

Unit 1: Investigating business (LEVEL 3)

Learning outcomes

By completing this unit candidates will develop a thorough knowledge and understanding of how businesses develop and adapt in a changing economic and business climate.

Candidates will produce evidence to meet the unit assessment objectives in order to show that they understand:

- different types of business ownership and reasons for change
- different organisation structures and reasons for change
- objectives and expectations of shareholders and how they may change over time
- reasons for growth or decline of industrial sectors
- competition, how businesses compete and improve the level of competitiveness.

Assessment objectives	Knowledge, understanding and skills
1 Investigate three contrasting businesses and describe their aims and objectives and current forms of ownership	Aims (eg financial, ethical, market centred, customer centred) Objectives (eg financial, market growth, product development, marketing): <ul style="list-style-type: none">• Specific• Measurable• Attainable• Realistic• Timed Forms of ownership: <ul style="list-style-type: none">• sole trader• partnership• limited Company• public limited Company• franchise• worker co-operatives• building and friendly societies• charities
2 Explain why one of the selected businesses might wish to change its form of ownership in the future	Reasons for change: <ul style="list-style-type: none">• growth/decline of the business• change of management (forced or voluntary)• change of liability• obtaining finance

Assessment objectives	Knowledge, understanding and skills
Assessment Objectives 3 to 8 are based on one medium or large sized business selected from those identified in Assessment Objective 1	
<p>3 Investigate the internal structure and functional areas of a selected business and explain how its internal structure and functional areas have changed over time</p>	<p>Organisational structures defined by:</p> <ul style="list-style-type: none"> • organisation charts (flat, hierarchical, matrix and entrepreneur) • functional areas (eg finance, marketing, research and development) • chain of command • span of control • authority and responsibility • line, staff and functional authority <p>Reasons for change:</p> <ul style="list-style-type: none"> • need to increase efficiency • growth or shrinkage • takeover or merger • outsourcing of functions
<p>4 Explain the roles of both internal and external stakeholders in the selected business and show how their objectives and expectations have changed over time</p>	<p>Internal stakeholders:</p> <ul style="list-style-type: none"> • owners/ shareholders • managers • employees <p>External stakeholders:</p> <ul style="list-style-type: none"> • customers • suppliers • government • local communities
<p>5 Investigate and explain the reasons for the location of the selected business, and explain why the selected business might wish to relocate in the future</p>	<p>Location and relocation factors:</p> <ul style="list-style-type: none"> • access to raw materials • distribution costs • access to markets • communications and ICT • scaling up or scaling down • land cost • labour cost and skills available • government influence • EU influence • international location • historical
<p>6 Explain the competition model within which the selected business operates and any legislative constraints affecting its ability to compete in the future</p>	<p>Competition Models:</p> <ul style="list-style-type: none"> • perfect competition • monopoly • oligopoly • monopolistic competition • restrictive trade practices • cartels <p style="text-align: right;">(continued overleaf)</p>

Assessment objectives	Knowledge, understanding and skills
6 Cont. Explain the competition model within which the selected business operates and any legislative constraints affecting its ability to compete in the future	Legislative constraints include: <ul style="list-style-type: none"> • Enterprise Act • Monopolies and Restrictive Practices Act • Monopolies and Mergers Act • Restrictive Trade Practices Act • Fair Trading Act • Competition Acts
7 Illustrate the growth or decline of the industrial sector associated with the business selected, in comparison with other industrial sectors	Industrial sectors: <ul style="list-style-type: none"> • primary • secondary • tertiary Comparison by: <ul style="list-style-type: none"> • employment by sector • growth/decline by sector
8 Carry out a presentation to explain how the selected business maintains its competitiveness and propose appropriate strategies to improve this level of competitiveness in the future	<ul style="list-style-type: none"> • customer focus • competitor watching • suitable location • suitable resources • suitable ownership • market penetration • expansion/merger • research and development

Assessment

This unit is centre-assessed and externally moderated.

In order to achieve this unit candidates must produce a portfolio of evidence showing that they have met all of the assessment objectives. Assessment Objectives 3 to 8 relate to a single business selected by the candidate.

Candidates should be encouraged to present their work in formats that would be acceptable in business.

Portfolios of work must be produced independently. They will need to be made available, together with witness statements and any other supporting documentation, to the OCR Visiting Moderator when required.

Centres must confirm to OCR that the evidence produced by candidates is authentic. An OCR Centre Authentication Form is provided in the Centre Handbook and includes a declaration for assessors to sign. It is a requirement of the QCA Common Criteria for all Qualifications that proof of authentication is received.

Guidance on assessment and evidence requirements

An OCR model assignment is available for this unit and can be downloaded from our website: www.ocr.org.uk and can also be found in the Model Assignments folder on this CD Rom. OCR has produced a Tutor's Support Pack for this unit, which can be purchased from OCR Publications.

For Assessment Objective 1 candidates must investigate three businesses with different forms of ownership. Candidates are advised to choose a small, medium and large-sized business. For each of the three businesses they must describe their aims and objectives and current form of ownership.

