



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

Qualification Number: 610/0728/6

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Specification | March 2022

## TABLE OF CONTENTS

INTRODUCTION.....	3
QUALIFICATION OBJECTIVES .....	3
QUALITY, STANDARDS AND RECOGNITIONS.....	4
REGULATORY INFORMATION .....	4
EQUIVALENCES .....	4
QUALIFICATION STRUCTURE.....	5
DEFINITIONS .....	5
ENTRY REQUIREMENTS .....	6
PROGRESSION .....	6
DELIVERY OF OTHM QUALIFICATIONS .....	6
ASSESSMENT AND VERIFICATION .....	6
RECOGNITION OF PRIOR LEARNING AND ACHIEVEMENT .....	8
EQUALITY AND DIVERSITY .....	8
LEVEL 4 UNIT SPECIFICATIONS.....	10
ACADEMIC WRITING AND RESEARCH SKILLS.....	11
BUSINESS AND THE ECONOMIC ENVIRONMENT.....	14
PRINCIPLES OF FINANCIAL ACCOUNTING.....	20
QUANTITATIVE METHODS IN A BUSINESS CONTEXT .....	26
MANAGEMENT ACCOUNTING.....	30
LEADING AND MANAGING TEAMS .....	36
LEVEL 5 UNIT SPECIFICATIONS.....	40
PRINCIPLES AND CONCEPTS OF BUSINESS STRATEGY.....	41
FINANCIAL MANAGEMENT .....	44
FINANCIAL PLANNING AND CONTROL .....	49
FINANCIAL REPORTING .....	54
THE MANAGEMENT OF HUMAN RESOURCES.....	59
BUSINESS START-UP: CONCEPTION TO MARKET.....	62
IMPORTANT NOTE .....	65

## INTRODUCTION

The OTHM Level 5 Extended 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.

The OTHM Level 5 Extended Diploma qualifications are equivalent to the first and second years of a university degree. Learners will study level 4 and 5 units, worth 120 credits per academic year with a total credit value of 240 credits.

The Level 4 units lay the foundations of learning by providing an introduction to relevant topics. The Level 5 units allow learners to specialise and progress into specific occupational areas.

Key features of OTHM Level 5 Extended Diploma qualifications:

- A stimulating and challenging programme of study that will be both engaging and informative for learners
- Learners can gain the essential subject knowledge needed to progress successfully into further study or the world of work
- A simplified structure: learners undertake a core of learning in the Level 4 units and build on this knowledge in the Level 5 units
- Refreshed content that is closely aligned with employer and higher education needs
- Assessments that consider cognitive skills along with affective and applied skills
- OTHM set unit assignments and a varied approach to assessment that supports progression to Level 6
- Learners will develop knowledge and academic study skills including active research skills, effective writing skills, analytical skills, critical thinking, creative problem-solving, decision-making and digital literacy.

## 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 Extended 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 will study level 4 and 5 units, worth 120 credits per academic year with a total credit value of 240 credits (equivalent to the first 2 years of an honours degree).

The Level 4 units lay the foundation for subsequent learning by providing an introduction to relevant accounting and business topics. The units combine theoretical and practical knowledge in academic and research skills, the business and economic environment, quantitative methods, financial accounting, management accounting, and leading and managing teams.

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.

Successful completion of this qualification will equip learners with the specialist skills and technical terminology to develop their accounting and business and management skills and to progress to further study or employment.

## 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 Extended Diploma in Accounting and Business
Ofqual Reference Number	610/0728/6
Regulation Start Date	28/03/2022
Operational Start Date	28/03/2022
Duration	2 years
Total Credit Value	240 Credits
Total Qualification Time (TQT)	2400 Hours
Guided Learning Hours (GLH)	1200 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 Extended 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 Extended Diploma in Accounting and Business qualification consists of 12 mandatory units, 240 credits, 2400 hours Total Qualification Time (TQT) and the recommended Guided Learning Hours (GLH) for this qualification is a minimum of 1200 hours.

To achieve the OTHM Level 5 Extended Diploma in Accounting and Business, learners must achieve 240 credits, of which 120 credits are at Level 4 (6 units) and 120 credits are at Level 5 (6 units).

**All units are mandatory.**

Unit Ref No.	12 Mandatory Units: 240 credits	Level	Credit	GLH	TQT
H/650/1099	Academic Writing and Research Skills	4	20	100	200
T/650/1760	Business and the Economic Environment	4	20	100	200
R/650/1912	Principles of Financial Accounting	4	20	100	200
M/650/1911	Quantitative Methods in a Business Context	4	20	100	200
Y/650/1914	Management Accounting	4	20	100	200
T/650/1148	Leading and Managing Teams	4	20	100	200
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

If a learner does not complete the full Level 5 Extended Diploma qualification, they may be awarded the Level 4 Diploma in Accounting and Business qualification if they have successfully passed all 6 mandatory units and gained 120 credits at Level 4. A new registration for each learner will need to be made by the centre.

