

SQA Advanced Diploma in Hospitality Management

GR3K 48

Course Tutor Guide (China)

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History of changes

It is anticipated that changes will take place during the life of the qualification, and this section will record these changes. This document is the latest version and incorporates the changes summarised below.

Further Information

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

Equality and inclusion

This qualification 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.

History of changes

It is anticipated that changes will take place during the life of the qualification, and this section will record these changes. This document is the latest version and incorporates the changes summarised below.

NOTE: Where a unit is revised by another unit:

- ◆ No new centres may be approved to offer the unit which has been revised.
- ◆ Centres should only enter students for the unit which has been revised where they are expected to complete the unit before its finish date.

Version number	Description	Date
02	Unit update: J4DK 47 Managing People and Organisations - Core Skills updated	27/10/2020

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1 Introduction

1.1 Purpose of the Course Tutor Guide

This Guide is aimed at staff in SQA Approved Centres who are responsible for the SQA Advanced Diploma in Hospitality Management. It will assist you in the delivery, assessment and internal verification of the SQA Advanced Diploma by providing information on setting up a course, the course framework, centre support with course delivery, teaching plans and guidance on assessment of the units within the course. It also provides information about Core Skills, Graded Units, Quality Assurance and Verification.

2 Setting up the course

Centres will have been approved to offer this course and will have internal processes for liaising with appropriate parties. Liaison with SQA is normally via the centre's SQA Co-ordinator.

It is recommended that a Course Team is set-up by the Institution/Department appointed to oversee the delivery of the course. The Course Team should comprise of all tutors teaching on the course and one tutor should be nominated as Course Team Leader.

The Course Team would have the responsibility for overseeing the quality of delivery on the course and to ensure that academic standards are maintained. The Course Team would also be responsible for monitoring student progress and determining the support required for individuals who are not progressing well.

The Course Team should meet to discuss matters relating to course delivery, assessment and internal verification on a regular basis (usually two/three times a year) to ensure that any action points are achieved and that the course is delivered efficiently and effectively. It is good practice to maintain a record of such meetings to ensure that any action points are noted and accomplished. This will benefit centres and their students by ensuring that all students achieve their full potential while maintaining the appropriate standards.

It is good practice for centres to maintain a library of master folders for each of the units within the course — these may be stored electronically as long as all relevant staff have access to them as and when required. Electronic files kept on a secure part of the centre's network/intranet are particularly appropriate if the award is delivered across different campuses allowing all tutors to access the most up-to-date materials wherever they are located.

The master folders should contain unit specifications, teaching materials (including details of learning, teaching and assessment plans; and if appropriate, details of any integration across units of either teaching or assessment), assessment exemplars and re-assessments. This enables new members of staff to access this valuable resource prior to – and during – delivery of the course.

It is good practice for tutors to familiarise themselves with the units and specific requirements of the assessments prior to the start of the course. Unit specifications set out the statement of standards and evidence required for achieving each unit, along with guidance on content and assessment. Assessment support packs provide an instrument of assessment for each unit and suggested marking scheme. **The assessment support packs MUST be kept secure at all times.**

All tutors delivering this course have a collective responsibility to ensure that all students are supported in a manner that meets their individual needs as they progress through the course.

3 The SQA Advanced Diploma Structure

3.1 General SQA Advanced Diploma Qualification Framework

To be awarded an SQA Advanced Diploma, the student is required to achieve **30 SQA Credits** with a mixture of SCQF level 7 and Level 8 units, **plus two additional units**¹ which provide knowledge and skills **essential** for students prior to further study. These two additional units develop English and Research skills and **must be achieved** before the student can be awarded the SQA Advanced Diploma. The additional units include one at SCQF level 6 and one at SCQF level 7.

Each unit is assigned a **SQA Credit** value of 1, 2 or 3. This credit value is based approximately on 80 hours of study per credit which consists of 40 hours of structured learning and a further 40 hours of student led study to consolidate and reinforce learning.

Each unit is also assigned a **Scottish Credit and Qualifications Framework (SCQF) level and credit point value**. (See below for further details regarding the SCQF).

Each unit is assigned an agreed number of SCQF credit points. One point represents a notional 10 hours of study by the learner at the identified level.

3.1.1 The Scottish Credit and Qualifications Framework (SCQF)

The SCQF has 12 levels ranging from National at SCQF level 1, up to Doctorate at level 12. The different levels indicate the level of difficulty of a particular qualification and the difference between levels is dependent on factors such as:

- ◆ the complexity and depth of knowledge and understanding.
- ◆ links to associated academic, vocational or professional practice.
- ◆ the degree of integration, independence and creativity required.
- ◆ the range and sophistication of application/practice.
- ◆ the role(s) taken in relation to other learners/workers in carrying out tasks.

3.1.2 SCQF level Descriptors

The SCQF level descriptors outline the general outcomes of learning at SCQF levels under five broad headings:

- ◆ knowledge and understanding (mainly subject based)
- ◆ practice (applied knowledge and understanding)
- ◆ generic cognitive skills (e.g. evaluation, critical analysis)
- ◆ communication, numeracy and IT skills
- ◆ autonomy, accountability and working with others

¹ **All students entering SQA Advanced Diploma year 1 must achieve the two additional units, to gain the SQA Advanced Diploma.**

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The descriptors allow broad comparisons to be made between the outcomes of any learning and allow learners, employers and the public in general to understand the range of skills and learning that should be achieved at each level. SCQF levels are increasingly used in job advertisements to help employers articulate the skills they require for a particular role and to help potential employees to highlight their skills thus ensuring the right person gets the right job.

For SQA Advanced Diploma courses each unit is also assigned an SCQF level which will be 6, 7 or 8. These levels indicate the degree of difficulty of the work for that unit.

SCQF level 6 is approximately equivalent to sixth year of compulsory secondary education. SCQF level 7 is approximately equivalent to first year of degree level study and SCQF level 8 approximately equivalent to second year of degree level study.

SCQF level 7 might be the level of an introductory unit in a subject area with SCQF level 8, the level of continuing unit.

Tutors involved in the delivery and assessment of units would find the SCQF level descriptors helpful in determining the appropriate level of difficulty/complexity required. For example:

The unit *Food and Beverage Operations* (J483 47) has an **SQA Credit value of 2**. This represents 160 hours of teaching and learning.

160 hours will equal **16 SCQF points** (1 point = 10 hours of learning) at **SCQF level 7**.

The unit *Management of Food and Beverage Operations* (J47G 48) follows on from *Food and Beverage Operations* (J483 47) and has an **SQA Credit value of 3**. This represents 240 hours of teaching and learning.

240 hours will equal **24 SCQF points** at **SCQF level 8**.

This means that the unit progresses the student's learning to a higher level.

The unit *Accommodation Operations* (J481 47) has an **SQA Credit value of 1**. This represents 80 hours of teaching and learning.

80 hours will equal **8 SCQF points** (1 point = 10 hours of learning) at **SCQF level 7**.

The unit *Accommodation Management* (J47D 48) follows on from *Accommodation Operations* (J481 47) and has an **SQA Credit value of 1**. This represents 80 hours of teaching and learning.

80 hours will equal **8 SCQF points** at **SCQF level 8**.

This means that the unit progresses the student's learning to a higher level.

3.2 Core Skills

The Core Skills are a group of five skills that are key to learning and working in today's world. Employers have identified Core Skills as those that are most likely to be needed in any work environment. This does not mean that every job will need people who are proficient in all five Core Skills but it does mean that every job will require some level of ability in some or all of these skills.

The five Core Skills are: *Communication*, *Numeracy*, *Information and Communication Technology (ICT)*, *Problem Solving* and *Working with Others*. Each Core Skill is available at levels 2 to 6 of the Scottish Credit and Qualifications Framework (SCQF). A brief description of each Core Skill is detailed below. A fuller description of each Core Skill at the SCQF levels 2–6 is available on the SQA's website — www.sqa.org.uk/international.

3.2.1 Communication

Communication skills underpin almost all personal, social, learning, and working activity. They are essential in clarifying one's own thoughts, in interacting and conversing with others, in expressing thoughts and in conveying information, feeling and opinions.

The Core Skill in *Communication* has two components:

- ◆ Oral Communication
- ◆ Written Communication

3.2.2 Numeracy

Numeracy skills are necessary for coping with the demands of everyday life, including work and study. People need to be comfortable with numbers, and with graphs, symbols, diagrams and calculators.

The Core Skill in *Numeracy* has two components:

- ◆ Using Graphical Information
- ◆ Using Number

3.2.3 Information and Communication Technology (ICT)

Information and Communication Technology (ICT) focuses on the ability to use Information Technology (IT) to process information in ways which will be useful in work and in the home — it is not about developing IT specialists.

The Core Skill in *Information and Communication Technology (ICT)* has two components:

- ◆ Accessing Information
- ◆ Providing/Creating Information

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3.2.4 Working with Others

Working with Others develops the skills needed to co-operate with others in learning and working situations to identify and achieve shared goals.

The Core Skill in *Working with Others* has two components:

- ◆ Working Co-operatively with Others
- ◆ Reviewing Co-operative Contribution

3.2.5 Problem Solving

Problem Solving develops the skills needed for tackling issues and problems in personal, social, vocational and occupational contexts.

The Core Skill in *Problem Solving* has three components:

- ◆ Critical Thinking
- ◆ Planning and Organising
- ◆ Reviewing and Evaluating

All qualifications offered by SQA are evaluated against the Core Skill framework and where opportunities exist to develop and/or achieve a Core Skill (embedded), these have been noted and a table is provided for each SQA Advanced Diploma showing where these skills are embedded and/or developed. (See Appendices 1a and 1b for more details).

3.3 Graded Units

In the framework of every SQA Advanced Diploma there are 3 SQA Credits of Graded Unit. There are Graded Units built into the framework towards the latter part of Year 1 and Year 2. Depending on the SQA Advanced Diploma, there may be three individual Graded Units of 1 SQA Credit or there may be two Graded Units — a 1-credit unit and a 2-credit unit. The purposes of Graded Units are to:

- ◆ demonstrate that the student has achieved the principal aims of the Group Award.
- ◆ demonstrate the student's ability to integrate the knowledge and understanding gained from other units making up the Group Award.
- ◆ grade student performance.

Graded Units are specific to the Group Award being delivered, and reflect the principal aims of that Group Award. This means that they will also clearly reflect the uniqueness of the title of the Group Award.

The allocation of grades awarded are as follows:

- ◆ Grade A — Student has achieved a mark of 70% or above
- ◆ Grade B — Student has achieved a mark of between 60% and 69%
- ◆ Grade C — Student has achieved a mark of between 50% and 59%
- ◆ F (Fail) — Student has failed to reach the required standard and achieved a mark less than 50%

4 SQA Advanced Diploma in Hospitality Management

4.1 Target audience

The SQA Advanced Diploma in Hospitality Management is designed for students who wish to pursue a career in a range of management positions within the hospitality industry. The SQA Advanced Diploma in Hospitality Management focuses on developing students' practical skills and their ability to apply their knowledge to relevant hospitality environments.

The SQA Advanced Diploma in Hospitality Management is designed to lead to employment in a wide range of hospitality and catering organisations at an operational, supervisory or managerial level.

Successful students should be able to progress to a range of degrees.

4.2 Access to the course

As with all SQA qualifications, access will be at the discretion of the centre and the following recommendations are for guidance only. It should be noted that this qualification will be taught and assessed in English.

Some examples of appropriate formal entry qualifications are specified below. They are not exhaustive or mutually exclusive and may be offered in a variety of combinations.

- ◆ For students where English is not their first language it is recommended that they possess English for Speakers of other Languages (ESOL) SCQF level 5 or a score of 5.5 in IELTS.
- ◆ Different combinations of relevant National Qualifications, Vocational Qualifications and equivalent qualifications from other awarding bodies may be acceptable, as would suitable industry standard qualifications at an appropriate level.
- ◆ Mature students with suitable work experience will be accepted for entry provided the enrolling centre believes that the student is likely to benefit from undertaking the award.

4.3 Aims of the course

The SQA Advanced Diploma in Hospitality Management award has a range of aims relating to academic and vocational progression. These are to:

- ◆ develop planning and analytical skills.
- ◆ develop problem-solving skills.
- ◆ develop the ability to be flexible and to work co-operatively with others.
- ◆ develop study and research skills.
- ◆ develop critical and evaluative thinking.
- ◆ enable progression within the SCQF.
- ◆ develop employment skills and enhance students' employment prospects.
- ◆ provide opportunities for career planning and enhance students' employment prospects.
- ◆ prepare for employment within the hospitality industry in a team-leading/supervisory level post.
- ◆ gain leadership skills and a customer-focused attitude through an understanding of the roles of a team leader/supervisor.
- ◆ gain an understanding of the structure and organisation of the industry and the influence of the industry on the economy.
- ◆ develop knowledge and skills in the main operational areas, such as, food and Beverage Operations styles and techniques, food hygiene and control systems.
- ◆ apply and integrate knowledge and skills across hospitality operational areas.
- ◆ apply and integrate knowledge and skills across hospitality management areas.
- ◆ prepare for progression to further studies in hospitality or related disciplines.

4.4 SQA Advanced Diploma in Hospitality Management Framework

The table below shows the whole framework of units for the SQA Advanced Diploma in Hospitality Management and includes their SQA Credit value and SCQF level.

