

Model Assignment

Issued September 2006

OCR Level 2 Nationals in Business

Unit 2: Enterprise and operations

Please note:

This OCR model assignment may be used to provide evidence for the unit above. Alternatively, centres may wish to adapt this assignment or devise their own assignment for the purposes of assessment. It is the centre's responsibility to ensure that any adaptations made to this assignment allow candidates to meet all the assessment objectives and provide sufficient opportunity for candidates to demonstrate achievement across the full range of grades.

The scheme codes for these qualifications are:

OCR Level 2 National Award in Business 06329

OCR Level 2 National Certificate in Business 03634

The QCA Accreditation Number for this unit is:

Unit 2: Enterprise and operations M/102/0089

This OCR model assignment remains live for the life of these qualifications.

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G308 05-09

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Model Assignment: Tutor Information

OCR Level 2 Nationals in Business

Unit 2: Enterprise and operations

Guidance For Centres

1 General

- 1.1 OCR model assignments are issued free to centres on approval and are available to download from our website www.ocr.org.uk
- 1.2 Centres may choose to:
 - use OCR model assignments for formal summative assessment of candidates
 - tailor OCR model assignments for formal summative assessment of candidates
 - use OCR model assignments as a benchmark for devising their own assignment.
- 1.3 This assignment has been designed to meet the full assessment requirements of the unit. Candidates will need to take part in a planned learning programme that covers the underpinning knowledge and skills of the unit.

2 Before carrying out the assignment

- 2.1 Candidates should be provided with a copy of the *Candidate Information* section of this booklet.
- 2.2 Candidates may carry out preparations prior to undertaking the tasks; there is no time limit for this.

3 When completing the assignment

- 3.1 Candidates should be allowed sufficient time to complete all of the tasks. The amount of time may vary depending on the nature of the tasks and the ability of individual candidates. It is suggested that evidence is produced in several sessions.
- 3.2 Each candidate must produce individual and authentic evidence for each task within the assignment.
- 3.3 Centre staff may give support and guidance to candidates. This support and guidance should focus on checking that candidates understand what is expected of them. It is not acceptable for tutors to provide model answers or to work through answers in detail.
- 3.4 Candidates may use information from any relevant source to help them with producing evidence for the tasks.
- 3.5 It is acknowledged that candidates in their responses will refer to situations in the scenario but as the scenario is fictitious this does not break any rules of confidentiality. However, candidates must be guided on the use of information from other sources to ensure that confidentiality is maintained at all times.

4 After completing the assignment

- 4.1 Candidates' evidence is assessed by the centre's assessor against the qualification specification contained in the Centre Handbook. When grading candidates' work centres **must** use the grading descriptors in the unit. For further information about assessment please refer to the section on Assessment and Moderation in the Centre Handbook.
- 4.2 Assessors' decisions should be quality assured across the centre through internal moderation. For further information about internal moderation please refer to the section on Assessment and Moderation in the Centre Handbook.

5 Presentation of work

- 5.1 Candidates may use the *Candidate Checklist* provided to ensure that they submit evidence for ALL tasks. They can do this by using the *Candidate Checklist* as a contents page inserting references/page numbers in the boxes provided.
- 5.2 Centres may wish to discourage candidates from excessive use of plastic wallets for presentation of their evidence as this may hinder the assessment process. Instead centres may wish to encourage candidates to present their work so that it is easily accessible, eg spiral bound, stapled booklet, treasury tag.

6 Acceptable evidence

- 6.1 For guidance on generation and collection of evidence please refer to the section on Assessment and Moderation in the Centre Handbook.

7 Reworking the assignment

- 7.1 If candidates do not meet the minimum PASS requirements for the assessment objectives, further work will be required.
- 7.2 Tutors may give feedback to candidates to support and guide them in producing evidence to the required standard.

Notes For Tutors

Introduction to the Tasks

The tasks have been designed to enable candidates to demonstrate their knowledge and understanding of how businesses identify opportunities, how they obtain support for new ventures, and how they operate to give the venture the best chance of success.

The tasks have been designed so that all of the assessment objectives in Unit 2 are addressed.

These guidance notes should be used in conjunction with the unit specification and Centre Handbook.

The Tasks

Task 1: The current business environment

Assessment Objective 1 is assessed in this task.

