



# **OTHM LEVEL 6 DIPLOMA IN ACCOUNTING AND BUSINESS**

Qualification Number: 603/4018/6

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Specification | MAY 2025

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## QUALIFICATION OBJECTIVES

Accounting and finance are at the very heart of business operations. From banking to manufacturing, from huge service industries to micro businesses, the ability to manage, plan and account for money is still the ultimate measure of business success and the key driver of growth.

Many accountants occupy key managerial positions in business, yet few are qualified managers. In the increasingly complex modern business environment, there is a high demand for skilled professionals who can work flexibly in teams across business boundaries.

The objective of the OTHM Level 6 Diploma in Accounting and Business qualification is to provide learners with the knowledge and skills required by a middle or senior manager in an organisation, and who may be involved in managing organisational finances, investment and risk, audit and assurance, or research.

## QUALITY, STANDARDS AND RECOGNITIONS

OTHM Qualifications are approved and regulated by Ofqual (Office of Qualifications and Examinations Regulation). Visit register of [Regulated Qualifications](#).

OTHM has progression arrangement with several UK universities that acknowledges the ability of learners after studying Level 3-7 qualifications to be considered for advanced entry into corresponding degree year/top up and Master's/top-up programmes.

## REGULATORY INFORMATION

|                                |   |
|--------------------------------|---|
| Qualification Title            | OTHM Level 6 Diploma in Accounting and Business |
| Ofqual Ref. No.                | 603/4018/6                                      |
| Regulation Start Date          | 21 <sup>st</sup> January 2019                   |
| Operational Start Date         | 28 <sup>th</sup> January 2019                   |
| Duration                       | 1 Year  |
| Total Credit Value             | 120 Credits                                     |
| Total Qualification Time (TQT) | 1200 Hours                                      |
| Guided Learning Hours (GLH)    | 480 Hours                                       |
| Sector Subject Area (SSA)      | 15.1 Accounting and finance                     |
| Overall Grading Type           | Pass / Fail                                     |
| Assessment Methods             | Coursework                                      |
| Language of Assessment         | English   |

## EQUIVALENCES

OTHM qualifications at RQF Level 6 represent practical knowledge, skills, capabilities and competences that are assessed in academic terms as being equivalent to Bachelor's Degrees with Honours, Bachelor's Degrees, Professional Graduate Certificate in Education (PGCE), Graduate Diplomas and Graduate Certificates.

## QUALIFICATION STRUCTURE

The OTHM Level 6 Diploma in Accounting and Business consists of 6 mandatory units for a combined total of 120 credits, 1200 hours Total Qualification Time (TQT) and 480 Guided Learning Hours (GLH) for the completed qualification.

| Unit Ref. No. | Unit title                       | Credit | GLH | TQT |
|---------------|----------------------------------|--------|-----|-----|
| L/617/4375    | Corporate and Business Law       | 20     | 80  | 200 |
| R/617/4376    | Business Performance Measurement | 20     | 80  | 200 |
| Y/617/4377    | Financial Securities Markets     | 20     | 80  | 200 |
| D/617/4378    | Audit and Assurance              | 20     | 80  | 200 |
| K/616/2735    | Business Research Project        | 20     | 80  | 200 |
| H/617/4379    | Investment and Risk Management   | 20     | 80  | 200 |

## DEFINITIONS

**Total Qualification Time (TQT)** is the number of notional hours which represents an estimate of the total amount of time that could reasonably be expected to be required in order for a Learner to achieve and demonstrate the achievement of the level of attainment necessary for the award of a qualification.

*Total Qualification Time is comprised of the following two elements –*

- the number of hours which an awarding organisation has assigned to a qualification for Guided Learning, and*
- an estimate of the number of hours a Learner will reasonably be likely to spend in preparation, study or any other form of participation in education or training, including assessment, which takes place as directed by – but, unlike Guided Learning, not under the Immediate Guidance or Supervision of – a lecturer, supervisor, tutor or other appropriate provider of education or training.*

*(Ofqual 15/5775 September 2015)*

**Guided Learning Hours (GLH)** is defined as the hours that a teacher, lecturer or other member of staff is available to provide immediate teaching support or supervision to a student working towards a qualification.

**Credit value** is defined as being the number of credits that may be awarded to a Learner for the successful achievement of the learning outcomes of a unit. One credit is equal to 10 hours of TQT.

## ENTRY REQUIREMENTS

For entry onto the OTHM Level 6 Diploma in Accounting and Business qualification, learners must possess:

- Relevant NQF/QCF/RQF Level 5 diploma or equivalent recognised qualification
- Mature learners (over 21) with management experience (learners must check with the delivery centre regarding this experience prior to registering for the programme)
- Learner must be 18 years or older at the beginning of the course
- **English requirements:** If a learner is not from a majority English-speaking country must provide evidence of English language competency. For more information visit [English Language Expectations](#) page.

## PROGRESSIONS

Successful completion of Level 6 Diploma in Accounting and Business qualification provides learners the opportunity for a wide range of academic progressions including progression to relevant OTHM Level 7 Diplomas. The Level 6 Diploma in Accounting and Business has been developed with career progression and professional recognition in mind. As this qualification is approved and regulated by Ofqual (Office of the Qualifications and Examinations Regulation), learners are eligible to gain direct entry into relevant Master's degree programmes. For more information visit [University Progressions](#) page.

