

Level 1/2 Technical Certificate in Finance

Unit 2 Finance in Business



Sample Assessment Material

Overview of Unit 2 Assessment

Unit 2 is named 'Finance in Business' and covers the understanding of how a business operates. The financial services sector is made up of many companies that all face the same challenges as other businesses. This unit is assessed in exactly the same method as unit 1.

Unit 2 is assessed by Non-Examination Assessment, where learners complete an assessment within a specified window. This is a formal assessment that you will be marked and graded on. You will be presented with a detailed real-life business scenario. Using your knowledge and understanding gained from the learning content in Unit 2, you will have to produce a detailed report to complete this assessment.

Learners will have access to the scenario 8 weeks before the date of submission. From this information learners will be asked to produce a report and to explain and detail their understanding through a response to three set tasks. Learners are allowed 10 hours to complete the final report and it is worth 25% of the available marks for this qualification.

There is further guidance for learners throughout this document including a detailed marking scheme, guidance on submitting the final report and how research can be used and acknowledged to support the final submission. The assessment is designed to assess how unit 2 knowledge can be applied to the practical situations shown in the assessment material.

This assessment is externally marked by LIBF and learners will have to submit their assessment by a published date using the MyLIBF portal. Details on how to do this will be published alongside the release of the scenario each academic year.

Further detailed guidance for teachers and learners is included in these specimen assessment materials. In addition, after each submission window there will be a Chief Examiner's report in line with other LIBF qualifications. Further support and training for teachers will be provided during the academic year, prior to assessment windows, and dates will be communicated to centres and available on our website.

The Learning Objectives that are covered in this unit are shown below

- Compare the different types of business model.
- Explain the benefits and drawbacks of being a sustainable business and an ethical business.
- Explain the impact of external factors and changes on businesses.
- Understand how a business attracts and retains customers.
- Investigate how businesses deal with foreign exchange when importing and exporting.
- Explain how a business manages its finances.
- Explain how a business contributes to the economy.
- Appraise how good/poor individual financial choices affects spending, businesses and the economy.
- Understand business taxation.

Unit 2 – Finance in Business

Sample Assessment Material

(This material is available 8 weeks before the date of submission.)

Instructions to learners:

- This material has been designed to provide background information / research material for this Non-Examination Assessment.
- It is intended to help learners familiarise themselves with the enclosed material prior to the Non-Examination Assessment.

Instructions to learners when you first view these materials:

- You may annotate this assessment material.
- You are encouraged to fully familiarise yourself with all the language used in this assessment material.
- Your teacher can help you with understanding of any language you are unsure of.
- The figures and products featured in the assessment material was correct at the time of writing. You are not expected to know about detailed knowledge of changes to products and services used in this assessment material.
- Your examination will test how you apply your Unit 2 knowledge to the practical situations shown in this assessment material.

Non-Examination Assessment Material

Daniel's carpentry business

Daniel always loved carpentry. When he was made redundant ten years ago, he decided to start a career in carpentry. Daniel gained appropriate qualifications and built a wooden office in his back garden.

Daniel started The Wooden Lodge Company nine years ago, based in the southwest of England. He employs five local people: a builder, an electrician, a plumber and two other carpenters.

Daniel imports his wood and stone from Germany. The company guarantees that its wood is timber and meets standards set by the Forest Stewardship Council. This means the wood comes from responsible suppliers.

Daniel has not tried to become too big too quickly. He earns a good income for himself and his family.

His business has steadily grown through customer recommendations and his website. Daniel has never needed to market the business. His vision is to produce buildings using timber and stone, with a commitment to the natural world. Daniel's website states:

"I believe we should be living more simply. My stone and timber buildings, or lodges, apply that belief in the construction methods, the materials used and their impact on the world. The aim is to create a tranquil space that sits lightly on the earth and adds to the environment."

Daniel's business has grown further as more people now work from home. His clients have more disposable income as they are not spending as much on travel. Daniel has a two-month waiting list and is happy.

