

Unit Title:	Understanding the interaction of business operations and the finance function
OCR unit number:	3
Credit value:	6
Level:	4
Guided learning hours:	51
Unit reference number:	J/504/1328

Unit aim and purpose

By completing this unit the learner will understand how businesses operate, how they are structured and how accounting and finance functions support businesses in achieving their objectives. Learners will understand the role of business in relation to corporate responsibility, sustainability, ethics and the external environment.

Learning Outcomes	Assessment Criteria
<p>The Learner will:</p> <p>1 Understand business objectives, strategies and functions</p>	<p>The Learner can:</p> <p>1.1 State the general objectives for a business</p> <p>1.2 Explain the objectives and process of strategic management and the interrelationship between a business's vision, mission and strategic objectives</p> <p>1.3 Explain how the functional areas within businesses assist the achievement of business objectives</p> <p>1.4 Explain how the nature and functions of organisational management, human resources management and operations management are influenced by human behaviour</p> <p>1.5 Explain the relationship between a business's overall strategy and its functional strategies</p> <p>1.6 Explain the nature and purpose of strategic plans, business plans and operational plans</p> <p>1.7 Explain how a strategic plan is converted into fully integrated business and operational plans</p> <p>1.8 Identify the key issues and main components of the risk management process</p>
<p>2 Understand business and organisational structures</p>	<p>2.1 Explain the differences between business structures</p> <p>2.2 Analyse the advantages and disadvantages of different organisational structures</p>

Learning Outcomes	Assessment Criteria
<p>3 Understand the role of finance in supporting businesses and individuals to meet their objectives</p>	<p>3.1 Explain how financial information can be used</p> <p>3.2 Explain how accounting and finance functions support businesses in pursuit of their objectives</p> <p>3.3 Identify the main considerations in establishing and maintaining accounting and financial reporting functions and financial control processes</p> <p>3.4 Explain, in the context of accounting and other systems, the issues surrounding: processing; security; and management of information</p> <p>3.5 Explain why the management of a business requires information about performance measurement including non-routine areas</p> <p>3.6 Explain the accountant's role in preparing and presenting information for the management of a business</p> <p>3.7 Explain the role and function of financial markets</p> <p>3.8 Assess methods of financing exports</p> <p>3.9 Explain the general objectives, principles and processes of personal financial management</p>
<p>4 Understand the role of the accountancy profession</p>	<p>4.1 Explain the importance to the public interest of high quality, accurate financial reporting and assurance</p> <p>4.2 Explain the rationale for key parts of the profession's work and the links between technical competence and professional responsibility</p> <p>4.3 Explain the key features of the structure of the accountancy profession, the regulatory framework within which professional accountants work and the ways in which the accountancy profession interacts with other professions</p>
<p>5 Understand the role of governance, and the importance of sustainability, corporate responsibility and ethics to business</p>	<p>5.1 Explain the reasons why governance is needed, the role that governance plays in the management of a business and for stakeholders</p> <p>5.2 Explain the difference between the roles and responsibilities of those charged with corporate governance and those charged with management</p> <p>5.3 Explain how differences in national and business cultures affect corporate governance</p> <p>5.4 Identify the roles and responsibilities of the members of the executive board, any supervisory board, the audit committee and of those charged with corporate governance, internal audit and external audit</p> <p>5.5 Explain the nature of ethics, business ethics, sustainability and corporate responsibility in business operations</p>
<p>6 Understand how the external environment can impact on business</p>	<p>6.1 Analyse the effects of the price mechanism on business</p> <p>6.2 Explain the effect of failure of the market mechanism, their effects on business and government response</p> <p>6.3 Identify the key macroeconomic factors and regulations that affect business</p>

Assessment

Assessment for this unit is through examinations set by the Institute of Chartered Accountants England and Wales (ICAEW).

Candidates can only claim this qualification after they have achieved the Institute of Chartered Accountants in England and Wales' (ICAEW) Certificate in Finance, Accounting and Business qualification; which is assessed by examination, subject to ICAEW conditions.

Evidence requirements

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

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 .