

03 The full syllabus – operational level

This section sets out the specific syllabus for each of the three papers at the operational level of the qualification. However, it is implicit in each case, that material included in the syllabus for any of the papers within the CIMA Certificate in Business Accounting qualification, may also be relevant for the purposes of assessment, in related subjects. The syllabus for the CIMA Certificate in Business Accounting qualification can be viewed on the CIMA website.

PAPER E1 ENTERPRISE OPERATIONS

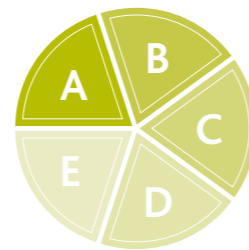
Syllabus overview

This paper addresses several functional areas of business, as well as introducing candidates to the economic, social and political context of international business. For each of the sections dealing with information systems, operations, marketing and managing human capital, the learning requirements alert students to major developments in the field as well as tools and techniques important to each functional area.

Syllabus structure

The syllabus comprises the following topics and study weightings:

A	The Global Business Environment	20%
B	Information Systems	20%
C	Operations Management	20%
D	Marketing	20%
E	Managing Human Capital	20%



Assessment strategy

There will be a written examination paper of three hours, plus 20 minutes of pre-examination question paper reading time. The examination paper will have the following sections:

Section A – 20 marks

A variety of compulsory objective test questions, each worth between two and four marks. Mini scenarios may be given, to which a group of questions relate.

Section B – 30 marks

Six compulsory short answer questions, each worth five marks. A short scenario may be given, to which some or all questions relate.

Section C – 50 marks

One or two compulsory questions. Short scenarios may be given, to which questions relate.

E1 – A. THE GLOBAL BUSINESS ENVIRONMENT (20%)

Learning outcomes		Indicative syllabus content
On completion of their studies students should be able to:		
Lead	Component	
1. explain the social, political and economic context of business.	(a) explain the emergence of major economies in Asia and Latin America; (b) explain the emergence and importance of outsourcing and offshoring; (c) explain the impact of international macroeconomic developments (e.g. long-term shifts in trade balances), on the organisation's competitive environment.	<ul style="list-style-type: none"> • Cross-cultural management and different forms of business organisation. • Emerging market multinationals. • Liberalisation and economic nationalism. • Outsourcing and offshoring. • Major economic systems including US, European and transition economies. • National account balances (especially from international trade), monetary policy and their impact on markets.
2. analyse the relationship between the internal governance of the firm and external sources of governance and regulation.	(a) explain the principles and purpose of corporate social responsibility and the principles of good corporate governance in an international context; (b) analyse relationships among business, society and government in national and regional contexts; (c) apply tools of country and political risk analysis; (d) discuss the nature of regulation and its impact on the firm.	<ul style="list-style-type: none"> • Corporate governance, including stakeholders and the role of government. • Principles of corporate social responsibility and the scope for international variation, e.g. between developed and developing economies. • Business-government relations in developed and developing economies. • Regulation in the national and international context and its impact on the firm. • Role of institutions and governance in economic growth. • Corporate political activity in developed and developing markets. • Country and political risk.

E1 – B. INFORMATION SYSTEMS (20%)

Learning outcomes		Indicative syllabus content
Lead	Component	
On completion of their studies students should be able to:		
1. discuss the wider business context within which information systems operate.	(a) identify the value of information and information systems organisations; (b) discuss the reasons for organisations' increased dependence on information systems; (c) discuss the transformation of organisations through technology.	<ul style="list-style-type: none"> The role of information systems in organisations. Emerging information system trends in organisations (e.g. Enterprise-wide systems; knowledge management systems; customer relationship management systems, e.g. E-business, Web 2.0 tools). Information technology enabled transformation; the emergence of new forms of organisation. Geographically dispersed (virtual) teams; role of information systems in virtual teams and challenges for virtual collaboration.
2. analyse how information systems can be implemented in support of the organisation's strategy.	(a) discuss ways for overcoming problems in information system implementation; (b) discuss ways of organising and managing information system activities in the context of the wider organisation.	<ul style="list-style-type: none"> Assessing the costs and benefits of information systems; criteria for evaluating information systems. Privacy and security. System changeover methods (i.e. direct, parallel, pilot and phased). Information system implementation as a change management process; avoiding problems of non-usage and resistance. Information system outsourcing (different types of sourcing strategies; client-vendor relationships). Aligning information systems with business strategy (e.g. strategic importance of information systems; information systems for competitive advantage; information systems for competitive necessity).

