



Description for Financial Services

1. Business Accounting

Unit title: Business Accounting

Unit code: F84M 34

Unit purpose: This Unit is designed to enable candidates to develop their knowledge and understanding in the preparation and use of accounting information within a business organization. Candidate will develop the skills required to prepare basic financial and management accounting reports and, in addition, will also develop the skills, knowledge and understanding to enable them to interpret and use financial information for decision making.

On completion of the Unit candidates should be able to:

1. Prepare financial statements, of a limited company, for internal users.
2. Prepare cash budgets and calculate break-even point.
3. Identify the users of financial information and the decisions for which they require this information.
4. Describe the various sources of finance available to an organisation.
5. Analyse the performance and financial position of a business.

Credit value: 2 HN Credits at SCQF level 7: (16 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre. However, candidates would normally be expected to be competent in numeracy and communication at SCQF level 5 or have similar qualifications or experience.

Core skills: There may be opportunities to gather evidence towards core skills in this Unit, although there is no automatic certification of core skills or core skills components. This Unit is designed to give a candidate a basic understanding of the content and use of financial and management accounting statements and reports. It does this in Outcomes 1 and 2 by exposing candidates to the process by which such statements are produced. The emphasis here is therefore on the basic structure of these statements rather than the complications that may arise. In Outcomes 3, 4 and 5 the focus is on the further understanding of financial information.

Assessment: The Unit could be assessed by two Instruments of Assessment. One covering Outcomes 1 and 2, and the other covering Outcomes 3, 4 and 5. The first assessment, which is computational in nature, should be carried out under controlled conditions and should last approximately two hours. The second assessment would require candidates to produce a report and answer questions based on a case study. The write up of the report may take place under controlled conditions during a session lasting approximately two hours. Candidates may be given a copy of the case study



7-10 days before the assessment takes place.

(1) Outcome 1: Prepare financial statements, of a limited company, for internal users.

- Income statement
- Statement of financial position and statement of changes in equity.
- Adjustments to the financial statements.

(2) Outcome 2: Prepare cash budgets and calculate break-even point.

- Cash budgets.
- Fixed and variable costs.
- Break-even point.

(3) Outcome 3: Identify the users of financial information and the decisions for which they require this information.

- The main users of financial information
- The purposes of financial information.
- The sources of financial information.

(4) Outcome 4: Describe the various sources of finance available to a business organisation.

- The sources of finance
- Categories of finance

(5) Outcome 5: Analyse the performance and financial position of a business.

- Statement of cash flows.
- Accounting ratios
- Analysis of financial statements

Evidence requirements for the Unit:

(1) Outcome 1

- Prepare an income statement, a statement of financial position and a statement of changes in equity, from a year end trial balance, for a limited company, for internal use
- Incorporate six year and adjustments into the accounts—other payables, other receivables, depreciation, closing inventory, finance costs and corporation tax.

(2) Outcome 2

- Prepare a cash budget from sales and cost information provided. Costs should include: purchases (cash and credit), raw materials, labour hours and rates, variable production overhead rate, fixed costs, fixed production overheads. Sales should include both cash and credit sales.
- Calculate the opening and closing cash balances.



- Calculate the break-even point.

(3) Outcome 3

- Identify four relevant users of financial information from: present shareholders, potential shareholders, short-term creditors, long-term creditors, authorities, competitors, employees, analysts, and management
- Describe the purpose for which each user requires this information
- Identify the source of relevant information for each user

(4) Outcome 4

- With reference to a particular statement of financial position, identify the following sources of finance: current liabilities, loan capital, share capital, and retained profit
- Describe the characteristics of each source of finance identified
- Categories each source into short or long term
- Make appropriate recommendations for further sources of finance linked to a specified purpose and in accordance with good financial management.

(5) Outcome 5

- Identify the major inflows and outflows of cash from the given cash flow statement.
- Accurately calculate at least six key accounting ratios covering the areas of profitability, liquidity, efficiency and capital structure.
- Analyse the financial statement and statement of cash flows of the business and make recommendations, including appropriate financing options for the future, to improve the business's performance and financial position based on those findings.

Reference:

1. Charles T. Horngren & Srikant M.Datar (2008), Cost Accounting: A Managerial Emphasis, 13th edition, ISBN: 978-8120335646
2. Colin Drury (2007), Management and Cost Accounting, 7th edition, Cengage Learning Business Press, ISBN: 978-1844805662
3. Wood, F. and Sangster, A. (2005) , Frank Wood's Business Accounting, Prentice Hall
4. Alexander, D. and Nobes, C(2001), Finance Accounting - An International Introduction, Prentice Hall
5. Glautier, M.W.E., and Underdown, B.(2001), Accounting Theory and Practice, Prentice Hall
6. Sutton, T.(1999), Corporate Financial Accounting and Reporting , Prentice Hall

2. Unit title: Business Law: An Introduction



Unit code: F84P 34

Unit purpose: This Unit is designed to introduce the candidate to the framework of law as it applies within the business environment. The Unit will examine the sources of Scottish law, the contractual relationships between individuals, the contractual relationships between individuals and businesses, and the distinction between types of business relationships. It is primarily intended for candidates who require a knowledge of legal matters in a business context.

On completion of this Unit, the candidate will be able to:

1. Explain the main sources of Scots business law
2. Explain the law of contract
3. Distinguish the legal characteristics of the various types of business organisations and relationships

Credit value: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: Entry to this Unit is at the discretion of the Centre. However, it would be beneficial if candidates possess good communication skills. These may be demonstrated by the achievement of the Core Skill *Communication* at SCQF level 6, or Higher English or equivalent.

Core skills: here are opportunities in this Unit to develop the Core Skills of *Communication* at SCQF level 6, *Problem Solving* at SCQF level 6, and *Information and Communication Technology* at SCQF level 5, although there is no automatic certification of Core Skills or Core Skills components.

Assessment: Assessment for all three Outcomes may take the form of open-book assessments based on stimulus material, either a case study, restricted response questions or a combination of both. Candidates may compile responses from their own research. Assessments may be integrated between Outcomes.

(1) Outcome 1: Explain the main sources of Scots business law

Legislation

Judicial precedent

Institutional writers

Custom

(2) Outcome 2: Explain the law of contract

Creation of a contract

Defective contracts

Misrepresentation

Breach of contract



Remedies for breach of contract

(3) Outcome3 : Distinguish the legal characteristics of the various types of business organisations and relationships

- 1 The distinction between sole traders, partnerships and incorporated bodies.
- 2 The advantages and disadvantages of different types of business organisations in a legal context.
- 3 General legal provisions relating to management of business organisations Implications of contractual arrangements on business organisations.
- 4 The authority and liability of partners.

Evidence requirements for the unit

(1) Outcome 1

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- 1 identify and describe the sources of legislation that are binding in Scots law, quoting at least one example.
- 2 explain precedent as it is used in Scots law.
- 3 explain institutional writing and its role in Scots law.
- 4 explain custom and its role in Scots law

(2) Outcome 2

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- 1 identify and describe the essential elements of a contract
- 2 explain the processes of contract formation
- 3 explain Illegality, Errors and Misrepresentation as they relate to a contract
- 4 Identify and explain two types of Breach of Contract
- 5 identify the relevant remedies arising from a Breach of Contract

(3) Outcome 3

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- 1 identify the different types of business organisation and distinguish between their authority, liability and ability to manage their businesses, and enter into contracts.
- 2 identify and explain the advantages and disadvantages of different types of business organizational relation to their legal requirements.



References

1. Robin M. White (2007), *Scottish Legal System*, 4th edition, Total Publishing, ISBN: 9781845927783

3.Workplace Communication in English

Unit title: Workplace Communication in English

Unit code: H8T2 33

Unit purpose:

This Unit *Workplace Communication in English* sits at SCQF level 6 and is designed to develop skills in analyzing, summarising, evaluating and producing written information in English in a complex vocational context. It also develops practical skills in speaking and responding in English in complex vocational situations. The Unit enhances skills for learning, life and work and there is a particular emphasis on employability. The Unit is for learners for whom English is an additional language. It can be taken as part of Group Award or as a stand-alone Unit for the purposes of developing written and oral skills for use in complex vocational situations. Work undertaken for the Unit will be in a context appropriate to the learner's Group Award or relevant to an individual's vocational area/discipline.

The Unit embeds and provides automatic certification of the Core Skill of *Communication* at SCQF level 6.

Credit value: 1 Higher National Unit credit at SCQF level 6: (8 SCQF credit points at SCQF level 6)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre. However, learners should have competence in *Communication Skills* at SCQF level 5 or equivalent. This could be demonstrated by achievement of one of the following:

F3GB 11 *Communication* (Core Skill), SCQF level 5

EE3T 11 *Communication* (NQ), SCQF level 5

C270 11 *English* SCQF level 5

C724 75 *National 5 English*

C222 11 *English for Speakers of Other Languages* SCQF level 5

C727 75 *National 5 ESOL*

IELTS 5.0

Appropriate work experience

Core skills: Opportunities to develop aspects of Core Skills are highlighted in the Support Notes for this Unit specification.



Assessment: Evidence should be generated through assessment undertaken in controlled conditions where arrangements are in place to assure the authenticity of work produced. Since the Core Skill of Communication is embedded in this Unit, it is strongly recommended that you follow the assessment guidelines given.

An exemplar assessment pack and marking guidelines have been produced to indicate the national standard of achievement required at HN SCQF level 6.

(1) Outcome 1: Summarise and evaluate written information on a complex vocational issue.

- The skills and concepts required for reading and analyzing complex text.
- The skills of summarising key information and supporting detail.
- An understanding of the range of types, purposes and uses of business documents.
- Knowledge of the conventions of format and graphic communication.
- An understanding of the impact of language and presentation.
- Skills in evaluating the strengths and weaknesses of written text in meeting an identified purpose and readership.

(2) Outcome 2: Produce written information on a complex vocational issue

- How to select and collate relevant information.
- How to arrange material for impact.
- How to structure information effectively to a prescribed business format.
- How to select register and language appropriate to purpose and readership.
- Accurate use of conventions of expression and style, spelling punctuation and syntax
- Formal conventions of business documents

(3) Outcome 3: Produce and respond to oral communication on a complex vocational issue.

- How to plan and prepare for a formal meeting.
- How to locate, select and present relevant complex information.
- How to organise and structure a contribution to discussion.
- How to respond and adapt to the contributions of others and progress interaction.
- The dynamics of oral communication.
- The format and structure of formal meetings.
- The format and structure of written records of meetings.

Evidence requirements

(1) Outcome 1

Candidates will need to demonstrate skills by summarising and evaluating in detail a complex business



text which is concerned with the presentation, analysis and synthesis of a substantial amount of information. The response must be written or recorded and

- summarise the main points and supporting detail
- evaluate the effectiveness of format, language, structure and layout in meeting the needs of purpose and readership

Evidence should be generated through assessment undertaken in controlled conditions.

A summary and detailed evaluation may be made of any complex document, but it is suggested that the text selected could either be one which could provide a model of the type of text to be produced for Outcome 2 and/or would be a source document relevant to Outcome 2 and/or 3. Such integration would encourage skills development and avoid over-assessment. A formal structured complex business report, proposal or article on a relevant vocational issue could provide an appropriate text.

(2) Outcome 2

Candidates will need to demonstrate skills by producing one or more business documents presenting and analyzing information on a complex issue. A minimum of 1500 words, should be produced in controlled conditions, meet an agreed brief and be in a prescribed format. Texts should

- Select and collate information effectively
- Present relevant information accurately
- Use a logical structure appropriate for purpose and readership
- Use language and register effectively
- Use conventions of layout and format consistently and accurately
- Use consistently accurate spelling, syntax and punctuation

(3) Outcome 3

Candidates will demonstrate skills by taking part in and documenting a formal meeting which involves at least four others, and which has a clear remit involving analysis and decision making relating to a complex vocational issue. A detailed observation checklist and/or a video recording should be retained as evidence of performance for each candidate. Each candidate should

- produce a notice of meeting and agenda
- prepare and present an agenda item accurately and effectively
- use tone, pace and nonverbal communication appropriate to a formal meeting
- respond to the contributions of others to progress interaction
- complete an accurate formal record of proceedings

References:



- John.V. Thill, Courtland L. Bovee (2008), ***Excellence in Business Communication***, 7th edition, Peking University Press, ISBN 9787301142165
- Kitty O.Locker, Donna S. Kienzler(2009), ***Business and Administrative Communication***, 8th edition, China Machine Press, ISBN 9787111157410

4. Communication: Business Communication

Unit title:Communication: Business Communication

Unit code: H7TK 34

Unit purpose:

This Unit *Communication: Business Communication* sits at SCQF level 7 and is designed to develop skills in analyzing, summarising, evaluating, and producing complex written business information. It also develops skills in presenting and responding to complex oral business information. The Unit enhances skills for learning, life and work and there is a particular emphasis on employability. The Unit can be taken as part of a Group Award or as a stand-alone Unit for the purposes of continued professional development. Work undertaken for the Unit will be in a context appropriate to the learner's Group Award or relevant to an individual's vocational area/discipline.

The Unit embeds and provides automatic certification of the Core Skill of *Communication* at SCQF level 6

Credit value: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre. It would, however, be beneficial if the candidate had good communication skills. This may be evidenced by possession of the Core Skills Unit in Communication at Higher level (SCQF level 6), or similar qualifications or experience.

Core skills: This Unit gives automatic certification of the following Core Skill: Communication at Higher level. There are no other Core Skill components included.

Assessment: Evidence should be generated through assessment undertaken in controlled conditions where arrangements are in place to assure the authenticity of work produced. Since the Core Skill of Communication is embedded in this Unit, it is strongly recommended that you follow the assessment guidelines given.

An exemplar assessment pack and marking guidelines have been produced to indicate the national standard of achievement required at HN SCQF level 7.

(1) Outcome 1: Analyse complex written business information



- The skills and concepts required for reading and analyzing complex text.
- The skills of summarising key information and supporting detail.
- An understanding of the range of types, purposes and uses of business documents.
- Knowledge of the conventions of format and graphic communication.
- An understanding of the impact of language and presentation.
- Skills in evaluating the strengths and weaknesses of written text in meeting an identified purpose and readership.

