

Unit 1: Investigating business (LEVEL 2)

Learning outcomes

By completing this unit candidates will develop knowledge and understanding of why businesses adopt certain types of ownership, and create particular internal structures. Candidates will also explore the wider issues of sectoral change, stakeholder involvement and competition.

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

- business aims
- types of business ownership and reasons for change
- forms of organisational structure
- stakeholder interests
- sectoral change
- competition and means of competing
- choice of location and reasons for change.

Assessment objectives	Knowledge, understanding and skills
1 Describe, using examples, different business aims	<p>Examples of aims:</p> <ul style="list-style-type: none"> • to make a profit • to increase market share • to provide services • to improve quality
2 Describe, using examples, different types of business ownership, and show why business ownership may change over time	<p>Types of business ownership:</p> <ul style="list-style-type: none"> • sole trader • partnership • private limited company • public limited company • franchise • co-operative <p>Reasons for change of business ownership:</p> <ul style="list-style-type: none"> • liability concerns • factors linking types of ownership to business growth and size • generation of funding
Assessment Objectives 3 to 8 relate to a single business selected by the candidate.	
3 Illustrate the organisation structure of the selected business, and show other ways in which the business could be organised	<ul style="list-style-type: none"> • internal organisation and structure relevant to size and business type • hierarchical, flat and matrix organisational charts • chains of command • span of control • authority and responsibility <p>Alternative ways in which the business could be organised</p>

Assessment objectives	Knowledge, understanding and skills
4 Describe the different stakeholders the selected business has, what their interests in the business are, and why some stakeholders interests might differ	Stakeholder interests in the business Internal stakeholders: <ul style="list-style-type: none"> • owners/ shareholders • managers • employees External stakeholders: <ul style="list-style-type: none"> • customers • suppliers • government • local communities Stakeholders' differing interests
5 Describe trends of growth and decline for the sector in which the selected business operates, and compare with other sectors	<ul style="list-style-type: none"> • nature and structure of the primary, secondary and tertiary sectors of business • patterns of growth and decline within these sectors over the last 10 years • comparison of trends between primary, secondary and tertiary sectors
6 Identify the main competitors of the selected business, describing how they compete, and how the selected business remains competitive	Complete a competitor audit for the business Describe how the business competes, in terms of: <ul style="list-style-type: none"> • price • product • marketing and promotion • customer service
7 Describe the current location of the selected business and explain why this location is used	<ul style="list-style-type: none"> • economies of scale • local labour force • employment levels and their relevance to business location • wage and salary levels and their relevance to business location • relevance of location to customers and suppliers • historical reasons for location and continual location
8 Suggest and justify changes that could be made to the location of the selected business in the future	<ul style="list-style-type: none"> • relocation due to business growth or decline <p style="text-align: center;">or</p> <ul style="list-style-type: none"> • redevelopment of current location to meet business needs

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 can meet 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 a format 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 also produced a Tutor's Support pack for this unit, which can be purchased from OCR Publications.

In order to complete this unit, candidates will need detailed information concerning the businesses' organisational structure, stakeholders, competitors and reasons for location.

For Assessment Objective 1 candidates must describe in general terms the purpose of business aims, including the examples outlined in the knowledge, understanding and skills.

For Assessment Objective 2 candidates must describe in general terms the different types of business ownership giving real life examples of businesses outlined in the knowledge, understanding and skills. They must also give reasons why business ownership may change over time.

Assessment Objectives 3 to 8 relate to a single business selected by the candidate.

For Assessment Objective 3 candidates must reproduce and explain the organisational structure of the chosen business. They must also produce and explain new illustrations showing other ways the business could be organised.

For Assessment Objective 4, candidates must describe the following points, in relation to the selected business:

- Stakeholder interests in the business
- Internal stakeholders
- External stakeholders
- Stakeholders' differing interests

as outlined in the knowledge understanding and skills.

For Assessment Objective 5, for the selected business the candidate must describe the following points:

- trends of growth and/or decline for the relevant sector
- comparison with the other sectors

For Assessment Objective 6, for the selected business the candidate must identify and describe the following points:

- main competitors
- how they compete

- how the selected business remains competitive

For Assessment Objective 7 for the selected business candidates must:

- describe the current location
- explain why this location is used

as outlined in the knowledge, understanding and skills.

For Assessment Objective 8 candidates must justify their suggestions for why the business could change its location in the future. These reasons could include relocation or redevelopment of the current location.

If possible, it may be useful for centres to organise links and visits to local businesses and write an assignment which would reflect candidates experiences of such contact.