Unit name	Unit code	Credit value	SCQF level
YEAR 1			
Accommodation Operations	J481 47	1	7
Business Accounting	HP7K 47	2	7
Food and Beverage Operations	J483 47	2	7
Food Hygiene Intermediate	HP4M 47	1	7
Hospitality Financial Control Systems	J488 47	1	7
Hospitality Front Office Procedures	J485 47	1	7
Hospitality Front Office Sales Management	J47E 48	1	8
Hospitality Industry	J486 47	1	7
Hospitality Supervision	J487 47	2	7
Information Technology: Applications Software 1	HP6L 47	1	7
Managing Hospitality Organisations	J47J 48	1	8
Work Placement ²	HP4X 47	1	7
Hospitality Management: Graded Unit 1	J47B 47	1	7
YEAR 2			
Accommodation Management	J47D 48	1	8
Gastronomy	J47L 48	2	8
Managing Financial Resources in Hospitality	J47H 48	1	8
Human Resource Management Practice	J45T 48	2	8
Kitchen Planning and Design	J47M 48	1	8
Management of Food and Beverage Operations	J47G 48	3	8
Managing People and Organisations	J4DK 47	2	7
Hospitality Management: Graded Unit 2	J47C 48	2	8

Additional Units ³	Unit code	Credit value	SCQF level
YEAR 1			
Workplace Communication in English	HR1C 46	1	6
YEAR 2			
Research Skills	J1NB 47	1	7

² Work Placement (HP4X 47) will be introduced in Year 1 with students undertaking work placements between Year 1 and Year 2 — this Unit will be resulted in Year 2.

³ **All students entering SQA Advanced Diploma year 1 must achieve the 2 additional units, to gain the SQA Advanced Diploma.**

4.5 Core Skills

All of the revised units within this award have been assessed and validated against the Core Skills 2013 framework.⁴

Successful students will exit from the SQA Advanced Diploma in Hospitality Management with the following Core Skills profile:

Core Skill	Certificated exit level
Information and Communication Technology (ICT)	SCQF level 6
Problem Solving	SCQF level 6
Working with Others	SCQF level 6

A detailed analysis of the Core Skills profile is provided in Appendices 1a and 1b which details where there are opportunities for developing Core Skills within the SQA Advanced Diploma in Hospitality Management framework.

4.6 Graded Units

Students will take a 1-credit Graded Unit at SCQF level 7 in the first year of the SQA Advanced Diploma Group Award, and a further 2-credit Graded Unit at SCQF level 8 in the second year of the SQA Advanced Diploma Group Award.

The Graded Units take the form of:

Hospitality Management: Graded Unit 1 (J47B 47) Project (Case Study) at SCQF level 7 — 1 SQA Credit

Hospitality Management: Graded Unit 2 (J48C 48) Project (Case Study) at SCQF level 8 — 2 SQA Credits

Further details are provided in Section 8.3.

⁴ Core Skills Framework: an introduction (SQA, Glasgow, 2013)

5 Course delivery of an SQA Advanced Diploma

5.1 How the course is delivered

All tutors must ensure that they deliver this course using teaching methods that engage students in ‘active learning’ to encourage them to participate in the learning activities set. All SQA qualifications are designed to enable students to develop their knowledge and skills and then they are required to apply this new knowledge/skill to a new situation. Criterion-referenced assessments assume that all parties are fully informed of the criteria that students must achieve and the assessment conditions under which the students carry out the assessment activity.⁵

To ensure that students are fully prepared it is essential that tutors provide as many opportunities as possible for students to be actively engaged throughout the learning process. Students should:

- ◆ be fully informed of the criteria they must achieve.
- ◆ be offered a range of learning activities to research, analyse and apply new knowledge/skills to new situations.
- ◆ be offered opportunities to experience the type of activity that they will be required to carry out as part of the summative assessment.
- ◆ be able to critically evaluate their personal contribution and to receive feedback from the tutor on how to enhance their understanding.

Tutors should develop a learning, teaching and assessment plan for each unit within the course and provide activities that students should undertake.

Each unit should have a master folder containing the unit specification, teaching materials, the teaching and assessment plan along with assessment exemplars and re-assessments. The teaching materials and teaching plan should provide details of activities that students should undertake. Typically they include activities such as small group/whole class discussion, group problem solving, eg analysing a case study and offering solutions based on the new learning, group project work to find examples, to research new knowledge and to present their findings to their fellow students.

⁵ For further information about different assessment activities — whether they be for formative or summative purposes, tutors may wish to complete the new online course: Produce HN Assessments for successful prior verification OR read the *SQA Guide to Assessment*.

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The following is a list of learning activities but it is not exhaustive:

- ◆ Lectures
- ◆ Tutorials
- ◆ Study packs
- ◆ Problem-based scenarios
- ◆ Case studies
- ◆ Group/team work
- ◆ Online materials
- ◆ IT based teaching materials
- ◆ Projects
- ◆ Quizzes
- ◆ Research and presentation of findings to fellow students
- ◆ Role play
- ◆ Short response questions, multiple choice questions
- ◆ Create questions for other students (with answers), etc

Tutors should consider the nature of the assessment method as well as the assessment content when planning learning activities so that students are appropriately prepared.

It is the tutor's responsibility to explain to the students what is required of them and then to direct, encourage, co-ordinate and support students to complete the activity. It is also the tutor's responsibility to ensure the resources needed are available to the students. Materials should be reviewed on a regular basis to ensure they are still relevant.

Some activities could require students to work in pairs or small groups to discuss issues or to solve a given problem. Other activities could require the student to undertake some independent research beyond the classroom and to bring their findings to the next lesson and present this to the class in a report or presentation format. Some units will require the student to undertake independent reading and students should be prepared to discuss key issues within the classroom as organised and led by the tutor.

In practical skills classes, students should be directed to use practice exercises to enable them to become proficient. Tutors may demonstrate the skill first and then coach the students individually when unsure. In terms of developing independent learners, in the case of information technology, students should be encouraged to independently use the online Help facilities within applications. It should be noted that even in practical classes, students should be encouraged to work in small groups and to support one another as part of the learning process. In explaining a concept, the student has to reformulate and communicate the learning point, thus deepening their own learning.

When undertaking group work, students should be encouraged/directed to work with different groups each time they attempt a new task so that they get to know and work with a wide range of individuals. The groups should be given clear task activities. Tutors should note the various roles assigned to the group members and they should set a time limit for the completion of the task.

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At the end of each activity tutors should make time to receive feedback from each group so that they can assess knowledge and understanding and use the feedback session to repeat important key points and to clear up any misunderstandings. Tutors must also provide feedback to students on their performance in activities, etc.

Where centres have access to electronic resources such as Virtual Learning Environments, Blogs, Wikis, etc — tutors/lecturers are encouraged to use these collaborative tools in the learning process.

As students work through each unit in the course, they will be expected to:

- ◆ listen to instructions given to them by their tutors.
- ◆ listen to exposition and lessons given by their tutors.
- ◆ read sections of the guides as directed by their tutors.
- ◆ participate in a range of practical exercises and activities including case studies, extended response and short response questions, research and presentation.
- ◆ carry out these tasks either individually, in pairs, small groups or whole class.
- ◆ test their own knowledge and understanding by completing self-assessed questions where the answers are provided.
- ◆ test their own knowledge and understanding by completing activities and submitting them to their tutors for feedback.
- ◆ receive feedback from tutors on activities that have been reviewed.
- ◆ reflect on their own learning and identify areas to develop.

All tutors delivering on a course have a collective responsibility to ensure that all students are supported in a manner that meets their individual needs as they progress through the course.

Each individual tutor has a role to monitor an individual student's understanding and progress at unit level and feed comments to the Course Team. At individual unit level, tutors may wish to use a range of mechanisms to support students and to establish if students are progressing well on the course.

6 SQA Advanced Diploma in Hospitality Management course delivery

6.1 Teaching plan

The units that make up this Group Award are listed in Section 6.2 — **Overview of units**.

This Section — **Teaching plan** — provides a **suggested** delivery schedule for the units and highlights the best way to sequence the units over two years.

When constructing this teaching plan consideration was given to the following points:

- ◆ Year 1 will contain units which are mainly at SCQF level 7.
- ◆ Year 2 will contain units which are mainly at SCQF level 8 and there should be a natural progression from some of the units delivered in Year 1 to those being delivered in Year 2.
- ◆ Some units are 2-credit and there is one 3-credit unit and so thought must be given as to whether the unit should be covered in one semester or across the whole year.
- ◆ The units being assessed as part of the Graded Unit **must** be delivered and assessed prior to the Graded Unit being introduced. This will ensure that sufficient learning will have taken place to enable the students a fair opportunity at achieving the Graded Unit at an appropriate grade.

The two additional units^{6*} *Workplace Communication in English* (HR1C 46) and *Research Skills* (J1NB 47) support students in development of their communication skills and prepare them for progression to further study.

The second additional unit *Research Skills* (J1NB 47) can be delivered in the first semester as a forerunner to a project-based Graded Unit, or alongside a project based Graded Unit, in Year 2 of the SQA Advanced Diploma.

Including the two additional units, students will study 16 credits worth of units in each year. The weighting of these units will depend on the relationship of the relevant unit to others in terms of prior knowledge needed and/or complementary knowledge. The unit *Work Placement* (HP4X 47) will span both years of the qualification.

Rationale for the suggested delivery schedule

Two suggested delivery schedules have been given for Year 1 and Year 2 of SQA Advanced Diploma in Hospitality Management — Option A and Option B.

The majority of the SCQF level 7 units have been included in Year 1, so that students are provided with introductory knowledge and understanding in the subject areas of

⁶ **All students entering SQA Advanced Diploma year 1 must achieve the 2 additional units, to gain the SQA Advanced Diploma.**

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— accommodation, food and beverage operations, front office procedures, food hygiene, financial control systems, the hospitality industry, hospitality supervision, information technology and managing hospitality organisations.

The majority of the units in Year 2 are SCQF level 8 units that will develop on the knowledge and understanding gained in Year 1. Students will be able to extend their knowledge and skills in accommodation management, management of food and beverage operations, gastronomy, managing financial resources, human resource management, kitchen planning and design, and managing people and organisations. Between Year 1 and Year 2 students should be encouraged to complete the *Work Placement* (HP4X 47) unit.

In Year 1, completing *Workplace Communication in English* (HR1C 46) in Semester 1 will assist students in their communication skills in all the later units.

6.1.1 Year 1: Suggested delivery schedule

YEAR 1 — Option A

Semester 1	Semester 2
Accommodation Operations (J481 47) — SCQF level 7, 1 SQA Credit	Hospitality Industry (J486 47) — SCQF level 7, 1 SQA Credit
Business Accounting (HP7K 47) — SCQF level 7, 2 SQA Credits →	
Food Hygiene Intermediate (HP4M 47) — SCQF level 7 — 1 SQA Credit	Managing Hospitality Organisations (J47J 48) — SCQF level 8, 1 SQA Credit
Hospitality: Financial Control Systems (J488 47) — SCQF level 7, 1 SQA Credit	Work Placement ⁷ (HP4X 47) — SCQF level 7, 1 SQA Credit
Food and Beverage Operations (J483 47) — SCQF level 7, 2 SQA Credits →	
Hospitality Front Office Procedures (J485 47) — SCQF level 7, 1 SQA Credit	Hospitality Front Office Sales Management (J47E 48) — SCQF level 7, 1 SQA Credit
Hospitality Supervision (J487 47) — SCQF level 7, 2 SQA Credits	
Information Technology: Applications Software 1 (HP6L 47) — SCQF level 7, 1 SQA Credit	Hospitality Management: Graded Unit 1 (J47C 47) — SCQF level 7, 1 SQA Credit
Workplace Communication in English (HR1C 46) SCQF Level 6, 1 SQA Credit	
Nine units studied: 1 at SCQF level 6, eight at SCQF level 7 (six credits completed; three credits partially completed)	Eight units studied: six at SCQF level 7 and two at SCQF level 8 (ten credits completed; one credit partially completed)

⁷ This unit spans over both years of the qualification.

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Rationale for Year 1 (Option A)

Option A offers students a good foundation in Semester 1 by ensuring that they have the required knowledge and skills to complete the Graded Unit 1 in Semester 2. *Information Technology: Applications Software 1* (HP6L 47) will also assist students throughout their studies. The units *Business Accounting* (HP7K 47), *Food and Beverage Operations* (J483 47) and *Hospitality Supervision* (J487 47) are all 2-credit units and delivered over the two semesters. This approach will give students the opportunity to develop practical skills over time and provide the opportunity for the practical supervision element of *Hospitality Supervision* (J487 47) — *Outcomes 2 and 3* - to be assessed in the context of *Food and Beverage Operations* (J483 47).

In Semester 2, *Work Placement* (HP4X 47) is introduced to allow the practical element to be carried out between Year 1 and Year 2 and the unit completed in Semester 1, Year 2.

Key features of Year 1 (Option A)

- ◆ Helps students to focus and builds confidence and motivation
- ◆ Provides the opportunity to develop practical skills over a longer period of time
- ◆ Completing Workplace Communication in English (HR1C 46) in Semester 1 is beneficial for later units
- ◆ The majority of subjects for Graded Unit 1 are covered in Semester 1
- ◆ More revision time may be required for Graded Unit 1 as key subjects have been completed in Semester 1

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YEAR 1 — Option B

Semester 1	Semester 2
Workplace Communication in English (HR1C 46) SCQF Level 6, 1 SQA Credit	Business Accounting (HP7K 47) — SCQF level 7, 2 SQA Credits
Food Hygiene Intermediate (HP4M 47) — SCQF level 7 — 1 SQA Credit	Managing Hospitality Organisations (J47J 48) — SCQF level 8, 1 SQA Credit
Hospitality: Financial Control Systems (J4887 47) — SCQF level 7, 1 SQA Credit	Hospitality Front Office Procedures (J485 47) — SCQF level 7, 1 SQA Credit
Food and Beverage Operations (J483 47) — SCQF level 7, 2 SQA Credits	Hospitality Front Office Sales Management (J47E 48) — SCQF level 8, 1 SQA Credit
	Work Placement ⁸ (HP4X 47) — SCQF level 7, 1 SQA Credit
Hospitality Supervision (J487 47) — SCQF level 7, 2 SQA Credits	Hospitality Industry (J486 47) — SCQF level 7, 1 SQA Credit
Information Technology: Applications Software 1 (HP6L 47) — SCQF level 7, 1 SQA Credit	Hospitality Management: Graded Unit 1 (J47B 47) SCQF level 7, 1 SQA Credit
Accommodation Operations (J481 47) — SCQF level 7, 1 SQA Credit	
Seven units studied: one at SCQF level 6, six at SCQF level 7 (nine credits completed)	Seven units studied: five at SCQF level 7 and two at SCQF level 8 (seven credits completed; one credit partially completed)

Rationale for Year 1 (Option B)

Option B offers students a good foundation in Semester 1 by ensuring that they have already gained most of the required knowledge and skills to complete the Graded Unit 1 in Semester 2.