(2) Outcome 2: Produce complex written business documents

- How to select and collate relevant information.
- How to arrange material for impact.
- How to structure information effectively to a prescribed business format.
- How to select register and language appropriate to purpose and readership.
- Accurate use of conventions of expression and style, spelling punctuation and syntax
- Formal conventions of business documents

(3) Outcome 3: Organise and participate in a formal meeting

- How to plan and prepare for a formal meeting.
- How to locate, select and present relevant complex information.
- How to organise and structure a contribution to discussion.
- How to respond and adapt to the contributions of others and progress interaction.
- The dynamics of oral communication.
- The format and structure of formal meetings.
- The format and structure of written records of meetings.

Evidence requirements

(1) Outcome 1

Candidates will need to demonstrate skills by summarising and evaluating in detail a complex business text which is concerned with the presentation, analysis and synthesis of a substantial amount of information. The response must be written or recorded and

- summarise the main points and supporting detail
- evaluate the effectiveness of format, language, structure and layout in meeting the needs of purpose and readership

Evidence should be generated through assessment undertaken in controlled conditions.

A summary and detailed evaluation may be made of any complex document, but it is suggested that the



text selected could either be one which could provide a model of the type of text to be produced for Outcome 2 and/or would be a source document relevant to Outcome 2 and/or 3. Such integration would encourage skills development and avoid over-assessment. A formal structured complex business report, proposal or article on a relevant vocational issue could provide an appropriate text.

(2) Outcome 2

Candidates will need to demonstrate skills by producing one or more business documents presenting and analyzing information on a complex issue. A minimum of 1500 words, should be produced in controlled conditions, meet an agreed brief and be in a prescribed format. Texts should

- Select and collate information effectively
- Present relevant information accurately
- Use a logical structure appropriate for purpose and readership
- Use language and register effectively
- Use conventions of layout and format consistently and accurately
- Use consistently accurate spelling, syntax and punctuation

(3) Outcome 3

Candidates will demonstrate skills by taking part in and documenting a formal meeting which involves at least four others, and which has a clear remit involving analysis and decision making relating to a complex vocational issue. A detailed observation checklist and/or a video recording should be retained as evidence of performance for each candidate. Each candidate should

- produce a notice of meeting and agenda
- prepare and present an agenda item accurately and effectively
- use tone, pace and nonverbal communication appropriate to a formal meeting
- respond to the contributions of others to progress interaction
- complete an accurate formal record of proceedings

References:

- John.V. Thill, Courtland L. Bovee (2008), *Excellence in Business Communication*, 7th edition, Peking University Press, ISBN 9787301142165
- Kitty O.Locker, Donna S. Kienzler(2009), *Business and Administrative Communication*, 8th edition, China Machine Press, ISBN 9787111157410

5.Creating a Culture of Customer Care

Unit title: Creating a Culture of Customer Care



Unit code: H1F0 34

Unit purpose: The purpose of this Unit is to enable candidates to recognise and evaluate effective customer care within a relevant work environment. It allows candidates to analyse factors affecting customer care and to judge the effectiveness of a customer care strategy by applying them to the workplace. The Unit emphasises that customer care is a key area of importance and value to organisations and is, therefore, critical to the work of any employee.

On completion of the Unit the candidate should be able to:

- 1 Analyse factors contributing to a culture of customer care.
- 2 Evaluate the customer care strategy of an organisation.

Credit points and level: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: It is recommended that candidates undertaking this Unit possess good communication skills to a level equivalent to at least SCQF level 6.

Core skills: There may be opportunities to gather evidence towards core skills communication and/or problem solving in this Unit, although there is no automatic certification of core skills or core skills components.

Assessment: Evidence for this unit could be generated through two assessments.

(1) Outcome 1: Analyse factors contributing to a culture of customer care.

- Meeting customer expectations
- Dealing with customer care problems
- Customer aftercare
- Obtaining and monitoring qualitative and quantitative customer feedback

(2) Outcome 2: Evaluate the customer care strategy of an organisation.

- Standards for customer care
- Continuous improvement of customer care

Evidence requirements:

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can analyse factors which contribute to a culture of customer care and apply these to evaluate the strategy for customer care in a particular organisation/work situation, which may be real or hypothetical.

The analysis should be based on recognised principles of customer care. It should incorporate valid and convincing reasons which highlight the importance of each of the following aspects of customer care:

- Identifying and meeting the expectations of key customers.
- Dealing with two different types of customer care problems.



- Maintaining customer aftercare.
- Obtaining qualitative and quantitative customer feedback.
- Monitoring customer feedback.

The evaluation should refer to recognised principles of customer care and apply them in the context of a specific organisation. It should include:

- A judgement on the suitability of the standards for customer care which have been set by the organisation.
- A judgement of the effectiveness and efficiency of the organisation's customer care strategy.
- Proposals on ways to ensure continuous improvement of customer care in the organisation.

Both judgements should be based on valid and convincing reasons and with examples drawn from the organisation. Each judgement should also arrive at a clear conclusion. The proposals should take into account the conclusions from the judgements and should be realistic and practicable in terms of the organizational/work related context to which they relate.

References:

- James A. Fitzsimmons, Mona J. Fitzsimmons (2007), **Service Management: Operations, Strategy and Information Technology, 5th Edition**, China Machine Press, ISBN 9787111200383
- Robert W. Lucas(2009), **Customer Service: Building Successful Skills for the Twenty-First Century, 3rd edition**, Enterprise Management Publishing House, ISBN 9787801973306
- Ren Lulu, **Case Studies in Customer Services**, Tsinghua University Press, ISBN 9787302106975

6. Economic Issues: An Introduction

Unit title: Economic Issues: An Introduction

Unit code: F7J8 34

Unit purpose: This Unit introduces candidates to fundamental issues in economics with a particular emphasis on the business environment. Candidates will learn about the basic economic problem and how the consumer and other economic agents address this problem. Candidates are introduced to the operation of markets and actions that can be taken to help avoid market failure. The Unit introduces the theory of National Income and the circular flow of income model.

On completion of this Unit, the candidate should be able to:

1. Explain the allocation of resources within the economy.
2. Explain the theory of National Income.
3. Explain and evaluate the role of government policy in the UK market.



Credit value: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: Entry to this Unit is at the discretion of the centre, but it would be beneficial for candidates to have competence in numeracy and communication. This may be demonstrated by possession of the Core Skill Numeracy at SCQF level 4 and/or the Core Skill Communication at SCQF level 5 or equivalent.

Core skills: There are opportunities to develop the Core Skills of Communication at SCQF level 6 and Problem Solving at SCQF level 5 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Assessment: This Unit may be assessed using an integrative assessment approach for Outcomes 1 and 2, or by using an individual instrument of assessment for each Outcome. Controlled conditions are required where sampling takes place. Assessments may involve the use of stimulus materials and if appropriate, candidates may bring with them a defined amount of notes as source material for assessment undertaken under controlled conditions.

Outcomes 1 and 2 will be assessed using specific questions which may be based upon stimulus material and must be assessed under controlled conditions. Candidates are permitted to bring with them a defined amount of notes as source material. Where the two Outcomes are assessed together in a single assessment the permitted notes for each Outcome should be combined.

Outcome 3 could be assessed under open-book conditions and may take the form of a short investigative exercise with a suggested word guide of approximately 800 to 1,000 words in length excluding any appendices.

(1)Outcome 1 : Explain the allocation of resources within the economy

- 1.The basic economic problem
- 2.Opportunity cost.
- 3.The determinants of demand and supply.
- 4.Interaction within the market.
- 5.Price and income elasticity.

(2)Outcome 2: Explain the theory of National Income

- 1.Circular flow of income.
- 2.Injections and withdrawals.
- 3.Measuring national income.
- 4.Comparison of national income between countries.
- 5.National income growth measured in monetary and real terms



(3)Outcome 3: Explain and evaluate the role of government policy in the UK market

- 1.The role of government in market failure
- 2.Current Government policy
- 3.Government policy instruments
- 4.Evaluation of Government policy

Evidence requirements for the Unit

(1) Outcome 1

Evidence will be presented in response to specific questions which may be based on stimulus material.

Evidence must be produced for all parts of the knowledge/skills section. Each time the outcome is assessed candidates will be required to give a satisfactory explanation of:

- 1.explain with an example the basic economic problem
- 2.explain with an example the concept of opportunity cost
- 3.identify changes to demand and supply when two determinants for each are altered
- 4.explain with the aid of a diagram/graphical information the interaction of demand and supply in a given scenario
- 5.explain the concepts of price elasticity of demand and income elasticity of demand in a given scenario

(2) Outcome 2

Evidence will be presented in response to specific questions which may be based on stimulus material.

Each candidate will need evidence to show a clear and accurate explanation of the theory of National Income.

Each time the outcome is assessed candidates will be required to:

- 1.create a clear diagram of the Circular Flow of Income with labels showing injections and withdrawals and with reference to this diagram explain the operation of the circular flow
- 2.Describe the Injections and Withdrawals from the Circular flow

The requirements above refer to the first two bullet points listed under knowledge and/or skills and must be assessed on each assessment occasion.

Evidence for the remaining knowledge and/or skills items in this Outcome will be provided on a sample basis. Evidence must be produced for two of the remaining four Knowledge and/or Skills items by showing that for the relevant items of knowledge and/or skills, candidates can:

- 3.describe three different ways that national income is measured, and a difficulty associated with each method
- 4.explain the multiplier effect on national income



5. identify and explain four difficulties in comparing national income between countries

6. explain national income growth both in monetary and real terms

(3) Outcome 3

Evidence will be presented in response to specific questions which may be based on stimulus material.

Each time the outcome is assessed candidates will be required to:

1. explain the role of government in market failure

2. select one current government policy on either welfare, competition or the environment, and accurately explain the policy selected

3. identify and describe the instruments used to achieve the policy

4. evaluate the success or failure of the policy in relation to its use within the UK

References

1. Bradley R. Schiller (2005), *Essentials of Economics*, 4th Edition, Posts & Telecom Press, ISBN: 9787115135223

2. Michael Parkin (2003), *Economics*, 5th edition, Posts & Telecom Press, ISBN: 9787115109644

3. N. Gregory Mankiw (2006), *Principles of Economics*, 3rd Edition, Tsinghua University Press, ISBN: 9787302132790

7. Financial Sector: An Introduction

Unit title: Financial Sector: An Introduction

Unit code: HY92 34

Unit purpose: This unit is designed to introduce learners to the financial sector and provide an understanding of the roles of and interactions between financial institutions and markets operating within the sector in the UK and with their customers. It is primarily intended to prepare learners for employment in roles within the financial sector including banks, building societies, insurance companies and organisations providing financial advice to customers. It is also suitable for those who wish to gain a general knowledge of the UK financial services sector prior to undertaking further study and/or professional qualifications.

Credit points and level: 1 Higher National Unit credit at SCQF level 7 (8 SCQF credit points at SCQF level 7)

Recommended prior knowledge and skills: Access to this unit is at the discretion of the centre, however it is expected that learners would have good written communication and numerical skills. These may be demonstrated by the achievement of core skill Communication at SCQF level 5, or by



possession of National 5 English, or a suitable NC Unit, and core skill Numeracy at SCQF level 5 or by possession of a relevant unit.

Core skills: Opportunities to develop aspects of core skills are highlighted in the support notes for this unit specification. There is no automatic certification of core skills or core skill components in this unit.

Assessment: Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Where evidence for outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Learners should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

(1) Outcome 1: Explain the role of the financial institutions in the UK financial sector.

- ◆ The Bank of England
- ◆ Retail banks
- ◆ Building societies
- ◆ Credit unions
- ◆ Wholesale banks
- ◆ Investment banks
- ◆ Insurance companies
- ◆ Investment companies

(2) Outcome 2: Explain the role of the financial markets in the UK financial sector.

- ◆ London Stock Exchange
- ◆ New issues market
- ◆ Secondary market
- ◆ Interbank market
- ◆ Intercompany market
- ◆ Sterling certificates deposit market
- ◆ Derivatives market

(1) Outcome 3: Explain the relationship between the institutions, markets and customers in the UK financial sector.



- ◆ The connections and interactions between institutions, financial markets and customers
- ◆ The impact of interest rate changes on banks
- ◆ The impact of interest rate changes on financial markets
- ◆ The impact of interest rate changes on the borrowing and spending decisions made by individual consumers

Evidence requirements:

(1) Outcome1

Evidence for the knowledge and/or skills in this outcome will be generated through sampling. This evidence may be presented as a report or in response to specific questions.

The sample must comprise of four of the knowledge and/or skills items. To ensure that learners will not be able to foresee which items they will be questioned about, a different sample of four knowledge and/or skills items is required each time the outcome is assessed.

The sample should include:

- ◆ the Bank of England.
- ◆ two knowledge and/or skills from retail banks, building societies, credit unions.
- ◆ one knowledge and/or skills from wholesale banks, investment banks, insurance companies, investment companies.

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided shows that the learner can explain the role of:

- ◆ the Bank of England in the UK financial sector making reference to its core purposes
- ◆ retail banks with regard to their function and purpose
- ◆ building societies with regard to their functions and purposes
- ◆ credit unions with regard to their functions and purposes
- ◆ wholesale banks with regard to their function and purpose
- ◆ investment banks with regard to their functions and purposes
- ◆ insurance companies with regard to their functions and purposes
- ◆ investment companies with regard to their functions and purposes



Each learner will need evidence to show that they can provide an accurate and clear explanation of the theoretical aspects of the outcome being assessed.

Evidence should be generated through assessment in open-book supervised conditions.

(2) Outcome 2

Evidence for the knowledge and/or skills in this outcome will be generated through sampling. This evidence may be presented as a report or in response to specific questions.

The sample must comprise of three of the knowledge and/or skills items. To ensure that learners will not be able to foresee which items they will be questioned about, a different sample of three knowledge and/or skills items is required each time the outcome is assessed.

The sample should include:

- ◆ at least one knowledge and/or skills from the first three bullet points below, ie the London Stock Exchange, new issues market, or secondary market
- ◆ at least one knowledge and/or skills from the remaining bullet points below, ie the interbank market, intercompany market, sterling certificates deposit market, or derivatives market

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided shows that the learner can explain the:

- ◆ role of the London Stock Exchange in the UK financial sector
- ◆ operation of the new issues market
- ◆ operation of the secondary market
- ◆ role of the interbank market
- ◆ role of the intercompany market
- ◆ role of the sterling certificates deposit market
- ◆ operation of the derivatives market

Each learner will need evidence to show that they can provide an accurate and clear explanation of the theoretical aspects of the outcome being assessed.

Evidence should be generated through assessment in open-book supervised conditions.

