

The background of the lower half of the page is an abstract composition of various shades of blue and black. It features overlapping geometric shapes, including triangles and lines, creating a sense of depth and movement. A horizontal line of binary code (0s and 1s) is visible in the middle-left area. Below the binary code, there are three white arrows pointing to the right. The overall aesthetic is modern and technological.

**IAM Level 6**  
Diploma in Business  
and Administrative Management  
Qualification handbook  
2011 edition

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## 1 • Introduction to the IAM Level 6 Diploma in Business and Administrative Management

### **Qualification aim**

This qualification is inspired by the MBA (Master in Business Administration) model and approaches learning in a practical, applied way. It is for those who aim for high level managerial roles in organisations.

It focuses on topics which are necessary for those who want to understand how organisations plan their activities at a strategic level and how they implement these plans in a way that contribute towards the smooth running of organisations and the maximisation of their competitive advantage.

It is based on the IAM's definition of administrative management, namely that the administrative management function supports organisations in planning, organising, directing and controlling their business activities across all functional areas.

Candidates will develop a holistic approach to business together with the analytical and evaluative skills necessary for those in management positions.

The qualification has a flexible structure and includes a range of optional units. This enables candidates to tailor their studies to their specific needs.

### **Qualification accreditation information**

Accreditation number: 600/1528/7

Last registration date: 31/08/2014

Last certification date: 31/08/2017

**Qualification structure**

The IAM Level 6 Diploma in Business and Administrative Management is made up of a combination of mandatory and optional units.

**IAM Mandatory units**

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QCF unit reference	IAM unit number	Unit title	Credit value	Assessment
D/503/0903	601	Strategic management	20	Examination
K/503/0905	602	The dynamics of leadership	20	Examination
M/503/0906	603	Management information systems for business	20	Portfolio
T/503/0907	604	Advanced finance for decision makers	20	Examination

**IAM Optional units**

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QCF unit reference	IAM unit number	Unit title	Credit value	Assessment
R/503/0915	605	Marketing management in business	20	Assignment
Y/503/0916	606	Customer focus for strategic advantage	20	Assignment
D/503/0917	607	Leadership skills	20	Portfolio
H/503/0918	608	Managing risk in business	20	Assignment

**Rules of Combination (RoC)**

To achieve the IAM Level 6 Diploma in Business and Administrative Management candidates must achieve 120 credits. They must complete all four mandatory units (worth 80 credits) and two optional units (worth 40 credits in total).

### Qualification assessment

The units of this qualification are assessed individually by:

Examinations - three-hour duration; set and marked by the IAM

Portfolios of evidence - based on IAM criteria; marked by the centre, moderated by the IAM

Assignments - set and moderated by the IAM; marked by the centre

The word count for the assignments is 2500 – 3000 words.

Live assignments are posted on the members' area of the IAM web site

### Examination structure

#### Section A

This section forms 60% of the total mark for the papers. Candidates must complete three questions from a selection of six.

#### Section B

This section forms 40% of the total mark for the papers.

This section is compulsory. Candidates will be given a short scenario to read and must answer a question related to that scenario.

This section will encourage candidates to use independent thinking as opposed to quoting text book answers.

### Relevant sources of information

#### Related publications

The IAM also provide the following documents specifically for this qualification:

Publication	Available from
Study guide	<a href="http://www.instam.org">http://www.instam.org</a>
Sample assignments	<a href="http://www.instam.org">http://www.instam.org</a>
FAQs	<a href="http://www.instam.org">http://www.instam.org</a>

## IAM assessment terminology

The table below includes the terminology the IAM uses in all types of assessments at levels 6 and 7. It also includes the Institute's explanation of the meaning of these terms in the contexts of assessments.

Knowledge/understanding	
<p>These are foundation skills.</p> <p>Assessment tasks in this category require candidates to demonstrate their knowledge and understanding of the required subject content. They assess basic learning.</p>	<p>define</p> <p>name</p> <p>outline</p> <p>state</p>
Application	
<p>Candidates must show an ability to demonstrate the understanding of the specified knowledge content in practical business contexts.</p> <p>Assessment tasks in this category require candidates, for example, to:</p> <ul style="list-style-type: none"> <li>• make a practical decision</li> <li>• demonstrate the required knowledge, understanding and skills in organisational contexts.</li> </ul>	<p>apply calculate</p> <p>create (in an applied context) demonstrate/ demonstrate how design</p> <p>develop a strategy</p> <p>estimate investigate plan prepare propose use</p>
Analysis	
<p>Candidates must be able to break down situations, statements, theory and numerical and non-numerical data into components or essential features.</p> <p>For higher level analysis candidates should incorporate relevant concepts and theory into their arguments.</p> <p>Assessment tasks in this category require candidates to:</p> <ul style="list-style-type: none"> <li>• select data relevant to tasks</li> <li>• organise data relevant to tasks</li> <li>• break down data/texts to their elements</li> <li>• respond to data/text that contains several elements</li> </ul>	<p>analyse / analyse critically</p> <p>appraise critically</p> <p>assess</p> <p>clarify</p> <p>compare</p> <p>compare and contrast</p> <p>differentiate between examine</p> <p>explain</p> <p>identify why, how, reasons, characteristics</p> <p>investigate</p> <p>judge</p> <p>select summarise</p>
Evaluation	
<p>The most advanced cognitive skill is that of evaluation. At this level candidates make connections, present judgements, opinions and draw conclusions that are supported by valid reasons and evidence.</p> <p>Evaluation involves reflective thinking.</p> <p>Assessment tasks in this category require candidates to give detailed responses and while doing so:</p> <ul style="list-style-type: none"> <li>• provide supported decisions or conclusions</li> <li>• make a reasoned case</li> <li>• make comparisons based on valid and relevant reasons &amp; evidence</li> <li>• set up arguments based on valid reasons and evidence</li> </ul>	<p>advise</p> <p>argue for and against</p> <p>compare, contrast and reach a judgement criticise</p> <p>deduct</p> <p>discuss evaluate</p> <p>identify the most important...</p> <p>interpret</p> <p>investigate e.g. the effectiveness of justify</p> <p>reason for and against recommend</p> <p>solve summarise</p> <p>...to what extent?</p>