## 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 3 Diploma qualification or equivalent qualification
- GCE Advanced level in 2 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 Extended 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 level 4 and 5 units of the OTHM Level 5 Extended 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 Extended 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 4 UNIT SPECIFICATIONS**

## ACADEMIC WRITING AND RESEARCH SKILLS

Unit Reference Number	H/650/1099
Unit Title	Academic Writing and Research Skills
Unit Level	4
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

Engaging in academic research and writing will help learners to interpret and evaluate sources of information and evidence before becoming involved in the production of evidence based, logical, arguments. The aim of this unit is, therefore, to support the exploration of key topics which form part of the academic research and writing process so that learners will be able to achieve greater success and recognition in their studies.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative Content
1. Understand the concept and purpose of academic research and writing.	1.1 Explain what is meant by the term 'academic research and writing.' 1.2 Explain different academic writing conventions. 1.3 Discuss different types of academic research.	<ul style="list-style-type: none"> <li>● Seeking the truth from different academic perspectives</li> <li>● The research hypothesis</li> <li>● Adding to knowledge</li> <li>● Academic language</li> <li>● Paragraphs and argument flows</li> <li>● Paraphrasing</li> <li>● Writing to word counts</li> <li>● Descriptive research</li> <li>● Associational research</li> <li>● Intervention research</li> </ul>

		<ul style="list-style-type: none"> <li>● Validity and reliability of research</li> <li>● The research plan</li> </ul>
2. Know how to conduct academic research.	<p>2.1 Compare different sources of information and evidence.</p> <p>2.2 Explain a research process.</p> <p>2.3 Differentiate between primary and secondary research.</p>	<ul style="list-style-type: none"> <li>● Journals</li> <li>● Textbooks</li> <li>● Conferences</li> <li>● Government data</li> <li>● Research as a linear process</li> <li>● Primary research – seeking new information</li> <li>● Secondary research – reviewing existing information</li> </ul>
3. Know about critical thinking skills.	<p>3.1 Explain what is meant by the term ‘critical thinking.’</p> <p>3.2 Explain different critical thinking skills.</p> <p>3.3 Explain why critical thinking is important in academic research.</p> <p>3.4 Explain how to apply techniques to evaluate an argument.</p>	<ul style="list-style-type: none"> <li>● A systematic approach to evaluating arguments.</li> <li>● Critical reading</li> <li>● Analysis and interpretation</li> <li>● Being open-minded</li> <li>● Self-regulation</li> <li>● Objective v subjective</li> <li>● Promoting creative</li> <li>● Improving language and presentation skills</li> <li>● Thinking ‘outside the box’</li> <li>● Argument coherence</li> <li>● Evidence testing</li> <li>● Validity testing</li> </ul>
4. Understand how to construct a reliable and valid academic argument.	<p>4.1 Explain the key components of a reliable and valid academic argument.</p> <p>4.2 Differentiate between inductive and deductive reasoning.</p> <p>4.3 Suggest an argument structure for a given topic.</p>	<ul style="list-style-type: none"> <li>● Evidence</li> <li>● Premise (nature of academic argument)</li> <li>● Review research sources to test their reliability and validity</li> <li>● Academic bibliographies</li> <li>● Conclusion</li> <li>● Inductive uses generalisation</li> <li>● Deductive uses known evidence and information</li> <li>● Logical argument structures</li> <li>● Presentational skills</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

Bailey, S. (2017) *Academic Writing: A Handbook for International Learners* 5th edition, Routledge, London

Cotrell, S. (2019) *The Study Skills Handbook* 5th edition, MacMillan, London

## Additional Resources

Journal of Academic Research

Journal of Academic Writing

## BUSINESS AND THE ECONOMIC ENVIRONMENT

Unit Reference Number	T/650/1760
Unit Title	Business and the Economic Environment
Unit Level	4
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 introduce learners to the interaction between the general economic environment and business activity. Learners will gain the underpinning knowledge to recognise the components and construct of the business sector and examine the fundamental factors which influence how a business operates within the context of its internal and external business environment.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative content
1. Understand different types of businesses.	1.1 Explain the different types of business sectors. 1.2 Compare different types of businesses. 1.3 Explain the advantages and disadvantages of different organisational structures. 1.4 Explain the financial reporting requirements for different types of business.	<ul style="list-style-type: none"> <li>● Business Sectors:               <ul style="list-style-type: none"> <li>○ Primary sector</li> <li>○ Secondary sector</li> <li>○ Tertiary sector</li> <li>○ Quaternary sector</li> </ul> </li> <li>● Types of Business               <ul style="list-style-type: none"> <li>○ Sole traders</li> <li>○ Partnerships</li> <li>○ Private limited companies (Ltd)</li> <li>○ Public limited companies (PLC)</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ Profit</li> <li>○ Not for profit</li> <li>○ Non-government (NGOs)</li> <li>○ Micro businesses</li> <li>○ SMEs,</li> <li>○ National and multinational businesses</li> <li>● Different Structures             <ul style="list-style-type: none"> <li>○ Hierarchic structure</li> <li>○ Bureaucratic structure</li> <li>○ Matrix structure</li> <li>○ Flat structure</li> <li>○ Organisation structure chart</li> </ul> </li> <li>● Advantages and disadvantages: relating to control, decision-making, financing, borrowing, liability, profit-sharing, taxation, legal status (e.g. veil of incorporation).</li> <li>● Financial reporting requirements: responsibilities for record-keeping and reporting.</li> </ul>
<p>2. Understand the influence of the internal and external environment on a business.</p>	<p>2.1 Assess the needs, interests and influence of a business' stakeholders.</p> <p>2.2 Explain the features and influence of globalisation on a business.</p> <p>2.3 Apply a technique to assess the internal environment of a business.</p> <p>2.4 Apply a technique to assess the external environment of a business.</p>	<ul style="list-style-type: none"> <li>● Business Stakeholders: represent the views of those at the business or enterprise operations level i.e. business goals, strategies, objectives, targets, and key concerns about successes, challenges, issues, risks, and problems</li> <li>● Features of globalisation (international trade in goods and services; international movement of capital, global technology and digital communications; trading blocs, international currency exchange; international specialisation, international movement of labour, multi-national and transnational corporations; joint ventures; outsourcing)</li> <li>● Internal environment: internal factors, functions, stakeholders, organisational culture</li> <li>● Establishing a business's capabilities</li> <li>● Supporting strategic intent</li> </ul>

