



OTHM LEVEL 5 DIPLOMA IN ACCOUNTING AND BUSINESS

Qualification Number: 603/3809/X

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QUALIFICATION OBJECTIVES

Accounting and finance are at the very heart of business operations. From banking to manufacturing, from huge service industries to micro businesses, the ability to manage, plan and account for money is still the ultimate measure of business success and the key driver of growth.

Many accountants occupy key managerial positions in business, yet few are qualified managers. In the increasingly complex modern business environment, there is a high demand for skilled professionals who can work flexibly in teams across business boundaries.

The objective of the OTHM Level 5 Diploma in Accounting and Business qualification is to provide learners with the knowledge and skills required by a middle manager in an organisation that may be involved in financial management, financial planning and control, financial reporting, taxation and people management.

QUALITY, STANDARDS AND RECOGNITIONS

OTHM Qualifications are approved and regulated by Ofqual (Office of Qualifications and Examinations Regulation). Visit register of [Regulated Qualifications](#).

OTHM has progression arrangement with several UK universities that acknowledges the ability of learners after studying Level 3-7 qualifications to be considered for advanced entry into corresponding degree year/top up and Master's/top-up programmes.

REGULATORY INFORMATION

Qualification Title	OTHM Level 5 Diploma in Accounting and Business
Ofqual Ref. No.	603/3809/X
Regulation Start Date	08/11/2018
Operational Start Date	09/11/2018
Duration	1 Year
Total Credit Value	120 Credits
Total Qualification Time (TQT)	1200 Hours
Guided Learning Hours (GLH)	480 Hours
Sector Subject Area (SSA)	15.1 Accounting and finance
Overall Grading Type	Pass / Fail
Assessment Methods	Coursework
Language of Assessment	English

EQUIVALENCES

OTHM qualifications at RQF Level 5 represent practical knowledge, skills, capabilities and competences that are assessed in academic terms as being equivalent to Foundation Degrees, Higher National Diploma (HND) and Year 2 of a three-year UK Bachelor's degree.

QUALIFICATION STRUCTURE

The OTHM Level 5 Diploma in Accounting and Business consists of 6 mandatory units for a combined total of 120 credits, 1200 hours Total Qualification Time (TQT) and 480 Guided Learning Hours (GLH) for the completed qualification.

Unit Ref. No.	Unit title	Credit	GLH	TQT
T/617/3298	Financial Management	20	80	200
M/617/3297	Financial Planning and Control	20	80	200
K/617/3296	Financial Reporting	20	80	200
H/617/3295	Taxation Principles and Practices	20	80	200
D/617/3294	People Management	20	80	200
Y/617/3293	Business Ethics and Corporate Social Responsibility	20	80	200

DEFINITIONS

Total Qualification Time (TQT) is the number of notional hours which represents an estimate of the total amount of time that could reasonably be expected to be required in order for a Learner to achieve and demonstrate the achievement of the level of attainment necessary for the award of a qualification.

Total Qualification Time is comprised of the following two elements –

- a) *the number of hours which an awarding organisation has assigned to a qualification for Guided Learning, and*
- b) *an estimate of the number of hours a Learner will reasonably be likely to spend in preparation, study or any other form of participation in education or training, including assessment, which takes place as directed by – but, unlike Guided Learning, not under the Immediate Guidance or Supervision of – a lecturer, supervisor, tutor or other appropriate provider of education or training.*

(Ofqual 15/5775 September 2015)

Guided Learning Hours (GLH) is defined as the hours that a teacher, lecturer or other member of staff is available to provide immediate teaching support or supervision to a student working towards a qualification.

Credit value is defined as being the number of credits that may be awarded to a Learner for the successful achievement of the learning outcomes of a unit. One credit is equal to 10 hours of TQT.

ENTRY REQUIREMENTS

For entry onto the OTHM Level 5 Diploma in Accounting and Business qualification, learners must possess:

- Relevant NQF/QCF/RQF Level 4 diploma or equivalent recognised qualification
- Learner must be 18 years or older at the beginning of the course
- Mature learners (over 21) with management experience (learners must check with the delivery centre regarding this experience prior to registering for the programme)
- **English requirements:** If a learner is not from a majority English-speaking country must provide evidence of English language competency. For more information visit [English Language Expectations](#) page.