Within this task candidates are required to undertake **both** primary and secondary research. They need to explore all of the bullet points outlined in knowledge, understanding and skills. The aim of the assessment objective is to get the candidates to find out if their enterprise is a realistic option. In Assessment Objective 1 candidates are required to describe the sources of potential finance. This point is developed in Assessment Objective 3, where they are asked again to describe their sources of potential finance. Whilst conducting their primary market research, candidates might be advised to look at the information that is required to complete Assessment Objective 3. They could include questions about price and promotion within their primary research in order to enhance their evidence for Assessment Objective 3.

Task 2: Which form of ownership is suitable?

Assessment Objective 2 is assessed in this task.

Candidates are required to describe the different forms of ownership suitable for their proposed enterprise. They should describe at least two different types of ownership from the bulleted list in knowledge, understanding and skills. The second stage is for the candidates to recommend the most appropriate form of ownership. The higher grades will be awarded on the candidates' ability to justify their recommendations.

Task 3: Elements of a business plan

Assessment Objective 3 is assessed in this task.

This is an extremely long assessment objective and should be tackled section by section. The task is broken down in to four distinct sections. Within each section candidates are required to work through a number of questions. These questions will enable the candidates to structure their evidence and cover all the knowledge, understanding and skills that are applicable.

Task 4: Operational systems

Assessment Objective 4 is assessed in this task.

Candidates are required to consider the operational systems they will need in place in order to run their enterprise effectively. In order to make the task easier for them, it has been broken down into a series of questions numbered 1-6. By answering all questions fully candidates will have generated sufficient evidence to pass this assessment objective. Candidates will be required to consider:

- how they will produce their product/service
- how they will distribute the produce/service to their customers
- how they will assure the quality of the produce/service
- methods of stock control
- how they will record their sales, payment to suppliers and receipt of payment from customers.

Task 5: The presentation

Assessment Objective 5 is assessed in this task.

Candidates are required to give a presentation to pitch their proposal for the new enterprise to a key stakeholder. They must choose the key stakeholder from the following:

- banks or other financiers
- potential customers
- potential employees or colleagues
- potential shareholder or co-owners.

The content of the presentation must reflect the concerns of the key stakeholder identified.

Candidates must include their presentation slides, prompt cards and handouts as evidence. A witness statement will also be required.

Witness Statement – Unit 2

A05	Carry out a presentation to pitch a proposal for the new business venture to a key stakeholder Please circle the relevant stakeholder: Bank or other financier Potential Customers Potential Employees/colleagues Potential shareholders/co-owners
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CANDIDATE NAME	
ASSESSOR NAME	
Date of presentation	

ASSESSOR FEEDBACK

Details of proposed venture							
Please tick	Weak		Fair		Good		Excellent
Assessor comments							
Benefit of involvement for the potential stakeholder							
Please tick	Weak		Fair		Good		Excellent
Assessor comments							
Supporting information (Business plan, market information)							
Please tick	Weak		Fair		Good		Excellent
Assessor comments							

Slides/images							
Please tick	Weak		Fair		Good		Excellent
Assessor comments							
CIRCLE GRADE AWARDED: PASS MERIT DISTINCTION							
AREAS FOR IMPROVEMENT/GENERAL COMMENTS							

RECORD OF QUESTIONS/ANSWERS

ASSESSOR QUESTION 1
CANDIDATE RESPONSE 1
ASSESSOR QUESTION 2
CANDIDATE RESPONSE 2
ASSESSOR QUESTION 3
CANDIDATE RESPONSE 3

ASSESSOR SIGNATURE:		DATE:	
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CANDIDATE SIGNATURE:		DATE:	
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Model Assignment: Candidate Information

OCR Level 2 Nationals in Business

Unit 2: Enterprise and operations

CANDIDATE NAME: _____

General Information for Candidates

Q *Do I have to pass this assignment?*

A Yes. You must pass this assignment to achieve the full qualification.

Q *What help will I get?*

A Your tutor will help you when completing the OCR model assignment and will make sure that you know what resources/facilities you need and are allowed to use.

Q *What if I don't understand something?*

A It is your responsibility to read the assignment carefully and make sure you understand what you need to do and what you should hand in. If you are not sure, check with your tutor.

Q *Can I copy other people's work?*

A No. The work that you produce must be your own work and you may be asked to sign a declaration to say that the work is your own. You should never copy the work of other candidates or allow others to copy your work. Any information that you use from other sources, eg books, newspapers, professional journals, the internet, must be clearly identified and not presented as your own work.

