

# Business Studies - Foundation

LEVEL 2	15 TCE CREDIT POINTS
COURSE CODE	BST215116
COURSE SPAN	2016 — 2025
READING AND WRITING STANDARD	NO
MATHEMATICS STANDARD	NO
COMPUTERS AND INTERNET STANDARD	NO

This course is current for 2024.

## Business Studies - Foundation Level 2 enables learners to gain an understanding of small business and enterprise

The course develops the knowledge, understanding and skills that will inform learners about the small business environment in Australia and encourages them to participate in, and contribute to it. Learners are exposed to and encouraged to demonstrate enterprising behaviours and capabilities such as embracing change, seeking innovation and showing initiative. They will develop skills that enable them to identify contemporary small business opportunities, investigate these by collecting and interpreting relevant information and data, apply business reasoning and concepts to make informed decisions and reflect on, evaluate and communicate their conclusions. Business Studies - Foundation fosters business literacy that will ensure learners are better placed now and in the future to actively participate in small business. This will enable them to contribute to the development of a prosperous and sustainable economy and to secure their own financial wellbeing.

### Course Description

Business Studies – Foundation Level 2 is an introduction to establishing and operating a small business in the Australian economy. It examines the ways people within business manage resources to achieve the objectives of the organisation, particularly marketing and accounting and finance. Learners are provided with a practical opportunity to combine their knowledge and skills to develop a business plan for an enterprising idea of interest. Applied learning underpins this course. This involves the acquisition and application of knowledge, understanding and skills through the use of authentic, real-world or lifelike contexts, such as using current and contemporary examples and case studies concerning business and entrepreneurship and managing or operating a school or community based enterprise or event.

### Rationale

Business Studies – Foundation Level 2 enables learners to gain an understanding of small business and enterprise. The course develops the knowledge, understanding and skills that will inform learners about the small business environment in Australia and encourages them to participate in, and contribute to it.

Learners are exposed to and encouraged to demonstrate enterprising behaviours and capabilities such as embracing change, seeking innovation and showing initiative. They will develop skills that enable them to identify contemporary small business opportunities, investigate these by collecting and interpreting relevant information and data, apply business reasoning and concepts to make informed decisions and reflect on, evaluate and communicate their conclusions.

Business Studies – Foundation fosters business literacy that will ensure learners are better placed now and in the future to actively participate in small business. This will enable them to contribute to the development of a prosperous and sustainable economy and to secure their own financial wellbeing.

## Aims

Business Studies – Foundation Level 2 aims to develop learners’:

- *Business knowledge:* Learners define and use basic business terms, concepts and processes as they describe small business situations
- *Business reasoning:* Learners apply appropriate business and financial models, concepts and processes to interpret business information and record and report financial information for small business purposes
- *Business decision-making:* Learners examine business situations and the forces that influence the operation of small businesses to determine the validity of management actions and to formulate recommendations to improve business performance
- *Business communication:* Learners select and use business terms and language conventions to convey meaning to stakeholders
- *Business inquiry skills:* Learners develop skills in the inquiry method of learning as they apply them to the preparation of a business plan.

## Learning Outcomes

On successful completion of this course, learners will be able to:

1. identify the nature, role and structure of small business in the Australian economy
2. identify motivations for establishing a small business, the reasons for its success and failure and the qualities of a successful entrepreneur
3. identify how marketing, accounting and finance are important to successfully operating a small business
4. apply the principles of the cash-based accounting system to record and report financial data for small business purposes
5. apply models, techniques and processes to provide data and information for making small business decisions
6. offer evidence-based solutions to small business problems and make recommendations to improve small business performance
7. communicate in ways that are suitable for small business and for purpose and audience, including the use of appropriate information and communication technologies
8. apply relevant business ideas, practices, processes and concepts and inquiry skills to prepare a business plan
9. identify the social, environmental and ethical impacts of business and enterprise practices.

## Pathways

Business Studies – Foundation Level 2 serves as a pathway into the following TASC accredited courses: Accounting Level 3, Business Studies Level 3 and Economics Level 3. It complements vocational education and training (VET) pathways in Business Services, such as Certificate III in Micro Business (BSB30315).

This course also acts as a pathway to further education, training and employment for careers in which an understanding of the world of business is a key element, such as owning or working in small-to-medium enterprises in a number of capacities.

## Course Size And Complexity

This course has a complexity level of 2.

At Level 2, the learner is expected to carry out tasks and activities that involve a range of knowledge and skills, including some basic theoretical and/or technical knowledge and skills. Limited judgement is required, such as making an appropriate selection from a range of given rules, guidelines or procedures. VET competencies at this level are often those characteristic of an AQF Certificate II.

This course has a size value of 15.

## Course Delivery

- It is recommended that Units 1 – 5 be taught sequentially. Unit 6 may be introduced during Unit 1
- A Glossary of terms used in the standards and throughout the course document is provided in Appendix 1
- Templates for the manual recording and reporting of financial information are provided in Appendices 2 – 4
- Formulae to be used in this course are provided in Appendix 5.

## Course Requirements

The storing, processing and accessing of digital data and information are now essential parts of current business practice. The use of spreadsheets to record and report financial data and information and to perform calculations and create charts to assist with the decision-making process associated with Unit 5: Operating a Small Business – Accounting and Finance is required.

## Course Content

Business Studies – Foundation Level 2 is divided into six (6) **compulsory** units of study:

Unit 1: An Introduction to the Business Environment (25 hours)

Unit 2: Business in the Economy (25 hours)

Unit 3: Establishing a Small Business (20 hours)

Unit 4: Operating a Small Business – Marketing (30 hours)

Unit 5: Operating a Small Business – Accounting and Finance (30 hours)

Unit 6: Business Inquiry – Preparing a Business Plan (20 hours).