## DELIVERY OF OTHM QUALIFICATIONS

OTHM do not specify the mode of delivery for its qualifications, therefore OTHM Centres are free to deliver this qualification using any mode of delivery that meets the needs of their Learners. However, OTHM Centres should consider the Learners' complete learning experience when designing the delivery of programmes.

OTHM Centres must ensure that the chosen mode of delivery does not unlawfully or unfairly discriminate, whether directly or indirectly, and that equality of opportunity is promoted. Where it is reasonable and practicable to do so, it will take steps to address identified inequalities or barriers that may arise.

Guided Learning Hours (GLH) which are listed in each unit gives the Centres the number of hours of teacher-supervised or direct study time likely to be required to teach that unit.

## ASSESSMENT AND VERIFICATION

All units within this qualification are internally assessed by the centre and externally verified by OTHM. The qualifications are criterion referenced, based on the achievement of all the specified learning outcomes.

To achieve a 'pass' for a unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all

assessment criteria. Judgement that the learners have successfully fulfilled the assessment criteria is made by the Assessor.

The Assessor should provide an audit trail showing how the judgement of the learners' overall achievement has been arrived at.

Specific assessment guidance and relevant marking criteria for each unit are made available in the Assignment Brief document. These are made available to centres immediately after registration of one or more learners.

## **OPPORTUNITIES FOR LEARNERS TO PASS**

Centres are responsible for managing learners who have not achieved a Pass for the qualification having completed the assessment. However, OTHM expects at a minimum, that centres must have in place a clear feedback mechanism to learners by which they can effectively retrain the learner in all the areas required before re-assessing the learner.

## **RECOGNITION OF PRIOR LEARNING AND ACHIEVEMENT**

Recognition of Prior Learning (RPL) is a method of assessment that considers whether learners can demonstrate that they can meet the assessment requirements for a unit through knowledge, understanding or skills they already possess and do not need to develop through a course of learning.

RPL policies and procedures have been developed over time, which has led to the use of a number of terms to describe the process. Among the most common are:

- Accreditation of Prior Learning (APL)
- Accreditation of Prior Experiential Learning (APEL)
- Accreditation of Prior Achievement (APA)
- Accreditation of Prior Learning and Achievement (APLA)

All evidence must be evaluated with reference to the stipulated learning outcomes and assessment criteria against the respective unit(s). The assessor must be satisfied that the evidence produced by the learner meets the assessment standard established by the learning outcome and its related assessment criteria at that particular level.

Most often RPL will be used for units. It is not acceptable to claim for an entire qualification through RPL. Where evidence is assessed to be only sufficient to cover one or more learning outcomes, or to partly meet the need of a learning outcome, then additional assessment methods should be used to generate sufficient evidence to be able to award the learning outcome(s) for the whole unit. This may include a combination of units where applicable.

## EQUALITY AND DIVERSITY

OTHM provides equality and diversity training to staff and consultants. This makes clear that staff and consultants must comply with the requirements of the Equality Act 2010, and all other related equality and diversity legislation, in relation to our qualifications.

We develop and revise our qualifications to avoid, where possible, any feature that might disadvantage learners because of their age, disability, gender, pregnancy or maternity, race, religion or belief, and sexual orientation.

If a specific qualification requires a feature that might disadvantage a particular group (e.g. a legal requirement regarding health and safety in the workplace), we will clarify this explicitly in the qualification specification.

## CONTACT DETAILS

OTHM Qualifications

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United Kingdom

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Website : [www.othm.org.uk](http://www.othm.org.uk)

# UNIT SPECIFICATIONS



## CORPORATE AND BUSINESS LAW

|                             |                             |
|-----------------------------|-----------------------------|
| Unit Reference Number       | L/617/4375                  |
| Unit Title                  | Corporate and Business Law  |
| Unit Level                  | 6                           |
| Number of Credits           | 20                          |
| Total Qualification Time    | 200                         |
| Guided Learning Hours (GLH) | 80 Hours                    |
| Mandatory / Optional        | Mandatory                   |
| SSAs                        | 15.1 Accounting and finance |
| Unit Grading Structure      | Pass/Fail                   |

### Unit Aims

This aim of this unit is to develop learners' understanding of the concepts and principles of English Corporate and Business Law. The unit will provide learners with the opportunity to apply these concepts and principles to practical situations.

### Learning Outcomes and Assessment Criteria

| Learning Outcomes-<br>The learner will:  | Assessment Criteria-<br>The learner can:  |
|--|---|
| 1. Understand key elements of the English legal system.                                  | 1.1 Describe the key features of the legal system.<br>1.2 Explain the sources of law.<br>1.3 Analyse the law of obligations and contracts.<br>1.4 Outline the key features of insolvency law and administration.  |
| 2. Understand English legislation relating to anti-competitive practices.                | 2.1 Explain legislation relating to monopolies, mergers and anti-competitive practice.<br>2.2 Assess how legislation relating to monopolies, mergers and anti-competitive practice affects a specific business sector.<br>2.3 Explain the impact of legislation relating to monopolies, mergers and anti-competitive practice on international trade. |
| 3. Understand intellectual property rights.  | 3.1 Identify different forms of intellectual property.<br>3.2 Explain the protection available for intellectual property.<br>3.3 Assess the importance of intellectual property protection for a specific business organisation.  |
| 4. Understand the legal relationship between business organisations and their consumers. | 4.1 Explain the legal rules that relate to the sale of goods and provision of services.<br>4.2 Assess the statutory provisions on buyer's and seller's remedies in given situations.  |
| 5. Understand the legal background relating to limited companies.                        | 5.1 Outline the formation and constitutions of limited companies.<br>5.2 Explain the capital and financing of private and public limited companies.<br>5.3 Outline the key regulatory requirements for management and administration of limited companies.<br>5.4 Assess the implications of corporate fraudulent and criminal behaviour.             |

