

<b>Unit Title:</b>	Adhering to business legislation
OCR unit number	2
Ofqual reference number	Y/503/0057
Level:	3
Credit value:	4
Guided learning hours:	38

## Unit purpose and aim

The unit will provide learners with an understanding of the laws in place to protect businesses, the employees and the customers, and to equip candidates to recognise which of these laws apply to a specific business.

Learning Outcomes	Assessment Criteria	Knowledge, understanding and skills
<p><b>The Learner will:</b></p> <p>1 Understand the legal structures available for businesses</p>	<p><b>The Learner can:</b></p> <p>1.1 Analyse the main types of legal structure available to businesses</p>	<ul style="list-style-type: none"> <li>• Characteristic of the main types of legal structures including: sole trader; partnership; private limited company; public limited company; co-operative; and not for profit.</li> <li>• The advantages and disadvantages of each legal structure.</li> </ul>
<p>2 Be able to select legal structures for businesses</p>	<p>2.1 Select a legal structure for a specific start-up business venture</p> <p>2.2 Justify the selection of legal structure for a specific start-up business venture</p>	<ul style="list-style-type: none"> <li>• Why this structure has been selected and the others rejected.</li> </ul>
<p>3 Understand legislation protecting businesses, business owners, employees and customers</p>	<p>3.1 Explain the purposes of the legislation in place to protect the business, the business owners, the employees and the customers</p> <p>3.2 Identify sources of advice on relevant legislation for</p> <ul style="list-style-type: none"> <li>- the business</li> <li>- the business owners</li> <li>- the employees</li> <li>- the customers</li> </ul>	<ul style="list-style-type: none"> <li>• Legislation is designed to protect all those involved in the operation and running of a business.</li> <li>• The main areas of legislation with regard to: business; owners; employees and customers. Reference may be made to: consumer protection; contract law; copyright; disability; employment law; health and safety;</li> </ul>

	3.3 Explain how the laws in place to protect the business, the business owners, the employees and the customers are applicable to a specific business	<p>pensions; race and sex discriminations; etc.</p> <ul style="list-style-type: none"> <li>• Relevance of organisations such as: accountants; banks; Citizen Advice Bureau; Chambers of Commerce; HMRC; solicitors; trade unions; etc in seeking advice concerning legislation.</li> <li>• How legislation relates your business</li> </ul>
4 Understand insurance required for businesses	<p>4.1 Identify the main types of insurance required for business</p> <p>4.2 Summarise the features of insurance(s) required for a business</p> <p>4.3 Explain the elements of business which are protected by insurance</p>	<ul style="list-style-type: none"> <li>• The need for business insurance</li> <li>• The types of insurance your business would need: e.g. employers liability compulsory insurance; motor vehicle insurance; fidelity guarantee; trade premises insurance; etc</li> <li>• How these would protect your business.</li> </ul>
5 Understand taxation and record keeping requirements for businesses	<p>5.1 State obligations to register with HM Revenue and Customs</p> <p>5.2 Describe taxation and record keeping requirements for the legal status of a specific start-up business venture</p> <p>5.3 Explain the principles of VAT in relation to a specific start-up business venture</p>	<ul style="list-style-type: none"> <li>• Why businesses have to register with HMRC</li> <li>• Taxation and record keeping requirements that arise from the type of legal structure chosen for your business</li> <li>• How VAT works in relation to a business including what is meant by value added and how tax is payable, zero rated and exempt status.</li> </ul>
6 Understand the principles of income tax and National Insurance	<p>6.1 Explain the principles of personal allowance and tax bands</p> <p>6.2 Explain the principles of self-assessment.</p> <p>6.3 Identify which expenses are tax deductible</p>	<ul style="list-style-type: none"> <li>• How income tax is applied, including the different tax bands and personal allowances</li> <li>• Self assessment, who needs to complete a tax return, how to get one, and how to get a tax reference</li> <li>• Who can claim expenses against tax</li> <li>• Tax deductible expenses: could include mileage, vehicle purchase, entertainment expenses</li> </ul>

## Assessment

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This element is assessed by OCR set assignments that are centre assessed and externally moderated by OCR.

Candidates must be able to clearly identify and explain the potential legal issues which have an impact on their intended business. Candidates should complete all tasks contained in the candidate information section of the assignments to demonstrate a clear understanding of these issues.

Candidates must complete the tasks for all assessment criteria contained within the unit.

## Evidence requirements

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In order to achieve this unit you must demonstrate that you have met all of the stated learning outcomes and assessment criteria. Candidates must complete the templates provided or where indicated either produce continuous prose in line with the indicated word limit or use another appropriate format.

In Learning Outcomes 1 and 2 candidates are required to consider all the forms and then to select from these the most appropriate for their business.

In Learning Outcome 3, candidates should refer to those areas of legislation that would be most relevant for their business. A good range of legislation should be referred to.

In Learning Outcome 3, candidates should be able to give at least two sources of advice for each of business, business owner, employee and customer.

In Learning Outcome 4, candidates are expected to be able to offer a range of relevant insurances they would need for their business.

In Learning Outcome 5, candidates are expected to give a simple VAT calculation based on value added.

## Guidance on assessment and evidence requirements

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Assessment will take the form of an OCR template assignment, which allows the candidate to evidence each assessment criteria. For each assessment criteria, OCR will also supply templates to aid centres in confirming that all aspects of the assessment have been completed and that relevant evidence is available.

A breakdown of the expected actions is provided in the candidate section of the assignments. Tutors should ensure that the knowledge, understanding and skills section is sufficiently covered, according to the criteria provided.

All aspects of the task, as laid out in the candidate section, should be completed before the work is submitted to OCR for moderation. Witness Statement Forms have been provided where required. The tasks should be assessed in the centre before the candidate's portfolio is presented to the OCR-appointed examiner-moderator.

You should refer to the '*Admin Guide: Vocational Qualifications (A850)*' for *Notes on Preventing Computer-Assisted Malpractice*.

## National Occupational Standards (NOS) mapping/signposting

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NOS can be viewed on the relevant Sector Skills Council's website or the Occupational standards directory at [www.ukstandards.co.uk](http://www.ukstandards.co.uk).

Occupational standards	Unit number	Title
SFEDI	LG1	Choose a legal format that suits your business
SFEDI	LG2	Keep up to date with current legislation
SFEDI	MN11	VAT registration and returns
SFEDI	YS3	Improve your skills

## Functional skills signposting

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This section indicates where candidates may have an opportunity to develop their functional skills.

Link to functional skills standards <http://www.qcda.gov.uk/15565.aspx>

Functional Skills Standards					
English		Mathematics		ICT	
Speaking and Listening	✓	Representing	✓	Use ICT systems	✓
Reading	✓	Analysing	✓	Find and select information	✓
Writing	✓	Interpreting	✓	Develop, present and communicate information	✓

## Resources

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Candidates who wish to present their work electronically will require access to a computer with word processing software.

## Additional information

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In order for the candidate to achieve this unit the candidate must demonstrate an understanding of a new business's needs. The candidate will create elements of important information that can be added and developed into a business plan.

Some tasks are assisted by a degree of group working, but each task requires the candidate to complete the table or report by themselves.

Further Notes for Tutors are available in the assignment booklet.

Further guidance is provided in the Notes for Tutors section of the assignment booklet.

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).