He is also considering business expansion. His bank agreed a £200,000 loan in principle. Daniel wants to apply to restore historical buildings. He accepts that this is a risk and is thinking about implications. He would need more building and support staff, a larger office to store more materials, and a full-time person to manage his finances. He knows the expansion may affect his work/life balance and time with his family. He also knows there are areas to consider outside of his control.

Daniel was told about a local castle in need of restoration. He won the contract to restore it.

Daniel has provided a full overview of his business and potential for expansion. He wants to consider the expansion decision.

Unit 2 – Finance in Business

Specimen paper A

Examination Date: Sample assessment task

Session Code:

Length of Non-exam Assessment: 10 hours

This assessment material will be released eight weeks before the submission deadline.

Instructions for learners

- This is a formal assessment that will be graded.
- You have been presented with a detailed real-life financial scenario.
- Using your knowledge and understanding gained from the learning content in Unit 1, you are required to produce a detailed report to complete this assessment.
- You will be marked on the quality and accuracy of your report and any research that you produce to support your final report.
- You should demonstrate how well you know and understand the subject and how you are able to use your knowledge and skills together to complete the tasks.

Key Information

- This assessment component has a 25% contribution to your final mark.
- Please refer to the Grade Descriptors within the Technical Certificate specification for grading at Level 1 and Level 2.
- **Deadline:** You must submit your non-exam assessment on or before Midday on the submission date. Late submissions will not be marked. Any submissions before the required date will not be marked until after that date regardless of when they are received. It is the responsibility of the centre to make sure that your non-exam assessment has been submitted successfully.
- **Submission:** Centres must submit all assessments via the LIBF secure VLE.
- **Format:** Your submission should be in Microsoft Word format and the Word file must be labelled as your LIBF number in the header of the document, e.g. A12345.

Required:

Produce one report that contains the three sections below. Points to consider have been provided as a guide; please note, other relevant points can be included as part of your report.

Structure	Marks
<p>Section 1: Explain the advantages and disadvantages of Daniel's current business situation. Points to consider (although this is not an exhaustive list):</p> <ul style="list-style-type: none"> • Daniel's current business costs. • Whether Daniels' current business is in a good financial position. 	14
<p>Section 2: Describe the advantages and disadvantages of Daniel's possible business expansion. Points to consider (although this is not an exhaustive list):</p> <ul style="list-style-type: none"> • How Daniel's business costs might increase if he expanded as planned. • Whether Daniel is ready to expand his business. • Reasons why Daniel might not yet be fully committed to expanding his business. 	14
<p>Section 3: Explain the factors that may affect the financial sustainability of Daniel's business in the future. Points to consider (although this is not an exhaustive list):</p> <ul style="list-style-type: none"> • The internal factors that may affect Daniel's business. • The economic external factors that may affect Daniel's business. 	14
Specific marks awarded for:	
Providing relevant research and evidence to support your findings.	5
Accuracy of Spelling, Punctuation and Grammar.	3

Note: Please note, you are not expected to take on the role of a qualified business adviser.

Maximum words = Only up to the first 2,000 words will be assessed.

You need to include:

- One report that combines all the tasks set.
- Research evidence to support the findings in your report. The sources you have used should be stated at the end of your report and provide enough information to enable the examiner to review your evidence (for example, Source: www.bbc.co.uk).

You must include a summary log of activity to show how you have used the maximum 10 hours allocated for this report.

Command word definitions

Explain

Explain a topic by giving a detailed account. Justify with relevant evidence. Provide a summary of your findings

Describe

Provide a detailed explanation of the main features of your findings. Describe how and why something happens or could happen. Provide a conclusion of your findings.

Teacher support materials – Materials provided to teachers separately include:

Learner section

- General guidance
- Plagiarism
- Timing and planning
- Presentation of work

Teacher section

- Time
- Conduct of assessment
- Resources
- Preparation
- Mark scheme word definitions
- Guidance on marking
- Key points to consider on marking
- Assessment criteria mapping
- Guidance on assessment conditions
- Authentication of learners' work
- Accessibility and fairness
- Guidance on teacher assistance of a learner during the task
- Centre submission

Learner section

General guidance

This is a formal assessment that you will be marked and graded on. You will be presented with a detailed real-life business scenario. Using your knowledge and understanding gained from the learning content in Unit 2, you will have to produce a detailed report to complete this assessment. You will be marked on the quality and accuracy of your report and any research that you produce to support your final submission. It is therefore important that you carry your work out to the highest standard you can. You should demonstrate how well you know and understand the subject and how you are able to use your knowledge and skills together to complete the tasks. You should write your report in full sentence to address the requirements of each section.

