

## Level 3 Certificate in Business Practice



International  
Qualifications from EDI

### Syllabus

Effective from October 2001



# **INTRODUCTION**

EDI is a leading international awarding body that was formed through the merger of the London Chamber of Commerce and Industry Examinations Board (LCCI) and GOAL, a leading online assessment provider. EDI now delivers LCCI International qualifications (LCCI IQ) through a network of over 5000 registered centres in more than 120 countries worldwide. Our range of business-related qualifications is trusted and valued by employers worldwide and recognised by universities and professional bodies.

## **Level 3 Certificate in Business Practice**

### **Aims**

The aims of this syllabus are to enable candidates to develop:

- a knowledge and general understanding of the nature of business activity
- an understanding of the influences on the business organisation and what the success factors of the business might be
- an understanding of the contribution which the individual can make to the success of the business organisation.

### **Target Audience and Candidate Progression**

This qualification is intended for candidates who are seeking to increase their awareness and understanding of contemporary business practices and organisation. It is expected that candidates from all the main functional areas represented within the business or those seeking to find employment in any of these areas will be able to develop their understanding of business activity and practices.

Successful candidates may go on to complete the LCCI IQ Private Secretary's Diploma, Level 3 or the LCCI IQ Diploma in Business Administration, Level 3.

### **Levels of English Required**

Candidates should have a standard of English which enables them to make themselves understood in a business context and which is equivalent to LCCI IQ English for Business Level 3.

## **Structure of the Qualification**

The level 3 Certificate in Business Practice is a single unit qualification that consists of the range of topics detailed below.

### **Syllabus Topics**

- 1 Influences on Business Activity
- 2 The Functions and Organisation of Business
- 3 Business Management
- 4 Personal Contribution to Business Effectiveness
- 5 Business Values and Culture
- 6 Communication in Business

### **Guided Learning Hours**

EDI recommends that 140-160 Guided Learning Hours (GLHs) provide a suitable course duration for an 'average' candidate at this level. This figure includes direct contact hours as well as other time when candidates' work is being supervised by teachers. Ultimately, however, it is the responsibility of training centres to determine the appropriate course duration based on their candidates' ability and level of existing knowledge. EDI experience indicates that the number of GLHs can vary significantly from one training centre to another.

## **ASSESSMENT**

### **Assessment Objectives**

The examination will assess the candidate's ability to:

- demonstrate a general understanding of the influences on the business organisation
- understand the importance of specialisation in a business context
- appreciate how business planning helps identify organisational aims and objectives.

### **Coverage of Syllabus Topics in Examinations**

The examination will consist of one question from each topic area. Candidates may be expected to draw upon related syllabus topics when answering questions.

## **Examination Format**

- The time allowance for the examination is 2 hours 30 minutes
- Candidates will be required to answer 4 questions from a choice of 6
- All questions carry equal marks
- Candidates are advised to spend the first 15 minutes of the examination reading the questions and making notes
- Marks are not deducted for spelling or grammatical errors
- Questions will be presented in the format of a business situation, problem or issue with a number of tasks to be completed
- Candidates will not be expected to have specialist knowledge of the syllabus topic areas. Interpretation of financial data will not be required.
- Candidates may choose to produce their answers on a word processor or computer. Please refer to regulations for word processed or computer produced scripts in the 'Guide to LCCI International Qualifications'.

## **Answer Formats**

Unless otherwise requested, candidates will be asked to provide answers in one or more of the following formats:

- fact sheets
- briefing sheets
- short reports
- short notes
- diagrams or charts
- bullet points
- essay style

Some questions may ask for relevant examples to be provided. Appropriate business language should be used and any relevant charts or diagrams should be properly labelled.

If requested to answer in the form of a report, candidates will need to structure their report with heading and sub-headings. The report should have at least three sections: an introduction, a main section and a conclusion. The introduction should indicate the purpose of the report and who the report is intended for. The main section should use a concise essay style, numbered points or bullet points. The report needs to finish with a conclusion, which should include candidate recommendations.

## **Mark Allocation**

A positive marking approach is used.

## **Certification**

Successful candidates will be awarded the level 3 Certificate in Business Practice based on the achievement of the percentages and grades below:

Pass	50%
Credit	60%
Distinction	75%

## Recommended Reading List and Support Material

### Reading List

Title	Author(s)	Publisher	ISBN Code
How to Pass Business Practice, Third Level	Stephen Jakubowski	LCCIEB	1-86247-080-4

### Support Material

Examiners' Reports, Model Answers and past question papers are available through the LCCI website, [www.lcci.org.uk](http://www.lcci.org.uk)

### How To Offer This Qualification

To offer this qualification you must be an LCCI IQ registered examination centre. To gain centre approval please contact Customer Support on 08700 818008 between the hours of 0830 and 1700 (GMT) Monday to Friday or by email on [centresupport@ediplc.com](mailto:centresupport@ediplc.com).