		<ul style="list-style-type: none"> <li>● Planning for the future</li> <li>● SWOT/TOWS             <ul style="list-style-type: none"> <li>○ Strengths: for example, market share, reserves, innovation, brand</li> <li>○ Weaknesses: for example labour turnover, lack of workforce skills, motivation</li> <li>○ Opportunities: for example technology, overseas markets, product development</li> <li>○ Threats: rising costs, competitive rivalry, new entrants, pressure groups, social trends, government policies</li> </ul> </li> <li>● Capacity assessment grid</li> <li>● McKinsey's 7S framework</li> <li>● Other relevant frameworks</li> <li>● External factors, drivers and stakeholders</li> <li>● Local, national and international cultures</li> <li>● Establishing market position</li> <li>● Recognising opportunities</li> <li>● Preparing for change</li> <li>● PESTLE analysis:             <ul style="list-style-type: none"> <li>○ <b>Political</b> (changes in government and government policies, taxation, political stability, industry regulations, global trade agreements and restrictions);</li> <li>○ <b>Economic</b> (government economic priorities and policies, economic growth, economic decline, exchange rates, inflation, interest rates, consumer spending, labour costs);</li> <li>○ <b>Social</b> (culture, lifestyle, career and life expectations, consumer trends, fashions);</li> <li>○ <b>Technological</b> (new technologies, use of technology, impact of technology on industry, individual businesses and the individual and organisation);</li> </ul> </li> </ul>
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		<ul style="list-style-type: none"> <li>○ <b>Legal</b> (Changes in legislation and regulation e.g. health and safety, employment legislation, equality legislation, consumer legislation, data protection);</li> <li>○ <b>Environmental</b> (corporate social responsibility, consumer opinion, ethical trading, fair trade, organic, sustainability, responsibilities, legal requirements e.g. water use, waste and carbon emissions).</li> <li>● Ansoff matrix</li> </ul>
<p>3. Understand how macro-economic factors impact a business.</p>	<p>3.1 Compare key macro-economic factors.            3.2 Describe the key components of aggregate demand.            3.3 Explain the term 'circular flow of income.'            3.4 Discuss how changes in aggregate demand in the economy impact on the level of economic activity of a business.</p>	<ul style="list-style-type: none"> <li>● Key factors and importance of and impact on business: markets (perfect competition, monopoly, monopolistic competition, oligopoly); competitive advantage (strategies adopted by firms, regulation of competition, supply and demand, elasticity of demand and supply, customer perceptions and actions, pricing); concepts (monetary and fiscal policies, market structure, competition policies).</li> <li>● Aggregate demand: relationship between the total quantity of goods and services demanded (from all the four sources of demand) and the price level, all other determinants of spending unchanged. The aggregate demand curve is a graphical representation of aggregate demand.</li> <li>● A circular flow of income: economic model that describes how the money exchanged in the production, distribution, and consumption of goods and services flows in a circular manner from producers to consumers and back to the producers</li> <li>● Injections and withdrawals from the circular flow of income; government expenditure and taxation; the impact of changes in consumption and the level of investment on employment and the price</li> </ul>

		level (inflation); the impact of full employment of changes in aggregate demand
4. Understand how micro-economics factors impact on a business.	<p>4.1 Compare key micro-economic factors.</p> <p>4.2 Explain how prices are determined in a perfectly competitive market.</p> <p>4.3 Explain how changes in the conditions of supply and demand influence equilibrium price.</p> <p>4.4 Explain how imperfect markets can have an impact on the level of output and prices charged by a business.</p>	<ul style="list-style-type: none"> <li>● Micro-economic factors and importance to and impact on businesses: cost and output decisions; economies and diseconomies of scale; short and long run; multi-national and transnational corporations; joint ventures; outsourcing; core markets; Labour (employee skills, markets); technology; innovation; research and development; core competencies; business environment (political, economic, social, technical, legal, environmental); cultural environment.</li> <li>● Features of perfect competition and the determination of equilibrium price (demand and supply analysis)</li> <li>● Changes in the conditions of supply and demand and their impact on price and output in a perfectly competitive market;</li> <li>● Elasticity of demand and supply imperfect markets (monopoly, monopolistic competition, oligopoly); regulation of markets to promote competition; strategies adopted by firms to achieve a competitive advantage (price and non-price strategies); cost and output decisions; economies and diseconomies of scale;</li> <li>● Short and long run business decisions</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

