

Enterprise Education Training Manual

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1. ACKNOWLEDGMENTS

This curriculum was prepared by Peace Corps Volunteer David M. Ronan for the Vocational Technical Training Unit - Belize Ministry of Education. Assisting in the development of this curriculum were:

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2. COURSE DESCRIPTION

This **BASICS OF BUSINESS** course is designed to introduce the student to fundamental business concepts, including what it means to be an entrepreneur. The course will explore what it means to organize, manage, market, and be productive in business as well as emphasize the importance of: understanding how financial institutions (banks) operate; communicating effectively in a business environment; and, knowing how to make and adhere to a budget. Upon completion of the course, the student should have a basic knowledge of these areas that becomes the foundation for the subsequent development of entrepreneurial traits and skills.

3. INTRODUCTION

This curriculum was produced to assist the instructor in the delivery of an introductory course designed to expose students to general business concepts, in some cases, possibly for the first time. **BASICS OF BUSINESS** is designed for 16 hours of classroom activities and contains eight lessons of instruction.

Each instructional area (except Lesson 3) includes a lesson plan, information sheets, assignments, testing material, and answers to assignments and tests/quizzes. Lessons can be divided into more than one class period and test material can be given in a series of quizzes. To facilitate effective class-time management, a **Curriculum Guide** has been incorporated into this introduction.

In addition, the instructor is encouraged to supplement the instructional areas of this curriculum with those materials, activities, and teaching methods that will assist in achieving the stated purpose of the each lesson.

Furthermore, this curriculum was developed with the viewpoint that the responsibility for learning requires a joint effort on the part of the student and the instructor. This successful learning partnership guarantees that maximum results will be obtained from the course.

Finally, the instructor is reminded that the ultimate goal of this course is for the student to gain a basic understanding of

fundamental business principles that, in turn, stimulates a desire to develop entrepreneurial traits and skills. Accordingly, it is recommended that the **BASICS OF BUSINESS** course be presented in the context of being the first of several steps in the process of entrepreneurial training.

Any suggestions you have for improving this material may be sent to the office of:

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4. CURRICULUM GUIDE for BASICS OF BUSINESS

MINUTES

LESSON 1, WHAT IS AN ENTREPRENEUR?

- (35) Application of **Entrepreneurship** information sheets & **Setting Goals** sheet.
 - (30) Assignment #1: (Parts 1a & 1b) & "Determining Personal Entrepreneurial Qualities".
 - (30) Activity #5: Setting Goals.
 - (25) Test/Quiz.
- Total: Two hours**

LESSON 2, ORGANIZING A NEW BUSINESS

- (45) Application of **Organization** information sheets.
 - (20) Assignments #1, #2, & #3.
 - (30) Group activity "Starting a Business".
 - (25) Test/Quiz.
- Total: Two hours.**

LESSON 3, EFFECTIVE COMMUNICATION IN BUSINESS

- (30) Exercise: "Listening as a Communication Skill".
 - (30) Activity #1: Puzzle Exercise.
 - (30) Activity #2: Communication Without Speaking.
- Total: One and one/half hours.**

LESSON 4, MANAGING A SMALL BUSINESS

- (30) Application of **Management** information sheets.
 - (60) Assignments #1 (Part 1b), #2, #3 (Part 3a), & #4.
 - (30) Test/Quiz.
- Total: Two hours.**

LESSON 5, PRODUCTION METHODS AND PRODUCTIVITY

- (45) Application of **Productivity** information sheets.
 - (15) Assignments #1 & #2.
 - (30) Test/Quiz.
- Total: One and one/half hours.**

LESSON 6, MARKETING A NEW BUSINESS

- (45) Application of **Marketing** information sheets.
 - (45) Assignments #1, #2, & #4.
 - (30) Test/Quiz.
- Total: Two hours**

LESSON 7, MAKING A BUDGET

- (30) Application of **Making a Budget** information Sheet.
 - (30) Assignments #1 & #2.
 - (30) Test/Quiz.
- Total: Two hours.**

LESSON 8, BANKS AND BANKING

- (75) Application of **Banks and Banking** information Sheets.
- (75) Assignments #1, #2, & #3.

LESSON PLAN #1:

SUBJECT: BASICS OF BUSINESS

TRUCTOR'S NAME:

DATE:

INS

OR INSTRUCTIONAL AREA: What is an Entrepreneur?

TIME NEEDED: Two hours

POSE: To acquaint the students with the incentives (Example: PROFIT) and risks involved in starting a new business as well as highlight the personal traits and skills (Example: SETTING GOALS) that most successful business owners possess.

PREPARATION:

1. Make copies of information sheets (Pages 4,5).
2. Make copies of hand-out "Setting Goals".
3. Make copies of assignment sheets (Pages 7-10) and copies of "Determining Personal Entrepreneurial Qualities".
5. Make the necessary preparations to conduct Activity #5 "Setting Goals" (Pages 96,97).
6. Prepare quiz/test for lesson (Pages 13,14).

