

Syllabus and study guide

Responsible Business Management

Essential Employability Module



July 2027 to August 2028

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1. Overall aim of the syllabus

Responsible business management is essential for economic development, progress and innovation, and the operation of society. Through this module candidates will learn about what a business enterprise is, the purpose of business activity, the dynamic nature of business, the factors which exert influence on business operations and behaviour, and how businesses should operate ethically and sustainably for the betterment of society and the planet. For aspiring accountants working in any type of enterprise, whether it is a small organisation or a large multinational or even if they plan to start their own businesses, knowledge and understanding of these areas is fundamental.

2. Introduction to the syllabus

The syllabus for the Responsible Business Management Essential Employability Module begins with an introduction to the purpose of a business, the reasons for starting a business and the basic functions and types of business. This leads into the different types of legal structures which can be adopted for businesses.

Next the syllabus addresses the concept of the performance hierarchy and the need for businesses to have objectives and the importance to business of measuring performance against those objectives, whilst recognising that objectives will differ depending on the business characteristics and the external environment in which it operates. A key part of the performance hierarchy is the relationship between a business and its stakeholders and the impact which stakeholders can have on the strategy and plans of a business.

The syllabus then covers how businesses can be structured, why it is important to have an appropriate structure and the factors which drive that choice. Culture also plays an important role, and business structure is one factor which helps to shape the culture of a business. The functions of a business and their importance are also addressed, including a specific focus on the role of the finance function. This leads into why businesses need finance and the different sources of finance available to them. Information technology is key to efficient and effective operations so the main applications and systems used in business are covered with consideration of the risks businesses face in relation to data and technology and the controls which will be required to protect systems, software and data.

Businesses are influenced by the environment and the industries in which they operate and so it is important to address the factors which will impact a business and consider the strategies which can be implemented to respond to changing conditions. A vital aspect of this is the relationship with the customer and the commercial actions which businesses will take.

Entrepreneurship is introduced with a focus on the qualities required for successful entrepreneurs and the characteristics which define an entrepreneurial culture which then leads into the process and requirements for starting a business.

Further, building on external factors which influence business, the syllabus covers both microeconomic and macroeconomic factors and then looks at the purpose of taxation in the economy and society and introduces the most common types of taxes found across the world.

Lastly the syllabus addresses both business and professional ethics, approaches to corporate governance, the role of audit in providing stakeholders with an independent review of business activities, and the responsibility of business in balancing profit with the needs of people and the planet to ensure a sustainable future for all.

3. Guide to learning and assessment

The Responsible Business Management Essential Employability Module is an innovative learning and assessment experience. The main capabilities will be developed through an engaging learning journey which will include both interactive assessment activities to build employability skills, and opportunities to check knowledge and understanding throughout.

The syllabus for the Responsible Business Management Essential Employability Module will be reviewed annually.

4. Learning hours and education recognition

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

5. Main capabilities

The following knowledge will be developed throughout this module:

- Knowledge of business terminology commonly used in organisations and the accountancy profession
- Understanding of the internal and external drivers of business and the legal structures applicable to business
- Recognition of the connections between a business' mission and objectives and how it conducts its operations
- Understanding of the different functions of business and how they link together to drive success
- Awareness of the impact of technological advances on business and how they can be leveraged
- Understanding entrepreneurship and the requirements to start up a business
- Understanding microeconomic and macroeconomic factors and how these factors influence business decisions and performance
- Awareness of the role of taxation in society and the different taxes which can apply

- Development of an ethical mindset and an ability to assess the ethical implications of courses of action, both for a business and an individual, including the challenges faced by accountants in the course of their work
- Understanding the role of business in ensuring a sustainable future by balancing social, environmental and economic factors
- Consideration of the governance and business controls which should be in place to ensure a business is managed in a responsible manner

The module can support the development of the following employability skills:

Communication

- Use of business language to communicate effectively within the workplace and describe and explain business activities and operations
- Demonstration of effective communication to a variety of internal and external stakeholders
- Selection of appropriate methods of communication depending on the information being presented and the needs of the user

Analysis

- Ability to analyse business activities and proposals taking into consideration a range of factors
- Creation and use of information to draw conclusions and suggest solutions using a range of techniques and methods
- Ability to produce high quality and accurate information to support decision making
- Development of a commercial mindset and ability to take into consideration both financial and non-financial factors