Capon C. (2009) *Understanding the Business Environment* 3<sup>rd</sup> Edition, Financial Times

Sloman, J. and Hinde, K. (2007). *Economics for Business*; 4<sup>th</sup> edition, Harlow: Pearson Education

Wetherly, P. and Otter, D. (2008). *The Business Environment*, Oxford: Oxford University Press

## PRINCIPLES OF FINANCIAL ACCOUNTING

Unit Reference Number	R/650/1912
Unit Title	Principles of Financial Accounting
Unit Level	4
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 the unit is to help you to understand and apply the principles of financial accounting in a business setting. Learners will gain insight into financial record keeping systems and learn how to adjust and prepare accounts for different business types. In addition, they will learn how professional characteristics and ethical principles are applied and regulated in an accounting context.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative content
1. Understand why businesses need to establish financial record-keeping systems.	1.1 Explain the need for financial record-keeping. 1.2 Explain the importance of liquidity and solvency in business. 1.3 Explain the accounting equation. 1.4 Explain how to record financial transactions using the double-entry method of bookkeeping.	<ul style="list-style-type: none"> <li>● Need for financial record-keeping:               <ul style="list-style-type: none"> <li>○ to monitor revenue and costs</li> <li>○ to calculate what the business is worth</li> <li>○ to calculate profit</li> <li>○ to prepare the financial statements</li> <li>○ for submitting financial returns to the tax authorities</li> <li>○ to set and monitor financial targets</li> <li>○ to instigate efficiency savings</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ to monitor and communicate financial performance to stakeholders</li> <li>○ to present financial summaries to potential lenders and investors</li> <li>● Liquidity and solvency:             <ul style="list-style-type: none"> <li>○ the concept of liquidity and its importance to business; current assets, current liabilities and net current assets (working capital)</li> <li>○ the difference between liquidity and solvency</li> <li>○ cash flow and the preparation and analysis of a cash flow forecast</li> </ul> </li> <li>● The accounting equation:             <ul style="list-style-type: none"> <li>○ the meaning of assets, equity and liabilities;</li> <li>○ <math>assets = equity + liabilities</math></li> <li>○ recording financial transactions involving changes in assets liabilities and equities</li> </ul> </li> <li>● The double-entry bookkeeping method:             <ul style="list-style-type: none"> <li>○ The principles of double-entry bookkeeping</li> <li>○ T-accounts and the rules of double-entry</li> <li>○ The treatment of purchases, expenses, assets, revenue, liabilities and sales</li> <li>○ Entering financial transactions into the accounts</li> </ul> </li> </ul>
<p>2. Be able to account for year-end adjustments.</p>	<p>2.1 Examine the purpose and importance of end of year adjustments in the preparation of final accounts.</p> <p>2.2 Calculate the value of revenue and cost of sales, for given data, over the accounting period.</p> <p>2.3 Calculate year-end adjustments, for given data, to account for irrecoverable debts and provisions for doubtful debts.</p> <p>2.4 Calculate year-end adjustments, for given data, to account for accruals and</p>	<ul style="list-style-type: none"> <li>● Year-end adjustments: changes that need to be made to the balance sheet and profit and loss statement in order to ensure that the year-end reports are an accurate reflection of the company's accounts, a company can conclude the overall financial position of the business for their financial year, which is sometimes referred to as being able to "close the books."</li> <li>● Importance ie legal obligation to do so for all limited companies, will help shareholders and directors as it understand how business has performed, avoid tax overpayment etc.</li> </ul>

	<p>prepayments when preparing the financial statements.</p> <p>2.5 Calculate the cost of depreciation from different methods of depreciation for given data.</p>	<ul style="list-style-type: none"> <li>● Calculate the value of sales revenue and cost of sales:</li> <li>● Revenue: taking into the value of account sales returns</li> <li>● Cost of sales:: opening and closing inventory, returns out and carriage inwards</li> <li>● Irrecoverable and doubtful debts: writing off irrecoverable debts; provision for doubtful debts based on aged trade receivables (debtors) schedule.</li> <li>● Accruals and prepayments: identifying items giving rise to prepayments and accruals e.g. utility bills, rents, wages, insurance, professional fees.</li> <li>● Depreciation is a way for businesses to allocate the cost of fixed assets, including buildings, equipment, machinery, and furniture, to the years the business will use the assets.</li> </ul>
<p>3. Be able to prepare financial reporting statements for different types of organisations.</p>	<p>3.1 Explain the purpose of preparing final accounts for sole traders and partnerships.</p> <p>3.2 Prepare final accounts, including relevant adjustments, for a specific sole trader business.</p> <p>3.3 Prepare final accounts, including relevant adjustments, for a specific partnership business.</p> <p>3.4 Analyse the financial statements of a selected business.</p>	<ul style="list-style-type: none"> <li>● Purpose of preparing accounts: for tax purpose, to ascertain profit, to secure external finance, to report to investors, to monitor and assess the performance of the business, to determine the financial viability of the business, to identify potential issues which may need to be addressed. to inform future business plans</li> <li>● The conceptual accounting framework: principles underlying the conceptual accounting framework: trust in the information provided; easy to understand; provides the right information; ability to compare one business to another accounting concepts: business entity; going concern; accruals; duality; consistency; realisation; prudence; materiality</li> <li>● Application of relevant accounting standards, for example, IASs and IFRSs.</li> <li>● Prepare financial statements:</li> </ul>