INTRODUCTION:

1. Introduce purpose of lesson (as written above.)
2. Introduce information sheets, including hand-out "Setting Goals".
3. Introduce assignments sheets, including assignment "Determining Personal Entrepreneurial Qualities".
4. Introduce Activity #5 - "Setting Goals".
5. Inform students of written quiz/test at completion of lesson.

PROCEDURES:

1. Distribute and discuss information sheets, including "Setting Goals".
2. Distribute, complete and discuss assignments, including "Determining Personal Entrepreneurial Qualities". (See Answers to Assignments sheets - Pages 11,12).
3. Explain and do group activity #5; follow with a discussion of the results.
4. Distribute, explain, and have students do quiz/test. (See Answers to Test sheets - Pages 15,16).

ENTREPRENEURSHIP
UNIT II

INFORMATION SHEET

1) Terms and definitions:

- a. Entrepreneur - a person who accepts the risk of starting his/her own business.
- b. Risk - the possibility of suffering loss.
EXAMPLE: A person invests the money he/she has saved in a new business. If the business fails, the money may be lost.
- c. Incentive - a reason for taking the risk.
EXAMPLE: To make a profit.
- d. Income - money received by a business.
EXAMPLE: The money Brodie's receives from customers buying groceries.
- e. Expense - money paid out by a business.
EXAMPLE: The money Brodie's pays to its workers
- f. Profit - the money that remains after all expenses have been paid.
- g. Loss - when expenses are more than income.

2) Incentives for starting your own business.

- a. Be your own boss.
- b. Make more money.
- c. Set your own hours.
- d. Make your own decisions.
- e. Work with people YOU hired.
- f. Enjoy the challenge.
- g. Enjoy the status.
- h. Provide jobs.

3) Risks involved in starting your own business.

- a. Give up good job.
- b. Lose savings.
- c. Owe lender money.
- d. Market too small.
- e. Finding good employees.

- 4) What makes a good business owner.
- a. Work ethic - willing to work long and hard hours.
 - b. Attitude - must be positive even during difficult times.
 - c. Communication skills - able to clearly express oneself.
 - d. Accepts responsibility - difficult decisions have to be made by the business owner.
- 5) Developing business owner skills.
- a. Work experience - know how the business you start works.
 - b. Management training - through experience and education.
 - c. Trial & error - expect to make mistakes & learn from them
- 6) Understanding profit/loss, expenses, and income.
- a. **PROFIT = INCOME - EXPENSES**
EXAMPLE: Laura is the owner/manager of Laura's Laundromat. This last February was the best month for business since she opened. During February she had income of \$12,000 and expenses of \$9,500. Laura's Laundromat had a profit of \$2,500 in the month of February.
(\$12,000 - \$9,500 = \$2,500 PROFIT)
 - b. If expenses are more than income, there is no profit; instead you have suffered a loss.

**ENTREPRENEURSHIP
UNIT II**

ASSIGNMENT #1 (PART 1a)

WHAT MAKES A GOOD BUSINESS OWNER

NAME _____

Read the following story and answer the questions which follow.
Discuss your answers with the class.

"JORGE AS A BUSINESS OWNER"

Jorge is a very good automotive mechanic. He can repair any engine on any vehicle. He has worked for Jones Automotive Repair Shop for ten years and earns the maximum wages a mechanic can make. Recently Jorge was offered a promotion to the position of shop supervisor, which meant he would make more money. He turned down the offer because he would have had to work more hours plus he was not sure if he could handle the additional responsibilities of a supervisor. Jorge's wife, Maria, has been telling Jorge he should open his own shop with the money they have saved at the credit union over the last ten years. Jorge likes the idea of being his own boss and is seriously considering opening his own shop.

A. What incentives does Jorge have for opening his own shop?

B. What risks exist for Jorge if he decides to open his own shop?

C. Do you think Jorge should open his own shop? Why or why not?

**ENTREPRENEURSHIP
UNIT II**

ASSIGNMENT #1 (PART 1b)

WHAT MAKES A GOOD BUSINESS OWNER?

NAME _____

Read the following story and answer the questions which follow.
Discuss your answers with the class.

"PATRICK AS A BUSINESS OWNER"

Patrick has worked for Smith Plumbing for three years. He has learned much about the plumbing business from the owner, Ivan Smith, who has been a plumber for thirty years. He considers Patrick to be a dependable, hardworking young man who rarely makes the same mistake twice. About a year ago Patrick began taking business courses at night. He is hoping to start his own plumbing business later this year. His brother has already offered to lend Patrick the money he would need to get started. Patrick realizes he will have more responsibilities and will have to work even harder than he does now if he opens his own shop.

A. Does Patrick have the characteristics of a good business owner?

B. Does Patrick have the work and educational experience needed to start his own business?

**ENTREPRENEURSHIP
UNIT II**

ASSIGNMENT #2 (Parts 2a, 2b, 2c)

WHAT IS PROFIT?

NAME _____

Read the following stories and answer the question(s) at the end of each.