PROGRESSIONS

Successful completion of Level 5 Diploma in Accounting and Business qualification provides learners the opportunity for a wide range of academic progressions including progression to Level 6 Diploma in Accounting and Business, and other relevant OTHM Level 6 Diplomas. The Level 5 Diploma in Accounting and Business has been developed with career progression and professional recognition in mind. As this qualification is approved and regulated by Ofqual (Office of the Qualifications and Examinations Regulation), learners are eligible to gain direct entry into the final year of a three-year UK Bachelor's degree. For more information visit [University Progressions](#) page.

DELIVERY OF OTHM QUALIFICATIONS

OTHM do not specify the mode of delivery for its qualifications, therefore OTHM Centres are free to deliver this qualification using any mode of delivery that meets the needs of their Learners. However, OTHM Centres should consider the Learners' complete learning experience when designing the delivery of programmes.

OTHM Centres must ensure that the chosen mode of delivery does not unlawfully or unfairly discriminate, whether directly or indirectly, and that equality of opportunity is promoted. Where it is reasonable and practicable to do so, it will take steps to address identified inequalities or barriers that may arise.

Guided Learning Hours (GLH) which are listed in each unit gives the Centres the number of hours of teacher-supervised or direct study time likely to be required to teach that unit.

ASSESSMENT AND VERIFICATION

All units within this qualification are internally assessed by the centre and externally verified by OTHM. The qualifications are criterion referenced, based on the achievement of all the specified learning outcomes.

To achieve a 'pass' for a unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria. Judgement that the learners have successfully fulfilled the assessment criteria is made by the Assessor.

The Assessor should provide an audit trail showing how the judgement of the learners' overall achievement has been arrived at.

RECOGNITION OF PRIOR LEARNING AND ACHIEVEMENT

Recognition of Prior Learning (RPL) is a method of assessment that considers whether learners can demonstrate that they can meet the assessment requirements for a unit through knowledge, understanding or skills they already possess and do not need to develop through a course of learning.

RPL policies and procedures have been developed over time, which has led to the use of a number of terms to describe the process. Among the most common are:

- Accreditation of Prior Learning (APL)
- Accreditation of Prior Experiential Learning (APEL)
- Accreditation of Prior Achievement (APA)
- Accreditation of Prior Learning and Achievement (APLA)

All evidence must be evaluated with reference to the stipulated learning outcomes and assessment criteria against the respective unit(s). The assessor must be satisfied that the evidence produced by the learner meets the assessment standard established by the learning outcome and its related assessment criteria at that particular level.

Most often RPL will be used for units. It is not acceptable to claim for an entire qualification through RPL. Where evidence is assessed to be only sufficient to cover one or more learning outcomes, or to partly meet the need of a learning outcome, then additional assessment methods should be used to generate sufficient evidence to be able to award the learning outcome(s) for the whole unit. This may include a combination of units where applicable.

EQUALITY AND DIVERSITY

OTHM provides equality and diversity training to staff and consultants. This makes clear that staff and consultants must comply with the requirements of the Equality Act 2010, and all other related equality and diversity legislation, in relation to our qualifications.

We develop and revise our qualifications to avoid, where possible, any feature that might disadvantage learners because of their age, disability, gender, pregnancy or maternity, race, religion or belief, and sexual orientation.

If a specific qualification requires a feature that might disadvantage a particular group (e.g. a legal requirement regarding health and safety in the workplace), we will clarify this explicitly in the qualification specification.

UNIT SPECIFICATIONS

FINANCIAL MANAGEMENT

Unit Reference Number	T/617/3298
Unit Title	Financial Management
Unit Level	5
Number of Credits	20
Total Qualification Time	200
Mandatory / Optional	Mandatory
SSAs	15.1 Accounting and finance
Unit Grading Structure	Pass/Fail

Unit Aims

The aim of this unit is to provide learners with knowledge of key financial theories and working capital management, and the skills to review techniques for managing an organisation's global financial risk.

