### A1: Recruitment of staff

**Workforce planning in large organisations (250+ staff e.g. retail). Reasons to recruit including:**
- Growth of the business: locally, nationally, globally
- Changing job roles
- Systems change
- Filling new vacancies created by more space or product development
- Vacancies caused by leavers/turnover of staff
- Internal promotions
- New office or branch and need for additional staff
- Seasonal fluctuations leading to the requirement of temporary staff

Explain use of job centres and agencies, internal adverts v external adverts, online recruitment, traditional methods.

Explain how the recruitment process links to business success.

Explain how a professional recruitment process leads to efficient staff integration.

### A2: Recruitment and selection process

**Recruitment process - the purpose of the documents for internal and external recruitment:**
- Job advertisement - placing the ad, internal/external, journal/website
- Job analysis
- Job description - the content of the tasks and responsibilities of the job
- Person specification and skills the person requires - are the essential or desirable?
- CV versus application forms
- Letter of application
- Online recruitment and how the application process can be more cost effective with technology

**Selection, including assessment centres and psychometric testing, group/team activity interviews (by telephone, face to face, group and panel), presentations in interviews, short tests at interviews:**
- Initial selection process with telephone screening interviews or short, online tests
- Use of technology in the process, online applications, uploaded CVs or use of post
- Communication with prospective employees: are the channels easy to access, easy to monitor?
- Quality of the process and documents
- Linking the process to efficiency and business success

### A3: Ethical and legal considerations in the recruitment process

Why recruitment process have to be legal and adhere to equal opportunity legislation.

What the ethical responsibilities and the current legislation relating to equal opportunities are.

**Ethical considerations including:**
- Being honest in an advertisement
- The maintenance of confidentiality
- Ensuring the same questions are asked to all candidates interviewed
- Same criteria used for all applicants
- Disclosure if family of friends work for the same business
- Current equal opportunity legislation
- Current right to work legislation

### Learning Aim B: Undertake a recruitment activity to demonstrate the processes leading to a successful job offer

**B1: Features of financial institutes**
### Types of organisation and their advantages and disadvantages:
- Bank of England
- Banks
- Building societies
- Credit unions
- National savings and investments
- Insurance companies
- Pension companies
- Pawnbrokers
- Payday loans

### B2: Communicating with customers
**Describe methods of interacting with customers, advantages and disadvantages:**
- Branch
- Online banking
- Telephone banking
- Mobile banking
- Postal banking

### B3: Consumer protection in relation to personal finance
**Explain the function, role and responsibility of:**
- Financial Conduct Authority (FCA)
- Financial Ombudsmen (FOS)
- Financial Services Compensation Scheme (FSCS)
- Office of Fair Trading (OFT)
- Legislation - consumer credit

### B4: Information guidance and advice
**Explain the function, role and responsibilities and advantages and disadvantages of:**
- Citizens advice
- Independent financial advisor (IFA)
- Price comparison websites
- Money advice services
- Debt counsellors
- Individual Voluntary Arrangements (IVAs)
- Bankruptcy

### Learning Aim C: Understand the purpose of accounting
#### C1: Purpose of accounting
**Explain the reason businesses use accounting including:**
- Recording transactions
- Management of business (planning, monitoring and controlling)
- Compliance (preventing fraud, compliance with law and regulations)
- Measuring performance
- Control - assisting with the prevention of fraud, trade receivables and trade payables

#### C2: Types of income
**Explain the different types of capital income:**
- Loan
- Mortagages
- Shares
- Owner's capital
- Debentures
### Explain the different types of revenue income:
- Cash sales
- Credit sales
- Rent received
- Commission received
- Interest received
- Discount received

### C3: Types of expenditure

#### Explain the different types of capital expenditure:
- Non current assets - tangible including:
  - Land
  - Buildings and premises
  - Machinery and equipment
  - Vehicles
  - Fixtures and fittings
- Non current assets - intangibles including:
  - Goodwill
  - Patents
  - Trademarks
  - Brand names

#### Explain the different types of revenue expenditure:
- Inventory
- Rent
- Rates
- Heating and lighting
- Water
- Insurance
- Administration
- Telephone
- Postage
- Stationery
- Salaries
- Wages
- Marketing
- Bank charges
- Interest paid
- Straight line depreciation
- Reducing balance depreciation
- Discount allowed

### Learning Aim D: Select and evaluate different sources of business finance

#### D1: Sources of finance

#### Explain the advantages, disadvantages and short term and long term use of:
- Retained profit (internal)
- Net current assets (internal)
- Sale of assets (internal)
- Owner's capital (external)
- Loans (external)
- Crowd funding (external)
<table>
<thead>
<tr>
<th>Mortgages (external)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venture capital (external)</td>
</tr>
<tr>
<td>Debt factoring (external)</td>
</tr>
<tr>
<td>Hire purchase (external)</td>
</tr>
<tr>
<td>Leasing (external)</td>
</tr>
<tr>
<td>Trade credit (external)</td>
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<tr>
<td>Grants (external)</td>
</tr>
<tr>
<td>Donations (external)</td>
</tr>
<tr>
<td>Peer to peer lending (external)</td>
</tr>
<tr>
<td>Invoice discounting (external)</td>
</tr>
</tbody>
</table>

