

## Level 3 Certificate in Business and Industrial Administration



International  
Qualifications from EDI

### Syllabus

Effective from September 2007



## **INTRODUCTION**

EDI is a leading international awarding body that was formed through the merger of the London Chamber of Commerce and Industry Examinations Board (LCCI) and GOAL, a leading online assessment provider. EDI now delivers LCCI International qualifications (LCCI IQ) through a network of over 5000 registered centres in more than 120 countries worldwide. Our range of business-related qualifications is trusted and valued by employers worldwide and recognised by universities and professional bodies.

### **Level 3 Certificate in Business and Industrial Administration**

#### **Aims**

The aims of this syllabus are to enable candidates to develop:

- knowledge and understanding of the core activities of administration in the business world
- an ability to apply this knowledge to various roles in organisations
- competence to illustrate their understanding through the use of real or created examples
- an awareness of the nature and significance of innovation and change within business and industrial administration

#### **Target Audience and Candidate Progression**

This qualification is intended for those candidates:

- wishing to obtain a sound foundation in business and industrial administration
- wishing to progress towards an LCCI IQ Level 3 Group Diploma in Business and Industrial Administration, Principles and Practice of Management or Managerial Principles.
- intending to progress to more advanced administrative and management qualifications

#### **Level of English Required**

Candidates should have a standard of business English equivalent to LCCI IQ English for Business Level 2. However, their knowledge of specialist business terminology should be equivalent to Level 3 in terms of vocabulary.

## **Structure of the Qualification**

The Level 3 Certificate in Business and Industrial Administration is a single unit qualification that consists of the range of topics detailed below.

### **Syllabus Topics**

- 1 Business Organisation
- 2 Production
- 3 Marketing
- 4 Financial
- 5 Human Resources
- 6 Purchasing / Procurement
- 7 Research, Design and Development
- 8 Management Services

### **Guided Learning Hours**

EDI recommends that 140-160 Guided Learning Hours (GLHs) provide a suitable course duration for an 'average' candidate at this level. This figure includes direct contact hours as well as other time when candidates' work is being supervised by teachers. Ultimately, however, it is the responsibility of training centres to determine the appropriate course duration based on their candidates' ability and level of existing knowledge. EDI experience indicates that the number of GLHs can vary significantly from one training centre to another.

## **ASSESSMENT**

### **Assessment Objectives**

The examination will assess the candidate's ability to:

- identify the characteristics of national and international business organisations
- recognise the key functions within an organisation and the impact of progress on each
- understanding the importance of management services and research and development within an organisation
- appreciate the importance of finance and financial statements to an organisation
- apply the above knowledge and understanding to real-life business scenarios

## **Coverage of Syllabus Topics in Examinations**

In every examination paper there will be at least one question set on each of the 8 syllabus topics.

The compulsory question will cover any one of the syllabus topics.

## **Examination Format**

- The time allowance for the examination is 3 hours
- There will be one compulsory question which must be answered by all candidates
- Candidates should then attempt 4 other questions from a choice of 8
- All questions are worth 20 marks each
- At least one question will require an answer in the form of a report

## **Answer Formats**

Unless otherwise requested, candidates will be asked to provide answers in one or more of the following formats:

- concise essay
- bullet points
- report
- checklist
- briefing notes
- memorandum
- organisation chart

Appropriate legal and business language should be used with relevant diagrams properly labelled.

If requested to answer in the form of a report, candidates will need to structure their report with headings and sub-headings. The report should have at least 3 sections: an introduction, a main section and a conclusion or recommendations. The introduction should indicate the purpose of the report and for whom the report is intended. The main section should use a concise essay style or bullet points. The report needs to finish with a conclusion which should include candidate recommendations.

## Mark Allocation

A positive marking approach is used. Marks are not deducted for spelling, grammar or punctuation.

## Certification

Successful candidates will be awarded the Level 3 Certificate in Business and Industrial Administration based on the achievement of the percentages and grades below:

Pass	50%
Merit	60%
Distinction	75%

## Recommended Reading List and Support Material

### Reading List

Title	Author(s)	Publisher	ISBN Code
Management Theory and Practice	G A Cole	DP Publications	1 85805 1665

**This text book is considered essential reading.**

Other textbooks covering the topics within the syllabus will provide useful information

### Support Material

Model answers and past question papers are available from the LCCI website [www.lcci.org.uk](http://www.lcci.org.uk)

### How to Offer this Qualification

To offer this qualification you must be an LCCI IQ registered examination centre. To gain centre approval please contact Customer Support on 08700 818008 between the hours of 0830 and 1700 (GMT) Monday to Friday or by email on [centresupport@ediplc.com](mailto:centresupport@ediplc.com)

Alternatively you may contact your Regional LCCI Office or Co-ordinating Authority.