## 2 • Information for candidates

### **Candidate entry requirements**

Candidates should have a level 5 qualification or equivalent work experience in the business management area.

### **Language knowledge**

The IAM recommend language knowledge which satisfies B2 SELT requirements. It is the centre's responsibility to assess if candidates have the required level of English and if they wish, they could require formal certification.

### **Age restrictions and legal considerations**

The content and level of demand of this qualification is broadly equivalent to the third year of a university bachelor's degree in the area of business management. Therefore, given the complexity of some of the content we believe that candidates will not have sufficient knowledge or experience below the age of 19.

### **Progression**

This qualification leads to further studies in management at level 7 and to masters' level study at higher education.

### **Exemption policy**

The Institute operates an exemption scheme which offers candidates recognition for other relevant academic or professional qualifications. For more information please refer to our exemption policy document, which can be found on our website [www.instam.org](http://www.instam.org).

### **Independent candidates**

If a candidate wishes to undertake any of the IAM qualifications as an independent student, with no support from a tuition centre, they will need to complete the appropriate registration form which can be found on the IAM website, [www.instam.org](http://www.instam.org).

### **Important notice for independent candidates**

It is important that all candidates are aware that IAM accredited centres are not permitted to provide tutorial or assessment support for independent candidates. If candidates are aware of any breach of these rules, they should immediately notify the IAM on [info@instam.org](mailto:info@instam.org).

### **Replacement documentation**

In some circumstances candidates will require replacement copies of documents previously issued i.e. notifications of results, transcripts, certificates. For information on how to order replacements please refer to the information section of our website [www.instam.org](http://www.instam.org).

## Membership

The IAM is the only professional body in the United Kingdom specialising in the promotion of Administrative Management.

Our membership includes directors, accountants and company secretaries, people concerned with specialist functions, general managers and executives with operational and administrative responsibilities in both the public and private sector.

There are two routes into professional membership of the IAM, based on:

- taking IAM professional qualifications
- previous experience and knowledge

Both routes have equal status and all members are encouraged to undertake Continuing Professional Development (CPD).

## Student membership

All Level 6 Diploma in Business and Administrative Management registered candidates receive student membership of the Institute. This enables them to have access to the student membership area of the IAM website, which includes the course study and support materials.

## Associate (AInstAM)

Associate membership is open to individuals who:

- have been employed for two years or more in any business where their duties involve the management of business administration
- hold the IAM Level 4 Diploma in Business and Administrative Management

Associate members of the Institute are eligible to use the designators AInstAM. Upon successful completion of the Level 4 Diploma in Business and Administrative Management, candidates automatically gain the grade of associate member.

## Member (MInstAM)

Full membership is open to individuals who:

- have been employed for five years or more in any business where their duties involve the management of business administration
- hold either the IAM Level 5 Diploma in Business and Administrative Management. Full members of the Institute are eligible to use the designators MInstAM.

Upon successful completion of the Level 5 Diploma in Business and Administrative Management, candidates automatically gain the grade of member.

## Fellow (FInstAM)

Fellowship of the IAM is open to full members who have held continuous membership for at least **five** years. Fellows of the Institute are eligible to use the designators FInstAM.

On occasion, the IAM will accept applications for direct entry to fellowship when the applicants experience and achievements merit the status of IAM fellow.

Designators can only be used while an associate member, member or fellow is a paid-up member of the IAM.

### 3 • Information for centres

#### Obtaining IAM centre and qualification approval

IAM accredited centres must meet the required criteria and satisfy the IAM that their tutorial staff, learning resources and quality systems comply with IAM quality standards.

#### Accredited centre status

The potential of a centre to become an IAM accredited centre is assessed by reference to the quality and availability of appropriate:

- academic track record
- academic staff
- premises
- financial status
- learning resources
- information technology resources
- administrative services and examination centre facilities
- senior management commitment
- marketing capability

In short, a centre seeking accreditation by the IAM is expected to demonstrate that:

- it is capable of sustaining an effective system for supporting IAM candidates
- it has appropriate premises
- it is committing sufficient academic staff to offer the required level of teaching
- it will provide staff with the qualifications and skills necessary for valid and reliable tuition of candidates
- sufficient learning resources are available to support candidates who study at the centre
- the teaching is backed up by effective administrative resources and processes
- examination accommodation and invigilation facilities meet the IAM's standards
- it complies with the IAM accredited centre code of practice, rules and regulations
- the centre will market the IAM programmes with integrity

#### Becoming an IAM accredited centre

Centres wishing to apply to become an IAM accredited centre are invited to submit a formal application for accreditation.