Alternatively you may contact your Regional LCCI Office or Co-ordinating Authority.

## Syllabus Topic

## Items Covered

### 1 Influences on Business Activity

#### Candidates must be able to:

- |   |   |
|---|---|
| <b>1.1 Purposes of business organisation</b>                          | 1.1.1 Identify the purposes of business organisations: <ul style="list-style-type: none"><li>▪ profit</li><li>▪ growth</li><li>▪ innovation</li><li>▪ recognition</li><li>▪ satisfaction of consumer/market demand</li><li>▪ production</li><li>▪ combining resources to meet market demand</li></ul> |
| <b>1.2 Public and private sectors</b>                                 | 1.2.1 Describe the differences between the public and private sectors   |
| <b>1.3 Business activity and opportunity cost</b>                     | 1.3.1 Describe what is meant by business activity and the importance of opportunity cost  |
| <b>1.4 How consumer spending patterns influence business activity</b> | 1.4.1 Explain how the pattern of consumer spending influences business activity   |
| <b>1.5 Factors which affect the size of firms</b>                     | 1.5.1 Describe how the following affects the size and organisation of firms: <ul style="list-style-type: none"><li>▪ mergers</li><li>▪ takeovers</li><li>▪ different types of integration</li><li>▪ internal economies and diseconomies of scale</li><li>▪ external economies of scale</li></ul>      |
| <b>1.6 Importance of small firms</b>                                  | 1.6.1 Explain why small firms are important   |
| <b>1.7 Role and importance of the financial sector</b>                | 1.7.1 Describe the role and importance of the financial sector to business organisations and how they influence business activity: <ul style="list-style-type: none"><li>▪ commercial banks</li><li>▪ merchant banks</li><li>▪ insurance companies</li></ul>  |

- 1.8 Business insurance**
- 1.8.1 Explain different types of insurance which business organisations can take out:
- business interruption
  - liability insurances
  - key person insurance
- 1.9 Chambers of Commerce and business networks**
- 1.9.1 Describe the role and functions of Chambers of Commerce and business networks
- 1.10 Influence of the Government on business**
- 1.10.1 Describe how and why the Government may seek to influence the activities of business organisations:
- Government expenditure
  - taxation policies
  - changes in interest rate
  - measures to promote international trade
- 1.11 The Global Market**
- 1.11.1 Explain what is meant by the term global market
- 1.12 Economic indicators and their influence on business activity**
- 1.12.1 Explain the main economic indicators and how they can have an effect on business activity:
- standard of living
  - cost of living
  - national income
  - economic growth
  - inflation
  - exchange rates

## **2 The Functions and Organisation of Business**

### **Candidates must be able to:**

- |   |  |
|---|--|
| <b>2.1 The main functional areas within business organisations</b>    | 2.1.1 Describe the main functional areas within organisations: <ul style="list-style-type: none"><li>▪ personnel/human resources</li><li>▪ production/operations</li><li>▪ purchasing</li><li>▪ finance/accounts</li><li>▪ sales and marketing</li><li>▪ administration</li><li>▪ research and development</li></ul> |
| <b>2.2 Objectives of the main functional areas</b>                    | 2.2.1 Identify the objectives associated with the main functional areas and the duties of principal staff  |
| <b>2.3 Organisation charts and the separation of responsibilities</b> | 2.3.1 Explain how organisation charts can aid understanding of specialisation and separation of responsibilities of staff  |
| <b>2.4 Advantages of specialisation</b>                               | 2.4.1 Describe the advantages of specialisation to the business organisations  |
| <b>2.5 Business functions in small and large organisations</b>        | 2.5.1 Compare and contrast the organisation of business functions in small and large organisations   |
| <b>2.6 International business organisations</b>                       | 2.6.1 Explain why an international organisation may need to organise itself in different ways as a result of: <ul style="list-style-type: none"><li>▪ legal systems</li><li>▪ Government policy</li><li>▪ international communications needs</li></ul>   |
| <b>2.7 Major groups involved in the business organisation</b>         | 2.7.1 Identify the roles played by the major groups involved with the business organisation: <ul style="list-style-type: none"><li>▪ shareholders</li><li>▪ Board of Directors</li><li>▪ managers</li><li>▪ employees</li><li>▪ customers and clients</li></ul>  |

