

Unit Title:	Investigating legal issues relating to a business venture
OCR unit number	5
Ofqual reference number	M/502/9951
Level:	2
Credit value:	3
Guided learning hours:	28

Unit purpose and aim

The unit will provide learners with a good, basic understanding of the different legal structures available and the implications these have on their own business venture, at start up and beyond. The candidate will also be able to demonstrate a basic awareness of legislation that applies to businesses generally and to their own business idea specifically.

Learning Outcomes	Assessment Criteria	Knowledge, understanding and skills
The Learner will: 1 Understand legal structures available for businesses	The Learner can: 1.1 Identify legal structures used for a business venture 1.2 Explain the advantages and disadvantages of the legal structures for a business	<ul style="list-style-type: none"> The main types of legal structure suitable for a new business: sole trader; partnership; limited company; not for profit organisation. The advantages and disadvantages of these legal structures eg limited liability, sole responsibility
2 Be able to decide legal structures for businesses	2.1 Select the legal structure for a specific start-up business venture 2.2 Justify the selection of a legal structure for a specific start-up business venture	<ul style="list-style-type: none"> Why you have chosen this legal structure for your business
3 Understand current legal requirements for businesses	3.1 Explain legislation applicable to businesses 3.2 Identify sources of information for business legislation	<ul style="list-style-type: none"> The main legislation which applies to businesses e.g. health and safety, trade descriptions, sale of goods, consumer protection, consumer credit, distance selling regulations, employment law, contract law, financial services act, data protection, disability,

		<p>sex, race discrimination, equality, etc</p> <ul style="list-style-type: none"> • The main features of this legislation as it affects your business • Who a business could go to for help with business legislation - this could include: organisations; individuals and the internet
4 Know the requirement to register businesses with HM Revenue and Customs	<p>4.1 Describe the requirement to register for self-employed or company status and VAT</p> <p>4.2 Identify sources of advice on taxation appropriate to a business</p>	<ul style="list-style-type: none"> • Necessity to register for self employed or company status • VAT and HMRC requirements • Who a business could go to for help with business taxation - this could include: organisations; individuals and the internet
5 Know the principles of income tax and National Insurance	<p>5.1 Describe the principles of personal allowance and tax bands</p> <p>5.2 Identify which expenses are tax deductible</p>	<ul style="list-style-type: none"> • Income tax bands • Personal allowance • Appropriate tax deductible expenses • Self-assessment tax form

Assessment

This element is assessed by OCR set assignments that are centre assessed and externally moderated by OCR.

The candidate must be able to identify and clearly explain the main types of legal structure for businesses. They will be able to compare differing types of structure and recognise the most suitable structure for them as a person considering setting up their own business venture. It is imperative that candidates understand the main aspects of legislation applicable to their chosen business.

Candidates must complete the tasks for all assessment criteria contained within the unit.

Evidence requirements

In order to achieve this unit you must demonstrate that you have met all of the stated learning outcomes and assessment criteria. Candidates must complete the templates provided or where indicated either produce continuous prose in line with the indicated word limit or use another appropriate format.

In Learning Outcome 3, candidates should address the legislation that is likely to affect their business. They need to show that they understand that there is a wide range of legislation, but they are not expected to cover every possibility.

In Learning Outcome 5, candidates do not have to complete a self-assessment form although they may do so if they wish to.

Guidance on assessment and evidence requirements

Assessment will take the form of an OCR template assignment, which allows the candidate to evidence each assessment criteria. For each assessment criteria, OCR will also supply templates to aid centres in confirming that all aspects of the assessment have been completed and that relevant evidence is available.

A breakdown of the expected actions is provided in the candidate section of the assignments. Tutors should ensure that the knowledge, understanding and skills section is sufficiently covered, according to the criteria provided.

All aspects of the task, as laid out in the candidate section, should be completed before the work is submitted to OCR for moderation. Witness Statement Forms have been provided where required. The tasks should be assessed in the centre before the candidate's portfolio is presented to the OCR-appointed examiner-moderator.

You should refer to the '*Admin Guide: Vocational Qualifications (A850)*' for *Notes on Preventing Computer-Assisted Malpractice*.

National Occupational Standards (NOS) mapping/signposting

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
SFEDI	LG1	Choose a legal format that suits your business
SFEDI	LG2	Keep up to date with current legislation affecting your business
SFEDI	LG3	Develop procedures to control risks to health and safety

Functional skills signposting

This section indicates where candidates may have an opportunity to develop their functional skills.

Link to functional skills standards <http://www.gcda.gov.uk/15565.aspx>

Functional Skills Standards					
English		Mathematics		ICT	
Speaking and Listening	✓	Representing	✓	Use ICT systems	✓
Reading	✓	Analysing	✓	Find and select information	✓
Writing	✓	Interpreting	✓	Develop, present and communicate information	✓

Resources

Candidates who wish to present their work electronically will require access to a computer with word processing software.

Additional information

In order for the candidate to achieve this unit the candidate must demonstrate an understanding of a new business's needs. The candidate will create elements of important information that can be added and developed into a business plan.

Further guidance is provided in the Notes for Tutors section of the assignment booklet.

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 .