skills from these disciplines and produce a viable business plan.

The OTHM Level 5 Diploma qualifications provide learners with industry-specific and practical skills, enabling them to successfully apply their knowledge in the workplace, enhance their career prospects and allow progression to further study.

## QUALITY, STANDARDS AND RECOGNITIONS

OTHM Qualifications are approved and regulated by Ofqual (Office of Qualifications and Examinations Regulation). Visit the [Register of Regulated Qualifications](#).

OTHM has progression arrangements with several UK universities that acknowledge the ability of learners after studying Level 3-7 qualifications to be considered for advanced entry into corresponding degree year/top up and Master's/top-up programmes.

## REGULATORY INFORMATION

Qualification Title	OTHM Level 5 Diploma in Accounting and Business
Ofqual Reference Number	610/1479/5
Regulation Start Date	09/09/2022
Operational Start Date	09/09/2022
Duration	1 Year
Total Credit Value	120 credits
Total Qualification Time (TQT)	1200 Hours
Guided Learning Hours (GLH)	600 Hours
Sector Subject Area (SSA)	15.1 Accounting and finance
Overall Grading Type	Pass / Fail
Assessment Methods	Coursework
Language of Assessment	English

## EQUIVALENCES

OTHM Level 5 Diploma qualifications represent practical knowledge, skills, capabilities and competences that are assessed in academic terms as being equivalent to Higher National Diplomas (HND) and Year 2 of a three-year UK Bachelor's degree programme.

## QUALIFICATION STRUCTURE

The OTHM Level 5 Diploma in Accounting and Business qualification consists of 6 mandatory units, 120 credits, 1200 hours Total Qualification Time (TQT) and the recommended Guided Learning Hours (GLH) for this qualification is a minimum of 600 hours.

**All units are mandatory.**

Unit Ref No.	Unit Title	Level	Credit	GLH	TQT
A/650/2356	Principles and Concepts of Business Strategy	5	20	100	200
F/650/1917	Financial Management	5	20	100	200
H/650/1918	Financial Planning and Control	5	20	100	200
J/650/1919	Financial Reporting	5	20	100	200
H/650/1151	The Management of Human Resources	5	20	100	200
M/650/1155	Business Start-up: Conception to Market	5	20	100	200

## DEFINITIONS

**Total Qualification Time (TQT)** is the number of notional hours which represents an estimate of the total amount of time that could reasonably be expected to be required in order for a learner to achieve and demonstrate the achievement of the level of attainment necessary for the award of a qualification.

*Total Qualification Time is comprised of the following two elements –*

- a) *the number of hours which an awarding organisation has assigned to a qualification for Guided Learning, and*
- b) *an estimate of the number of hours a Learner will reasonably be likely to spend in preparation, study or any other form of participation in education or training, including assessment, which takes place as directed by – but, unlike Guided Learning, not under the Immediate Guidance or Supervision of – a lecturer, supervisor, tutor or other appropriate provider of education or training.*

*(Ofqual 15/5775 September 2015)*

**Guided Learning Hours (GLH)** are defined as the hours that a teacher, lecturer or other member of staff is available to provide immediate teaching support or supervision to a student working towards a qualification.

**Credit value** is defined as being the number of credits that may be awarded to a learner for the successful achievement of the learning outcomes of a unit. One credit is equal to 10 hours of TQT.

## ENTRY REQUIREMENTS

These qualifications are designed for learners who are typically aged 18 and above. The entry profile for learners is likely to include at least one of the following:

- Relevant Level 4 Diploma qualification or equivalent qualification
- GCE Advanced level in 3 subjects or equivalent qualification
- Mature learners (over 21) with relevant management experience (learners must check with the delivery centre regarding this experience prior to registering for the programme)

**English requirements:** If a learner is not from a majority English-speaking country, they must provide evidence of English language competency. For more information visit the [English Language Expectations](#) page on the [OTHM website](#).

## PROGRESSION

Successful completion of the OTHM Level 5 Diploma in Accounting and Business qualification provides learners with the opportunity for a wide range of academic progressions including the OTHM Level 6 Diploma in Accounting and Business qualification.

As this qualification is approved and regulated by Ofqual (Office of the Qualifications and Examinations Regulation), learners may be eligible to gain direct entry into the final year of a three-year UK Bachelor's degree. For more information visit the [University Progressions](#) page on the OTHM website.

## DELIVERY OF OTHM QUALIFICATIONS

OTHM do not specify the mode of delivery for its qualifications, therefore OTHM Centres are free to deliver this qualification using any mode of delivery that meets the needs of their learners. However, OTHM Centres should consider the learners' complete learning experience when designing the delivery of programmes.

It is important that centres develop an effective delivery method to teaching and learning that supports the progression and stretch of learners through the the OTHM Level 5 Diploma qualifications.

OTHM Centres must ensure that the chosen mode of delivery does not unlawfully or unfairly discriminate, whether directly or indirectly, and that equality of opportunity is promoted. Where it is reasonable and practicable to do so, it will take steps to address identified inequalities or barriers that may arise.