		<ul style="list-style-type: none"> <li>○ Preparation of Financial Statements to include revenue/sales; sales returns; purchases; purchase returns; carriage on purchases; opening and closing inventory; adjustment for drawings of goods, cost of sales; gross profit.</li> <li>○ Year-end adjustments: depreciation prepayments and accruals; irrecoverable debts / provision for doubtful debts / aged trade receivables (debtors) schedule.</li> <li>○ Statement of Profit or loss (Income statement)</li> <li>○ Statement of Financial Position</li> </ul>
<p>4. Understand how professional characteristics and ethical principles are applied and regulated in an accountancy context.</p>	<p>4.1 Explain the professional characteristics and ethical principles exhibited by an accountant.</p> <p>4.2 Evaluate the impact of a breach of ethics on accountants and business organisations.</p> <p>4.3 Explain the role of regulatory bodies for accountancy in a specific country.</p> <p>4.4 Identify the requirements for external audit and the basic processes undertaken.</p>	<ul style="list-style-type: none"> <li>● Key principles:             <ul style="list-style-type: none"> <li>○ professional characteristics (autonomy, accountability, ethical behaviour, specialised knowledge, adheres to codes of professional conduct, licenced to practice, represented by/membership of professional bodies);</li> <li>○ practices accountants should comply with to ensure ethical standards of behaviour are met; application of an ethical code; whistleblowing; principles-based approaches v rules-based approaches to ethics.</li> </ul> </li> <li>● Impact of breach of ethical principles: impact on accountants and businesses; legal implications ie money laundering, false accounting etc; (including fines, imprisonment); difficulties in monitoring and identifying; damage to reputation; implications for professional body membership, whistleblowing, conflicts of interest</li> <li>● Role of regulatory bodies and professional associations:</li> <li>● The role of the International Accounting Standards Board (IASB); the purpose of International</li> </ul>

		<p>accounting standards (IAS) and their relationship to the conceptual accounting framework</p> <ul style="list-style-type: none"> <li>● The role of domestic (own country) regulatory bodies and their influence on accounting practice; data protection and money laundering regulations; impact on accountants of breaching regulations</li> <li>● Professional associations: standard setting; reasons standards are required; examinations, licence to practice, domestic (own country) and international accounting standards; monitoring and enforcement</li> <li>● External audits: "full assurance" to investors and financial market participants that a company's accounting records are "fair," complete and in adherence with generally accepted accounting principles, industry standards and regulatory requirements.</li> <li>● The relationship between the Board of Directors, external auditors and shareholders in a public limited company.</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 / Preparation of Financial Statements	3000 words

## Indicative Reading List

Wood, F Sangster, A (2004) *Business Accounting*; Volume 2 (10<sup>th</sup> edition), FT Prentice Hall



Atrill P & McLaney E (2007) *Accounting & Finance for Non-specialists*; 6<sup>th</sup> edition. Financial Times/ Prentice Hall.

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

Drury, J. C. (2007) *Management and Cost Accounting*; 7<sup>th</sup> edition, Chapman and Hall.

## QUANTITATIVE METHODS IN A BUSINESS CONTEXT

Unit Reference Number	M/650/1911
Unit Title	Quantitative Methods in a Business Context
Unit Level	4
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

This unit is designed to develop skills in using quantitative methods, including how to present and use business and management data to inform business decisions. By developing quantitative skills at this level, you will be able to apply business concepts in areas such as accounting, finance, and human resource management. Quantitative data is often employed to assist with business decisions, for example, calculating sales volume to recover costs, determining the price of a new product, or measuring the performance of the business etc.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative contents
1. Be able to use numerical techniques in a business context.	1.1 Apply numerical techniques in a business context. 1.2 Perform calculations to inform business decision making.	<ul style="list-style-type: none"> <li>• Data analysis in business : to determine trends; identify the relationship between variables including price and demand; analyse costs, forecast future performance, analyse consumer behaviour, measure the impact of management actions, analyse business performance against targets and business competitors</li> <li>• Numerical techniques: application of the rules of numeracy in a business context to whole</li> </ul>