For further information or to find out more about how to apply to become an accredited IAM centre, please contact the IAM business sales managers on [info@instam.org](mailto:info@instam.org).

#### Equal opportunities

When accrediting prospective and inspecting existing centres, the IAM will ensure that they:

- have equal opportunities policies incorporating processes in line with the above principles and that these adhere to current equal opportunities legislation
- are adhering to their own published equal opportunities policies in practice
- comply with the policies and processes set out in the IAM 'equal access, reasonable adjustments and special consideration' policy document

The IAM expects all centre staff to be aware of, and comply with, these policies.

### **Resource requirements**

A statement assuring the IAM that the centre has the appropriate accommodation and systems to support the IAM provision. This includes the IT system which must enable the centre to transmit to the IAM systems assessment and other personal data securely. Our sales managers will inspect prospective centre facilities and systems, including teaching rooms, libraries, teaching materials and IT systems in the course of the initial accreditation visit. If the centre is outside the UK, we will ask for photographic evidence of the facilities.

### **Tutor Conference**

The IAM holds a centre conference once a year. It is part of the centre accreditation contract that the centre ensures its participation at this event.

### **Registration and certification**

It is the responsibility of the centre to ensure that their candidates' registrations are up-to-date.

### **Equal access and reasonable adjustments**

When developing qualifications and designing assessments, the IAM makes every effort to consider the needs of all candidates, including those with disabilities or specific difficulties.

Despite careful design it is possible that some candidates require reasonable adjustments to assessment methods or arrangements in order to ensure that they can access the assessment.

Candidates may apply for special consideration at the time of the assessment because they have been disadvantaged by temporary illness, injury, indisposition or other adverse circumstances.

### **Appeals**

Centres must have their own auditable appeals procedures that they must explain to candidates during the induction to the course.

## Plagiarism

Guide to centres and examiners

### What is plagiarism?

Candidates commit plagiarism when they copy, very closely imitate, paraphrase or cut and paste some one else's work, ideas and/or language and present it as their own.

### How could tutors and centres prevent plagiarism in assessments?

First of all tutors should assess if the groups and individuals they teach are likely to commit plagiarism. They should also establish why this could happen, for example for linguistic, cultural reasons or because of simple ignorance or misunderstanding of the concept.

Tutors and centres then should:

- explain what plagiarism is and why it is wrong to plagiarise
- explain the concept of intellectual property; the ownership of words, concepts, electronic materials, etc.
- develop centre policies to prevent plagiarism
- explain the consequences of committing plagiarism
- explain the importance of referencing and teach the use of referencing systems
- set differentiated, individual assignments for each candidate

### What are the consequences of plagiarism?

The IAM considers plagiarism dishonest and a serious offence. The IAM will enter a zero mark on the full piece of work containing the plagiarised materials. In cases of very serious or repeated plagiarism the candidate may be suspended for a specific length of time from registering to IAM qualifications or assessments.

Tutors should explain to candidates that those who commit plagiarism achieve lower academic results than those who do not.

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## 4 • Mandatory units

Strategic management

The dynamics of leadership

Management information systems

Advance finance for decision-makers

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**Unit 601: Strategic management****Credit: 20****GLH: 80****Unit aim**

This unit focuses on the main elements of strategic management. It investigates how strategic analysis lays the foundations for strategy formulation and how strategy is implemented through organisational structures and processes. Candidates will understand the general, competitive and internal organisational environments. The unit also investigates the role of administrative management in strategy formulation and implementation and deals with different approaches to strategic change.

Candidates who aspire to management positions involving strategic analysis, strategy formulation and implementation will develop knowledge, understanding and skills necessary for such job roles.

**Learning outcomes**

This unit has five learning outcomes.

*The candidate will:*

- 01 Understand the concept of strategic management
- 02 Be able to conduct strategic analysis
- 03 Understand how to formulate organisational strategy
- 04 Understand how to implement organisational strategy
- 05 Be able to assess the role of administrative management in strategy formulation and implementation

**Assessment**

This unit is assessed by a three-hour written examination set and marked by the IAM.

**Mandatory reading**

IAM Study Guide (2011) *Strategic management*

Henry, A. (2008) *Understanding strategic management*. Oxford, Oxford University Press.

*For further learning resources please consult the learning resources section in the members' area of the IAM web site.*

## Unit 601: Strategic management

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### Outcome 01: Understand the concept of strategic management

#### Assessment criteria

*The candidate can:*

- 1.1 Investigate the concept of strategy
  - 1.2 Identify the elements of the strategic management process
  - 1.3 Analyse critically the role of values, vision and mission statements in organisations
  - 1.4 Evaluate different perspectives on strategy formulation
  - 1.5 Demonstrate how the external and internal environment influence strategy formulation
- 

### Outcome 02: Be able to conduct strategic analysis

#### Assessment criteria

*The candidate can:*

- 2.1 Differentiate between organisations' general, competitive and internal environments
  - 2.2 Appraise critically the tools available for the analysis of the general, competitive and internal environments
  - 2.3 Apply appropriate tools to analyse organisational environments
- 

### Outcome 03: Understand how to formulate organisational strategy

#### Assessment criteria

*The candidate can:*

- 3.1 Differentiate between business and corporate strategy
- 3.2 Compare and contrast different approaches to business level strategy
- 3.3 Assess the role of business strategy in achieving competitive advantage
- 3.4 Demonstrate how markets influence strategy formulation
- 3.5 Compare and contrast different approaches to corporate level strategy
- 3.6 Assess organisational strategies' suitability, feasibility and acceptability

