

# Next Generation Higher National Unit Specification

## Business Performance and Managing Risk (SCQF level 8)

**Unit code:** J7EH 48  
**SCQF level:** 8 (24 SCQF credit points)  
**Valid from:** session 2024–25

### **Prototype unit specification for use in pilot delivery only (version 2.0) September 2024**

This unit specification provides detailed information about the unit to ensure consistent and transparent assessment year on year.

This unit specification is for teachers and lecturers and contains all the mandatory information required to deliver and assess the unit.

The information in this unit specification may be reproduced in support of SQA qualifications only on a non-commercial basis. If it is reproduced, SQA must be clearly acknowledged as the source. If it is to be reproduced for any other purpose, written permission must be obtained from [permissions@sqa.org.uk](mailto:permissions@sqa.org.uk).

This edition: September 2024 (version 2.0)

© Scottish Qualifications Authority 2023, 2024

## **Unit purpose**

This unit helps learners evaluate business performance and manage risk in a business environment, and to understand the importance of management information systems (MIS) in supporting small and medium-sized businesses (SMEs).

This unit is suitable for those involved in managing a SME, including self-employment, or with an interest in doing so. Learners normally study the unit as part of Higher National Diploma (HND) Accounting. They can also study it on a stand-alone basis.

Entry to the unit is at your centre's discretion. Before they start the unit, learners should be able to analyse data, and have good communication skills. They could demonstrate this by completing a suitable unit at SCQF level 7.

## Unit outcomes

Learners who complete this unit can:

- 1 develop their meta-skills in a vocational or academic context
- 2 describe and evaluate statistical techniques for data collection
- 3 analyse the performance of a business using a variety of techniques
- 4 identify and analyse risk and uncertainty in decision-making, and identify ways of mitigating against risk
- 5 identify and evaluate the concepts behind big data, and demonstrate how big data can be used to improve the business performance of SMEs
- 6 evaluate MIS within SMEs

## Evidence requirements

You should assess this unit using a project task. Learners should produce evidence equivalent to 3,600 to 4,200 words (+/- 10%).

### Outcome 1

Learners develop meta-skills in the course of doing all the units as part of this HND. In this unit, you also assess their meta-skills development as an outcome, following the evidence requirements set out below.

### Evidence

Learners must gather evidence that shows they have:

- ◆ self-assessed their meta-skills baseline
- ◆ created a plan for their own meta-skills development
- ◆ carried out activities to develop and demonstrate their meta-skills
- ◆ used reflective practice to monitor and assess the meta-skills they have improved and developed

[Skills 4.0, a skills model to drive Scotland's future](#), outlines three categories of meta-skills:

- ◆ self-management
- ◆ social intelligence
- ◆ innovation

Each of these comprises four meta-skills and a number of sub-skills.

NextGen: HN published prototype unit specification for use in pilot delivery only (version 2.0)  
September 2024

There are many interrelationships and dependencies between these skills and, at SCQF level 7 and 8, learners should focus on holistic development relevant to their vocational or academic context.

Learners are not assessed on their 'competence' in any one meta-skill. There are no SCQF-levelled competence descriptions that learners must achieve for individual meta-skills.

Instead, learners are assessed on evidence to show that they have developed their meta-skills. This process includes self-assessment, goal and action planning, implementing planned strategies and activities and reflective practice.

They should generate this evidence naturally as part of the development process, as they progress through the unit. Meta-skills development is unique to each learner and contextualised within the vocational or academic area, and this is reflected in the assessment evidence.

Evidence can take any appropriate form and you should work with the needs of your learners to ensure that there are no unnecessary barriers to learning or assessment.

See the Educator Guide for more information.

## **Outcomes 2 to 6**

You should assess these remaining outcomes using an individual or group project where learners provide advice to clients using real-life examples. You can assess by outcome, or combine the assessments for some or all of the remaining outcomes as appropriate.

Learners must evidence their knowledge of sustainability throughout the unit by considering the sustainability issues a business faces and how these could be addressed. Learners must refer to the relevant UN Sustainable Development Goals (SDGs) in their responses.

Learners should provide in-text citations and a list of references in a suitable academic style. Referencing should account for 10% of the overall available marks.

