Unit 307/697 Principles of business

UAN:	**D/506/1942**
Level:	3
Credit value:	10
GLH:	74
Relationship to NOS:	Business & Administration (2013) National Occupational Standards: • CFABAA112 Contribute to innovation in a business environment
Assessment requirements specified by a sector or regulatory body:	All Assessment Criteria must be met and assessed in line with Skills CFA Assessment Strategy.
Aim:	This unit aims to develop knowledge and understanding regarding business and introduces learners to the key principles of business. Upon completion of this unit, learners will develop an understanding of a variety of business principles, including business markets, business innovation and growth, and sales and marketing. Learners will also present knowledge of financial management and business budgeting.

Learning outcome
The learner will: 1. Understand business markets.
Assessment criteria
The learner can: 1.1 explain the **characteristics** of **different business markets** 1.2 explain the nature of **interactions** between businesses within a market 1.3 explain how an organisation's goals may be **shaped** by the market in which it operates 1.4 describe the **legal obligations** of a business.

Range
Characteristics: • purpose • finance • ethos • structure

- customers
- ownership

Different business markets:
Public Sector:

- Public Corporations
- Hospital Trusts
- Local Authorities and LEAs

Private Sector:

- Sole Traders
- Partnerships
- Private Limited Companies
- Public Limited Companies

Voluntary/not-for-profit Sector:

- charities
- non-profit-making organisations

Industry**:**

- service providers
- retailers
- wholesalers
- manufacturers
- extractive industries

Interactions:

- supply chain transactions
- logistics
- advertising
- collaboration- eg loyalty rewards, discounts, joint promotions

Shaped:

- climate change
- resource scarcity
- urbanisation
- ageing population
- competition
- economy

Legal obligations :

- National Minimum Wage Act
- Equality Act
- Working Time Regulations Act
- Data Protection Act 1998
- Employment Rights Act
- Human Rights Act
- Health and Safety at Work Act
- Companies Act

Learning outcome
The learner will: 2. Understand business innovation and growth.
Assessment criteria
The learner can: 2.1 define business innovation 2.2 explain the uses of **models** of business innovation 2.3 identify sources of support and guidance for business innovation 2.4 explain the process of product or service development 2.5 explain the benefits, risks and implications associated with innovation.

Range
Models: • reviewing systems • customer value proposition • innovation ecosystem • social innovations • USPs

Learning outcome
The learner will: 3. Understand financial management.
Assessment criteria
The learner can: 3.1 explain the importance of financial viability for an organisation 3.2 explain the consequences of poor financial management 3.3 explain different **financial terminology**.

Range
Financial terminology: • VAT (value added tax) • capital gains • expenditure • revenue • profit (gross/net) • turnover • cash flow • balance sheet • liquidity • debtors • creditors • capital • assets (fixed/current) • liabilities (fixed/current) • depreciation

• break-even

Learning outcome
The learner will: 4. Understand business budgeting.
Assessment criteria
The learner can: 4.1 explain the uses of a **budget** 4.2 explain how to manage a budget.

Range
Budget: • capital • operational • master

Learning outcome
The learner will: 5. Understand sales and marketing.
Assessment criteria
The learner can: 5.1 explain the **principles** of marketing 5.2 explain a sales **process** 5.3 explain the features and uses of **market research** 5.4 explain the value of a brand to an organisation 5.5 explain the relationship between sales and marketing.

Range
Principles: • The 4 Ps/7 Ps **Process:** • 7 step sales process **Market research:** • qualitative • quantitative.

Additional Guidance if delivered as Portfolio based

Candidates will be expected to have carried out research on the range stated in each of the above learning outcomes.

Candidates will be required to submit a report of a minimum of 3000 words to a maximum of 5000 words based on their own organisation or organisation of their choice. Not all of the range shown in each learning

outcome will be relevant to their organisation or the organisation they have chosen in the report. However, the key point of the report is to show the candidate's understanding of each learning outcome and the relevance to the business sector chosen.

Any necessary additional coverage could be generated through professional discussion.