Unit Title:	**Principles of business**
OCR unit number:	5
Level:	3
Credit value:	10
Guided learning hours:	74
Unit reference number:	D/506/1942

Unit aim and purpose

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 Outcomes	Assessment Criteria	Additional Guidance
The Learner will: 1 Understand business markets	**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	**Business markets** are also known as business-to-business (B2B) markets or industrial marketing. They are markets in which goods/services are sold between companies/organisations as opposed to consumer markets
2 Understand business innovation and growth	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	
3 Understand financial management	3.1 Explain the importance of financial viability for an organisation 3.2 Explain the consequences of poor financial management	**Financial terminology** as a minimum should include: • Turnover • Gross profit • Net profit

© OCR 2014

Learning Outcomes	Assessment Criteria	Additional Guidance
	3.3 Explain different **financial terminology**	• Debt • Credit
4 Understand business budgeting	4.1 Explain the uses of a budget 4.2 Explain how to manage a budget	
5 Understand sales and marketing	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	

Assessment

This unit is internally assessed by centre staff and externally verified by OCR Assessors.

Guidance on assessment

N/A

National Occupational Standards (NOS) mapping/signposting

The mapping in the table below provides an indication of where evidence might be available for assessment against some of the knowledge and understanding contained in the national occupational standards (NOS). It does not claim to guarantee that evidence will meet the NOS.

NOS can be viewed on the relevant Sector Skills Council's website or the Occupational standards directory at www.ukstandards.co.uk.

Occupational standards	Unit number	Title
Business & Administration (2013) National Occupational Standards:	CFABAA112	• Contribute to innovation in a business environment

Additional information

For further information regarding administration for this qualification, please refer to the OCR document '*Admin Guide: Vocational Qualifications' (A850)* on the OCR website www.ocr.org.uk .

© OCR 2014