## **Outcome 2**

Learners must advise a client utilising relevant calculations from raw data (which they have been given or collected). They can complete the calculations manually or by using specialist software. Whichever method they choose, learners must include evidence to show they can:

- ◆ calculate the mean, mode and median for ungrouped data, and the mean for grouped data
- ◆ calculate the measures of dispersion, including the variance, standard deviation, and coefficient of variation for grouped data
- ◆ report to the client, and this should include:
  - the different statistical techniques available for data collection
  - identifying and analysing different types of data, including categorical (nominal and ordinal) and numerical (continuous and discrete)
  - comparing the difference between descriptive and inferential analysis

To achieve this outcome, learners need a minimum mark of 70%.

### **Outcome 3**

Learners must advise a client on how a business is performing using a range of analysis techniques. Learners must show they can:

- ◆ analyse the financial statements of a limited company
- ◆ analyse non-financial performance indicators
- ◆ produce a balanced scorecard and identify a minimum of two objectives for each of the four strategies (financial, customer, learning and growth, and business processes)

To achieve this outcome, learners need a minimum mark of 70%.

### **Outcome 4**

Learners must provide advice to a client (either written or verbally) on the risk and uncertainty a business can face, and how to mitigate these risks, taking sustainability into account. Learners must:

- ◆ explain and evaluate a minimum of one research technique to reduce uncertainty
- ◆ apply maximax, maximin, and minimax regret analyses to decision-making problems
- ◆ produce a decision tree with one root node, a minimum of six decision nodes, and two leaf nodes
- ◆ identify and evaluate the value of perfect and imperfect information and evaluate their differences

To achieve this outcome, learners need a minimum mark of 70%.

### **Outcome 5**

Learners must advise a client on the concepts behind big data. They must include a definition of big data, including an explanation of the following key areas:

- ◆ characteristics of big data
- ◆ historical development of big data including at least two of the following:
  - technologies and techniques
  - measures of data (nominal, ordinal, interval and ratio)
  - a minimum of two reasons for the growth of data
  - limitations of traditional data analysis methods
  - characteristics of big data analysis (including visualisations)

Learners must also explain the benefits of utilising big data to the client, including:

- ◆ visualising data analysis

To achieve this outcome, learners need a minimum mark of 70%.

### **Outcome 6**

Learners must advise a client on the advantages and disadvantages of using MIS in SMEs. In this, they must explain:

- ◆ how MIS supports the management function
- ◆ the importance of making decisions based on reliable information
- ◆ the differences between internal and external sources of information
- ◆ how they would undertake a cost benefit analysis, including competitive advantages of MIS
- ◆ the contribution of MIS to management and decision-making within a SME

To achieve this outcome, learners need a minimum mark of 70%.

## Knowledge and skills

The following table shows the knowledge and skills covered by the unit outcomes:

Knowledge	Skills
<p><b>Outcome 1</b> Learners should understand:</p> <ul style="list-style-type: none"> <li>◆ meta-skills, specifically               <ul style="list-style-type: none"> <li>— the categories of self-management, social intelligence and innovation, and associated meta-skills, as described in <a href="#">Skills 4.0</a></li> <li>— the importance of developing meta-skills, including employability, adaptability, and effectiveness</li> <li>— what meta-skills are most relevant to the learner’s vocational context</li> </ul> </li> <li>◆ approaches to developing meta-skills; in particular               <ul style="list-style-type: none"> <li>— self-awareness: analysing preferences, strengths and weaknesses; meta-skills self-assessment</li> <li>— goal setting and action planning</li> <li>— reflective practice: principles of reflective practice; tools and approaches for effective reflective practice</li> </ul> </li> </ul>	<p><b>Outcome 1</b> Learners can:</p> <ul style="list-style-type: none"> <li>◆ plan a strategy for meta-skills development</li> <li>◆ implement and review plans for their meta-skills development</li> <li>◆ assess their meta-skills development</li> </ul>
<p><b>Outcome 2</b> Learners should understand how to:</p> <ul style="list-style-type: none"> <li>◆ identify and calculate different types of data</li> <li>◆ identify the difference between descriptive and inferential analysis</li> <li>◆ calculate the mean, mode and median for ungrouped data</li> <li>◆ calculate the mean for grouped data</li> <li>◆ calculate the different measures of dispersion</li> </ul>	<p><b>Outcome 2</b> Learners can:</p> <ul style="list-style-type: none"> <li>◆ identify and analyse different types of data (categorical and numerical)</li> <li>◆ calculate the mean, mode and median</li> <li>◆ calculate variance, standard deviation and coefficient of variations, either manually or by using specialist software</li> <li>◆ report to the client about data collection, data analysis, and descriptive and inferential analysis</li> </ul>