Plagiarism

Plagiarism is the failure to acknowledge sources properly and/or the submission of another person's work as if it were the learner's own. Plagiarism is not allowed in this assessment.

This is an assessment of your abilities, so the work must be all your own work and carried out under the conditions stated. You will be asked to sign a declaration that you have not had any outside help with the assessment.

Your teacher can give you some help understanding the assessment instructions, if necessary, but they will record any other guidance you need and notify LIBF, where this will be taken into account during marking.

Where research is allowed, your teacher must be able to identify which work you have done yourself, and what you have found from other sources. It is therefore important to make sure you acknowledge all sources and clearly reference any information taken from them. You may use the internet to support your research, however you must clearly acknowledge where the information came from and list this in the reference section at the end of your report. Similarly, you may use articles from newspapers or books in your research but if you use any of this information you should include information about this in the reference section. Any internet research that is used and / or referred to in the final submission must be carried out during supervised time (i.e. 10 hours of completion time for task) and must be referred

Timings and planning

You should take care when planning to make sure you have divided the time available between tasks appropriately (See Appendix A).

Presentation of work

Presentation of work must be word processed, well-structured and appropriate to the task. You should make sure that each piece of work is clearly labelled with your LIBF number and the assessment reference. You will be assessed for Spelling, Punctuation and Grammar so accuracy is also important.

Teacher guidance

Time

The maximum time allocated for the completion of the tasks and production of evidence for this assessment is 10 hours. Learners should ensure they provide a summary log of activity completed towards their final report. This should include date, time spent, and a brief detail of tasks completed. Research time does not need to be logged. Please ensure learners are aware of the need to log any research and / or research materials included **within the report** within the reference section.

Conduct of assessment

Any internet research that is used and / or referred to in the final submission must be carried out during supervised time (i.e 10 hours of completion time for task) and must be referred to in the reference section. An example of this would be researching different types of financial product and then referring to this in the final assessment.

Resources

Learners must have access to a suitable range of resources to carry out the task and to have the opportunity to choose the appropriate software to complete tasks. Learners should have access to the following:

- Internet (although newspapers, journals or other sources from a school or public library can also be used)
- Word-processing software
- Spreadsheet software (this is optional if the learner requires this)

Preparation

Learners should refer to the Guidance on Marking section on the next page and be aware of how to achieve the highest marks in the task.

Learners are encouraged to familiarise themselves with the assessment material.

Teachers should ensure that learners understand any technical or specialised language used in the assessment material.

Mark scheme word definitions

Basic: at a low level or a starting point only. A basic level answer may show knowledge of a question but will not continue to show application or explanation.

Limited: at a low level, with restricted and narrow explanation of knowledge. There may be some application or explanation but not enough to demonstrate a good understanding.

Good: a good response shows knowledge and application. There will be an ability to comprehend the points being made.

Detailed: a detailed response shows knowledge, application and clarification of relevant points, allowing the reader to gain a full understanding of the points being made.

