

<b>Unit Title: The Business Environment</b>	<b>Unit Code: BE</b>
<b>Level: Diploma</b>	<b>Learning Hours: 160</b>
<b>Learning Outcomes and Indicative Content:</b>	
Candidates will be able to	
<ol style="list-style-type: none"> <li><b>1. Assess the significance of the market upon business activity</b> <ol style="list-style-type: none"> <li>1.1 Explain the different market structures</li> <li>1.2 Discuss the role of competition and its limitations</li> <li>1.3 Identify the potential types of failure of the market mechanism and their impacts on business</li> <li>1.4 Discuss the role of the regulatory authorities and the principal effects of regulation upon business</li> <li>1.5 Discuss how the interests of stakeholders can be protected through good corporate governance policy and practice</li> <li>1.6 Appreciate potential ethical dilemmas and decisions the organisation may face in relation to potential opportunities to gain competitive advantage</li> </ol> </li> <li><b>2. Understand the importance of international markets to organisations</b> <ol style="list-style-type: none"> <li>2.1 Appreciate the importance of the European Single Market to UK businesses and also to organisations based outside the European Union</li> <li>2.2 Identify and discuss potential opportunities and threats to the organisation arising from the European Union</li> <li>2.3 Discuss the possible advantages and disadvantages to the organisation when presented with opportunities to outsource activities overseas</li> <li>2.4 Describe possible ways in which the organisation might investigate and appraise overseas market opportunities</li> <li>2.5 Identify key steps in planning and preparing for market entry into an overseas market</li> </ol> </li> <li><b>3. Understand key economic concepts and principles which underpin the operation of the market</b> <ol style="list-style-type: none"> <li>3.1 Explain the interaction of supply, demand and price and the concepts of elasticity and equilibrium</li> <li>3.2 Discuss the possible impacts and interaction of the perceptions and actions of customers, under and over supply, cost structures and pricing strategies, and the supply and price of labour and finance</li> <li>3.3 Explain the attributes of the different types of market: perfect competition, monopoly and oligopoly</li> <li>3.4 Describe the concept of competitive advantage</li> </ol> </li> </ol>	

- 4. Understand key aspects of the macroeconomic environment as they apply to business**
  - 4.1 Discuss the factors which may influence the levels of expenditure and investment in a national economy
  - 4.2 Explain the ways in which governments use fiscal and monetary policies to boost or slow the rate of economic growth and control inflation
  - 4.3 Explain how key economic indicators might influence, and be used in the preparation of business plans and forecasts
  - 4.4 Discuss the possible impacts of Regional Development policies and planning and development controls on business
  
- 5. Understand the importance and effects of taxation on business**
  - 5.1 Describe the economic principles, objectives and typical structures of national taxation systems
  - 5.2 Evaluate the potential impacts on businesses of changes in direct and indirect taxes
  - 5.3 Discuss the potential opportunities and threats to a business of differences in both the types and levels of taxes between nations, with specific reference to location, costing and pricing decisions
  
- 6. Understand common marketing strategies and techniques available to businesses**
  - 6.1 Discuss psychological, socio-psychological, sociological, economic and cultural factors influencing customer behaviour and needs
  - 6.2 Select methods of market research (MR) appropriate to the business and its market
  - 6.3 Identify and describe common MR techniques used by businesses including the use of primary and secondary data and MR, analysis of competitor and customer data and the use of support from external MR consultancies
  - 6.4 Discuss the reliability of research including issues around sufficiency of sample size and sample and interview bias
  - 6.5 Identify and discuss key implications for the business arising from data such as that relating to competitor analysis, market size, value and volume, market trends and market share
  - 6.6 Describe the nature and process of conducting a SWOT analysis
  - 6.7 Describe possible growth strategies available to the organisation in a competitive environment
  - 6.8 Describe the key elements of a marketing plan and the types of strategies and tactics that it might contain
  - 6.9 Describe how marketing performance can be monitored and reviewed

## **7. Understand the legal framework in which business organisations operate**

- 7.1 Explain how key legal principles can affect the legal form chosen for the business
- 7.2 Explain the essential elements of a legally enforceable contract for the provision of goods and services
- 7.3 Identify and discuss the impacts of the vitiating factors on the enforceability of contracts
- 7.4 Explain the ways in which a contract can be discharged or terminated
- 7.5 Explain the various types of terms: express and implied, conditions, warranties, innominate
- 7.6 Describe the types, and appropriate use, of negotiable instruments by businesses
- 7.7 Explain the key statutory protection that is given to consumers in relation to the sale and supply of goods and services
- 7.8 Explain the liabilities placed on businesses by health and safety legislation and the duty of care owed to consumers, employees and any visitors to premises
- 7.9 Explain the legal protection available to employees relating to recruitment, termination of employment and their treatment while at work
- 7.10 Explain the key provisions of environmental ('green') regulations as they apply to businesses

### **Assessment Criteria:**

- Assessment method: written examination
- Length of examination: three hours
- Candidates should answer **four** questions from a choice of eight, each question carrying equal marks.

### **Recommended Reading**

Needle D, *Business in Context: An Introduction to Business and Its Environment* (2004), Cengage Lrng Business Press  
ISBN: 1861529929

Martin E A, Law J, *A Dictionary of Law* (2006), Oxford University Press  
ISBN: 019280698X

Bryman A, Bell E, *Business Research Methods* (2003), Oxford University Press  
ISBN: 0199259380

Anderton A, *Economics* (2006), Pearson Education Ltd  
ISBN: 1902796926

## Useful Websites

<http://en.wikipedia.org/wiki/Microeconomics>  
[www.bized.co.uk](http://www.bized.co.uk)  
[www.economicshelp.org/macroeconomics/index.html](http://www.economicshelp.org/macroeconomics/index.html)  
<http://www.opsi.gov.uk/>  
<http://www.hse.gov.uk/legislation/hswa.htm>  
<http://en.wikipedia.org/wiki/Legislation->  
[http://europa.eu/abc/budget/index\\_en.htm](http://europa.eu/abc/budget/index_en.htm)  
<http://dictionary.law.com/>  
[http://www.bbc.co.uk/learning/subjects/legal\\_and\\_consumer.shtml](http://www.bbc.co.uk/learning/subjects/legal_and_consumer.shtml)  
<http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1073861169>  
<http://www.netregs.gov.uk/>  
<http://en.wikipedia.org/wiki/Tax>  
[www.businessballs.com/swotanalysisfreetemplate.htm](http://www.businessballs.com/swotanalysisfreetemplate.htm)  
<http://www.rapidbi.com/created/SWOTanalysis.html>  
<http://www.ftpress.com/articles/article.aspx?p=101588>