### UNIT 1: AN INTRODUCTION TO THE BUSINESS ENVIRONMENT (25 HOURS)

The focus of this unit is to introduce learners to the business environment in Australia. It examines the organisational structures businesses may take.

<b>Business Knowledge</b>	<b>Business reasoning</b>	<b>Business decision-making</b>
<b>Business and enterprise</b>		
<ul style="list-style-type: none"> <li>Definition of 'business' and the importance of 'being enterprising'</li> <li>The size of the business sector at a Tasmanian and national level</li> <li>The range of businesses operating in the local area</li> <li>Classifying businesses by size – micro, small, medium and large</li> <li>Objectives of business, e.g. maximising profit, increasing market share, meeting owner expectations</li> <li>Risks faced by a business in trying to achieve its objectives, such as changes in the level of economic activity (spending, interest rates, inflation).</li> </ul>	<ul style="list-style-type: none"> <li>Classification of businesses according to size based on a set of criteria.</li> </ul>	
<b>Business Knowledge</b>	<b>Business reasoning</b>	<b>Economic decision-making</b>
<b>Small business ownership</b>		
<ul style="list-style-type: none"> <li>Forms – sole trader, partnership and small proprietary company</li> <li>Characteristics.</li> </ul>	<ul style="list-style-type: none"> <li>Advantages and disadvantages of each form.</li> </ul>	<ul style="list-style-type: none"> <li>Most appropriate ownership structure depends on a particular context.</li> </ul>
<b>Business environments</b>		
<ul style="list-style-type: none"> <li>Main types – the internal environment and the external environment.</li> </ul>		<ul style="list-style-type: none"> <li>Implications for owner/managers.</li> </ul>
<b>The business life-cycle</b>		
<ul style="list-style-type: none"> <li>Stages – establishment, growth, maturity and decline.</li> </ul>	<ul style="list-style-type: none"> <li>Annotated drawing of the business life-cycle</li> <li>Identification of which stage a business is in.</li> </ul>	<ul style="list-style-type: none"> <li>Implications for owner/managers.</li> </ul>
<b>Laws and regulations</b>		
<ul style="list-style-type: none"> <li>Introduction to the types and range of laws and regulations that impact on business, e.g. business registration, business taxation, employees, work, health and safety, consumer law and intellectual property.</li> </ul>		<ul style="list-style-type: none"> <li>Implications for owner/managers.</li> </ul>
<b>Social, environmental and ethical factors</b>		
<ul style="list-style-type: none"> <li>Influence of the external environment and the media.</li> </ul>		<ul style="list-style-type: none"> <li>Implications for owner/managers.</li> </ul>

## UNIT 2: BUSINESS IN THE ECONOMY (25 HOURS)

The focus of this unit is business economics and the role of businesses in the process of production and spending.

<i>Business knowledge</i>	<i>Business reasoning</i>	<i>Business decision-making</i>
<b>The Australian Economy</b>		
<ul style="list-style-type: none"><li>• The importance and roles of small and medium size enterprises (SMEs) in Australia</li><li>• Key features of the Australian modified market economy</li><li>• How businesses collectively answer the four key economic questions (i.e. what to produce, how much to produce, how to produce and for whom to produce?)</li><li>• The concept of consumer sovereignty and its implications for business decision-making</li><li>• The concept of economic interdependence</li><li>• How a business produces goods and services using economic resources.</li></ul>		<ul style="list-style-type: none"><li>• Impact of economic interdependence on business decision-making.</li></ul>
<b>Basic market theory</b>		
<ul style="list-style-type: none"><li>• The concept of a market</li><li>• How markets operate – basic demand and supply theory.</li></ul>	<ul style="list-style-type: none"><li>• Basic demand and supply theory:<ul style="list-style-type: none"><li>◦ graphical demonstration and explanation of how changes in non-price factors lead to an increase or decrease in demand and supply</li><li>◦ graphical demonstration and explanation of how the price mechanism clears market surpluses and shortages</li><li>◦ graphical demonstration and explanation of how shifts in demand and supply curves cause changes in market equilibrium.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Impact of market forces on business decision-making, e.g. pricing.</li></ul>
<b>The business cycle</b>		
<ul style="list-style-type: none"><li>• The notion of the business cycle</li><li>• Stages – upswing, boom, downswing, recession</li><li>• Characteristics of each stage, including marketing strategies.</li></ul>	<ul style="list-style-type: none"><li>• Annotated drawing of the business cycle.</li></ul>	<ul style="list-style-type: none"><li>• Impact of the business cycle and its stages on business performance and decision-making.</li></ul>

## UNIT 3: ESTABLISHING A SMALL BUSINESS (20 HOURS)

The focus of this unit is on establishing a small business in Australia. It is about the reasons for doing so, the importance of entrepreneurship and innovative thinking, and the factors that contribute to business success.