Information Technology: Applications Software 1 (HP6L 47) will also assist students throughout their studies. The units *Food and Beverage Operations* (J483 47) and *Hospitality Supervision* (J487 47) are 2-credit units and delivered in Semester 1. This approach will provide the opportunity for the practical supervision element of *Hospitality Supervision* (J487 47) — *Outcomes 2 and 3* — to be assessed in the context of *Food and Beverage Operations* (J483 47).

In Semester 2, *Work Placement* (HP4X 47) is introduced to allow the practical element to be carried out between Year 1 and Year 2 and the unit completed in Semester 1, Year 2. All the subjects required for the Graded Unit 1 are delivered in Semester 1 and more revision time may be required for Graded Unit 1 as key subjects have been completed in Semester 1. There are fewer subjects in Semester 2 to allow students time to work on the Graded Unit Project.

⁸ This unit spans over both years of the qualification.

Key features of Year 1 (Option B)

- ◆ More subjects introduced in Semester 1
- ◆ Variety may increase student motivation
- ◆ More time for revision of subjects delivered in Semester 1 for Graded Unit 1
- ◆ completing Workplace Communication in English (HR1C 46) in Semester 1 is beneficial for later units
- ◆ More units completed in Semester 1

6.1.2 Year 2: Suggested delivery schedule

Whether choosing Option A or Option B, *Research Skills* (J1NB 47) will add significantly to the skills students require to successfully carry out necessary research and analysis and delivery can be integrated with Graded Unit 2 project.

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YEAR 2 — Option A

Semester 1	Semester 2
Work Placement (HP4X 47) — SCQF level 7, 1 SQA Credit	Kitchen Planning and Design (J47M 48) — SCQF level 8, 1 SQA Credit
Management of Food and Beverage Operations (J47G 48) — SCQF level 8, 3 SQA Credits →	
Accommodation Management (J47D 48) — SCQF level 8, 1 SQA Credit	
Gastronomy (J47L 48) — SCQF level 8, 2 SQA Credits →	
Managing Financial Resources in Hospitality (J47H 48) — SCQF level 8, 1 SQA Credit	Research Skills (J1NB 47) – SCQF Level 7, 1 SQA Credit
Human Resource Management Practice (J45T 48) — SCQF level 8, 2 SQA Credits	
Managing People and Organisations (J4DK 47) — SCQF level 7, 2 SQA Credits	Hospitality Management: Graded Unit 2 (J48C 48) — SCQF level 8, 2 SQA Credits
Seven units studied: two at SCQF level 7, five at SCQF level 8 (five credits completed, two credits partially completed)	Six units studied: one at SCQF level 7, five at SCQF level 8 (eleven credits completed)

Rationale for Year 2 (Option A)

The *Work Placement* (HP4X 47) unit will be completed in Semester 1 and the units *Gastronomy* (J47L 48) and *Human Resource Management Practice* (J45T 48) are delivered over the two semesters.

The unit *Management of Food and Beverage Operations* (J47G 48) is a 3-credit unit and is delivered over the two semesters in order for the students to have time to plan their event, carry it out and then complete the portfolio of evidence. All the units required for the Graded Unit 2 are delivered in Semester 1 and there are fewer units delivered in Semester 2 to allow students time to complete the Graded Unit 2 Project.

Key features of Year 2 (Option A)

- ◆ Fewer subjects completed in Semester 1
- ◆ Builds confidence and motivation through the delivery of the practical units over a longer period of time
- ◆ More time to research Graded Unit 2

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YEAR 2 — Option B

Semester 1	Semester 2
Work Placement (HP4X 47) — SCQF level 7, 1 SQA Credit	Kitchen Planning and Design (J47M 48) — SCQF level 8, 1 SQA Credit
Management of Food and Beverage Operations (J47G 48) — SCQF level 8, 3 SQA Credits	
Accommodation Management (J47D 48) — SCQF level 8, 1 SQA Credit	Human Resource Management Practice (J45T 48) — SCQF level 8, 2 SQA Credits
Gastronomy (J47L 48) — SCQF level 8, 2 SQA Credits	Hospitality Management: Graded Unit 2 (J48C 48) — SCQF level 8, 2 SQA Credits
Managing Financial Resources in Hospitality (J47H 48) — SCQF level 8, 1 SQA Credit	Research Skills (J1NB 47) – SCQF Level 7, 1 SQA Credit
Managing People and Organisations (J4DK 47) — SCQF level 7, 2 SQA Credits	
Six units studied: two at SCQF level 7, four at SCQF level 8 (seven credits completed, three credits partially completed)	Five units studied: one at SCQF level 7, four at SCQF level 8 (nine credits completed)

Rationale for Year 2 (Option B)

The *Work Placement* unit (HP4X 47) will be completed in Semester 1. The units *Gastronomy* (J47L 48) and *Managing People and Organisations* (J4DK 47) — both 2-credit units — will be completed in Semester 1. The unit *Management of Food and Beverage Operations* (J47G 48) is a 3-credit Unit and is delivered over the two semesters in order for the students to have time to plan their event, carry it out and then complete the portfolio of evidence. All the units required for the Graded Unit 2 are delivered in Semester 1 and there are fewer units delivered in Semester 2 to allow students time to complete the Graded Unit 2 Project.

Key features of Year 2 (Option B)

- ◆ More units completed in Semester 1
- ◆ All subjects required for completing the Graded Unit 2 are completed in Semester 1
- ◆ Fewer subjects completed in Semester 2
- ◆ Builds confidence and motivation through the delivery of the practical unit over a longer period of time
- ◆ More time to research Graded Unit 2

6.2 Overview of units

An overview of each unit delivered within Years 1 and 2 is given below. However, tutors should refer to the unit specification for full details of the Knowledge and/or Skills to be covered and Evidence Requirements. The Evidence Requirements clearly state the type of evidence required, the standard of evidence required and any conditions of assessment. The unit specification also contains guidance on the delivery and assessment of the unit.

YEAR 1 UNITS

Accommodation Operations (J481 47)

This 1-credit unit is designed to enable students to recognise the importance of accommodation provision in the hospitality industry and gain an understanding of the variety of accommodation facilities that are provided by the different sectors of the hospitality industry. Students will gain an understanding of the importance of maintaining acceptable standards of accommodation provision and the importance of meeting client expectations. Students will also gain an understanding about the equipment, materials and procedures used to meet acceptable standard levels and how the provision of Accommodation Operations is planned.

There are three Outcomes in this unit.

Outcome 1 looks at accommodation provision within the different sectors of the hospitality industry.

Outcome 2 focuses on how accommodation standards are maintained within different sectors of the hospitality industry.

Outcome 3 explores how resources used to maintain accommodation standards are stored, controlled and issued.

This unit can be assessed in variety of ways, such as use of responses to questions based on given situations, case study/scenario, multiple-choice questions, etc.

Outcomes 1, 2 and 3 could be assessed individually at the end of each outcome or as an integrated assessment at the end of the unit.

Assessment should be conducted in the classroom under open book, supervised conditions. However, if multiple-choice questions used, these should take the form of a closed-book assessment carried out under supervised conditions.

Business Accounting (HP7K 47)

This 2-credit unit enables students to develop their knowledge and understanding in the preparation and use of accounting information within a business organisation. Students will develop skills in preparing basic financial and management accounting reports and in interpreting and using financial information for decision making.

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There are five Outcomes in this unit. It is recommended that Outcomes 1 and 2 are assessed separately and that the assessment is integrated for Outcomes 3, 4 and 5.

In Outcome 1 students will prepare the financial statements for a limited company comprising an income statement, statement of financial position and statement of changes in equity and incorporating year-end adjustments.

Outcome 2 focuses on the preparation of management accounting information and students will prepare a cash budget. Further, students will calculate the break-even point for making business decisions; for example, considering the launch of a new product.

It is recommended that Outcomes 3, 4 and 5 are delivered and assessed following an integrated approach. These Outcomes cover: users of financial information and the purposes for which it is needed; sources of finance available to a business, both short term and long term; and an analysis of the performance and financial position of a business by looking at statements of cash flows and use of accounting ratios. The assessment could take the form of a case study covering these three areas.

Food and Beverage Operations (J483 47)

This 2-credit unit is designed to enable students to develop an in-depth knowledge and understanding of the different food and beverage operations and service styles available within the hospitality industry. The unit will also provide students with the practical skills needed to lead a food and beverage operation.

There are four Outcomes in this unit.

Outcome 1 focuses on food and beverage operations within the hospitality industry.

Outcomes 2 and 3 focus on the practical skills associated with leading a team to prepare for and deliver a food and service.

Outcome 4 relates to evaluating the preparation and delivery of a food and beverage service and identify areas for improvement

Outcome 1 can be assessed independently and before the work begins on the other three Outcomes. The assessment for Outcomes 2 and 3 may be integrated in a practical activity. For Outcome 4, students could write a short report or complete a brief oral interview on their evaluation of the practical activity carried out for Outcomes 2 and 3.

Food Hygiene Intermediate (HP4M 47)

This 1-credit unit is designed to develop the students' knowledge and understanding of the principles of food safety.

There are five Outcomes in this unit.

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Outcome 1 relates to the principles of food safety and identifies the role of bacteria and non-bacterial agents.

Outcome 2 focuses on the production of safe food in relation to the prevention of food poisoning, food borne illness and contamination by physical and allergenic materials.

Outcome 3 covers the rationale behind food safety management systems based on the principles of HACCP and the role of current hygiene legislation.

Outcome 4 looks at the need for satisfactory design, construction and maintenance of food premises and equipment and the benefits of effective cleaning and disinfection.

Outcome 5 covers the principles involved in the preservation and safe storage of food.

The assessment of the five Outcomes can be by means of short answer questions. Each Outcome may be assessed individually or assessment for some Outcomes may be combined. Assessment will be carried out under closed-book controlled conditions.

Hospitality: Financial Control Systems (J488 47)

This 1-credit unit is designed to introduce students to various control systems used in the Hospitality Industry.

There are four Outcomes in this unit.

Outcome 1 requires students to use a spreadsheet application to cost standard recipes and calculate selling prices.

For Outcome 2 students will prepare income statements in acceptable formats

Outcome 3 students will learn how to identify cost behaviours and their impact on business performance.

For Outcome 4 students will be required to calculate the number of covers and revenue required for a variety of organisations to break-even

All Outcomes could be assessed in an open-book format, where students have access to logbooks and/or worked examples completed during the delivery of this unit.

For assessment of Outcome 1, students could be given a spreadsheet pre-populated with three individual recipes, each containing at least six ingredients, along with realistic price lists for the ingredients. Learners should be given sufficient information to enable them to calculate a realistic cost for a three-course menu, reflecting three different gross income percentages. Learners should also demonstrate how different

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gross income percentages and changes to the prices of ingredients will impact on selling prices.

Outcome 2 could be assessed using short answer questions based on a case study and completion of a pro forma income statement. The case study should provide learners with enough information to complete the income statement with the following calculations:

- ◆ Cost of sales
- ◆ Gross income
- ◆ Labour costs
- ◆ Overhead costs
- ◆ Net income

A mix of short answer questions and calculations based on information presented in a casestudy could be used to assess Outcomes 3 and 4.

Hospitality Front Office Procedures (J485 47)

This 1-credit unit is designed to enable students to develop knowledge and skills required to work within the front office of a hospitality accommodation operation. The unit explores the procedures and duties involved in taking advance reservations, dealing with guests' arrival, in-house requirements and departure.

There are three Outcomes in this unit.

Outcome 1 covers the reservation process for the letting of hospitality accommodation.

Outcome 2 relates to carrying out arrival procedures and handling the in-house requirements of guests

Outcome 3 focuses on applying billing and departure procedures for guests

This unit can be assessed in many ways. For centres with no specialised software, students could be assessed by completing extended response questions and practical activities in relation to given guest situations from reservations to departure. This could include the completion of documentation relating to the stages of the 'Guest Cycle' and role-playing aspects of guest arrival and departure.

For centres with specialist front office software, assessment of the unit can be undertaken using a series of practical exercises that require learners to input information into the system, supplements with knowledge-based questions.

Hospitality Front Office Sales Management (J47E 48)

This 1-credit unit is designed enable student to apply tools and techniques to maximise front office sales. It covers customer relationship management, e-marketing and the use of revenue and yield management to maximise the sales potential of hospitality accommodation operations.

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There are three Outcomes in this unit.

Outcome 1 covers the techniques used to maximise room sales.

Outcome 2 looks at the effect of Customer Relationship Management (CRM) on front office sales.

Outcome 3 examines the use of intermediaries and e-marketing in maximising front office sales.

Assessment of this unit could be carried out with all Outcomes being assessed together or in three separate parts, ie Outcome by Outcome. Students could be given a case study from a hospitality accommodation operation to analyse that relates to the management of front office sales. Students would then be required to use this information to answer a series of extended response questions. The assessment should be completed under controlled conditions.

Hospitality Industry (J486 47)

This 1-credit unit is designed to introduce students to the main features of the hospitality industry. Students will gain an understanding of the different sectors of the industry and its importance to the economy. In particular, the unit looks at marketing processes in the hospitality industry.

There are three Outcomes in this unit.

Outcome 1 looks at the main features of the hospitality industry.

Outcomes 2 and 3 focus on marketing, its importance in the hospitality industry and the marketing processes used by the industry.

Assessment of Outcome 1 could take the form a report, presentation or short response questions covering the evidence requirements.

Assessment of Outcomes 2 and 3 could be based on a combination of short answer questions and a report or presentation.