"CHERYL'S RESTAURANT"

Cheryl is the owner/manager of Cheryl's Restaurant. This last February was the best month for business since she opened. During February she had an income of \$15,000 and expenses of \$10,000. How much profit/loss did Cheryl's Restaurant make in the month of February? **PART 2a ANSWER:** _____

"ED'S CABINET SHOP"

Ed has a small carpentry shop where he makes beautiful custom cabinets for new homes. Though his business had been making a profit, a drastic decrease in the number of new homes being built has caused Ed's sales to decline recently. Last month was especially slow. Ed received only two orders for cabinets. To make matters worse, he had to buy a new motor for his router. For the month, Ed's Cabinet Shop had income of \$1500 and expenses of \$3000. How much profit/loss did Ed make?

PART 2b ANSWER: _____

What action could Ed have taken in previous months to plan for this situation?

"SEWING BY ELIZABETH"

Elizabeth has a sewing business which she operates out of her home. Elizabeth has a reputation among her customers for doing quality work. Last year she made \$7000 on income of \$25,000. How much were Elizabeth's expenses last year?

PART 2c ANSWER: _____

SUPPLEMENT TO UNIT II - ENTREPRENEURSHIP

DETERMINING PERSONAL
ENTREPRENEURIAL QUALITIES

DIRECTIONS: Read each of the personal qualities listed below. Place an "X" before those you think would help a person become a successful entrepreneur. For each quality marked, write out your reason for selecting it in the space below it.

- _____ 1. Is a natural born follower.
- _____ 2. Possesses a willingness to take risks.
- _____ 3. Is self-conscious.
- _____ 4. Is a quitter.
- _____ 5. Is healthy and energetic.
- _____ 6. Is a problem solver.
- _____ 7. Is an expert in one phase of the business venture.
- _____ 8. Is able to perform without approval of others.
- _____ 9. Enjoys experimentation.
- _____ 10. Has no desire to make money.
- _____ 11. Works on a definite time schedule.
- _____ 12. Thinks as would his/her customer.

ACTIVITY #5

SETTING GOALS

OBJECTIVE: To learn how to set realistic goals as well as how to effectively monitor progress towards achieving them.

TIME: 30 minutes

MATERIALS: Small trash can, 3 identical magic markers, masking tape, chalk, and chalkboard.

PREPARATION: Place trash can near a wall; measure 5 ft. from front of trash can and mark with tape; repeat at 5 ft. intervals until distance is 30 ft. from front of trash can. Write names of all participants on chalkboard; prior to each participant tossing the markers record goal set (Ex: To make 2 out of 3 from 10 ft.); following toss record markers actually made; repeat until each participant has had 3 turns.

PROCEDURE: FOR INSTRUCTOR

1. Explain the objective.

INSTRUCTOR'S NOTE: Goals should be set that are challenging yet realistic; ongoing monitoring of progress keeps the focus on pursuing such goals.

2. Tell the participants they will each have 3 turns to toss the 3 markers at the trash can. Prior to each turn they must state their goal (Ex: 1 out of 3 from 25 ft.) During each turn, all 3 markers must be tossed from the same distance.

3. Inform them that, after each turn, they need to evaluate their performance, in writing, as a way of monitoring their progress.

INSTRUCTOR'S NOTE: Questions participants might ask themselves include, "Are they seeking a realistic goal?" or, "Is their goal too easy?"

4. Tell the participants that if they change their goal between turns (Ex: Instead of 1 out of 3 from 25 ft. try for 1 out of 3 from 15 ft.) they must write down the reasons why.

5. Remind them that they are challenging themselves rather than competing against one another.

6. Tell them they must toss from an upright position. **NO LEANING OVER THE LINES!**

ACTIVITY REVIEW:

1. Were the goals initially set realistic? Did they present a challenge or were they too easy?
2. Did the evaluation and monitoring process between tosses lead participants to adjust their goals?
3. For those who changed to a more challenging goal, was the new goal chosen logical?

EXAMPLE: After making 1 of 3 from 10 ft., a person sets a new goal of 2 of 3 from 15 ft. simply because he/she feels lucky. This is not logical and probably unrealistic because the person failed to achieve the same goal at a shorter distance.

4. For those who changed to an easier goal, was the changed justified?

EXAMPLE: After making 2 of 3 from 10 ft., a person sets a new goal of 3 of 3 from 5 ft. simply because he/she is a perfectionist. This is not logical since a more challenging goal is replaced by one easily achieved.

5. For those who kept the same goal, or tossed from the same distance all three turns, did their reasons justify this approach? Were they fearful of failure? Seeking perfection? Pursuing a no-risk strategy?

6. For those who changed distances for each toss, did their strategy represent the pursuit of realistic, yet challenging goals?

**BASICS OF BUSINESS
Lesson #1
What is an Entrepreneur?**

ANSWERS TO ASSIGNMENTS

**ASSIGNMENT #1 (PART 1a): WHAT MAKES A GOOD BUSINESS OWNER?
"JORGE AS A BUSINESS OWNER"**

A. Jorge has the following incentives for opening his own shop.

- | | |
|-----------------------------|--------------------------------|
| a. Be your own boss. | e. Work with people YOU hired. |
| b. Make more money. | f. Enjoy the challenge. |
| c. Set your own hours. | g. Enjoy the status. |
| d. Make your own decisions. | h. