Unit Title:	**Understand business**
OCR unit number:	5
Level:	2
Credit value:	4
Guided learning hours:	32
Unit reference number:	R/506/2957

Unit aim and purpose

This unit aims to develop knowledge and understanding regarding business and introduces learners to the key principles underpinning business. Upon completion of this unit, learners will have developed an understanding of the business environment and organisational structures. Learners will also develop an awareness of business planning and finance within an organisation, the management responsibilities and accountabilities within an organisation and business reporting within an organisation.

Learning Outcomes	Assessment Criteria	Additional Guidance
The Learner will: 1 Understand organisational structures	**The Learner can:** 1.1 Explain the differences between the private sector, the public sector and the voluntary sector 1.2 Explain the features and responsibilities of different **business structures** 1.3 Explain the relationship between an organisation's vision, mission, strategy and objectives	**Business structures** may include: • Sole trader • Partnerships • Private Limited Company • Public Limited Company • Co-operatives • Third sector organisations
2 Understand the business environment	2.1 Describe the internal and external influences on a business 2.2 Explain the structure and use of a strength, weakness, opportunity and threat (SWOT) analysis 2.3 Explain why change can be beneficial to business organisations 2.4 Explain organisations health and safety responsibilities 2.5 Describe **sustainable** ways of working	**Sustainable** ways of working may include: • identification of business risks • Identification of sustainability goals. • reducing waste, emissions • use of resources, • increasing production efficiencies

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Learning Outcomes	Assessment Criteria	Additional Guidance
	2.6 Explain how **legislation** affects the management and confidentiality of information	**Legislation** will include but not exclusive to the following: • Data Protection Act (1998) • Freedom of Information Act 2000 • The Public Records Acts (1839, 1958, 1967) • Any other regulations relevant to the specific organisation.
3 Understand the principles of business planning and finance within an organisation	3.1 Explain the purpose, content and format of a business plan 3.2 Explain the business planning cycle 3.3 Explain the purpose of a budget 3.4 Explain the concept and importance of business risk management 3.5 Explain types of constraint that may affect a business plan **3.6** Define a range of **financial terminology** 3.7 Explain the purposes of a range of financial reports	**Financial terminology** may include: • Turnover • Gross profit • Net profit • Debt • Credit
4 Understand business reporting within an organisation	4.1 Explain methods of measuring business performance 4.2 Explain the uses of management information and reports 4.3 Explain how personal and team performance data is used to inform management reports 4.4 Describe a manager's responsibility for reporting to internal stakeholders	
5 Understand the principles of management responsibilities and accountabilities within an organisation	5.1 Explain the principle of accountability in an organisation 5.2 Explain the difference between 'authority' and 'responsibility' 5.3 Explain the meaning of delegated levels of	

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Learning Outcomes	Assessment Criteria	Additional Guidance
	authority and responsibility	

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
Management & Leadership (2012) National Occupational Standards		

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 .