(3) Outcome 3



Evidence for the knowledge and/or skills in the outcome will be provided on a sample basis. This evidence may be presented as a report or in response to questions.

The sample must comprise of two of the knowledge and/or skills items with a different sample of knowledge and/or skills being used each time the outcome is assessed.

The sample should include:

- ◆ the first bullet point below, ie the connections and interactions between banks, financial markets and customers
- ◆ one from the remaining bullet points

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided shows that the learner can explain the:

- ◆ connections and interactions between institutions, financial markets and customers
- ◆ impact of interest rate changes on banks
- ◆ impact of interest rate changes on financial markets
- ◆ impact of interest rate changes on the borrowing and spending decisions made by individual consumers

Each learner will need evidence to show that they can provide an accurate and clear explanation of the theoretical aspects of the outcome being assessed.

Evidence should be generated through assessment in open-book supervised conditions.



References:

1. Peter Howells, Keith Bain (2007), *Financial Markets and Institutions (English Edition)*, Financial Times/ Prentice Hall, ASIN: B01LYFF439
2. Benjamin Graham (2005), *Intelligent Investor: The Classic Text on Value Investing*, Harper Business, ISBN: 0060752610

8. Information Technology: Applications Software 1

Unit Title: Information Technology: Applications Software 1

Unit Code: D75X 34

Unit Purpose: This Unit is designed to enable students to use Information Technology (IT) systems and applications independently to support a range of information processing activities. The Unit is designed to develop a broad knowledge of the theoretical concepts, principles, boundaries and scope of IT applications. These activities will be centred on using software applications packages to meet complex information requirements while paying attention to security and the needs of other users.

On completion of the Unit the candidate should be able to:

1. Operate a range of IT equipment independently, giving attention to security and to other users
2. Use a range of software application packages to meet complex information requirements

Credit Value: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7)

Recommended prior knowledge and skills: Access to this Unit will be at the discretion of the Centre, however it is recommended that candidates should have sound keyboard and mouse skills and a thorough familiarity with computers and software packages. These skills may be evidenced by the achievement of appropriate National Units or Courses but they may also have been acquired in an informal or work environment. For core skills it would be beneficial if candidates had some IT skills. This could be demonstrated by the achievement of the core skill Using Information Technology at Intermediate 2 level or equivalent.

Core skills: This Unit gives automatic certification of the core skill: Using Information Technology at Higher level.

Assessment: This Unit is largely of a practical nature; it lends itself to a single assessment containing a number of tasks in the form of a project or case study. An observation checklist is required for Outcome 1. Candidates will be required to submit evidence in the form of printed documents for both Outcomes 1 and 2. Files should be provided for candidates as appropriate to negate the need for them to enter large amounts of text or data. Candidates are to have access to on-line help, tutorial support and/or



supplier's manuals as required.

Since the core skill of Using Information Technology at Higher level is embedded in this Unit, it is strongly recommended that you follow the assessment guidelines given. If you wish to use a different assessment model you should seek prior moderation of the assessment instrument(s) you intend to use, to ensure that the core skill is still covered. Please note, candidates must achieve all of the minimum evidence specified for each Outcome, combination of Outcomes or for the Unit as a whole in order to pass the Unit and achieve the core skill.

(1)Outcome 1: Operate a range of IT equipment independently, giving attention to security and to other users

- 1.The different components of a computer system and how to use them, (i.e. mouse or other pointing device, keyboard, monitor, disk drive, processor, printer, scanner, etc.)
- 2.The functions of tools such as file managers, print managers, control panels and how to use these
- 3.The ways in which data can be kept secure, (egg encryption, passwords, back ups, virus protection) and how security procedures can be used to meet the needs of all users of a computer system
- 4.The causes of some common software and hardware problems, (eg cable connections, device settings, software option settings) and what action to take to resolve these

(2)Outcome 2: Use a range of software application packages to meet complex information requirements

- 1.Methods for assessing information requirements and designing solutions using IT
- 2.How to use straightforward and complex features of a range of software application packages (these can be word processing, spreadsheet, database, simulation, graphics, communications, (ie Internet, intranet, email, etc), audio/music, animation, video, multimedia, desktop publishing, data logging and retrieval, control or other packages)
- 3.How to integrate data types within a software application package
- 4.How to integrate information from more than one software application package
- 5.The content and search facilities of a range of computer data sources
- 6.Factors to consider when working out a search strategy when using a computer data source
- 7.How to extract information from a local and a remote computer data source

Evidence requirements for the Unit:

(1)Outcome 1

The candidate will need evidence to demonstrate his/her knowledge and/or skills by showing that, with minimal support from others (but using on-line help or suppliers' manuals), s/he can:



1. Use five hardware devices, (eg mouse, keyboard, printer, monitor, disk drive, scanner)
2. Start up and close down the operating system
3. Open and close software packages
4. Locate data and applications
5. Use a filing system, (eg to organise folders and sub-directories applying naming conventions)
6. Use two tools within the operating system, (eg file managers, print managers and control panels)
7. Implement security measures responsibly and with consideration for the needs of other users, (eg passwords, backups, virus protection)
7. Resolve one hardware and one software problem, (eg printer off-line, sound not working, too many open programs, system freeze, software option settings, etc).

The evidence for this Outcome should be by submission of an observation checklist covering all the points above. The candidate must also produce printouts to show changes made to his/her filing system and to identify backup files.

(2) Outcome 2

The candidate will need evidence to demonstrate his/her knowledge and/or skills by showing that, with minimal support from others (but using on-line help or suppliers' manuals), s/he can:

1. Identify the information requirements of users and how these requirements can be met
2. Select software applications packages which are appropriate to meet the identified information requirements
3. Use four or more software applications packages to process the identified information requirements and which output two or more different data types, (eg text, number, graphics, audio, video) in the form of documents, designs, compositions, models or presentations
4. Carry out three searches to extract and present relevant information from suitable local and remote computer data sources. A minimum of two searches must be from remote computer data sources. To do this the candidate will be required to:
5. Plan how to find the information and make decisions about searches taking account of efficiency in terms of time, cost, effective filtering and outcome
6. Extract information, (eg text, number, graphics, audio, video) which matches several search criteria, (eg keywords, fields, file names, screen grabber, digital camera or scanner). Searches must be different from each other, eg searching two different sources, or searching the same source for two different forms of information
7. Integrate two or more different data types, (eg text, number, graphics, audio, video) from more than



two software applications packages into a single product. The product may be in the form of a document, design, composition, model or presentation

8.Format the product so that the final output meets the identified information requirements and is clear and helpful to users

9.The evidence for this Outcome should be in the form of a document, design, composition, model or presentation covering all the evidence requirements shown above.

References:

- a) Pamela R.Toliver, "Access 2002 Comprehensive Volume",Prentice Hall,ISBN 0130664618
- b) Elizabeth Castro, "HTML for the world wide web with XHTML and CSS" 5th edition, Peachpit press, ISBN 0321130073
- c) SQA.(2004).IT in Business: Advanced Database. Times economics of China published

9.Managing People and Organisations

Unit title: Managing People and Organisations

Unit code: F84T 34

Unit purpose: This Unit is designed to enable the candidate to gain an understanding of the different approaches to managing an organisation in today's dynamic and complex business environment. It will introduce the candidate

- whether intending to or working in an administrative, commercial or management role.
- to current management theories to enable him/her to use these to evaluate organisational effectiveness.

On completion of this Unit, the candidate will be able to:

1. Explain the nature of organizations and its environment.
2. Analyse factors that influence workplace performance.
3. Analyse factors that influence managerial performance.
4. Identify and compare alternative approaches to organising people within the workplace.

Credit value: 2 HN credits at SCQF level 7: (16 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre but it would be beneficial if the candidate possesses good communication skills which may be evidenced by Communication at Intermediate 2. Other skills, knowledge or experience relevant to the Unit would also be beneficial.

Core Skills: There are opportunities to develop the Core Skills of Communication and Problem Solving



at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Context for delivery: If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Assessment: It is recommended that this Unit be assessed using two different methods of assessment. The first method of assessment could be an open-book response to structured questions for each outcome. This can be used for Outcomes 1, 2 and 3 as 3 assessment tasks individually. The candidate would be required to answer questions set in accordance with the sample in the Evidence Requirements for each of the three Outcomes. The questions can be based on a case study of an organisation and the same case study can be used for each Outcome.

The second method of assessment could be an open-book report covering Outcome 4. It can also be based on a case study which, for this Outcome, would require a solution to a structural problem of a work/organisation. The case study could be of the same organisation as for Outcomes 1–3. The candidate will be required to analyse the given problem and prepare and present her/his solutions to the problem. If desired this could be presented in a way which would give candidates an opportunity to practice using a report format.

(1) Outcome 1: Explain the nature of organisations

- Elements of the formal organisation
- Elements of the informal organisation
- Organisational goals, objectives, and policy
- Systems Theory - the internal and external environment of an organisation
- Different stakeholders in organisations
- Different strategies for organisational control

(2) Outcome 2: Explain the factors that influence the motivation of both individuals and groups to perform effectively within the workplace

- Content and process theories of motivation
- Individual differences and job performance
- Methods to improve job performance
- The meaning and importance of teamwork
- Factors that affect team cohesiveness and performance
-



(3) Outcome 3: Explain the meaning of management and describe the main activities associated with the role

- The nature of managerial work, including the main roles and activities associated with managing
- Managerial performance and measures of managerial effectiveness
- Approaches to management and different management styles
- The meaning and importance of leadership as part of the management process
- Theories of leadership — behavioural, contingency, transformational

(4) Outcome 4: Explain the different approaches to organising people within the workplace

- explain and illustrate line, staff, functional and lateral relationships within a given organisation.
- the relevance of authority, responsibility and delegation to line relationships within a given organisation.
- type of organisational
- alternative structure is consistent with the main situational variables of a contingency approach to structure.

Evidence Requirements for the Unit

(1) Outcome 1

Evidence for the Knowledge and/or Skills in this Outcome will be provided on a sample basis. In order to ensure that candidates will not be able to foresee what items they will be questioned about, a different sample of the Knowledge and/or Skills items is required each time the Outcome is assessed.

The candidate must provide evidence of any three from the six items listed below to show that she/he can with References to a particular situation:

- Distinguish between the formal organisation and informal organisation by contrasting relevant elements of each of them
- Explain the relationship between organisational goals, objectives, and policy
- Explain the contribution organisational goals or objectives or policy to the effective management of a work organisation
- Use Systems Theory to explain relevant aspects of the internal and external environment of an organisation
- Identify two different stakeholders of an organisation and explain the role of each stakeholder in the organisation
- Justify a suitable strategy of control in a particular situation in an organisation

Evidence for this Outcome should be generated under controlled conditions. Candidates should respond



to questions set in accordance with the sample. Candidates who achieve a score of 50% or more of the available marks for the questions will have satisfied the Evidence Requirements.

(2) Outcome 2

Evidence for the Knowledge and/or Skills in this Outcome will be provided on a sample basis. In order to ensure that candidates will not be able to foresee what items they will be questioned about, a different sample of the Knowledge and/or Skills items is required each time the Outcome is assessed.

The candidate must provide evidence for one of the first two items and for any two of the remaining three items listed below to show that she/he can with References to a particular situation:

- Apply an appropriate content theory of motivation to explain individual behaviour in the workplace
- Apply an appropriate process theory of motivation to explain individual behaviour in the workplace
- Explain suitable methods which management can use to improve job performance
- Explain the importance of teamwork
- Explain three factors that affect team cohesiveness and performance

Evidence for this Outcome should be generated under controlled conditions. Candidates should respond to questions set in accordance with the sample. Candidates who achieve a score of 50% or more of the available marks for the questions will have satisfied the Evidence Requirements.

(3) Outcome 3

Evidence for the Knowledge and/or Skills in this Outcome will be provided on a sample basis. In order to ensure that candidates will not be able to foresee what items they will be questioned about, a different sample of the Knowledge and/or Skills items is required each time the Outcome is assessed.

The candidate must provide evidence of three from the five items listed below to show that she/he can, with References to a particular situation:

- Explain the nature of managerial work with References to relevant roles and activities associated with managing
- Explain two ways in which managerial performance can be measured and in each case explain how the measure can be used to assessing managerial performance
- Apply an appropriate behavioural theory of leadership to explain the approach of a manager
- Apply an appropriate contingency or transformational leadership theory of leadership to explain the approach of a manager
- Explain how theories of leadership can be used to improve the way in which managers lead staff

Evidence for this Outcome should be generated under controlled conditions. Candidates should respond to questions set in accordance with the sample. Candidates who achieve a score of 50% or more of the



available marks for the questions will have satisfied the Evidence Requirements.

(4) Outcome 4

Evidence must be provided for all parts of the Knowledge and/or Skills section. Each time the Outcome is assessed candidates will be required to:

- Explain line, staff, functional and lateral relationships within an organisation
- Explain authority, responsibility and delegation with References to line relationships within an organisation
- Explain the type of organisational structure currently adopted by an organisation
- Suggest an alternative form of structure which it could adopt and which could be more appropriate to its current situation
- Explain, using the contingency approach, how the suggested alternative structure is consistent with the main situational variables of task, technology, size and environment

The evidence must be specific to a particular organisation.

References

- Stephen P. Robbins (2004), *Essentials of Organizational Behavior*, 7th edition, China Renmin University Press, ISBN: 9787300056692
- John Martin (2001), *Organizational Behaviour*, 2nd edition, Thompson, ISBN: 978-1861525833

10. Marketing: An Introduction

Unit title: Marketing: An Introduction

Unit code: F7BX 34

Unit purpose: This Unit is designed to provide candidates with a knowledge and understanding of marketing and its importance in organisations. This Unit is also designed to develop candidates' understanding of the marketing mix in the context of both products and services. This is an introductory Unit which can be used by candidates who may wish to progress to more specialised marketing units.

On completion of this Unit, the candidate should be able to:

- Explain the nature of marketing and its importance in organisations.
- Explain marketing decisions for a product based and a service organisation.

Credit points and level: 1 HN credit(s) at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre but it would be beneficial if the candidate had competence in communications, which could be demonstrated



by the possession of Communication Core Skill at SCQF level 5

Core Skills: There are opportunities to develop the Core Skills of Communication at SCQF level 6 and Problem Solving at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Assessment: The Unit may be assessed in a variety of ways eg by a separate assessment for each Outcome. Both assessments may take place under controlled conditions and designed to encourage candidates to relate marketing theory to relevant examples. Alternatively there is the opportunity to integrate the assessment of Outcomes 1 and 2. This could be done under open-book conditions and would be based on a case study, project or other stimulus material.

(1) Outcome 1: Explain the nature of marketing and its importance in organisations

- marketing concept
- the marketing environment
- market research and information
- segmentation and targeting

(2) Outcome 2: Explain marketing decisions for a product based and a service organisation

- the marketing mix for products
- the marketing mix for services
- impact of changing market conditions on marketing decisions

Evidence Requirements

(1) Outcome 1

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- identify the key characteristics of the marketing concept
- explain an organisation's micro and macro environment
- explain why market research and information is important to organisations
- provide two examples of how market research information is collected and used, consisting of one quantitative research technique and one qualitative research technique
- explain the importance and the process of segmentation and targeting in marketing

(2) Outcome 2

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can explain the role of the marketing mix.

For a given situation, explain marketing theory in relation to:



- product mix decisions
- channels of distribution
- pricing methods
- the promotional mix
- the importance of people, process and physical evidence in the marketing of services
- how the marketing mix responds to changing market conditions

References:

- Philip Kotler, Gary Armstrong (2011), *Principles of Marketing*, 14th Edition, Pearson International Edition, Prentice Hall, ISBN 978-0132390026

11. Personal Financial Services

Unit title: Personal Financial Services

Unit code: H0BX 34

Unit Purpose: This Unit is designed to enable candidates to understand the range and use of financial services offered by retail financial institutions in the UK., It provides knowledge and skills that should assist candidates in finding employment in clerical, administrative, sales, support or trainee managerial positions within banks, building societies, insurance companies and other related financial institutions. The Unit prepares candidates for study towards examinations required by regulatory authorities. It may also be suited to those undertaking business related courses or who have a personal interest in this topic.

On completion of the Unit candidates should be able to:

- 1.Explain the provision and operation of cash services, savings and lending products.
- 2.Explain the provision and operation of personal protection products.
- 3.Explain the provision and operation of personal investment products.
- 4.Describe the regulatory environment applicable to the provision of personal financial services

Credit Value: 2 HN Credits at SCQF level 7: (16 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the Centre. However, it is recommended that candidates have good written communication and numerical skills. These may be demonstrated by the achievement of the Core Skill Communication at SCQF Level 5, or by possession of Standard Grade English, or a suitable NC Unit and the Core Skill component Using Number at SCQF Level 5, or by possession of a relevant Unit.

Core Skills: Opportunities to develop the Core Skills are highlighted in the Support Notes of this Unit specification. There is no automatic certification of Core Skills or Core Skill components in this Unit.



Assessment:

Evidence should be generated through assessment in closed-book supervised conditions. Where a case study is used, candidates may be given a copy of it 7-10 days before the assessment. Candidates may bring a copy of the case study to the assessment event along with up to two pages of A4 notes that they have made personally. They may not bring textbooks, handouts or other materials not prepared by them. The notes and copy of the case study should be handed in at the end of the assessment.

(1) Outcome 1: Explain the provision and operation of cash services, savings and lending products.

1. Money transmission services
2. Bank, building society and friendly society savings products
3. National Savings and Investment (NS&I) products
4. Tax treatment of savings products
5. Risk profile of personal savings products
6. Short and medium term personal finance products
7. Finance for the purchase of residential property

(2) Outcome 2: Explain the provision and operation of personal protection products

1. Individual personal finance protection requirements
2. Protection products covering life/health/income/borrowing
3. Risk profile of personal protection products
4. Factors to be taken into account when undertaking comparisons of different personal protection products

(3) Outcome 3: Explain the provision and operation of personal investment products.

1. Government Securities and Corporate Bonds
2. Equities
3. Packaged Investment Products
4. Pension products
5. Tax treatment of personal investment products
6. Risk profile of personal investment products.
7. Factors to be taken into account when undertaking comparisons of different personal investment products

(4) Outcome 4: Explain the regulatory environment relating to investor protection

1. Regulatory structure of the financial services sector
2. The statutory objectives of the UK Financial Services regulatory authority



3. The high level standards of the UK Financial Services regulatory authority
4. Types of Authorisation
5. Complaints and Compensation
6. Data Protection

Evidence requirements for the Unit

(1) Outcome 1

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the candidate is able to:

1. Explain the features of Money payment services
2. Explain the features of Bank, Building Society and Credit Union savings products, evaluating the appropriateness of using these products in a given situation
3. Explain the features of National Savings and Investment (NS&I) products, evaluating the appropriateness of using these products in a given situation
4. Explain the tax treatment of savings products in a given situation
5. Explain the relationship between risk and reward for personal savings products,
6. Explain the features of short and medium term personal finance products, evaluating the appropriateness of using these products in a given situation
7. Explain the options available to finance the purchase of a residential property

(2) Outcome 2

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the candidate is able to:

1. Explain the circumstances in which a protection need arises and the factors that influence an individual's protection requirements
2. Explain the features of two protection products from life/health/income/borrowing and evaluate the appropriateness of using these products in a given situation
3. Explain the relationship between risk and reward for personal protection products
4. Explain the factors to be considered when comparing personal protection products

(3) Outcome 3

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the candidate is



able to:

- 1.Explain the features of government securities and corporate bonds
- 2.Explain the features of equities
- 3.Explain the features of two Packaged Investment Products from: Unit Trusts, Open-ended Investment Companies (OEICs), Investment Bonds, or Investment Trusts
- 1.Explain the features of pension products
- 2.Evaluate the appropriateness of using personal investment products in a given situation
- 3.Explain the tax treatment of personal investment products in a given situation
- 4.Explain the risk profile of investment products

(4) Outcome 4

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the candidate is able to:

1. Describe the regulatory structure of the UK Financial Services Sector
2. Describe the statutory objectives of the UK Financial Services regulatory authority
3. Describe the high level standards of the UK Financial Services regulatory authority
4. Describe the types of Authorisation
5. Describe the Complaints and Compensation processes
6. Describe the relevant Data Protection legislation relating to personal financial customers

References

1. The Financial Services Marketing Handbook: Tactics and Techniques That Produce Results (Bloomberg Financial) Evelyn Ehrlich PhD (Author), Duke Fanelli (Author)
2. Marketing Financial Services: Second Edition by Arthur Meidan and Jillian Farquhar (Jun 15, 2010)

12. Principles of Insurance

Unit title: Principles of Insurance

Unit code: H9ND 35

Unit Purpose: This Unit is designed to allow learners to determine the basic principles of insurance and explain these principles in given situations. It is primarily intended for learners who expect to take up positions with insurance providers, that is, who intend to work in a sales, support or advisory position within the insurance industry or other related financial services institutions. It may also be relevant to those intending to study for regulatory examinations or to those who have a personal interest in this



topic.

On completion of the Unit candidates should be able to:

1. Explain insurance in terms of risk, purpose and classification.
2. Explain non-life contracts offered by insurance companies and their application in the financial market.
3. Explain the essential features of life assurance.

Credit Value: 1 HN Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8*)

Recommended prior knowledge and skills: Access to the Unit is at the discretion of the centre, however it is recommended that learners have good written communication and numerical skills. These may be demonstrated by the achievement of Core Skill Communication at SCQF level 5, or by possession of National 5 English or English and Communication, or a suitable NC module, and Core Skill Numeracy at SCQF level 5 or by possession of a relevant Unit.

Core skills: Opportunities to develop aspects of Core Skills are highlighted in the Support Notes for this Unit specification.

There is no automatic certification of Core Skills or Core Skill components in this Unit.

Outcome 1

Explain insurance in terms of managing risk, purpose and underpinning principles.

Knowledge and/or Skills

- ◆ Risk and its management
- ◆ Types of risk
- ◆ Insurance and the financial services industry
- ◆ Fundamental principles which underpin insurance
- ◆ Different classes of general (non-life) insurance
- ◆ Insurance policy documents

Outcome 2

Explain general (non-life) contracts offered by insurance companies and their application in the financial market.

Knowledge and/or Skills

- ◆ Analysis of client data
- ◆ Assessment of needs and identification of suitable general (non-life) insurance products
- ◆ Key features of general (non-life) insurance products
- ◆ Product recommendations

Outcome 3



Explain the essential features of life assurance.

Knowledge and/or Skills

- ◆ Key features of life assurance pure protection products
- ◆ Key features of life assurance contracts
- ◆ Life assurance premium calculation
- ◆ Evaluation of protection needs

Evidence requirements for the Unit

Outcome 1

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the learner is able to:

- ◆ explain how risk can be managed by the use of insurance and reinsurance.
- ◆ explain the extent to which types of risk can be covered by insurance.
- ◆ explain the role played by insurance in the wider financial services industry.
- ◆ explain the fundamental principles which underpin insurance.
- ◆ explain the purpose of different classes of general (non-life) insurance.
- ◆ explain the scope of different classes of general (non-life) insurance.
- ◆ explain the main sections of an insurance policy document.

Outcome 2

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the learner is able to:

- ◆ analyse client data to establish client insurance needs.
- ◆ assess the client needs and identify suitable general (non-life) insurance products to fulfil those needs.
- ◆ explain the key features of (general) non-life insurance products.
- ◆ explain (general) non-life insurance product recommendations to non-expert clients. **Outcome 3**

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the learner is able to:

- ◆ explain the key features of life assurance pure protection products.
- ◆ explain the key features of life assurance contracts which include an investment



element.

- ◆ explain how to calculate life assurance premiums.
- ◆ assess the life assurance protection needs of a client based on data provided.

References

1. 《Insurance》, Xujingliang, Shanghai University of Finance & Economics Press, First edition, Jul.2003
2. 《A Course of Insurance》, Chenbing, Lixin Accounting Press, First edition, Sep.2002
3. Fundamentals of Risk and Insurance by Emmett J. Vaughan, Therese M. Vaughan, John Wiley & Sons; 8th edition, January 1999
4. Life and Health Insurance by Kenneth Black, Harold D., Jr. Skipper, Prentice Hall; 13rd edition, September 1999
5. Principles of Risk Management and Insurance Global Edition, 11th Edition, George Rejda, Dec 2011, ISBN13: 9781447930426, ISBN10: 1447930428
6. Introduction to Risk Management and Insurance, Mark S. Dorfman. Prentice Hall
7. Harriett E.Jones and Dani L. Long “principles of Insurance:Life, Health,and Annuities”, LOMA
8. <http://www.fca.org.uk/>
9. <https://www.gov.uk/>
10. <http://www.aviva.co.uk/insurance/>
11. <http://www.legalandgeneral.com/insurance/>
12. <http://www.standardlife.co.uk/>

13. Financial Services: Graded Unit 1

Unit title: Financial Services: Graded Unit 1

Unit code: J01T 34

Unit purpose: This graded unit is designed to provide evidence that the learner has achieved the following principal aims of the SQA Advanced Certificate in Financial Services:

- ◆ Developing learners' knowledge of the financial services industry, its participants and products and its approach to customer service delivery.
- ◆ Developing learners' skills in relation to the interpretation and analysis of information relating to a customer.
- ◆ Developing a range of vocational skills specific to the financial services industry in relation to product and service knowledge, an understanding of the role of the providers, and the delivery of customer service.



Credit value: 1 Higher National Unit credit(s) at SCQF level 7: (8 SCQF credit points at SCQF level 7)

Recommended prior knowledge and skills: It is recommended that the learner should have completed or be in the process of completing the following units relating to the above principal aims prior to undertaking this graded unit:

HY92 34 7 Financial Sector: An Introduction

H0BX 34 7 Personal Financial Services

H1F0 34 7 Creating a Culture of Customer Care

H7TK 34 7 Communication: Business Communication

Core skills: There are no core skills embedded in this graded unit specification.

Assessment: This graded unit will be assessed by the use of a closed-book examination developed by centres. The examination should provide the learner with the opportunity to produce evidence that demonstrates she/he has met the aims of this graded unit.

The assessment is an examination lasting three hours.

The examination should be designed to assess the learner's critical knowledge and understanding of the topics relating to the specific aims which this graded unit is designed to cover.

The examination will be marked out of 100. Only whole marks should be used.

The questions and corresponding marks should be designed in accordance with the key topics (ie, the critical knowledge and skills to be covered in the examination), level of demand (eg, description, explanation, analysis, application) and relative mark allocation for each key topic outlined in the table below.

Key topics	Level of demand
<p>Explaining UK financial services sector concepts:</p> <p>UK financial services institutions</p> <p>UK financial markets</p> <p>The relationship between UK financial services institutions, markets and customers</p>	<p>The learner will be required to:</p> <ol style="list-style-type: none"> 1. apply knowledge and understanding to identify, explain and analyse financial services sector concepts relating to a prescribed customer related situation. 2. use knowledge and understanding to draw and explain reasoned conclusions about relevant financial services sector matters in a prescribed customer situation.



<p>Explaining UK personal financial services product concepts</p> <p>Cash services, savings and lending products</p> <p>Personal finance protection products</p> <p>Personal investment products</p> <p>The regulation of financial services products</p>	<p>The learner will be required to:</p> <ol style="list-style-type: none"> 1. apply knowledge and understanding to identify, explain and analyse personal financial services product concepts relevant to a prescribed customer situation. 2. use knowledge and understanding to make reasoned recommendations in a prescribed customer situation. 3. use knowledge and understanding to identify actual or potential advantages and disadvantages of personal financial services products in a customer business situation. <p>(Knowledge of current interest rates and product limits are not required. Any information required to enable a question to be answered will be provided in the assessment)</p>
<p>Analysing customer care concepts</p> <p>Customer care strategy, customer expectations, customer care problems, customer aftercare, customer feedback</p>	<p>The learner will be required to:</p> <ol style="list-style-type: none"> 1. apply knowledge and understanding to identify, explain and analyse customer care concepts relevant to a prescribed customer situation. 2. use knowledge and understanding to make reasoned recommendations about a prescribed customer care situation. 3. use knowledge and understanding to identify actual or potential advantages and disadvantages of actions relating to customer care by financial services providers in a prescribed customer situation.
<p>Applying business communication concepts</p> <p>Written business information relating to customers and products</p> <p>Business documents prepared for customers</p>	<p>The learner will be required to:</p> <ol style="list-style-type: none"> 1. apply skills in reading and evaluating written business information to make decisions about a customer scenario set in a financial services context. 2. apply skills in preparing written communications to present information to a customer in a financial services context.