Workplace Communication in English (HR1C 46)

This unit focusses on the skills needed for communication in the workplace. Students will summarise texts and evaluate the effectiveness of the content, format and layout, while meeting the needs of purpose and readership. They will produce effective documentation such as proposals, letters and reports and develop the skills for sustained spoken interactions with others.

There are three Outcomes, which may be integrated with elements of the programme which require analysis and production of complex written and/or oral communication.

Outcomes 1 and 2 can be assessed in a contextualised situation and may be taught and assessed within the hospitality subject area. The use of a contextualised model

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to assess Outcome 1 will develop skills within a realistic workplace context. Oral responses should be scribed or recorded.

In Outcome 2, students present a folio of written information using a workplace situation as a context. There should be full discussion with the student on the purpose and audience of any text to ensure what is produced is appropriate.

Outcome 3 introduces students to practical communication skills needed within a workplace. They will demonstrate appropriate verbal and non-verbal communication skills and the ability to ask and answer questions in such a way as to progress discussion and promote working relationships.

Hospitality Supervision (J487 47)

This 2-credit unit is designed to give students an understanding of the diversity of the role of the supervisor in the hospitality industry. Students will gain an understanding of the qualities a supervisor needs to enable them to be an effective supervisor and will equip them with the skills to be able to lead a small team of people in the hospitality environment. Students will be given the opportunity to carry out related practical activities.

There are three Outcomes in this Unit.

Outcome 1 focuses on developing an understanding of the diverse range of skills required of the supervisor in a hospitality environment.

In Outcome 2 students are required to plan, implement and evaluate a training activity within a hospitality environment.

In Outcome 3 students are required to plan, implement and evaluate a supervisory activity within a hospitality environment.

Outcome 1 could be assessed through a combination of practical performance and the completion of mini case studies.

For Outcome 2, students should plan, implement and evaluate a training activity. The training activity should be carried out on a one-to-one basis and should last no more than 10 minutes. The activity should be a simple training activity, for example serving coffee or a drink, napkin folding, or entering a reservation.

For Outcome 3, students must undertake a supervisory activity; each student should supervise at least three other students. The activity should take place in the situation which reflects the students' learning environment, eg restaurant/front office, etc.

Information Technology: Applications Software 1 (HP6L 47)

This 1-credit unit is designed to enable students to use Information Technology (IT) systems and applications independently to support a range of information processing activities and to develop a broad knowledge of the theoretical concepts of IT applications.

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There are two Outcomes in this unit.

Outcome 1 focuses on operating a range of IT equipment independently, giving attention to security and to other users.

In Outcome 2 students use a range of software application packages to meet complex information requirements.

Assessment is largely practical and lends itself to a single assessment containing a number of tasks in the form of a project or case study. An observation checklist should be used for Outcome 1. Outcome 2 requires the student to use four or more software packages, eg text, number, graphics, audio or video and to integrate two or more different data types, eg using Word, Excel, PowerPoint, Publisher, Access, Outlook and the Internet.

Managing Hospitality Organisations (J47J 48)

This 1-credit unit is designed to introduce students to the concepts and theories underlying management practice. Students will develop the skills to apply these concepts and theories to motivate and lead teams of staff and to manage change within a hospitality organisation.

There are three Outcomes in this unit.

Outcome 1 looks at the structure and management of organisations in the hospitality industry.

Outcome 2 analyses the factors that influence workplace performance in the hospitality industry.

Outcome 3 covers strategies for the implementation of change management within a hospitality organisation.

Questions based on case studies relating to a hospitality organisation could be used to assess this unit. Due to the integrative nature of the outcomes in this unit, it may be possible for one comprehensive case study to be produced that would allow students to demonstrate their competence for the whole unit. Evidence should be generated under controlled conditions.

Work Placement (HP4X 47)

This 1-credit unit is designed to give recognition for a range of work experience activities that students may complete as part of a Higher National programme. It is intended for students who will benefit from a flexible approach where a work placement opportunity is tailored to individual needs and is part of their course of study and/or current employment needs. The work placement should take into account any individual prior learning and aim to develop work related skills. The aim of the unit is to develop the necessary essential workplace skills and experience to consider appropriate career development opportunities. The unit aims to enhance

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existing or new employment prospects and where possible to support progression into paid employment.

There are three outcomes in this unit

In Outcome 1 students will be required to prepare for a work placement opportunity.

In Outcome 2 students develop and enhance personal and vocational skills in the workplace.

In Outcome 3 students will be required to review and evaluate their workplace experience and identify future career development progression.

The HN Work Placement unit can be assessed outcome by outcome. Alternatively, the unit can be assessed holistically as a portfolio of evidence gathered across all outcomes.

Hospitality Management: Graded Unit 1 (J47B 47)

This 1-credit unit will provide evidence that students have met the aims of the first year of the Group Award. It assesses the student's ability to integrate knowledge and skills and problem solving across eight of the first year Units. This Graded Unit will be assessed using a case study.

YEAR 2 UNITS

Accommodation Management (J47D 48)

This 1-credit unit is designed to enable students to understand the management functions involved in the provision of accommodation services. In particular, this unit will enable students to explore sustainable practices in the accommodation sector, as well as the monitoring and control of quality standards.

There are three Outcomes in this unit.

Outcome 1 focuses on the development and control quality standards in accommodation services.

Outcome 2 looks at the processes involved in the management of accommodation services

For Outcome cover the establishment of sustainable practices for the management of an accommodation business/service.

For assessment of Outcome 1, students could be presented with restricted response answer questions. Alternatively, students could be presented with a scenario-based case study for which they have to outline how they would develop and control quality standards; this should include investigating the planning, organising, controlling and evaluation processes for the accommodation business/service outlined in the scenario. For example, students could be presented with a scenario that details an establishment that is planning a change.

For assessment of Outcome 2, students could be presented with restricted response answer questions. Alternatively, the assessment could take the form of scenario-based case studies with questions. A case study could cover a single knowledge and/or skills point or it could cover several. It is recommended that different sectors of the hospitality industry are used to ensure coverage all the knowledge and/or skills and evidence requirements

For assessment of Outcome 3, students could be presented with restricted response answer questions. Alternatively, the assessment could take the form of a scenario-based case study that focuses on a particular sector of the industry. For example, learners could be presented with a scenario that details a major redevelopment of an existing accommodation business/service.

Gastronomy (J47L 48)

This 2-credit unit is designed to enable students to develop their understanding and appreciation of food, gain an insight into the history of diet and explore the relationship between food and culture. The unit will draw both on the student's own experiences and the knowledge and skills gained in previous study.

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There are four Outcomes in this unit.

Outcome 1 evaluates the relationship between food and culture and their role in creating an authentic dining experience.

In Outcome 2 students will apply their knowledge of gastronomy to create well-balanced menus

For Outcome 3, students pair a range of wines and other beverages with a variety of dishes.

For Outcome 4, students will critically evaluate a gastronomic experience.

Assessment of Outcome 1 should be based on students' analysis and interpretation of the results of both the primary and secondary research they have undertaken, with opinion offered throughout. Evidence could take the form of a report or presentation produced under open-book conditions.

Assessment of Outcome 2 could be based on portfolios of evidence compiled by students, covering all the evidence requirements. Portfolios could contain:

- ◆ Menu planning criteria
- ◆ Information on seasonality and local produce
- ◆ Examples of menus - both researched and created by the learner with their justifications for the dishes on the menu(s)
- ◆ Current trends
- ◆ Details of visits to industry
- ◆ Details of guest speakers
- ◆ Sensory evaluation sheets

Assessment of Outcome 3 could be based on student presentations demonstrating their knowledge and understanding of pairing wine and other beverages with food, this could include wine/beverage regions and the factors that affect wine/beverage quality and price. This Outcome could also be assessed using short answer questions, completed under open-book conditions.

Assessment could be based on a report or presentation produced by the students detailing their gastronomic experience. Students should be able to demonstrate the knowledge and understanding they have developed in the other Outcomes of this unit to provide commentary on all aspects of the experience and make suggestions for improvements.

Managing Financial Resources in Hospitality (J47H 48)

This 1-credit Unit is designed develop students' understanding of the impact of management decisions on business profitability. The unit will enable students to make business decisions and manage financial resources in a hospitality setting, with emphasis on cash transactions. This will involve tracking cash movements and making reasoned projections as required in business operations.

There are four Outcomes in this unit.

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Outcome 1 requires students to apply break-even analysis in practical decision making.

Outcome 2 covers reconciling business records of cash movements with bank statements.

Outcome 3 covers compiling statements of cash flows.

Outcome 4 focuses on the preparation of a cash budget for a given hospitality operation to aid decision making processes.

All outcomes should be assessed in an open book format, where students have access to logbooks and/or worked examples completed during the delivery of this unit.

Outcome 1 could be assessed using one case study that provides students the opportunity to apply proposed changes to Average Spending Power (ASP), variable and fixed costs and how these changes affects the profitability and profit stability of a hospitality organisation.

Recommendations based on these calculations should be made, with reasoned comments to enable an informed decision to be made.

Outcome 2 could be assessed using a case study that presents students with enough information to prepare a bank reconciliation statement.

The reasons for differences between the cash book entries and the bank statement could include:

- ◆ Payments recorded in the cash book not yet cleared by the bank
- ◆ Deposits made by the business not yet recorded by the bank
- ◆ Any charges made by the bank
- ◆ Bank interest not recorded
- ◆ A cheque received was refused by the bank
- ◆ A payment entered twice in the cash book
- ◆ An incorrect amount entered in the cash book

Outcome 3 could be assessed using a case study providing students with enough information to complete a pro forma for a statement of cash flow.

Under each of the headings in the statement of cash flow (ie operating, investing and financing activities and net cash flows) students could identify cash inflows and outflows of a business to allow for a better understanding of the financial position of the business and how working equity can be maximised.

Outcome 4 could be assessed using a case study providing student with enough information to complete a pro forma for a three-month cash budget that includes an overdraft situation.

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The case study could describe a business operating with an overdraft in one of the months. This could be included in a short report which should also identify any solutions to the overdraft situation. The report should be a minimum of **200 words**.

Human Resource Management Practice (J45T 48)

This 2-credit unit is designed to provide learners with broad knowledge and skills required to understand and analyse the procedures and processes relating to the employment of people by an organisation.

There are four Outcomes in this unit. A variety of assessments could be used — written reports, case studies, role play, oral presentations, and projects.

Outcome 1 cover the recruitment, selection and induction of employees. Students will follow good practice throughout the stages of recruitment and selection.

Students should be encouraged to collect information on real job vacancies and share their job search experiences. Tutor-led discussions and student research activities can help establish good practice.

Outcome 2 cover fundamentals of employee pay and reward and explores the objectives and constraints of employee remuneration systems, including the advantage and disadvantages of employee services and benefits. Techniques for job evaluation schemes are investigated and a guest speaker could give students an insight into workplace application. A report can be used for assessment and it would be recommended students are issued with bullet points to ensure full coverage of the range.

Outcome 3 focuses on employee performance review and explores the objectives, constraints and implementation of employee appraisal systems. The roles of those involved should be clearly defined following good practice. Evidence for assessment can be gathered by written responses and supplemented by student role play scenarios.

Outcome 4 covers the health, safety and wellbeing of employees. Students will research and investigate:

- ◆ workplace ergonomics
- ◆ strategies for minimising and managing stress in the workplace
- ◆ promoting and supporting positive mental health
- ◆ rights and responsibilities under current health and safety legislation
- ◆ the accurate recording and reporting of workplace accidents

There are opportunities for team challenges to gather and present information for assessment purposes.

Kitchen Planning and Design (J47M 48)

This 1-credit unit is designed to enable students to develop the knowledge and skills required to evaluate the design of a commercial kitchen, including the equipment required for various types of food production operation.

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The design of a commercial kitchen should ensure the smooth flow of staff, processes and activities around the kitchen, as well as enabling the effective utilisation of equipment and produce while complying with current legislation. Learners will explore how cost, efficiency and food hygiene and health and safety regulations affect the design of a commercial kitchen.

There are three Outcomes in this unit.

For Outcome 1 students will evaluate the factors that affect the physical planning, design and financing of a commercial kitchen.

For Outcome 2 students will identify the legislative requirements that relate to kitchen planning and design.

For Outcome 3 students will evaluate the layout of a commercial kitchen and produce an accurately proportioned drawing/plan of the area.

Outcomes 1 and 2 could be assessed using restricted response questions covering all the knowledge/skills and evidence requirements in these outcomes.

For assessment of Outcome 3, students could produce a report on their evaluation of the layout of a commercial kitchen and the range of equipment it contains and their recommendations for improvements. Student reports should incorporate both their original plan of the kitchen and an amended plan to illustrate their recommended changes.

Whenever possible, students should be encouraged to draw from their own experience when evaluating the equipment and design.

It is advisable that students undertake research on types of equipment and reference this in their final report.

Management of Food and Beverage Operations (J47G 48)

This 3-credit unit is designed to give students the opportunity to put into practice knowledge, understanding and skills gained in a range of operational areas and to enable them to demonstrate competence in managing a realistic food and beverage activity.

There are three Outcomes in this unit.

For Outcome 1 students are required to develop an operational plan for a substantial realistic food and beverage event for a minimum of 30 covers.

For Outcome 2 students will manage the implementation of the operational plan for the food and beverage event developed for Outcome 1.

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In Outcome 3, students will critically evaluate the effectiveness of their planning and implementation of the food and beverage event.

For assessment of this unit students could be required to compile a portfolio of evidence covering all aspects of the food and beverage event, from planning through to evaluation. The operational plan for Outcome 1 should be completed and assessed before the implementation stage, ie Outcome 2.

For Outcome 2, an observation checklist should be completed for each student to assess their management of the food and beverage event on the day. This practical activity can be kitchen or restaurant based.

Managing People and Organisations (J4DK 47)

This 2-credit unit consists of three Outcomes and assessment is based on a case study of a real or fictitious organisation. Students would normally be given 2–3 weeks to research and prepare their submissions. Tutors could use questioning to authenticate learning and ensure responses are the students' own work.