Knowledge	Skills
<p><b>Outcome 3</b> Learners should understand:</p> <ul style="list-style-type: none"> <li>◆ how to analyse business performance using a variety of techniques, including financial statements and balanced scorecards</li> </ul>	<p><b>Outcome 3</b> Learners can:</p> <ul style="list-style-type: none"> <li>◆ analyse a set of financial statements</li> <li>◆ evaluate non-financial performance indicators</li> <li>◆ produce a balanced scorecard</li> </ul>
<p><b>Outcome 4</b> Learners should understand how to:</p> <ul style="list-style-type: none"> <li>◆ identify risk and uncertainty in business</li> <li>◆ mitigate against risks and uncertainty</li> <li>◆ produce a decision tree</li> <li>◆ identify and evaluate the importance of perfect versus imperfect information</li> </ul>	<p><b>Outcome 4</b> Learners can:</p> <ul style="list-style-type: none"> <li>◆ explain and evaluate a minimum of one research technique (for example, focus groups, market research, surveys, interviews)</li> <li>◆ apply maximax, maximin and minimax regret analyses in the decision-making process</li> <li>◆ produce a decision tree with one root node, a minimum of six decision nodes, and two leaf nodes</li> <li>◆ identify and evaluate the value of perfect and imperfect information</li> </ul>
<p><b>Outcome 5</b> Learners should understand:</p> <ul style="list-style-type: none"> <li>◆ the definition of big data</li> <li>◆ the historical development of big data</li> <li>◆ the growth of data and the reasons behind it</li> <li>◆ the value of data in business</li> <li>◆ how to analyse traditional statistics (descriptive and inferential)</li> <li>◆ how to explain the limitations of traditional data analysis</li> <li>◆ how to explain the characteristics of big data analysis</li> </ul>	<p><b>Outcome 5</b> Learners can:</p> <ul style="list-style-type: none"> <li>◆ define big data</li> <li>◆ evaluate the growth and historical development of big data</li> <li>◆ evaluate the value of big data in business and how to use it to improve business performance</li> <li>◆ analyse the advantages and disadvantages of traditional data</li> <li>◆ describe and evaluate the characteristics of big data analysis</li> </ul>



<b>Knowledge</b>	<b>Skills</b>
<p><b>Outcome 6</b> Learners should understand:</p> <ul style="list-style-type: none"><li>◆ the importance of MIS in supporting the management function</li><li>◆ the importance of making decisions based on reliable information</li><li>◆ how to differentiate between internal and external sources of information</li><li>◆ the costs and benefits, including competitive advantage, of MIS</li></ul>	<p><b>Outcome 6</b> Learners can:</p> <ul style="list-style-type: none"><li>◆ explain how MIS supports the management function</li><li>◆ explain and appraise the costs and benefits of MIS</li><li>◆ explain the differences between internal and external sources of information</li></ul>

## Meta-skills

Throughout the unit, learners develop meta-skills to enhance their employability in the accounting sector.

### Self-management

This meta-skill includes:

- ◆ focusing: filtering provided information to identify the essential elements
- ◆ adapting: nurturing skills in resilience and dealing with unfamiliar situations; building an overall understanding of how management accounting works
- ◆ initiative: building self-belief as they learn to apply new knowledge; making decisions

### Social intelligence

This meta-skill includes:

- ◆ communicating: receiving and conveying information; writing reports suitable for their intended audience

### Innovation

This meta-skill includes:

- ◆ curiosity: identifying significant elements of the task they are working on; asking questions to identify the most relevant information to the task
- ◆ creativity: exploring ideas and coming up with solutions
- ◆ critical thinking: analysing and evaluating information to solve complex problems

## **Literacies**

Learners develop core skills in the following literacies.

### **Numeracy**

Throughout all six outcomes of the unit, learners interpret and analyse extensive and varied numerical data, and apply a wide range of numerical skills to solve practical problems in a business context.