Assessing and grading learners

Learners who meet the minimum evidence requirements will have their achievement graded as an A, B or C. The marks achieved by the learner in the examination should be aggregated to arrive at an overall mark for the examination. Assessors will then assign an overall grade to the learner for this graded unit



based on the following grade boundaries. These grade boundaries are fixed and should not be amended.

- A = 70%–100%
B = 60%–69%
C = 50%–59%

Reference:

1. Peter Howells, Keith Bain (2007), *Financial Markets and Institutions (English Edition)*, Financial Times/ Prentice Hall, ASIN: B01LYFF439
2. Benjamin graham (2005), *Intelligent Investor: The Classic Text on Value Investing*, Harper Business, ISBN: 0060752610
3. Robert W. Lucas(2009), *Customer Service: Building Successful Skills for the Twenty-First Century, 3rd edition*, Enterprise Management Publishing House, ISBN 9787801973306
4. Ren Lulu, *Case Studies in Customer Services*, Tsinghua University Press, ISBN 9787302106975

14. Economics 2: The World Economy

Unit title: Economics 2: The World Economy

Unit code:F86E 35

Unit purpose: This Unit introduces the world economy, the main focus is the key features of the global economic environment. It advances economic concepts and allows candidates to develop their research and analytical skills. The core economic issues that are focused on in this Unit are trade, international payments, exchange rates and economies undergoing change.

On completion of this Unit, the candidate should be able to:

- 1.Explain international trade and the role of trade organisations.
- 2.Analyse the balance of payments and exchange rate regimes.
- 3.Evaluate world economies.

Credit value: 1 HN Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8*)

Recommended prior knowledge and skills: Entry to this Unit is at the discretion of the centre.

However it would be beneficial if candidate have good communication skills and which may be demonstrated by the achievement the Unit Communication: Analysing and Presenting Complex



Information (DE3N 34), the Core Skill Communication at SCQF level 6 or equivalent. It would also be beneficial if candidates had some prior knowledge of economics, which this may be demonstrated by achievement of the Unit F78 34 Economic Issues: An Introduction or F7J6 35 Economics 1: Micro and Macro Theory and Application or equivalent.

Core skills: There are opportunities to develop the Core Skills of Problem Solving, Information and Communication Technology and Communication at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Assessment: Assessment will be by using one instrument of assessment that will allow candidates to develop their research skills. An investigative approach should be taken by the candidate to allow him/her to build a portfolio of evidence. This may be in the form of a portfolio. An exemplar pack and marking guidelines have been produced to indicate the national standard of achievement required at SCQF level 8.

(1) Outcome 1: Explain international trade and the role of trade organisations.

- Trade theory
- Barriers to international trade
- protectionism.
- The World Trade Organisation
- Trading blocs

(2) Outcome 2: Analyse the balance of payments and exchange rate regimes.

- Structure of the UK balance of payments account
- Recent trends in the UK balance of payments account.
- relationship between exchange rate and the balance of payments
- exchange rates regimes
- Effects of exchange rates on economic agents.

(3) Outcome 3: Evaluate world economies.

- Characteristics of NICs (Newly Industrialised Countries).
- Issues facing NICs.
- Characteristics of LDCs (Less Developed Countries).
- Issues facing LDCs.
- The impact of multinationals in NICs and LDCs.

Evidence requirements for the Unit

(1) Outcome 1



Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- explanation of free trade and absolute and comparative advantage.
- Identify three gains from international trade.
- Explain barriers to trade, this should include two forms of protectionism.
- Explain why governments may wish to raise barriers to international trade.
- Describe the role of the World Trade Organisation in the development of free trade.

Examine the role of one trading bloc from EU, NAFTA or ASEAN

(2) Outcome 2

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- Explanation of the general trends and composition of the UK balance of payments in the last 30 years. Allowance should be taken of redefinition of the accounts over this time.
- Explanation of UK trends in trade over the last 30 years.
- Describe the relationship between exchange rates and the balance of payments account.

With regard to the last two elements of knowledge and skills, candidates will be required to select two exchange rate regimes. They will then be required to

- Identify three advantages and disadvantages of the chosen regimes.
- Identify three effects on economic agents of the chosen regimes.

(3) Outcome 3

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- Explain two characteristics of a NIC economy or two characteristics of a LDC.
- Analyze one issues facing NICs or one issues facing LDCs.
- Explain the impact of multinationals on NICs or LDCs

References

- Karl E. Case, Ray C. Fair (2003), *Principles of Economics*, 6th Edition, Tsinghua University Press, microeconomics : ISBN: 9787302064282, macroeconomics & world economics : ISBN: 9787302065395

15. Financial Services: International Transactions

Unit title: Financial Services: International Transactions



Unit code: HY93 35

Unit purpose:

This unit is designed to allow learners to gain an understanding of the services and products that are available to support exporters and importers complete international trade transactions. It considers foreign exchange and support services provided by UK financial institutions, the UK Government and other specialist providers. It prepares learners for a career within the international financial services sector or within an organisation engaged in international trade.

Credit value: 2 Higher National Unit credits at SCQF level 8: (16 SCQF credit points at SCQF level 8)

Recommended prior knowledge and skills: Access to the unit is at the discretion of the centre, however it is preferred that learners have good written communication and numerical skills. These may be demonstrated by the achievement of core skill Communication at SCQF level 5, or by possession of National 5 English, or a suitable NC Unit, and core skill component Using Number at SCQF level 5 or by possession of a relevant unit.

Core skills: Achievement of this Unit gives automatic certification of the following Core Skills component:

Complete Core Skill	None
Core Skill component	Critical Thinking at SCQF level 6 Using Number at SCQF level 6

There are also opportunities to develop aspects of Core Skills which are highlighted in the Support Notes of this Unit specification.

Assessment: Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

(1) Outcome 1: Complete foreign exchange calculations

- ◆ Forward fixed option contracts
- ◆ The impact of non-delivery of forward fixed option contracts
- ◆ Foreign currency options
- ◆ Foreign currency futures

(2) Outcome 2: Explain methods to settle international personal and business transactions

- ◆ Methods of transferring funds overseas
- ◆ Methods of payment available to a traveller overseas



- ◆ The internal accounting processes that support the settlement of international transactions

(3) Outcome 3: Explain methods available to an international trader to reduce the risk of non-payment for or non-delivery of goods/services

- ◆ Terms of trade and trade documentation
- ◆ Export (Documentary) Collections
- ◆ Documentary Credits
- ◆ Uniform Rules/Customs that support international trade transactions

(4) Outcome 4: Explain financing solutions available to an international trader

- ◆ Short-term finance for international trade
- ◆ Medium/longer-term financing support provided by the UK government
- ◆ Medium/longer-term financing support provided by non-government providers

(5) Outcome 5: Explain advisory/support services that can assist an international trader

- ◆ Advisory/support services offered by UK Banks
- ◆ Advisory/support services offered by UK Government Agencies
- ◆ Advisory/support services offered by trade/professional bodies

Evidence requirements for the Unit

It is recommended that Outcome 1 of this unit be assessed separately. It is possible to assess Outcomes 2–5 holistically or by combining the assessment of Outcomes 2 and 3, and Outcomes 4 and 5.

(1) Outcome 1 Learners will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can complete foreign exchange calculations. Evidence must be provided that learners can:

- calculate the cost of a forward fixed option contract.
- calculate the impact of closing out a forward fixed option contract.
- determine whether to exercise or lapse a foreign currency option.
- calculate the profit/loss on a foreign currency futures contract.

The evidence should be generated under closed-book supervised conditions.

Figures must be accurate within a tolerance of three arithmetic errors with a maximum of two errors of principle.

(2) Outcome 2 Learners will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can explain the methods to settle international trade transactions for personal and business customers in a given set of circumstances. Evidence must be provided that learners can:

- ◆ Explain two methods of transferring funds overseas.



- ◆ Explain two methods available to a traveler to make payment for goods and services overseas.
- ◆ Explain the internal accounting processes that a financial services provider will use for one method of transferring funds overseas.

The evidence should be generated under open-book conditions.

(3) Outcome 3 Learners will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can explain the methods available to an international trader to reduce the risk of non-payment for goods/services or non-delivery of the goods/services in a given set of circumstances.

Evidence must be provided that learners can:

- ◆ Explain the documentation that will be prepared to support an international trading transaction and the terms of trade that are used in these documents.
- ◆ Explain the use or process of Export (Documentary) Collections.
- ◆ Explain the use or process of Documentary Credits.
- ◆ Explain the application of Uniform Rules or Uniform Customs.

The evidence should be generated under open-book conditions.

(4) Outcome 4 Learners will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can explain financing solutions that are available to an international trader in a given set of circumstances. Evidence must be provided that learners can:

- ◆ explain **one** method of short-term financing available to international traders.
- ◆ explain **one** method of medium/longer-term financing available to international traders from the UK government.
- ◆ explain **one** method of medium/longer-term financing available to international traders from non-government providers.

The evidence should be generated under open-book conditions.

(5) Outcome 5 Learners will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can explain advisory/support services that can assist an international trader in a given set of circumstances. Evidence must be provided that learners can:

- ◆ Explain one non-financial advisory/support service offered to international traders by UK banks.
- ◆ Explain one non-financial advisory/support service offered to international traders by UK Government Agencies.
- ◆ Explain one non-financial advisory/support service offered to international traders by trade/professional bodies.



References

1. Andrew Gillespie (27 March 2014), *Foundation of Economics (Third Edition)*, Oxford University Press, ISBN: 978-0-19-967487-9
2. <https://www.wto.org/index.htm>

16. Financial Services Regulatory Framework

Unit title: Financial Services Regulatory Framework

Unit code: HY94 35

Unit purpose:

This unit is designed to ensure that learners can recognise and explain the main regulatory requirements that financial services organisations, and people working in them, are required to comply with in the United Kingdom. It provides learners with the knowledge required to deal with many of the regulatory challenges they could face in the workplace.

It also prepares learners for study towards the examinations required by the regulatory authorities and is primarily intended for learners who expect to take up advisory, sales support roles or trainee managerial positions. It may also be suited to those undertaking business related courses or who have a personal interest in this topic.

Credit value: 1 Higher National Unit credit at SCQF level 8: (8 SCQF credit points at SCQF level 8)

Recommended prior knowledge and skills: Access to this unit is at the discretion of the centre. However, it is recommended that candidates have good written communication and numerical skills. These may be demonstrated by the achievement of the core skill of *Communication* at SCQF level 5 or by possession of National 5 English or a suitable NC Unit.

Core skills: Opportunities to develop aspects of core skills are highlighted in the support notes for this unit specification. There is no automatic certification of core skills or core skill components in this unit.

Assessment: Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Where evidence for outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Learners should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

(1) Outcome 1: Explain the structure of UK financial regulation, the responsibilities of the main



regulating bodies and the relationship between them.

- ◆ The Bank of England
- ◆ The Prudential regulator
- ◆ The Conduct regulator
- ◆ The Payment Services regulator The Pensions regulator
- ◆ The Competition regulator
- ◆ The Information regulator

(2) Outcome 2: Explain the application of personal investment regulations, principles, standards and codes in the UK financial services sector.

- ◆ Authorisation of organisations
- ◆ Approval of individuals
- ◆ Conduct of Business Rules
- ◆ Treating Customers Fairly (TCF)
- ◆ Market Abuse Regulations
- ◆ Dispute resolution

(2) Outcome 3: Apply other legislation, codes and industry specific schemes applicable to UK personal financial services providers.

- ◆ Anti-money laundering and proceeds of crime legislation
- ◆ Data protection legislation
- ◆ Anti-bribery regulations
- ◆ Financial services independent ombudsman schemes
- ◆ Financial services compensation and protection schemes

Evidence requirements for this unit

(1) Outcome 1

Learners will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can explain how the UK Financial Services regulatory framework is structured and explain the inter-relationships between the various regulatory bodies involved in the sector. Evidence must be provided to demonstrate that learners can:

- ◆ Explain the regulatory responsibilities of the Bank of England and the relationship between the bank and other bodies regulating customer activities in UK financial services.
- ◆ Explain the regulatory responsibilities of the Prudential regulator and the relationship between the Prudential regulator and other bodies regulating customer activities in UK financial services.



- ◆ Explain the regulatory responsibilities of the Conduct regulator and the relationship between the Conduct regulator and other bodies regulating customer activities in UK financial services.
- ◆ Explain the regulatory responsibilities of the Payment Services regulator and the relationship between the Payment Services regulator and other bodies regulating customer activities in UK financial services.
- ◆ Explain the regulatory responsibilities of the Pensions regulator and the relationship between the Pensions regulator and other bodies regulating customer activities in UK financial services.
- ◆ Explain the regulatory responsibilities of the Competition regulator and the relationship between the Competition regulator and other bodies regulating customer activities in UK financial services.
- ◆ Explain the regulatory responsibilities of the Information regulator and the relationship between the Information regulator and other bodies regulating customer activities in UK financial services.

The evidence should be generated under open-book conditions.

(2) Outcome 2

Learners will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can explain how personal investment regulations, principles, standards and codes are applied in the UK financial services sector.

Evidence for the knowledge and/or skills in the outcome will be provided on a sample basis. This evidence may be presented as part of a report or in response to a specific question or questions. Each learner will need evidence to show that they can provide an accurate and clear explanation of the theoretical aspects of the outcome.

The sample must comprise of three of the knowledge and/or skills items with a different sample of knowledge and/or skills being used each time the outcome is assessed. Evidence requirement 3 relating to the Conduct of Business rules must be sampled in every assessment instrument. Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the learner can, in a given set of circumstances:

- ◆ Explain the requirements for the authorisation of organisations wishing to provide personal financial



services.

- ◆ Explain the requirements for the approval of individuals wishing to manage or provide personal financial services.
- ◆ Explain the content of the Conduct of Business Sourcebook Rules that applies in relation to any three from:
 - Client categorisation
 - Types of advice
 - Terms of Business
 - Assessing suitability when giving advice
 - Providing information about products
 - Providing information about services and remuneration
 - Customer cancellation rights
- ◆ Explain the application of the TCF principle.
- ◆ Explain the impact of Market Abuse Regulations on investment advice given or transactions made.
- ◆ Explain the application of the dispute resolution requirements.

The evidence should be generated under open-book supervised conditions.