For Assessment Objective 2 candidates would be advised to explain why the smaller business might wish to change its form of ownership in the future.

Assessment Objectives 3 to 8 are based on one medium or large-sized business selected from those identified in Assessment Objective 1

For Assessment Objective 3 candidates are advised to select either the medium or large business from Assessment Objective 1. They will need to be able to obtain detailed information on the business which is unlikely to be found on the business's website alone. Where appropriate, candidates may wish to use part-time jobs, work experience placements, college visits or visiting speakers. Candidates must investigate both internal structure and functional areas of the selected business. They must also explain how its internal structure and functional areas have changed over time with reference to the bullet points in the knowledge, understanding and skills.

For Assessment Objective 4 candidates must focus on the role of both internal and external stakeholders eg a customer's role is to purchase goods or services and may be required to supply feedback. Candidates must then focus on how the stakeholders expectations have changed over time. For example, customers want cheaper prices and better customer service.

For Assessment Objective 5 candidates must clearly explain the reasons for the current location using the full range of bullet points in the knowledge, understanding and skills. A clearly annotated map will support the accompanying explanations. The candidates are then required to explain why the selected business might wish to relocate in the future.

For Assessment Objective 6 candidates may produce theoretical coverage of the competition models as outlined in the knowledge, understanding and skills. They must apply the above theory to their selected business. Candidates may cover the most up to date legislation in theoretical terms but must explain how this legislation could affect the business's ability to compete in the future.

For Assessment Objective 7 the candidates' illustration of the growth or decline of the industrial sector associated with the business selected must be based on recent statistics. They must then compare the other industrial sectors with the one already discussed. Candidates' evidence must include, figures, charts or graphs with supporting explanations and comparisons.

For Assessment Objective 8 the candidates' presentation must consider all the bullet points outlined in the knowledge, understanding and skills. Candidates must cover both elements of the assessment objective – how the selected business maintains its competitiveness and propose appropriate strategies to improve this level of competitiveness in the future. Candidates should include the full range of presentation materials used eg notes, prompt cards and presentation slides and these must be supported by a witness statement.

Candidates may provide portfolio evidence for this unit using a range of suitable and appropriate techniques. These may include written data, the use of video, audio presentation and PowerPoint within the body of the portfolio and display evidence. Where presentations or displays have taken place for which evidence cannot be easily included within the portfolio evidence assessor testimony/witness statements must be included, signed by the assessor(s), and supported by appropriate evidence (handouts, slides etc).

Delivery of this unit will require tutors to develop a range of class-based teaching strategies using a range of delivery materials, case studies and exercises to develop candidates' underpinning knowledge. OCR has produced a Tutor's Support Pack for this unit, which can be purchased from OCR Publications.

Wherever possible, learning activities should be related to real organisational contexts through the use of work placements, visits and video resources. Depending on the age and experience of candidates, there may be the opportunity to draw on candidates' own vocational experiences. An OCR model assignment is available for this unit and can be downloaded from our website: www.ocr.org.uk and can also be found in the Model Assignments folder on this CD Rom.

Tutors will also need to provide tutorial and workshop sessions to provide support and guidance to candidates as they undertake research into the selected companies. Tutors will need to provide initial guidance in the selection of companies to investigate. Candidates may wish to choose companies of which they have experience but it may also be appropriate for tutors to specify the companies themselves and arrange visits or visiting speakers. It is however anticipated that candidates will provide an individual portfolio of evidence for the unit.

Tutors will need to provide tutorial and workshop support to enable discussion of the results of the candidates' investigations and to provide guidance for the completion of assessment objectives.

Signposting to Key Skills

- ✓ The unit contains opportunities for developing the Key Skill, and possibly for generating portfolio evidence, if teaching and learning is focused on that aim.

Key Skill reference		Key Skill reference		Key Skill reference	
C3.1a	✓	ICT3.1	✓	N3.1	
C3.1b	✓	ICT3.2	✓	N3.3	
C3.2	✓	ICT3.3	✓	N3.3	
C3.3	✓				

Mapping to National Occupational Standards

Occupational Standards	Unit number	Title
SFEDI – Business Start-up Standards Level 3	8	Get premises for your business
SFEDI – Business Development Standards Level 4	A1 E1	Review the business Get the right premises for the business
CfA – Level 3 Administration	310	Research, analyse and report findings
CfA – Level 3 Administration	312	Make a presentation

Resources

This section provides suggestions of suitable resources. The list is neither prescriptive or exhaustive, and candidates should be encouraged to gather information from a variety of sources. Some suggested resources are intended for Tutor use. The resources in this section were current at the time of production.

Books

Dransfield, R & Needham, D (2000)	<i>AVCE Advanced Business</i> Heinemann
Fardon, M & Birth, I & Adcock F, et al, (2000)	<i>Advanced Business</i> Osborne Books
Hall, D & Jones, R & Raffo, C & Chambers I (2004)	<i>Business Studies</i> Causeway Press
Hough, Karen et al (2006)	<i>OCR National Level 3 Business</i> Heinemann

Websites

Bized – <http://www.bized.ac.uk/>

Service for students and educators on business and economics related subjects.