### **Communication**

Learners develop communication skills by receiving and conveying information, and refine these skills as they learn to write reports suitable for their intended audience.

### **Digital**

Learners develop digital skills and computer literacy by using spreadsheet software and word-processing software in their coursework and to complete their project tasks.

## **Delivery of unit**

This unit is a mandatory unit in HND Accounting. You can deliver it as a stand-alone unit, or partially integrate it with elements of the Performance Management unit.

While the exact time allocated to the unit is at your centre's discretion, the notional time for delivery and assessment is 120 hours. The amount of time you allocate to each outcome is at your centre's discretion.

## **Additional guidance**

The guidance in this section is not mandatory.

### **Approaches to delivery**

You can deliver this unit by outcome, but you do not need to do so in numerical order.

### **Approaches to assessment**

You can assess the outcomes separately using a single case study for each, and giving learners information at the point of assessment; or, you can assess some or all of the outcomes together.

You can assess all the outcomes separately, or combine outcomes 2 to 6 together.

You can assess this unit using a range of sources, such as case study scenarios or individual tasks, asking learners to produce business reports, presentations, or digital account records where practical.

## **Equality and inclusion**

This unit is designed to be as fair and as accessible as possible with no unnecessary barriers to learning or assessment.

You should take into account the needs of individual learners when planning learning experiences, selecting assessment methods or considering alternative evidence.

Guidance on assessment arrangements for disabled learners and/or those with additional support needs is available on the assessment arrangements web page:

[www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements).

## Information for learners

### Business Performance and Managing Risk (SCQF level 8)

This information explains:

- ◆ what the unit is about
- ◆ what you should know or be able to do before you start
- ◆ what you need to do during the unit
- ◆ opportunities for further learning and employment

### Unit information

This unit develops your knowledge and skills in evaluating business performance and dealing with risk and uncertainty in a business environment. It also introduces you to the principles and practice of big data. You focus on applications and implications of big data, rather than the technological aspects of this subject, although you do look at technological considerations.

You do not need any prior knowledge before studying this unit, but you should be able to analyse data and have good communication skills. You should be willing to explore the unfamiliar and consider the wider consequences of decisions and actions in the business world.

When you complete this unit progression to further study or employment in this area may be possible.

You develop your own meta-skills throughout the unit as you complete a project task exploring business performance, managing risk and dealing with big data.

You study a range of statistical techniques used for data collection, either manually or by using specialist software.

You study the risks and uncertainties that businesses face, and how you can overcome these through different research techniques and decision-making tools, while considering the value of perfect and imperfect information.

You learn about the principles and practice of big data. You explore how to explain what big data is and describe the reasons for data growth, while comparing this to more traditional approaches to data analysis.

You study the importance of management information systems (MIS) in supporting the management function in small and medium-sized businesses (SMEs).

NextGen: HN published prototype unit specification for use in pilot delivery only (version 2.0)  
September 2024

Potential discussion topics around MIS include:

- ◆ legislation
- ◆ premises
- ◆ manufacture
- ◆ distribution of products and provision of services
- ◆ protecting the public
- ◆ employees
- ◆ collection and payment of taxes
- ◆ external conditions
- ◆ current environmental issues and the best methods of monitoring them
- ◆ government statistics
- ◆ market research reports
- ◆ economic data

You could analyse these using internal and external analysis tools, including:

- ◆ SWOT
- ◆ Porter's Five Forces
- ◆ PESTEL

You learn to mine various sources of information, including:

- ◆ internal and external reports
- ◆ sales figures
- ◆ HR data
- ◆ payroll reports

You focus on the strengths and weaknesses in the information available, and the advantages and limitations of MIS.



# Administrative information

---

**Published:** September 2024 (version 2.0)

**Superclass:** AG

---

## History of changes

Version	Description of change	Date
2.0	<ul style="list-style-type: none"><li>◆ Outcome 2, 4, 5, and 6: Evidence requirements updated to clarify wording.</li><li>◆ Outcome 3: removal of ratios and their analysis.</li></ul>	September 2024

Note: please check [SQA's website](#) to ensure you are using the most up-to-date version of this document.

© Scottish Qualifications Authority 2023, 2024