One case study can be used for assessment of all Outcomes but it would be recommended that students submit each Outcome separately. This approach helps students manage their assessment load, plus students benefit from tutor feedback and reflective learning.

In Outcome 1, students focus on the characteristics and purpose of the organisation and its environment. They will understand the importance of organisational goals, objectives and policy, the influence of key stakeholders and strategies of control.

In Outcome 2, students will analyse factors that contribute to workplace performance. They will consider theoretical models and relate to individual performance and motivation. Teamwork should be encouraged and students given the opportunity to reflect on factors contributing to their team's performance in tasks set. Team tasks could be set that encourage students to work together researching and presenting key theories. In addition to the use of structured questions, some form of group assessment could be used to add value to team work.

In Outcome 3, students will analyse factors that influence managerial performance. They will examine the roles and activities of managers, ways to measure managerial performance and theories of leadership. There is scope to integrate with Outcome 2 and use team tasks to assist with research activities and help students explore the effectiveness of different leadership styles. Structured questions could be supplemented by evidence from team work. Students should be encouraged to submit evidence of reflective learning on their team/leader's performance, eg what did they do well, what could they improve on, action plan for improvements.

Research Skills (J1NB 47)

This unit develops skills in investigating, analysing, evaluating and presenting complex information from a variety of primary and secondary sources.

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Students will look at how to plan an investigation, and then access and use information from a variety of primary sources, such as interviews and surveys, and secondary sources such as articles, programmes and the internet. They will present their findings in an investigative report. Assessment will take place at each stage.

There are opportunities for integration with other units that involve investigation and analysis. The unit could be delivered in conjunction with *Hospitality Management: Graded Unit 2 (J48C 48)*.

Hospitality Management: Graded Unit 2 (J48C 48)

This 2-credit unit will provide evidence that students have met the aims of the second year of the Group Award. It assesses the student's ability to integrate knowledge and skills and problem solving across six of the second year units. This Graded Unit will be assessed using a case study.

6.3 Opportunities for integration of units

It is envisaged that where possible centres will deliver this award in an integrative manner to help the students appreciate the interconnections between the various subjects.

Integration means identifying opportunities to combine areas of learning or assessment. This could mean devising one lesson which includes teaching two related topics or devising one assessment task which assesses more than one Outcome. A single assessment task could assess more than one Outcome from a unit or could bring Outcomes from different units together in one task. This approach can reduce the overall number of assessment tasks needed, which is beneficial for students and for tutors.

Based on the proposed delivery of Years 1 and 2 the following opportunities exist for integration of delivery and/or assessment:

The unit *Research Skills* (J1NB 47) could be delivered in conjunction with *Hospitality Management: Graded Unit 2* (J48C 48).

YEAR 1

Unit code	Unit title	Integration opportunity
J487 47	Hospitality Supervision Outcomes 2 and 3	Food and Beverage Operations (J483 47)
HP7K 47	Business Accounting	Outcomes 1 and 2 Outcomes 3, 4 and 5
J483 47	Food and Beverage Operations	Outcomes 2 and 3
J47J 48	Managing Hospitality Organisations	Outcomes 1, 2 and 3

YEAR 2

Unit code	Unit title	Integration opportunity
J47M 48	Kitchen Planning and Design	Outcomes 1 and 2
J4DK 47	Managing People and Organisations	Outcomes 1, 2 and 3
J48C 48	Hospitality Management: Graded Unit 2	Delivery integration with planning and analysing aspects of Graded Unit 2.
J1NB 47	Research Skills	

7 Assessment in an SQA Advanced Diploma award

7.1 Assessment in learning and for certification

Assessment is the process of evaluating a student's learning.

Assessment takes place throughout the learning and teaching processes as well as the final assessment for certification. It can take many forms (for example: practical exercises, case studies, extended response questions) and can be used for different purposes — including identifying prior knowledge, identifying gaps in learning, providing feedback to students as well as measuring student attainment.

Assessment as part of the learning process is called **formative** assessment. It provides developmental feedback to a student and tutors so that they can adjust their plan for future learning. It is not recorded for external purposes. **Formative** assessment is often called 'assessment for learning'.

Summative assessment is carried out for the purpose of certification. Through **summative assessment**, students provide evidence to demonstrate that they can achieve the Evidence Requirements detailed in the statement of standards of the relevant unit specification. It is generally undertaken at the end of a learning activity or programme of learning and is used to make a judgement on the student's overall attainment.

7.2 Assessment planning of an SQA Advanced Diploma

All SQA Advanced Diploma qualifications are **summatively assessed** using a mix of continuous unit assessment and Graded Unit assessments. It is helpful for students, the Course Team and the internal verifiers if the Course Team has an overview of when summative assessments are likely to occur. It is therefore common practice for a Course Team, prior to the start of course delivery, to agree the overall learning, teaching and assessment plan for the course. Part of this process requires tutors to agree when each Unit in the course will be **summatively assessed**.

In situations where units of a course are being delivered in parallel, it is important that Course Teams make sure that the assessment load placed on students is manageable, although it is recognised that by its very nature summative assessments will occur towards the end of learning.

7.3 Planning the unit summative assessment

For each unit, it is helpful for tutors/assessors to draw up a unit assessment plan which:

- ◆ describes what is to be assessed.
- ◆ says what assessment methods will be used.
- ◆ describes how the assessments are to be administered, eg practical, online, etc.
- ◆ defines opportunities for integrating assessment.
- ◆ provides a timetable for when the assessment will take place.
- ◆ notes arrangements that need to be made to take account of additional support needs or prior learning.
- ◆ describes the measures to be taken to ensure that the evidence produced is authentic and current.
- ◆ describes how and when requirements for record-keeping and quality assurance processes will be met.

7.4 Negotiating summative assessments with the students

Ultimately, it is up to the tutor to determine when a student is ready for summative assessment (within the agreed time constraints of the course timetable). A good way of gauging if a student is ready for assessment is to use a **practice assessment** (a final formative assessment which mirrors the summative assessment in terms of assessment method and an aspect of the Evidence Requirement where appropriate but it must not contain the same task detail as the summative assessment).

The tutor can use this assessment to identify the level of an individual student's competence and the outcome can help the tutor determine if the student is ready to attempt the summative assessment or if the student still has gaps in knowledge and understanding that need to be addressed through further work.

It is good practice to communicate assessment plans to students as early as possible in the course so that they know what to expect. A copy of the **proposed Course Assessment Plan** may be given to students at the start of the course, often during course induction. Thereafter, it is up to each tutor to make sure that students receive early warning of when assessment is likely to take place.

7.5 Summative assessment support packs

Assessment support packs are produced by SQA and are made available to centres for all units in this SQA Advanced Diploma. Assessment support packs are intended solely for the purpose of assessment of students against the standards given in the unit specifications. **They must not be released prior to the assessment or be distributed for any other purpose. It is the centre's responsibility to maintain the security of all assessment support packs.**

A unit assessment support pack will contain:

- ◆ details of the conditions under which the assessment is to be carried out.
- ◆ assessment tasks for each Outcome.
- ◆ a marking scheme or model answer to provide guidance to the tutor.
- ◆ checklists (where appropriate).

It is vital that tutors:

- ◆ adhere to the conditions for the assessment, ie open-book, closed-book, controlled conditions.
- ◆ ensure that the marking scheme or model answer is never issued to students.
- ◆ mark assessments consistently in line with the marking scheme or model answer provided.
- ◆ keep all assessment support packs secure so that they can be used for future student assessments.

Once the student has completed the summative assessment, it is good practice for tutors to mark their student's work quickly and provide constructive feedback.

7.6 Accounting units — summative assessment support packs — Error Tolerance Guidance

Within the Accounting units an error tolerance is allowed within the assessments. The unit specification and assessment support pack, for each unit, states the number of errors allowed for each Outcome. Errors are classified as either an 'arithmetic/computational error' or an 'error principle'. Appendix 3 contains further guidance in the form of '**Error Tolerance Guidance Notes**'.

8 SQA Advanced Diploma in Hospitality Management assessment strategy and plan

8.1 SQA Advanced Diploma in Hospitality Management assessment strategy

A guide to the type and number of assessments in each unit of the SQA Advanced Diploma in Hospitality Management is shown below.

Unit	Assessment — Year 1				
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Accommodation Operations (J481 47)	Open-book questions relating to a case study	Open-book questions relating to a case study	Open-book questions relating to a case study		
Business Accounting (HP7K 47)	Practical exercise Supervised with access to pro forma layout only		Open book report generated under supervised conditions. Questions and report linked to case study		
Food and Beverage Operations (J483 47)	Open-book questions relating to a case study	Practical activities		Open book evaluative report/ interview	
Food Hygiene Intermediate (HP4M 47)	Closed-book Short answer questions	Closed-book Short answer questions	Closed-book Short answer questions	Closed-book Short answer questions	Closed-book Short answer questions
Hospitality: Financial Control Systems (J488 47)	Calculations using a spreadsheet Supervised, Open book	Identifying and calculating elements of cost Supervised, open book	Short answer questions and calculations relating to a case study Supervised, open book		
Hospitality Front Office Procedures (J485 47)	Knowledge and/or practical evidence generated under supervised, open book conditions	Knowledge and/or practical evidence generated under supervised, open book conditions	Knowledge and/or practical evidence generated under supervised, open book conditions		
Hospitality Front Office Sales Management (J47E 48)	Extended response questions relating to a case study. Controlled conditions	Extended response questions relating to a case study. Controlled conditions	Extended response questions relating to a case study. Controlled conditions		

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Unit	Assessment — Year 1 (cont)				
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Hospitality Industry (J486 47)	Report, presentation or short response questions generated under open book conditions	Short answer questions and a report or presentation generated under open book conditions			
Hospitality Supervision (J487 47)	Performance evidence Open book	Knowledge (portfolio of evidence) and practical activities Open book			
Information Technology: Applications Software 1 (HP6L 47)	Operation of IT equipment	Practical assignment			
Managing Hospitality Organisations (J47J 48)	Extended response questions relating to a case study covering all three Outcomes Controlled conditions.				
Work Placement (HP4X 47)	Prepare for a work placement opportunity	Practical exercise Carry out the work experience	Evaluate the work experience		
Workplace Communication in English (HR1C 46)	Open book Written or oral summary of business text	Open book Portfolio showing production of business documents	Open book evidence of contributing to extended complex vocational issue		
Hospitality Management: Graded Unit 1 (J47B 47)	Project-based Graded Unit taking the form of a case study				

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Unit	Assessment — Year 2			
	Outcome 1	Outcome 2	Outcome 3	Outcome 4
Accommodation Management (J47D 48)	Restricted response questions relating to a case study. Open book	Restricted response questions relating to a case study.	Restricted response questions relating to a case study.	
Gastronomy (J47L 48)	Report or presentation produced under open book conditions.	Portfolios of evidence compiled by students	Presentation produced under open book conditions.	Report or presentation produced under open book conditions.
Managing Financial Resources in Hospitality (J47H 48)	Application of variable/fixed costs and identification of profitability/profit stability relating to a case study Open book, supervised	Preparation of a bank reconciliation statement relating to a case study. Open book, supervised	Completion of a pro forma for a statement of cash flow relating to a case study. Open book supervised	Completion of a pro forma for a three-month cash budget, including an overdraft relating to a case study. Production of a report identifying solutions to overdraft. Open book supervised
Human Resource Management Practice (J45T 48)	Case study based report/presentation Open book, supervised	Case study based report/presentation Open book, supervised		Case study based report/presentation Open book, supervised
Kitchen Planning and Design (J47M 48)	Restricted response questions. Supervised conditions		Report on the evaluation of a commercial with recommendations for improvements. Supervised conditions	
Management of Food and Beverage Operations (J47G 48)	Operational plan Open book	Practical exercise	Evaluation report Open book	
	Alternatively, assessment may be integrated			
Managing People and Organisations (J4DK 47)	Open book Case study Written and/or oral responses	Open book Case study Written and/or oral responses	Open book Case study Written and/or oral responses	Open book Investigative project
Research Skills (J1NB 47)	Open book – plan research investigation	Open book – access, analyse and evaluate researched data	Open book – present findings of research in a report	
Hospitality Management: Graded Unit 2 (J48C 48)	Project-based Graded Unit taking the form of a case study			

8.2 SQA Advanced Diploma in Hospitality Management Course Assessment Plan

Suggested course assessment schedules for Year 1 and Year 2 are found in Appendices 2a and 2b.

They are based on two semesters of 17 weeks. Where centres have a different length of semester, they should amend their schedules accordingly.

If centres decide to deliver units in a different order, they should amend their schedules accordingly.

8.3 SQA Advanced Diploma in Hospitality Management Graded Unit assessments

Hospitality Management: Graded Unit 1 (J47B 47) Project (case study) at SCQF level 7 — 1 SQA Credit

Hospitality Management: Graded Unit 2 (J48C 48) Project (case study) at SCQF level 8 — 2 SQA Credits

Graded Unit 1 is a project case study completed on an open book basis over a period of time. This unit covers the integration of a range of knowledge and skills focusing on:

J483 47	<i>Food and Beverage Operations</i>
J488 47	<i>Hospitality Financial Control Systems</i>
J487 47	<i>Hospitality Supervision</i>
HP4M 47	<i>Food Hygiene Intermediate</i>
J486 47	<i>Hospitality Industry</i>
J485 47	<i>Hospitality Front Office Procedures</i>
J47E 48	<i>Hospitality Front Office Sales Management</i>
J481 47	<i>Accommodation Operations</i>

This assessment should take place during Year 1, Semester 2 to ensure that students have covered the topics which will be assessed within the Graded Unit.

Graded Unit 2 is a project case study completed on an open book basis over a period of time.