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**Unit 601: Strategic management**

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**Outcome 04: Understand how to implement organisational strategy****Assessment criteria**

*The candidate can:*

- 4.1 Analyse and evaluate different organisational structures and their influence on strategic choice
- 4.2 Analyse critically the relationship between organisational processes and innovation
- 4.3 Recommend strategic control and reward systems
- 4.4 Evaluate different approaches to strategic change

---

**Outcome 05: Be able to assess the role of administrative management in strategy formulation and implementation****Assessment criteria**

*The candidate can:*

- 5.1 Analyse critically the role of administrative managers in designing and implementing organisational strategy
- 5.2 Assess how administrative management facilitates the implementation of strategy across the functional areas of organisations

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**Unit 602: The dynamics of leadership****Credit:** 20**GLH:** 80**Unit aim**

This unit examines the dynamics of leadership from a psychological point of view. It explores the interaction between leaders, followers and the situation in which they operate; the link between power and leadership; the relationship between leaders' personality, their personal values and the way they lead; the link between motivation, satisfaction and performance; the influence of leaders on group and team development; and how leaders ensure the success of organisational change.

Candidates who aspire to lead teams in organisations will develop knowledge and understanding necessary for such job roles.

**Learning outcomes**

This unit has nine learning outcomes.

*The candidate will:*

- 01 Understand the concept of leadership
- 02 Be able to analyse the leadership process
- 03 Understand the role of power and influence in leadership
- 04 Be aware of the importance of values
- 05 Understand the role of personality on leadership
- 06 Understand the link between motivation, satisfaction and performance
- 07 Understand how leaders influence the development and effectiveness of teams
- 08 Understand how situational factors influence leadership
- 09 Understand how to lead organisational change

**Assessment**

This unit is assessed by a three-hour written examination set and marked by the IAM.

**Mandatory reading**

IAM Study Guide (2011) *The dynamics of leadership*.

Hughes, R.L and al (2009) *Leadership: Enhancing the lessons of experience*. London, McGraw-Hill.

*For further learning resources please consult the **learning resources** section in the members' area of the IAM web site.*

## Unit 602: The dynamics of leadership

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### Outcome 01: Understand the concept of leadership

#### Assessment criteria

*The candidate can:*

- 1.1 Differentiate between leaders and managers
  - 1.2 Explain how leaders develop through experience and education
  - 1.3 Apply methods to measure leadership success
- 

### Outcome 02: Be able to analyse the leadership process

#### Assessment criteria

*The candidate can:*

- 2.1 Identify different types of followership and explain the role of followers
  - 2.2 Analyse critically the contribution of leaders as individuals
  - 2.3 Investigate the relationship between leaders, followers and the situation in which they operate
- 

### Outcome 03: Understand the role of power and influence in leadership

#### Assessment criteria

*The candidate can:*

- 3.1 Distinguish between influence and power
  - 3.2 Examine different sources of power
  - 3.3 Assess critically leaders' motivation to influence and lead others
  - 3.4 Evaluate the tactics leaders and followers apply to modify each others' behaviour
- 

### Outcome 04: Be aware of the importance of values

#### Assessment criteria

*The candidate can:*

- 4.1 Evaluate the concept of values
  - 4.2 Demonstrate the impact of values on leadership
  - 4.3 Demonstrate the implication of cultural differences on leadership
- 

### Outcome 05: Understand the role of personality on leadership

#### Assessment criteria

*The candidate can:*

- 5.1 Analyse the relationship between personality and leadership
- 5.2 Analyse how different forms of intelligence influence the behaviour of leaders

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**Unit 602: The dynamics of leadership**

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**Outcome 06: Understand the link between motivation, satisfaction and performance****Assessment criteria**

*The candidate can:*

- 6.1 Assess how leaders influence follower motivation
- 6.2 Assess how leaders influence follower satisfaction
- 6.3 Evaluate the dynamic relationship between motivation, satisfaction and performance

---

**Outcome 07: Understand how leaders influence the development and effectiveness of teams****Assessment criteria**

*The candidate can:*

- 7.1 Differentiate between groups and teams
- 7.2 Identify the stages of building highly performing groups and teams
- 7.3 Evaluate leadership as a group and team function
- 7.4 Explain how to lead virtual teams

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**Outcome 08: Understand how situational factors influence leadership****Assessment criteria**

*The candidate can:*

- 8.1 Analyse how task interdependence, task structure, job characteristics and changes to these influence the behaviour and performance of leaders and followers
- 8.2 Analyse how organisational factors such as structure, design and culture influence leadership
- 8.3 Analyse the influence of legal, political and economic environment on leadership

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**Outcome 09: Understand how to lead organisational change****Assessment criteria**

*The candidate can:*

- 9.1 Analyse critically and evaluate the rational approach to organisational change
- 9.2 Analyse critically and evaluate the emotional approach to organisational change

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**Unit 603: Management information systems for business****Credit: 20****GLH: 80****Unit aim**

This unit examines the use of information systems within business. It considers the contribution of information systems to organisations and to strategy, along with an analysis of the ethical implications of their use. The unit explores the importance of having an effective information technology (IT) infrastructure and evaluates the contribution of management information systems (MIS) to decision-making. It analyses key systems applications in the context of their role in businesses. It also considers the impact of e-commerce and the needs of global business. It assesses approaches to building secure and effective information systems in order to improve business performance and customer satisfaction.