**2.8 Importance of new technology to the functional areas**

2.8.1 Describe the importance of new technology to the main functional areas

**3 Business Management**

**Candidates must be able to:**

**3.1 Business planning**

3.1.1 Describe the purpose of business Planning

**3.2 The planning framework**

3.2.1 Describe the planning framework:

- role of mission statements
- SWOT and PEST analysis
- target setting
- timescales
- quality guidelines
- resource implications
- finance
- reviewing and monitoring activity

**3.3 Business plans**

3.3.1 Describe the main components of a business plan

**3.4 Strategic and operational plans**

3.4.1 Describe the differences between a strategic plan and an operational plan

**3.5 Strategic and operational management**

3.5.1 Identify the differences between strategic and operational management

**3.6 The functional areas and the strategic planning process**

3.6.1 Identify the contributions made by the functional areas to the strategic planning process

**3.7 Financial information**

3.7.1 Explain why companies need financial information

**3.8 Financial and management accounting**

3.8.1 Distinguish between financial and management accounting and the contribution of each to the decision-making process

**3.9 The trading and profit and loss account**

3.9.1 Understand the purpose of the trading and profit and loss account

**3.10 Financial terms**

3.10.1 Describe key financial terms:

- gross profit
- net profit
- depreciation
- assets
- liabilities
- turnover
- cash flow

**3.11 Importance of management information**

3.11.1 Describe the importance of management information as a means of controlling and monitoring business activity

**4 Personal Contribution to Business Effectiveness**

**Candidates must be able to:**

**4.1 How business performance can be improved**

4.1.1 Explain the ways in which business performance can be improved by:

- target setting
- customer service
- maximising efficiency
- multi-skilling of staff
- training and development of staff
- motivation of staff

**4.2 How the individual can contribute to business performance**

4.2.1 Identify the ways in which the individual can contribute towards business performance:

- effective communications
- knowledge of company and company products/services
- customer service

**4.3 Individual targets and performance**

4.3.1 Understand the importance of individual targets and performance

**4.4 How teamwork can contribute to business performance**

4.4.1 Describe the contribution teamwork can make to improving communication and overall business performance:

- commitment
- innovation
- quality
- co-operation

## **5 Business Values and Culture**

Candidates must be able to:

### **5.1 Business culture**

5.1.1 Describe how the following can influence an organisation's business culture:

- mission statements
- corporate image
- corporate identity
- style of management

### **5.2 Different organisational cultures**

5.2.1 Describe different organisational cultures:

- consultative
- participative
- performance or goal driven

### **5.3 Internal and external clients**

5.3.1 Understand what is meant by internal and external clients

### **5.4 How the business can seek to promote quality improvements**

5.4.1 Describe the ways in which the business organisation can identify and seek to improve the quality of its systems, products and services:

- survey standards and target setting
- quality circles
- staff appraisal
- research and development
- customer satisfaction surveys

## **6 Communication in Business**

Candidates must be able to:

### **6.1 Forms and types of communication**

6.1.1 Understand the different forms and types of communication and their advantages and disadvantages:

- formal and informal
- internal and external
- verbal/written/other forms

### **6.2 Communication systems and business needs**

6.2.1 Identify the criteria applied to determine the appropriateness of different communication systems to meet specific needs:

- fitness for purpose
- costs
- perceptions
- security

- |  |  |
|--|--|
| <b>6.3 Impact of new technology on business communications</b>                 | <b>6.3.1</b> Understand the impact of new technology on internal and external communications: <ul style="list-style-type: none"><li>▪ to and from customers</li><li>▪ between the functional areas</li><li>▪ between individuals and teams</li><li>▪ in multi-site and international organisations</li></ul> |
| <b>6.4 Effective communication and business goals</b>                          | <b>6.4.1</b> Describe how effective communications can assist the achievement of business goals through information flows  |
| <b>6.5 Business communications company objectives and business performance</b> | <b>6.5.1</b> Analyse how communications can impact upon the understanding of company objectives and the affect they may have upon individual and team performance  |
| <b>6.6 Administrative systems and procedures</b>                               | <b>6.6.1</b> Understand the need for administrative systems and procedures and how they affect business communications   |
| <b>6.7 IT and the development of business communications</b>                   | <b>6.7.1</b> Understand the need for IT in the development of business communications: <ul style="list-style-type: none"><li>▪ electronic mail/intranet</li><li>▪ Internet</li><li>▪ teleconferencing</li></ul>  |

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and performance

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