

NATIONAL QUALIFICATIONS CURRICULUM SUPPORT

[BUSINESS MANAGEMENT COURSE NOTES](#)

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Business Management

Business Information and ICT

Student Notes

[INTERMEDIATE 1]



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Introduction

This pack contains student notes to support the learning and teaching process for part of Business Management (Int 1). It covers material from Outcomes 1 and 2 of the Business Information and ICT (Int 1) unit of the course, which relate to the following areas:

- **Business Information**
 - Sources of information
 - Types of information
 - Uses of information in business
 - Users of information

and

- **Information and Communication Technology (ICT)**
 - Uses of ICT
 - Benefits and costs of ICT
 - Business software

About this pack

The pack consists of student notes which are intended as a ‘core text’ for students and provide the basic material for these aspects of Business Management at Intermediate 1. Students who have assimilated this material should have the requisite knowledge to enable them to achieve a satisfactory level of performance in this area of the course. However, depending on the capabilities of a particular group, teachers and lecturers may wish to provide additional material to help students achieve as high a mark as possible.

In general, the student notes have been organised in a way that matches the order of the course content as set out in the Arrangements for Business Management (Int 1). This coincides with other material for the course such as the Course Planner and the Student Activities for Intermediate 1.

Outcome 1: Business information and ICT

In order for businesses to operate efficiently and make good decisions, they rely on good information to help them.

Here are two important definitions:

Data: This is a collection of facts or quantities that has been put together in some way.

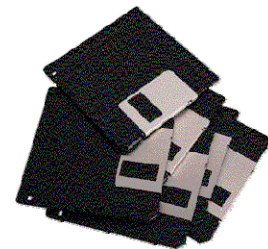
Information: This is data that has been processed into a way to assist people when making decisions and planning for the future.

Sources of information

Information comes from four different sources. These are:

Internal information

This is information that comes from an organisation's **own records**. This could be its **financial records**, **customer records**, **sales figures**, etc.



External information

This is information that comes from **outside an organisation**. It could be **a newspaper article**, **government report** or information obtained from **market research**.



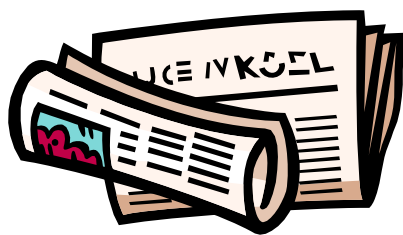
Primary information = 1st-hand

This is **first-hand information** which a business has gathered for its own use, by **interviewing** people or **handing out questionnaires**.



Secondary information

This information is gathered from **already published** sources, such as books, magazines, newspapers and the internet.



Types of information

Information can be presented in a variety of different ways. Some are shown below:

<p>Written</p>	<p>This may be presented in the <u>form of TEXT</u> eg a letter, report, e-mail, memo or a notice.</p> <p><u>Benefits of written information are:</u></p> <ul style="list-style-type: none"> • You can <u>refer back</u> to it. • You can <u>keep it as a record</u>.
<p>Oral</p>	<p>This is information that is communicated <u>BY VOICE</u> – from telephone calls, meetings, presentations, conversations and discussions.</p> <p><u>Benefits of oral information are:</u></p> <ul style="list-style-type: none"> • You get an <u>instant response</u>. • You can have a <u>two-way conversation</u>.
<p>Pictorial</p>	<p>This is information in the <u>form of PICTURES or PHOTOGRAPHS</u>.</p> <p><u>Benefits of pictorial information are:</u></p> <ul style="list-style-type: none"> • It is <u>easy to remember</u>. • It is easy to <u>emphasise a point using a picture or photograph</u>. <p>‘One picture is worth a thousand words.’</p>
<p>Graphical</p>	<p>This is information in the <u>form of GRAPHS or CHARTS</u> (pie charts, line graphs, bar graphs).</p> <p><u>Benefits of graphical information are:</u></p> <ul style="list-style-type: none"> • It is a good way to <u>display complicated information</u>. • You can <u>emphasise certain points</u> and make <u>comparisons easily</u>.
<p>Numerical</p>	<p>This is information that is displayed in the <u>form of NUMBERS</u>.</p> <p><u>Benefits numerical information are:</u></p> <ul style="list-style-type: none"> • It allows an organisation to make <u>financial forecasts</u>. • You can <u>perform calculations</u> by using a <u>SPREADSHEET</u> program.

USES OF INFORMATION IN BUSINESS

Information is useful to an organisation, because it will be able to **compare the actual performance** of the organisation against what was **budgeted for**. The organisation can use **records of previous years to make comparisons**. It can also **use reports** from **market research companies** to look at **changes in the market**. Organisations must also **keep records of the staff** that work for them as they have a **legal duty** to **calculate income tax** and benefits concerning their staff.

MEASURING COSTS AND EXPENDITURE

An organisation uses information to **compare its performance against what it budgeted for**.

By looking at its **financial records**, an organisation can see if **its costs are more than its income**. If this is the case, then it must take some form of **action to remedy the situation**.

