

## SQA Advanced Unit Specification

### General information for centres

**Unit title:** Business Law: An Introduction

**Unit code:** HP6Y 47

**Unit purpose:** This Unit is designed to introduce the candidate to the framework of law as it applies within the business environment. The Unit will examine the sources of Scottish law, the contractual relationships between individuals, the contractual relationships between individuals and businesses, and the distinction between types of business relationships. It is primarily intended for candidates who require a knowledge of legal matters in a business context.

On completion of this Unit, the candidate will be able to:

- 1 Explain the main sources of Scots law.
- 2 Explain the law of contract.
- 3 Distinguish the legal characteristics of the various types of business organisations and relationships.

**Credit points and level:** 1 SQA Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7\*)

*\*SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from National 1 to Doctorates.*

**Recommended prior knowledge and skills:** Entry to this Unit is at the discretion of the centre. However it would be beneficial if candidates possess good communication skills. These may be demonstrated by the achievement of the Core Skill *Communication* at SCQF level 6, or Higher English or equivalent.

**Core Skills:** There are opportunities in this Unit to develop the Core Skills of *Communication* at SCQF level 6, *Problem Solving* at SCQF level 6, and *Information and Communication Technology* at SCQF level 5, although there is no automatic certification of Core Skills or Core Skills components.

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## **SQA Advanced Unit Specification**

**Context for delivery:** If this Unit is delivered as part of a group award, it is recommended that it should be taught and assessed within the subject area of the group award to which it contributes.

**Assessment:** Assessment for all three Outcomes may take the form of open-book assessments based on stimulus material, either a case study, restricted response questions or a combination of both. Candidates may compile responses from their own research. Assessments may be integrated between Outcomes.

Centres will have discretion in designing assessments so that they can assess Outcomes individually or combine Outcomes where they consider appropriate.

An exemplar assessment pack and marking guidelines have been produced to indicate the National Standard of achievement required at SCQF level 7.

## **SQA Advanced Unit Specification**

### **Unit specification: statement of standards**

**Unit title:** Business Law: An Introduction

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The sections of the Unit stating the Outcomes, Knowledge and/or Skills, and Evidence Requirements are mandatory.

#### **Outcome 1**

Explain the main sources of Scots business law

##### **Knowledge and/or Skills**

- ◆ Legislation
- ◆ Judicial precedent
- ◆ Institutional writers
- ◆ Custom

##### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ identify and describe the sources of legislation that are binding in Scots law, quoting at least one example
- ◆ explain precedent as it is used in Scots law
- ◆ explain institutional writing and its role in Scots law
- ◆ explain custom and its role in Scots law

##### **Assessment Guidelines**

Assessment could be via submission of a response based on stimulus material, which may take the form of restricted response questions or a case study. Responses may be written or oral.

#### **Outcome 2**

Explain the law of contract

##### **Knowledge and/or Skills**

- ◆ Creation of a contract
- ◆ Defective contracts
- ◆ Misrepresentation
- ◆ Breach of contract
- ◆ Remedies for breach of contract

## **SQA Advanced Unit Specification**

### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ identify and describe the essential elements of a contract
- ◆ explain the processes of contract formation
- ◆ explain Illegality, Errors and Misrepresentation as they relate to a contract
- ◆ identify and explain two types of Breach of Contract
- ◆ identify the relevant remedies arising from a Breach of Contract

### **Assessment Guidelines**

Assessment could be via submission of a response based on stimulus material, which may take the form of restricted response questions or a case study. Responses may be written or oral.

## **Outcome 3**

Distinguish the legal characteristics of the various types of business organisations and relationships

### **Knowledge and/or Skills**

- ◆ The distinction between sole traders, partnerships and incorporated bodies
- ◆ The advantages and disadvantages of different types of business organisations in a legal context
- ◆ General legal provisions relating to management of business organisations
- ◆ Implications of contractual arrangements on business organisations
- ◆ The authority and liability of partners

### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ identify the different types of business organisation and distinguish between their authority, liability and ability to manage their businesses, and enter into contracts
- ◆ identify and explain the advantages and disadvantages of different types of business organisation in relation to their legal requirements

### **Assessment Guidelines**

Assessment could be via submission of a response based on stimulus material, which may take the form of restricted response questions or a case study. Responses may be written or oral.

## SQA Advanced Unit Specification

### Administrative information

<b>Unit code:</b>	HP6Y 47
<b>Unit title:</b>	Business Law: An Introduction
<b>Superclass category:</b>	EC
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<b>Version:</b>	01

#### History of changes:

Version	Description of change	Date

#### Source: SQA

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**FURTHER INFORMATION:** Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000. Alternatively, complete our [Centre Feedback Form](#).

## SQA Advanced Unit Specification

### Unit specification: support notes

#### Unit title: Business Law: An Introduction

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

#### Guidance on the content and context for this Unit

This Unit is designed to give candidates a practical insight into aspects of Scottish law, legislation, contractual law and business formation and how this affects a business enterprise. This Unit is mandatory within the SQA Advanced Certificate/ Diploma in Business (GM8A 47 and GM8Y 48) but may form part of other group awards and may be delivered as a stand-alone Unit. The Unit is also applicable to those who have relevant work experience as it will formalise and consolidate their understanding of the law of contract. Candidates will gain knowledge of the various types of business entity and their legal obligations.