Guided Learning Hours (GLH) which are listed in each unit gives centres the number of hours of teacher-supervised or direct study time likely to be required to teach that unit.

## ASSESSMENT AND VERIFICATION

All units within this qualification are assessed and internally quality assured by the centre and externally verified by OTHM. The qualifications are criterion referenced, based on the achievement of all the specified learning outcomes.

To achieve a 'pass' for a unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Judgement that the learners have successfully fulfilled the assessment criteria is made by the assessor.

Specific assessment guidance and relevant marking criteria for each unit are made available in the Assignment Brief document. These are made available to centres immediately after registration of one or more learners.

The assessor should provide an audit trail showing how the judgement of the learners' overall achievement has been arrived at.

### **Assessment Tracking and Recording Learner Progress**

It is necessary to track and record learner achievement throughout the delivery period of the OTHM Level 5 Diploma and this should not be left until the end of the course.

This will include regular review of learner work through formative and summative assessment and internal quality assurance at planned intervals during the programme:

- before decisions have been made on any unit
- sampling evidence once one or two of the units or assignments are completed

Tracking learner progress, recording the achievement of each learner per criteria on a unit-by-unit basis ensures:

- the assessment evidence is clearly measured against national standards
- learner progress is accurately tracked
- the assessment process can be reliably verified
- evidence is valid, authentic and reliable for the safety of certification
- identification of which assessments are outstanding
- internal verification is timely
- samples for standards verification and other external audits can be made available as required
- up to date, securely stored assessment records help to minimise the risk of assessment malpractice and potential issues; maintaining the integrity of the qualification.

Tutors/Assessors should provide learners with formative and summative feedback to aid development during their studies.

### **Formative Assessment**

Formative assessment is an integral part of the assessment process, involving both the Tutor/Assessor and the learner about their progress during the course of study.

Formative assessment takes place prior to summative assessment and focuses on helping the learner to reflect on their learning and improve their performance and does not confirm achievement of grades at this stage.

The main function of formative assessment is to provide feedback to enable the learner to make improvements to their work. This feedback should be prompt so it has meaning and context for the learner and time must be given following the feedback for actions to be complete. Feedback on formative assessment must be constructive and provide clear guidance and actions for improvement.

All records should be available for auditing purposes, as we may choose to check records of formative assessment as part of our ongoing quality assurance.

## Summative Assessment

Summative assessment is used to evaluate learner competence and progression at the end of a unit or component. Summative assessment should take place when the assessor deems that the learner is at a stage where competence can be demonstrated.

Learners should be made aware that summative assessment outcomes are subject to confirmation by the Internal Verifier and External Quality Assurer (EQA) and thus is provisional and can be overridden.

Assessors should annotate on the learner work where the evidence supports their decisions against the assessment criteria. Learners will need to be familiar with the assessment and grading criteria so that they can understand the quality of what is required.

Evidence of both formative and summative assessment must be made available at the time of external quality assurance – EQA.

## RECOGNITION OF PRIOR LEARNING AND ACHIEVEMENT

Recognition of Prior Learning (RPL) is a method of assessment that considers whether learners can demonstrate that they can meet the assessment requirements for a unit through knowledge, understanding or skills they already possess and do not need to develop through a course of learning.

RPL policies and procedures have been developed over time, which has led to the use of a number of terms to describe the process. Among the most common are:

- Accreditation of Prior Learning (APL)
- Accreditation of Prior Experiential Learning (APEL)
- Accreditation of Prior Achievement (APA)
- Accreditation of Prior Learning and Achievement (APLA)

All evidence must be evaluated with reference to the stipulated learning outcomes and assessment criteria against the respective unit(s). The assessor must be satisfied that the evidence produced by the learner meets the assessment standard established by the learning outcome and its related assessment criteria at that particular level.

Most often RPL will be used for units. It is not acceptable to claim for an entire qualification through RPL. Where evidence is assessed to be only sufficient to cover one or more learning outcomes, or to partly meet the need of a learning outcome, then additional assessment methods should be used to generate sufficient evidence to be able to award the learning outcome(s) for the whole unit. This may include a combination of units where applicable.

## EQUALITY AND DIVERSITY

OTHM provides equality and diversity training to staff and consultants. This makes clear that staff and consultants must comply with the requirements of the Equality Act 2010, and all other related equality and diversity legislation, in relation to our qualifications.

We develop and revise our qualifications to avoid, where possible, any feature that might disadvantage learners because of their age, disability, gender, pregnancy or maternity, race, religion or belief, and sexual orientation.

If a specific qualification requires a feature that might disadvantage a particular group (e.g. a legal requirement regarding health and safety in the workplace), we will clarify this explicitly in the qualification specification.