This unit covers the integration of a range of knowledge and skills achieved throughout selected Units of the SQA Advanced Diploma:

J45T 48	<i>Human Resource Management Practice</i>
J47H 48	<i>Managing Financial Resources in Hospitality</i>
J47G 48	<i>Management of Food and Beverage Operations</i>
J47D 48	<i>Accommodation Management</i>
J47J 48	<i>Managing Hospitality Organisations</i>
HP4X 47	<i>Work Placement</i>

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In addition to the integration of knowledge and skills needed to complete the project investigation, students will develop their skills in planning, negotiation, research, analysis, time management and problem solving. The Core Skill of *Problem Solving* at SCQF level 6 is embedded and therefore automatically certificated on successful completion of the unit.

This assessment should take place during Year 2, Semester 2 to ensure that students have covered the topics which will be assessed within the Graded Unit.

8.4 What happens if a student does not achieve an assessment?

If a student fails to demonstrate competence in a summative assessment, it is good practice to communicate this to the student quickly. Tutors should take time to individually feedback to students where they went wrong. Having given feedback, tutors should then advise students on what they need to do to prepare for re-assessment.

The student then undertakes additional work as discussed with the tutor, this is called remediation. It is when the student revises class work or practises skills covered in class **BEFORE** they attempt the re-assessment. It is important that students do get time to consolidate their knowledge and understanding before being re-assessed.

Re-assessment may take a variety of forms.

- ◆ For some assessments, students may be allowed to provide additional information, eg if a student has submitted a report based on a piece of independent research, s/he would be allowed to add the missing evidence and resubmit the report. The new information should be highlighted in such a way to show that it had been added, eg underlined, coloured and dated in the margin.
- ◆ For practical tasks related to their use of information technology, students may be permitted to correct work and resubmit — the original submission and the re-submission should both be kept.
- ◆ For multiple choice, short response and Graded Units, students may be required to attempt a completely new assessment instrument.

Where specific action has to be taken for re-assessment details will be noted in the unit specification and tutors must be familiar with the unit specification requirements for re-assessment.

It is important to note that re-assessment does **NOT** always require that students complete a full new assessment. Re-assessment may (and often does) allow students to re-attempt the part of the Outcome that they have not completed to a standard which meets the unit specification.

For all units within this SQA Advanced Diploma in Hospitality Management, SQA provides **ONE** summative assessment. Centres are encouraged to produce their own material for summative and re-assessment purposes.

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Once a draft assessment has been prepared by the centre it should first be quality checked by centre staff (internally verified) and submitted to SQA for prior verification to ensure that it is fit for purpose.⁹

If a student fails to reach the pass mark in the Graded Unit 1 —Project, then they should be allowed to sit an alternative Project before the beginning of the next session to allow progression to Year 2. Students must complete all aspects of the new assessment instrument.

⁹ For centres wishing support in this process, an online course has been developed — Produce HN unit assessments for successful prior verification.

9 Quality Assurance

SQA is committed to providing qualifications and support to match the needs of individuals, society and the economy of Scotland and internationally. SQA believes that global interaction in education and training benefits our customers, clients, partners and SQA through the sharing of expertise and experience.

SQA has a balanced portfolio of qualifications that is inclusive, facilitates progression, reflects Scotland's educational, economic, social and cultural needs and changes, and supports education and training worldwide.

SQA works in partnership with our approved centres to achieve our shared goals of excellence and consistency. This ensures that SQA's qualifications continue to meet the requirements all users of our qualifications.

SQA's quality assurance models are designed to ensure that assessment decisions made to national standards are correct and consistent, and that national standards are maintained. We are committed to maintaining an assessment and quality system that is easy to understand, effectively administered, publicly accountable, and cost-effective to operate.

As well as working with centres to manage and enhance the quality of SQA qualifications, SQA routinely monitors its own performance. SQA establishes processes that need to be followed and submit these to regular auditing. This includes systematic evaluation and review of the effectiveness of our quality management processes. SQA also monitors standards across all our qualifications over time, to ensure consistency. Feedback from stakeholders is an integral part of SQA's review activities.

SQA is subject to external audit by a number of agencies, including the Scottish Government.

For assessed qualifications, SQA regularly monitors centres to ensure that they have the resources and expertise to assess students against the qualification criteria. (Assessment is where centres use assessment instruments to make decisions about students' work. External assessment is where SQA takes on these duties, usually in the form of examinations or externally assessed coursework. Only assessments are subject to quality assurance by verification.)

10 Verification

10.1 Introduction

SQA's quality assurance processes have been developed to ensure that national standards are applied to internally assessed Units or course components.

To maintain the credibility of SQA qualifications, we rely on effective collaboration with centres to ensure national standards are maintained across all qualifications at all levels.

Verification is the procedure that SQA uses to make sure that centres' assessment decisions are valid and reliable and are in line with national standards.

10.2 Why do we need verification?

Verification is one of a range of Quality Assurance measures used by SQA to confirm that:

- ◆ centres' assessment decisions are sound (ie valid, reliable and practicable).
- ◆ national standards are being uniformly applied.
- ◆ assessments are accurately and consistently applied across all students and levels.

This ensures qualifications and certification are credible with all students being assessed to a common standard.

10.3 Internal verification

Centres are responsible for the internal verification of their assessments. This means that centres should have an internal verification system — a system of having quality checks in place — which can be operated throughout the centre. Each tutor who is responsible for the assessment of students and/or internal verification of student material should:

- ◆ be made aware of their centre's quality assurance procedures.
- ◆ comply with these procedures.

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Centres will appoint staff members to be internal verifiers. Internal verifiers will ensure that assessors apply standards of assessment uniformly and consistently. They should keep records of internal verification activity for external verifiers to access. Examples of records include:

- ◆ evidence of planned verification for the semester which conforms to the centre's verification strategy
- ◆ minutes of meetings where assessment work is examined and where discussion about acceptable standards is noted and decisions recorded
- ◆ internal verification forms showing which students' work has been verified and the outcome. Note where an assessor carries out observations, internal verifiers should also observe the assessor
- ◆ evidence of discussion and support of assessors, particularly where student work has not been accepted by the internal verifier
- ◆ evidence of reporting back to the Course Team, any recommendations/actions required and evidence that these are acted upon

10.4 External verification

To ensure national consistency in assessment decisions, SQA appoints experienced teachers/lecturers who have good experience in the delivery and assessment of their subject to carry out external verification in centres. SQA will notify the SQA Co-ordinator if your centre has been selected for verification.

SQA wants to encourage centres and staff to see verification in a positive light, as a valuable quality improvement tool.

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Appendix 1a: Core Skills Year 1¹⁰

Unit code	Unit title	Communication		Numeracy		ICT		Problem Solving			Working with Others	
		Written Communication	Oral Communication	Using Number	Using Graphical Information	Accessing Information	Providing/Creating Information	Critical Thinking	Planning and Organising	Reviewing and Evaluating	Working Co-operatively with Others	Reviewing Co-operative Contribution
J487 47	Hospitality Supervision	SCQF 6 S	SCQF 6 S	SCQF 5 S	SCQF 4 S	SCQF 6 S	SCQF 6 S	SCQF 5 E	SCQF 5 E	✓	SCQF 5 E	✓
J486 47	Hospitality Industry	SCQF 6 S	✓			SCQF 5 S	SCQF 4 S	✓				✓
HR1C 46	Workplace Communication in English	SCQF 6 E	SCQF 6 E			SCQF 5 S	SCQF 5 S	SCQF 5 S	SCQF 5 S	SCQF 5 S	SCQF 5 S	SCQF 5 S
J488 47	Hospitality: Financial Control Systems				SCQF 5 E	SCQF 5 S	SCQF 5 S	SCQF 5 S				
J483 47	Food and Beverage Operations	SCQF 6 S	SCQF 6 S	SCQF 6 S	SCQF 5 S	SCQF 5 S	SCQF 5 S	SCQF 5 E	SCQF 5 S	SCQF 5 S	SCQF 5 E	SCQF 6 S
HP4M 47	Food Hygiene Intermediate											
J481 47	Accommodation Operations	✓	✓			SCQF 5 S	✓	SCQF 5 S	✓	✓	✓	
J485 47	Hospitality Front Office Procedures	✓	✓		✓	SCQF 5 S	SCQF 5 S	SCQF 5 S	✓			
J47E 48	Hospitality Front Office Sales Management	✓	✓		✓	SCQF 6 S	✓	SCQF 6 E	✓			
HP6L 47	Information Technology: Applications Software 1					SCQF 6 E	SCQF 6 E					
HP7K 47	Business Accounting	SCQF 5 S	SCQF 5 S	SCQF 6 E								
J47J 48	Managing Hospitality Organisations	SCQF 6 S	✓				✓	SCQF 6 E	✓	SCQF 6 S	✓	
J47B 47	Hospitality Management: Graded Unit 1	SCQF 5 S	SCQF 5 S			SCQF 5 S	SCQF 5 S	SCQF 5 E	SCQF 5 E	SCQF 5 E		

¹⁰S = signposted, E = embedded

✓ — opportunities to develop Core Skill

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Appendix 1b: Core Skills Year 2¹¹

Unit code	Unit title	Communication		Numeracy		ICT		Problem Solving			Working with Others	
		Written Communication	Oral Communication	Using Number	Using Graphical Information	Accessing Information	Providing/Creating Information	Critical Thinking	Planning and Organising	Reviewing and Evaluating	Working Co-operatively with Others	Reviewing Co-operative Contribution
HP4X 47	Work Placement							SCQF 6 E	SCQF 6 E	SCQF 6 E	SCQF 6 E	SCQF 6 E
J47H 48	Managing Financial Resources in Hospitality				SCQF 5 E			SCQF 6 E		SCQF 6 S		
J47G 48	Management of Food and Beverage Operations	SCQF 6 S	SCQF 6 S	✓		SCQF 5 S	SCQF 5 S	SCQF 6 E	SCQF 6 E	SCQF 6 E	SCQF 6 S	✓
J47D 48	Accommodation Management		✓					SCQF 6 E		✓		
J45T 48	Human Resource Management Practice	✓	✓					✓	✓			
J47M 48	Kitchen Planning and Design	✓	✓					SCQF 6 E	SCQF 6 E	SCQF 6 E	✓	
J47L 48	Gastronomy			✓		✓		SCQF 6 E	SCQF 6 E	SCQF 6 E		✓
J4DK 47	Managing People and Organisations	SCQF 6 S						SCQF 5 E		SCQF 6 S		
J1NB 47	Research Skills	SCQF 6 S	SCQF 6 S	SCQF 5 S	SCQF 5 S	SCQF 6 S	SCQF 6 S	SCQF 6 E	SCQF 6 E	SCQF 6 E		
J48C 48	Hospitality Management: Graded Unit 2	SCQF 6 S	SCQF 6 S			SCQF 6 S	SCQF 6 S	SCQF 6 E	SCQF 6 E	SCQF 6 E		

¹¹S = signposted, E = embedded

✓ — opportunities to develop Core Skill

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Integrated assessment for Outcomes 1 and 2.

Appendix 2a: Year 1, Semester 1 — Assessment Plan (Option A)

Unit title and code\Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Accommodation Operations (J481 47)						X				X				X			
Business Accounting (HP7K 47)													X* 1, 2				
Food and Beverage Operations (J483 47)				X 1													
Food Hygiene Intermediate (HP4M 47)			X 1			X 2			X 3			X 4			X 5		
Hospitality: Financial Control Systems (J488 47)					X 1			X 2			X 3			X 4			
Hospitality Front Office Procedures (J485 47)								X 1, 2							X 3		
Hospitality Front Office Sales Management (J47E 48)	Shaded row indicates units delivered in Semester 2																
Hospitality Industry (J486 47)																	
Hospitality Supervision (J487 47)					X 1								X 2				
Information Technology: Applications Software 1 (HP6L 47)				X 1								X 1					
Workplace Communication in English (HR1C 46)						X					X					X	
Managing Hospitality Organisations (J47J 48)																	
Work Placement (HP4X 47)																	
Hospitality Management: Graded Unit 1 (J47B 47)																	

Submission date is shown by an X, X* indicates integrated assessment and Outcomes integrated.

Appendix 2a: Year 1, Semester 2 — Assessment Plan (Option A)

Unit title and code\Week	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Accommodation Operations (J481 47)	Shaded rows indicate Units delivered in Semester 1																
Business Accounting (HP7K 47)														X* 3, 4, 5			
Food and Beverage Operations (J483 47)						X 2									X 3		
Food Hygiene Intermediate (HP4M 47)																	
Hospitality: Financial Control Systems (J488 47)																	
Hospitality Front Office Procedures (J485 47)																	
Hospitality Front Office Sales Management (J47E 48)			X 1					X 2					X 3				
Hospitality Industry (J486 47)					X 1				X 2						X 3		
Hospitality Supervision (J487 47)						X 3											
Information Technology: Applications Software 1 (HP6L 47)																	
Managing Hospitality Organisations (J47J 48)														X* 1,2,3			
Work Placement (HP4X 47)												X 1					
Hospitality Management: Graded Unit 1 (J47B 47)															X		

Submission date is shown by an X, X* indicates integrated assessment and Outcomes integrated.

Appendix 2b: Year 2, Semester 1 — Assessment Plan (Option A)

Unit title and code\Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Accommodation Management (J47D 48)						X 1									X 2, 3		
Gastronomy (J47L 48)				X 1									X 2				
Managing Financial Resources in Hospitality (J47H 48)					X 1			X 2				X 3		X 4			
Human Resource Management Practice (J45T 48)					X 1							X 2					
Kitchen Planning and Design (J47M 48)	Shaded row indicates Unit delivered in Semester 2																
Management of Food and Beverage Operations (J47G 48)							X 1										
Managing People and Organisations (J4DK 47)										X* 1,2,3					X 4		
Work Placement (HP4X 47)			X 2		X 3												
Hospitality Management: Graded Unit 2 (J48C 48)																	

Submission date is shown by an X, X* indicates integrated assessment and Outcomes integrated.

