



## **Level 3 Diploma in Business and Administration**

**Unit Title: The Business Environment**

**Unit Code: Ex13434**

**EQF Level: 3**

**Credit Value: 10**

**Assessment Method: Centre Devised Assignment**

### **PURPOSE OF THE UNIT**

This unit will help the learner to have an understanding of the range of different businesses that can exist in an economy. Learners will discover the different purposes that such organisations can have and the different forms of ownership that can exist. They will also be able to appreciate the role of the different stakeholders involved in such businesses.

Learners will have an understanding of the different ways in which businesses are organised to achieve their purposes and they will also be able to appreciate that businesses can have a variety of different aims.

This unit will also help the learner to have an understanding of the way in which the wider environment can impact on businesses in terms of both the economic environment and the political, legal and social framework in which businesses operate.



## ASSESSMENT AND GRADING CRITERIA

Learning Outcome (LO)	Pass	Merit	Distinction
<b>The learner will:</b>	<b>The assessment criteria are the pass requirements for this unit.</b> <b>The learner can:</b>	<b>To achieve a merit the evidence must show that, in addition to the pass criteria, the learner is able to:</b>	<b>To achieve a distinction the evidence must show that, in addition to the pass and merit criteria, the learner is able to:</b>
LO1 Know the range of different businesses and their ownership	AC1.1 describe the type of business, purpose and ownership of two contrasting businesses  AC1.2 describe the different stakeholders who influence the purpose of two contrasting businesses	1M1 analyse the type of business, purpose and ownership of two contrasting businesses.	1D1 evaluate the effect of a selected business changing its ownership status
LO2 Understand how businesses are organised to achieve their purposes	AC2.1 describe how two businesses are organised  AC2.2 explain how their style of organisation helps them to fulfil their purposes.		
LO3 Know the impact of the economic environment on businesses	AC3.1 describe the influence of two contrasting economic environments on business activities within a selected organisation	1M2 analyse the impact of changes in demand and supply on a selected business	D2 evaluate to what extent a selected business is likely to be affected by changes in the economic environment
LO4 Know how political, legal and social factors impact on business	AC4.1 describe how political, legal and social factors are impacting upon the business activities of the selected organisations and their stakeholders.		



## **DELIVERY & ASSESSMENT GUIDANCE**

### **Learning Outcome 1**

Learners should be encouraged to focus on businesses they are already familiar with or have an interest in, for example through part-time employment, work experience or as customers. The two businesses must offer a contrast, so careful consideration should be given when selecting them. For example, the contrast might be the sector that the business operates in; one could be in the primary sector and the other could be in the tertiary sector. Alternatively, the contrast could be between a business in the private sector and one in the public sector. This could provide a good opportunity for group work, with each group investigating different businesses in the local area and using the information they find to produce wall charts or posters to build up a visual map of the local business environment.

Learners should be able to distinguish between internal stakeholders, such as employees and owners, and external stakeholders, such as customers and suppliers. They should examine the influence of the different stakeholders on businesses, especially in terms of possible conflicts of interest between different parties. It might be useful if learners focused on particular issues that illustrate such conflicts.

The use of local newspaper articles highlighting local issues, such as planning applications, could be used to stimulate discussions about the impact on two contrasting businesses and how their different stakeholders might feel.

### **Learning Outcome 2**

Learners must understand how businesses are organised. They could be provided with the organisation charts of two businesses, and asked to identify the various functional areas that the businesses are organised into. Learners could then compare and contrast the two businesses, in terms of span of control and chain of command and discuss possible reasons for the differences. In order to develop their understanding learners could research using websites, leaflets and booklets produced by the businesses. It would also be helpful, if the learners were able to visit the two businesses.

Learners need to appreciate that the organisation of businesses is not important for its own sake, but as a means of achieving its aims and objectives. Learners could be provided with copies of mission statements from the two businesses and where a visit is possible they should try to find out as much as they can about how the two businesses organise their strategic planning. The use of examples from the public and voluntary sector should enable learners to see how certain businesses involve stakeholders formally in their organisation structure, for example regulatory



stakeholders such as Ofwat and Oftel.

### **Learning Outcome 3**

In earlier learning outcomes, learners were required to focus on two businesses. In learning outcome 3 they just need to be concerned with one. Learners need to understand that any business does not exist in isolation but is affected by a range of possible economic factors. They could undertake a group task where the key economic variables that can affect a business are identified and researched. Learners should then use the data that they have obtained and look for changes in the behaviour of businesses using examples from newspapers or news websites. Each group could then be asked to present their findings.

### **Learning Outcome 4**

Learners could work in groups to research how a particular business has been affected by political, legal and social factors, and summarise their findings in a visual form.

In terms of the political environment, learners should consider how governments have different policies in relation to certain business activities.

Learners also need to research any additions to the law, or changes to the existing law that could impact on businesses.

Learners should also consider the social factors that can impact upon the business activities of the selected organisations. For example, learners could consider how changes in demographics, such as the age of the population, could have a serious impact on many businesses.