**Unit 284 Business Concepts Level 2**

**Rationale**

The aim of this unit is to enable candidates to understand the organisational contexts within which new business systems solutions are developed. Candidates will develop the skills required to understand the reasons for organisational change and the need to justify investment.

**Outcomes**
There are four outcomes to this unit. The candidate will

- know different types of organisations and the key functions within them
- understand how the external environment creates the need for organisations to change
- be able to describe the main legal and regulatory issues for organisations
- know the essential financial operations within organisations

**Guided learning hours**

The recommended guided learning hours for this unit are 30 hours.

**Connections with other awards**

| NVQ links | Outcome | This award contributes to the knowledge and understanding of the following Areas of Occupational Competence for the City & Guilds NVQ in Business and Administration (4404) |
|---|---|---|
| 202 | | Work within your business environment |
| | | |
| | | |
| | | |

**Key Skills links**

| | |
|---|---|
| Communication | C2.1a, C2.1b |
| Application of Number | N2.1, N2.2 |
| Information technology | None |
| Working with others | None |
| Improving own learning | LP2.1, LP2.2 |
| Problem solving | PS2.1 |

**Assessment**
Assessment will be by means of a set assignment covering practical activities and underpinning activities.

**Outcome 1: Know different types of organisations and the key functions within them**

**Practical activities**

The candidate will be able to:

1. identify different types of organisations

2. identify key functions that are required within organisations ie
   - operations
   - finance
   - human resources
   - sales and marketing

3. identify the structure of an organisation

**Underpinning knowledge**

The candidate must be able to:

- describe different types of organisations in terms of their goals
    - economic
    - social
    - mixed
    - size
        - small
        - medium
        - large
    - sector
        - public
        - private
        - not for profit
- describe the responsibilities of the key business functions Operations, finance, HR Sales and marketing,
- describe how organisations can be grouped in different ways
- define a private limited company (Ltd) and a public limited company (PLC) and describe the main differences between them
- describe different organisation structures
        - by business function
        - by project
        - by process
- list the responsibilities of the key functions and how they use IT

**Outcome 2: Understand how the external environment creates the need for organisations to change**

**Practical activities**

The candidate will be able to

- provide evidence of external factors affecting an organisation
- identify an external factor as an opportunity or a threat

**Underpinning knowledge**

The candidate will be able to

- describe the range of external forces and how these forces drive organisations to change
  - political
  - economic
  - sociological,
  - technological
  - legal
  - environmental
  - competition
- describe how external factors can represent opportunities and/or threats
- identify a mission statement
- identify an objective
- define the characteristics of a good objective
  - specific
  - measurable
  - achievable
  - relevant
  - time-based
- identify an organisation's strategy
- identify why CSF (Critical Success Factors) are important for organisations
- describe how CSF are used to develop measurable performance targets

**Outcome 3: Be able to describe the main legal and regulatory issues for organisations**

**Practical Activities**

The candidate will be able to

- identify some of the actions that organisations can take to comply with the Data Protection Act
    - register systems holding personal data
    - obtain customers' agreement to holding personal data
    - ensure personal data is kept up to date
    - ensure personal data is held securely
    - develop and communicate data protection policy
    - introduce processes to support the policy eg tick boxes on application forms

**Underpinning knowledge**

The candidate must be able to

- list reasons why legal issues are important to organisations
- state the difference between criminal and civil law
- state how UK law is developed where law in the UK comes from
    - common law
    - statute law
- state the increasing role of the European Union in contributing to UK Law
- describe key elements of anti-discrimination legislation
    - sex
    - race
    - disability
    - sexual orientation
    - religion
    - age
- define intellectual property and the different types of intellectual property rights
    - patents
    - copyright
    - trademarks
    - confidential information
- state the key features of the Data Protection Act
- describe the basic role of Industry Regulators

**Outcome 4: Know the essential financial operations within organisations**

**Practical activities**

The candidate will be able to
- identify the costs and benefits in a cost benefit analysis table
- Create a cost benefits analysis table in a given scenario
- identify the payback period
- calculate the return on investment using a given formula

**Underpinning knowledge**

The candidate will be able to:
- describe the importance of the finance function within organisations
- state what a shareholder is
- state the different types of accounting information and processes required to support the organisation
- describe some of the processes that are undertaken within the finance department
  - financial accounting, recording transactions accurately (double entry book-keeping), preparing the major financial statements
  - management accounting e.g. determining the costs within the organisation, setting budgets, forecasting cashflow, business cases
- define key finance terms
  - turnover
  - costs
  - profit
  - assets
  - liabilities
  - balance sheet
  - budgets
  - cashflow
- state why business cases are required
- describe different types of cost that are included in business cases
  - capital costs
  - revenue costs
- define what is meant by a benefit in the context of a business case
  - quantifiable
  - non-quantifiable
- state how the information in a cost benefit table is shown
- define “payback period”
- define “return on investment” and describe which elements of the cost benefit analysis are required to calculate this