		<p>numbers, fractions and decimals; calculation of measures of central tendency (mean, median and mode) measures of dispersion (range, quartile range, standard deviation) positive and negative correlation between two variables, estimating and forecasting ; percentages; approximating data using rounding; significant figures; interpret data including index numbers over a specific time period, transpose and evaluate formulae; simple financial transactions involving purchases, wages, taxation, discounts; simple and compound interest; straight-line and reducing balance depreciation; calculations involving foreign currency involving changes in exchange rates (conversion, transaction and commission costs)</p>
<p>2. Be able to construct and use graphs, charts and diagrams for informed decision making.</p>	<p>2.1 Draw charts and diagrams derived from tabular accounting data. 2.2 Plot graphs, applying the general rules and principles of graphical construction. 2.3 Interpret mathematical graphs of accounting data.</p>	<ul style="list-style-type: none"> <li>● Draw charts and diagrams: Methods of data presentation; charts and diagrams derived from tabular data.</li> <li>● Plot graphs: mathematical graphs; graphing quadratic, identifying dependent/independent variables.</li> <li>● Interpret graphs: interpretation of graphical data in business; identifying misrepresentations of graphical data; use graphical information to support decision making.</li> </ul>
<p>3. Understand how business and management data is used to inform business decision making.</p>	<p>3.1 Compare different types of business and management data. 3.2 Represent and interpret business and management data. 3.3 Identify appropriate methods for communicating business and management data to stakeholders.</p>	<ul style="list-style-type: none"> <li>● Different types of data and management information:             <ul style="list-style-type: none"> <li>○ quantitative and qualitative data;</li> <li>○ discrete and continuous data</li> <li>○ cumulative data</li> <li>○ grouped and ungrouped data.</li> <li>○ raw data and the notion of management information as processed data used in decision-making</li> </ul> </li> </ul>

- Analyse business data: analyse business data to identify trends and relationships between business variables including costs, revenue and profits
- Use outcome numerical analysis to inform business decisions: including decisions relating to price, output, costs, performance, quality.
- Determine and interpret statistics: measures of central tendency (e.g. mean, mode and median) and their correct selection and application; calculation of averages for different types of data/data sets; measures of dispersion; limitations of statistics; identifying misuse of statistics.
- Communicate the outcome of an analysis of management information to business stakeholders:
  - Internal stakeholders (including Directors, managers and the workforce)
  - External stakeholders (including potential investors, lenders and suppliers)
  - Communication to take account of the needs of different stakeholder groups.
  - Different written report formats, e.g. formal or informal, and their appropriateness for audience and content.
  - Different types of presentations including choice and use of appropriate software to include textual, graphical and pictorial elements.
  - Use of handouts and summary sheets.
  - Use of tables, graphs, charts, diagrams:
  - Creation of pictograms, pie charts, bar charts, frequency curves, histograms, line graphs, scattergrams.

		<ul style="list-style-type: none"> <li>• Making use of scattergrams or scatter (XY) graphs and linear trend lines: extrapolation for forecasting (reliability).</li> <li>• The use of tables to simplify and rationalise the presentation of data to aid understanding of the information within that data.</li> <li>• The use of appropriate formats, e.g. one-way tables, two-way tables.</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

Dewhurst, F. (2006). *Quantitative methods for Business and Management*; (2<sup>nd</sup> edition). McGraw-Hill Education

McGraw-Hill Morris, C., (2012). *Quantitative Approaches in Business Studies*. 8th Ed., Prentice Hall

Anderson D. et al (2019). *Essentials of Statistics for Business and Economics* 9<sup>th</sup> Edition, South-Western College Publisher

## MANAGEMENT ACCOUNTING

Unit Reference Number	Y/650/1914
Unit Title	Management Accounting
Unit Level	4
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 the unit is for learners to develop their skills in management accounting, including preparation of budgets, costing, capital expenditure appraisal, and to apply these skills to a real world case or case study.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative content
1. Understand the functions of management accounting in business.	1.1 Define management accounting, 1.2 Explain requirements for various management accounting systems used in business. 1.3 Explain the function of cost accounting in business accounting. 1.4 Explain the relationship between cost accounting and management accounting. 1.5 Explain how cost accounting, management account and financial accounting are coordinated to aid effective decision-making in business.	<ul style="list-style-type: none"> <li>Management accounting: analyses the data on costs produced by the cost accounting function; produce management information for decision-makers relating to budget-setting and monitoring, cash flow forecasting, finance costs of borrowing, inventory management costs, capital project appraisal and investment appraisal to determine costs and returns over time; costing and pricing decisions to determine the break-even point and the margin of safety.</li> </ul>

