

Unit Title:	Understanding the fundamentals of business economics
OCR unit number:	C04
Level:	4
Credit value:	10
Guided learning hours:	65
Unit reference number:	H/505/4605

Unit aim and purpose

By completing this unit the learner will understand the economic context of business and how competition, the behaviour of financial markets and government economic policy influence an organisation's decisions.

Learning Outcomes	Assessment Criteria
<p>The Learner will:</p> <p>1 Understand the areas of economic activity relevant to an organisation's decisions</p>	<p>The Learner can:</p> <p>1.1 Explain the factors affecting the level of a country's national income and the impact of changing growth rates on organisations</p> <p>1.2 Explain the factors affecting the trade of a country with the rest of the world and its impact on business</p> <p>1.3 Explain the influences on economic development of countries and its effect on business</p> <p>1.4 Explain the economic goals of various stakeholders and organisations</p> <p>1.5 Describe the behaviour of the costs of a product and service provider as volume changes and the implications for prices, competition and industry structure</p> <p>1.6 Calculate the level of output and price to maximise profits</p> <p>1.7 Explain the determination of prices by market forces and the impact of price changes on revenue from sales</p> <p>1.8 Calculate the price elasticity of:</p> <ul style="list-style-type: none"> • demand • supply <p>1.9 Explain the reasons for and effects of government intervention to stabilise prices</p> <p>1.10 Explain the main sources of market failures and the policies available to deal with them</p> <p>1.11 Explain the causes of demand for finance and the assets used for borrowing</p> <p>1.12 Explain the functions of the main financial markets and institutions in facilitating commerce and development</p>

Assessment (Updated 2016)

Assessment for this unit is through examinations set by the Chartered Institute of Management Accountants (CIMA).

As of 11 January 2017, CIMA assessments may not directly assess all of the assessment criteria in each unit. There is no impact on this unit.

If a candidate achieves all of the new modules in the CIMA 2017 syllabus they will be able to claim the OCR qualification.

For candidate who have started the 2011 CIMA syllabus:

- OCR will only issue a full award certificate for the Level 4 Diploma in Business Accounting if the student has achieved the 2011 syllabus, **including unit CO3**, Understanding and applying the fundamentals of business mathematics.
- OCR will not accept a waiver in place of CO3.

Candidates can only claim this qualification after they have achieved the Chartered Institute of Management Accountants (CIMA) Certificate in Business Accounting. This is assessed by examination, subject to CIMA conditions.

Evidence requirements

Candidates are required to submit a digital copy of their achievement which will be confirmed by CIMA.

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 .