<i>Business knowledge</i>	<i>Business reasoning</i>	<i>Business decision-making</i>
<b>Reasons for starting a business</b>		
<ul style="list-style-type: none"><li>• Wealth creation</li><li>• Developing an innovative idea</li><li>• Financial security</li><li>• 'Independence'</li><li>• Personal choices.</li></ul>		
<b>Entrepreneurship</b>		
<ul style="list-style-type: none"><li>• The notion of</li></ul>	<ul style="list-style-type: none"><li>• The use of a Y-chart as a decision-making tool</li></ul>	

entrepreneurship and examples <ul style="list-style-type: none"> <li>• The notion of innovation and examples</li> <li>• Identifying opportunities.</li> </ul>	to decide on a suitable product or service.	
<b>Legal requirements for establishing small to medium enterprises (SMEs)</b>		
<ul style="list-style-type: none"> <li>• ABN</li> <li>• Business name</li> <li>• Registration for tax file number</li> <li>• Licences</li> <li>• Consumer protection</li> <li>• Intellectual property</li> <li>• Torts and contract law (brief treatment only)</li> </ul>		<ul style="list-style-type: none"> <li>• Implications of legal requirements for owner/managers.</li> </ul>
<b>Critical success and failure factors</b>		
<ul style="list-style-type: none"> <li>• Appropriate market research/lack of market research</li> <li>• Positive cash flow/lack of cash flow</li> <li>• Planning experience/lack of planning experience.</li> </ul>	<ul style="list-style-type: none"> <li>• Factors impacting on business success and failure in particular business scenarios.</li> </ul>	<ul style="list-style-type: none"> <li>• Implications of success/failure factors for owner/managers.</li> </ul>
<b>Key business functions</b>		
<ul style="list-style-type: none"> <li>• Operations</li> <li>• Human resources</li> <li>• Marketing</li> <li>• Finance</li> </ul>		
<b>The business plan</b>		
<ul style="list-style-type: none"> <li>• Explanation</li> <li>• Importance</li> </ul>		<ul style="list-style-type: none"> <li>• Importance of a business plan to entrepreneurs, owners and managers.</li> </ul>
<b>Social, environmental and ethical factors</b>		
<ul style="list-style-type: none"> <li>• Impact of business on the environment</li> <li>• Intellectual property</li> <li>• Significance of digital identity.</li> </ul>		<ul style="list-style-type: none"> <li>• Implications for owner/managers.</li> </ul>

#### UNIT 4: OPERATING A SMALL BUSINESS – MARKETING (30 HOURS)

The focus of this unit is the features of successful marketing and how marketing contributes to the overall business plan.

<b>Business knowledge</b>	<b>Business reasoning</b>	<b>Business decision-making</b>
<b>Concept of marketing</b>		
<ul style="list-style-type: none"> <li>• Definition of 'marketing' and its critical importance to business success.</li> </ul>		
<b>SWOT analysis (strengths, weaknesses, opportunities and threats)</b>		
<ul style="list-style-type: none"> <li>• The notion of a SWOT analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of a SWOT analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• Implications of the SWOT analysis for business planning.</li> </ul>
<b>Market research</b>		
<ul style="list-style-type: none"> <li>• Importance of market research in identifying potential</li> </ul>		<ul style="list-style-type: none"> <li>• Implications of aspects of</li> </ul>

customers (the target market) and competitors (competitor analysis) • Types – surveys, internet, local newspapers.		marketing to business decision-making.
<b>Market segmentation</b>		
• The notion and purpose • Types – demographic, geographic, lifestyle and behavioural.		• Implications of market segmentation to business decision-making.
<b>Influences on consumer behaviour</b>		
• Factors that influence consumer behaviour (peer groups, psychological factors and economic factors).		• Implications of these influences to business decision-making.
<b>The marketing mix</b>		
• Definition • Elements or the 4P's of marketing (product, place, promotion and price).		• Implications of these elements to business decision-making.
<b>Marketing and promotional activities</b>		
• Features • Types – exhibitions, displays, catalogues, advertising materials, visual merchandising, radio, television.		• Implications of these types to business decision-making.
<b>Impact of technology</b>		
• On-line marketing through the internet and social media.		• Implications for owner/managers.
<b>Social, environmental and ethical factors</b>		
• Awareness of different customs when dealing with customers and in promotional activities • Product labelling • Advertising practices, especially to children.		• Implications for owner/managers.

## UNIT 5: OPERATING A SMALL BUSINESS – ACCOUNTING AND FINANCE (30 HOURS)

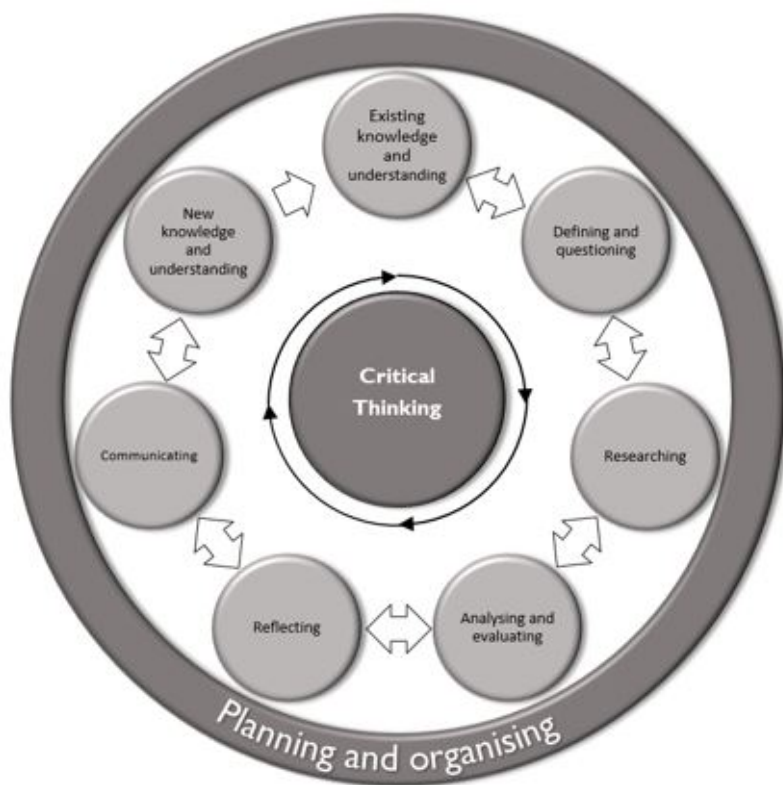
The focus of this unit is on the importance of effectively managing the finances of a business. Learners are introduced to the financial institutions that exist in the business environment and the recording and using of financial information for business decision-making.