Appendix 2b: Year 2, Semester 2 — Assessment Plan (Option A)

Unit name/Week	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Accommodation Management (J47D 48)	Shaded row indicates Unit delivered in Semester 1																
Gastronomy (J47L 48)									X 3						X 4		
Managing Financial Resources in Hospitality (J47H 48)																	
Human Resource Management Practice (J45T 48)							X 3							X 4			
Kitchen Planning and Design (J47M 48)					X* 1, 2									X* 3			
Management of Food and Beverage Operations (J47G 48)								X 2							X 3		
Managing People and Organisations (J4DK 47)																	
Work Placement (HP4X 47)																	
Research Skills (J1NB 47)				X								X					
Hospitality Management: Graded Unit 2 (J48C 48)															X		

Submission date is shown by an X, X* indicates integrated assessment and Outcomes integrated.

Appendix 3: Error Tolerance Guidance Notes

Background

There are a range of **SQA Advanced Accounting Units** that are included in a number of the SQA Advanced Diploma fixed frameworks. These are:

- ◆ Recording Financial Transactions – HP6F 46
- ◆ Recording Financial Information – HP04 47
- ◆ Business Accounting – HP7K 47
- ◆ Financial Reporting and Analysis – HP08 48
- ◆ Management Accounting for Decision Making – HP05 48
- ◆ Preparing Financial Forecasts – HP70 48
- ◆ Cost Accounting – HP5H 47

In the past these units were designed with the need for students to achieve a percentage of available marks (usually 70%) for each Outcome within the unit specification. In line with SQA policy, a new approach to Accounting units was introduced in 2010. This new approach is called 'Error Tolerance'. An Error Tolerance statement is provided within each unit under the Evidence Requirements for each Outcome. This statement clearly indicates the acceptable number of errors (i.e. the threshold) a student may make within the evidence they produce. Centres must note:

- ◆ the Error Tolerance approach is **only** applicable to the units listed above and where indicated within the unit specification.
- ◆ it is the centre's responsibility to ensure that they use most **current** unit specification at the time of assessment. Error Tolerances may be reviewed and amended from time to time.

Error Tolerance Guidance Notes

Following extensive consultation and feedback from stakeholders SQA has developed two types of error which fall within the guidance. These are:

- ◆ Errors of Principle, and
- ◆ Arithmetic or Computational Errors

To help assessors develop an understanding of the use of Error Tolerances, SQA has produced a list for each category. The information which follows is not an exhaustive list, but a guidance note to assist assessors in making assessment decisions. As with all SQA qualifications, the professional judgement of the assessor is paramount and remains at the centre of all assessment decisions.

In addition to the list provided, an example of marked scripts for two Outcomes of two Units is also available to illustrate the marking of assessments under the Error Tolerance guidelines. This can be downloaded from SQA's secure website. This document **must** be retained in a secure manner in the same way that all SQA produced Assessment Exemplars and Assessment Support Packs (ASPs) must be treated.

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Types of Errors

Commonly in the Unit specifications, two types of errors will be mentioned — Arithmetic/Computational Errors and Errors of Principle.

Arithmetic/Computational Errors

Common types of errors which are likely to be classified as arithmetic are:

- ◆ Transposition errors
- ◆ Errors where students write 'add' but subtract the figure instead
- ◆ Incorrect processing of £000s where a Trial Balance, for example, is presented in £000 but the notes to the accounts provide the full figures and the student has included the full figure, including the £000
- ◆ Incorrect totals — the individual figures may be correct but the addition and subtraction has been incorrectly completed
- ◆ Running balances in ledger accounts not correctly identified as Debit or Credit
- ◆ Incorrect calculations of inventory in inventory valuation tasks
- ◆ Incorrect application of time multiplied by rate, for example in wages calculations
- ◆ Incorrect calculation of proportions in overhead analysis

Errors of Principle

Common types of errors which are likely to be classified as errors of principle are:

- ◆ Error of commission
- ◆ Error of omission
- ◆ Reversal of entries
- ◆ Incorrect classification of items in financial statements, eg Trade Payables included in current assets
- ◆ Incorrect use of inventory valuation methods, ie FIFO instead of LIFO
- ◆ Inclusion of depreciation in a Cash Budget
- ◆ Wrong equations used in variances
- ◆ Wrong figures selected for ratios
- ◆ Gross figures entered in the general ledger
- ◆ VAT calculations not correct
- ◆ Inappropriate method of apportionment
- ◆ When preparing master budgets, incorrect figures included in final accounts, eg figure for materials consumed included rather than materials purchased
- ◆ Depreciation calculations incorrectly carried out, ie reducing balance rather than straight line
- ◆ Incorrect calculation of contribution
- ◆ Outputs and inputs reversed in VAT
- ◆ Process costs calculated not taking wastage into account
- ◆ Ledger balances posted to the Trial Balance incorrectly, ie credit balances on inventory accounts; sales in the DR column
- ◆ Capital allowances incorrectly identified

Appendix 4: New Terminology to Comply with FRS 102 Requirements

Current UK Terminology (In alphabetical order)	International Terminology
Accruals	Other payables
Balance sheet	Statement of financial position
Bank and cash	Cash and cash equivalents
Cash flow statement	Statement of cash flows
Cost of goods sold	Cost of sales
Creditors: amounts falling due within one year (heading)	Current liabilities
Equity or capital	Equity
Final accounts	Financial statements
Fixed assets	Non-current assets
Goodwill, etc	Intangible assets
Interest payable	Finance costs
Interest receivable	Investment revenues
Investments	Investment property
Land and buildings	Property
Loans repayable after one year	Bank loan (also other loans)
Loans repayable within one year	Bank overdrafts and loans
Long term liabilities Creditors: amounts falling due after more than one year	Non-current liabilities
Net loss	Loss for the year
Net profit	Profit for the year
Prepayments	Other receivables
Profit and loss account	Income statement
Profit and loss appropriation account	There is no appropriation account – this is partly replaced by the statement of changes in equity
Proposed dividends	No proposed dividends as only dividends that have been approved are included
Sales	Revenue (where used in income statements)
Stocks of raw materials and finished goods	Inventory
Sundry expenses	Other operating expenses
Sundry income	Other operating income
Trade creditors	Trade payables
Trade debtors	Trade receivables
Trading and profit and loss account	Income statement

Appendix 5: Suggested Layouts for Financial Statements

These layouts are **suggestions** only and are not prescriptive.

Other suitable alternatives which conform to the general principles of FRS 102 will be acceptable.

SOLE TRADER

J Bloggs - Sole Trader		
Income Statement for the year ended 31 December		
	£	£
Revenue <i>[net of Discount Allowed]</i>		150,000
<u>Cost of goods sold</u>		
Opening inventory	12,000	
Add: Purchases <i>[net of Discount Received]</i>	<u>68,000</u>	
	80,000	
<u>Less: closing inventory</u>	<u>14,000</u>	
		<u>66,000</u>
Gross profit		84,000
<u>Less: Expenses</u>		
Rent and rates	1,400	
Heat and light	1,600	
Wages and salaries	8,800	
Loan interest	1,200	
Van expenses	900	
Depreciation	2,000	
Sundry expenses	<u>3,000</u>	
		<u>18,900</u>
		65,100
Other operating income: Commission Received		<u>2,000</u>
Profit for the year		<u><u>67,100</u></u>

J Bloggs - Sole Trader		
Statement of Financial Position at 31 December		
	£	£
<u>Non-current assets</u>		
Property, plant and equipment		60,000
<u>Current assets</u>		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	<u>4,000</u>	
		<u>58,000</u>
Total Assets		<u><u>118,000</u></u>
Capital		
Opening balance		36,000
Add: Profit for year		<u>67,100</u>
		103,100
Less: Drawings		<u>5,000</u>
		98,100
<u>Non-current liabilities</u>		
Loan		8,300
<u>Current liabilities</u>		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	<u>1,300</u>	
		<u>11,600</u>
Total Equity and Liabilities		<u><u>118,000</u></u>

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PARTNERSHIP

Blogg & Blagg - Partnership

Income Statement and Appropriation Account for the year ended 31 December ...

	£	£
Revenue <i>[net of Discount Allowed]</i>		150,000
<u>Cost of goods sold</u>		
Opening inventory	12,000	
Add: Purchases <i>[net of Discount Received]</i>	<u>68,000</u>	
	80,000	
Less: closing inventory	<u>14,000</u>	
		<u>66,000</u>
Gross profit		84,000
<u>Less: Expenses</u>		
Rent and rates	1,400	
Heat and light	1,600	
Wages and salaries	8,800	
Loan interest	1,200	
Van expenses	900	
Depreciation	2,000	
Sundry expenses	<u>3,000</u>	
		<u>18,900</u>
		65,100
Other operating income: Commission Received		<u>2,000</u>
Profit for the year		67,100
Interest on drawings		
Blogg	500	
Blagg	<u>600</u>	1,100
		68,200
Salary		
Blogg		12,200
Interest on Capital		
Blogg	5,000	
Blagg	<u>4,000</u>	9,000
		<u>47,000</u>
Profit share		
Blogg 60%	28,200	
Blagg 40%	<u>18,800</u>	
		<u>47,000</u>

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Blogg & Blagg - Partnership		
Statement of Financial Position at 31 December		
	£	£
Non-current assets		
Property, plant and equipment		60,000
Current assets		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	<u>4,000</u>	
		<u>58,000</u>
Total Assets		<u><u>118,000</u></u>
Capital Accounts		
Blogg	22,000	
Blagg	<u>20,000</u>	
		42,000
Current Accounts		
Blogg <i>note¹²</i>	26,000	
Blagg <i>note</i>	<u>30,100</u>	
		56,100
Non-current liabilities		
Loan		8,300
Current liabilities		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	<u>1,300</u>	
		<u>11,600</u>
Total Equity and Liabilities		<u><u>118,000</u></u>

¹² Working note required to calculate closing Current Account balances.

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MEDIUM-SIZED LIMITED COMPANY

Medium Ltd - Limited Company		£	£
Income Statement for the year ended 31 December ...			
Revenue	<i>[net of Discount Allowed]</i>		150,000
Less: Cost of Sales			
Opening inventory		12,000	
Add: Purchases	<i>[net of Discount Received]</i>	68,000	
		<u>80,000</u>	
Less: closing inventory		14,000	
			<u>66,000</u>
Gross profit			84,000
Less: Expenses			
Rent and rates		1,400	
Heat and light		1,600	
Wages and salaries		8,800	
Van expenses		900	
Depreciation		2,000	
Sundry expenses		3,000	
			<u>17,700</u>
			66,300
Other operating income			2,000
Profit/loss on disposal of operations			<u>0</u>
Operating profit	<i>[profit before interest and tax]</i>		68,300
Finance income/investment income	<i>[interest receivable and similar income]</i>		0
Finance costs	<i>[interest payable and similar charges]</i>		<u>-1,200</u>
Profit on ordinary activities before taxation			67,100
Taxation			<u>0</u>
Profit on ordinary activities after taxation and profit for the financial year	<i>[to SOCE]</i>		67,100
Other comprehensive income			
Actuarial losses on defined benefit pension plans		<i>minus</i>	0
Deferred tax movement relating to actuarial losses		<i>plus</i>	<u>0</u>
Total comprehensive income for the year			<u>67,100</u>

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Medium Ltd - Limited Company		
Statement of Financial Position at 31 December		
	£	£
<u>Non-current assets</u>		
Intangible assets		0
Property, plant and equipment		60,000
Investments		0
		<u>60,000</u>
<u>Current assets</u>		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	4,000	58,000
Total Assets		<u>118,000</u>
 Capital and Reserves		
Ordinary Share Capital		16,000
Share premium		4,000
General reserve		6,100
Retained earnings		72,000
Equity <i>see SOCE</i>		<u>98,100</u>
 Non-current liabilities		
Loan		8,300
 Current liabilities		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	1,300	11,600
Total Equity and Liabilities		<u>118,000</u>

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Medium Ltd - Limited Company					
Statement of Changes in Equity					
	Share Capital	Share Premium	Retained Earnings	General Reserve	Total Equity
	£	£	£	£	£
Balance at 1 January.....	16,000	4,000	5,300	6,100	31,400
Changes in Equity for 2XXX					
Issue of share capital	0	0			0
Transfers				0	0
Profit for year			67,100		67,100
Dividends			-400		-400
Balance at 31 December.....	16,000	4,000	72,000	6,100	98,100

Worked Example of Question for a PLC conforming to FRS 102

(The Statement of Financial Position included in this example is slightly different from the others contained in this Appendix. Large PLCs usually have *much more going on* re the complexity and movements in their capital and especially reserves so tend to present it last. It is a question of relevance and style to the organisation involved.)

Public Limited Company

BOSS plc

The following Trial Balance has been extracted from the books as at 31 December 2014

	£000	£000
Trade receivables	1,200	
Trade payables		408
Inventory 1 January 2014	160	
Revenue		3,700
Purchases of goods for resale	1,820	
Retained earnings		300
Freehold land	980	
Property	600	
Depreciation: Property 1 January 2014		40
Plant and Machinery	900	
Depreciation: Plant and Machinery 1 January 2014		300
Distribution costs	120	
Deferred taxation		140
Corporation tax		30
Cash at bank and in hand	100	
Administration expenses	488	
Interim dividend paid on Ordinary Shares	80	
Non-current asset investments	280	
Dividends from investments		40
Ordinary Shares of £1		1,000
4% Preference Shares of £1 fully paid		600
8% Debentures		200
Preference dividend paid	24	
Other receivables	36	
Other payables		12
Allowance for doubtful debts		34
Loss on discontinued operations	16	
	<u>6,804</u>	<u>6,804</u>

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Required:

From the Trial Balance and additional information, together with your knowledge of UK Companies Act legislation and relevant accounting standards, you are required to complete a 'draft' set of financial statements for the year ended

Note that there is no requirement for comparative figures or a Statement of Cash Flows.