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	
C2.1a	✓	ICT2.1	✓	N2.1	
C2.1b	✓	ICT2.2	✓	N2.2	
C2.2	✓	ICT2.3	✓	N2.3	
C2.3	✓				

Mapping to National Occupational Standards

Occupational Standards	Unit number	Title
CfA	210	Research and report information
SFEDI - Exploring Enterprise Occupational Standards Level 2	Unit 2	Explore the regulations and laws for business

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

Carysforth, Carol & Neild, Mike (2000)	<i>GNVQ Intermediate Business</i> Heinemann
Hough, Karen et al (2005)	<i>OCR National Level 2 Business</i> Heinemann
Huggett, Rene (2003)	<i>GCSE Business Studies</i> Collins
Nuttall, Chris J (2000)	<i>GNVQ Intermediate Business</i> Collins

Nuttall, Chris J (2004)

OCR Level 2 National Certificate in Business
Nelson Thornes

Websites

Bized – <http://www.bized.ac.uk/>

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

A level of achievement (ALoA) –

<http://domain269958.sites.netsmade4u.co.uk/New%20ALoA/new%20aloha/teachers.htm>

Business education resources.

National Statistics – <http://www.statistics.gov.uk/>

Grading

Assessment Objective	Pass	Merit	Distinction
AO1 Describe, using examples, different business aims	Candidates will describe the purpose of business aims at a basic level with few examples	Candidates will describe the purpose of business aims in detail with a range of examples	Candidates will describe the purpose of business aims comprehensively with a full range of examples. Candidates will have linked their examples to real businesses
AO2 Describe, using examples, different types of business ownership, and show why business ownership may change over time	Candidates will produce basic descriptions , with examples, of the different types of business ownership. Their reasons why businesses may change their ownership will be limited	Candidates will produce detailed descriptions , with examples, of the different types of business ownership. Their reasons why businesses may change their ownership will demonstrate a good understanding of the different types of business ownership	Candidates will produce detailed descriptions , with examples, of the different types of business ownership. Their reasons why businesses may change their ownership will demonstrate a thorough understanding of the different types of business ownership
Assessment Objectives 3 to 8 relate to a single business selected by the candidate			
AO3 Illustrate the organisational structure of the selected business, and show other ways in which the business could be organised	Candidates will show a basic understanding of the business's organisation structure. Their alternative illustrations of the ways the business could be organised will be limited	Candidates will show a clear understanding of the business's organisation structure. Their alternative illustrations of the ways the business could be organised will be detailed	Candidates will show a detailed understanding of the business's organisation structure. Their alternative illustrations of the ways the business could be organised will be comprehensive and realistic
AO4 Describe the different stakeholders the selected business has, what their interests in the business are, and why some stakeholders' interests might differ	Candidates will describe the different stakeholders, what their interest is, and why some stakeholders' interests may differ. The candidate's description will have limited application to the selected business	Candidates will describe in detail the different stakeholders, what their interest is, and why some stakeholders' interests may differ. The candidate's description will have sound application to the selected business	Candidates will comprehensively describe the different stakeholders, what their interest is, and why some stakeholders' interests may differ. The candidate's description will have thorough application to the selected business

Assessment Objective	Pass	Merit	Distinction
AO5 Describe trends of growth and decline for the sector in which the selected business operates, and compare with other sectors	Candidates will show a basic appreciation of the trends for the sector within which the business operates. There will be limited comparisons with the other sectors	Candidates will show a sound appreciation of the trends for the sector within which the business operates. There will be clear comparisons with the other sectors	Candidates will show a well-researched appreciation of the trends for the sector within which the business operates. There will be full comparisons with the other sectors
AO6 Identify the main competitors of the selected business, describing how they compete, and how the selected business remains competitive	Candidates will identify the main competitors. Their descriptions of how they compete and remain competitive will demonstrate limited understanding	Candidates will identify the main competitors. Their descriptions of how they compete and remain competitive will demonstrate a sound understanding	Candidates will identify the main competitors. Their descriptions of how they compete and remain competitive will demonstrate a comprehensive understanding
AO7 Describe the current location of the selected business and explain why this location is used	Candidates will demonstrate a basic appreciation of the current location factors	Candidates will demonstrate a sound appreciation of the current location factors	Candidates will demonstrate a well-researched appreciation of the current location factors
AO8 Suggest and justify changes that could be made to the location of the selected business in the future	Suggestions for change in future will have limited justification	Suggestions for change in the future will be realistic and clearly justified	Suggestions for change in the future will be realistic and supported by extensive justification