<b>Business knowledge</b>	<b>Business reasoning</b>	<b>Business decision-making</b>
<b>The purposes of financial management</b>		
• Viability • Control • Decision-making.		
<b>Sources of finance</b>		
• Equity as an important source of finance • Distinction between equity and debt • Main sources of finance available to SMEs – bank overdrafts, term loans, mortgages • Advantages and disadvantages of these sources of finance		• Implications for owner/managers of different sources of finance.

<ul style="list-style-type: none"> <li>Factors financial institutions consider when approving finance – risk and return.</li> </ul>		
<b>Cash recording</b>		
<ul style="list-style-type: none"> <li>The accounting process – documents/records/reports/decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of multi-column Cash Receipts Books and multicolumn Cash Payments Books for routine cash transactions (Refer Appendix 2 for recording templates)</li> <li>Preparation of simple Statement of Receipts and Payments (Refer Appendix 3 for reporting templates).</li> </ul>	
<b>Income Statements and Balance Sheets</b>		
<ul style="list-style-type: none"> <li>Key elements of financial statements – assets, liabilities, owner's equity, revenue and expenses</li> <li>The accounting equation.</li> </ul>	<ul style="list-style-type: none"> <li>Classification of items into their key elements</li> <li>Completion of accounting equation problems</li> <li>Preparation of a classified Income Statement and Balance Sheet from a list of familiar items and their balances (for a sole trader operating under the perpetual inventory system with net sales and cost of goods sold provided) (Refer to Appendix 3 for reporting templates).</li> </ul>	<ul style="list-style-type: none"> <li>Interpretation of information in financial statements to assess profitability (net profit ratio, rate of return on owner's equity) and liquidity (working capital ratio) to plan and control future decision-making (Refer to Appendix 5 for formulae)</li> <li>Recommendations as to a future course of action.</li> </ul>
<b>Business knowledge</b>	<b>Business reasoning</b>	<b>Business decision-making</b>
<b>Cash budgets</b>		
<ul style="list-style-type: none"> <li>Importance of cash to business viability</li> <li>Purpose of a cash budget.</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of Cash Budgets (schedules for accounts receivable are not required) (Refer to Appendix 4 for template).</li> </ul>	<ul style="list-style-type: none"> <li>Interpretation of Cash Budgets for future decision-making.</li> </ul>
<b>Break-even (cost-volume-profit – CVP) analysis</b>		
<ul style="list-style-type: none"> <li>Purpose of break-even analysis.</li> </ul>	<ul style="list-style-type: none"> <li>Calculation of the break-even point in terms of units and sales volume</li> <li>Calculation of the number of units when there is a desired profit</li> </ul> <p>(Refer to Appendix 5 for formulae).</p>	<ul style="list-style-type: none"> <li>Interpretation CVP calculations to plan and control for future decision-making</li> <li>The impact on the business from a change in any of the following variables – selling price, variable costs, fixed costs and desired profit.</li> </ul>
<b>Social, environmental and ethical factors</b>		
<ul style="list-style-type: none"> <li>Taxation responsibilities, non-disclosure of information, cash handling and security.</li> </ul>		<ul style="list-style-type: none"> <li>Implications for owner/managers.</li> </ul>

#### UNIT 6: BUSINESS INQUIRY: PREPARING A BUSINESS PLAN (20 HOURS)

This unit focuses on learners combining their knowledge and skills to develop a business plan for a business idea of their own. The idea may take the form of a product or service. Learners may complete this inquiry on their own or in groups of up to three (3). They will apply the inquiry approach to the preparation of their business plan. The inquiry approach can be represented by the following diagram:



Source: Department of Education (2015)

<b>Business inquiry skills</b>	
<b>Steps</b>	<b>Questions to be considered</b>
1. Planning and organising	<ul style="list-style-type: none"> <li>• What time frame am I working to?</li> <li>• What time, resources and equipment do I need?</li> <li>• What steps do I need to undertake?</li> <li>• What do I need to negotiate with my teacher?</li> </ul>
2. Defining and questioning	<ul style="list-style-type: none"> <li>• What is my idea?</li> <li>• What does the focus and key components tell me?</li> <li>• What do I need or want to know about it?</li> <li>• What do I already know about it?</li> </ul>
3. Researching	<ul style="list-style-type: none"> <li>• What primary and/or secondary resources can I use?</li> <li>• How do I know the information is valid and reliable?</li> </ul>
4. Analysing and evaluating	<ul style="list-style-type: none"> <li>• How is the information relevant to the question?</li> <li>• What other information do I need?</li> <li>• What parts support/do not support my task?</li> <li>• What conclusions can I draw about the current situation?</li> </ul>
5. Reflecting	<ul style="list-style-type: none"> <li>• What have I found out about the viability of my idea?</li> <li>• What else is important?</li> <li>• What recommendation would I make?</li> <li>• What have I learnt that can inform future learning?</li> </ul>
6. Communicating	<ul style="list-style-type: none"> <li>• What is my main point?</li> <li>• What is my audience and what format is expected?</li> <li>• What is my decision/conclusion?</li> <li>• What business terms, concepts and ideas do I need to use?</li> <li>• Have I used these appropriately?</li> </ul>



## THE BUSINESS PLAN

Focus	A business plan is central to the strategic development of a start-up business for an innovative and enterprising opportunity.
Task	Learners are to prepare a written business plan for their idea. They are to use the key components and guidelines below to assist in their research and report preparation.
Key Components	The idea – the product or service, its potential and the prime function of the business Business location Mission statement Ownership structure Staffing requirements – the number of people required, and the essential skills and training Market analysis – the competition, the marketing strategies to be employed, and the pricing details Financial plan – establishment costs and how this will be financed and the cash flow projections (budget) for the first 12 months Future prospects.