## Indicative content

### Learning Outcome 1

**Legal system:** unwritten constitution; parliamentary governance; head of state; royal prerogative; legislature and judiciary; civil and criminal court structure and hierarchy; burden of proof; judicial review; people in legal system (e.g. magistrates, judges, barristers, solicitors).

**Sources of law:** acts of parliament; common law and equity; case law and precedent; European law; how laws are made; how laws are enforced; legal principles; remedy of damages; key cases.

**Obligation and contract:** offer, invitation to treat, acceptance, intention to create legal relations, considerations, terms and representations vitiating factors; discharge and breach of contracts; conditions; warranties; innominate terms; contractual terms; exclusion clauses; duress and undue influences; misrepresentation.

**Insolvency and administration:** definitions of bankruptcy, receivership, administration and insolvency; Legislation (e.g. Insolvency Act 1986; Enterprise Act 2002; The Insolvency (England and Wales) Rules 2016; current legislation and regulations including relevant company law); process of administration and liquidation; voluntary arrangements; personal liability of directors (duties, wrongful trading, fraudulent trading, delinquent directors, disqualification).

### Learning Outcome 2

**Legislation:** purpose of laws on monopolies, mergers and anti-competitive practices; Competition Act 1998; EU regulations (Articles 101-102 of the Treaty on the Functioning of the European Union and implementing regulations); other current, relevant legislation; impact; penalties; examples of cases and investigations; regulator and enforcement (Competition and Markets Authority – CMA).

**Impact on business sectors:** application to specific business sector; risks for sector; examples of effects on sector; negative and positive impacts for businesses and consumers.

**Impact on international trade:** issues and risks of cross border trading and legislation; cases and examples; work of World Trade Organisation (WTO) on competition.

### Learning Outcome 3

**Forms of intellectual property:** works of authorship (e.g. books, films, written documentation, drawings); information (recipes, commercial information, trade secrets); brands; inventions; product features.

**Intellectual property protection:** types (patent, copyright, trademarks, general information security); applicability of different protection to different intellectual property); processes for registration where applicable; infringement (e.g. copying products or works, using trademarks, stealing information or patents); remedies for infringement; time limits on protection; costs of registration; international protection.

**Importance for a company:** identifying intellectual property in a business; identifying protection available; actions that can be taken against infringement.

### **Learning Outcome 4**

**Consumer protection legislation:** Consumer Rights Act 2015; Trade descriptions Act 1968; Consumer Protection Act 1987; Consumer Credit Acts 1974 and 2006; Consumer Protection from unfair Trading regulations 2008; Consumer Contracts regulations 2014; Advertising Code; other current legislation; for each area - purpose, key features, enforcement, infringement, penalties, relevant cases and issues, and consumer rights.

**Remedies for buyers and sellers:** return of goods; compensation; money back; replacement of goods; rectification; legal action; complaint to relevant bodies.

### **Learning Outcome 5**

**Formation and constitution:** Companies Act 2006 requirements; Limited Liability Partnership Act 2000 requirements; formation of limited companies, public limited companies (plc), limited liability partnerships (LLP); memorandum and articles of association; registration with Companies House; company names.

**Capital and financing:** types of shares and guarantees; liability of shareholders; capital requirements; sale of shares; shareholder registers; dividends; meeting financial liabilities; solvency; taxation.

**Management and administration:** separate legal personality; implications of limited liability; directors; directors' duties; distinction between directors and managers; record keeping and reporting requirements (annual accounts, annual return etc.); registers of directors/shareholders; insurance requirements.

**Implications of fraud and criminal behaviour:** offences e.g. wrongful trading; insider trading; personal liability of directors; penalties; example cases and issues.

## **Assessment**

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

| <b>Learning Outcomes to be met</b> | <b>Assessment criteria to be covered</b> | <b>Type of assessment</b> | <b>Word count (approx. length)</b> |
|------------------------------------|--|---------------------------|------------------------------------|
| LO1, LO2, LO3, LO4 and LO5         | All ACs under LO1, LO2, LO3, LO4 and LO5 | Coursework/Report         | 5000 words                         |

## **Indicative Reading list**

Jones, L. (2017) *Introduction to Business Law*. 4th Edition. Oxford: Oxford University Press

Kelly, D., Hayward, R., Hammer, R. and Hendy, J. (2011) *Business Law*. London: Routledge

Macintyre, E. (2011) *Essentials of Business Law*. Harlow: Pearson Education Ltd

Macintyre, E. (2016) *Business Law*. 8th Edition. Pearson Education Ltd

## BUSINESS PERFORMANCE MEASUREMENT

|                             |                                  |
|-----------------------------|----------------------------------|
| Unit Reference Number       | R/617/4376                       |
| Unit Title                  | Business Performance Measurement |
| Unit Level                  | 6                                |
| Number of Credits           | 20                               |
| Total Qualification Time    | 200                              |
| Guided Learning Hours (GLH) | 80 Hours                         |
| Mandatory / Optional        | Mandatory                        |
| SSAs                        | 15.1 Accounting and finance      |
| Unit Grading Structure      | Pass/Fail                        |

### Unit Aims

The aim of this unit is to develop learners' understanding of performance management techniques. Learners will compare the systems used in profit making and non-profit making organisations. The learners will gain a working knowledge of performance measurement reporting and specialist cost and management accounting techniques.