Learning Outcomes and Assessment Criteria

Learning Outcomes- The learner will:	Assessment Criteria- The learner can:
1. Understand key financial theories.	1.1 Evaluate key financial theories. 1.2 Assess strategic implementation techniques using balanced scorecard and portfolio management tools.
2. Understand working capital management.	2.1 Explain the nature, elements and importance of working capital in a business organisation. 2.2 Evaluate how a business organisation assesses their working capital needs and funding strategies. 2.3 Analyse how a business organisation will manage their working capital needs.
3. Be able to review techniques to manage global risk.	3.1 Analyse financial risks in the global market. 3.2 Analyse risk mitigation techniques. 3.3 Review the suitability of techniques used by a business organisation to manage their global risk.

Indicative content

Learning Outcome 1

Financial theories: theories and their application to financial decision making; theories - Arbitrage Pricing Theory, Rational Choice Theory, Prospect Theory, Cumulative Prospect Theory, Monte Carlo Option Model, Binomial Options Pricing Model, Gordon Model and International Fisher Effect.

Techniques and tools: portfolio management tools; models of strategic management; objective setting; definition of the balanced scorecard; using balanced scorecard to implement strategy; portfolio theory and risk.

Learning Outcome 2

Nature, elements and importance of working capital: definition of working capital; characteristics of working capital; elements of working capital; objectives of working capital (liquidity, profitability); conflict between liquidity and profitability; role in financial management; importance for different types of business organisations to include (sole trader, partnership, private limited company, public limited company, third sector organisations).

Assessment of needs and funding strategies: calculating working capital requirement; working capital cycle; terms of trade; investment in current assets; liquidity of assets; funding strategies (permanence of current assets; long and short term finance; matching principle; attitude to risk).

Management of working capital: cash operating cycle; use of ratios (current, quick, inventory turnover, debtor turnover, sales revenue to working capital); inventory management (e.g. economic order quantity, just in time); managing accounts receivable (establishing creditworthiness, collection of debt; settlement incentives; factoring and discounting); managing trade credit; managing cash (cash flow forecast, cash management models (e.g. Baumol, Miller-Orr), using short term investment).

Learning Outcome 3

Financial risk: costs and risks of different sources of finance; foreign currency risks; interest rate risks; causes of fluctuations in exchange and interest rates;

Risk mitigation: hedging techniques for foreign currency; hedging techniques for interest rates; methods; types of exchange rates and interest that can be managed through hedging.

Evaluation of techniques: comparison of techniques; limitations and benefits of different techniques; success in using techniques to manage interest and currency risks.

Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Summary of quantity/quality
LO 1 – 2	All under LO 1 and 2	Coursework	2500
LO 3	All under LO3	Report	1500

Indicative Reading List

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9th edition. Kogan Page: London

Hill, C. and Jones, G. (2012) *Strategic Management: An Integrated Approach*. 10th edition. USA: South-Western.

FINANCIAL PLANNING AND CONTROL

Unit Reference Number	M/617/3297
Unit Title	Financial Planning and Control
Unit Level	5
Number of Credits	20
Total Qualification Time	200
Mandatory / Optional	Mandatory
SSAs	15.1 Accounting and finance
Unit Grading Structure	Pass

Unit Aims

The aim of this unit is to provide learners with knowledge of financial planning and control in organisations with reference to corporate governance, and the financial management environment. Learners will develop the skills required to assess the potential investment decisions and global strategies of organisations.

Learning Outcomes and Assessment Criteria

Learning Outcomes- The learner will:	Assessment Criteria- The learner can:
1. Understand corporate governance in relation to financial planning and control.	1.1 Explain the role and purpose of corporate governance for organisations in relation to financial obligations. 1.2 Assess the practical implications of compliance with the legal framework.
2. Understand the financial management environment.	2.1 Outline the economic environment for businesses. 2.2 Explain the role of financial and money markets. 2.3 Analyse the sources of business finance. 2.4 Assess the risk involved in a range of sources of finance.
3. Be able to assess potential investment decisions and global strategies.	3.1 Analyse the potential investment decisions and strategies available to a business organisation. 3.2 Assess how the global financial environment affects decisions and strategies for a business organisation.