From its financial records it can also see **how well its sales** are doing and how much **profit or loss** the business is making on **particular items**.

Information on an **organisation's sales** can be used to make **comparisons with previous years' sales**.

STAFF RECORDS

All organisations must **keep records of the staff** that they employ. These records will contain some of the following particulars:

- when each person joined the organisation
- particulars of name, address, qualifications, etc.
- the department in which they are employed and their job title
- the number of days they have been absent due to illness
- their holiday entitlement
- the training courses which they have taken part in.

DECISION MAKING

Managers have to make important decisions. In order to make the **right decision**, information must be as **accurate** and **up-to-date** as possible so that correct decisions are made when the information is used.

USERS OF INFORMATION

We all use information for one thing or another. For the best decisions to be made, information has to be up to date and accurate. In business, the undernoted people may use information for the following purposes.

Managers: they will use information to make informed decisions. This may be gathered from many different sources depending on the type of decision requiring to be made.



Owners: They may use information from other similar businesses. For example, they may check on the products which other firms are offering in order to ensure that their product is as good. They can gain this information from the internet or other sources.



Creditors are people that an organisation owes money to. Creditors use information such as a firm's financial accounts to see whether they are in a healthy position. This allows creditors to decide whether or not to offer credit to an organisation. Creditors may request payment in advance for goods if they feel that the organisation is not very reliable.



Employees use information to find out things about the organisation. They may consult the organisation's handbook or check newsletters or notice boards for information. They may also consult past records if they are asked to check information for a specific purpose.



Citizens use information to check things out. They may use price lists to check on prices that different organisations charge for certain goods. They may use newspapers, magazines, trade journals, catalogues and the internet to find out information on a wide range of factors.



Outcome 2: Information and Communications Technology (ICT)

ICT is the term used to describe all the different technologies that exist. These technologies are used by organisations because they provide such **a lot of useful information both quickly and efficiently.**

Listed below are the most common technologies used –

Internet

This allows organisations to have access to a wide range of information. It also allows them **to advertise** and **sell their products worldwide**. Many organisations design their own websites to attract customers.

E-mail

Users have their own mailbox and can check their mail and send messages to other computer mailboxes. E-mail provides **instant communication** and a user can send the same **message to a number of different people.**

Videoconferencing

This allows people in different towns and countries to hold meetings without having to travel long distances. A **computer link** is set up between the **different locations**. Videoconferencing **saves** people **travelling long distances** and also saves on **accommodation costs**.

EPOS

EPOS stands for Electronic Point of Sale and is used by most stores when customers make purchases. Instead of using actual money for goods, customers present their bank cards to the store. This **saves** the customer from **carrying large amounts of money** and it also means that the retailer receives payment for purchases quickly.

Benefits and costs of ICT

The main costs and benefits of ICT are shown in the following table

Benefits of ICT	Costs of ICT
<p><u>Productivity</u> can be <u>increased</u>.</p> <p>Increased <u>speed of work</u></p> <p>Improves <u>accuracy</u> as computers tend to make <u>fewer mistakes</u> than humans.</p> <p><u>Communication</u> is <u>quicker</u>.</p> <p><u>Saves labour costs</u> as <u>fewer workers</u> may be required.</p>	<p>Initial <u>cost of installing</u> the equipment.</p> <p>Cost of <u>training staff</u> to use ICT.</p> <p>Some <u>staff</u> may feel their <u>jobs</u> are <u>threatened</u> because <u>machines now do the work</u>.</p> <p>If <u>equipment breaks down</u> this can result in <u>work having to be stopped</u> until it is <u>fixed</u>.</p> <p>May <u>reduce staff motivation</u>. This can happen if staff feel that ICT has eliminated personal contact.</p>

Business software

Word processing, spreadsheets, databases and presentation

packages are the most commonly used software in businesses. The table below describes them and their key features.

Software package	Description	Key features
Word processing	This allows you to <u>create letters, memos, reports, minutes of meetings, etc.</u>	Formatting commands allow you to <u>delete text, move and copy text, underline, embolden, spell-check, and search and replace</u> . It also has a mail-merge facility that allows information from a database to be merged into a word-processing document.
Spreadsheets	These are electronic worksheets that allow you to make <u>calculations</u> .	They perform <u>calculations</u> such as adding, multiplying, dividing, averaging, etc. They also allow you to <u>make forecasts</u> by performing 'what-if' scenarios. They can also produce <u>charts and graphs</u> of calculations.
Databases	These are <u>electronic filing systems</u> which can be used to <u>store records</u> of staff, customers, suppliers, etc.	These are able to search for specific information. They <u>sort records into order</u> (numerical, date or alphabetical). They can produce reports.
Presentation packages	<u>Well displayed presentations</u> such as <u>pictorial, numerical and graphical information</u> can be shown using <u>PowerPoint</u> . Presentation packages are useful for <u>staff training purposes</u> .	The <u>computer</u> can be linked to an overhead projector where information is <u>displayed on screen</u> and shown to a <u>wide audience</u> . The <u>use of sound</u> can also be used to enhance the presentation.