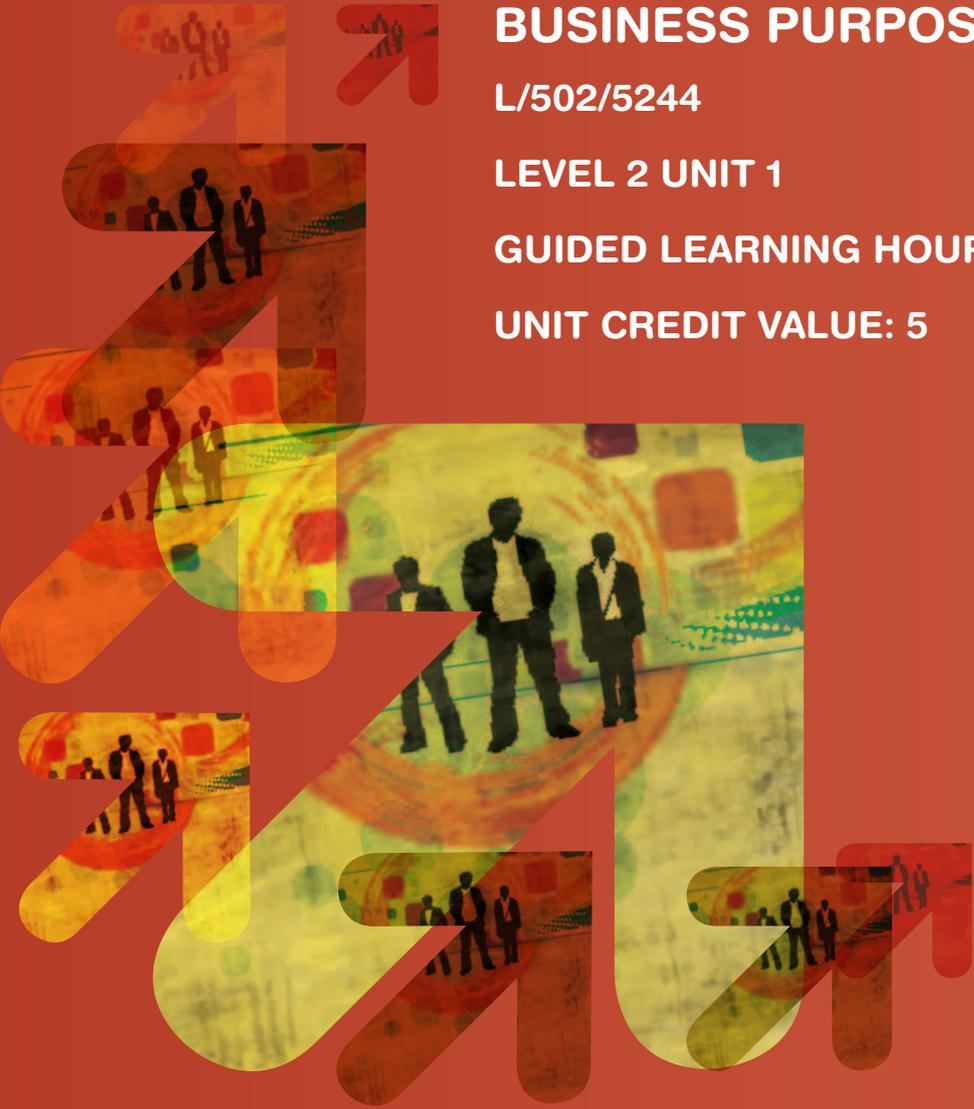




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# OCR LEVEL 2 CAMBRIDGE TECHNICAL CERTIFICATE/DIPLOMA IN BUSINESS



## BUSINESS PURPOSES

L/502/5244

LEVEL 2 UNIT 1

GUIDED LEARNING HOURS: 30

UNIT CREDIT VALUE: 5



# BUSINESS PURPOSES

L/502/5244

LEVEL 2 UNIT 1

## AIM OF THE UNIT

This unit will enable learners to gain an understanding of the purpose and different forms of ownership of business and of the business context in which organisations operate. In particular, learners will gain a clear understanding of the main features and characteristics of their local business environment.

Learners will discover the range of business organisations that exist in terms of their ownership, size and scale. They will also be able to appreciate the different sectors of the economy in which they operate and how these are classified. Learners will also have an understanding of the wider business context in which such organisations operate, especially in relation to the ways in which they can be affected by government and by economic, social and legal changes.

## ASSESSMENT AND GRADING CRITERIA

<b>Learning Outcome (LO)</b>  The learner will:	<b>Pass</b> The assessment criteria are the pass requirements for this unit.  The learner can:	<b>Merit</b> To achieve a merit the evidence must show that, in addition to the pass criteria, the learner is able to:	<b>Distinction</b> To achieve a distinction the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
1 Understand the purpose and ownership of business	P1 identify the purpose of four different business organisations		
	P2 describe the different types of business ownership, linking this to the size and scale of four different organisations	M1 analyse why a sole trader might want to become either a partnership or a private limited company	
	P3 explain how businesses are classified using local and national examples		
2 Understand the business context in which organisations operate	P4 outline the role of government in creating the business climate		
	P5 explain the characteristics of the local business environment	M2 analyse how the characteristics of the local business environment have changed in the last thirty years	D1 evaluate to what extent local business organisations have been affected by government influence and policies

## 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 Understand the purpose and ownership of business

#### Purpose:

- to supply goods
- to provide services.