Indicative content

Learning Outcome 1

Corporate governance: direction and control; increased accountability; appropriate governance structures; fiduciary duties of officers; bribery and fraud; independent audit; key governance regulations (e.g. UK Corporate Governance Code and company law); international governance.

Practical implications: reporting requirements on application of code; arrangements for accountability; management and control of risks; board remuneration; arrangements for engagement and communication with stakeholders; understanding stakeholder interests; audit committees; director re-election; remuneration committee; impact on corporate financial objectives; stakeholder conflicts.

Learning Outcome 2

Economic environment: economic policy; role of fiscal, monetary, interest and exchange rate policies; competition policy; government assistance; green policies; impact on business decisions.

Financial and money markets: role of national and international money markets; financial intermediaries; functions of stock market and corporate bond market; role of money markets (short term liquidity, short term trade finance, managing currency and interest rate risk); role of banks and financial institutions; principle instruments (interest-bearing, discount, derivatives).

Sources of finance: short-term finance (overdraft, loans, trade credit, lease finance); long-term finance (equity, debt, lease, venture capital); raising short and long-term finance; internal finance (retained earnings, working capital management, dividend policies); SME finance (business angels, government assistance, supply chain, crowdfunding); cost of finance; gearing ratios; interest coverage; lease/buy decisions; liquidity; capital structure theories (Miller and Modigliani, pecking order theory of finance selection).

Risks of finance: identifying risk (foreign currency, interest rate); causes of exchange rate fluctuations; purchasing power parity/ interest rate parity; causes of fluctuation in interest rates; hedging techniques to manage currency and interest risk.

Learning Outcome 3

Investment decisions and strategies: investment appraisal (Payback, Accounting Rate of Return (ARR) and Net Present Value (NPV), Internal Rate of Return (IRR)); usefulness and limitations of each method; impact of taxation and inflation on appraisal methods; adjusting for risk and uncertainty (probability, sensitivity analysis, simulation, adjusted payback, risk-adjusted discount rates); lease or buy decisions; asset replacement; capital rationing.

Impact of global financial environment: financial strategies used in the global environment; capital investment relating to funds invested in a business organisation for the purpose of furthering its strategic objectives; international aspects of strategy (scope of operations, resource allocation, competitive advantage, synergy).

Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Summary of quantity/quality
LO 1 – 2	All under LO 1 and 2	Coursework	2500
LO 3	All under LO3	Report	1500

Indicative Reading list

Cheng, L. (2002) *Advances in Investment Analysis and Portfolio Management*. 9th edition. USA: Thomson One

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley.

Fernando, A. C. (2009) *Corporate Governance: Principles, Policies and Practice*. Beijing: Prentice Hall.

Howells, P. and Bain, K. (2007) *Financial Markets and Institutions*. 5th Edition Harlow: Pearson Education.

FINANCIAL REPORTING

Unit Reference Number	K/617/3296
Unit Title	Financial Reporting
Unit Level	5
Number of Credits	20
Total Qualification Time	200
Mandatory / Optional	Mandatory
SSAs	15.1 Accounting and finance
Unit Grading Structure	Pass

Unit Aims

The aim of this unit is to develop learners' skills in managing an organisation's business assets and preparing a range of standard financial reports to present the financial position of an organisation.

Learning Outcomes and Assessment Criteria

Learning Outcomes- The learner will:	Assessment Criteria- The learner can:
1. Be able to manage an organisation's business assets.	1.1 Describe assets within a business organisation. 1.2 Apply depreciation to a business organisation's assets. 1.3 Prepare a business organisation's asset register.
2. Be able to use control accounts.	2.1 Explain the purpose and functions of control accounts. 2.2 Prepare control accounts for given data. 2.3 Prepare reconciliation statements of control accounts with schedule of trade payables and trade receivables.
3. Be able to produce financial statements.	3.1 Prepare, from a given trial balance, financial statements for a single entity. 3.2 Prepare, from incomplete records, financial statements for a single entity.

Indicative content

Learning Outcome 1

Organisational assets: non-current and current; tangible and intangible.