## **LEVEL 5 UNIT SPECIFICATIONS**



## PRINCIPLES AND CONCEPTS OF BUSINESS STRATEGY

Unit Reference Number	A/650/2356
Unit Title	Principles and Concepts of Business Strategy
Unit Level	5
Number of Credits	20
Total Qualification Time (TQT)	200 hours
Guided Learning Hours (GLH)	100 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Type	Pass / Fail

### Unit Aims

Simply put, strategy is about putting a business in the best place possible to gain competitive advantage in its target market. However, to achieve competitive advantage requires research, analysis, interpretation and strategic decision making. The aim of this unit is to develop learner's knowledge and skills so they are in a strong position to contribute to an organisation's strategy development and implementation.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative Content
1. Understand the principles of business strategy.	1.1 Explain what is meant by the term 'business strategy.' 1.2 Compare different levels of business strategy. 1.3 Compare elements of a strategic framework. 1.4 Explain strategy development processes.	<ul style="list-style-type: none"> <li>● Strategy:                             <ul style="list-style-type: none"> <li>○ Operational strategy</li> <li>○ Tactical strategy</li> <li>○ Corporate strategy</li> </ul> </li> <li>● Elements:                             <ul style="list-style-type: none"> <li>○ Vision</li> <li>○ Mission</li> <li>○ Objectives</li> <li>○ Strategy</li> </ul> </li> <li>● Approach</li> </ul>

		<ul style="list-style-type: none"> <li>● Tactics</li> <li>● Deliberate strategies</li> <li>● Emergent strategies</li> </ul>
2. Understand key business strategy theories and concepts.	<p>2.1 Differentiate between different types of business strategies.</p> <p>2.2 Compare the elements of a strategic management process.</p> <p>2.3 Discuss key organisational theories which impact business strategy.</p>	<ul style="list-style-type: none"> <li>● Types: <ul style="list-style-type: none"> <li>○ Growth strategies</li> <li>○ Diversification strategies</li> <li>○ Cost leadership strategies</li> <li>○ Hybrid strategies</li> </ul> </li> <li>● Planning – execution and monitoring – review and adjust</li> <li>● Scientific management</li> <li>● Bureaucratic management</li> <li>● Human relations</li> <li>● Systems management</li> </ul>
3. Understand a business’s strategic options.	<p>3.1 Explain what is meant by the term ‘strategic option.’</p> <p>3.2 Compare different strategic options available to a business.</p> <p>3.3 Recommend a relevant strategic option which a business could implement.</p>	<ul style="list-style-type: none"> <li>● Joint ventures</li> <li>● Market penetration</li> <li>● Vertical/horizontal integration</li> <li>● Internationalisation</li> <li>● Merger/acquisition</li> <li>● Diversification</li> </ul>

## Assessment

To achieve a ‘pass’ for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment Criteria to be covered	Assessment type	Word count (approx. length)
All 1 to 3	All ACs under LO 1 to 3	Coursework	3000 words

## **Indicative Reading List**

Johnson, G. et al (2019) *Exploring Strategy* 12<sup>th</sup> edition, Pearson, Harlow

Whittington, R. et al (2020) *Fundamentals of Strategy* 10<sup>th</sup> edition, Pearson, Harlow

## **Additional Resources**

Journal of Business Strategy

[Management Help](#)

## FINANCIAL MANAGEMENT

Unit Reference Number	F/650/1917
Unit Title	Financial Management
Unit Level	5
Number of Credits	20
Total Qualification Time (TQT)	200 hours
Guided Learning Hours (GLH)	100 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.1 Accounting and finance
Unit Grading Type	Pass / Fail

### Unit Aims

The aim of this unit is to provide learners with knowledge of key financial theories and working capital management, and the skills to review techniques for managing an organisation's global financial risk.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative content
1. Understand the functions of financial management.	1.1 Explain the scope and control of financial management and control in business. 1.2 Explain the objectives of financial management in business. 1.3 Explain the operational functions of financial management in a business.	<ul style="list-style-type: none"> <li>● Financial management scope and control:               <ul style="list-style-type: none"> <li>○ Investment decisions in non-current assets and net current assets (working capital)</li> <li>○ Financial decisions: raising finance</li> <li>○ Profit distribution decisions: retained profit; distributed profit; dividend payable decisions</li> </ul> </li> <li>● Objectives:               <ul style="list-style-type: none"> <li>○ Secure supply of funds to the business</li> <li>○ Ensure adequate returns to shareholders</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ Obtain optimum return on funds invested taking into account risks and business needs</li> <li>○ Determine the capital structure of the business</li> <li>● Functions:             <ul style="list-style-type: none"> <li>○ The investment of business resources (treasury management)</li> <li>○ Estimate capital requirements</li> <li>○ Source business finance</li> <li>○ Money management (working capital management and cash flow)</li> </ul> </li> <li>● Financial control</li> </ul>
<p>2. Understand working capital management.</p>	<p>2.1 Explain the nature, elements and importance of working capital in a business.</p> <p>2.2 Evaluate how a business assesses its working capital requirements and funding strategies.</p> <p>2.3 Analyse ways in which a business can manage its working capital requirements.</p>	<ul style="list-style-type: none"> <li>● Nature, elements and importance of working capital: definition of working capital; characteristics of working capital; elements of working capital; objectives of working capital management (liquidity, profitability); conflict between liquidity and profitability; role in financial management; importance for different types of business organisations to include (sole trader, partnership, private limited company, public limited company, third sector organisations).</li> <li>● Assessment of needs and funding strategies: calculating working capital requirement: working capital cycle; terms of trade; investment in current assets; liquidity of assets; funding strategies (permanence of current assets; long and short term finance; matching principle; attitude to risk.</li> <li>● Management of working capital: cash operating cycle; use of ratios (current, quick, inventory turnover, debtor turnover, sales revenue to working capital); inventory</li> </ul>