		<ul style="list-style-type: none"> <li>● Different types of management accounting systems: Cost-accounting systems, inventory management systems, job-costing systems and price-optimising systems. Benefits of different types of systems.</li> <li>● Cost accounting</li> <li>● Why decision-makers need information on business costs</li> <li>● Classification and calculation of business costs (fixed costs, variable costs, overhead costs, , semi-variable costs, step costs, direct costs, indirect costs, average costs, total costs)</li> <li>● Calculate costs from source documentation including purchase requisition forms, purchase order, delivery note, goods received note, supplier's invoice, stores requisition</li> <li>● The need for cost control and the identification of cost centres, cost codes and budgets</li> <li>● create a simple cost coding system (6 digit)</li> <li>● Differences between management account and financial accounting:             <ul style="list-style-type: none"> <li>○ nature of reports produced</li> <li>○ stakeholders served</li> <li>○ level of detail;</li> <li>○ regulations</li> <li>○ reporting intervals</li> <li>○ time orientation</li> <li>○ range and quality of information</li> </ul> </li> <li>● The relationship between cost accounting, management accounting and financial accounting:</li> <li>● Differences between management account and financial accounting: including nature of reports produced; stakeholders served; level of</li> </ul>
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		<p>detail; regulations; reporting intervals; time orientation; range and quality of information</p> <ul style="list-style-type: none"> <li>● Long-term strategic planning: information provided by the accounting functions to decision-makers and strategic managers to determine strategic objectives</li> <li>● Operational plans: enable targets to be set at a departmental(functional level)</li> <li>● Tactical decision-making: identify potential immediate challenges relating to cost control and budgets; contribution of tactical decisions to changes in the external environment</li> </ul>
<p>2. Know the importance of budgeting, working capital management and accounting for depreciation.</p>	<p>2.1 Explain the contribution of budgeting-setting and monitoring to business performance.                  2.2 Explain the advantages and disadvantages of different types of budget-setting.                  2.3 Explain how to apply the techniques for managing working capital management.                  2.4 Explain the methods used to depreciate non-current assets.</p>	<ul style="list-style-type: none"> <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> <li>○ types of budgets:</li> <li>○ advantages and disadvantages of different types of different types of budgets incremental, zero-based, fled budgets</li> <li>○ budget-monitoring as management tool</li> </ul> </li> <li>● Working capital management:                         <ul style="list-style-type: none"> <li>○ the importance of liquidity in a business</li> <li>○ the difference between liquidity and solvency</li> <li>○ calculate net current assets (current assets – current liabilities)</li> <li>○ calculate and interpret liquidity ratios (current ratio; acid test ratio)</li> <li>○ prepare a cash flow forecast from given data and analyse the implications for the business</li> </ul> </li> </ul>



		<ul style="list-style-type: none"> <li>○ calculations of depreciation using the straight-line and reducing balance methods</li> </ul>
<p>3. Be able to calculate standard costs and budget variances.</p>	<p>3.1 Explain the purpose of standard costing for a selected organisation.</p> <p>3.2 Calculate standard costs for given data.</p> <p>3.3 Calculate variances for given data.</p> <p>3.4 Discuss the advantages and limitations of standard costing.</p>	<ul style="list-style-type: none"> <li>● The meaning of standard costing: types of standards (ideal and attainable)</li> <li>● Calculation of variances: <ul style="list-style-type: none"> <li>○ The difference between an adverse variance and a favourable variance</li> <li>○ material variances (price and usage);</li> <li>○ labour variances (rate and efficiency);</li> <li>○ total fixed overhead variance; and</li> </ul> </li> <li>● Advantages and limitations of standard costing: <ul style="list-style-type: none"> <li>○ Advantages: for example better cost control, information for control and decision making, easier inventory measurement, easier record keeping</li> </ul> </li> <li>● Limitations: including determining variances may be more difficult; exceptions may not be reported; management by exception can lower employee morale.</li> </ul>
<p>4. Know how to apply break-even analysis in different contexts.</p>	<p>4.1 Explain how to calculate break-even analysis using formula.</p> <p>4.2 Explain how a business organisation can apply cost, volume and profit analysis.</p> <p>4.3 Explain the limitations of break-even analysis.</p>	<ul style="list-style-type: none"> <li>● Break-even analysis <ul style="list-style-type: none"> <li>○ Construct a break-even chart from fixed costs, variable costs and revenue</li> <li>○ Analyse in a graphical format the impact on the break-even point of a change in fixed costs variable costs price</li> </ul> </li> <li>● Calculate the break-even point by formula <ul style="list-style-type: none"> <li>○ The margin of safety and its implications for a business</li> </ul> </li> <li>● Contribution <ul style="list-style-type: none"> <li>○ calculation of the contribution per unit</li> </ul> </li> <li>● The use of break-even analysis: <ul style="list-style-type: none"> <li>○ to determine the number of units which will cover costs;</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ to avoid losses</li> <li>○ to determine the margin of safety;</li> <li>○ to identify the impact of changes in costs and price on the break-even point</li> <li>○ to determine the relationship between costs, revenue and profit at different levels of output</li> <li>● The limitations of break-even analysis:             <ul style="list-style-type: none"> <li>○ the assumption that the business will sell all stock at the same price</li> <li>○ variable costs could change regularly</li> <li>○ new entrants into the market may result in price competition</li> <li>○ the cost-revenue-output relationship may not be linear.</li> </ul> </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 / Preparation of Financial Statements	3000 words

## Indicative Reading List

Drury, J.C. (2007) *Management and Cost Accounting*; 7<sup>th</sup> edition, Chapman and Hall.

