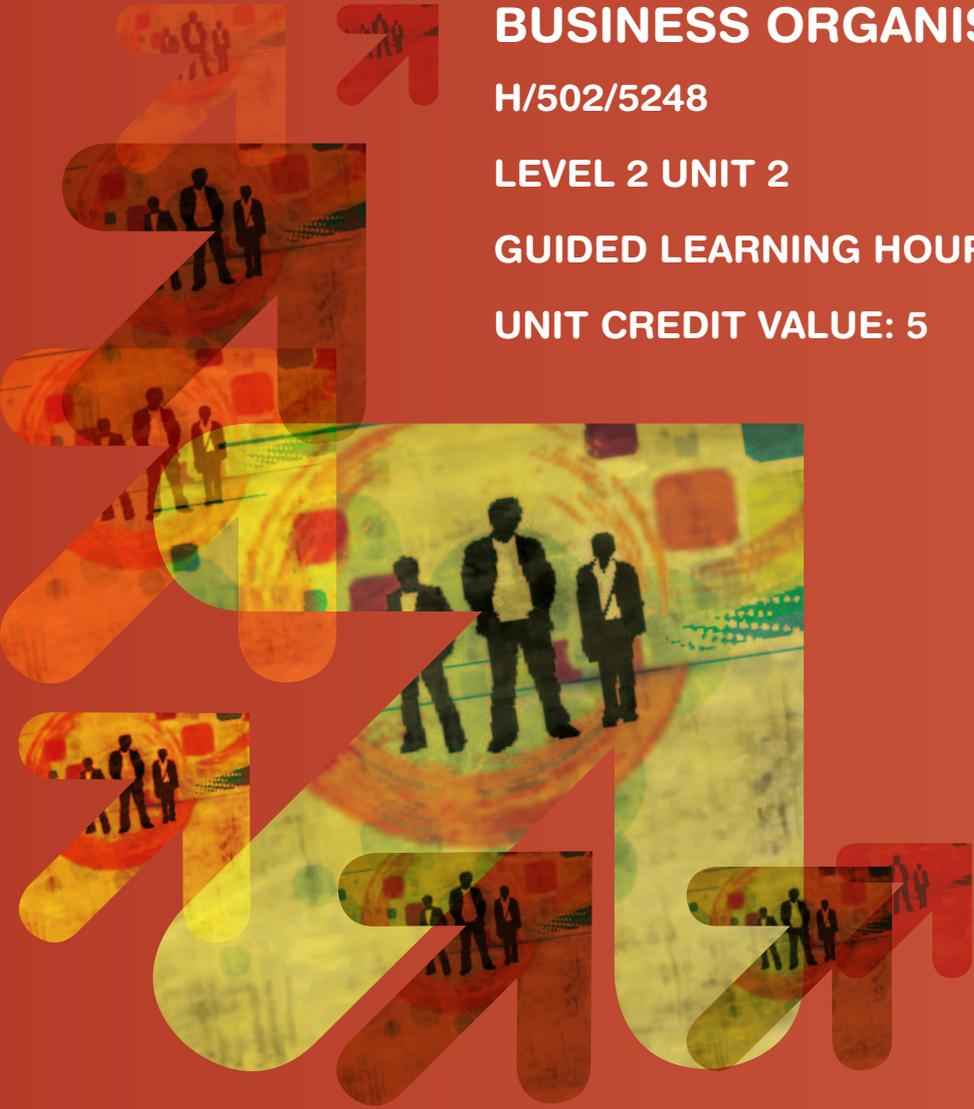




Accredited

OCR LEVEL 2 CAMBRIDGE TECHNICAL CERTIFICATE/DIPLOMA IN BUSINESS



BUSINESS ORGANISATIONS

H/502/5248

LEVEL 2 UNIT 2

GUIDED LEARNING HOURS: 30

UNIT CREDIT VALUE: 5



BUSINESS ORGANISATIONS

H/502/5248

LEVEL 2 UNIT 2

AIM OF THE UNIT

The aim of this unit is to enable learners to have an understanding of the various aims and objectives that business organisations have, distinguishing between the short-term and long-term, and how they are organised into different functional areas to effectively meet these.

This unit will help learners to understand the different aims and objectives of business organisations in different sectors of the economy, including the private, public/government/state and voluntary/charity/not-for-profit sectors.

Learners will also gain an understanding of the main functional areas in business organisations and of the links between these organisations and external agencies. A particular value to learners is that there will be a particular focus on businesses in the local context with which they will be familiar.

ASSESSMENT AND GRADING CRITERIA

Learning Outcome (LO)		Pass	Merit	Distinction
The learner will:		The assessment criteria are the pass requirements for this unit.	To achieve a merit the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
The learner can:				
1 Be able to set business aims and objectives	P1 define aims and objectives			
	P2 describe the purpose for a business in setting aims and objectives	M1 analyse the advantages and disadvantages to a business of setting clear aims and objectives	D1 evaluate the possible consequences of a business failing to meet its aims and objectives	
	P3 write aims and objectives for a selected business			
2 Understand the main functional areas in business organisations	P4 describe the functional areas in two contrasting business organisations			
	P5 explain how these functional areas link in one of these organisations			

TEACHING CONTENT

The unit content describes what has to be taught to ensure that learners are able to access the highest grade.

Anything which follows an i.e. details what must be taught as part of that area of content.

Anything which follows an e.g. is illustrative, it should be noted that where e.g. is used, learners must know and be able to apply relevant examples to their work though these do not need to be the same ones specified in the unit content.

