



IAB Level 2 Certificate in Business Enterprise (QCF)
(Accreditation number 500/1779/2)

Qualification Specification

INTRODUCTION

The overall aim of the qualification is to accredit the knowledge and skills of candidates relevant to the fundamentals of business enterprise.

Within the qualification, candidates have the opportunity to develop their knowledge and skills associated with starting a business and to look at the key aspects which need to be developed for the potential business to be successful. Specifically, they should be able to perform tasks relating to developing a business idea, building business relationships, estimating financial needs, selling the product or service and preparing a business plan. They will also be able to choose option modules which examine such requirements as Health and Safety, legal, choosing business premises and assessing the candidates own ability to run the business.

To be awarded each unit of the qualification, candidates are required to successfully demonstrate their competence in the satisfactory completion of an externally set and internally assessed assignment. For the full qualification candidates will be required to complete at least ten Unit Assessments and to collect 13 credit points at level 2. This can be achieved by completing the 9 core module units along with 1 or 2 (dependant on the credit rating of the modules) of the option units to give a further 2 credit points at level 2. (See structure of the qualification - section 7). As this qualification is part of the Qualifications and Credit Framework (QCF), candidates will be able to transfer their achievements within each unit towards other qualifications. At least two of the core modules and one of the option modules will be externally moderated by the IAB.

Being unitised, candidates may decide that they wish to complete and achieve a pass in some but not all of the units. Upon payment of the relevant published fee, such candidates may apply for a Certificate of Achievement for those Units that they have achieved (passed).

AIMS

In summary, the qualification aims to enable candidates to:

1. Develop a business idea and create a vision for a business.
2. Understand how to build business relationships and how to sell the chosen product or service.
3. Investigate legal and health and safety requirements and choice of business premises
4. Estimate financial needs for a business and produce a cash flow forecast
5. Prepare and produce a business plan.

TARGET GROUP

The IAB Level 2 Certificate in Business Enterprise is specifically designed to appeal to those who are considering starting up in business. It is thought the qualification may appeal to both young people who may in the future be interested in business enterprise or mature candidates who have a business idea and wish to investigate the basics of starting a business.

ENTRY REQUIREMENTS

There are no formal entry requirements for Level 2 Certificate in Business Enterprise. However it is recommended that prospective candidates will already have basic skills in both numeracy and literacy prior to embarking on a course of study for this qualification.

THE STRUCTURE OF THE QUALIFICATION

The qualification is divided into thirteen units each with identified Learning Topics. To gain the full award, candidates are required to successfully demonstrate their competence in the satisfactory completion of at least ten externally set and internally assessed assignments. Each assignment is linked to one of the thirteen Units. For those candidates who wish to be awarded the full qualification, they must achieve passes in Units 1 – 9, along with 1 or 2 (dependant on the credit rating of the modules) of the option units.

ASSESSMENT AND GRADING

All thirteen units will have an associated practical assignment set externally by the IAB which will be marked internally by the centre in accordance with the published IAB guidelines. An independent assessor, who will have been nominated by the centre and approved by the IAB, will mark one of the core module assignments. This independent assessor will not teach on the course, but will be suitably qualified and experienced. On completion of the marking a sample of the assignments (designated by the IAB) are to be submitted to the awarding body for moderation to ensure that national standards are being applied. At least two of the core modules and one of the option modules will be externally moderated by the IAB. The IAB will provide Centres with the assignment briefs upon registration of candidates.

Upon payment of the relevant published fee, those candidates whose assignments are assessed and moderated as below the standard required for a pass to be awarded, are able to re-attempt the assignments and be re-assessed by the Centre and moderated by the IAB.

CERTIFICATION

Candidates who achieve a Pass grade in each of the Assignments of the nine mandatory Units together with one or two of the option units (to give a total of 13 credit points) will be awarded the IAB Level 2 Certificate in Business Enterprise. Certificates of Achievement will be awarded upon request and payment of the appropriate fee, to those candidates who do not achieve pass grades in the required number of assignments. Candidate registration lasts for up to three years.

