South and City College Birmingham

HNC Business (Edexcel Level 4 Diploma)

UNIT 1 – Business Environment Assignment

HNC Business

Assignment 1:

Task 1 Background: LO1 Understand the organisational purposes of businesses

Public sector business organisations are under increasing pressure to perform better and give ‘value’ to the taxpayer. It could be argued that public sector organisations are under increasing pressure to behave like private sector organisations. Recent privatisation such as the Post Office, and potential future privatisations such as the NHS are clear signs that these organisations are being exposed to ‘market forces’.

The purpose of task 1 is to consider the objectives of business organisations in the public and private sector and to consider the importance of stakeholders and Corporate Social Responsibility in the strategic direction of an organisation.

1. From the following: Sole trader, Limited liability company (LTD), Partnerships, , Public limited company (PLC), Charity and not-for-profit organisations, Co-operatives

a. Choose a public sector and a private sector business organisation from those listed above, identify their purpose: Mission, Values, Vision, Objectives and Goals and demonstrate the differences and similarities in these business organisations. (1.1)

b. Describe the stakeholder theory and give your own interpretation/overview Using appropriate stakeholder analysis to include power interest map for the two businesses chosen, describe the importance of various stakeholder groups, and the extent to which one of the business organisations you have selected in part (a), how does the organisation meet these stakeholder objectives (1.2)

c. What does Corporate Social Responsibility? Explain the wider ‘social responsibility’ that your chosen business organisation has. Describe and
analyse strategies used by the business organisation that are designed to meet these: Key business responsibilities, Legal responsibilities, Social and ethical responsibilities, Professional responsibilities, Voluntary controls (including the Banking Code) (1.3)

**Task 2 Background:** LO2 Understand the nature of the national environment in which businesses operate

The UK economy is a dynamic environment for businesses to operate within. Failure to consider the changes in the economic environment can lead to disastrous consequences. Recently UK businesses have had to ‘weather the storm’ of a financial crisis, recession, the Eurozone crisis and increased competition from emerging economies such as the BRIC’s.

The focus of this task is to demonstrate an understanding of how a change in the economic environment has had an impact on UK businesses.

**Scenario**
You have a keen interest in economics and the current changes that have taken place in the UK economy. You have decided to contribute an article to an online magazine (for example tutor2u). The article will need to address the recent changes and consider the impact on UK businesses.

**Task**
You need to find at least two definitions of the economic system and give your own interpretation (2.1)

Explain the different economic systems: Market, Planned and Mixed economies and which one does the UK attempts to follow (2.1)

Describe the natural environment which businesses operate, the recent changes that took place and the impact on business of the financial crisis, recession, Eurozone crisis and increased competition from emerging economies such as the BRICS.

Economic policy: fiscal and monetary what is it, its pros and cons then assess how it impacts on business organisations and their activities(2.2)
How the UK economic system attempts to allocate resources effectively by discussing in detail how the UK 2014/15 National Budget allocated resources refer to online resources. See link to recent budget

2.2

**Competition and Markets Authority (CMA): Who are they and what are their five strategic goals; Evaluate the impact of the Competition policy and other regulatory bodies:** The Advertising Standards Authority, The Charity Commission, The Civil Aviation Authority which regulates all aspects of civil aviation in the UK, The Financial Conduct Authority, The Food Standards Agency, OFCOM (regulating UK communications companies, OFGEM (regulating the companies which run the gas and electricity networks), OFWAT (the water industry regulator) on the activities of your organisation from task 1 (2.3)