#### Ownership:

- sole trader
- partnership (both unlimited and limited)
- private limited company
- public limited company
- co-operative
- franchise
- government/state owned
- charity/voluntary/not-for-profit organisations.

#### Number of employees:

- small
- medium
- large.

#### Scale:

- local
- regional
- national
- European Union
- global.

#### Classification:

- primary (e.g. farming, mining)
- secondary, (e.g. manufacturing, construction)
- tertiary, (e.g. local and national services).

### Learning Outcome 2 Understand the business context in which organisations operate

#### Role of government:

- government influence at local, regional, national and European level
- government aims, (e.g. economic growth, employment, inflation and balance of payments)
- government policies, (e.g. taxation, interest rates)
- laws and regulations, (e.g. in relation to competitiveness and equality).

#### Business environment characteristics:

- markets
- trends, (e.g. by employment, income or growth)
- sector trends, (e.g. relative growth/decline of primary, secondary and tertiary sector)
- legal framework
- social change.

## DELIVERY GUIDANCE

### Learning Outcome 1

Learners should be encouraged to focus on organisations that they are already familiar with or have an interest in, such as through part time employment, work experience, as a customer, or envisage they might like to work for in the future.

Learners must be able to identify four different organisations which are examples of different types of business ownership. For example, they might choose a sole trader, a partnership, a private or public limited company and a not-for-profit organisation. Other organisations could be substituted for these to bring in examples of a franchise, a co-operative or a state/government owned organisation. Learners may already have some knowledge of such organisations and should be encouraged to develop this further through utilising leaflets, newspaper adverts/articles and websites.

Local speakers could be invited to work with the learners, as this should help to increase the interest and engagement of the learners. For example, a sole trader could be invited to talk about the various advantages and disadvantages of the way in which their business is organised.

Learners should be encouraged to keep up to date with local issues, such as the extent to which the trend towards out of town shopping areas have impacted on traditional town centre businesses. They will need to be able to describe these different types of business organisations, focusing not just on the ownership, but also their size and scale. Tutors need to ensure that the four organisations selected cover a suitable range in terms of differences in type of business ownership, size and scale.

Learners should be encouraged to research and explain the three different sectors, i.e. primary, secondary and tertiary, using a variety of local and national examples. A wall display could be produced.

### Learning Outcome 2

Learners need to understand the ways in which government can affect the business climate at local, regional, national, and European level. There are a number of specialist business websites which could be used, such as [www.businesslink.gov.uk](http://www.businesslink.gov.uk), [www.bized.ac.uk](http://www.bized.ac.uk) and [www.referenceforbusiness.com](http://www.referenceforbusiness.com). Learners should be encouraged to read business media in order to understand the wider context which businesses operate in. For example, in relation to policies on economic

growth, employment, inflation and the balance of payments. They should be encouraged to investigate how policies have been adopted to bring about certain economic objectives.

There are various websites that learners could use to investigate the local business environment, for example the economic development office of the local council. To consolidate this learning a visit to the local council or talk from a speaker could be organised. There may also be a number of organisations that exist to support the start up of businesses in the area, these local business link organisations could be a good source of information. Plus, the Office of National Statistics ([www.ons.gov.uk](http://www.ons.gov.uk)) could provide relevant information on trends in the relative size and importance of the different sectors of the economy.

## GUIDANCE ON ASSESSMENT

### **P1 and P3**

Learners could produce a report that identifies the purpose of four different businesses. Learners should explain, with the use of national and local examples, how these businesses are classified.

### **P2**

Learners could produce a leaflet that describes the different types of business ownership, focusing on the size and scale of four different organisations. There should be a clear contrast between the business organisations selected in terms of the type of ownership (sole trader, partnership, private limited company, public limited company, co-operative, franchise, government/state owned and not-for profit), the size (small, medium and large) and the scale (local, regional, national, European, global).

### **M1**

The Merit criterion requires learners to analyse possible reasons why a sole trader might want to become either a partnership or a private limited company. This could be a report or a presentation. Learners should consider the disadvantages of sole trader ownership, especially in relation to the possible problems in raising sufficient finance to expand the business, and then go on to analyse the various advantages of either a partnership or a private limited company.

### **P4 and P5**

Learners could give a presentation on the business context in which organisations operate. Learners should outline the role of government in creating the appropriate business climate and explain the main characteristics of the local business environment. This is a broad area and so there would be scope for group work in dividing up the task into specific areas. For example, one group could give a presentation on the influence of the local council and another group could focus on the role of the national government in London or the European Union in Brussels. Similarly, one group could focus on trends in the local community, such as in relation to income and employment, while another group focuses on the legal framework in which businesses operate.

### **M2**

To achieve a Merit, learners must analyse how the characteristics of the local business environment has changed in the last thirty years. This could focus on trends in

employment, income, economic growth and in the different sectors, such as the decline in the primary and secondary sectors and growth in the tertiary sector. Learners could present their findings in a report, wall chart, or presentation with supporting notes.

### **D1**

The Distinction criterion requires learners to evaluate the extent local business organisations have been affected by the different activities and decisions of government. 'Government' in this context could be local, national or wider. For example, learners could consider different examples of fiscal policy, monetary policy, legislation and competition. Learners need to consider the extent of such influence, contrasting areas where the authority has been very significant, with those where it has been much more limited.

The evidence could be a presentation with slides and supporting notes that outline the role of government in creating the business climate and explain the characteristics of the local business environment.

## 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.

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