Unit 1: Build Business Relationships

Level:	Two
Credit value:	One
Learning outcomes <i>The learner will:</i>	Assessment criteria <i>The learner can:</i>
1. Understand how to establish potential business contacts	1.1 Identify opportunities to build business relationships 1.2 Identify potential business contacts 1.3 Demonstrate ways of creating good impressions and build rapport when meeting business contacts
2. Understand how to build relationships with your customers	2.1 Identify the most valuable potential customer groups for your business 2.2 Identify ways to make sure potential customers get a good service from individuals in your business 2.3 Identify ways of getting customer feedback in the future to improve the service and encourage customer loyalty
3. Understand the importance of building trust in customer and business relationships	3.1 Identify ways to keep in regular contact with your potential customers and business contacts 3.2 Give reasons why it is important to keep commitments and act honestly in your business and customer relationships 3.3 Identify ways in which differences between people from various cultures or backgrounds can affect your business dealings
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to establishing and building relationships with potential contacts and customers when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	EE2 Win and keep customers EE5 Build relationships to build the business
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 2: Create a Vision for your Business

Level:	Two
Credit value:	One
Learning outcomes <i>The learner will:</i>	Assessment criteria <i>The learner can:</i>
1 Understand the vision and values of your business	1.1 Describe what success for your business would look like 1.2 Identify what you value personally in your business 1.3 Describe how to communicate your vision to those who will be important to the business
2 Understand how to make the most of a business opportunity	2.1 Identify what to look for and how to recognise a business opportunity 2.2 Plan how to take advantage when a business opportunity presents itself
3 Understand how to minimise potential risks in business opportunities	3.1 Identify potential risks within a business opportunity 3.2 Consider if the risk to your business of an opportunity is worth taking 3.3 Decide whether or not to take the opportunity, taking into account the risks involved
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to identify and communicate a business vision and make the most of a business opportunity
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	EE1 Achieve your goals for the business EE4 Find innovative ways to improve your business No business started yet
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 3: Negotiate for Your Business

Level:	Two
Credit value:	One
Learning outcomes <i>The learner will:</i>	Assessment criteria <i>The learner can:</i>
1 Understand how negotiating a deal can benefit your business	1.1 Identify what can be achieved by negotiating effectively with suppliers, customers or others 1.2 Describe what benefit this might have for the future of the business and for the other parties involved
2 Understand how a potential deal can affect your business	2.1 Identify potential risks involved in negotiating a deal and what could be done to minimise them 2.2 Calculate the potential impact of a deal on your business, for example, if it is likely to be a loss leader or money spinner 2.3 Decide if there is anything else that could be negotiated other than price
3 Understand how to negotiate a good deal for your business	3.1 Identify techniques which might be used to negotiate a deal for your business 3.2 Demonstrate how to sign off a potential deal in ways that would be clear to all parties involved
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to understand how a good business deal can be negotiated and bring benefits when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	EE3 Make deals to take your business forward
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 4: Develop your Business Idea

Level:	Two
Credit Value:	One
Learning outcomes	Assessment Criteria
<i>The learner will:</i>	<i>The learner can:</i>
1. Understand how to develop your business idea	1.1 Identify and compare potential business ideas 1.2 Identify a business idea that is worth developing and describe why it is likely to be successful and financially viable
2. Understand the market for Your business idea	2.1 Describe the market for your business idea 1.2 Identify any potential competitors and check if there is a gap in the market 1.3 Identify market and business trends that are likely to affect your business idea
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to check the viability of a business idea when starting a business
Unit expiry date	
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	BD1 Check the likely success of a business idea
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 5: Estimate Financial Needs for Your Business

Level:	Two
Credit Value:	Two
Learning outcomes	Assessment Criteria
<i>The learner will:</i>	<i>The learner can:</i>
1. Understand how to estimate the finances needed to fund your business	1.3 Identify the main items of expenditure for your business, such as drawings, own wage, premises, equipment, supplies and, staff 1.4 Estimate the costs of these items to your business 1.5 Identify different ways of financing your business
2. Understand how to estimate income and expenditure for your business	2.1 Estimate how much money your business will need to make over a six month period, as a minimum, taking into account own living expenses 2.2 Work out a realistic selling price for the product or service so that the finances of your business break even Decide whether additional funding will be needed to cover all the costs of your business
3. Understand how to estimate profit and loss for your business	3.1 Use income and expenditure to calculate projected gross and net profit for a minimum six month trading period 3.2 Set realistic financial targets for your business