Candidates who, in their present or future roles, need to understand and select appropriate management information systems will develop knowledge, understanding and analytical skills necessary for such tasks.

**Learning outcomes**

This unit has five learning outcomes.

*The candidate will:*

- 01 Understand the role of information systems in global businesses
- 02 Understand the relationships between information systems, business strategy and e-commerce
- 03 Understand the relationship between information technology infrastructure and business capability
- 04 Understand how key information systems improve business performance and enhance decision-making
- 05 Know how to build and manage effective and secure information systems

**Assessment**

This unit is assessed through a portfolio of evidence—based on IAM criteria; marked by the centre, moderated by the IAM

**Mandatory reading**

IAM Study Guide (2011) *Management information systems for business*

Laudon, K. and Laudon, J. (2010) *Management information systems: Managing the digital firm*. 11th edition. Harlow, FT Prentice Hall

*For further learning resources please consult the **learning resources** section in the members' area of the IAM web site.*

## Unit 603: Management information systems for business

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### Outcome 01: Understand the role of information systems in global businesses

#### Assessment criteria

*The candidate can:*

- 1.1 Explain how businesses use information systems
  - 1.2 Evaluate the role of information systems and technologies in transforming businesses
  - 1.3 Assess the challenges to developing global information systems
  - 1.4 Evaluate the role of information systems in global e-business
- 

### Outcome 02: Understand the relationships between information systems, business strategy and e-commerce

#### Assessment criteria

*The candidate can:*

- 2.1 Examine the role of information systems in developing business strategy
  - 2.2 Assess how information systems contribute to achieving competitive advantage
  - 2.3 Explain the unique features of e-commerce
  - 2.4 Evaluate the impact of internet technology and e-commerce on traditional business models
  - 2.5 Demonstrate how businesses can develop structures for global information support systems
- 

### Outcome 03: Understand the relationship between information technology infrastructure and business capability

#### Assessment criteria

*The candidate can:*

- 3.1 Assess the need for and key components of an effective information technology infrastructure
- 3.2 Demonstrate and evaluate the impact of key emerging information technologies on business performance
- 3.3 Examine critically the reasons for building effective information systems

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## Unit 603: Management information systems for business

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### Outcome 04: Understand how key information systems improve business performance and enhance decision-making

#### Assessment criteria

*The candidate can:*

- 4.1 Appraise the key information systems which can contribute to improving business performance
- 4.2 Analyse the relationship between information systems and decision-making
- 4.3 Evaluate how information systems can improve business performance

---

### Outcome 05: Know how to build and manage effective and secure information systems

#### Assessment criteria

*The candidate can:*

- 5.1 Demonstrate how to manage information systems projects
- 5.2 Analyse the implications of ethical and social issues for managing information systems
- 5.3 Assess the security risks faced by information systems
- 5.4 Evaluate tools and technologies for the protection of information systems security

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**Unit 604: Advanced finance for decision-makers****Credit: 20****GLH: 80****Unit aim**

This unit demonstrates the links between business decision-making, risk assessment and financial information. Once finance is placed in context, the unit covers financial reporting and the way financial performance is measured. It investigates how businesses are financed through their fixed and working capital requirements. It explains how the financial management of each organisation is influenced by its governance and ownership structure as well as accounting standards and the ethical basis on which financial reporting is organised.

Candidates who aspire to management positions will develop financial knowledge and understanding needed to make sound and responsible business decisions.

**Learning outcomes**

This unit has five learning outcomes.

*The candidate will:*

- 01 Understand the role of financial information and financial analysis in business risk assessment and decision-making
- 02 Understand how financial statements and their structure provide a sound basis for business decision-making
- 03 Understand sources of finance and how businesses finance fixed assets and working capital
- 04 Understand different ownership structures and how they influence and measure financial performance
- 05 Understand how accountability for financial reporting and the integrity of reporting are influenced by ethical, governance and accounting standards

**Assessment**

This unit is assessed by a three-hour written examination set and marked by the IAM.

**Mandatory reading**

IAM Study Guide (2011) *Advanced finance for decision-makers*

Elliott, B. and Elliott, J. (2008) *Financial accounting and reporting*. 12th edition. Harlow, Prentice Hall

*For further learning resources please consult the learning resources section in the members' area of the IAM web site.*

## Unit 604: Advanced finance for decision-makers

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### Outcome 01: Understand the role of financial information and financial analysis in business risk assessment and decision-making

#### Assessment criteria

*The candidate can:*

- 1.1 Examine the factors that guide and drive decision-making in business
- 1.2 Assess the significance of financial factors in business decision-making
- 1.3 Identify the characteristics of business risks that impact on financial and business decisions
- 1.4 Summarise financial priorities that should be considered in business decision-making

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### Outcome 02: Understand how financial statements and their structure provide a sound basis for business decision-making

#### Assessment criteria

*The candidate can:*

- 2.1 Compare the accrual and cash flow approaches to accounting and financial reporting and the implications of each for business decision-making
- 2.2 Explain the structure and content of final accounts and their uses for business decision-making
- 2.3 Interpret financial information in balance sheets, income statements and sources and applications of funds statements
- 2.4 Differentiate between financial decisions relating to capital expenditure and those relating to revenue expenditure
- 2.5 Calculate financial ratios from final accounts that can be used to support business decision-making