		<p>management (e.g. economic order quantity, just in time); managing accounts receivable (establishing creditworthiness, collection of debt; settlement incentives; factoring and discounting); managing trade credit; managing cash (cash flow forecasting , using short term investment).</p>
<p>3. Understand how capital is structured in a business.</p>	<p>3.1 Explain the factors that determine the capital structure of a business.                      3.2 Explain the factors which lead to the undercapitalisation and overcapitalisation of a business.                      3.3 Explain the impact of undercapitalisation and overcapitalisation on financial management strategy.</p>	<ul style="list-style-type: none"> <li>● Capital structure:                             <ul style="list-style-type: none"> <li>○ Types of securities (shares and debentures)</li> <li>○ Gearing</li> </ul> </li> <li>● Factors determining capital structure:</li> <li>● Features of equities (ordinary shares), preference shares (cumulative preference shares and participating preference shares), debentures; the impact of these sources of finance on the flexibility of control within the business</li> <li>● Gearing ratio and its meaning</li> <li>● The need for finance from investors: the mix of equities, preference shares and debentures which will attract investors with different approaches to risk</li> <li>● Capital market conditions: share piece valuations on the open market</li> <li>● Market share and sales turnover and sales volume</li> <li>● Type and size of business (sole trader, partnerships, private limited company, public limited company, multinational corporation)</li> <li>● Capitalisation: the permanent investment in a company, including equities, preference shares and debentures, excluding long-term loans</li> </ul> <p>Overcapitalisation:</p>

		<ul style="list-style-type: none"> <li>● Features: profits are not sufficient to pay interest on debentures or pay dividends to shareholders</li> <li>● Reasons: high promotion costs when offering shares for sales; purchase of assets at inflated cost; inadequate provision for depreciation; generous dividends at the expense of retained profits; over-estimation of potential returns to shareholders;</li> <li>Undercapitalisation:             <ul style="list-style-type: none"> <li>○ Features: high profits resulting in high dividends; return on capital shows an upward trend</li> <li>○ Reasons: low promotion costs when offering shares for sales; purchase of assets at low cost; adequate provision for depreciation; conservative dividends pay-outs to shareholders in favour of retained profits; effective corporate governance</li> </ul> </li> <li>● Financial management of overcapitalisation and undercapitalisation:</li> <li>● Impact on shareholders; the business and the wider public</li> </ul>
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## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment Criteria to be covered	Assessment type	Word count (approx. length)
All 1 to 3	All ACs under LO 1 to 3	Coursework	3000 words

## Indicative Reading List

Campbell R et al (2021) *Strategic Risk Management: Designing Portfolios and Managing Risk*, 1<sup>st</sup> edition (2021)

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Learners*. 9<sup>th</sup> edition. Kogan Page: London

Hill, C. and Jones, G. (2012) *Strategic Management: An Integrated Approach*. 10<sup>th</sup> edition. USA: South-Western.



## FINANCIAL PLANNING AND CONTROL

Unit Reference Number	H/650/1918
Unit Title	Financial Planning and Control
Unit Level	5
Number of Credits	20
Total Qualification Time (TQT)	200 hours
Guided Learning Hours (GLH)	100 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.1 Accounting and finance
Unit Grading Type	Pass / Fail

### Unit Aims

The aim of this unit is to provide learners with knowledge of the financial planning and control function in business with reference to corporate financial planning, accessing sources of business finance and the risks of operating in global capital markets. The unit also considers the role of corporate governance in monitoring the financial management function in a business. Learners will develop the skills required to assess the potential investment opportunities and the associated risks of implementing global financial strategies.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative content
1. Understand the functions of financial planning and control.	1.1 Explain the features of corporate financial planning. 1.2 Explain the key requirements to formulate a corporate financial plan.	<ul style="list-style-type: none"> <li>Corporate plans: purpose/aims; the process of corporate financial planning (capital structure requirements, information gathering, objectives, strategies and targets, risk evaluation and risk management, resource allocation and utilisation, monitoring, evaluating performance)</li> <li>Key requirements of the financial planning aspects of the corporate plan:</li> </ul>