Additional information about the unit	
Unit aim(s)	To support the development of skills needed to estimate income and expenditure and profit and loss when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	MN1 Decide on your financial needs
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 6: Make a Cash Flow Forecast

Title:	Make a Cash Flow Forecast
Level:	Two
Credit value:	Two
Learning outcomes <i>The learner will:</i>	Assessment criteria <i>The learner can:</i>
1 Understand how to set up cash flow forecasts for a business	1.1 Describe how to prepare and make use of basic cash flow statements 1.2 Identify different methods of monitoring cash flow and what financial information may be needed to undertake the monitoring
2 Understand how to work out cash flow targets for your business	2.1 Identify what income and spending will be needed for your business in at least a twelve month period 2.2 Identify when cash should flow into and out of your business during a twelve month period 2.3 Estimate what money should be available at different times in the twelve month period
3. Understand how to identify income and expenditure shortfalls for your business	3.1 Identify different ways of getting and using cash to control income and expenditure shortfall 3.2 Describe how the timing of cash receipts and spending affects cash flow 3.3 Identify potential cash shortfalls and the kind of steps that can be taken to address them

Additional information about the unit	
Unit aim(s)	To support the development of skills needed to make cash flow forecasts and identify financial shortfalls when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	MN4 Manage cash flow in your business
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment based on naturally occurring evidence or within a realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 7: Sell Your Product or Service

Level:	Two
Credit value:	One
Learning outcomes <i>The learner will:</i>	Assessment criteria <i>The learner can:</i>
1 Understand the buying needs and interests of your customers	1.1 Identify your customers' requirements, needs and interests 1.2 Identify which aspects of your products or services can match customers' identified needs
2 Understand how to promote the features and benefits of your products or services to customers	2.1 Present the features and benefits of your products or services to show how they can meet customers' requirements 2.2 Identify any possible queries or objections that a customer might have 2.3 Identify ways of helping customers overcome their queries and objections 2.4 Identify terms of sale that might meet both the requirements of your customers and business
Additional information about the unit	
Unit aim(s)	To support the development of skills customer requirements and promote the benefits of products or services when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	WB5 Sell your products or services
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 8: Prepare a Plan for Your Business

Level:	Two
Credit Value:	One
Learning outcomes <i>The learner will:</i>	Assessment Criteria <i>The learner can:</i>
1. Understand how to start planning for your business	1.1 Describe the potential market position and image of your business 1.2 Identify potential short and medium term goals for your business 1.3 Describe how you intend your business to operate on a continuing basis
2. Know what elements to consider when planning for your business	2.1 Describe how the business goals might be met for different parts of your business 2.2 Identify potential costs and likely profit forecasts for your business 2.3 Identify how you intend to fund your business 2.4 Identify relevant laws and regulations which will apply to your business
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to know what to consider when making a plan to start a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	BD3 Plan where your business is going
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 9: Produce a Plan for Your Business

Level:	Two
Credit Value:	One
Learning outcomes	Assessment Criteria
<i>The learner will:</i>	<i>The learner can:</i>
1 Understand how to construct a plan for your business	1.1 Identify a suitable format and order of contents for presenting your business plan 1.2 Produce a plan which shows how the different parts of your business will work and how targets might be met
2 Understand how to implement your business plan	2.1 Describe how to put your business plan into action 2.2 Describe how to communicate your plan to relevant people connected with the business who need to know about it 2.3 Identify how and when to monitor the progress of your business plan
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to construct and implement a plan when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	BD3 Plan where your business is going
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI

Unit 10: Assess Health and Safety Risks in Your Business

Level:	Two
Credit value:	Two
Learning outcomes <i>The learner will:</i>	Assessment criteria <i>The learner can:</i>
1 Understand what is needed to undertake health and safety risk assessments in your business	1.1 Describe the purpose of carrying out a risk assessment 1.2 Describe different methods of identifying hazards in a particular workplace 1.3 Identify potential work areas, people and work activities that might require a risk assessment 1.4 Identify sources of information, advice and guidance relating to health and safety risk assessments 1.5 Name the key Acts and Regulations relevant to workplace health and safety risk assessments and outline legal responsibilities and duties
2 Understand how to carry out and communicate health and safety risk assessments in your business	2.1 Identify the activities involved in carrying out a risk assessment 2.2 Identify which hazards are most likely to cause harm to health and safety in a particular workplace and the precautions that must be taken 2.3 Describe how to make sure that all those likely to be at risk are made aware of their individual responsibilities for health and safety
3 Understand when to review health and safety risk assessments in your business	3.1 Identify how often the risk assessment should be reviewed to ensure that health and safety risks are being controlled effectively

Additional information about the unit	
Unit aim(s)	To support the development of skills needed to carry out health and safety risk assessment when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	LG4 Conduct an assessment of risks in the workplace
Details of the relationship between the unit and other standards or curricula (if appropriate)	Health and Safety Executive (HSE)
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 11: Assess Your Ability to run a Business

Level:	Two
Credit value:	One
Learning outcomes	Assessment criteria
<i>The learner will:</i>	<i>The learner can:</i>
1 Know about the skills needed for running your business	1.1 Identify the range of skills that might be needed to run all aspects of your business 1.2 Match your skills with these and identify gaps that will need to be filled
2 Understand how to judge your ability to deal with potential changes to your business	2.1 Identify potential future developments for your business that might affect the skills required to run it 2.2 Identify whether these potential changes can be supported by your skills or those of other people and organisations
3 Understand how to obtain and use information about your own performance in your business	3.1 Identify business colleagues, professionals and organisations that could give feedback about your own performance 3.2 Identify what should to be done to improve your own performance
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to assess and get feedback on own ability and performance when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	YS2 Check your ability to run your business
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 12: Choose Premises for Your Business

Level:	Two
Credit value:	One
Learning outcomes	Assessment criteria
<i>The learner will:</i>	<i>The learner can:</i>
1 Understand why premises are important to your business	1.1 Identify the uses and features (such as size, access and facilities) required of business premises to meet your potential business needs 1.2 Consider the ways in which the choice of business premises might affect the running of your business
2 Understand how to choose suitable premises for meeting your business needs	2.1 Identify up-to-date and reliable sources of information and advice on your potential business premises 2.2 Identify several potential business premises and describe the likely costs, terms, conditions and legal requirements for each 2.3 Choose suitable premises to meet your potential business needs
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to choose suitable premises when starting a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	BL 2 Choose a business premises
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment to be based on naturally occurring evidence or realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

Unit 13: Comply with Business Legal Relationships

Level:	Two
Credit value:	One
Learning outcomes	Assessment criteria
<i>The learner will:</i>	<i>The learner can:</i>
1 Understand how to select a suitable legal status for your business	1.1 Identify different types of legal status for a potential business, using reliable sources of advice, guidance and information 1.2 Describe how these could affect your business in terms of its costs, customers and suppliers, taxation and insurance 1.3 Select an appropriate legal status for your business
2 Understand the legal requirements of setting up your business	2.1 Identify any potential legal requirements and liabilities that might affect your business, such as taxation and insurance 2.2 Describe ways in which these liabilities might impact on your business 2.3 Identify what help is available when complying with legal requirements
Additional information about the unit	
Unit aim(s)	To support the development of skills needed to select a suitable status and understand legal requirements when setting up a business
Unit expiry date	2008
Details of the relationship between the unit and relevant national occupational standards (if appropriate)	LG1 Choose a format that suits your business
Details of the relationship between the unit and other standards or curricula (if appropriate)	Not applicable
Assessment requirements specified by a sector or regulatory body (if appropriate)	Assessment based on naturally occurring evidence or within a realistic work environment
Endorsement of the unit by a sector or other appropriate body (if required)	Supported by SFEDI
Location of the unit within the subject/sector classification system	