Business Education Zone – <http://www.businesseducation.findhere.org/>

Includes reviews of business websites.

CAROL – <http://www.carol.co.uk/>

Provides access to company reports online.

The Times 100 – <http://www.thetimes100.co.uk/>

Resource for students and teachers. Case studies on real companies.

Grading

Assessment Objective	Pass	Merit	Distinction
AO1 Investigate three contrasting businesses and describe their aims and objectives and current forms of ownership	For the three contrasting businesses candidates will describe in basic terms the aims, objectives, and forms of ownership	For the three contrasting businesses the description of the aims, objectives and forms of ownership will include comparisons between the organisations	For the three contrasting businesses the description of the aims, objectives and forms of ownership will include detailed comparisons and be based on extensive research
AO2 Explain why one of the selected businesses might wish to change its form of ownership in the future	Candidates will explain why one business might wish to change its form of ownership in the future. The explanation of the two types of ownership will be limited	The candidates' explanation of why the selected business might wish to change ownership will include what the most appropriate form of ownership is and give reasoned arguments for the choice	Candidates will recommend and justify why a change of ownership for one of the chosen businesses would be appropriate and will identify the implications of the change for the business
Assessment Objectives 3 to 8 are based on one business selected from those identified in Assessment Objective 1			
AO3 Investigate the internal structure and functional areas of a selected business and explain how its internal structure and functional areas have changed over time	Candidates will describe the internal structure and the functional areas and then explain the changes in the internal structure and functional areas in simplistic terms	The internal structure of the functional areas will be clearly illustrated and explained . Reasons for change will be explained in detail	The explanation of the internal structure and functional areas will be comprehensive . Candidates will fully explore reasons for change. The explanation of the changes will clearly show the impact on the organisation
AO4 Explain the roles of both internal and external stakeholders in the selected business and show how their objectives and expectations have changed over time	The explanation of the roles of the business's stakeholders will be at a basic level . Candidates will show limited understanding of how the expectations of stakeholders have changed over time	Candidates will give a detailed explanation of the roles of stakeholders in the business and how their expectations have changed. Explanations will include some supporting examples	Candidates will use a range of examples to support their explanation of the roles of the business's stakeholders. The explanation will fully illustrate how expectations may change over time

Assessment Objective	Pass	Merit	Distinction
<p>AO5 Investigate and explain the reasons for the location of the selected business, and explain why the selected business might wish to relocate in the future</p>	<p>Candidates will explain, in simple terms, reasons for the current business location and why the business might wish to relocate. The range of reasons given will be limited</p>	<p>Candidates will give a detailed explanation of appropriate factors for current location and relocation, most of which will be applicable to the chosen business</p>	<p>Candidates will give a clear and comprehensive explanation of the relevant factors for current location and relocation, all of which will be applicable to the chosen business</p>
<p>AO6 Explain the competition model within which the selected business operates and any legislative constraints affecting its ability to compete in the future</p>	<p>The explanation of the competition model and associated legislative constraints will be at an introductory level. Candidates will give a brief explanation of how the legislation will affect ability to compete</p>	<p>The explanation of the competition model will be clear. Candidates will make some links between legislation and the ability to compete in the future. They will use some examples to illustrate their answers</p>	<p>Candidates will provide a clear and detailed explanation of the competition model within which the business operates. They will show clear links between all of the applicable legislation and the ability to compete in the future. Candidates will illustrate their answers with relevant examples from the selected business</p>
<p>AO7 Illustrate the growth or decline of the industrial sector associated with the business selected, in comparison with other industrial sectors</p>	<p>Candidates will briefly explain the growth or decline of the associated sector with some limited use of illustrations eg graphs, charts or figures. There will be a limited comparison with other industrial sectors</p>	<p>The explanation and illustration of the growth or decline of the associated industrial sector will show some appropriate research and will include some illustrative examples and supporting figures. There will be a clear comparison with other industrial sectors</p>	<p>The explanation and illustration of the growth or decline of the associated industrial sector will show in-depth appropriate research and will be extensive, including a range of illustrative examples with supporting figures. There will be a comprehensive comparison with other industrial sectors</p>

Assessment Objective	Pass	Merit	Distinction
<p>AO8 Carry out a presentation to explain how the selected business maintains its competitiveness and propose appropriate strategies to improve this level of competitiveness in the future</p>	<p>The presentation will be largely descriptive and will demonstrate a one-dimensional view of competitiveness based on a limited degree of research. Strategies to improve competitiveness will be proposed with little justification</p>	<p>The presentation will demonstrate a considered view of competitiveness based on research of the selected business. Strategies to improve competitiveness will be proposed and will be suitable for the business concerned with some justification</p>	<p>The presentation will demonstrate a well researched and fully considered view of competitiveness, based on the selected business. Strategies to improve competitiveness will be considered and options proposed and justified. Strategies will be suitable and viable for the business concerned</p>