### Learning Outcomes and Assessment Criteria

| Learning Outcomes-<br>The learner will:   | Assessment Criteria-<br>The learner can:   |
|---|--|
| 1. Understand the principles of performance measurement.                          | 1.1 Analyse the importance of performance measurement to organisations.<br>1.2 Explain the main functions of performance measurement systems.<br>1.3 Determine appropriate sources of information and data to carry out performance measurement.<br>1.4 Analyse external factors that impact on performance measurement. |
| 2. Understand performance analysis in for profit and not-for-profit organisations | 2.1 Outline the systems and processes involved in performance analysis in for-profit organisations.<br>2.2 Outline the systems and processes involved in performance analysis in not-for-profit and the public sector.<br>2.3 Explain why divisional performance is measured in organisations.                           |
| 3. Understand specialist cost and management accounting techniques.               | 3.1 Evaluate the usefulness of activity-based costing.<br>3.2 Assess how target costing and life-cycle costing are used by business organisations.<br>3.3 Evaluate the relationship between throughput and environmental accounting.<br>3.4 Explain the rationale for transfer pricing.                                  |
| 4. Understand performance measurement reporting.                                  | 4.1 Explain why performance measurement is measured reported in organisations.<br>4.2 Evaluate the needs of different audiences when reporting performance.  |

## Indicative contents

### Learning Outcome 1

**Importance of performance measurement:** allows comparison to standards that have been set to identify deviations; helps in identifying cost reductions; helps to align activities to strategic plans; identifies best practice; supports reduction of risk; provides accountability and incentives; allows benchmarking to outside organisations; past data can help future forecasting; can support borrowing requirements; management of cash flow and working capital.

**Functions of performance measurement systems:** records accounting information; records transactions; analyses information for reporting purposes; management of information; resources planning; management and operational control.  
Sources of information: internal and external sources; information required for control purposes; costs of direct and indirect data collection; limitations of data.

**External factors:** factors (stakeholders, market conditions, competition); making allowance for external factors in performance measurement and interpreting performance; identify impact of external factors.

### Learning Outcome 2

**For-profit organisations:** private sector organisations (manufacturing, service retail etc.); calculate and interpret performance indicators (profitability, liquidity, risk); non-financial performance indicators; ways to improve measurement; analysing past performance; short and long-term views; balanced scorecard; building block model (Fitzgerald and Moon); qualitative targets.

**Not-for-profit organisations:** public sector and not-for profit organisations; objectives and targets of not-for-profit organisations; issues in measurement (non-quantifiable, multiple objectives, qualitative target setting); how performance can be measured; Value for Money objective; non-financial performance indicators; analysing past performance; long and short-term views.

**Divisional performance measurement:** reasons for measurement of divisional performance; impact of transfer pricing; issues in divisional performance measurement.

### Learning Outcome 3

**Activity-based costing:** definition and use; cost drivers; calculation of costs; comparison with absorption-based costing; benefits and limitations.

**Target costing:** definition; determining target cost in manufacturing and service industries; issues in service industries; benefits and limitations.

**Life-cycle costing:** definition; determining costs (stages and total); benefits and limitations.

**Throughput accounting:** definition and purpose; theory of constraints; calculating ratios; multi-product decision-making; benefits and limitations.

**Environmental accounting:** definition and purpose; methods of managing environmental costs; issues, benefits and limitations.

**Transfer pricing:** definition and use; issues for organisational performance measurement.

### **Learning Outcome 4**

**Reasons for reporting:** management decision making; information for stakeholders; confidentiality and security when reporting.

**Needs of different audiences:** identifying and meeting needs of different audiences.

## **Assessment**

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

| <b>Learning Outcomes to be met</b> | <b>Assessment criteria to be covered</b> | <b>Type of assessment</b> | <b>Word count (approx. length)</b> |
|------------------------------------|--|---------------------------|------------------------------------|
| LO1, LO2, LO3 and LO4              | All ACs under LO1, LO2, LO3 and LO4      | Coursework/Report         | 4000 words                         |

## **Indicative Reading list**

Atrill, P. and McLaney, E. (2006) *Management Accounting for Decision Makers*. Harlow: Prentice Hall.

Atrill, P. and McLaney, E. (2010) *Accounting & Finance for Non-specialists*. 10th edition. London: Financial Times/ Prentice Hall.

Drury, JC. (2007) *Management and Cost Accounting*; 7th edition, Chapman and Hall.