E1 – C. OPERATIONS MANAGEMENT (20%)

Learning outcomes		Indicative syllabus content
Lead	Component	
On completion of their studies students should be able to:		
1. explain the relationship of operations management to other aspects of the organisation's operations.	(a) explain the shift from price-based to relational procurement and operations; (b) explain the relationship of operations and supply management to the competitiveness of the firm; (c) explain the particular issues surrounding operations management in services; (d) explain the importance of sustainability in operations management.	<ul style="list-style-type: none"> Supply chain management as a strategic process. An overview of operations strategy and its importance to the firm. Supply chains in competition with each other; role of supply networks; demand networks as an evolution of supply chains. Design of products/services and processes and how this relates to operations and supply. The concept of sustainability in operations management.
2. apply tools and techniques of operations management.	(a) apply contemporary thinking in quality management; (b) explain process design; (c) apply tools and concepts of lean management; (d) illustrate a plan for the implementation of a quality programme; (e) describe ways to manage relationships with suppliers.	<ul style="list-style-type: none"> Different methods of quality measurement (e.g. Servqual). Approaches to quality management, including Total Quality Management (TQM), various British and European Union systems as well as statistical control processes. External quality standards. Systems used in operations management: Manufacturing Resource Planning II (MRPII); Optimized Production Techniques (OPT) and Enterprise Resource Planning (ERP). Use of process maps to present the flow of information and product across supply chains and networks. Methods for managing inventory, including continuous inventory systems (e.g. Economic Order Quantity, EOQ), periodic inventory systems and the ABC system (Note: ABC is not an acronym; A refers to high value, B to medium and C to low value inventory). Methods of managing operational capacity in product and service delivery (e.g. use of queuing theory, forecasting, flexible manufacturing systems). Application of lean techniques to services. Practices of continuous improvement (e.g. Quality circles, Kaizen, 5S, 6 Sigma). The characteristics of lean production. Criticisms and limitations of lean production. Developing relationships with suppliers, including the use of supply portfolios.

E1 – D. MARKETING (20%)

Learning outcomes		Indicative syllabus content
On completion of their studies students should be able to:		
Lead	Component	
1. explain developments in marketing.	(a) explain the marketing concept, and the alternatives to it; (b) describe the marketing environment of a range of organisations; (c) explain marketing in a not-for-profit context; (d) explain the social context of marketing behaviour; (e) describe theories of consumer behaviour.	<ul style="list-style-type: none"> The marketing concept as a business philosophy. The marketing environment, including societal, economic, technological, political and legal factors affecting marketing. Marketing in not-for-profit organisations (i.e. charities, non-governmental organisations; the public sector). Theories of consumer behaviour (e.g. social interaction theory), as well as factors affecting buying decisions, types of buying behaviour and stages in the buying process. Social marketing and corporate social responsibility.
2. apply tools and techniques used in support of the organisation's marketing.	(a) explain the relationships between market research, market segmentation, targeting and positioning; (b) apply tools within each area of the marketing mix; (c) describe the business contexts within which marketing principles can be applied; (d) describe the market planning process; (e) explain the role of branding and brand equity.	<ul style="list-style-type: none"> Market research, including data gathering techniques and methods of analysis. Segmentation and targeting of markets, and positioning of products within markets. How business to business (B2B) marketing differs from business to consumer (B2C) marketing in its different forms (i.e. consumer marketing, services marketing, direct marketing, interactive marketing, e-marketing, internal marketing). Promotional tools and the promotion mix. The 'service extension' to the marketing mix. Devising and implementing a pricing strategy. Experiential marketing. Marketing communications, including viral, guerrilla and other indirect forms of marketing. Distribution channels and methods for marketing campaigns. The role of marketing in the business plan of the organisation. Brand image and brand value. Product development and product/service life-cycles. Internal marketing as the process of training and motivating employees so as to support the organisation's external marketing activities. The differences and similarities in the marketing of products, services and experiences. Product portfolios and the product mix.

E1 – E. MANAGING HUMAN CAPITAL (20%)

Learning outcomes		Indicative syllabus content
On completion of their studies students should be able to:		
Lead	Component	
1. explain the relationship of Human Resources (HR) to the organisation's operations.	(a) explain how HR theories and activities can contribute to the success of the organisation; (b) explain the importance of ethical behaviour in business generally and for the line manager and their activities.	<ul style="list-style-type: none"> Theories of Human Resource Management relating to ability, motivation and opportunity. The psychological contract and its importance to retention. The relationship of the employee to other elements of the business. Personal business ethics and the fundamental principles (Part A) of the CIMA Code of Ethics for Professional Accountants.
2. discuss the activities associated with the management of human capital.	(a) explain the HR activities associated with developing the ability of employees; (b) discuss the HR activities associated with the motivation of employees; (c) describe the HR activities associated with improving the opportunities for employees to contribute to the firm; (d) discuss the importance of the line manager in the implementation of HR practices; (e) prepare an HR plan appropriate to a team.	<ul style="list-style-type: none"> Practices associated with recruiting and developing appropriate abilities including recruitment and selection of staff using different recruitment channels (i.e. interviews, assessment centres, intelligence tests, aptitude tests, psychometric tests). Issues relating to fair and legal employment practices (e.g. recruitment, dismissal, redundancy, and ways of managing these). The distinction between development and training and the tools available to develop and train staff. The design and implementation of induction programmes. Practices related to motivation including Issues in the design of reward systems (e.g. the role of incentives, the utility of performance-related pay, arrangements for knowledge workers, flexible work arrangements). The importance of appraisals, their conduct and their relationship to the reward system. Practices related to the creation of opportunities for employees to contribute to the organisation including job design, communications, involvement procedures and appropriate elements of negotiating and bargaining. Problems in implementing an HR plan appropriate to a team and ways to manage this. HR in different organisational forms (e.g. project based, virtual or networked firms) and different organisational contexts. Preparation of an HR plan (e.g. Forecasting personnel requirements; retention, absence and leave, wastage).