Guidance on marking

Section	Level 1	Level 2	Level 3
Specific questions			
Explain the advantages and disadvantages of Daniel's current business situation.	<p>1–6 marks A limited attempt to explain Daniel's current business situation, using only the information provided.</p> <p>The support points are covered, but in a limited way.</p> <p>Lower marks, in this range, are awarded for just basic answers to the support questions and there no justified summary is made.</p>	<p>7–10 marks A good attempt to explain Daniel's current business situation, with a good explanation of the advantages and disadvantages of the business as it is currently.</p> <p>The support points are covered well and are incorporated as part of the overall explanation.</p> <p>There may be a summary of their findings, but this may not be well supported.</p>	<p>11–14 marks A detailed attempt to explain Daniel's current situation, including how Daniel could improve his current business situation, with evidence to back up learner's answers.</p> <p>The support points are incorporated well within the explanation and answers are expanded to a detailed level.</p> <p>A realistic and well supported summary is needed for this mark band There will be an appreciation of the factors raised</p>
Describe the advantages and disadvantages of Daniel's possible business expansion.	<p>1–6 marks A limited attempt to describe, but these suggestions may be without suitable evidence or appropriate calculations.</p>	<p>7–10 marks A good attempt to describe, with realistic suggestions and correct calculations of what could happen if he should move forward with his goal, which also include how his current business may be affected.</p>	<p>11–14 marks A detailed attempt to describe if he should move forward with his goal, with realistic suggestions, precise calculations and appropriate supporting evidence. The description <u>will be balanced</u> and provide clear solutions, with an appreciation of significance and the limitations.</p>

	<p>The support points are covered, but in a limited way.</p> <p>Lower marks, are awarded for just basic answers to the support questions.</p>	<p>The support points are incorporated well and are used as part of the overall description.</p> <p>There may be a conclusion, or conclusions, but these have narrow justifications.</p>	<p>The support points are incorporated well within the description and answers are expanded to a detailed level.</p> <p>One or more conclusions are seen and are justified with relevant evidence.</p>
<p>Explain the factors that may affect the financial sustainability of Daniel's business in the future.</p>	<p>1–6 marks A limited attempt to explain, and answers may be without evidence or calculations. The explanation will only show limited ways in which the financial sustainability of Danie's business could be affected'</p> <p>The support points are covered in a limited way.</p> <p>Lower marks, in this range, are awarded for just basic answers to the support questions.</p> <p>Calculations will be at a limited level and may not be incorporated into the explanation overall.</p>	<p>7–10 marks A good attempt to explain, with realistic suggestions and correct calculations of how Daniel can achieve financial sustainability. This should include the influence of internal and external factors.</p> <p>The support points are covered well and are answered to a good level.</p> <p>There may be a summary of their findings, but this may not be well supported.</p> <p>Calculations at a good level may include calculation of business taxation, cost increases, profit calculations and turnover, in its current position. Calculations will support the explanation of the question.</p>	<p>11--14 marks A detailed attempt to explain, with realistic suggestions, precise calculations and justified evidence. The explanation <u>will be balanced</u>, with an appreciation of significance, and with a comprehensive understanding of other internal and external factors which may affect Daniel's financial sustainability.</p> <p>The support questions are incorporated well and are used as part of the overall explanation.</p> <p>A realistic and well supported summary is needed for this mark band There will be an appreciation of how Daniel's business may be affected.</p> <p>Calculations at a detailed level may include calculation of business taxation, cost increases, profit calculations and turnover, as the business may change in the future. Calculations will be used to explain why certain future scenarios are more favourable than others for Daniel's future business.</p>
<p>Provide relevant research/evidence</p>	<p>1 mark A limited attempt to demonstrate the research that has been completed.</p>	<p>2–3 marks A good attempt to show the research that has been completed, providing evidence that backs up the learner's explanation.</p>	<p>4–5 marks A detailed attempt to demonstrate how the research has influenced the learner's answer, including an appreciation of significance.</p>
<p>Accuracy of Spelling, Punctuation and Grammar</p>	<p>1 mark Learners spell, punctuate and use the rules of grammar with reasonable accuracy.</p>	<p>2 marks Learners spell, punctuate and use the rules of grammar with considerable accuracy.</p>	<p>3 marks Learners spell, punctuate and use the rules of grammar with consistent accuracy.</p>