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### Outcome 03: Understand sources of finance and how businesses finance fixed assets and working capital

#### Assessment criteria

*The candidate can:*

- 3.1 Differentiate between long-term financing needs and working capital needs for businesses
- 3.2 Compare the sources of long-term financing and working capital financing for businesses
- 3.3 Identify why access to working capital is critical to business continuity
- 3.4 Examine critically the techniques needed to manage cash flow and the key business decisions on which cash flow impacts
- 3.5 Evaluate methods for making capital expenditure or investment decisions and the criteria that may be applied to these by organisations
- 3.6 Explain the possible benefits and drawbacks of off-balance sheet financing

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**Unit 604: Advanced finance for decision-makers**

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**Outcome 04: Understand different ownership structures and how they influence and measure financial performance****Assessment criteria**

*The candidate can:*

- 4.1 Analyse critically the financial implications of different business ownership structures
- 4.2 Analyse critically the corporate governance, legal and regulatory environments of different business ownership structures
- 4.3 Compare and contrast the stakeholder interests of owners and managers in decision making
- 4.4 Evaluate the significance of Return on Capital Employed (ROCE) and other overall performance measures for the long-term sustainability of businesses
- 4.5 Examine the importance of Earnings Per Share (EPS) as a measure of business performance

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**Outcome 05: Understand how accountability for financial reporting and the integrity of reporting are influenced by ethical, governance and accounting standards****Assessment criteria**

*The candidate can:*

- 5.1 Differentiate between business ethics, governance and accounting ethics as controls on business accountability
- 5.2 Assess the role of the accountant as guardian of business ethics
- 5.3 Analyse the key concepts and principles of corporate governance that may impact on business decisions
- 5.4 Examine the key national and international financial reporting standards relevant to business decisions
- 5.5 Examine the key requirements for published accounts of a public limited company (PLC)

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## 5 • Optional units

Marketing management in business  
Customer focus for strategic advantage  
Leadership skills  
Managing risk in business

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**Unit 605: Marketing management in business****Credit: 20****GLH: 80****Unit aim**

This unit examines the strategic role of marketing in business. It discusses how market segmentation, positioning and the marketing mix contribute to competitive advantage. It also explores the common elements and differences between marketing in the commercial and not-for-profit, including public sectors.

Candidates who hold, or aspire to hold, marketing roles in commercial or non-for-profit organisations will develop knowledge, understanding and skills necessary for such job roles.

**Learning outcomes**

This unit has five learning outcomes.

*The candidate will:*

- 01 Understand the concept and strategic role of marketing in business
- 02 Know how to build marketing strategy
- 03 Understand the concept and role of market segmentation and positioning
- 04 Understand the principle and function of the marketing mix
- 05 Be able to distinguish between marketing in the commercial and not-for-profit, including public sectors

**Assessment**

This unit is assessed by an assignment set and moderated by the IAM; marked by the centre.

**Mandatory reading**

IAM Study Guide (2011) *Marketing management in business*

Baines, P. et al (2011) *Marketing*. Oxford, Oxford University Press.

*For further learning resources please consult the **learning resources** section in the members' area of the IAM web site.*

## Unit 605: Marketing management in business

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### Outcome 01: Understand the concept and strategic role of marketing in business

#### Assessment criteria

*The candidate can:*

- 1.1 Examine the main contexts of marketing
  - 1.2 Analyse the relationship between businesses' vision, mission and marketing strategy
  - 1.3 Evaluate the tools and techniques available for analysing key areas of the marketing environment and use them in realistic business situations
  - 1.4 Examine the factors influencing consumer choice and behaviour
  - 1.5 Assess the role of market research in business decision-making
- 

### Outcome 02: Know how to build marketing strategy

#### Assessment criteria

*The candidate can:*

- 2.1 Analyse critically how strategic market analysis, marketing goals and marketing actions influence marketing strategy
  - 2.2 Demonstrate how an over-all view on the strategic position of businesses and the understanding of their competitors impact on their marketing strategy
  - 2.3 Analyse critically the links between growth strategies and the main types of strategic marketing objectives
  - 2.4 Demonstrate how marketing strategies contribute to sustainable competitive advantage
  - 2.5 Apply the main steps of marketing planning in practical business situations
- 

### Outcome 03: Understand the concept and role of market segmentation and positioning

#### Assessment criteria

The candidate can:

- 3.1 Differentiate between market segmentation and product differentiation
- 3.2 Compare and contrast different targeting approaches
- 3.3 Examine critically the process and function of positioning

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**Unit 605: Marketing management in business**

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**Outcome 04: Understand the principle and function of the marketing mix****Assessment criteria**

*The candidate can:*

- 4.1 Assess the role of the marketing mix in the implementation of marketing strategy
- 4.2 Evaluate the role of product development and branding
- 4.3 Analyse critically the impact costing and pricing decisions have on competitive advantage
- 4.4 Examine critically the role and purpose of marketing communication as part of the marketing mix
- 4.5 Explain how retailing and channel management, as part of the marketing mix, contribute to competitive advantage

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**Outcome 05: Be able to distinguish between marketing in the commercial and not-for-profit, including public sectors****Assessment criteria**

*The candidate can:*

- 5.1 Compare and contrast marketing strategies in commercial and not-for-profit organisations, including the public sector
- 5.2 Demonstrate the use of marketing techniques in the commercial and not-for-profit, including public sectors
- 5.3 Evaluate the impact of marketing on social and political change

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**Unit 606: Customer focus for strategic advantage****Credit: 20****GLH: 80****Unit aim**

This unit establishes a framework for the strategic development of customer service in order to gain competitive advantage. It explores the organisational activities and imperatives that come together to create and sustain customer focus. The unit covers processes and concepts that can be used at complete organisation or business unit level. It aims to introduce candidates to the strategic framework which forms the foundation of effective customer focus which contributes to competitive advantage in markets where service is especially important to customers.