**Learning Aim E: Break-even and cash flow forecasts**

**E1: Cash flow forecasts**

**Explain the different types of inflows/receipts including:**
- Cash sales
- Credit sales
- Loans
- Capital introduced
- Sales of assets
- Bank interest received

**Explain the different types of outflows/payments including:**
- Cash purchases
- Credit purchases
- Rent
- Rates
- Salaries
- Wages
- Utilities
- Purchase of assets
- Value Added Tax (VAT)
- Bank interest paid

Prepare and complete a cashflow forecast based on set information

Analyse a completed cash flow forecast

Revise and evaluate a completed cash flow forecast

Explain how cash flow forecasts can be used for planning, monitoring, control and target setting

Explain the benefits of using a cash flow forecast

Explain the limitations of using a cash flow forecast

**E2: Break-even analysis**

**Explain the different types of costs and their calculation including:**
- Variable
- Semi variable
- Fixed
- Total

**Explain the different types of sales and their calculation including:**
- Total revenue
- Total sales
- Selling price per unit
- Sales in value and/or units

Calculate break even using a formula
<table>
<thead>
<tr>
<th>Learning Aim F: Complete statements of income and financial position and evaluate a business's performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1: Statement of comprehensive income</td>
</tr>
<tr>
<td>Calculate total contribution</td>
</tr>
<tr>
<td>Explain the benefits and limitations of calculating contribution per unit</td>
</tr>
<tr>
<td>Complete a break even chart</td>
</tr>
<tr>
<td>Identify the break even point</td>
</tr>
<tr>
<td>Identify areas of profit and loss</td>
</tr>
<tr>
<td>Identify and calculate margin of safety (units and value)</td>
</tr>
<tr>
<td>Explain how break-even can be used for planning, monitoring, control and target setting</td>
</tr>
<tr>
<td>Analyse a completed break-even analysis</td>
</tr>
<tr>
<td>Revise and evaluate a completed break-even analysis</td>
</tr>
<tr>
<td>Explain the purpose and use of a statement of comprehensive income</td>
</tr>
<tr>
<td><strong>Complete, calculate and amend statement of comprehensive income including:</strong></td>
</tr>
<tr>
<td>Gross profit</td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Opening inventories</td>
</tr>
<tr>
<td>Purchases</td>
</tr>
<tr>
<td>Closing inventories</td>
</tr>
<tr>
<td>Costs of goods sold</td>
</tr>
<tr>
<td>Calculation of profit/loss for the year</td>
</tr>
<tr>
<td>Expenses</td>
</tr>
<tr>
<td>Other income</td>
</tr>
<tr>
<td>Adjustments for depreciation</td>
</tr>
<tr>
<td>Straight line depreciation</td>
</tr>
<tr>
<td>Reducing balance depreciation</td>
</tr>
<tr>
<td>Adjustments for prepayments and accruals</td>
</tr>
<tr>
<td>Interpret a statement of comprehensive income</td>
</tr>
<tr>
<td>Analyse a statement of comprehensive income</td>
</tr>
<tr>
<td>Evaluate a statement of comprehensive income</td>
</tr>
<tr>
<td>F2: Statement of financial position</td>
</tr>
<tr>
<td>Explain the purpose and use of a statement of financial position</td>
</tr>
<tr>
<td><strong>Complete, calculate and amend statement using vertical presentation to include:</strong></td>
</tr>
<tr>
<td>Non current assets</td>
</tr>
<tr>
<td>Tangible and intangible</td>
</tr>
<tr>
<td>Cost</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
</tr>
<tr>
<td>Net book value</td>
</tr>
<tr>
<td>Current assets</td>
</tr>
<tr>
<td>Inventories</td>
</tr>
<tr>
<td>Trade receivables</td>
</tr>
<tr>
<td>Prepayments</td>
</tr>
<tr>
<td>Bank</td>
</tr>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Current liabilities</td>
</tr>
<tr>
<td>Bank overdraft</td>
</tr>
<tr>
<td>Accruals</td>
</tr>
<tr>
<td>Trade payables</td>
</tr>
<tr>
<td>Net current assets/liabilities</td>
</tr>
</tbody>
</table>
Non current liabilities
   Bank loan
   Mortgage
   Net assets
Capital
   Opening capital
   Transfer of profit or loss
   Drawings
   Closing capital
Demonstrate adjustments for straight line depreciation (cost x%)
Demonstrate adjustments for reducing balance depreciation (cost - depreciation to date x%)
Demonstrate adjustments for prepayments and accruals
Interpret a statement of financial position
Analyse a statement of financial position
Evaluate a statement of financial position

F3: Measuring profitability
Can calculate, interpret, analyse and evaluate:
   Gross profit margin (gross profit/revenue) x 100
   Mark up (gross profit/cost of sales) x 100
   Profit margin (profit/revenue) x 100
   Return on Capital Employed (ROCE) (profit/capital employed) x 100

F4: Measuring liquidity
Can calculate, interpret, analyse and evaluate:
   Current ratio: current assets/current liabilities
   Liquid capital ratio (current assets - inventory)/current liabilities

F5: Measuring efficiency
Can calculate, interpret, analyse and evaluate:
   Trade receivable days (trade receivable/credit sales) x 365
   Trade payable days (trade payables/credit purchases) x 365
   Inventory turnover (average inventory/cost of sales) x 365

F6: Limitations of ratios
Explain the limitations of ratios when assessing business performance