Key points to consider for marking

Section	Key Points (The below points are not exhaustive, other relevant points will receive marks which will be agreed between all markers to ensure a consistent approach in marking)
<p>Explain the advantages and disadvantages of Daniel's current business situation.</p>	<p>Advantages</p> <ul style="list-style-type: none"> • Daniel manages an established business, is a qualified carpenter and employs five people. • He has a two-month waiting list and is very happy with his current situation. • Daniel believes in what he is doing, in acting in an environmental and ethical way. • Daniel is attracting new customers through his website and local connections. He has a new market of people working from home. <p>Disadvantages</p> <ul style="list-style-type: none"> • If Daniel has a two-month waiting list, he may start to lose customers who are not willing to wait. • Daniel's business (and therefore Daniel) could be earning more money if his business model expanded. • Daniel believes in being ethical, which may be his selling point, but also incurs extra costs and complications of importing wood from Germany, including foreign exchange and an uncertain future.
<p>Describe the advantages and disadvantages of Daniel's possible business expansion.</p>	<p>Advantages</p> <ul style="list-style-type: none"> • An expansion of his business could lead to longer term increases in profit, and therefore an increase in income for Daniel. • Daniel has been awarded his first contract on a castle; this could open new possibilities. • Daniel will need to employ more people and so would contribute to improving the local economy. • Daniel has the financial backing as he has already been approved for a loan. <p>Disadvantages</p>

	<ul style="list-style-type: none"> • Daniel is happy with his current situation and the extra business may affect this. • Business expansion could reduce the time Daniel spends with his family. • Daniel will have increased costs (loan, staff, supplies) which increases the risk to his business if the business income reduces. • Daniel may need to consider increased marketing and other sources of revenue, ensuring consistent demand for his business.
<p>Explain the factors that may affect the financial sustainability of Daniel's business in the future.</p>	<ul style="list-style-type: none"> • Daniel is in a good place now and his business looks financially sustainable without expansion. • Expansion brings risk and possible rewards, but his business model would change and there are internal and external factors that may influence the future. • Internal factors would include how Daniel wants to run the business: As the business is small, he can have a more personal approach. Daniel's circumstances may also change, affecting how the business runs. • External factors include changes to business taxation, government support for business, foreign exchange, the impact of the global economy and the demand for wood and stone.

Assessment Criteria Mapping

Areas of focus			
Specific to this task	Topic	Number reference in the Scheme of Work	Assessment criteria
Explain the advantages and disadvantages of Daniel's current business situation.	1	1.1	Describe the different business models and the differences between them.
		1.2	Describe the key stakeholders in business.
	2	2.1	Explain the advantages and disadvantages to acting in an ethical way.
		4	4.1
	4.3		Describe why it is important for a business to retain its current customers and how this is done.
	6	6.1	Explain how a business manages its money in the short, medium and long term.
		7	7.1
	9		9.1
		Unit 1 Topic 8	(8.1)

<p>Describe the advantages and disadvantages of Daniel's possible business expansion.</p>	2	2.2	<p>Explain the benefits and drawbacks to a business implementing sustainable practices.</p>
	4	4.2	<p>Investigate how a business attracts its new customers and why this is important.</p>
	7	7.2	<p>Discuss the impact that businesses have on the economic cycle.</p>
	8	8.1	<p>Discuss how an individual's spending decisions impact business and the economic cycle that results.</p>
<p>Explain the factors that may affect the financial sustainability of Daniel's business in the future.</p>	3	3.1	<p>Explain the influences of external factors on a business.</p>
		3.2	<p>Describe the impact that external financial factors and demographics have on businesses.</p>
	5	5.1	<p>Understand the basic principles of imports and exports.</p>
		5.2	<p>Explain how a business that trades internationally is affected by a change of exchange rate.</p>
	9	9.1	<p>Understand why and how businesses can be taxed.</p>
<p>Provide relevant research/evidence</p>			
<p>Accuracy of Spelling, Punctuation and Grammar</p>			

Guidance on assessment conditions

The assessment conditions that are in place for this task are to:

- ensure the rigour of the assessment process
- provide fairness for learners
- give confidence in the outcome.

Learners can rework any evidence that has been produced for this report during the time allowed. However, this must be as a result of their own review and identification of weaknesses and not as a result of teacher feedback. Once the evidence has been submitted for assessment, no further amendments to the evidence can be made.