Candidates who aspire to a management role in customer service with or without previous experience in this sector will develop knowledge, understanding and skills necessary for such job roles.

**Learning outcomes**

This unit has six learning outcomes.

*The candidate will:*

- 01 Understand the strategic customer service aims of organisations and the customer service values that make the aims achievable
- 02 Understand how being a listening organisation contributes to the achievement of a customer service vision
- 03 Understand how customer service strategy and objectives contribute to the development of customer-driven processes
- 04 Understand the links between people development, empowerment and the implementation of customer service strategies
- 05 Understand communication, recognition and reward actions that contribute to customer service strategies
- 06 Understand continuous improvement processes and their importance in sustaining competitive customer service advantage

**Assessment**

This unit is assessed by an assignment set and moderated by the IAM; marked by the centre.

**Mandatory reading**

IAM Study Guide (2011) *Customer focus for strategic advantage*

Cook, S. (2010) *Customer care excellence: How to create an effective customer focus*. 6<sup>th</sup> edition. Kagan Page.

*For further learning resources please consult the **learning resources** section in the members' area of the IAM web site.*

## Unit 606: Customer focus for strategic advantage

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### Outcome 01: Understand the strategic customer service aims of organisations and the customer service values that make the aims achievable

#### Assessment criteria

*The candidate can:*

- 1.1 Analyse critically the links between customer focus and organisational values, vision and objectives
  - 1.2 Analyse customer expectations and preferences in the context of organisations' service offer
  - 1.3 Explain the connections between customer service strategy and an organisations' market positioning
  - 1.4 Analyse how financial performance and business growth imperatives that impact on customer service strategies
  - 1.5 Compare the importance of customer retention and one-off customer satisfaction when sustaining and developing competitive advantage
- 

### Outcome 02: Understand how being a listening organisation contributes to the achievement of a customer service vision

#### Assessment criteria

*The candidate can:*

- 2.1 Examine the concept of a listening organisation
  - 2.2 Compare the benefits of different methods of listening to customers
  - 2.3 Evaluate measures that can be used to analyse information collected about customer opinions and experiences
  - 2.4 Demonstrate the importance of customer and employee feedback for achieving organisational customer service vision
- 

### Outcome 03 Understand how customer service strategy and objectives contribute to the development of customer-driven processes

#### Assessment criteria

*The candidate can:*

- 3.1 Consider how customer service strategy and objectives lead to the design of customer service processes
- 3.2 Analyse critically the contribution technology makes to the delivery of effective customer-driven processes
- 3.3 Explain the importance of continuous improvement and service chains to organisations' customer service processes



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**Unit 606: Customer focus for strategic advantage**

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**Outcome 04 Understand the links between people development, empowerment and the implementation of customer service strategies****Assessment criteria**

The candidate can:

- 4.1 Examine critically approaches to people development in the context of customer service strategies
- 4.2 Assess leadership actions which contribute to empowerment in customer service
- 4.3 Show the connections between people development, empowerment and customer service strategies
- 4.4 Consider why empowerment is an important part of continuous improvement in customer service

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**Outcome 05 Understand communication, recognition and reward actions that contribute to customer service strategies****Assessment criteria**

*The candidate can:*

- 5.1 Explain how managers can use recognition and reward of staff to support customer service strategy
- 5.2 Demonstrate how motivation and performance models and theories contribute to the achievement of customer service objectives
- 5.3 Evaluate the options available to communicate with key stakeholders about customer service strategies
- 5.4 Examine the reasons why it is important to present customer service strategies persuasively to stakeholders

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**Outcome 06 Understand continuous improvement processes and their importance in sustaining competitive customer service advantage****Assessment criteria**

*The candidate can:*

- 6.1 Compare continuous improvement and service excellence approaches with financial and growth driven approaches to business development
- 6.2 Evaluate the roles of managers, team members and quality controllers in creating, implementing and promoting a continuous improvement programme
- 6.3 Analyse critically the challenges of maintaining customer focus and a continuous improvement programme
- 6.4 Demonstrate how the feedback loop is essential to continuous improvement
- 6.5 Analyse the factors that determine the speed at which customer service improvements can be made

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**Unit 607: Leadership skills****Credit: 20****GLH: 40****Unit aim**

The primary aim of this unit is to develop essential, practical leadership skills which candidates will find useful in a variety of organisational settings. Candidates will also practice how to develop the leader-follower relationship in realistic situations and thus support organisational strategy and objectives.

Candidates who aspire to lead teams will develop capabilities and skills necessary for such job roles.

**Learning outcomes**

This unit has three learning outcomes.

*The candidate will:*

- 01 Understand fundamental leadership skills
- 02 Know how to develop the leader–follower relationship
- 03 Know how to deal with a variety of leadership situations

**Assessment**

This unit is assessed through a portfolio of evidence-based on IAM criteria; marked by the centre, moderated by the IAM.