### Work Requirements

Guidelines	<p>The business plan must be presented as a written report of between 1000–3000 words. It may be complemented by an oral/signed presentation of 5–10 minutes or the equivalent in multimodal form.</p> <ul style="list-style-type: none"><li>• Sub-headings may be used</li><li>• Bullet points, diagrams and charts are appropriate</li><li>• Definition of terms or appendices are inappropriate.</li></ul> <p>Appropriate referencing must be used. See TASC's <a href="#">Authenticity and Academic Integrity: A Guide</a>.</p>
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### Assessment

Criterion-based assessment is a form of outcomes assessment that identifies the extent of learner achievement at an appropriate end-point of study. Although assessment – as part of the learning program – is continuous, much of it is formative, and is done to help learners identify what they need to do to attain the maximum benefit from their study of the course. Therefore, assessment for summative reporting to TASC will focus on what both teacher and learner understand to reflect end-point achievement.

The standard of achievement each learner attains on each criterion is recorded as a rating 'A', 'B', or 'C', according to the outcomes specified in the standards section of the course.

A 't' notation must be used where a learner demonstrates any achievement against a criterion less than the standard specified for the 'C' rating.

A 'z' notation is to be used where a learner provides no evidence of achievement at all.

Providers offering this course must participate in quality assurance processes specified by TASC to ensure provider validity and comparability of standards across all awards. To learn more, see TASC's [quality assurance processes](#) and [assessment](#) information.

Internal assessment of all criteria will be made by the provider. Providers will report the learner's rating for each criterion to TASC.

## Quality Assurance Process

The following processes will be facilitated by TASC to ensure there is:

- a match between the standards of achievement specified in the course and the skills and knowledge demonstrated by learners
- community confidence in the integrity and meaning of the qualification.

**Process** – TASC will verify that the provider's course delivery and assessment standards meet the course requirements and community expectations for fairness, integrity and validity of qualifications that TASC issues. This will involve checking:

- learner attendance records; and
- course delivery plans (the sequence of course delivery/tasks and when assessments take place):
  - assessment instruments and rubrics (the 'rules' or marking guide used to judge achievement)
  - class records of assessment
  - examples of learner work that demonstrate the use of the marking guide
  - samples of current learner's work, including that related to any work requirements articulated in the course document.

This process may also include interviews with past and present learners. It will be scheduled by TASC using a risk-based approach.

## Criteria

The assessment for Business Studies – Foundation Level 2 will be based on the degree to which the learner can:

1. identify and use terms, concepts and ideas related to role of small business and entrepreneurship in the Australian economy
2. identify and use terms, concepts and ideas related to the marketing, and accounting and finance of small business
3. use cash-based accounting processes to record and report financial data
4. use models, financial processes and mathematical techniques to provide data for business decision-making
5. draw conclusions and make recommendations to solve simple business problems and improve business performance
6. communicate business ideas and information
7. use inquiry skills to plan and prepare a business plan

## Standards

### Criterion 1: identify and use terms, concepts and ideas related to role of small business and entrepreneurship in the Australian economy

The learner:

Rating A	Rating B	Rating C
describes business terms and concepts and processes related to the business and economic environments in which small businesses operate	outlines business terms and concepts and processes related to the business and economic environments in which small businesses operate	identifies terms and concepts and processes related to the business and economic environments in which small businesses operate
describes business terms and concepts and processes related to the business life-cycle	outlines business terms and concepts and processes related to the business life-cycle	identifies business terms and concepts and processes related to the business life-cycle
describes reasons for starting a small business and assesses the importance of entrepreneurship to its success	outlines reasons for starting a small business and describes the importance of entrepreneurship to its success	lists reasons for starting a small business and identifies the importance of entrepreneurship to its success
argues the appropriate ownership structure for a small business, describes relevant characteristics and provides a range of examples	describes the ownership structure of a small business, outlines relevant characteristics and provides examples of each	states the ownership structure of a small business, identifies a relevant characteristic and provides an example of each
describes terms, concepts and processes related to the legal requirements for establishing and operating a small business and their impact on business activity.	outlines terms, concepts and processes related to the legal requirements for establishing and operating a small business and their impact on business activity.	identifies terms, concepts and processes related to the legal requirements for establishing and operating a small business.

### Criterion 2: identify and use terms, concepts and ideas related to the marketing, and accounting and finance of small business

The learner:

Rating A	Rating B	Rating C
describes business terms, concepts and processes related to the marketing and financial operations of a business and provides a range of examples of each	outlines business terms, concepts and processes related to the marketing and financial operations of a business and provides examples of each	identifies business terms, concepts and processes related to the marketing and financial operations of a business and provides an example of each
discusses the 4 Ps* or elements of the marketing mix and assesses their importance to successful marketing	identifies the 4 Ps* or elements of the marketing mix and describes their importance to successful marketing	identifies the 4 Ps* or elements of the marketing mix and their importance to successful marketing
assesses major sources of finance for small business and explains the importance of cash to a business	lists major sources of finance for small business and describes the importance of cash to a business	lists major sources of finance for small business and the importance of cash to a business
describes social, environmental and ethical aspects of the marketing and financial management of a business.	outlines social, environmental and ethical aspects of the marketing and financial management of a business.	identifies social, environmental and ethical aspects of the marketing and financial management of a business.