Self-management

- Recognition that organisational priorities may change and the need to be flexible and resilient
- Demonstration of responsibility for carrying out a range of activities where there is clear guidance
- Ability to act with initiative in identifying areas for personal development to improve performance

Innovation

- Ability to contribute to organisational improvement and efficiency initiatives
- Application of appropriate tools and technology to improve efficiency and effectiveness
- Use of different approaches to formulate evidence-based responses to defined and/or routine issues

Collaboration

- Development of a collaborative mindset and understanding of the importance of collaboration across a business
- Ability to identify situations where it is important to consult with senior people or experts
- Demonstration of awareness of cultural and language differences and the benefits of taking diversity into consideration

Ethics

- Development of an ethical mindset and the importance of acting honestly and with integrity, with awareness that the profession is being represented
- Development of a questioning mind and ability to apply professional scepticism
- Recognition of the importance of applying organisational policies and procedures during tasks and day-to-day work

6. The syllabus

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Introduction to business

Unit 2

Business ownership

Unit 3

Business aims and objectives

Unit 4

Stakeholders

Unit 5

Business structures and culture

Unit 6

Business operations and the role of the finance function

Unit 7

Sources of finance and the importance of cash flow

Unit 8

The role of technology in business

Unit 9

Customer needs and the role of marketing

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Introduction to entrepreneurship

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Purpose of taxation and types of taxes

Unit 16

Business ethics and codes of conduct

Unit 17

Professional ethics

Unit 18

Governance in business

Unit 19

Sustainability and corporate social responsibility (CSR)

Unit 20

Purpose and scope of audit

7. Detailed study guide

1 Introduction to business

1. Explain what a business is and the reasons for starting a business.
2. Explain the terms - goods, services, needs and wants, and summarise the differences between them.
3. Explain the meaning of the factors of production – land, labour, capital and enterprise.
4. Define the concept of an opportunity cost.
5. Define the four economic sectors - primary, secondary, tertiary and quaternary.

2 Business ownership

1. Define different types of businesses – sole trader, partnership, private limited companies, public limited companies and not-for-profit organisations.
2. Explain the different legal structures which businesses adopt.
3. Explain the benefits and drawbacks of each legal structure.
4. Explain the concept of limited liability.
5. Identify which legal structures would be most appropriate for a variety of businesses including start-ups.

3 Business aims and objectives

1. Identify and explain the main aims and objectives for business.
2. Explain what is meant by the performance hierarchy.

3. Explain why mission, aims and objectives are important for running a business.
4. Explain why aims and objectives will differ between businesses.
5. Explain why aims and objectives change as businesses evolve.

4 Stakeholders

1. Define the agency relationship and how it may vary in different types of business organisations.
2. Define internal, connected and external stakeholders and explain their impact on the organisation.
3. Identify the main stakeholder groups and the objectives of each group.
4. Explain how the different stakeholders interact and how their objectives may conflict with each other.
5. Identify and compare the power and interest of various stakeholder groups and explain how their needs should be managed.

5 Business structures and culture

1. Explain why it is important that businesses have a clear internal organisation structure.
2. Explain the concept of a hierarchical structure including chain of command, span of control and layering.
3. Define centralisation and decentralisation and explain the advantages and disadvantages of both.
4. Summarise the differences between types of organisational structures – functional, matrix, divisional (including product-focused and region-specific) and virtual and explain their advantages and disadvantages.

5. Define organisational culture and describe the factors which shape the culture of an organisation.

6 Business operations and the role of the finance function

1. Identify and explain the key activities of production/manufacturing and service organisations.
2. Explain the key role of procurement and logistics.
3. Explain the important role of human resources and its key areas of focus.
4. Explain the importance of marketing and customer service.
5. Explain the role of the finance function within a business and its interactions with other functions.

7 Sources of finance and the importance of cash flow

1. Identify why businesses need finance.
2. Identify and explain short term sources of finance.
3. Identify and explain long term sources of finance.
4. Explain the types of finance available to small and medium enterprises (SMEs).
5. Identify and describe the different types of Islamic finance.

8 The role of technology in business

1. Identify and explain the impact of information technology on business operations and communications.
2. Identify and describe business uses of computer and information technology software applications.

3. Describe the main financial systems used within an organisation.

4. Explain the impact of recent advances in technology on business, for example cloud computing, big data and data analytics, artificial intelligence and automation.
5. Explain the importance of information security (cyber-security) and identify the key risks to data and how they can be managed.