Depreciation: definitions (depreciation, cost, useful asset life, residual (scrap) value); causes of depreciation (physical deterioration, economic factors, obsolescence, depletion, passage of time); application of accounting concepts when accounting for depreciation; methods of depreciation (straight line depreciation, reducing balance depreciation, revaluation method); preparation of ledger account for non-current assets, depreciation and disposal of non-current assets; extracts of financial statements for non-current assets and depreciation; appreciation and significant value gains of business assets; asset revaluations.

Asset registers: list of fixed assets (non-current tangible assets) owned by business (e.g. buildings, vehicles, equipment, technology, fixtures and fittings); details about fixed assets (description, date of acquisition, cost of acquisition, location of asset, serial number where applicable, depreciation, supplier, asset number if used).

Learning Outcome 2

Control accounts: purpose and function of control accounts (summary account in general ledger); link to other records; purpose of books of prime (original) entry (sales journal, purchases journal, sales returns journal, purchases returns journal).

Preparation of control accounts: To cover sales and purchases, receipts and payments, discounts, returns, irrecoverable debts, dishonoured cheques, interest due, contra entries, refunds, balances.

Reconciliation statements: preparation of schedule of trade receivables, schedule of trade payables, revised control account, reconciliation statements.

Learning Outcome 3

Prepare financial statements: from trial balance and incomplete records; prepare Trading Accounts to calculate gross profit / loss; prepare Income Statement to calculate profit / loss for the year; prepare Statements of Financial Position; incorporate year-end adjustments.

Trading Accounts: to include revenue/sales; sales returns; purchases; purchase returns; carriage on purchases; opening and closing inventory; adjustment for drawings of goods, cost of sales; gross profit.

Year-end adjustments: depreciation (straight line / reducing balance and revaluation methods); prepayments and accruals; irrecoverable debts / provision for doubtful debts / aged trade receivables (debtors) schedule.

Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Summary of quantity/quality
LO 1 - 3	All under LO 1-3	Case study	NA

Indicative Reading list

Atrill, P. and McLaney, E. (2006) *Management Accounting for Decision Makers*. Harlow: Prentice Hall.

Atrill, P. and McLaney, E. (2010) *Accounting & Finance for Non-specialists*. 10th edition. London: Financial Times/ Prentice Hall.

McLaney, E. and Atrill, P. (2010) *Accounting: An Introduction*. 5th edition. London: Financial Times Prentice Hall

Van Horne, J. and Wachewicz, J. (2009) *Fundamentals of Financial Management*. Harlow: FT Prentice Hall

White, G. I., Sondhi, A. C. and Fried, D. (2003) *The Analysis and Use of Financial Statements*. 3rd edition. Hampshire: John Wiley and Sons.

Wood, F. and Sangster, A. (2011) *Business Accounting*. 12th edition. London: FT Prentice Hall

TAXATION PRINCIPLES AND PRACTICES

Unit Reference Number	H/617/3295
Unit Title	Taxation Principles and Practices
Unit Level	5
Number of Credits	20
Total Qualification Time	200
Mandatory / Optional	Mandatory
SSAs	15.1 Accounting and finance
Unit Grading Structure	Pass

Unit Aims

The aim of this unit is to develop learners understanding of taxation principles, and the requirements for personal and business taxation in their country or region.

Learning Outcomes and Assessment Criteria

Learning Outcomes- The learner will:	Assessment Criteria- The learner can:
1. Understand the principles of taxation.	1.1 Differentiate between indirect and direct taxation. 1.2 Explain the principles of taxation. 1.3 Evaluate the implications of taxation for stakeholders.
2. Understand personal taxation.	2.1 Explain income tax and national insurance requirements for individuals. 2.2 Explain inheritance tax planning and payments. 2.3 Explain how an individual determines their capital gains tax liability. 2.4 Analyse an individual's obligation in relation to their personal tax liability. 2.5 Evaluate the implications of a failure to meet an individual's taxation obligations.
3. Understand business taxation.	3.1 Explain how assessable profits and gains for both incorporated and unincorporated businesses are identified. 3.2 Explain the details of the corporation tax system. 3.3 Compare different value added tax schemes. 3.4 Evaluate the implications of a failure to meet business taxation obligations.

Indicative content

Learning Outcome 1

Indirect and direct taxation: differentiation between indirect and direct taxation; examples of indirect and direct taxation.