\*the 4 Ps of marketing – product, place, promotion, price.

### Criterion 3: use cash-based accounting processes to record and report financial data

The learner:

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Rating A	Rating B	Rating C
accurately prepares a multi-column Cash Receipts Book and multi-column Cash Payments Book from a list of transactions, some of which will be unfamiliar	accurately prepares a multi-column Cash Receipts Book and multi-column Cash Payments Book from a list of familiar transactions	accurately prepares a multi-column Cash Receipts Book and multi-column Cash Payments Book from a provided and categorised list of transactions. There may be errors in terms of compliance with the required format
accurately prepares a Statement of Receipts and Payments from a multi-column Cash Receipts Book and multi-column Cash Payments Book based on a list of transactions, some of which will be unfamiliar	accurately prepares a Statement of Receipts and Payments from a multi-column Cash Receipts Book and multi-column Cash Payments Book based on a list of familiar transactions	accurately prepares a Statement of Receipts and Payments from a provided multi-column Cash Receipts Book and multi-column Cash Payments Book. There may be errors in terms of compliance with the required format
accurately prepares a classified Income Statement and Balance Sheet from a list of account balances, some of which will be unfamiliar	accurately prepares a classified Income Statement and Balance Sheet from a list of familiar account balances	accurately prepares an Income Statement and Balance Sheet from a provided and classified list of account balances. There may be errors in terms of compliance with the required format
accurately prepares a Cash Budget from a list of transactions, some of which will be unfamiliar	accurately prepares a Cash Budget from a familiar list of transactions	accurately prepares a Cash Budget from a provided and categorised list of transactions. There may be errors in terms of compliance with the required format
creates spreadsheets and prepares accounting reports*. They are accurate, appropriately classified and comply with the required format. Formatting and functions are straightforward (e.g. sum, subtract).	with direction, creates spreadsheets and accurately prepares accounting reports*. There may be some errors in terms of classifications of items and compliance with the required format.	uses provided spreadsheet templates to prepare accounting reports*. There may be errors in terms of classifications of items and compliance with the required format.

\*accounting reports refer to multi-column cash receipt books, multi-column cash payments books, income statements, balance sheets and cash budgets.

## Criterion 4: use models, financial processes and mathematical techniques to provide data for business decision-making

The learner:

Rating A	Rating B	Rating C
modifies a basic demand and supply graph when a change in the non-price factors of demand and supply occurs and determines the new equilibrium price and quantity	modifies a basic demand and supply graph when a change in the demand or supply curve occurs and determines the new equilibrium price and quantity	determines the equilibrium price and quantity from a basic demand and supply graph
describes where in the business life-cycle a business is currently operating	outlines where in the business life-cycle a business is currently operating and outlines its characteristics	identifies where in the business life-cycle a business is currently operating
completes a SWOT analysis in familiar and unfamiliar contexts	completes a SWOT analysis in familiar contexts	completes a SWOT analysis from provided information
accurately calculates ratios correct to two decimal places for profitability and liquidity from data, some of which is unfamiliar	accurately calculates ratios correct to two decimal places for profitability and liquidity from familiar data	accurately calculates a ratio correct to two decimal places for profitability and liquidity from provided data
describes the components of the Cash Budget*, the final cash balance and their relationship	outlines the main components of the Cash Budget* and the final cash balance	identifies the main components of the Cash Budget* and the final cash position
categorises data from a familiar list, accurately performs CVP calculations, and modifies answers as	categorises data from a familiar list and accurately performs CVP calculations.	accurately calculates the break-even point from provided data.

a result of changes in the variables.		
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\*The main components of the Cash Budget are the Estimated Cash Receipts and Estimated Cash Payments.

## Criterion 5: draw conclusions and make recommendations to solve simple business problems and improve business performance

The learner:

Rating A	Rating B	Rating C
describes success and failure factors in business	outlines success and failure factors in business	lists success and failure factors in business
describes an implication for business about where in the business life-cycle it is currently operating	outlines an implication for business about where in the business life-cycle it is currently operating	states an implication for business about where in the business life-cycle it is currently operating
argues a reasoned conclusion about business performance based on ratios for profitability and liquidity	outlines a conclusion about business performance based on ratios for profitability and liquidity	states a conclusion about business performance based on a ratio for profitability and liquidity
assesses the impact of the final cash position in a Cash Budget on business performance	describes the impact of the final cash position in a Cash Budget on business performance	states an impact of the final cash position in a Cash Budget on business performance
assesses the importance of CVP calculations for business performance	describes the importance of the break-even point for business performance	lists the importance of the break-even point for business performance
argues a justified course of action that could be taken by a business to improve its performance	describes a logical recommendation that could be taken by a business to improve its performance	outlines a recommendation to be taken by a business to improve its performance
describes social, environmental or ethical impacts of the decision and its potential impact by a business.	outlines social, environmental and ethical impacts of the decision by a business.	identifies social, environmental and ethical impacts of the decision by a business.