Izhar, R. Hontoir, J. *Accounting, Costing and Management*; 2 nd rev. edition. Oxford University Press

McLaney, E. and Atrill, P. (2010) *Accounting: An Introduction*. 5th edition. London: Financial Times Prentice Hall

Van Horne, J. and Wachewicz, J. (2009) *Fundamentals of Financial Management*. Harlow: FT Prentice Hall

White, G. I., Sondhi, A. C. and Fried, D. (2003) *The Analysis and Use of Financial Statements*. 3rd edition. Hampshire: John Wiley and Sons.

Wood, F. and Sangster, A. (2011) *Business Accounting*. 12th edition. London: FT Prentice Hall

## FINANCIAL SECURITIES MARKETS

|                             |                              |
|-----------------------------|------------------------------|
| Unit Reference Number       | Y/617/4377                   |
| Unit Title                  | Financial Securities Markets |
| Unit Level                  | 6                            |
| Number of Credits           | 20                           |
| Total Qualification Time    | 200                          |
| Guided Learning Hours (GLH) | 80 Hours                     |
| Mandatory / Optional        | Mandatory                    |
| SSAs                        | 15.1 Accounting and finance  |
| Unit Grading Structure      | Pass/Fail                    |

### Unit Aims

The aim of this unit is to develop learners' understanding of investment theories, securities and market analysis. The learners will gain an understanding of the key legislation and regulation affecting the financial services industry.

### Learning Outcomes and Assessment Criteria

| Learning Outcomes-<br>The learner will:   | Assessment Criteria-<br>The learner can:  |
|---|---|
| 1. Understand different types and trading of securities.                                  | 1.1 Explain types of securities and associated concepts.<br>1.2 Analyse key characteristics of each type of security.<br>1.3 Assess the impact of regulations and procedures used in trading securities.  |
| 2. Understand principles of investment theory, securities and market analysis.            | 2.1 Explain the principles of investment theory.<br>2.2 Analyse the valuation of shares, debts and other financial assets.<br>2.3 Assess the use of securities.<br>2.4 Critically review the underlying concepts of market analysis and efficiency. |
| 3. Understand the legislation and regulation controlling the financial services industry. | 3.1 Explain the need for legislation and regulation to control the financial services industry.<br>3.2 Explain the main features of legislation and regulation to control the financial services industry.  |

### Indicative contents

#### Learning Outcome 1

**Types of securities:** bonds; equities; securities.

**Bond types and characteristics:** pricing bonds; bond yields; term structure of interest rates; theories of term structure; bond risk (types and measurement).

**Equities types and characteristics:** measures of equity performance; equity pricing; risk; equity evaluation.

Securities types and characteristics; synthetic securities; swaps; bundled and unbundled securities.

### **Learning Outcome 2**

**Investment theory:** motives for investment; risk & return; main theories (Accelerator Theory, Internal Funds Theory, Neoclassical Theory).

**Valuation of shares:** purpose of valuations; information requirements; valuation models (net book value, net realisable value, net replacement cost, price/earnings ratio, earnings yield, dividend valuation, dividend growth, discounted cash flow).

**Valuation of debt and financial assets:** redeemable debt, irredeemable debt, preference shares, convertible debt; applying valuation models to debt and financial assets.

**Use of securities:** money market investments; markets & investors; securities quoted on a yield basis; securities quoted on a discount basis.

Concepts of market analysis and market efficiency: Efficient Market Hypothesis; weak, semi-strong and strong form efficiency; practical considerations; investor speculation; investor decision-making.

### **Learning Outcome 3**

**Need for legislation and regulation:** to maintain market confidence; to ensure stability of financial system; to protect consumers.

**Main features:** supervision of stock exchanges; supervision of listed companies; supervision of investment management; supervision of banks and financial service providers; relevant authorities; mechanisms of control (legislation, regulation, voluntary codes); main characteristics of control mechanisms.

## **Assessment**

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

| <b>Learning Outcomes to be met</b> | <b>Assessment criteria to be covered</b> | <b>Type of assessment</b> | <b>Word count (approx. length)</b> |
|------------------------------------|--|---------------------------|------------------------------------|
| LO1, LO2, LO3                      | All ACs under LO1, LO2, LO3              | Coursework/Report         | 4000 words                         |

## **Indicative Reading list**

Textbooks Cheng, L. (2002) *Advances in Investment Analysis and Portfolio Management*. 9<sup>th</sup> Edition. USA: Thomson One

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley



Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9th Edition. Kogan Page: London

Howells, P. and Bain, K. (2007) *Financial Markets and Institutions*. 5th ed. Harlow: Pearson Education

Reilly, F. and Brown, K. (2009) *Investment Analysis & Portfolio Management*. 10th Edition. USA: Thomson One

### **Journals**

- Journal of International Financial Markets
- The Hedge Fund Journal
- Journal of Asset Management

### **Websites**

- Investment adviser. London: Financial Times Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investor's chronicle. London: Financial Times Business:
- [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk)
- Investment week. London: Incisive Financial Publishing: [www.investmentweek.co.uk](http://www.investmentweek.co.uk)
- Money management. London: [www.ftadviser.com](http://www.ftadviser.com)

## AUDIT AND ASSURANCE

|                             |                             |
|-----------------------------|-----------------------------|
| Unit Reference Number       | D/617/4378                  |
| Unit Title                  | Audit and Assurance         |
| Unit Level                  | 6                           |
| Number of Credits           | 20                          |
| Total Qualification Time    | 200                         |
| Guided Learning Hours (GLH) | 80 Hours                    |
| Mandatory / Optional        | Mandatory                   |
| SSAs                        | 15.1 Accounting and finance |
| Unit Grading Structure      | Pass/Fail                   |

### Unit Aims

This aim of this unit is to develop learners' understanding of both internal and external audit principles. Learners will consider current legal and professional requirements and review the risks involved in the external audit process.