Authentication of learners' work

Learners are required to sign declarations of authenticity, as is the teacher. The relevant form is included in this assessment pack.

Learner evidence must be kept secure to prevent unsupervised access by the learner or others. Where evidence is produced over several sessions, the teacher must ensure learners and others cannot access the evidence without supervision. This might include storing written work or artefacts in locked cupboards and collecting memory sticks of evidence produced electronically at the end of each session.

Completion of each Non-Exam Assessment (NEA) unit is required to be carried out by learners under the supervision of the teacher in the classroom environment. The learner should complete their work independently. Through supervision in the classroom, the teacher must be able to authenticate the work and acknowledge this on the Centre Submission form provided in the Sample Assessment Materials (SAMs).

Teachers must make sure that learners understand the implications of plagiarism, and what this is considered as; plagiarised work must not be submitted. Further details on plagiarism can be found on the JCQ website [here](#).

Throughout the completion of each NEA, the teacher should include regular questioning and conversations with the learners. This will provide an insight into the understanding of the work the learner is completing. Questioning can be used to support the process of authentication and highlight how well the learner knows their work and confirm to the teacher that the learner's work is their own.

Accessibility and fairness

Where the learner has special requirements, teachers should refer to the separate guidance document, accessed through www.libf.ac.uk/about-us/policies-regulations-and-code-of-practice.

Guidance on teacher assistance of a learner during the task

- Teachers can provide clarification to any learner on the requirements of any aspect of this assessment.
- Teachers should not provide more guidance than the learner needs as this may impact on the learner's grade.
- Guidance must only support access to the task and must not provide feedback for improvement.
- Teachers must not provide feedback on the quality of the tasks or how the quality of evidence can be improved. This would be classed as malpractice.
- Teachers should, however, provide general reminders to learners throughout the assessment period that they must check their work thoroughly before submitting it to be sure that they are happy with their final evidence, as it may not be worked on further after submission.
- In other words, only the minimum support the learner needs should be given.
- A teacher may not provide guidance that the learner's work is not at the required standard or how to improve their work. In this way, learners are given the chance to identify and correct any errors on their own.
- All learners must be provided with an environment and resources that allows them access to the full range of marks available.

Centre submission – learner and teacher declaration

Learner name	Learner LIBF number
Teacher name	Centre number
Centre name	
Unit submitted, please tick	
Unit 1 Finance for the individual	
Unit 2 Finance in Business	
For each assessment please provide copies of: Complete report, any research evidence, and any other supporting evidence. Please include LIBF number and centre number as a footer, also include page number.	

To be completed by the Teacher

<i>I can confirm that (please tick box then sign below)</i>			
<input type="checkbox"/>	<i>I have read the section marked as "Guidance on teacher assistance of a learner during the task" and have adhered to the rules as stated.</i>		
<input type="checkbox"/>	<i>I can confirm that I have read the section marked as "Guidance on assessment conditions" and have adhered to the rules as stated.</i>		
<input type="checkbox"/>	<i>I can confirm that I have read the section marked as "Guidance on tasks" and have adhered to the rules as stated.</i>		
Teacher signature		Date	
Print name			
Teacher email contact			

To be completed by the learner

<i>I can confirm that (please tick box then sign below)</i>			
<input type="checkbox"/>	<i>This submitted report is all my own work.</i>		
<input type="checkbox"/>	<i>I have completed the assessment with supervision from my teacher and have only received feedback in line with the qualification guidelines.</i>		
Learner signature		Date	
Print name			

Appendix A

Example of completion

Date	Time spent	Activity	Next steps
11/01	2 hours	Assessing their current situation; what could they do better; what are they doing well; I tried doing this.....but it would not work because.....	When can they get their goal?
14/01	3 hours	Can they get to their goal; what did my research show; what ideas I ruled out; what ideas are good ideas	Is this sustainable?
18/01	2 hours	Research into why it would not be sustainable or why it would. What good ideas did I have; what ideas won't work	Write it all up
20/01	3 hours	Writing up the report and making decisions on what to recommend and when	

To be completed

Date	Time spent	Activity	Next steps