## Criterion 6: communicate business ideas and information

The learner:

Rating A	Rating B	Rating C
communicates ideas and information in written and oral/signed or multimodal form with fluency and consistent control of language and expression appropriate to the purpose and audience	communicates ideas and information in written and oral/signed or multimodal form, using clear and appropriate language and expression suited to the purpose and audience	communicates ideas and information in written and oral/signed or multimodal form, with some control of language and expression
correctly spells common words and correctly uses punctuation and sentence structure to achieve effect (e.g. to highlight a point) in written communication	correctly spells common words and correctly uses punctuation and sentence structure to convey meaning	correctly spells common words, and correctly uses simple punctuation and sentence structure
selects and uses appropriate graphs, tables and diagrams to clearly present information	selects and uses graphs, tables and diagrams to present information	uses graphs, tables and diagrams to present information as directed
clearly identifies the information, images ideas and words of others used in the learner's work	differentiates the information, images, ideas and words of others from the learner's own	as directed, differentiates the information, images, ideas and words of others from the learner's own as directed
identifies the sources of information, images, ideas and words of others from the learner's own	identifies the sources of information, images, ideas and words of others from the learner's	as directed, identifies the sources of information, images, ideas and

	own	words of others from the learner's own
creates appropriate reference lists/bibliographies. Referencing conventions and methodologies are followed correctly.	creates reference lists/bibliographies. Referencing conventions and methodologies are generally followed.	creates reference lists/bibliographies as directed.

## Criterion 7: use inquiry skills to plan and prepare a business plan

The learner:

Rating A	Rating B	Rating C
works through the steps of the inquiry process to prepare the business plan and explains connections between the components and modifies the business plan as required	works through the steps of the inquiry process to prepare the business plan and describes some connections between the components	works through the steps of the inquiry process to prepare a business plan as directed
sets short-, medium- and long-term goals that are measurable, achievable and realistic, and plans effective action	sets short- and medium-term goals spanning one to several lessons that are measurable, achievable and realistic, and plans accordingly	sets short-term goals that are generally measurable, achievable and realistic, and follows provided directions
locates and uses a wide range of information sources	locates and uses a range of information sources	uses a limited range of provided information sources
effectively uses a range of tools and strategies to collect, organise and sort information and identifies the relative significance of information to task	uses tools and strategies to collect, organise and sort information	uses tools and strategies as directed to collect, organise and sort information (such as relevant/irrelevant to task)
reflects – orally and/or in writing – on progress towards meeting goals and timelines, assesses progress and adjusts plans for future action	reflects – orally and/or in writing – on progress towards meeting goals and timelines and suggests ways for future action	reflects – orally and/or in writing – on progress towards meeting goals and timelines in a constructive manner
selects and uses strategies to perform tasks that contribute to the successful completion of an individual business plan and guides others in completing their contribution to a group business plan.	selects and uses strategies to perform tasks and monitors their contribution to the successful completion of an individual or group business plan.	uses strategies as directed to perform tasks that contribute to the completion of an individual or group business plan.

### Qualifications Available

Business Studies – Foundation Level 2 (with the award of):

EXCEPTIONAL ACHIEVEMENT

HIGH ACHIEVEMENT

COMMENDABLE ACHIEVEMENT

SATISFACTORY ACHIEVEMENT

PRELIMINARY ACHIEVEMENT

## Award Requirements

The final award will be determined by the Office of Tasmanian Assessment, Standards and Certification from 7 ratings.

The minimum requirements for an award in Business Studies – Foundation Level 2 are as follows:

EXCEPTIONAL ACHIEVEMENT (EA)

5 'A' ratings, 2 'B' ratings

HIGH ACHIEVEMENT (HA)

3 'A' ratings, 3 'B' ratings, 1 'C' rating

COMMENDABLE ACHIEVEMENT (CA)

4 'B' ratings, 2 'C' ratings

SATISFACTORY ACHIEVEMENT (SA)

6 'C' ratings

PRELIMINARY ACHIEVEMENT (PA)

4 'C' ratings

A learner who otherwise achieves the rating for a SA (Satisfactory Achievement) award but who fails to show any evidence of achievement in one or more criteria ('z' notation) will be issued with a PA (Preliminary Achievement) award.

## Course Evaluation

The Department of Education's Curriculum Services will develop and regularly revise the curriculum. This evaluation will be informed by the experience of the course's implementation, delivery and assessment.

In addition, stakeholders may request Curriculum Services to review a particular aspect of an accredited course.

Requests for amendments to an accredited course will be forwarded by Curriculum Services to the Office of TASC for formal consideration.

Such requests for amendment will be considered in terms of the likely improvements to the outcomes for learners, possible consequences for delivery and assessment of the course, and alignment with Australian Curriculum materials.

A course is formally analysed prior to the expiry of its accreditation as part of the process to develop specifications to guide the development of any replacement course.

## Course Developer

The Department of Education acknowledges the significant leadership of Dr Stuart Crispin (University of Tasmania), Neesha-Marie Hartog (Hobart College), Bernd Meyer (Launceston Church Grammar School) and Jodie Schafferius (The Hutchins School) in the development of this course.

## Expectations Defined By National Standards

There are no statements of national standards relevant to this course.

## Accreditation

The accreditation period for this course is from 1 January 2016 to 31 December 2025.

## Version History

Version 1 – Accredited on 4 June 2015 for use from 1 January 2016 to 31 December 2020. This course replaces Business Studies – Foundation (BST215111) that expired on 31 December 2015.

Version 1.a - Accreditation renewed on 18 August 2020 for the period 1 January 2021 to 31 December 2021, with the following amendments: corrections to minor typographical errors; change to Criterion 5 Element 6 (C rating).