- | | | |
|----|---|-----------|
| 1 | Inventories at 31 December was estimated to be worth (valued at the lower of cost of NRV) | 180,000 |
| 2 | During the year Plant and Machinery was acquired for | 300,000 |
| 3 | Government grants are due to be received relating to the acquisition of the Plant and Machinery during the year. No record has yet been made of this in the accounts. | 60,000 |
| 4 | Depreciation is to be provided on the basis of:

Property – 50 years on a SLN basis. Depreciation to be apportioned: 70% to production; 20% to distribution; 10% to administration

Plant and Machinery – 20% on a RBM basis. Plant and machinery relates to production.

Note: A full year's depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. | |
| 5 | The freehold land was purchased several years ago when the company moved premises. On 30 June 2013 the land was valued on an open market basis by qualified surveyors at

The directors wish to incorporate this into the accounts. | 1,400,000 |
| 6 | Corporation tax on profits on ordinary activities for the year ended 31 December is estimated at | 180,000 |
| 7 | Administration expenses include auditors' remuneration of | 34,000 |
| 8 | The debenture interest should be accrued | |
| 9 | The allowance for doubtful debts should be adjusted to 2% of net debtors. | |
| 10 | Deferred tax should be increased by | 48,000 |
| 11 | A legal claim for damages due to faulty products is pending. It is probable that the company may have to pay this claim of | 44,000 |

BOSS plc	
Statement of Comprehensive Income	
Continuing operations	£000
Revenue	3,700
Cost of Sales	<u>-1,960</u>
Gross profit	1,740
Operating expenses	<u>-602</u>
Profit from operations	1,138
Finance costs	-16
Fair value adjustment	0
Investment income	<u>40</u>
Profit before tax	1,162
Taxation	<u>-198</u>
Profit for year	964
Discontinued operations	
Loss from discontinued operations	<u>-16</u>
Total profit for the period	948
Other comprehensive income:	
Revaluation gain	<u>420</u>
Total comprehensive income	<u>1,368</u>

BOSS plc	
Statement of Financial Position	
Non-current assets	£000
Intangible assets	0
Property, plant and equipment	2,428
Investments	280
	2,708
Current assets	
Inventories	180
Trade and other receivables	1,272
Cash and cash equivalents	100
	1,552
Total assets	4,260
Current liabilities	
Trade and other payables	-420
Deferred income	-12
Financial liabilities	-16
Current tax liabilities	-180
	-628
Non-current liabilities	
Provisions	-44
Deferred income	-36
Financial liabilities	-200
Deferred tax liabilities	-188
Total liabilities	-1,096
Net Assets	3,164
Shareholders' equity	
Called up share capital	1,600
Share premium account	0
Revaluation reserve	420
Retained earnings	1,144
Equity shareholders' funds	3,164
Total equity	3,164

Statement of Changes in Equity for the year ended...

	Share Capital £000	Retained Earnings £000	Share Premium £000	Revaluation Reserve £000	Total £000
Balance as at 1 January 20xx	1,600	300	0	0	1,900
Gain on revaluation of land and buildings				420	420
Share issue	0		0		0
Profit/loss for the year		948			948
Dividends		-104			-104
Balance as at 31 December 20xx	1,600	1,144	0	420	3,164

Property, Plant and Equipment

Tangible Non-Current Assets	<small>1,000</small>	Land	Property	P&M	Total
Cost/Valuation					
As at 1 January		980	600	600	2,180
Additions		0	0	300	300
Revaluations		420	0		420
Disposals		0	0		0
As at 31 December		1,400	600	900	2,900
Depreciation					
As at 1 January			40	300	340
Charge for year			12	120	132
Relating to disposals					0
As at 31 December		0	52	420	472
Net Book Value					
As at 31 December		1,400	548	480	2,428

Workings

Cost of Sales				£000
<i>i</i>	Opening inventory			160
	Purchases of goods for resale			1,820
	Government grant receivable [60 * 20%]			-12
	Depreciation	Property	70%	8
		P&M		120
	Provision for Liability			44
				<u>2,140</u>
	Less: Closing inventory			-180
				<u>1,960</u>

Distribution costs				
<i>ii</i>	As per trial balance			120
	Depreciation	Property	20%	2
				<u>122</u>

Administration expenses				
<i>iii</i>	As per trial balance			488
	Depreciation	Property	10%	1
	Bad debt provision - decrease			-10
				<u>479</u>

Operating expenses				
<i>iv</i>	Distribution costs			122
	Administration expenses			479
				<u>602</u>

v Finance costs				
	Debenture Interest [200 * 8%]			16

vi Taxation				
	Tax for year			180
	Adjustment for over-provision			-30
	Transfer to deferred taxation			48
				<u>198</u>

vii Deferred tax				
	As per TB			140
	Increase in deferred taxation			48
				<u>188</u>

viii Provisions	
Deferred taxation as per TB	140
Deferred taxation - increase	48
Contingent liability	44
	<u>232</u>

ix Current liabilities	
Trade creditors	408
Other payables	12
	<u>420</u>

x Deferred income	
Government grant receivable	CL 12
Deferred income	NCL [60 – 24] 36
	<u>48</u>

xi Current tax liabilities	
Tax for year	180

xii Trade and other receivables	
Trade receivables	1,200
BDP	[1,200 * 2% = 24] <u>-24</u>
As per trial balance	<u>34</u> 1,176
	-10
Prepayments and accrued income	36
Government grant	60
	<u>1,272</u>

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JOURNALS

			Dr	Cr
1	Inventory	SFP	180	
	Cost of Sales (Closing Inventory)	SCI		180
	<i>Being value of closing inventory at the year end</i>			
2	Trade and other receivables	SFP	60	
	Cost of sales	SCI		12
	Deferred income	SFP		12
		SFP		36
	<i>Being government grant receivable</i>			
3	Cost of sales	SCI	128	
	Distribution costs	SCI	2	
	Administration expenses	SCI	1	
	Depreciation	SFP		12
	Property	SFP		120
	P&M			
	<i>Being depreciation charges for the year</i>			
4	Freehold land	SFP	420	
	Revaluation reserve	SFP		420
	<i>Being revaluation of freehold land</i>			
5	Taxation	SCI	180	
	Current tax liabilities	SFP		180
	<i>Being corporation tax estimate for the year</i>			
6	Finance costs	SCI	16	
	Financial liabilities	SFP		16
	<i>Being accrued debenture interest</i>			
7	BDP	SFP	10	
	Administration expenses	SCI		10
	<i>Being adjustment to BDP</i>			
8	Taxation	SCI	48	
	Deferred tax	SFP		48
	<i>Being increase in deferred taxation</i>			
9	Cost of Sales	SCI	44	
	Provisions	SFP		44
	<i>Being claim for damages</i>			

Statement of Financial Position as at 31 December				
	Year 1		Year 2	
	£000	£000	£000	£000
Non-Current Assets				
Intangible non-current assets		260		700
Property, plant and equipment		710		1,800
Investments		1,400		1,400
		<u>2,370</u>		<u>3,900</u>
Current Assets				
Inventories	520		660	
Trade receivables	890		1,200	
Investments	240		240	
Other receivables	2		10	
Bank	60		80	
Cash	0		0	
		<u>1,712</u>		<u>2,190</u>
Less: Current liabilities				
Trade payables	700		900	
Overdraft	11		152	
Corporation tax	120		200	
Debenture interest	10		10	
Income tax due	2		2	
Other payables	5		22	
Proposed dividends				
Ordinary	200		70	
Preference	10		10	
		<u>1,058</u>		<u>1,366</u>
Net current assets		<u>654</u>		<u>824</u>
		3,024		4,724
Less: Non-Current Liabilities				
Debentures		<u>900</u>		<u>1,000</u>
Total net assets		<u>2,124</u>		<u>3,724</u>
Capital and Reserves				
Ordinary share capital	1,300		1,600	
Preference share capital	100		120	
		<u>1,400</u>		<u>1,720</u>
Share premium	0		50	
General reserve	200		448	
Retained profit	524		1,506	
		<u>724</u>		<u>2,004</u>
		<u>2,124</u>		<u>3,724</u>

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Notes to the accounts:

1	Non-Current Asset disposal:	£000
	Net book value	160
	Sold for	210
2	Depreciation charge for year	120

Required: Prepare a Statement of Cash Flows for the year to Year 2.

STATEMENT OF CASH FLOWS

Statement of Cash Flows		
for year ended 31 December		
	Note	£000
Cash flows from operating activities		
Profit for the financial year		1,520
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment		120
Gain/Loss on disposal		-50
Interest paid		0
Interest received		0
Taxation		0
Decrease/(increase) in trade and other receivables		-310
Decrease/(increase) in prepayments		-8
Decrease/(increase) in inventories		-140
Increase/(decrease) in trade payables		200
Increase/(decrease) in trade accruals		17
Cash from operations		1,349
Interest paid		-10
Income taxes paid		-120
Net cash generated from operating activities		1,219
Cash flows from investing activities		
Proceeds from sale of equipment		210
Purchases of property, plant and equipment		-1,370
Purchases of intangible assets		-440
Interest received		0
Net cash from investing activities		-1,600
Cash flows from financing activities		
Issue of ordinary share capital		300
Issue of preference share capital		20
Increase in share premium		50
Issues/Repayment of borrowings		100
Dividends paid		-210
Net cash used in financing activities		260
Net increase/(decrease) in cash and cash equivalents		
		-121
Cash and cash equivalents at beginning of year		289
Cash and cash equivalents at end of year		168

Workings

Asset		NBV
NCA	s/y	710
	Less: Disposals	<u>160</u>
		550
	Less: Depreciation	<u>120</u>
		430
	Acquisitions	<u>1,370</u>
	e/y	<u>1,800</u>

Total Acquisitions	
Intangible	440
NCA	<u>1,370</u>
	1,810

Total Receipts	
NCA	<u>210</u>
	210
NCA	
Net book value	160
Receipt	<u>210</u>
Gain/loss on disposal	<u>-50</u>

Profit for financial year		£000
Retained profit	Year 2	1,506
Retained profit	Year 1	<u>-524</u>
		982
Add back:		
Proposed dividends		80
General reserve		248
Corporation tax		200
Debenture interest		<u>10</u>
		<u>1,520</u>

	Yr 2	Yr 1	Change
Bank	80	60	20
Cash	0	0	0
	-		
Overdraft	152	-11	-141
Investments	240	240	0
	168	289	-121

Appendix 6: Summary of Commonly Used Ratios within SQA Advanced Accounting Units

For SQA Advanced Accounting units at SCQF levels 6, 7 and 8, these are the most commonly used ratios, but other alternatives are acceptable in line with current practice.

Profitability Ratios

'Profit before interest' is profit before interest and tax where applicable.

$$\text{Gross Profit ratio} = \frac{\text{Gross Profit}}{\text{Net Sales (Revenue)}} \times 100$$

(also known as Gross Profit percentage)

$$\text{Mark up} = \frac{\text{Gross Profit}}{\text{Cost of Sales}} \times 100$$

$$\text{Operating Profit ratio} = \frac{\text{Profit Before Interest}}{\text{Net Sales (Revenue)}} \times 100$$

(also known as Operating Profit percentage)

$$\text{Return on Capital Employed (ROCE)} = \frac{\text{Profit Before Interest}}{\text{Capital Employed}} \times 100$$

$$\text{Return on Equity} = \frac{\text{Profit After Preference Dividends}}{\text{Ordinary Shares + Reserves}} \times 100$$

$$\text{Return on Total Assets} = \frac{\text{Profit Before Interest}}{\text{Non-current Assets + Current Assets}} \times 100$$

$$\text{Operating Expenses to Revenue ratio} = \frac{\text{Operating Expenses}}{\text{Net Sales (Revenue)}} \times 100$$

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$$\text{Non-current Asset Turnover} = \frac{\text{Net Sales (Revenue)}}{\text{Total Net Book Value of Non-current Assets}}$$

Liquidity Ratios

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Acid Test (or Quick) ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

Efficiency Ratios

$$\text{Trade Receivables Turnover} = \frac{\text{Trade Receivables}}{\text{Credit Sales}} \times 365 \text{ days}$$

(also known as Average Collection Period)

$$\text{Trade Payables Turnover} = \frac{\text{Trade Payables}}{\text{Credit Purchases}} \times 365 \text{ days}$$

(also known as Average Payment Period)

$$\text{Inventory Turnover} = \frac{\text{Average Inventory} *}{\text{Cost of Goods Sold}} \times 365 \text{ days}$$

$$* \text{Average Inventory} = (\text{Opening Inventory} + \text{Closing Inventory}) / 2$$

OR

$$\text{Rate of Inventory Turnover (times per year)} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$$

$$\text{Working Capital Cycle} = \text{Trade Receivables Turnover} + \text{Inventory Turnover} - \text{Trade Payables Turnover}$$

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$$\text{Working Asset Turnover} = \frac{\text{Net Working Assets} *}{\text{Net Sales (Revenue)}} \times 100$$

**Net Working Assets = Inventories + Trade Receivables – Trade Payables*

Capital Structure Ratios

$$\text{Interest Cover (times)} = \frac{\text{Profit before Interest}}{\text{Finance Costs (Interest Payable)}}$$

$$\text{Gearing ratio} = \frac{\text{Fixed Cost Capital}}{\text{Total Capital}} \times 100$$

$$\text{OR} = \frac{\text{Non-current Liabilities} + \text{Preference Share Capital}}{\text{Issued Ordinary Share Capital} + \text{all Reserves} + \text{Non-current Liabilities} + \text{Preference Shares}} \times 100$$

Investment Ratios

$$\text{Earnings per Share} = \frac{\text{Profit after Tax} - \text{Preference Dividend}}{\text{No of Issued Ordinary Shares}}$$

$$\text{Price Earnings ratio} = \frac{\text{Market Price per Share}}{\text{Earnings per Share}}$$

$$\text{Dividend Yield} = \frac{\text{Ordinary Dividend}}{\text{Market Price per Ordinary Share}} \times 100$$

$$\text{Dividend Cover} = \frac{\text{Profit for the Year} - \text{Preference Dividend}}{\text{Ordinary Dividend}}$$

$$\text{Dividend per Share} = \frac{\text{Ordinary Dividend}}{\text{No of Issued Ordinary Shares}}$$