		<ul style="list-style-type: none"> <li>○ Review strategic priorities and objectives</li> <li>○ Access to financial statements</li> <li>○ Real-time management information</li> <li>○ Financing requirements</li> <li>○ Financial performance outcomes, trends and targets</li> <li>○ Monitoring systems</li> <li>○ Risk Management Planning system</li> </ul>
<p>2. Understand sources of business finance and the techniques used to develop investment strategy.</p>	<p>2.1 Compare sources of business finance to support business plans in different business contexts.</p> <p>2.2 Assess the risks associated with different sources of finance in different business contexts.</p> <p>2.3 Explain the influence of financial and money markets on financial planning and control.</p> <p>2.4 Explain the techniques used in the development of a business investment strategy.</p>	<ul style="list-style-type: none"> <li>● Sources of finance:             <ul style="list-style-type: none"> <li>○ short-term finance (overdraft, loans, trade credit, lease finance); long-term finance (equity, debt, lease, venture capital); raising short and long-term finance; internal finance (retained earnings, working capital management, dividend policies relating to retained and distributed profits); business angels, government assistance, supply chain, crowdfunding, peer-to-peer (P2P) lending); cost of finance; gearing ratios; interest coverage; lease/buy decisions; liquidity;</li> <li>○ Sources of business finance appropriate to a business at different stages in its development</li> </ul> </li> <li>● Financial and money markets: role of national and international money markets; financial intermediaries; functions of stock market and corporate bond market; role of money markets (short term liquidity, short term trade finance, managing currency and interest rate risk); role of banks and financial institutions; principle instruments (interest-bearing, discount, derivatives).</li> <li>● Techniques and tools: portfolio management tools used in the context of an</li> </ul>

		<p>individual/corporate investment strategy; attitudes towards financial risk when building an investment portfolio models of strategic management; objective setting; definition of the balanced scorecard; using balanced scorecard to implement strategy; modern portfolio theory (MPT) and risk.</p>
<p>3. Understand global financial risk management.</p>	<p>3.1 Analyse the importance of global financial risk management.                      3.2 Evaluate risk management techniques used in business.                      3.3 Apply techniques used by a business that reduces exposure to global financial risks.</p>	<ul style="list-style-type: none"> <li>● Managing and controlling financial in a global financial environment: financial strategies used in the global environment; capital investment relating to funds invested in a business organisation for the purpose of furthering its strategic objectives; international aspects of strategy (scope of operations, resource allocation, competitive advantage, synergy); risk factors including exchange rates and interest rates, taxation rates, corporate legislation; market risk, credit risk, liquidity risk, operational risk.</li> <li>● Financial risks in the global market: costs and risks of different sources of finance; foreign currency risks; interest rate risks; causes of fluctuations in exchange and interest rates;</li> <li>● Risk identification and management techniques: comparison of techniques - PESTLE, STEEPLE, SWOT; Delphi Technique of risk analysis; sensitivity what-if? analysis; trend analysis (forecasting and extrapolation); role of artificial intelligence (AI) in risk analysis and mitigation; active portfolio management                      Limitations and benefits of different techniques                      Methods used to manage interest and currency risks including forward exchange contracts and matching.</li> </ul>

		<ul style="list-style-type: none"> <li>• Evaluation of techniques: implications for data collection, management information and big data, costs, risks and benefits to a business including shareholder value.</li> </ul>
<p>4. Understand the principles of corporate governance and how they support effective financial planning and control.</p>	<p>4.1 Explain the role and purpose of corporate governance for businesses in relation to financial management and control.</p> <p>4.2 Assess the practical implications of effective corporate governance on financial planning and control.</p>	<ul style="list-style-type: none"> <li>• Corporate governance: the role of corporate governance, governance principles (e.g. the Nolan principles in the UK) direction and control of the business; increased accountability; governance structures including committee structures and the different roles and responsibilities of executive and non-executive directors; fiduciary duties of officers; bribery and fraud; independent audit; key governance regulations (e.g. UK Corporate Governance Code and company law); international governance.</li> <li>• Practical implications for the control of the financial aspects of the corporate plan: corporate financial objectives, reporting requirements, impact of audit opinions (external financial audits) and internal audit (risk assessment and operational management processes), arrangements for accountability; management and control of risks; board remuneration; arrangements for engagement and communication with stakeholders; understanding stakeholder interests</li> </ul>

## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment Criteria to be covered	Assessment type	Word count (approx. length)
All 1 to 4	All ACs under LO 1 to 4	Coursework	3000 words

## Indicative Reading List

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley.

Fernando, A. C. (2009) *Corporate Governance: Principles, Policies and Practice*. Beijing: Prentice Hall.

Howells, P. and Bain, K. (2007) *Financial Markets and Institutions*. 5<sup>th</sup> Edition Harlow: Pearson Education.

Weetman P. (2014) *Financial and Management Accounting* 6<sup>th</sup> Edition, Pearson

## FINANCIAL REPORTING

Unit Reference Number	J/650/1919
Unit Title	Financial Reporting
Unit Level	5
Number of Credits	20
Total Qualification Time (TQT)	200 hours
Guided Learning Hours (GLH)	100 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.1 Accounting and finance
Unit Grading Type	Pass / Fail

### Unit Aims

The aim of this unit is to develop learners' skills in managing an organisation's business assets and preparing a range of standard financial reports required to present the financial position of an organisation. They will also explore the conceptual frameworks for financial reporting and how they are related to the reporting of financial information.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative content
1. Understand the purpose of financial reporting and budgets.	1.1 Explain the purpose of financial reporting for meeting organisational objectives, development and growth. 1.2 Analyse the context of financial reporting including regulatory frameworks and governance of financial reporting. 1.3 Describe how budgeting and monitoring of business performance contribute to business success.	<ul style="list-style-type: none"> <li>● Financial reporting:               <ul style="list-style-type: none"> <li>○ disclosure of financial information to various stakeholders about the financial performance and financial position of the organisation over a specified period of time.</li> <li>○ complying with regulatory frameworks.</li> <li>○ governance of financial reporting including duties and responsibilities of responsible officers.</li> </ul> </li> </ul>