## **Syllabus Topic**

## **Items Covered**

### **1 Business Organisation**

Candidates must be able to:

#### **1.1 Types of Business Organisations**

- 1.1.1 State the legal differences between sole proprietorship and partnership
- 1.1.2 Describe, using examples, how partnerships and limited companies may be formed and conducted
- 1.1.3 Explain the concept of a company as a legal person
- 1.1.4 Compare the advantages and disadvantages of incorporation
- 1.1.5 Explain the duties of a company secretary

#### **1.2 Characteristics of Business Organisations**

- 1.2.1 Identify the characteristics of small businesses
- 1.2.2 Compare the advantages and disadvantages of small businesses
- 1.2.3 State the ways in which a company differs from a partnership
- 1.2.4 Distinguish between public and private limited companies
- 1.2.5 Identify the reasons why a government may set up a public sector organisation
- 1.2.6 Identify the areas in which a public sector organisation may operate
- 1.2.7 Explain the functions, duties and liabilities of directors to:
  - (a) the company
  - (b) shareholders
  - (c) employees
  - (d) external individuals and organisations

### **1.3 International Business**

- 1.3.1 Give reasons for the growth of international businesses
- 1.3.2 Identify the characteristics of international businesses
- 1.3.3 Assess the advantages and disadvantages of international businesses to the host country
- 1.3.4 Analyse the issues and major barriers that need to be considered when entering a new market
- 1.3.5 Analyse the economic, political, legal, social and cultural factors that affect international businesses

### **1.4 Types and Characteristics of the Main Organisational Structures**

- 1.4.1 Describe the common forms of organisational structures, e.g. tall and flat
- 1.4.2 Identify the characteristics of functional, product-based, geographical, divisional and matrix structures
- 1.4.3 Explain the functions of line and staff structures
- 1.4.4 Show the relationships of authority between line and staff
- 1.4.5 Decide a suitable organisational structure for any enterprise
- 1.4.6 Draw organisation charts depicting specified organisation structures

## **2 Production**

Candidates must be able to:

### **2.1 Organisation of the Production Function**

- 2.1.1 Draw an organisation chart showing the activities that may comprise the production function of an enterprise
- 2.1.2 Explain the basic elements of a typical production planning and control system



- 2.1.3 State and explain the importance of factors influencing production planning, e.g. inventory, capacity, workforce, sales etc.
- 2.1.4 Outline the modern application and impact of computing and micro-electronics within the manufacturing process.
- 2.1.5 Discuss techniques for control including Network Analysis, Simulation and Inventory control.
- 2.1.6 State the main features of:
  - Computer Aided Design (C.A.D.)
  - Computer Aided Manufacturing (C.A.M.)
  - Flexible Manufacturing Systems (F.M.S.)
  - Process Measurement and Control Devices (P.M.C.D.)
  - Programmable Controllers

## **2.2 Types and Methods of Production**

- 2.2.1 Identify the characteristics of jobbing, batch, and mass production
- 2.2.2 Identify the industries for which the types of production stated in 2.2.1 may be applicable
- 2.2.3 Define the term *lean production*, often termed just-in-time manufacturing
- 2.2.4 Identify the characteristics of lean production
- 2.2.5 Evaluate the advantages and disadvantages of lean production

## **2.3 Aids to Production**

- 2.3.1 Define work study, method, study and work measurement
- 2.3.2 Identify the procedures used in method study and work measurement
- 2.3.3 State the purpose of quality control
- 2.3.4 Discuss the impact of new technology on manufacturing

- 2.3.5 Describe the concept and application of quality circles
- 2.3.6 Explain the concept of total quality management (TQM)
- 2.3.7 Define the term *value analysis (value engineering)* and identify who will usually carry out this process
- 2.3.8 Identify aspects of a product to which value analysis may be applied
- 2.3.9 Show, in sequence, the stages involved in a value analysis project

### **3 Marketing**

Candidates must be able to:

#### **3.1 The Marketing Organisation within the Business**

- 3.1.1 Draw a diagram showing the elements of the Marketing Mix

#### **3.2 The Marketing Mix: Promotion**

- 3.2.1 Define the terms *advertising, publicity and sales promotion*
- 3.2.2 Discuss the importance of the Sales Representative within the overall marketing function
- 3.2.3 Identify the information required by the Sales Representative in order to carry out their duties
- 3.2.4 State the marketing objectives that advertising may be expected to achieve

#### **3.3 The Marketing Mix: Price and Distribution**

- 3.3.1 Explain the meaning of market segmentation and state the typical methods of segmenting a market
- 3.3.2 Identify, with examples, the principal channels of distribution for consumer and industrial products and services
- 3.3.3 Explain the approaches to setting a final price for a product or service, e.g. demand, cost, profit and competition

### **3.4 The Marketing Mix: Product**

- 3.4.1 Analyse the factors to be considered from a marketing point of view when making new product decisions
- 3.4.2 Explain, with examples, what is meant by product mix
- 3.4.3 Explain, with examples, the advantages of branding

### **3.5 The Acquisition and Analysis of Information**

- 3.5.1 Define the term *marketing research*
- 3.5.2 Identify the main features of a Market Research Study
- 3.5.3 Distinguish between primary and secondary research
- 3.5.4 Explain what is meant by a Marketing Audit
- 3.5.5 List the main aspects of a Marketing Audit

## **4 Financial**

Candidates must be able to:

### **4.1 The Main Financial Functions, Controls and Analysis in Business**

- 4.1.1 Describe the activities that may comprise the financial function of an organisation
- 4.1.2 Distinguish between financial and management accounting
- 4.1.3 Identify the activities comprised in each of the functions specified in 4.1.2
- 4.1.4 Discuss the internal/external sources of short and long-term capital and the advantages and disadvantages of each source
- 4.1.5 Explain the advantages and limitations of ratio analysis
- 4.1.6 Calculate current, acid-test, stock turnover, profitability and return on investment ratios

**Note** Candidates will not be expected to discuss the financial structure of the business or have a detailed knowledge of company accounts

## **4.2 The Content and Interpretation of Financial Statements**

- 4.2.1 Explain the purpose and assess the importance of the main financial statements provided by an enterprise, i.e. balance sheet, profit & loss account income and expenditure statements, cash flow statements
- 4.2.2 Analyse a simple interpretation of the main components of each of the financial statements referred to in 4.2.1
- 4.2.3 Describe, with examples, the content of a balance sheet, including:
  - (a) owners' equity (assets-liabilities)
  - (b) fixed and current assets
  - (c) working capital
- 4.2.4 Describe, with examples, the contents of a profit & loss account income and expenditure statement, including:
  - (a) flow of revenue
  - (b) cost of producing revenue
  - (c) net resulting figure
- 4.2.5 Describe, with examples, the content of cash flow statements including:
  - (a) sources of cash
  - (b) how the cash has been used
  - (c) changes in financing

## **4.3 Budgets, Forecasts and Plans**

- 4.3.1 Define and distinguish between budgets and budgetary control
- 4.3.2 Explain the process of preparing departmental and master budgets
- 4.3.3 Evaluate the advantages and disadvantages of budgeting

## **5 Human Resources**

Candidates must be able to:

### **5.1 Activities and Functions of a Human Resource Department**

- 5.1.1 Draw an organisation chart showing the personnel function with a wide ranging role within an organisation
- 5.1.2 Define the term *human resource planning*
- 5.1.3 Identify the sources of information from which human resource plans can be compiled
- 5.1.4 Explain how an organisation can plan for securing its future workforce
- 5.1.5 Outline the stages involved in preparing a human resource plan

### **5.2 Recruitment and Selection**

- 5.2.1 Describe the procedure for the recruitment and selection of employees
- 5.2.2 Prepare a simple job description or specification
- 5.2.3 Suggest sources from which employees may be recruited
- 5.2.4 State the purposes of an employment interview
- 5.2.5 Identify what other procedures/tasks may be used to supplement the employment interview when selecting employees

### **5.3 Employee Training and Development**

- 5.3.1 Distinguish between training and development
- 5.3.2 Identify the objectives of training and development
- 5.3.3 Describe how the training needs of an organisation may be identified
- 5.3.4 Classify the various forms of training and give the advantages and disadvantages of each

## **5.4 Performance Appraisal, Discipline and Grievance Procedures**

- 5.4.1 Define the term *performance appraisal*
- 5.4.2 Identify the reasons why a performance appraisal should be carried out
- 5.4.3 Evaluate the advantages and problems of the main appraisal styles
- 5.4.4 Define the term *job evaluation*
- 5.4.5 Compare the advantages and disadvantages of job evaluation
- 5.4.6 Outline the methods of job evaluation
- 5.4.7 Explain what is meant by Disciplinary Procedure
- 5.4.8 Outline the content of a typical disciplinary procedure
- 5.4.9 Explain what is meant by Grievance Procedure
- 5.4.10 Outline the stages of a typical grievance procedure

## **6 Purchasing / Procurement**

Candidates must be able to:

### **6.1 The Purchasing / Procurement Department**

- 6.1.1 Draw an organisation chart or description showing the primary responsibilities of a purchasing/procurement department
- 6.1.2 Outline purchasing procedure from notification of the need to purchase to the payment of the supplier
- 6.1.4 Define the term *just-in-time (J-I-T) purchasing*
- 6.1.5 Assess the benefits and drawbacks of Just-in-time (J-I-T) purchasing

### **6.2 Stock: It's Storage and Control**

- 6.2.1 Define the term *inventory/stock control* and give the reasons for maintaining inventory/stock levels

- 6.2.2 Discuss the costs incurred in holding stocks of raw materials, components, work in progress and finished goods
- 6.2.3 Make recommendations for the storage of the items specified in 6.2.2 to minimise losses through theft, depreciation or obsolescence
- 6.2.4 Design a simple stores layout stating the factors that should be considered

## **7 Research, Design and Development**

Candidates must be able to:

### **7.1 The Activities involved in Research, Design and Development**

- 7.1.1 Describe the activities that may comprise the research, design and development functions of a business
- 7.1.2 Distinguish between product research, product design and product development
- 7.1.3 Outline, in sequence, the stages in the research, design and development process from the initial idea to its commercial development
- 7.1.4 Describe the contribution of marketing research to product research, design and development
- 7.1.5 Explain the areas of application of research, design and development other than products, e.g. packaging, reliability levels and after sales service
- 7.1.6 Evaluate the possible contribution of research, design and development to the growth of an enterprise

### **7.2 The Introduction and Modification of Products**

- 7.2.1 Give reasons why an enterprise may wish to introduce a new product, from a research and development point of view

- 7.2.2 State how the research, design and development functions can contribute to the modification of, or discovery of new uses for, existing products
- 7.2.3 Make recommendations for the introduction of new, or the development of existing, products to counter innovations external to the enterprise
- 7.2.4 Identify the costs incurred in product development and how those costs may be met by smaller enterprises unable to afford their own research and development (R & D) functions
- 7.2.5 Discuss factors that must be considered in relation to product research, design and development (e.g. materials, standardisation, plant capacity, maintenance, price, etc.)

## **8 Management Services**

Candidates must be able to:

### **8.1 The Analysis of Administrative Practices**

- 8.1.1 Define the term *organisation and methods* (O & M)
- 8.1.2 Give reasons why an enterprise may decide to establish a specialist O & M function
- 8.1.3 Make recommendations relating to activities that may be undertaken by the O & M function

### **8.2 Decision making in Organisations**

- 8.2.1 Explain the major types of decisions that may be faced by management, e.g. strategic etc.
- 8.2.2 Explain the basic steps in Operational Research

### **8.3 The Role of Information Technology in Business**

- 8.3.1 Discuss how information technology aids modern business administration
- 8.3.2 Assess the benefits and drawbacks of information technology within an office



- 8.3.3 Identify the processes organisations must go through when substantially updating their computer systems
- 8.3.4 Explain how modern technology has created a global market for expanding enterprises
- 8.3.5 Explain how information technology has impacted on the whole workplace
- 8.3.6 Discuss the possible misuse of computers by employees and the consequences this has for the employer
- 8.3.7 Identify what steps an organisation can take to ensure data is protected. (A detailed knowledge of the various Data Protection Acts is not required)
- 8.3.8 Explain the basic concepts of the “Mobile Office”

**Note** Candidates will not be expected to have a detailed knowledge of computing or organisation and methods. They should, however, have an appreciation of how these functions assist in the smooth running of an organisation.

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Supporting learning  
and performance