



Level 3 Diploma in Business and Administration

Unit Title: Business Accounting

Unit Code: EXL3568

EQF Level: 4

Credit Value: 10

Assessment Method: Centre Devised Assignment

PURPOSE OF THE UNIT

Accounting records are frequently used in business decision making; understanding their purpose and uses is a useful skill in business management. This unit will enable learners to identify the need for accounting and be able to create and use some of the most common financial accounts and their related documents. Learners will also be able to review business performance through the use of simple ratio analysis.



ASSESSMENT AND GRADING CRITERIA

Learning Outcome (LO)	Pass	Merit	Distinction
The learner will:	The assessment criteria are the pass requirements for this unit. The learner can:	To achieve a merit the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
LO1 Understand the purpose of accounting and the categorisation of business income and expenditure	AC1.1 describe the purpose of accounting for an organisation		
	AC1.2 explain the difference between capital and revenue items of expenditure and income		
LO2 Be able to present business information effectively	AC2.1 Be able to prepare a cash flow forecast	M1 analyse the advantages and disadvantages of three different methods used for communicating internal business information	D1 evaluate three different methods used to communicate complex internal business information and make
LO3 Be able to prepare profit and loss accounts and balance sheets	AC3.3 prepare a profit and loss account and balance sheet for a given organisation		
LO4 Be able to review business performance using simple ratio analysis.	AC4.1 perform ratio analysis to measure the profitability, liquidity and efficiency of a given organisation	M2 analyse the profitability, liquidity and efficiency of a selected business using ratio analysis	D1 recommend ways in which a selected business can improve its profitability, liquidity and efficiency



DELIVERY & ASSESSMENT GUIDANCE

This unit is about the basic accounts that internal and external stakeholders will use to make decisions. As such, the documents used in delivering the unit should be put into the context of being a tool for decision making, rather than just an exercise in mathematics.

Learning Outcome 1

This learning outcome sets the scene in terms of why we create accounts and the language of accounting. This is an opportunity to bring the topic of accounting to life by visiting an accountant, or having a visiting speaker come into the classroom. A contextual description of why a particular business requires/uses accounting, and how they categorise business income and expenditure would improve learner motivation and is more likely to make the following learning objectives easier to deliver.

Learning Outcome 2

This learning outcome should include a lot of practical activities in order for learners to apply their knowledge. Tutors could use DVDs or case studies to illustrate how different organisations present and communicate complex business information effectively. For example, product launches for complex goods or services are a good example as the audience may not have specialist knowledge. Therefore, the delivery has to be suitable for the audience, as well as containing the vital information required.

A group discussion on different methods of presenting information could produce some varying opinions. This could lead to identifying different learning styles; some learners may express a preference for aural presentations, whilst others may find this method unengaging. Learners could explore the effective use of the chosen communication method

– ‘death by PowerPoint’ being a recognised example of a useful tool being used in the wrong way.

Learners should create examples of corporate communication. For example, a press release, board paper, internal memo, product presentation or design for a logo. Tutors should provide some input outlining the range of communication methods, as indicated in the teaching content.

Tutors should provide guidance on how the effectiveness of external corporate communications is measured. For example, against set objectives, or how well it relates to the target audience. Learners could investigate the strengths and limitations of the external communication methods identified in the teaching content. Using case studies, learners could research the effectiveness of the external corporate communications for a range of different organisations/products/services. They could then evaluate this information and think of ways for improvement.



Learning Outcome 3

Learners must understand the issues and constraints in relation to the use of business information. This should include the legal, ethical and operational issues relating to the use of business information. Initially this topic may require some formal input from the tutor, followed by research, either carried out individually by the learner or in small groups. When considering legal issues, learners could be encouraged to research relevant UK legislation and European directives.

Ethical concerns may represent a new concept for many learners and tutors should encourage group discussion in order to introduce and clarify the concept.

Case studies demonstrating legal and ethical issues in relation to the use of business information could be used. For example, learners could consider if the decision by the UK government to use the credit reference agency Experian in order to identify benefit fraud is both legal and ethical? Tutors should also provide input relating to operational issues of data storage, back-up procedures and how constant changes in technology impact on the types of information and the storage needs.

Learning Outcome 4

Within this unit learners must be able to present business information. Therefore, they will need to be able to select the most appropriate method of communication depending on the message, the purpose, and the audience. Learners will need to understand the use of electronic and non-electronic methods of communication, and when and where their use is appropriate. In small groups the learners could use the different types of business information identified in learning outcome 1 and suggest the types of audience where it would be utilised. This activity could then be developed further with the learners suggesting the method of communication used, and if it is electronic or non-electronic.

The learners could then select a variety of organisations and undertake group research into the methods of communication used with their stakeholders.