(3) Outcome 3

Learners will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can apply other legislation, codes and financial services industry specific schemes. Evidence must be provided that learners can, in a given set of circumstances:

- ◆ Apply anti-money laundering legislation
- ◆ Apply data protection legislation
- ◆ Apply the processes of financial services independent ombudsman schemes
- ◆ Apply the requirements of financial services compensation and protection schemes

The evidence should be generated under open-book conditions.

References:

1. The Financial Services Industry - Banks, Thrifts, Insurance Companies, and Securities Firms by Alfred C. Morley (Sep 12, 1992)
2. Regulation of Bank Financial Service Activities: Cases and Materials, 4th (American Casebooks) by Lissa L. Broome (Dec 6, 2010)
3. <https://www.fca.org.uk>



4. <https://www.bankofengland.co.uk/prudential-regulation>

5. <https://www.bankofengland.co.uk>

17. Income Tax

Unit title: Income Tax

Unit code: F86X 35

Unit purpose: This Unit is designed to introduce candidates to the basic concepts of Income Tax by exploring the tax implications of income from different sources. It considers the general administration of the Income Tax system and more specifically the Pay As You Earn (PAYE) system of collecting taxes from those who are employed. The Unit addresses the tax implications of those who are in receipt of benefits in kind and focuses upon the final tax liability of an individual who is in receipt of income from a variety of sources.

This Unit is intended to prepare candidates for the workplace and professional qualifications by making them aware of the basic concepts of Income Tax.

On completion of the Unit the candidate should be able to:

1. Provide an overview of the UK Income Tax system.
2. Explain the administration of the Pay As You Earn (PAYE) system.
3. Calculate the taxable income of an employed individual.
4. Calculate the Income Tax due on the income of an employed individual with other sources of income.

Credit value: 1 HN Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8*)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre. However, candidates would normally be expected to have competence in communication and numeracy skills at Intermediate 2 (SCQF level 5) or similar qualifications or experience. The Business Taxation Unit (DE5L 35) is also required.

Core skills: There are opportunities to develop the Using Number component of the Core Skill of Numeracy at SCQF level 5, and aspects of the Written Communication component of the Core Skill of Communication at SCQF level 5 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Assessment: This Unit could be assessed by four separate assessments. Alternatively, it could be assessed by combining the assessment of Outcomes.

(1) Outcome 1: Provide an overview of the UK Income Tax system.

1. The meaning of taxable persons.



- 2.The meaning of the tax year.
- 3.The procedures involved in self-assessment.
- 4.The appeals procedure.
- 5.The due dates for the Income Tax payment
- 6.The application of surcharges, interest and penalties.

(2) Outcome 2: Explain the administration of the Pay As You Earn (PAYE) system.

- 1.Criteria to distinguish between employment and self-employment.
- 2.Administration of the PAYE system.

(3) Outcome 3: Calculate the taxable income of an individual who is in employment and is in receipt of benefits in kind.

- Taxable and non-taxable emoluments
- Allowable expenses
- Benefits in kind
- Pension schemes
- Class 1 and 1A National Insurance Contributions (NIC).

(4) Outcome 4: Calculate the Income Tax due on the income of an employed individual with other sources of income

- Taxable versus non-taxable income
- Income by source
- Allowable interest payments
- Personal allowances
- Income Tax calculation

Evidence requirements for the unit

(1) Outcome 1

Candidates should demonstrate their knowledge and/or skills by providing an overview of the UK Income Tax system as detailed above.

(2) Outcome 2

Candidates should demonstrate their knowledge and/or skills by: distinguishing between employment and self employment using correct criteria (control, financial risk, equipment, work performance and correction, holidays, sickness and exclusivity); and explaining the administration of the PAYE system (basis of assessment, tax codes, the operation of the PAYE system and PAYE forms).

(3) Outcome 3



Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can calculate the taxable income of an employed individual. The calculation to include: Two types of non-taxable income, Allowable expenses, Three generally accepted benefits in kind, Allowable pension scheme contributions (occupational and/or personal pension scheme) and Class 1 and 1A National Insurance Contributions

The evidence should be generated under open book supervised conditions.

Figures must be accurate within a tolerance of five arithmetic or computational errors, with a maximum of two errors of principle.

(4) Outcome 4

Candidates should demonstrate their knowledge and/or skills by calculating the Income Tax liability of an individual. This calculation will require candidates to: identify and appropriately treat taxable and non-taxable income, savings and non-savings income and dividend income; allocate income to the correct schedule (dealing appropriately with tax at source); and treat charges on income and/or payments that are tax reducers correctly (dealing appropriately with any tax withheld). They should also apply the correct personal allowances in a given set of circumstances. These will include one of the following; basic personal allowance; those allowances applicable to older tax payers (including the married couples allowance in the year of marriage, separation or death); and the blind person's allowance.

References

1. Taxes Made Simple: Income Taxes Explained in 100 Pages or Less by Mike Piper (Jul 2009)
2. Income Tax Fundamentals 2011 (with H&R BLOCK At Home(TM) Tax Preparation Software CD-ROM) by Gerald E. Whittenburg (Dec 3, 2010)

18. Information Technology: Applications Software 2

Unit title: Information Technology: Applications Software 2

Unit code: D7CY 35

Unit Purpose: This Unit is designed to enable candidates to attain an advanced level of proficiency in Information Technology (IT). As such, it aims to further develop the candidate's knowledge of the theoretical concepts, principles, boundaries and scope of IT applications. The intention of the Unit is to develop in the candidate the importance of the integration of complex information through the sharing of information between applications and users and by use of advanced features of software applications packages. Emphasis should be placed throughout on creating active links to other software



application packages and especially to the Internet.

On successful completion of the Unit candidates will be able to:

1. Use advanced techniques of software application packages for automation
2. Use advanced techniques of software applications packages for integration
3. Use data communications to share data with other users
4. Use software application presentation tools.

Credit Value: 1 HN Credit(s) at SCQF level 8: (8 SCQF credit points at SCQF level 8)

Recommended prior knowledge and skills: Access to this Unit will be at the discretion of the Centre, however it is recommended that candidates should have sound keyboard and mouse skills and a thorough familiarity with computers and software packages. These skills may be evidenced by the achievement of appropriate National Units or Courses but they may also have been acquired in an informal or work environment. For core skills it would be beneficial if candidates had some IT skills. This could be demonstrated by the achievement of the core skill Using Information Technology at Intermediate 2 level or equivalent.

Core skills: There may be opportunities to gather evidence towards core skills in this Unit, although there is no automatic certification of core skills or core skills components.

Assessment: This Unit has four Outcomes and two assessments. Candidates will be required to submit a portfolio of evidence to demonstrate their final product and a presentation about their final product. Portfolio evidence for the final product and the presentation will be in the form of printouts, listings, screen dumps and/or electronically stored files. An observation checklist covering all the knowledge and/or skills for the Unit must also be submitted as part of the portfolio of evidence.

Assessors are at liberty to criticise poor layout and presentation even though it is not expressly mentioned in the knowledge and skills of any of the Outcomes.

Where the candidate is unsuccessful in achieving an Outcome, provision should be made for remediation and reassessment. In line with SQA Guidelines, a candidate may present work for assessment on two separate occasions. If the work has still not reached the required standard then the candidate has not achieved the Outcome. Following this, further remediation and reassessment is permissible but remains at the discretion of the centre.

Where the candidate is learning in a workplace situation, care should be taken to ensure that it provides sufficient opportunity to meet the evidence requirements of the Unit. It may be appropriate for centres to ensure in advance that a particular workplace will enable candidates to generate sufficient and suitable evidence e.g. that appropriate software and hardware is available and that access to it does not cause



undue problems for either the candidate or the workplace. Arrangements for adequate supervision will also be required; it may be that assessment is not done in the workplace.

(1)Outcome 1: Use advanced techniques of software application packages for automation

2. How to use advanced software application package techniques to produce, manipulate and integrate data
3. How to create, use and amend/adjust macros to produce and manipulate data
4. How to import/export objects from/to other software applications

(2)Outcome 2: Use advanced techniques of software application packages for integration

5. How dynamic links are established to consolidate data from multiple documents, designs compositions or models in different software application packages
6. How to use functions for complex activities

(3)Outcome 3 : Use data communications to share data with other users

7. How to share data with others
8. How to publish products on-line
9. How to send data to local/remote users
10. How to access and incorporate data from local and remote data sources

(4)Outcome 4: Use application software presentation tools

11. How to use advanced software application package techniques to produce a presentation
12. How to import objects from other software applications packages and from other external sources
13. How to create and use dynamic links to other software applications packages
14. How to use animation within the presentation.

Evidence requirements for the Unit:

(1)Outcome 1

The evidence requirements for Outcome 1 are integrated with Outcome 3. See Outcome 3 for evidence requirements.

(2)Outcome 2

The evidence requirements for Outcome 2 are integrated with Outcome 3. See Outcome 3 for evidence requirements.

(3)Outcome 3

Candidates will need evidence to demonstrate their knowledge and/or skills by showing that they can use the advanced techniques of at least three different software applications packages. Candidates must produce a portfolio of work that demonstrates that s/he has applied advanced techniques of the



software applications packages to meet complex integrative information requirements. The evidence for this Outcome and Outcomes 1 and 2 should be in the form of a final product, i.e. a document or a design or a composition or a model.

The evidence for this Outcome and Outcomes 1 and 2 should be by submission of an observation checklist covering all the knowledge and/or skills above. In addition, portfolio evidence for the final product will be in the form of printouts, listings screen dumps and/or the final product will be in the form of printouts, listings, screen dumps and/or the final product stored on disk/CD-ROM, or other media, as appropriate.

(4)Outcome 4

Candidates must produce and demonstrate a presentation. The presentation must demonstrate the evidence for Outcomes 1, 2 and 3 to the user and show that it meets with the user requirements.

References:

- 1.Pamela R. Toliver, **Access 2002 Comprehensive Volume**, Prentice Hall, ISBN 0130664618
- 2.Peter Rob,Carlos Coronel, **Database Systems, Design, Implementation, & Management**, 5th Edition, Course Technology, ISBN 061906269x
- 3.Keys to oral presentation success, Student supporting centre Auckland University of Technology

19. Investment

Unit title: Investment

Unit code:H9AM 35

Unit purpose:This Unit is designed to allow learners to apply investment theories and data to given situations. It will examine theoretical and practical aspects of investment and will enable the learner to prepare for further study at a higher level. The Unit is relevant to those who are preparing for a career in the financial services industry with a view to employment in banking, insurance, pensions or investment companies. It is also suitable for those who have some limited knowledge or who may have a particular interest in the subject material.

Credit value:2 HN Credits at SCQF level 8: (16 SCQF credit points at SCQF level 8*)

Recommended prior knowledge and skills: Access to the unit is at the discretion of the Centre, however it is preferred that candidates have good written communication and numerical skills. These may be demonstrated by the achievement of core skill Communication at Intermediate 2 level, or by possession of Standard Grade English, or a suitable NC module, and core skill Using Numbers at Intermediate 2 level by possession of a relevant Unit or module.



Core skills: There may be opportunities to gather evidence towards core skills in this Unit, although there is no automatic certification of core skills or core skills components.

Assessment: It is preferred that this Unit be assessed by an instrument of assessment that would require candidates to answer questions based on a case study relating to a pension scenario. It is expected that the assessment should not normally take the average candidate more than two hours to complete.

(1) Outcome 1: Apply the principles and theories relating to investment in bond markets.

1. Use of government or corporate bonds
2. Types of government or corporate bonds
3. Procedures for purchasing or selling government or corporate bonds
4. Calculating costs of purchasing government bonds
5. Calculating yields from government bonds
6. Method of repayment of government or corporate bonds

(2) Outcome 2: Examine the use of shares as part of a company's capital structure.

1. Use of shares as part of the capital structure of a company
2. Types of shares issued by companies
3. Rights applicable to shareholders
4. Operation of the new issues markets of the London Stock Exchange
5. Use of rights and bonus issues
6. Calculating of rights and bonus issues
7. Operation of the secondary market of the London Stock Exchange
8. Procedures for purchase and sale of stocks and shares
9. Theory of acquisitions and mergers

(3) Outcome 3: Interpret the performance of shares in given situations.

1. Theory of fundamental analysis as a method of share interpretation
2. Calculating accounting and investment data and ratios
3. Interpreting accounting and investment data and ratios in given situations
4. Theory of technical analysis as a method of share interpretation
5. Development of investment theories
6. Interpreting of stock indices
7. Sources of information available to investors and analysts

(4) Outcome 4: Examine additional options for investment available to investors



- 1.Role and function of managed investment funds
- 2.Benefits and drawbacks of investing in property
- 3.Benefits and drawbacks of investing overseas
- 4.Benefits and drawbacks of investing in chattels
- 5.Benefits and drawbacks of investing in pensions
- 6.Benefits and drawbacks of investing in insurance based products
- 7.Taxation implications relating to investment
- 8.Risks attached to investment
- 9.Importance of portfolio planning

Evidence requirements for the unit

(1) Outcome 1

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the candidate is able to:

- 1.Identify situations where a government or a company would choose to issue bonds, with a clear explanation of the advantages and disadvantages of doing so
- 2.Summarise the main features of one from each of a choice of two government bonds and two corporate bonds
- 3.Summarise the procedures for buying or selling bonds either from the viewpoint of the investor or from the viewpoint of the market maker
- 4.Apply arithmetical principles to calculate the cost of buying or selling two government bonds from a choice of three examples using the Accrued Interest Scheme – other costs such as brokerage fees should be ignored
- 5.Apply arithmetical principles to two redemption yields from a choice of three government bonds
- 6.Summarise the methods used to repay either a government bond or a corporate bond

(2) Outcome 2

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing the candidate is able to:

- 1.Explain the use of shares as part of the capital structure of a company
- 2.Summarise the features of at least two categories of share capital issued by a company
- 3.Summarise four or more rights applicable to shareholders



- 4.Explain at least two methods of issuing shares on the primary market of the London Stock Exchange
- 5.Explain the effect of bonus issues on the capital structure of a company
- 6.Calculate rights price
- 7.Summarise the operation of two or more of the parties that operate in the Stock Exchange
- 8.Summarise the procedures for buying or selling shares on the Stock Exchange
- 9.Explain the purpose of acquisition or merger

(3) Outcome 3

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing the candidate is able to:

- 1.Interpret financial data as a guide to share performance
- 2.Calculate accounting or investment ratios
- 3.Interpret accounting or investment ratios
- 4.Use graphs to interpret share information
- 5.Summarise one or more recognised investment theories
- 6.Interpret Stock Exchange index information
- 7.Identify four sources of investor information other than company accounts

(4) Outcome 4

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing the candidate is able to:

- 1.Explain the role or function of at least one type of managed fund
- 2.Explain the benefits and drawbacks of investing in property
- 3.Explain the benefits and drawbacks of investing overseas
- 4.Explain the benefits and drawbacks of investing in chattels
- 5.Explain the benefits and drawbacks of investing in pensions
- 6.Explain the benefits and drawbacks of investing in insurance linked products
- 7.Explain the tax implications of investing as a basic or high rate taxpayer
- 8.Explain the risks that investors may face in, and the methods of reducing the risks of, investment planning
- 9.Summarise the importance of careful portfolio planning

References



1. Investments (McGraw-Hill/Irwin Series in Finance, Insurance and Real Estate) by Zvi Bodie (Sep 17, 2010)
2. Investment Analysis and Portfolio Management (with Thomson ONE - Business School Edition) by Frank K. Reilly, Keith C. Brown and Don M. Chance (Oct 22, 2008)

20.Pension Provision

Unit title: Pension Provision

Unit code: H9NC 35

Unit Purpose: This Unit is designed to enable learners to explain UK pension provision and the use of pension schemes in given situations. It is primarily intended for learners who expect to take up positions within pension companies or who intend to work in a sales, support or advisory position within the pensions industry or other related financial services institutions. It may also be relevant to those intending to study for regulatory examinations or to those who have a personal interest in this topic.