### Learning Outcomes and Assessment Criteria

| Learning Outcomes-<br>The learner will:                                   | Assessment Criteria-<br>The learner can:  |
|---|---|
| 1. Understand internal audit principles.                                  | 1.1 Explain the reasons for an internal audit.<br>1.2 Outline internal audit principles.<br>1.3 Review internal audit techniques used by business organisations.<br>1.4 Outline the differences between internal and external audits. |
| 2. Understand current external audit legal and professional requirements. | 2.1 Review the current auditing regulatory environment.<br>2.2 Explain the rules of professional conduct for auditors.<br>2.3 Review current developments in auditing.<br>2.4 Evaluate the value of a statutory audit.                |
| 3. Understand the risk involved in the external audit process.            | 3.1 Analyse audit risk.<br>3.2 Recommend measures to minimise audit risk.   |
| 4. Understand current external auditing practice.                         | 4.1 Explain audit processes and techniques.<br>4.2 Evaluate the impact of the legal and professional requirements on the performance of an audit.   |

### Indicative contents

#### Learning Outcome 1

**Reasons for internal audit:** to maintain systems of control within the business; to document systems of internal control; to evaluate internal control.

**Internal audit principles:** scope and limitations of internal audit; nature and purpose of internal audit; components of internal control systems; types of controls.

**Internal audit techniques:** audit strategy; audit assignments (value for money, IT, financial, regulatory, compliance, fraud investigations, customer experience); planning; sampling and

testing; communication to management; reporting; recording of systems (notes, flowcharts, internal control questionnaires, evaluation).

**Difference between internal and external audit:** internal audit for management purposes; external regulatory.

### **Learning Outcome 2**

**The regulatory environment:** laws; rules and regulations which are put in place by the state, or other government entities, to control the behaviour and actions of business activities; appointment of auditors and nature of relationship with organisation.

**Professional conduct:** the field of regulation of members of professional bodies acting under statutory or contractual powers: rules of professional conduct to ensure proper standards of professional conduct are observed (integrity; objectivity, confidentiality, competency).

**Current developments:** development and status of international standards; relationship between international and national standards; audit committees' benefits and limitations; responsibilities in relation to governance and corporate social responsibility; impact of global financial crisis.

**Value of statutory audit:** objectivity of auditors; value to different stakeholders; conflicts of interest; usefulness of auditors report; account preparation and other services provided to the organisation.

### **Learning Outcome 3**

**Audit risk:** components of audit risk model (inherent risk, control risk, detection risk); assessing risk; concept of materiality; calculating materiality levels; legal responsibilities and liability; risks for each item in financial statements.

**Minimising risk:** preconditions for audit; audit engagement; engagement letters; planning; exercising professional judgement; understanding of entity; using ratios.

### **Learning Outcome 4**

**Audit processes and techniques:** audit planning; audit evidence; audit procedures; sampling and testing; computer assisted auditing techniques; reliance on work of others; auditing not-for-profit organisations; review and reporting; qualification of reports.

**Impact of legal requirements:** responsibilities and liability of external auditors in relation to auditing, evidence and reporting.

## **Assessment**

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

| <b>Learning Outcomes to be met</b> | <b>Assessment criteria to be covered</b> | <b>Type of assessment</b> | <b>Word count (approx. length)</b> |
|------------------------------------|--|---------------------------|------------------------------------|
| LO1, LO2, LO3 and LO4              | All ACs under LO1, LO2, LO3 and LO4      | Coursework/Report         | 4000 words                         |

## Indicative Reading list

### Textbooks

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley

Giove, F. (2015) *Auditing Essentials*. New Jersey: Research & Education Association

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9th Edition. Kogan Page: London

Millichamp, A. (2002) *Auditing*. 8th Edition. London: Thomson.

Woods, M., Kajuter, P. and Linsley, P. (2008) *International Risk Management. Systems, Internal Control & Corporate Governance*. Oxford: CIMA Publishing.

### Journals

- Journal of Auditing
- Journal of Accounting, Auditing & Finance
- Managerial Auditing Journal

### Websites

- Money Management. London: [www.ftadviser.com](http://www.ftadviser.com)
- Money Marketing. London: Centaur Communications: [www.moneymarketing.co.uk](http://www.moneymarketing.co.uk)
- Forbes: <http://www.forbes.com>
- Financial Managers Society: <http://www.fmsinc.org/>
- Accounting Coach: <http://www.accountingcoach.com/>
- Forbes: <http://www.forbes.com>

## BUSINESS RESEARCH PROJECT

|                             |                           |
|-----------------------------|---------------------------|
| Unit Reference Number       | K/616/2735                |
| Unit Title                  | Business Research Project |
| Unit Level                  | 6                         |
| Number of Credits           | 20                        |
| Total Qualification Time    | 200                       |
| Guided Learning Hours (GLH) | 80 Hours                  |
| Mandatory                   | Mandatory                 |
| SSAs                        | 15.3 Business Management  |
| Unit Grading Structure      | Pass/Fail                 |

### Unit Aims

The aim of this unit is to develop learners' research skills, including producing a research question and carrying out independent research using appropriate research techniques. Learners will also analyse research findings, evaluate the research methodology used and present their research findings.