This Unit focuses on Scots law, but may take into account some aspects of English Law. Candidates could be provided with a limited overview of the role of the courts within the Scottish Legal System, how legislation has, and is being, developed, the use of case law in settling legal matters, and how this affects the rights and obligations of all parties to a legal contract.

In Outcome 1 it is recommended that the sources of law that are covered are:

- ◆ European Legislation, particularly Regulations and Directives, and their sources; the European Commission, the Council of the European Union and the European Parliament
- ◆ legislation of the UK Parliament
- ◆ legislation of the Scottish Parliament
- ◆ precedent, particularly in contract and delict
- ◆ the influence of institutional writers on business law in Scotland
- ◆ custom

In Outcome 2 it is recommended that the following content be covered:

- ◆ the nature of a contract
- ◆ the difference between contracts and non-binding agreements
- ◆ the formation of a contract; invitation to treat; offer; acceptance, including the problems associated with communication of acceptance; counter-offer
- ◆ the regulation of unfair contract terms
- ◆ the meaning of 'void', 'voidable', and 'unenforceable' contracts
- ◆ legal capacity to enter into a contract
- ◆ the principal categories of error, including Illegality, Errors and Misrepresentation
- ◆ the nature of breach of contract
- ◆ termination of a contract

Examples of types of breach of contract may include:

- ◆ anticipatory breach
- ◆ failing to perform the contract
- ◆ delayed performance
- ◆ unsatisfactory/defective performance

### Guidance on the delivery and assessment of this unit

In Outcome 3 it is recommended that the following be covered:

- ◆ the legal characteristics of a sole trader
- ◆ the legal characteristics of a partnership
- ◆ the legal characteristics of a registered company
- ◆ the legal characteristics of a limited liability company

It is recommended that this Unit is delivered through a combination of lecturer disposition, class discussion, group tasks and simulations. It is also recommended that candidates are encouraged to use authoritative texts and journals and to use appropriate websites for directed research.

The candidate should be able to understand the application of the law in given situations rather than simply an ability to memorise it, therefore teaching should concentrate on the practical application of the law.

Relevant legislation is always changing and teaching and assessment should take into account the most up to date legislation and precedent. Up-to-date examples are important in teaching this Unit and candidates may be encouraged to research current case law to use as examples to illustrate and explain legislation.

The Unit may be taught by using reported cases from current law journals and other relevant sources. Likewise, candidates may be encouraged to gather information from similar sources, eg the internet, journals and newspapers. These sources could also be used to drive group discussion in the classroom environment.

#### *Opportunities for developing Core Skills*

Throughout the Unit, candidates should be able to develop the Core Skill of *Communication* at SCQF level 6 by reading, evaluating and understanding written communication of different types, and should be producing written documents that convey a range of information and ideas on legal matters. Through group discussion, candidates could have the opportunity to communicate orally to individuals and groups by presenting ideas and complex information to others, and listening to and understanding other's responses.

Candidates may also be able to develop the Core Skill component of Critical Thinking at SCQF level 6 by analysing legal issues and devising and recommending appropriate solutions.

Candidates may be able to develop the Core Skill of *Information and Communication Technology* at SCQF level 5 through carrying out a range of *ICT* activities, such as internet searches and word processing in the course of any research.

### Open learning

If this Unit is delivered by open or distance learning methods, additional resources will be required for candidate support, assessment and quality assurance. It would require planning by the centre to ensure the sufficiency and authenticity of candidate's evidence.

## **SQA Advanced Unit Specification**

### **Equality and inclusion**

This unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements).



## SQA Advanced Unit Specification

### General information for candidates

#### Unit title: Business Law: An Introduction

This Unit is designed to introduce you to the framework of law as it applies within the business environment. The Unit Outcomes will cover:

- ◆ the main sources of Scots Business Law
- ◆ the law of contract
- ◆ the legal characteristics of the various types of business organisations and relationships

The Unit is primarily intended to give you a practical insight into aspects of Scottish law, legislation, contractual law and business formation and how this relates to a business enterprise. It is also applicable to those who have relevant work experience as it will formalise and consolidate their understanding of the law of contract. You will gain knowledge of the various type of business entity and their legal obligations.

This Unit is specifically focused on Scottish law, but may take into account some aspects of English Law. You may be provided with a limited overview of the role of the courts within the Scottish Legal System, how legislation has, and is being developed, the use of precedent in settling legal matters and how this affects the rights and obligations of all parties to a legal contract.

The Unit may be assessed by using examples of legal issues which require to be acted upon, or explained in terms of legal solutions or relevant case law. The Unit may be taught by using reported cases from current law journals and other relevant sources. Likewise, you may be encouraged to gather information from various sources, eg the internet, journals and newspapers. You may also be encouraged to use these articles as discussion topics in the classroom environment.

You may have the opportunity to develop Core Skills in *Communication* and *Problem Solving* at SCQF level 6, and *Information and Communication Technology* at SCQF level 5.