Outcomes:

On successful completion of the Unit the learner will be able to:

- 1 Explain the features and benefits of the State pension scheme.
- 2 Explain the features and benefits of employer defined benefit schemes.
- 3 Explain the features and benefits of employer defined contribution schemes.
- 4 Explain the features and benefits of personal pension schemes.

Credit Value: 2 HN Credits at SCQF level 8: (16 SCQF credit points at SCQF level 8*)

Recommended entry to the Unit

Access to the Unit is at the discretion of the centre, however it is recommended that learners have good written communication and numerical skills. These may be demonstrated by the achievement of Core Skill Communication at SCQF level 5, or by possession of National 5 English or English and Communication, or a suitable NC module, and Core Skill Numeracy at SCQF level 5 or by possession of a relevant Unit.

Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the Knowledge and/or Skills section must be taught and available for assessment. Learners should not know in advance the items on which they will be assessed and different items should be sampled on each



assessment occasion.

Outcome 1

Explain the features and benefits of the State pension scheme.

Knowledge and/or Skills

- ◆ Funding of State pensions
- ◆ Basic State pension eligibility and benefits
- ◆ Additional State benefits, historic and current
- ◆ Historic contracting out options and benefits

Outcome 2

Explain the features and benefits of employer defined benefit schemes.

Knowledge and/or Skills

- ◆ Structure of employer defined benefit schemes
- ◆ Features of employer defined benefit schemes
- ◆ Management and control of defined benefit schemes
- ◆ Public sector defined benefit schemes
- ◆ Benefits of employer defined benefit schemes

Outcome 3

Explain the features and benefits of employer defined contribution schemes.

Knowledge and/or Skills

- ◆ Types of employer defined contribution schemes
- ◆ Structure of employer defined contribution schemes
- ◆ Features of employer defined contribution schemes
- ◆ Management and control of employer defined contribution schemes
- ◆ Benefits paid at retirement

Outcome 4

Explain the features and benefits of personal pension schemes.

Knowledge and/or Skills

- ◆ Types of personal pension schemes
- ◆ Structure of personal pension schemes
- ◆ Features of personal pension schemes



- ◆ Investment of personal pension schemes
- ◆ Options at retirement

Evidence requirements for the Unit

(1) Outcome 1

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the candidate is able to:

- ◆ explain how State pensions are funded.
- ◆ explain basic State pension eligibility and the benefits provided.
- ◆ explain additional State pension benefits provided in a given situation.
- ◆ explain the historic option of contracting out of the State pension and the associated benefits.

(2) Outcome 2

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing the candidate is able to:

- ◆ explain the structure of employer defined benefit schemes.
- ◆ explain the features of employer defined benefit schemes.
- ◆ explain how employer defined benefit schemes are managed and controlled.
- ◆ explain public sector defined benefit schemes.
- ◆ explain the benefits paid at retirement from employer defined benefit schemes.

(3) Outcome 3

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing the candidate is able to:

- ◆ explain the types of employer defined contribution schemes available.
- ◆ explain the structure of employer defined contribution schemes.
- ◆ explain the features of employer defined contribution schemes.
- ◆ explain how employer defined contribution schemes are managed and controlled.
- ◆ explain the benefits paid at retirement from employer defined contribution schemes.

(4) Outcome 4

Where an item is sampled, a candidate's response can be judged to be satisfactory where the evidence



provided is sufficient to meet the requirements for each sampled item by showing the candidate is able to:

- ◆ explain the types of personal pension scheme available.
- ◆ explain the structure of personal pension schemes.
- ◆ explain the features of personal pension schemes.
- ◆ explain how personal pension contributions can be invested.
- ◆ explain the range of options available from personal pensions at retirement.

References

1. Fundamentals of Private Pensions by Dan Mays McGill and Mark J. Warshawsky (Feb 9, 2010)
2. Pension Economics by David Blake (Dec 14, 2006)

21. Personal and Business Lending

Unit title: Personal and Business Lending

Unit code: HF2H 35

Unit Purpose: This Unit is designed to enable learners to understand the principles and products that apply when lending to personal and small business customers. It prepares the learner for practical lending situations that would arise in the banking and related financial services industries and is relevant to learners with no experience or to those who have a limited experience in lending.

On completion of the Unit candidates should be able to:

- 1 Explain the key components in the lending process.
- 2 Assess lending propositions.
- 3 Apply securities for lending principles and procedures.
- 4 Explain the methods used to monitor lending and address any problems identified.

Credit Value: 2 HN Credit at SCQF level 8: (16 SCQF credit points at SCQF level 8*)

Recommended prior knowledge and skills: Access to the Unit is at the discretion of the center, however it is preferred that learners have good written communication and numerical skills. These may be demonstrated by the achievement of Core Skill Communication at SCQF level 5, or by possession of National 5 English, or a suitable NC Unit, and Core Skill component Using Number at SCQF level 5 or by possession of a relevant Unit.

Core skills: Opportunities to develop aspects of Core Skills are highlighted in the Support Notes for this Unit specification.



There is no automatic certification of Core Skills or Core Skill components in this Unit.

Assessment: This Unit is assessed by one assessment covering all four Outcomes. This assessment could consist of a case study involving a lending scenario that covers all of the four Outcomes of the Unit. It is recommended that the assessment be completed within a three hour working period. To enable candidates to prepare for the assessment, they will be issued the case study only in advance but they will not be permitted to take any notes into the assessment. They will need to successfully complete questions from all four Outcomes in order to pass the Unit.

(1) Outcome 1: Explain the key components in the lending process.

- 1.Lending products
- 2.Information used during the lending assessment process
- 3.The principles of lending
- 4.The regulation of lending

(2) Outcome 2: Assess lending propositions

- 1.Personal lending assessment techniques and criteria
2. Business lending assessment techniques and criteria

(3) Outcome 3: Apply securities for lending principles and procedures

- 1.The principles of good security for lending
- 2.Security for lending procedures

(4) Outcome 4: Explain the methods used to monitor lending and address any problems identified

- 1.Identification of potential problems with existing lending
2. Managing irregular accounts
3. Collection of outstanding unsecured debt
4. Recovery of secured debt

Evidence requirements for the Unit

(1) Outcome 1

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the learner is able to:

1. Explain the suitability of lending products in a given situation.
2. Explain the sources of information used by a lender to assess lending applications.
3. Explain the principles that are applied during lending assessment activities.



4. Explain the impact of the legal/regulatory frameworks that apply to lending transactions in a given situation.

(2) Outcome 2

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the learner is able to:

1. Assess personal lending applications.
2. Assess business lending applications.

(3) Outcome 3

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the learner is able to:

1. Assess the security requirements for a lending proposition, demonstrating an understanding of the types of security that might be considered and the suitability of security in a given situation.
2. Outline the procedures for taking and releasing security in a given situation.

(4) Outcome 4

Where an item is sampled, a learner's response can be judged to be satisfactory where the evidence provided is sufficient to meet the requirements for each sampled item by showing that the learner is able to:

1. Explain the warning signs that a debt might not be repaid in a given situation.
2. Explain the techniques used to manage irregular accounts.
3. Explain the techniques used to collect outstanding unsecured debts.
4. Explain the techniques used to recover secured debts.

References

1. Plunkett's Banking, Mortgages & Credit Industry Almanac 2006: The Only Complete Guide to the Business of Banking, Lending, Mortgages and Credit Cards by Jack W. Plunkett (Nov 30, 2005)
2. Modern Banking by Shelagh Heffernan (Jan 24, 2005)
3. Commercial Banking: The Management of Risk by Benton E. Gup (Aug 13, 2004)

22. Preparing Financial Forecasts

Unit code: F84R 35

Unit purpose: This Unit is designed to provide candidates with an understanding of the use of



Management Accounting Information within a business organisation. This is achieved in the first instance, by providing candidates with the skills required to prepare basic management accounting reports. In addition, the Unit will also enable candidates to learn the financial techniques used for making decisions in relation to costing and budgeting, pricing and investments.

On completion of the Unit candidates should be able to:

1. Prepare an operating statement.
2. Analyse costing data and provide information for decision-making.
3. Analyse budgetary information and prepare a variance report.
4. Assess the viability of a project using investment and project appraisal techniques.

Credit value: 1 HN Credit at SCQF level 8: (8 SCQF credit points at SCQF level 8*)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre, but it would be beneficial if the candidate had a basic understanding of Business Accounting. This may be demonstrated by possession of the following:

- HN Unit Business Accounting or an equivalent qualification or experience.

Core skills: The Unit is primarily intended to provide candidates with an understanding of the use of Management Accounting information within a business environment. In particular, the focus of the Unit will be on the provision of accounting information that will assist managers in their decision-making process.

In Outcome 1, candidates will be provided with skills and develop their abilities in the preparation of an operating statement. Candidates should show an understanding of cost classification (direct/indirect), overhead allocation and absorption and profit determination (using both mark-up and margin).

In Outcome 2 the focus is on the development of an understanding of marginal costing and its application in relation to the provision of relevant data to inform decision-making. A comparison of alternative costing methodologies (Full/ Absorption v Marginal) should be made. Candidates should be encouraged to calculate the effect of changing costs and revenue levels (associated with alternative courses of action) on total contribution. Although there is no requirement to assess the calculation of break-even point and the number of units required to achieve a desired level of profit, this should still be covered in the teaching of marginal costing.

In Outcome 3, although there is no requirement to assess the actual preparation of functional budgets, this should still be covered in the teaching of the Unit. An understanding of the construction of such budgets will assist candidates in the development of skills and abilities in the comparison of budgeted activity with actual activity and the analysis of the resultant variances. The candidate should show an



understanding of flexed budgets, all the variances stated in the evidence requirements and the possible causes of the variances. The candidate should also be able to analyse the variances from a particular case study and make appropriate recommendations for future action. Candidates should be encouraged to use a suitable spreadsheet package to calculate variances

In Outcome 4 candidates will develop skills and abilities in the application of investment appraisal techniques (both traditional and discounted cash flow) as an aid to decision-making. Included in the study of this outcome should be an examination of the effects of limited funds on selecting projects as well as the normal appraisal techniques covered in the Evidence Requirements. Candidates should be encouraged to use a suitable spreadsheet package to calculate NPV and/or IRR. The effects of taxation should be excluded from the analysis.

Assessment:

The Unit could be assessed by two Instruments of Assessment. One covering Outcomes 1 and 2, and the other covering Outcomes 3 and 4. The first assessment, which is primarily computational in nature, should be carried out under closed-book controlled conditions and should last approximately two hours. The second assessment would require candidates to produce a report with appropriate appendices based on a given case study. This should take the form of a home-based exercise and the evidence could be submitted in the form of a report which incorporates both word-processing and spreadsheet application packages.

(1) Outcome 1: Prepare an operating statement.

- Cost classification.
- Overhead absorption.
- Profit determination.

(2) Outcome 2: Analyse costing data and provide information for decision-making.

- Marginal costing and contribution-margin analysis
- Analysis of costs
- Information for decision making

(3) Outcome 3: Analyse budgetary information and prepare a variance report.

- Flexed budgets.
- Variance identification: Materials, Labour and Overheads.
- Variance analysis and reporting.

(4) Outcome 4: Assess the viability of a project using investment and project appraisal techniques.

- Payback Period.



- Accounting rate of return.
- Discounted cash flow (net present value and internal rate of return).

Evidence requirements for the Unit:

(1) Outcome 1

Evidence must be produced for all parts of the knowledge/skills section. The candidate will be required to produce an operating statement for a business. Each time the Outcome is assessed the candidate will be expected to:

- Prepare an operating statement that includes details of the classification and analysis of costs.
- Apply logic to the order of costs in the operating statement
- Subtotal the main cost categories
- Absorb overheads using an appropriate basis—a minimum of two different bases should be used
- Accurately calculate profit in accordance with the given policy (mark-up or margin).

Evidence must be generated through an assessment undertaken in closed-book controlled conditions.

(2) Outcome 2

Evidence must be produced for all parts of the knowledge/skills section. Candidates will need evidence to show that they can, with reference to a particular business, provide an analysis of costing data, which can be used by the managers of an organisation who must make decisions from the resulting information. Each time this Outcome is assessed candidates will be required to:

- Accurately calculate the effect of changing costs and/or revenue levels on contribution and profit—a minimum of two changes in both cost and revenue levels to be applied
- Analyse a number of alternative courses of action and estimate the costs incurred and profit earned, this must be in accordance with the given projected revenue and cost patterns.
- Recommend an appropriate course of action consistent with analysis.

Evidence must be generated through an assessment undertaken in closed-book controlled conditions. Candidates will be presented with a given profit statement, they will analyse a number of alternative courses of action and produce accurate profit statements (which clearly show the total contribution) for each option. Candidates should then recommend the adoption of a particular option giving a rational justification of their choice.