Learning Outcome 1 Be able to set business aims and objectives

Aims and objectives:

- mission/mission and vision statements/values
- aims and the long-term vision or goals of a business, (e.g. to make a profit, to increase market share)
- objectives and SMART targets to help a business organisation better achieve its overall aims: specific, measurable, achievable, realistic and time-constrained
- purpose of aims and objectives in providing an appropriate business focus, (e.g. break-even, growth, profit maximisation, survival, market share, sales, service provision)
- relationships with other businesses
- failure to meet business aims and objectives and the possible consequences of this.

Types of business:

- private
- public
- not-for-profit.

Learning Outcome 2 Understand the main functional areas in business organisations

Functional areas, including:

- sales
- purchasing
- manufacturing
- administration
- customer service
- logistics
- finance
- human resources
- IT support
- marketing
- research and development (R and D)
- legal.

Links:

- relationships and interactions with other functional areas
- communication between functions
- the use of information technology to effectively integrate different functional areas
- external links, (e.g. suppliers, customers, financial institutions, government agencies).

DELIVERY GUIDANCE

Learning Outcome 1

It is important that learners are able to differentiate between aims and objectives. Objectives are specific short-term and medium-term targets, but aims are the long-term visions and goals of an organisation. Learners should be encouraged to start with the aims and objectives of organisations that they are already familiar with or have an interest in. Learners should be encouraged to take an interest in businesses through business media. They will need to define the aims and objectives of business organisations and see these within the context of the mission or vision statements that will come up later in the unit. Learners should have an appreciation of what is meant by SMART targets; this would provide a useful opportunity for group work. It would also be useful if visiting speakers could be invited in to talk about the purpose of setting aims and objectives of their business and the possible consequences of failing to meet these.

The **Merit** criterion requires learners to analyse the advantages and disadvantages to a business of setting clear aims and objectives. Learners need to appreciate that aims and objectives will not be very helpful to an organisation if they are vague and incapable of being achieved. Having an understanding of SMART targets should assist learners with their analysis.

The **Distinction** criterion requires learners to evaluate the possible consequences of a business failing to meet its aims and objectives. Learners should consider the possibility of certain aims and objectives not being realised by a given time, and then go on to consider the possible implications of this. For example, if a public limited company had set out an aim of achieving a certain level of profit by a certain time and then failed to achieve this, it would be likely to have a negative effect on its reputation, the value of its share, the size of the dividend to be paid out to shareholders and the prospects of attracting new shareholders to the company.

Learners will need to write the aims and objectives for a selected business. To start the process learners could work in small groups to research the business, using leaflets, website and face to face discussions with key employees. Learners may find it more beneficial to choose a small business that they are familiar with in order to create its aims and objectives.

Learning Outcome 2

Learners need to think carefully about which two contrasting business organisations they are going to focus on. Smaller organisations may be limited in terms of the functional areas, especially a sole trader. Therefore, learners should be encouraged to select larger organisations that offer more scope when considering functional areas. The two organisations selected must be contrasting, so learners might select one organisation in the private sector and one in the public or voluntary sector. Most organisations provide valuable information in the form of booklets, or on their website that could assist learners. There are also specialist business websites that could be used, such as www.bized.ac.uk and www.referenceforbusiness.com

Learners will need to focus on one of the two business organisations previously identified, and explain the links between its functional areas. Learners need to appreciate that although it is possible to identify different functional areas in an organisation, they do not operate entirely independently and there will be various links between them. The functional areas all work together in the common interest of the organisation and learners will need to explain these links. For example, in many organisations there are close links between sales and marketing. Visiting the selected organisation will enable learners to place this subject into context, allow them to ask questions to underpin their knowledge, and enhance their understanding.

GUIDANCE ON ASSESSMENT

P1 and P2

Learners could produce a wall chart that defines the aims and objectives of business organisations in different sectors, and describes the purpose for a business in setting these. This would work very well as a group exercise with different people in a group taking a different sector so that the differences could be seen by comparing the wall charts.

M1

To achieve a **Merit**, learners will need to analyse why it is important that a business has clear aims and objectives. There needs to be an emphasis on the clarity of the aims and objectives, the use of SMART targets will help learners focus on what is required. Learners could complete this task in the form of a report, presentation or board paper.

D1

To achieve a **Distinction**, learners will need to evaluate the possible consequences of a business failing to meet its aims and objectives. They could consider the implications of failing to achieve particular aims by a given time. For example, this could be in relation to the size of profit in a particular year, the percentage increase in profit over a given time period, the increase in sales revenue or the percentage share of a market. Learners should focus on what these might mean to a business in terms of the negative impact on its reputation, the value of its shares and size of dividend (if a company) and possibly on the morale and level of productivity in the organisation.

P3

Learners need to create the aims and objectives for a selected business. This could be in the form of a formal mission and vision statement, a company brochure, an article to be included on the company website, or literature to inform a new employee.

P4 and P5

Learners could give a presentation that describes the functional areas in two contrasting business organisations, and then for one of the organisations goes on to explain how these functional areas link. The presentation could also include how the organisation of the businesses functional areas helps in the achievement of its aims and objectives. This will enable learners to appreciate how the two learning outcomes in this unit can be brought together.

LINKS TO NOS

CfA BAD323 Research Information (Partial)

CfA BAA615 Communicate in a business environment
(Partial)



CONTACT US

Staff at the OCR Customer Contact Centre are available to take your call between 8am and 5.30pm, Monday to Friday.

We're always delighted to answer questions and give advice.

Telephone 02476 851509

Email cambridgetechnicals@ocr.org.uk

www.ocr.org.uk