Q *Can I work in a group?*

A Yes. However, if you work in a group at any stage you must still produce work that shows your individual contribution.

Q *How should I present my work?*

A You can present your work in a variety of ways, eg hand-written, word-processed, on video. However, what you choose should be appropriate to the task(s). For some work, eg presentations, coaching sessions, role-play, work experience, you will need to provide proof that you completed the task(s). A witness statement or observation sheet could be used for this. If you are unsure, check with your tutor.

Q *When I have finished, what do I need to hand in?*

A You need to hand in the work that you have completed for each task. Do not include any draft work or handouts unless these are asked for. When you hand in your work make sure that it is labelled, titled and in the correct order for assessing.

Scenario

Looking through the newspapers, listening to the news and even flicking through some of the direct mail advertising that comes in to your home you realise that there are a lot of charities that are trying to raise funds.

You have also recently applied for a part time job and one of the sections on the application form asked for information about any clubs or charitable organisations you are a member of and of any charitable events that you may have arranged. One day in the school/college canteen a small group of you have discussed the possibility of setting up a small enterprise for a short period. Any profit that is raised from the venture could be donated to one of many charities that are currently seeking funds. The group has decided to choose a local charity. The setting up of the venture would not only look good on your CV but will also help you achieve this unit.

You realise that the simpler the idea the easier it will be to organise and the greater the likelihood of success. You have been to see your tutor who thinks this is an excellent idea.

Your next problem is to decide as a group the kind of enterprise that you are going to run.

Initial ideas include the following:

- car washing
- baby sitting
- gardening/grass cutting
- dog walking
- pet sitting
- making and selling jewellery
- recycling clothes
- running a tuck shop.

Tasks

Task 1: The current business environment

Assessment Objective 1

When starting up any new business enterprise you have to consider the external business environment and how this could affect your proposed enterprise.

You need to carry out both **primary** and **secondary** market research to establish the following points:

- Market environment – what is the current state of the economy? Do people have sufficient funds to spend on your proposed business venture? Are interest rates about to rise or fall? How many people are currently unemployed in your area? Would this affect your ability to sell your proposed product or service?
- Potential competition – who else offers the same product/service? What prices do they charge?
- Sources of finance – where could you get the money to fund this enterprise? How much money do you think you will need to start up the enterprise?
- Potential customers – who will buy your product/service? How much will they be prepared to pay? How often will they use the product/service?
- Location – where will you locate this enterprise? How much is it going to cost? How suitable is the chosen location?

When you have conducted all your research you need to write this up, making sure that you cover comprehensively each of the bullet points above.

Task 2: Which form of ownership is suitable?

Assessment Objective 2

When a new business venture is set up it needs to consider what type of business ownership it will choose.

You are required to describe the different forms of business ownership suitable for the proposed new enterprise and recommend the most appropriate. Use the bullet points below as guidance:

- sole trader
- partnership
- private limited company
- public limited company
- franchise
- co-operative.

You are not required to describe all of them, only those that would be **suitable** for your chosen business venture. The last stage is to **recommend** the most appropriate. Don't forget to justify the reasons why you think it is the most suitable form of ownership.

Task 3: Elements of a business plan

Assessment Objective 3

This is a very big assessment objective and can seem extremely daunting. If you work your way logically through the stages outlined below you will have no problems.

Marketing

All businesses need to establish their strengths and weaknesses and then consider ways in which they can promote their business. You are required to:

- (a) Complete a SWOT analysis for any relevant competition, as identified in Assessment Objective 1.
- (b) Complete a SWOT analysis for your own business enterprise.
- (c) Describe your marketing mix:
 - Describe your product/service.
 - Describe the price you will charge for your product/service – refer back to your research undertaken in Assessment Objective 1.
 - Describe the promotional techniques that you will use for your product/service. Don't forget to consider potential costs set against a small budget.
 - Describe where you will sell your product/service. How will you get your product/service to your customers? Again it is useful to make reference to your research undertaken in Assessment Objective 1.

Human Resource

All businesses need people to make them function. How many people will depend on the size and resources of the business.

You are required to:

- (a) Research your local labour market statistics. Try and find out how many people are currently employed in similar businesses as the one you are trying to start.
- (b) Describe the state of your local labour market. Will this affect your ability to recruit staff? For example, if there is high unemployment in your area, recruitment of new staff is likely to be easy. On the other hand, if employment is high then recruitment of staff may be difficult.
- (c) Outline the tasks that will be undertaken by the owner(s) of the business and any employees. You could illustrate this through the use of flow diagrams.