### Learning Outcomes and Assessment Criteria

| Learning Outcome –<br>The learner will:  | Assessment Criterion –<br>The learner can:  |
|--|---|
| 1. Be able to propose a research project in a business and management context.   | 1.1 Assess the factors that contribute to the process of research project selection.<br>1.2 Formulate and record possible research project outlines and specifications.<br>1.3 Develop research questions or hypothesis with rationale.<br>1.4 Clarify resources efficiently for the research question or hypothesis.<br>1.5 Create an agreed SMART timeframe for completion of the research. |
| 2. Be able to prepare a research plan and conduct a literature review.           | 2.1 Critically appraise literature relevant to the chosen research context.<br>2.2 Evaluate research methodologies and provide a rationale for a chosen research methodology.<br>2.3 Evaluate data collection methods and provide a rationale for chosen data collection methods.<br>2.4 Produce a research proposal.   |
| 3. Be able to carry out research according to the chosen research specification. | 3.1 Carry out the proposed research investigation in accordance with the research specification.<br>3.2 Collect and present relevant data as outlined by the research specification.<br>3.3 Interpret and analyse the results in relation to the research specification.  |

|  |   |
|--|---|
| <p>4. Be able to evaluate research and present results and conclusion.</p> | <p>4.1 Use appropriate research evaluation techniques to justify the validity of the research.<br/>4.2 Make recommendations, justifying areas for further consideration.<br/>4.3 Present the outcomes of the research to an audience using appropriate media.</p> |
|--|---|

## Indicative contents

### Learning Outcomes 1 and 2

Research formulation, Action Plan and Design

Research aims and objectives; rationale for selection; methodology for data collection and analysis; literature review; critique of references from primary sources e.g. questionnaires, interviews; secondary sources e.g. books, journals, internet; scope and limitations; terms of reference; duration; ethical issues

Action plan: rationale for research question or hypothesis; milestones; task dates; review dates; monitoring/reviewing process; strategy

Research design: type of research e.g. qualitative, quantitative, systematic, original; methodology; resources; statistical analyses; validity; reliability; control of variables

### Learning Outcomes 2 and 3

Data collection, analysis and interpretation

Research design and method; test research hypotheses; considering test validity; reliability

Data collection: selection of appropriate tools for data collection; types e.g. qualitative, quantitative; systematic recording; methodological problems e.g. bias, variables and control of variables, validity and reliability

Data analysis and interpretation: qualitative and quantitative data analysis; statistical tables; comparison of variable; trends; forecasting

### Learning Outcomes 1, 2, 3 and 4

Evaluation and future considerations

Evaluation of outcomes: an overview of the success or failure of the research project

Future consideration: significance of research investigation; application of research results; implications; limitations of the investigation; improvements; recommendations for the future, areas for future research

Presenting research outcome: delivery format appropriate to the audience; use of appropriate media

## Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

| Learning Outcomes to be met | Assessment criteria covered | Assessment type | Word count (approx. length) |
|-----------------------------|-----------------------------|-----------------|-----------------------------|
| All 1 to 4                  | All ACs under LO 1 to 4     | Coursework      | 3500 words                  |

### Indicative Reading list

Binsardi, A. (2008) *Research Methods for Management*. Cambridge: International Academic Press.

Booth, A., Papaioannou, D. and Sutton, A. (2012) *Systematic Approaches to a Successful Literature Review*. London: Sage Publications.

Bryman, A. and Bell, E. (2011) *Business Research Methods*. New York: Oxford University Press.

Burns, R. P. and Burns, R. (2008) *Business Research Methods & Statistics Using SPSS*. London: Sage Publications.

Cooper, D. R. and Schindler, P. S. (2006) *Business Research Methods*. Boston: McGraw Hill.

Deniels, P. and Becker, L. (2012) *Developing Research Proposals*. London: Sage Publications.

Denscombe, M. (2007) *The Good Research Guide*. Maidenhead: Open University Press.

Gill, J. and Johnson, P. (2010) *Research Methods for Managers*. London: Sage Publications.

Jankowicz, A. D. (2005). *Business Research Projects*. London: Thomson Learning.

Jesson, J. K., Matheson, L. and Lacey, F. M. (2011) *Doing Your Literature Review*. London: Sage Publications.

McNiff, J. and Whitehead, J. (2009) *Doing and Writing Action Research*. London: Sage Publications.

Moutinho, L. and Hutcheson, G. D. (2011) *The Sage Dictionary of Quantitative Management Research*. London: Sage Publications.

Saunders, M., Lewis, P. and Thornhill, A. (2009) *Research Methods for Business Students*. 5<sup>th</sup> Edition. Harlow: Financial Times / Prentice Hall.

Thomas, R. and Lynn, P. (2009) *Survey Research in Practice*. London: Sage Publications.

