



BUSINESS AND ITS EXTERNAL ENVIRONMENT

INSTITUTE FOR PROFESSIONAL AND EXECUTIVE DEVELOPMENT

United Kingdom

UNIT SPECIFICATION

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Unit Title

Business and its External Environment

Credit value

The credit value for this unit is 30

30 credits equivalent to 300 hours of teaching and learning
(10 hours is equivalent to 1 credit)

Guided learning hours (GLH) = 50 hours

GLH includes lectures, tutorials and supervised study. This may vary to suit the needs and requirements of the learner and/or the approved centre of study.

Directed learning = 50 hours: This includes advance reading and preparation, group study, and undertaking research tasks.

Self-managed learning = 200 hours: This includes completing assignments and working through the core and additional reading texts. It also includes personal research reading via other physical and/or electronic resources.

Learning outcome Learner will:	Assessment criteria Learner can:
1.0 Understand the nature of business activity	1.1 Explain what is meant by a business 1.2 Examine how businesses are classified according to sector, level of activity and legal structure 1.2.1 Explore the advantages and disadvantages of sole trader, partnership, private limited company and public limited company
2.0 Understand the relationship between business and the economic structure	2.1 Analyse the relationship between a business and its stakeholders (such as consumers, government, employees, investors etc.) 2.2 Differentiate between planned economy, free market economy and mixed economy 2.3 Give an account on the internal economies that may arise as a business grows (e.g. technical economies, financial economies, managerial economies, marketing economies, risk bearing economies, economies of scale)
3.0 Understand the factors that influence the location of an industry	3.1 Examine the key factors that influence the location of businesses 3.2 Examine the regional policies affecting the location of industry (such as enterprise zones, assisted areas, urban aid, office development permits, free ports)
4.0 Understand the nature of the financial environment in which businesses exist	4.1 Discuss the role of financial markets in an economy 4.2 Differentiate between money markets and capital markets 4.3 Distinguish between primary markets and secondary markets 4.4 Discuss the roles played by the stock exchange in the economic

	<p>life of a country</p> <p>4.5 Identify and describe some of the world's major stock exchanges</p> <p>4.6 Describe how a new issue of shares may be placed before the public</p> <p>4.7 Describe the characteristics of ordinary shares, preference shares and debentures</p> <p>4.8 Examine the importance of financial intermediaries</p> <p>4.8.1 Describe the characteristics of the various financial intermediaries such as banks, financial brokers, insurance companies, pension funds, mutual investment funds etc.</p>
<p>5.0 Understand how the external environment of a business influences its operations</p>	<p>5.1 Give an account on PESTLE (Political, Economic, Social, Technological, Legal, Environmental) analysis</p> <p>5.2 Give an account on SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis</p> <p>5.3 Evaluate the importance of PESTLE and SWOT analysis to an organization</p>
<p>6.0 Understand how micro environmental forces engage with the management of an organization</p>	<p>6.1 Explain what is meant by micro environment of a business</p> <p>6.2 Examine the constituents of an organization's micro environment</p> <p>6.3 Analyse how the constituents of an organization's micro environment influence the execution of its projects</p> <p>6.4 Analyse the stakeholder role of the local community</p> <p>6.5 Give an account on the key relationships that exist between suppliers and their customers with respect to reliability of delivery, pricing, product development and marketing support</p>

<p>7.0 Understand the implications of business or economic cycles on the management of an organization</p>	<p>7.1 Give an account on the following economic events; recovery, boom, steady growth, recession, stagnation and depression. 7.1.1 Analyse the implications of each of the economic cycles on the management of an organization</p>
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Recommended learning resources

Indicative reading	<p>Thompson et al 2005. Strategic Management; Awareness and Change 5th Edition: Thompson Learning, London ISBN 978-1-844480-083-4</p> <p>Robert Appleby 1994. Modern Business Administration 6th Edition: Pitman Publishing London ISBN 0-273-60282-9</p> <p><u>Further reading</u> David Baron 2008. Business and its environment: Pearson Education ISBN: 978-0138005061</p>
Learning Aid	<ul style="list-style-type: none">• A comprehensive IPED study material is available to aid in learning and research of this unit.• We supply IPED course materials free of charge. Our study materials, which offer quick learning start, are comprehensive, use simple English, and are easy to read and understand. The contents are so sufficient and self-explanatory; that in majority of cases readers do not require further support; although support is always available when you need it.