**Mandatory reading**

IAM Study Guide (2011) *Leadership skills*

Hughes, R.L. and al (2009) *Leadership: Enhancing the lessons of experience*. London, McGraw-Hill.

*For further learning resources please consult the **learning resources** section in the members' area of the IAM web site.*

## Unit 607: Leadership skills

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### Outcome 01: Understand fundamental leadership skills

#### Assessment criteria

*The candidate can:*

- 1.1 Analyse how to learn from past experience of leading individuals and teams in a variety of organisational situations
  - 1.2 Develop active listening skills in order to interpret messages from others in a variety of situations
  - 1.3 Communicate, using the context and medium which meet the needs and expectations of the audience and the organisation
  - 1.4 Demonstrate how to build effective working relationships with peers and superiors
  - 1.5 Analyse critically stress management techniques appropriate to realistic leadership situations
  - 1.6 Demonstrate how to build own credibility with individuals and within teams
- 

### Outcome 02: Know how to develop the leader–follower relationship

#### Assessment criteria

*The candidate can:*

- 2.1 Provide constructive feedback to individuals and groups
- 2.2 Design processes for receiving feedback from others
- 2.3 Act upon feedback with a positive and receptive attitude
- 2.4 Demonstrate how to delegate tasks and responsibilities
- 2.5 Demonstrate how to build effective work teams
- 2.6 Demonstrate how to build highly performing executive teams
- 2.7 Agree and draw up development plans for individuals and teams
- 2.8 Design strategies for developing informal coaching skills
- 2.9 Design strategies for empowering others

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**Unit 607: Leadership skills**

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**Outcome 03: Know how to deal with a variety of leadership situations****Assessment criteria**

*The candidate can:*

- 3.1 Share organisational values, vision and mission with others
- 3.2 Set goals for individuals and teams in realistic organisational situations
- 3.3 Demonstrate how to resolve conflicts and solve problems in organisational situations
- 3.4 Design strategies for improving creativity in organisations
- 3.5 Design processes for diagnosing problems related to performance
- 3.6 Design strategies for addressing issues which affect performance

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**Unit 608: Managing risk in business****Credit: 20****GLH: 80****Unit aim**

This unit examines the implications of risk for businesses. It explores the importance of risk assessment and risk management strategies, and considers measures and techniques for analysing and addressing risk. It discusses how effective risk management supports businesses in becoming market leaders.

Candidates who aspire to positions which involve responsibilities for risk management will develop knowledge, understanding and skills necessary for such job roles.

**Learning outcomes**

This unit has seven learning outcomes.

*The candidate will:*

- 01 Understand the role of risk management in business
- 02 Understand the importance of measuring and assessing risk
- 03 Understand the impact of different types of risk
- 04 Understand the impact of the external environment on risk management
- 05 Understand responsibilities, strategies and objectives for managing risk
- 06 Know how to link contingency planning and crisis management
- 07 Understand how risk management supports businesses in achieving market leadership

**Assessment**

This unit is assessed by an assignment set and moderated by the IAM; marked by the centre.

**Mandatory reading**

IAM study Guide (2011) *Managing risk in business*

Sadgrove, S. (2005) *The complete guide to business risk management*. 2nd edition. Gower.

*For further learning resources please consult the **learning resources** section in the members' area of the IAM web site.*

## Unit 608: Managing risk in business

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### Outcome 01: Understand the role of risk management in business

#### Assessment criteria

*The candidate can:*

- 1.1 Examine the role of risk management in identifying, analysing and controlling risk
  - 1.2 Assess the function of risk management structures and activities
- 

### Outcome 02: Understand the importance of measuring and assessing risk

#### Assessment criteria

*The candidate can:*

- 2.1 Demonstrate how various methods and techniques are used to measure and assess risk
  - 2.2 Analyse critically the actions businesses can take to manage risk
- 

### Outcome 03: Understand the impact of different types of risk

#### Assessment criteria

*The candidate can:*

- 3.1 Analyse the main types of risk facing businesses
  - 3.2 Examine the key operations which expose businesses to risk
  - 3.3 Appraise the different types of security risk
  - 3.4 Assess which business areas are particularly vulnerable to security breaches and fraud
- 

### Outcome 04: Understand the impact of the external environment on risk management

#### Assessment criteria

*The candidate can:*

- 4.1 Assess the impact of external influences on managing operational risks
- 4.2 Demonstrate how integrated risk management reduces the impact of external influences on businesses



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**Unit 608: Managing risk in business**

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**Outcome 05: Understand responsibilities, strategies and objectives for managing risk****Assessment criteria**

*The candidate can:*

- 5.1 Identify the advantages and disadvantages of businesses having a risk management system
- 5.2 Analyse critically the role and responsibilities of the risk manager
- 5.3 Evaluate critically the role of monitoring and budgeting in risk management

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**Outcome 06: Know how to link contingency planning and crisis management**

Assessment criteria

The candidate can:

- 6.1 Analyse the links between contingency planning and crisis management
- 6.2 Examine why businesses are vulnerable to breaks in business continuity
- 6.3 Evaluate critically the contribution crisis management systems make to businesses

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**Outcome 07: Understand how risk management supports businesses in achieving market leadership****Assessment criteria**

*The candidate can:*

- 7.1 Analyse the relationship between risk and marketing strategy
- 7.2 Examine critically the key areas in which businesses are vulnerable to marketing risk
- 7.3 Demonstrate how to use benchmarking to reduce risk