## INVESTMENT AND RISK MANAGEMENT

|                             |                                |
|-----------------------------|--------------------------------|
| Unit Reference Number       | H/617/4379                     |
| Unit Title                  | Investment and Risk Management |
| Unit Level                  | 6                              |
| Number of Credits           | 20                             |
| Total Qualification Time    | 200                            |
| Guided Learning Hours (GLH) | 80 Hours                       |
| Mandatory                   | Mandatory                      |
| SSAs                        | 15.1 Accounting and finance    |
| Unit Grading Structure      | Pass/Fail                      |

### Unit Aims

The aim of this unit is to provide learners with an understanding of the different trading and investment techniques and consider how these are used in practice. As part of the unit, learners will consider the risks associated with market trading and investment and how these risks can be mitigated.

### Learning Outcomes and Assessment Criteria

| Learning Outcome –<br>The learner will: |  | Assessment Criterion –<br>The learner can: |  |
|---|--|--|--|
| 1                                       | Understand the principles of financial market trading and investment | 1.1  | Explain the structure of the different types of financial markets.                         |
|   |  | 1.2  | Discuss how, why and where trading and investment takes place.                             |
|   |  | 1.3  | Examine the impact economic and political events have on financial markets and investment. |
| 2                                       | Understand the theory of financial market trading and investment     | 2.1  | Examine how trading performance is affected by human psychology.                           |
|   |  | 2.2  | Explain how technical analysis is used in financial markets.                               |
|   |  | 2.3  | Assess how technical analysis strategies are used in practice.                             |
| 3                                       | Understand risks associated with market trading and investment       | 3.1  | Analyse types of investment risk.  |
|   |  | 3.2  | Assess how investment risks can be mitigated.  |

### Indicative contents

#### Learning Outcome 1

**Financial Markets** – derivatives, capital, money, forex, insurance markets.

**Foreign Exchange Markets** – size and location of the foreign exchange markets. Major commodity markets. Gold trading and links with currency and stock market trading. Worldwide Oil Trading.

**Stock Market** – stock market structures – Futures and Over the Counter Market Structures.



**Economic and Political Events** – to include macro and micro economic factors. Review of major political events. Analysis of the effect of recent political and economic events on financial markets. Consideration of the possible effects of future political and economic events on financial markets.

### **Learning Outcome 2**

**Human Psychology** – human psychological biases (herd instinct, self-rating/self-attribution, confirmation bias, availability bias). Reasons for traders to take early profits or their reluctance to cut losses. The efficient market hypothesis. Behavioural finance – overconfidence in traders, regret and pride (including snake-bite effect), familiarity, mental accounting, anchoring, endowment effect, disposition effect, loss aversion.

**Chart Analysis** – Dow theory, Bull-Bear market cycle, Japanese Candlestick patterns and Fibonacci retracements.

**Technical Analysis** – Moving averages, price momentum and volume and STEM trading approach. ADX, DMI and the Holy Grail trading strategy.

### **Learning Outcome 3**

**Risks** – categories of risk (market, investment, trading).

**Ways to mitigate risks** – risk avoidance (e.g. choosing less risky stock); diversification; limiting risk; market analysis.

## **Assessment**

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

| <b>Learning Outcomes to be met</b> | <b>Assessment criteria to be covered</b> | <b>Type of assessment</b> | <b>Word count (approx. length)</b> |
|------------------------------------|--|---------------------------|------------------------------------|
| All 1 to 3                         | All ACs under LO 1 to 3                  | Coursework                | 3500 words                         |

## **Indicative Reading list**

### **Textbooks**

Bensignor, Rick (2000). *New Thinking in Technical Analysis*. Bloomberg Press

Cheng, L. (2002) *Advances in Investment Analysis and Portfolio Management*. 9th Edition. USA: Thomson One

Fabozzi, F. (2010) *The Basics of Finance: An Introduction to Financial Markets, Business Finance, and Portfolio Management*. London: Wiley

Gandevani, N. (2002), *How to Become a Successful Trader*. Writer Club Press.

Graham, M. (2013) *Accounting for Non-accountants: A Manual for Managers and Students*. 9th Edition. Kogan Page: London

Howells, P. and Bain, K. (2007) *Financial Markets and Institutions*. 5th ed. Harlow: Pearson Education

Reilly, F. and Brown, K. (2009) *Investment Analysis & Portfolio Management*. 10th Edition. USA: Thomson One

### **Journals**

- Journal of International Financial Markets
- The Hedge Fund Journal
- Journal of Asset Management

### **Websites**

- Investment adviser. London: Financial Times Business: [www.ftadviser.com](http://www.ftadviser.com)
- Investor's chronicle. London: Financial Times Business: [www.investorschronicle.co.uk](http://www.investorschronicle.co.uk)
- Investment week. London: Incisive Financial Publishing: [www.investmentweek.co.uk](http://www.investmentweek.co.uk)
- Money management. London: [www.ftadviser.com](http://www.ftadviser.com)

## IMPORTANT NOTE

Whilst we make every effort to keep the information contained in programme specification up to date, some changes to procedures, regulations, fees matter, timetables, etc may occur during the course of your studies. You should, therefore, recognise that this document serves only as a useful guide to your learning experience. For updated information please visit our website [www.othm.org.uk](http://www.othm.org.uk).

You can call us on +44 (0)20 7118 4243 or email to [info@othm.org.uk](mailto:info@othm.org.uk)