Version 1.b - Renewal of Accreditation on 14 July 2021 for the period 31 December 2021 until 31 December 2025, without amendments.

## Appendix 1

### GLOSSARY

Term	Explanation
Apply	use or employ knowledge and skills in a particular situation
Assess	determine the value, significance or extent of (something)
Basic	essential or elementary
Clear	easy to understand, fully intelligible, without ambiguity; explicit
Communicate	convey information about, clearly reveal or make known
Comprehensive	detailed and thorough, including all that is relevant; inclusive of a broad coverage of facts, ideas and information
Concepts	in the context of this subject, a concept is a basic or fundamental idea, notion or element

Term	Explanation
Decision	a choice or determination formed following the consideration of alternatives
Describe	provide an account of characteristics or features
Discuss	talk or write about a topic, taking into account different issues and ideas
Explain	provide additional information that demonstrates understanding and reasoning; present a meaning with clarity, precision, completeness, and with due regard to the order of statements in the explanation
Familiar	previously encountered in prior learning activities

Term	Explanation
Identify	establish or indicate who or what something is
Information	knowledge or data gained from primary and secondary sources
Informed	having relevant knowledge; being conversant with the topic
Interpret	explain the meaning of information or actions
Logical	rational and valid; internally consistent
Multimodal	an assessment mode that uses a combination of at least two modes, delivered at the same time, to communicate ideas and information to a live or virtual audience, for a particular purpose; the selected modes are integrated to allow both modes to contribute significantly to the multimodal response

Term	Explanation
Organise	systematically order and arrange
Outline	give the main features or aspects of
Problem	a question proposed for solution
Process	a system of rules or principles for conducting activities
Provided	given

Term	Explanation
Range	a number of different things of the same general type; breadth
Reasoned conclusion	one that is sound, well-grounded, considered and thought out
Recommendation	a proposal for an appropriate course of action
Relationship	the connection or association between ideas, information or components of concepts and theories
Relevant	applicable and pertinent
Select	choose in preference to another or others
Simple	easy to understand and deal with; involving few elements, components or steps; obvious data or outcomes; may concern a single or basic aspect; limited or no relationships

Term	Explanation
Term	a word, name or expression used in a specialised field of knowledge



Theory	a system of rules, principles or propositions that can be used to explain occurrences or conduct activities
Tools and strategies	techniques used, such as note-taking and the use of graphic organisers
Unfamiliar	not previously encountered in prior learning activities
Valid	applicable, legitimate and defensible

## APPENDIX 2: RECORDING TEMPLATES

## CASH RECEIPTS BOOK

[illegible]

TOTALS	\$	\$	\$	\$
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## APPENDIX 2: RECORDING TEMPLATES

## CASH PAYMENTS BOOK

[illegible]

TOTALS			\$	\$	\$	\$

APPENDIX 3: REPORTING TEMPLATES

STATEMENT OF RECEIPTS AND PAYMENTS

Statement of Receipts and Payments for the month ending: .....		
Cash Receipts	\$	\$
Less Cash Payments		
Cash Surplus (Deficit)		
Add Bank Balance at Start		
Bank Balance at end of Month		\$

APPENDIX 3: REPORTING TEMPLATES

INCOME STATEMENT

	\$	\$
Net Sales		
Less Cost of Goods Sold		
Gross Profit		
Add Other Revenue		
Less Other Expenses		
Net Profit / (Net Loss)		\$

## APPENDIX 3: REPORTING TEMPLATES

## BALANCE SHEET

[illegible]

Total Liabilities			\$
NET ASSETS			\$
OWNER'S EQUITY			
			\$



## APPENDIX 4: CASH BUDGET TEMPLATE

Cash Budget for the three months ending:.....			
<b>Estimated Cash Receipts</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Estimated Receipts</b>			
<b>Estimated Cash Payments</b>			
<b>Total Estimated Payments</b>			
Bank Balance at the start of the month			
Excess of Receipts over Payments			
Excess of Payments over Receipts			
Bank Balance at the end of the month	<b>\$</b>	<b>\$</b>	<b>\$</b>

## APPENDIX 5: FORMULAE

### *Measures of profitability*

$$\text{Net Profit Ratio} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100$$

$$\text{Rate of Return on Owner's Equity} = \frac{\text{Net Profit}}{\text{Average Owner's Equity}} \times 100$$

*(Ratios to be calculated to the nearest two decimal places)*

### *Measure of liquidity*

$$\text{Current (or Working Capital) Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

*(Expressed as a ratio to 1)*

### *break-even*

$$\text{Break-even point (units)} = \frac{\text{Fixed costs}}{\text{Contribution margin}}$$






Break-even point (\$) = Break-even point (units) x Selling price

Contribution margin = Selling price – Variable costs per unit

Number of units =  $\frac{\text{Fixed costs} + \text{Desired profit}}{\text{Contribution margin}}$   
(with desired profit)

*(Round up to the next full unit or \$)*

#### Supporting documents including external assessment material

-  [BST215116 Business Studies - Foundation Appendix 1.pdf](#) (2020-07-06 11:26am AEST)
-  [BST215116 Business Studies - Foundation Appendix 2.docx](#) (2020-07-06 10:54am AEST)
-  [BST215116 Business Studies - Foundation Appendix 3.docx](#) (2020-07-06 10:38am AEST)
-  [BST215116 Business Studies - Foundation Appendix 4.docx](#) (2020-07-06 11:23am AEST)
-  [BST215116 Business Studies - Foundation Appendix 5.pdf](#) (2020-07-06 11:17am AEST)