Materials and equipment

All businesses need to buy in some products in order for them to survive. It may be goods that they will go on to resell or just stationery in order to run the administration side of the business.

You are required to:

- (a) Make a list of all the items that you will need to purchase in order to run your enterprise

- (b) Make a list of all the suppliers that you could purchase these products from
- (c) Make a list of how much all these items are going to cost
- (d) Justify why you need each item and consider the potential constraints.

The table below might help you gather your evidence for this section.

Materials and equipment required	Potential suppliers of materials and equipment	Cost of materials and equipment	Justification: Why it is required?	Constraints

Finance

All businesses need to establish if they have sufficient money to be able to run, and then if they are going to make sufficient profit to make the project worth investing in.

You are required to:

- (a) Produce a cashflow forecast.
- (b) Calculate the potential profit and loss.
- (c) Calculate how much start up capital you need.
- (d) Describe where you will get the finance needed to start your enterprise. Refer back to your original ideas in Assessment Objective 1.
- (e) Using all your information compiled in points (a) – (d) do you think this project is financially feasible? Justify your reasons.

Task 4: Operational systems

Assessment Objective 4

In order for any business to be successful it must have in place operational systems so that the business can function in a logical and organised way. This not only saves time and money, but also helps present a professional image to customers.

You are required to:

- (a) Describe how the product/service will be produced/provided. You could illustrate this through the use of flow diagrams which have been well annotated.
- (b) Describe how your product/service will be distributed to the customers? Will they visit you? Will the product/service be taken to them? Can they buy it mail order on the internet?
- (c) Describe how you will assure the quality of the product/service.
- (d) Describe what method of raw material stock control you will use.

- (e) Describe how you will schedule production. How will you ensure an effective provision of a service?
- (f) Describe how you will:
- record sales
 - record payment to suppliers and bills
 - record payment from customers.

Task 5: The presentation

Assessment Objective 5

Your final task is to carry out a presentation to pitch a proposal for the new enterprise to a key stakeholder.

The key stakeholder could be:

- banks or other financiers
- potential customers
- potential employees or colleagues
- potential shareholder or co-owners.

Your presentation must include:

- details of your proposed enterprise
- benefit of involvement for the potential stakeholder
- supporting information (eg business plan, market information).

You should include the presentation slides, prompt cards and handouts that you used within the presentation. A witness statement will also be required which will be completed by your assessor.

Model Assignment: Candidate Checklist

OCR Level 2 Nationals in Business

Unit 2: Enterprise and operations

CANDIDATE NAME: _____

For task 1 have you:	Completed (✓)	Ref/Page number(s)
conducted primary research		
conducted secondary research		
used your research to describe the market environment		
used your research to describe your potential competition		
used your research to describe sources of potential finance		
used your research to describe your potential customers		
used your research to describe a possible location for your enterprise		

For task 2 have you:	Completed (✓)	Ref/Page number(s)
described at least two different forms of business ownership suitable for your enterprise		
recommended the most appropriate		

For task 3 have you:	Completed (✓)	Ref/Page number(s)
completed a SWOT analysis for any relevant competition		
completed a SWOT analysis for your own enterprise		
described your marketing mix, price, place, product, promotion		
researched the local labour market to find out how many people are currently employed in similar industries		
described if the state of the local labour market will affect your ability to recruit staff		
outlined the tasks that will be undertaken by the owner and potential employees		
made a list of all the items that you will need to purchase in order to run the enterprise		
made a list of all the suppliers that you could purchase these products from		
made a list of how much all these items are going to cost		
produced a cashflow forecast		
calculated the potential profit and loss for your enterprise		
calculated how much start up capital you require		
described where you will get the finance needed to start your business		
explained if your enterprise is financially feasible		

For task 4 have you:	Completed (✓)	Ref/Page number(s)
described how the product/service will be produced/provided		
described how you will get the product/service to the customer		
described how you will assure the quality of the product/service		
described the methods of stock control you will use		
described how you will schedule production or ensure an effective provision of a service		
described how you will record sales		
described how you will record payment to suppliers and bills		
described how you will record payment from customers		

For task 5 have you:	Completed (✓)	Ref/Page number(s)
identified who your key stakeholder will be		
prepared your presentation and handouts		
prepared your prompt cards		
practised your presentation		
carried out your presentation		
included a witness statement		