

**Unit Title: Business Environment**

OCR unit number:	4
Credit value:	15
Level:	4
Guided learning hours:	60
Unit reference number:	Y/601/0546

## Unit aim and purpose

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By completing this unit the learner will be able to understand the organisational purposes of businesses, the nature of the national environment in which businesses operate and the behaviour of organisations in their market environment.

Learning Outcomes	Assessment Criteria	Teaching Content
<p><b>The Learner will:</b></p> <p>1 Understand the organisational purposes of businesses</p>	<p><b>The Learner can:</b></p> <p>1.1 Identify the purposes of different types of organisation</p> <p>1.2 Describe the extent to which an organisation meets the objectives of different stakeholders</p>	<p>This may include:</p> <ul style="list-style-type: none"> <li>• public sector/private sector, third sector</li> <li>• for-profit</li> <li>• not-for-profit</li> <li>• provision of products/services</li> <li>• social benefit</li> </ul> <ul style="list-style-type: none"> <li>• stakeholders               <ul style="list-style-type: none"> <li>- shareholders</li> <li>- potential investors</li> <li>- company executives</li> <li>- creditors</li> <li>- customers</li> <li>- employees</li> <li>- government</li> <li>- general public</li> <li>- trade unions</li> <li>- pressure groups</li> </ul> </li> </ul>

Learning Outcomes	Assessment Criteria	Teaching Content
	1.3 Explain the responsibilities of an organisation and strategies employed to meet them	<ul style="list-style-type: none"> <li>• legal</li> <li>• ethical</li> <li>• social</li> <li>• environmental</li> <li>• stakeholders</li> <li>• taxation</li> </ul>
2 Understand the nature of the national environment in which businesses operate	<p>2.1 Explain how economic systems attempt to allocate resources effectively</p> <p>2.2 Assess the impact of fiscal and monetary policy on business organisations and their activities</p> <p>2.3 Evaluate the impact of competition policy and other regulatory mechanisms on the activities of a selected organisation</p>	<p>This may include:</p> <ul style="list-style-type: none"> <li>• scarcity, choice, opportunity cost</li> <li>• free, mixed and command economies</li> <li>• market equilibrium, shortages and surpluses</li> <li>• fiscal policy</li> <li>• monetary policy</li> <li>• nationalisation</li> <li>• privatisation</li> <li>• price cap regulation</li> <li>• regulatory capture</li> <li>• competition policies</li> <li>• Regulation</li> <li>• Department of Business Innovation and Skills</li> <li>• Office of Fair Trading</li> <li>• Competition Commission</li> </ul>
3 Understand the behaviour of organisations in their market environment	<p>3.1 Explain how market structures determine the pricing and output decisions of businesses</p> <p>3.2 Illustrate the way in which market forces shape organisational responses using a range of examples</p>	<p>This may include:</p> <ul style="list-style-type: none"> <li>• contestable</li> <li>• monopolistic competition/imperfect competition</li> <li>• oligopoly</li> <li>• monopoly</li> <li>• changes in supply and demand</li> <li>• the impact of changes</li> </ul>

Learning Outcomes	Assessment Criteria	Teaching Content
	3.3 Judge how the business and cultural environments shape the behaviour of a selected organisation	<ul style="list-style-type: none"> <li>• internal business environment</li> <li>• external business environment</li> <li>• internal cultural environment</li> <li>• external cultural environment</li> </ul>
4 Be able to assess the significance of the global factors that shape national business activities	<p>4.1 Discuss the significance of international trade to UK business organisations</p> <p>4.2 Analyse the impact of global factors on UK business organisations</p> <p>4.3 Evaluate the impact of policies of the European Union on UK business organisations</p>	<p>This may include:</p> <ul style="list-style-type: none"> <li>• reasons for trade</li> <li>• UK trading patterns</li> <li>• imports/exports as a proportion of GDP</li> <li>• potential export opportunities for UK</li> <li>• reasons why business organisations import</li> <li>• free trade: WTO</li> <li>• trade restrictions</li>   <li>• state of the global economy</li> <li>• emerging/declining markets</li> <li>• globalisation</li> <li>• technological factors</li> <li>• exogenous shocks</li> <li>• environmental factors</li>   <li>• single market</li> <li>• ERM</li> <li>• ECB</li> <li>• CAP</li> <li>• CET</li> <li>• legislation and regulation – working-time directive</li> <li>• enlargement</li> </ul>

## Assessment

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This unit is assessed by an OCR set and marked examination.

Sample assessment material is available on our [website](#).

## Additional information

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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](http://www.ocr.org.uk) .