9 Customer needs and the role of marketing

1. Explain why it is important for a business to understand its customer needs.
2. Describe the four Ps of the marketing mix and how they work together.
3. Define and explain the product life cycle.
4. Explain the concept of a product portfolio and the importance of product development.
5. Identify and describe the different promotion options available to businesses.

10 External factors and competition

1. Explain how the political system and government policy, including supra-nationals, affect the organisation.
2. Explain how social and demographic trends impact business decisions and outcomes.
3. Explain the concept of a competitive market and its effects on a business.
4. Identify a business' strengths, weaknesses, opportunities and threats (SWOT) in a market and the main sources of competitive advantage.

5. Explain the factors or forces which influence the level of competitiveness in an industry or sector.

11 Introduction to entrepreneurship

1. Explain what is meant by an entrepreneur.
2. Describe the qualitative characteristics required by entrepreneurs.
3. Explain the different objectives which entrepreneurs may have.
4. Define what is meant by an entrepreneurial culture.
5. Describe how technology has created different routes to entrepreneurship.

12 Starting up a business

1. Explain the initial steps for starting up a business.
2. Explain the importance of financial planning and deciding on funding options.
3. Explain the different legal requirements which may need to be considered when starting a business.
4. Describe the tools and software most start-up businesses will need.
5. Explain the importance of networking to drive growth of the business.

13 Microeconomic factors

1. Define the concept of the price mechanism.
2. Define the concepts of demand and supply for goods and services.
3. Explain elasticity of demand and the impact of substitute and complementary

goods.

4. Describe perfect competition, oligopoly, monopolistic competition and monopoly.
5. Explain the economic behaviour of costs in the short term and the long term.

14 Macroeconomic factors

1. Define macroeconomic policy and explain its objectives.
2. Explain the main determinants of the level of business activity in the economy and how variations in the level affect individuals, households and businesses.
3. Explain the impact of economic issues on the individual, the household and businesses.
4. Describe the main types of economic policy which may be implemented by government and supra-national bodies to maximise economic welfare.
5. Describe the impact of fiscal and monetary policy measures on the individual, the household and businesses.

15 Purpose of taxation and types of taxes

1. Explain what taxation is and its purpose.
2. Explain income tax and social security.
3. Explain corporate tax.
4. Explain indirect consumption 'sales' taxes.
5. Explain the taxation of capital gains.

16 Business ethics and codes of conduct

1. Define ethics and explain the importance of ethics to the organisation and the individual.

2. Explain the purpose of international and organisational codes of ethics and codes of conduct.
3. Define corporate codes of ethics and their typical contents.
4. Describe the organisational values which promote ethical behaviour.
5. Explain when, and by whom, illegal or unethical conduct, within or connected to the organisation, should be reported.

17 Professional ethics

1. Identify the factors which distinguish a profession from other types of occupation.
2. Explain the role of the accountant in promoting ethical behaviour.
3. Describe and explain key principles from the International Ethics Board for Accountants (IESBA) code of ethics.
4. Identify the main threats to ethical behaviour and explain the main safeguards against ethical threats and dilemmas.
5. Describe how professional bodies and regulators promote ethical awareness and prevent or punish illegal or unethical behaviour.

18 Governance in business

1. Explain the agency concept in relation to corporate governance.
2. Explain the principles based and rules-based approaches to corporate governance.
3. Explain the role and responsibilities of executive and non-executive directors on the board.

4. Describe the purpose of the main committees in respect of corporate governance.
5. Explain the meaning of diversity and explain issues relating to diversity on the board of directors.

19 Sustainability and corporate social responsibility (CSR)

1. Define sustainability and sustainable development and its importance to society and organisations.
2. Explain the responsibility of businesses to maintain appropriate standards of CSR.
3. Explain how businesses could reduce their impact on the environment.
4. Describe the benefits and drawbacks of acting ethically and sustainably.
5. Explain the need for sustainability reporting frameworks and describe the United Nations Sustainable Development Goals (UNSDGs) as an example of such a framework.

20 Purpose and scope of audit

1. Explain the nature and purpose of audit.
2. Describe the duties and rights of auditors and the professional skills required of auditors.
3. Explain the factors which auditors must consider before accepting an engagement and the liability of auditors.
4. Explain the purpose, scope and reporting function of internal audit.
5. Explain the purpose, function and importance of risk management and internal control.