Principles of taxation: function and purpose of the taxation system; progressive and regressive taxation models; systems of tax on income, purchases, businesses, capital items, inheritance; tax avoidance and tax evasion.

Implications for stakeholders: stakeholders (owners, employees, customers, suppliers, competitors, citizens, local, central government and local, national communities); implications of taxation for each group.

Learning Outcome 2

Requirements: liability for tax; tax rates and limits; requirement to pay tax; residency; exemptions and reliefs; deferred tax; National Insurance Contributions (NIC) in UK or equivalent in other countries; making payments; penalties and interest.

Personal tax liability: capital gains liability; inheritance tax, basis of tax; gifts; planning; rates; timing of payments; making payments; penalties.

Learning Outcome 3

UK Corporation Tax, or equivalent in other country: scope; profits for tax purposes; liability; rates for different sized organisations; exemptions and reliefs; accounting requirements; tax returns; reporting requirements; minimising liability; timing of payments; making payments; penalties.

UK Capital Gains Tax, or equivalent in other country: scope; chargeable gains and losses; disposal of movable and immovable property and shares and securities; liability; rates for different sized organisations; exemptions and reliefs; minimising liability; accounting requirements; tax returns; reporting requirements; timing of payments; making payments; penalties.

UK VAT scheme, or equivalent in other countries: flat rate; limited cost trader; annual accounting; retail and VAT margin schemes; cash accounting schemes; how schemes work; applicability; benefits and disadvantages of each.

- **Registration requirements:** limits for registration; determining requirement to register; registering for VAT; implications of VAT registration (administration, invoicing requirements, record keeping); VAT liability and exemptions; partial exemption.
- **Cash and accrual systems:** difference in accounting for cash and accruals bases; benefits and disadvantages of each.
- **Calculations:** basis of calculation; rates; zero and standard rated; partial exemption; calculating tax liability.
- **Returns:** timing of returns, completion of returns; online forms; correction of errors; timing of payments; making payments; penalties for late reporting and late payment.

Impact on specific business: identifying liability; timing of payments; eligibility for reliefs; planning to maximise reliefs and minimise tax; impact of penalties; risks related to tax avoidance.

Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Summary of quantity/quality
LO 1 - 3	All under LO 1-3	Coursework	4500

Indicative Reading list

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9th edition. Kogan Page: London

Howells, P. and Bain, K. (2007) *Financial Markets and Institutions*. 5th edition. Harlow: Pearson Education

PEOPLE MANAGEMENT

Unit Reference Number	D/617/3294
Unit Title	People Management
Unit Level	5
Number of Credits	20
Total Qualification Time	200
Mandatory / Optional	Mandatory
SSAs	15.1 Accounting and finance
Unit Grading Structure	Pass

Unit Aims

The aim of this unit is to develop learners' understanding of people management in organisations, from recruitment, through to HR processes, managing job performance, reward and recognition, and training and development.

Learning Outcomes and Assessment Criteria

Learning Outcomes- The learner will:	Assessment Criteria- The learner can:
1. Understand the processes of recruitment in organisations.	1.1 Evaluate the importance of recruiting and retaining a highly skilled work force. 1.2 Analyse recruitment processes in organisations.
2. Understand the principles and practice of people management.	2.1 Explain the role of people management in an organisation. 2.2 Describe the key roles and responsibilities of the human resource function in a business organisation. 2.3 Outline key pieces of legislation that affect people management in an organisation. 2.4 Review best practice in conducting staff appraisals. 2.5 Explain the importance of disciplinary and grievance procedures.
3. Understand the role of reward and recognition in organisations.	3.1 Analyse the relationship between motivation and reward. 3.2 Compare and contrast different types of financial and non-financial reward schemes. 3.3 Determine the characteristics of an effective performance management system. 3.4 Evaluate ways in which businesses can recognize performance.
4. Understand the principles of training and developing staff.	4.1 Evaluate methods for training and development. 4.2 Analyse the need for Continuous Professional Development (CPD). 4.3 Analyse the need for performance development planning (PDP) and reviewing.

Indicative content

Learning Outcome 1

Importance of recruitment: finding employees with right skills, to meet organisational needs, good fit to organisation; keeping staff turnover low; equality and diversity; recruitment strategy; retention; importance for continuance of organisation.

Recruitment processes: identifying requirements; writing job descriptions/people specifications; advertising (how, where, legal implications); managing applications; screening applications; interviews (face-to-face, phone, Skype etc.); purpose of interview; interview questions; assessment (testing, observing, tools and tests); selection of candidates; appointment of candidate; offers of employment; terms of employment; employment contracts; roles in recruitment and selection i.e. HR departments/functional managers.

Learning Outcome 2

Role of people management: performance management; motivation; retention of staff; training and development; achievement of organisational goals.

Human Resource (HR) function: personnel management and human resource management: development of personnel management; 'soft' and 'hard' human resource management, models of Guest and Storey; differences between HRM and IR approaches and personnel practices; strategic approaches to HRM; change in contexts leading to human resource management tasks (selection, recruitment, payroll administration, employee motivation, reward management, employment termination); training and development; performance management (planning, monitoring, recording) employee relations; working in partnership with functional areas; involvement of line managers.

Relevant legislation: Employment Rights Act 1996; Equality Act 2010; Rehabilitation of Offenders 1974; Safeguarding Vulnerable Groups Act 2006; Immigration, Asylum and Nationality Act 2006; The Flexible Working Regulations 2014; Employment Act 2002; Trade Union and Labour Relations (Consolidation) Act 1992; The Transfer of Undertakings (Protection of Employment) regulations 2006; The Collective Redundancies and the Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 1999; For each Act – key areas, application, impact.

Appraisals: purpose (feedback, improvement, assessment); methods (e.g. standards, discussions, observations, 360 degree feedback); best practice; effectiveness; ACAS guidance.

Disciplinary and grievance: purpose; use; procedures; best practice; legal issues.

Learning Outcome 3

Motivation and reward: motivation theories and different practical approaches to motivation; theories of motivation (e.g. F Taylor, E Mayo, A Maslow, F Herzberg, D McGregor, D McClelland, V Vroom); relationship between motivation theories and reward; employee involvement techniques; membership of work groups board, works councils, quality circles, intra-organisational groups.

Reward schemes: intrinsic and extrinsic rewards; job evaluation; factors determining pay; benefits; performance related pay; pension schemes; profit sharing; employee share options; cash bonuses; retention bonuses; training; employee recognition programmes; perks and prizes.

Performance management systems: incorporated into work activities; transparency to employees; clear objectives and responsibilities; clear standards; individual and team responsibilities connected to system; regular monitoring; regular feedback; recognise and develop potential; motivate individual development and career planning; identify and reward valued and improved performance; identify and deal with poor performance.

Evaluation of performance recognition: benefits and disadvantages of different means of remuneration (piecework, time-based wage, salary, commission, profit sharing, share ownership, fringe benefits).

Learning Outcome 4

Training and development methods: external/internal training programmes; on-the-job-training; technology-based training (web or PC based, interactive video, interactive multimedia); simulators where appropriate (airlines, driving etc.); simulation/role play; coaching; mentoring; discussions; management games; case studies; planned reading.

Continuous professional development (CPD): definition; purpose; importance; requirements of professional bodies; benefits.

Performance development planning (PDP): definition; purpose; contents of plan; benefits of plan; development of plans; importance of review; timeliness of reviews; purpose and outcome of reviews.

Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Summary of quantity/quality
LO 1 - 4	All under LO 1-4	Coursework	4000

Indicative Reading list

Bratton, J., Grint, K. and Nelson, D. L. (2005) *Organizational Leadership*. New York: Thomson South Western.

Brooks, I. (2009) *Organisational Behaviour: Individuals, Groups, and Organisations*. Harlow: FT Prentice Hall.

Gill, R. (2006) *Theory and Practice of Leadership*. London: Sage.

Gold, J., Thorpe, R. and Mumford, A. (2010) *Leadership and Management Development*. 5th Edition. CIPD

Mabey, C. and Finch-Lees, T. (2008) *Management and Leadership Development*. London: Sage.

Marchington, M. and Wilkinson, A. (2008) *People Management and Development: Human Resource Management at Work*. London: CIPD

Redman, T. and Wilkinson, A. (2009) *Contemporary Human Resource Management: Text and Cases*. 3rd Edition. Harlow: Pearson, Financial Times Press

Storey, J. (2004) *Leadership in Organisations; Current Issues and Key Trends*. London: Rutledge. Times/Prentice Hall.

BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

Unit Reference Number	Y/617/3293
Unit Title	Business Ethics and Corporate Social Responsibility
Unit Level	5
Number of Credits	20
Total Qualification Time	200
Mandatory / Optional	Mandatory
SSAs	15.1 Accounting and finance
Unit Grading Structure	Pass

Unit Aims

The aim of this unit is to introduce learners to the research process, the methods and types of research whilst they are conducting a small-scale study.

Learning Outcomes and Assessment Criteria

Learning Outcomes- The learner will:	Assessment Criteria- The learner can:
1. Understand how business ethics and Corporate Social Responsibility (CSR) relate to financial decision making.	1.1 Explain key principles of ethical behaviour and CSR. 1.2 Evaluate how business ethics and CSR link to financial decision making.
2. Understand the nature and importance of corporate governance and ethical behaviour.	2.1 Analyse the importance of corporate governance and ethical behaviour. 2.2 Evaluate ethical issues arising in relation to corporate activities. 2.3 Analyse strategies to address corporate governance and ethical issues.
3. Be able to analyse complex issues in CSR and corporate governance.	3.1. Review CSR and corporate governance issues in an organisational setting. 3.2. Recommend solutions to CSR and corporate governance issues in an organisational setting.

Indicative content

Learning Outcome 1

Key principles: moral and social responsibility; responsibility to stakeholders (anyone affected by an organisation's actions); different groups of stakeholders (employees, directors, government, debtors, creditors, financial institutions, shareholders).

Link to financial decision making: interests of different stakeholder groups; role of financial reporting in representing and protecting interests; financial statements prepared and purpose (Statement of Financial Position (Balance Sheet), Income Statement (Profit and Loss Account), Statement of cash flows, Statement of stock holders' equity, Notes to the financial statements).

Learning Outcome 2

Importance: corporate governance as the framework of rules and practices by which a board of directors ensures accountability, fairness and transparency; ethical behaviour as the act which is in line with what society and individuals think are good and acceptable values; agency theory i.e. that directors control the company whilst shareholders own the company.

Ethical issues: e.g. falsifying documents, illegally evading taxes, tax avoidance, and fraud.

Strategies: application of governance rules and principles to overcome issues that arise from unethical behaviour; regulation and enforcement of corporate social responsibilities; voluntary codes versus legislation.

Learning Outcome 3

CSR and corporate governance issues: corporate social responsibility as the responsibility for a company's effect on environmental and social wellbeing; reports (Cadbury report 1992, Greenbury report 1995, Hampel report 1998, Turnbull report 1999); application to organisational setting.

Solutions: identify solutions; recommend solutions in an organisation.

Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Summary of quantity/quality
LO 1 - 3	All under LOs 1 - 3	Coursework / report	4000 words

Indicative Reading list

Caroll, A. (2009) *Business Ethics*. New York: Routledge

Crane, A. (2015) *Managing Corporate Citizenship and Sustainability in the Age of Globalization*. 4th Edition. Oxford: Oxford University Press.

Griseri, P. and Seppala, N. (2010) *Business Ethics and Corporate Social Responsibility*. Hampshire, United Kingdom: CENGAGE Learning Business Press.

McDonald, G. (2014) *Business Ethics: A Contemporary Approach*. Melbourne: Cambridge University Press

Tricker, B. and Tri Griseri, P. and Seppala, N. (2010) *Business Ethics and Corporate Social Responsibility*. CENGAGE Learning Business Press.

Tricker, B. (2013) *Business Ethics: Stakeholder, Governance and Risk approach*. Oxon: Routledge

IMPORTANT NOTE

Whilst we make every effort to keep the information contained in programme specification up to date, some changes to procedures, regulations, fees matter, timetables, etc may occur during the course of your studies. You should, therefore, recognise that this document serves only as a useful guide to your learning experience. For updated information please visit our website www.othm.org.uk.

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