Hornigren C.T. *Introduction to Management Accounting*, 16<sup>th</sup> edition (Pearson)

Izhar, R. Hontoir, J. *Accounting, Costing and Management*; 2<sup>nd</sup> rev. edition. Oxford University Press

Randall, H. (2005) *AS and A Level Accounting*, Cambridge University Press



## LEADING AND MANAGING TEAMS

Unit Reference Number	T/650/1148
Unit Title	Leading and Managing Teams
Unit Level	4
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

Having hard management and soft leadership skills is often stated by employers as being key to the success of a business but few people have sufficient quantities of both to make a significant impact on business operations and strategy. The aim of this unit, therefore, is to support a learner's understanding of leadership as a role and management as a function so that they are able to develop the knowledge, skills and traits to make a meaningful contribution to a business's success.

### Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcome – The learner will:	Assessment Criteria – The learner can:	Indicative Content
1. Know about leadership and management.	1.1 Differentiate between leadership and management. 1.2 Explain key leadership theories. 1.3 Explain key management theories.	<ul style="list-style-type: none"> <li>● Soft leadership (inspiration, motivation)</li> <li>● Hard management (policymaking, planning)</li> <li>● Difference between leader and manager</li> <li>● Leadership Theories</li> <li>● Trait theory</li> <li>● Behaviour theories,</li> <li>● Autocratic style, Democratic style, Laissez-faire style</li> <li>● Situational theory</li> <li>● Contingency theory</li> </ul>

		<ul style="list-style-type: none"> <li>● Transactional vs transformational</li> <li>● Leadership management schools/approaches</li> <li>● Scientific management</li> <li>● Bureaucratic management</li> <li>● Human relations</li> <li>● Systems management</li> <li>● Situational theories</li> </ul>
2. Know how teams are developed.	<p>2.1 Explain what is meant by the term ‘team development.’</p> <p>2.2 Explain what is meant by the term ‘high performance team.’</p> <p>2.3 Compare different team development models.</p>	<ul style="list-style-type: none"> <li>● Aligned goals</li> <li>● Mutual trust and respect</li> <li>● Collaboration</li> <li>● Effective communication</li> <li>● Tuckman’s model of team stages: forming, storming, norming, performing.</li> <li>● Adair’s task, team, individual framework</li> <li>● McGregor’s X/Y theory: authoritarian (Theory X) and participative (Theory Y)</li> </ul>
3. Understand how to improve individual and team performance.	<p>3.1 Explain techniques used to improve individual and team performance.</p> <p>3.2 Explain the importance to an individual of improving own performance.</p> <p>3.3 Explain the importance to a business of effective individual and team performance.</p> <p>3.4 Discuss the role of motivation theories in improving individual and team performance.</p> <p>3.5 Explain the contemporary challenges of leading and managing staff.</p>	<ul style="list-style-type: none"> <li>● SMART: Specific, Measurable, Achievable, Realistic, and Timebound goals</li> <li>● Training and development</li> <li>● Appraisals</li> <li>● Coaching and mentoring</li> <li>● Develop own skills</li> <li>● Enhanced promotion opportunities</li> <li>● Increased productivity</li> <li>● Increased quality</li> <li>● Maslow’s hierarchy of needs: physiological, safety, social, esteem and self-actualisation</li> <li>● Herzberg’s 2 factor theory: Motivating factors; causes employees to work harder. Hygiene factors: absence of hygiene factors will cause employees to work less hard.</li> <li>● Vroom’s expectancy theory: employee's motivation is an outcome of how much an individual wants a reward (Valence), the assessment that the likelihood that the effort</li> </ul>

		<p>will lead to expected performance (Expectancy) and the belief that the performance will lead to reward (Instrumentality).</p> <ul style="list-style-type: none"> <li>● Contemporary challenges including: <ul style="list-style-type: none"> <li>○ Diversity and inclusion</li> <li>○ Regulations and legislation</li> <li>○ Impact of new technology</li> <li>○ Need for flexibility in job roles</li> <li>○ Dealing with the implications of societal changes and trends</li> <li>○ Workforce expectations</li> </ul> </li> </ul>
<p>4. Be able to determine own capacity to be an effective leader and manager.</p>	<p>4.1 Apply techniques to determine own capacity to be an effective leader and manager.</p> <p>4.2 Assess own ability to improve knowledge and skills to be an effective leader and manager.</p>	<ul style="list-style-type: none"> <li>● Personal SWOT</li> <li>● Leadership/management assessments</li> <li>● Myers Briggs Type Indicator (MBTI)</li> <li>● Emotional intelligence assessment</li> <li>● Reflective journals</li> <li>● Reflective statements</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

Adair, J. (2018) *Develop Your Leadership Skills: Fast, Effective Ways to Become a Leader People Want to Follow*, Kogan Page, London

Kelly, P. and Cole, G. (2020) *Management: Theory and Practice* 9th edition. Cengage, Boston

## **Additional Resources**

Journal of Leadership & Organisational Studies

Journal of Management

## **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 Hall

## 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.                  2.2 Describe support provided by governments.                  2.3 Describe support provided by non-government organisations.                  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.                  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).