	<p>1.4 Explain the advantages and disadvantages of different types of budget-setting.                      1.5 Analyse and account for variances in a budget.                      1.6 Prepare budget monitoring reports.</p>	<ul style="list-style-type: none"> <li>○ unincorporated or incorporated organisations.</li> <li>○ ensuring all organisations comply with the same rules and standards.</li> <li>○ seeking funding/investment.</li> <li>○ predicting future financial positions and cash flow.</li> <li>● Budget-setting and monitoring:                             <ul style="list-style-type: none"> <li>○ the purpose of budgeting</li> <li>○ budget-setting, business planning and resource allocation to support business objectives</li> </ul> </li> <li>● Types of budgets:                             <ul style="list-style-type: none"> <li>○ advantages and disadvantages of different types of budgets, incremental, zero-based, fled budgets</li> <li>○ budget-monitoring as management tool</li> </ul> </li> <li>● Variance analysis:                             <ul style="list-style-type: none"> <li>○ Determine the reasons for variances</li> <li>○ Management actions to address budget variances</li> </ul> </li> <li>● Prepare budget monitoring reports                             <ul style="list-style-type: none"> <li>○ for an individual budget holder</li> <li>○ for a senior management team relating to the overall budgetary position of the business (master budget)</li> </ul> </li> </ul>
<p>2. Know how to report on the outcome of control accounts.</p>	<p>2.1 Explain the purpose and functions of control accounts.                      2.2 Prepare control accounts from given data.                      2.3 Prepare a report on the outcome of an analysis of control accounts .</p>	<ul style="list-style-type: none"> <li>● Control accounts: purpose and function of control accounts (summary account in general ledger); link to other records; purpose of books of prime (original) entry (sales journal, purchases journal, sales returns journal, purchases returns journal).</li> <li>● Preparation of control accounts:                             <ul style="list-style-type: none"> <li>○ to cover sales and purchases, receipts and payments, discounts, returns, irrecoverable</li> </ul> </li> </ul>

		<p>debts, dishonoured cheques, interest due, contra entries, refunds, balances</p> <ul style="list-style-type: none"> <li>○ prepare reconciliation statements: preparation of schedule of trade receivables, schedule of trade payables, revised control account, reconciliation statements.</li> <li>● Prepare a management report on control accounts:             <ul style="list-style-type: none"> <li>○ an assessment of errors identified</li> <li>○ provide up-to-date information on the total of trade receivables and trade payables</li> </ul> </li> </ul>
<p>3. Be able to report the outcome of an investment appraisal.</p>	<p>3.1 Apply different methods of investment appraisal to business decision-making.            3.2 Assess the impact of an investment proposal.            3.3 Prepare a report on the outcome of an investment appraisal.</p>	<ul style="list-style-type: none"> <li>● Investment appraisal techniques:             <ul style="list-style-type: none"> <li>○ purpose;</li> <li>○ features of the main investment appraisal techniques and their advantages and disadvantages.</li> </ul> </li> <li>● Calculate different methods of investment appraisal:             <ul style="list-style-type: none"> <li>○ Payback</li> <li>○ accounting rate of return (ARR)</li> <li>○ net present value (NPV)</li> <li>○ internal rate of return (IRR).</li> </ul> </li> <li>● Evaluate proposals:             <ul style="list-style-type: none"> <li>○ analyse capital investment appraisal results; use capital investment appraisal techniques to make informed decisions; justify decisions made and techniques used.</li> <li>○ Non-financial factors: qualitative factors affecting investment decisions including the concept of the triple bottom line; corporate social responsibility including</li> </ul> </li> <li>● Prepare a report on the outcome of an investment appraisal:</li> </ul>



		<ul style="list-style-type: none"> <li>○ impact of taxation and inflation on appraisal methods</li> <li>○ adjusting for risk and uncertainty, (probability, sensitivity analysis, simulation, adjusted payback, risk-adjusted discount rates)</li> <li>○ the features of environmental management accounting (EMA)</li> <li>○ lease or buy decisions</li> <li>○ asset replacement: methods of depreciation (straight-line depreciation and reducing balance depreciation)</li> </ul>
<p>4. Be able to report on the financial performance of a business.</p>	<p>4.1 Analyse the financial statements of a business.                  4.2 Evaluate the financial performance of a business.                  4.3 Demonstrate how to communicate financial information to different stakeholder groups.</p>	<ul style="list-style-type: none"> <li>● Analysis of financial statements using the full statements or extracts from the statements (including limited companies):                         <ul style="list-style-type: none"> <li>○ Profitability: gross and net profit margins</li> <li>○ Liquidity: net current assets (working capital); current ratio; acid test ratio (quick ratio);</li> <li>○ Efficiency: inventory turnover rate; trade payables ratio; trade receivables ratio</li> </ul> </li> <li>● Evaluation of the financial performance of a business:                         <ul style="list-style-type: none"> <li>○ with reference to its own strategic/operational targets</li> <li>○ the performance of its competitors</li> <li>○ recommend strategies for addressing under-performance</li> <li>○ trend analysis</li> </ul> </li> <li>● Preparation of reports on business performance                         <ul style="list-style-type: none"> <li>○ For senior managers</li> <li>○ For different stakeholder groups (shareholders, potential investors, lenders)</li> <li>○ Equality and diversity issues when communicating with stakeholders (Written,</li> </ul> </li> </ul>

		<p>digital; verbal; translations; Braille/large print)</p> <ul style="list-style-type: none"> <li>○ Creation and interpretation of graphs using spreadsheets: line, pie, bar charts and histograms.</li> <li>○ Scatter (XY) graphs and linear trend lines: extrapolation for forecasting (reliability)</li> <li>○ Presentations and report writing: use of appropriate formats; presentation software and techniques.</li> </ul>
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## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment Criteria to be covered	Assessment type	Word count (approx. length)
All 1 to 4	All ACs under LO 1 to 4	Coursework	3000 words

## Indicative Reading List

Atrill P & McLaney E (2021) *Financial Accounting for Decision-Makers* 10<sup>th</sup> Edition (Pearson)

Atrill, P. and McLaney, E. (2010) *Accounting & Finance for Non-specialists*. 10<sup>th</sup> edition. London: Financial Times/ Prentice Hall.

Van Horne, J. and Wachewicz, J. (2009) *Fundamentals of Financial Management*. Harlow: FT Prentice Hall

White, G. I., Sondhi, A. C. and Fried, D. (2003) *The Analysis and Use of Financial Statements*. 3<sup>rd</sup> edition. Hampshire: John Wiley and Sons.

Wood, F. and Sangster, A. (2011) *Business Accounting*. 12<sup>th</sup> edition. London: FT Prentice Hal

## THE MANAGEMENT OF HUMAN RESOURCES

Unit Reference Number	H/650/1151
Unit Title	The Management of Human Resources
Unit Level	5
Number of Credits	20
Total Qualification Time (TQT)	200 hours
Guided Learning Hours (GLH)	100 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Type	Pass / Fail

### Unit Aims

The ability to attract, develop and retain talented employees is a key factor in a business's success. Human resource management has its focus on supporting and enhancing business success and performance through its strategic vision and operational functions. The aim of this unit is to introduce learners to the key human resource management principles and concepts so they can support a sustainable approach to people management through an understanding of the purpose and scope of the human resource management function.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative Content
1. Know about the purpose and objectives of human resource management.	1.1 Explain how human resource management has evolved. 1.2 Explain the purpose of human resource management. 1.3 Explain the objectives of human resource management.	<ul style="list-style-type: none"> <li>● Concept of human resource management</li> <li>● Welfare office – labour manager – personnel management</li> <li>● Employee compensation</li> <li>● Discipline</li> <li>● People – process - performance</li> <li>● Workforce planning</li> <li>● Talent management</li> <li>● Employee engagement</li> </ul>

<p>2. Understand the functions of human resource management.</p>	<p>2.1 Explain key operational functions of human resource management. 2.2 Explain key strategic functions of human resource management. 2.3 Discuss the relationship between business strategy and human resource management.</p>	<ul style="list-style-type: none"> <li>● Performance management</li> <li>● Recruitment and selection</li> <li>● Training and development</li> <li>● Employee welfare</li> <li>● Employment law compliance</li> <li>● Strategy integration</li> <li>● Strategic HR planning</li> <li>● Human capital development</li> <li>● Forecasting</li> </ul>
<p>3. Know how internal and external factors impact the human resource management function.</p>	<p>3.1 Compare the internal factors which affect human resource management. 3.2 Compare the external factors which affect human resource management.</p>	<ul style="list-style-type: none"> <li>● Internal factors: <ul style="list-style-type: none"> <li>○ Organisational culture, values and vision</li> <li>○ Resources and capabilities</li> <li>○ Leadership style</li> <li>○ Learning and development</li> <li>○ Motivation</li> <li>○ Business and functional strategies</li> <li>○ Equality and diversity</li> </ul> </li> <li>● External factors: <ul style="list-style-type: none"> <li>○ Competition and PESTEL forces</li> <li>○ Skills trends</li> <li>○ Competitor behaviour</li> <li>○ HR availability</li> <li>○ HR costs</li> <li>○ Legislation</li> <li>○ The implications of home-based and virtual workplaces</li> </ul> </li> </ul>
<p>4. Understand how a business uses its human resource management function.</p>	<p>4.1 Apply techniques to measure the effectiveness of a business's human resource management function for a selected business. 4.2 Suggest ways in which a business could improve the effectiveness of its human resource management function.</p>	<ul style="list-style-type: none"> <li>● Employee net promoter scores</li> <li>● Employee satisfaction index</li> <li>● Absentee rates</li> <li>● Productivity rates</li> <li>● Employee turnover</li> <li>● Using AI (Artificial Intelligence) for recruitment</li> <li>● Digital learning</li> <li>● The psychological contract</li> <li>● Digital transformation</li> </ul>

## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment Criteria to be covered	Assessment type	Word count (approx. length)
All 1 to 4	All ACs under LO 1 to 4	Coursework	3000 words

## Indicative Reading List

Hall, L. et al (2020) *Human Resource Management* 11<sup>th</sup> edition, Pearson, Harlow

Marchington, M. (2020) *Human Resource Management at Work: The Definitive Guide* 7<sup>th</sup> Edition, CIPD, London

## Additional Resources

Human Resource Management Journal

International Journal of Human Resource Management

[Chartered Institute of Personnel and Development](#)

## BUSINESS START-UP: CONCEPTION TO MARKET

Unit Reference Number	M/650/1155
Unit Title	Business Start-up: Conception to Market
Unit Level	5
Number of Credits	20
Total Qualification Time (TQT)	200 hours
Guided Learning Hours (GLH)	100 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Type	Pass / Fail

### Unit Aims

Many people dream of setting up their own business but are not aware of what is required, what support is available and what personal qualities are necessary. The aim of this unit, therefore, is to consolidate previous learning where learners employ the knowledge and skills of disciplines such as business strategy, financial planning, accounting, and management to produce a viable business plan.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative Content
1. Know the fundamental requirements for starting a new business.	1.1 Describe the range of resources required to start a business. 1.2 Describe the personal skills and qualities required to start a business. 1.3 Describe the legal requirements when starting a business.	<ul style="list-style-type: none"> <li>● Resources required for start-up:                             <ul style="list-style-type: none"> <li>○ Drucker's 7 sources of innovation</li> <li>○ Capital investment</li> <li>○ Labour resources</li> <li>○ Physical resources</li> <li>○ Support systems</li> </ul> </li> <li>● Personal skills and qualities: leadership management</li> <li>● Entrepreneurial skills</li> </ul>

		<ul style="list-style-type: none"> <li>● Financial management, problem solving skills, negotiation skills, project management skills</li> <li>● Legal requirements: formalised business structure, operating licence, business insurance, register for taxation</li> </ul>
2. Know sources of support available to new businesses.	<p>2.1 Compare sources of financial support.</p> <p>2.2 Describe support provided by governments.</p> <p>2.3 Describe support provided by non-government organisations.</p> <p>2.4 Compare sources of non-financial support.</p>	<ul style="list-style-type: none"> <li>● Savings</li> <li>● Friends and family</li> <li>● Crowdfunding'</li> <li>● Peer-to-Peer' finance</li> <li>● Interest bearing loans, Hire purchase, credit purchases, leasing arrangement</li> <li>● Investment 'angels'</li> <li>● Grants</li> <li>● Zero interest loans</li> <li>● Employment support schemes</li> <li>● Free training workshops</li> <li>● Free business advice</li> <li>● Free mentoring</li> <li>● Local government</li> <li>● Central government</li> <li>● Banks</li> <li>● Chambers of Commerce</li> <li>● Professional bodies</li> </ul>
3. Be able to create a business plan for a new business to gain stakeholder support.	<p>3.1 Produce a business plan for a start-up business.</p> <p>3.2 Demonstrate effective communication when seeking stakeholder support for a new business.</p>	<ul style="list-style-type: none"> <li>● Business Plan: <ul style="list-style-type: none"> <li>○ Executive Summary</li> <li>○ Industry Overview</li> <li>○ Market and Competition Analysis</li> <li>○ Sales and Marketing Plan</li> <li>○ Management Plan</li> <li>○ Operating Plan</li> <li>○ Financial Plan</li> </ul> </li> <li>● Communication: verbal, nonverbal and visual.</li> </ul>

## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment Criteria to be covered	Assessment type	Word count (approx. length)
All 1 to 3	All ACs under LO 1 to 3	Coursework	3000 words

## Indicative Reading List

Barrow, C. (2016) *Starting and Running a Small Business All-in-one for Dummies* 3<sup>rd</sup> edition, John Wiley, London

Pink, A. and MacDonald, A. (2021) *Business Start Start-Up Guide*, Pink Proactive Publishing, UK

Flick, U. (2020) *Introducing Research Methodology: A Beginner's Guide to Doing a Research Project*. 3rd Ed. London: Sage.

Gray, D. (2017) *Doing Research in The Real World*. 4th Ed. London: Sage.

Saunders, M., Lewis, P. And Thornhill, A. (2019) *Research Methods for Business Learners*. 6th Ed. Harlow: Pearson.

## Additional Resources

The Journal of Entrepreneurship

[Management Help](#)

[Write a Business Plan](#)



## IMPORTANT NOTE

Whilst we make every effort to keep the information contained in the programme specification up to date, some changes to procedures, regulations, fees matter, timetables, etc may occur during the course of your studies. You should, therefore, recognise that this booklet serves only as a useful guide to your learning experience.

For updated information please visit our website [www.othm.org.uk](http://www.othm.org.uk).