(3) Outcome 3

Evidence must be produced for all parts of the knowledge/skills section. The candidate will be provided with a series of functional budgets covering: Sales, production, labour, materials and overheads. In addition, candidates will also be given the actual results for the period concerned. Each time the



Outcome is assessed candidates will be required to:

- Flex the budget from provided functional budgets in line with actual activity
- Calculate the following variance: Materials (usage, price, cost); Labour (efficiency, rate, cost); Total overhead; and identify a minimum of one possible cause of each variance
- Make a minimum of two recommendations to management that are consistent with the significance and direction of the variances calculated

(4) Outcome 4

Evidence must be produced for all parts of the knowledge/skills section. Candidates will need evidence to demonstrate that they have a basic understanding of investment appraisal techniques and by applying these to a specific project they can recommend an appropriate course of action to management. Each time the outcome is assessed candidates will be required to:

- Select and use two appropriate investment appraisal techniques in terms of the information provided and the requirements of the user
- Produce a discounted cash flow (net present value and internal rate of return) which includes all relevant data allocated to the correct periods
- Assess the viability of the project making reference to a minimum of three conclusions and recommendations—these must be supported with evidence from your analysis of investment appraisal techniques.

Reference:

- Ray H. Garrison & Eric W. Noreen (2002), *Managerial Accounting*, 10th edition, McGraw-Hill/Irwin, ISBN: 9787500561590
- Peter C. Brewer & Ray H. Garrison (2008), *Introduction to Managerial Accounting*, 4th edition, McGraw-Hill/Irwin, ISBN: 9787811224047
- Kaplan, R. S. & Atkinson A. A. (1998) *Advanced management accounting*, 3rd edition, London: Prentice Hall International

23. Research Skills

Unit Title: Research Skills

Unit code: F60A 34

Unit purpose: This Unit is about developing the candidate's ability to access and evaluate information from a variety of primary and secondary sources by planning and reporting on a research investigation. It is aimed at those who need to access and analyse information as part of their course of study.



On completion of the Unit the candidate should be able to:

1. Plan a research investigation .
2. Access and analyse complex information from a range of primary and secondary sources .
3. Present findings of a research investigation .

Credit value: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre.

However, it would be beneficial if candidates had skills in Communication at SCQF level 6. This may be evidenced by the following:

Higher English (C115 12) or its component Units

Higher ESOL (C222 12)

Communication Core Skill (D01B 12) or (F3GB 12)

IELTS level 6

Other similar qualifications or work experience

Core skills: There are opportunities to develop the Core Skills of Communication, Problem Solving and Information and Communication Technology at SCQF level 6 and Numeracy at SCQF level 5 in this Unit, although there is no automatic certification of Core Skills or Core Skill components. Further detail is provided in the Support Notes.

Assessment:

The Unit will be assessed holistically by an investigative report linking all three Outcomes. Tasks could be integrated with other elements of the award.

Assessment arrangements should be in place to assure the authenticity of all evidence submitted.

1) Outcome 1: Plan a research investigation

Research methods

Ethical and legal considerations affecting research

Identification and selection of resources

Primary and secondary sources of information

Library classification and cataloguing systems

Contact methods

Preparation of interview questions

Project management timescales

2) Outcome 2: Access and analyse complex data from a range of primary secondary sources

Primary and secondary research techniques



Contacts and networking

Electronic information access and retrieval

Analysis of qualitative and quantitative data

Accuracy and precision in summarising and recording information

3) Outcome 3: Present findings of a research investigation

Analytical and evaluative skills

Conventions of research reporting

Effective use of language, register and style

Presentation skills

Evidence requirements for the unit

Candidates will need to provide evidence to demonstrate their Knowledge and/or S skills by showing that they can:

1. define research objectives appropriate to purpose
2. plan a research investigation
3. implement a research plan
4. analyse information from a range of primary and secondary sources
5. produce a referenced record of research activity and materials
6. present findings based on accurate analysis and interpretation of data
7. use a format appropriate to the chosen medium

Findings should be a minimum of 1,000 words or oral equivalent.

Assessment must be conducted in conditions where arrangements are in place to assure the authenticity of the candidate's work.

References

1. Brannen, J. (2005). Mixing Methods: The Entry of Qualitative and Quantitative Approaches into the Research Process. *International Journal of Social Research Methodology*, 8(3), pp.173-184.
2. Carter, S. M. & Little, M. (2007). Justifying knowledge, justifying method, taking action: Epistemologies, methodologies, and methods in qualitative research. *Qualitative Health Research*, 17(10), 1316-1328.
3. Collins, H., (2010), *Creative research: the theory and practice of research for the creative industries*, New Jersey, AVA Publications
4. Davies, M. and Hughes, N. (2014). *Doing a successful research project*. 2nd ed. Ghauri, P. and Gronhaug, K. (2002). *Research methods in business studies: A practical guide*. 2nd ed. Pearson Education Limited.



5. Myers, M. (2008). *Qualitative research in business & management*. 3rd ed. Sage publications.

24.Financial Services: Graded Unit 2

Unit title: Financial Services: Graded Unit 2

Unit code: J01V 35

Unit purpose: This graded unit is designed to provide evidence that the learner has achieved the following principal aims of the HND Financial Services:

- ◆ Develop learner competencies in a range of specialised areas of their choice in line with their preferred career pattern or courses of further study in financial services
- ◆ Develop an understanding of complex issues to the financial services industry
- ◆ Develop the learner's knowledge of industry regulators
- ◆ Develop further organisational and investigative skills
- ◆ Develop the learner's skills in presenting complex information
- ◆ Develop the learner's critical analytical and interpretative abilities
- ◆ Promote advanced level of entry to further academic or professional education
- ◆ Promote the development of transferable skills in planning, organising and evaluation and enable the learner to investigate financial services issues and problems in depth

Credit value: 2 Higher National Unit credit(s) at SCQF level 8: (16 SCQF credit points at SCQF level 8)

Recommended prior knowledge and skills: It is recommended that the learner should have completed or be in the process of completing the following units relating to the above principal aims prior to undertaking this graded unit:

- ◆ Communication: Business Communication — H7TK 34
- ◆ Creating a Culture of Customer Care — H1F0 34
- ◆ Financial Sector: An Introduction — HY92 34
- ◆ Financial Services Regulatory Framework — HY94 35
- ◆ Income Tax – F86X 35
- ◆ Information Technology: Applications Software 1 — D75X 34
- ◆ Information Technology: Applications Software 2 — D7CY 35
- ◆ Investment — H9AM 35
- ◆ Managing People and Organisations — F84T 34
- ◆ Pension Provision — H9NC 35



- ◆ Personal Financial Services — H0BX 34
- ◆ Principles of Insurance — H9ND 35
- ◆ Financial Services: International Transactions – HY93 35
- ◆ Personal and Business Lending – HF2H 35

Core skills: Opportunities to develop aspects of core skills are highlighted in the support notes of this graded unit specification. There is no automatic certification of core skills or core skill components in this graded unit.

Assessment: This graded unit will be assessed by the use of a project-based investigation developed by centres. The project should provide the learner with the opportunity to produce evidence that demonstrates they have met the aims of this graded unit.

The project undertaken by the learner must be a complex task which involves:

- ◆ variables which are complex or unfamiliar
- ◆ relationships which need to be clarified
- ◆ a context which may be unfamiliar to the learner

The project must require the learner to:

- ◆ Analyse the task and decide on a course of action for undertaking the project. A detailed brief should be developed which would enable the learner to carry out the investigation. This should include an appropriate title, the issue(s) and financial services organisation(s) to be investigated, objectives to be achieved, clear identification and justification of the resources to be used and an explanation of the methodologies to be adopted during the investigation.
- ◆ Plan and organise work and carry it through to completion. A plan must be produced with appropriate and realistic timeframes and required resources.
- ◆ Organise and implement the plan through to completion.
- ◆ Reflect on and evaluate the planning and developing stages including any personal development of skills, knowledge or understanding and draw conclusions for the future.
- ◆ Produce and/or present evidence of an evaluation of the investigation and the learner's performance as well as the personal development of the learner through the task.
- ◆ Produce evidence of meeting the aims which this graded unit has been designed to cover.

The project must involve the investigation of a financial services issue and the assessment of its implications for a financial services organisation(s) or UK government agency and its customers. The learner will choose the issue to be investigated in consultation with their lecturer but it should be one which can be directly related to topics, concepts or models studied as part of the Financial Services



specific units on the HND Financial Services. These units are:

- ◆ *Financial Sector: An Introduction* — HY92 34
- ◆ *Financial Services Regulatory Framework* — HY94 35
- ◆ *Investment* — H9AM 35
- ◆ *Pension Provision* — H9NC 35
- ◆ *Personal Financial Services* — H0BX 34
- ◆ *Principles of Insurance* — H9ND 35
- ◆ *Financial Services: International Transactions* – HY93 35
- ◆ *Personal and Business Lending* – HF2H 35

The term 'financial services organisation' refers to either a UK financial services regulator or any organisation that is recognised by the UK financial services regulator as a provider of financial services.

The term 'UK Government Agency' refers to any government body or ombudsman that provides support or advisory services in financial services related matters.

The term 'customers' refers to any external customer of the organisation or to a number of such customers. 'Customers' of a regulator can be either the organisations they regulate or the customers of these organisations or the users of UK financial services in general. 'Customers' of a UK Government Agency refers to any user or potential user of their advisory/support services.

It is expected that learners will carry out the investigation individually. Learners should not produce joint evidence. Each learner must provide their individual responses to each of the three stages of the investigation and lecturers must be satisfied that the work has been completed by the individual learner.

Evidence requirements for this graded unit: The project undertaken by learners will consist of three stages: planning; developing; and evaluating. The following table specifies the minimum evidence required to pass each stage.



Project stage	Minimum evidence requirements
<p>Stage 1 — Planning</p>	<p>Develop a brief to investigate a financial services issue and the assessment of its implications for a financial services organisation and its customers. The brief must include:</p> <ul style="list-style-type: none"> ◆ an initial personal assessment of the learner's skills ◆ an appropriate title of the project ◆ a statement of the issue to be investigated. This should include identification of the issue and the organisation/agency and customer group being investigated ◆ the aims and objectives of the project ◆ reasons for the choice of issue which must be directly related to a topic or topics covered as part of the group award ◆ justification of the choice of organisation(s) and/or agencies and customers involved ◆ explanation of the range of primary or secondary sources of information which will be used for the investigation and justification for the choice of each source ◆ explanation of how the investigation will be conducted with justification for the choice of methods used <p>Devise an action plan to carry out the investigation. The plan must include:</p> <ul style="list-style-type: none"> ◆ negotiated dates for the planning, development and evaluation of the project ◆ interim and final timescales and dates for conducting the investigations which should be related to the objectives of the investigation ◆ identification of the resources (including time) required to carry out the investigation <p>Produce a log of activities carried out by the learner. The log must include activities undertaken, resources used and time allocation.</p> <p>Written evidence of all of the above should be presented. It may be supplemented by evidence provided orally by the learner in a discussion with their lecturer. If oral evidence is provided by the learner, a record of the main points of the discussion should be recorded.</p> <p>The learner should retain evidence of their progress, experiences and personal development during the planning and developing stages of the investigation. This will assist and support the learner during the evaluation stage of the project.</p> <p><i>The brief is worth 18% of the marks for the investigation while the plan is worth 6% of the marks. The learner must achieve all of the minimum evidence specified above in order to pass the planning stage.</i></p>



<p>Stage 2 — Developing</p>	<p>Prepare a report of the investigation of a financial services issue and the assessment of its implications for a financial services organisation/government agency and its customers. It must include:</p> <ul style="list-style-type: none"> ◆ a detailed explanation of how the issue affects the organisation(s)/agency chosen and the customer group selected. The explanation should be justified by explicit reference to the data collected and to concepts covered as in the Financial Services specific units of the group award. The explanation should be consistent with objectives at the planning stage ◆ an analysis of the primary and secondary sources of information and data collected ◆ an assessment of the implications of these effects for the chosen organisation(s) and/or agency should be analysed in relation to the organisation(s)/agency, the business environment and the impact upon customers and should make reference to concepts and topics studied within the Financial Services specific units of the group award. ◆ a statement of the conclusions drawn from the investigation and any appropriate recommendations to be made to the organisation(s). These should be explicitly related to the issues being investigated and the needs of customers ◆ a log of activities carried out by the learner. The log must include activities undertaken, resources used and time allocated <p>The report should comprise 2,500–3,500 words and must be presented in a format suitable for a business report. This must include a contents page, a summary of findings, acknowledgements and references. The evidence may be supplemented by evidence provided orally by the learner in a discussion with their lecturer. If this is done, a record of the main points of the discussion should be recorded.</p> <ul style="list-style-type: none"> ◆ The learner should retain evidence of their progress, experiences and personal development during the planning and developing stages of the investigation. This will assist and support the learner during the evaluation stage of the project. <p><i>The learner must achieve all of the minimum evidence specified above in order to pass the developing stage.</i></p>
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<p>Stage 3 — Evaluating</p>	<p>Providing an evaluation of the effectiveness of all parts of the investigation. The evaluation should include:</p> <ul style="list-style-type: none"> ◆ a brief outline of the investigation ◆ an assessment of the extent to which each of the original objectives of the investigation have been met. This should include reference to any modifications made during the course of the investigation and their importance and to any alternative courses of action considered but rejected. Throughout, the assessment should be supported with credible reasons ◆ commentary on aspects of the planning and developing stages which worked effectively and why and/or aspects of the planning and developing stages which did not work as effectively as expected. Three separate aspects should be covered — one for the planning brief, one for the plan and one for the development report. ◆ an assessment of the reliability and validity of the primary and secondary sources of information ◆ an assessment of the strengths and weaknesses of the report of the investigation. This should be supported by credible reasons and cover at least one strength and at least one weakness ◆ recommendations for future investigations. These should be based on items above and must relate to the personal development of the learner (eg, in terms of the further development of skills used in this investigation) and aspects of the process or product of the investigation (eg, with respect to setting timescales, gathering information or possible future investigations). It should be clear from the recommendations that the learner has reflected on what happened and has drawn conclusions from this reflection ◆ an assessment of new skills and knowledge gained during the process of the investigation ◆ Learners may present this evidence in a manner which they consider appropriate but it must be negotiated and agreed with their lecturer. Evidence may be submitted using more than one type of assessment instrument. The evidence may be supplemented by evidence provided orally by the learner in a discussion with their lecturer. If this is done, a record of the main points of the discussion should be recorded. <p><i>The learner must achieve all of the minimum evidence specified above in order to pass the evaluating stage.</i></p>
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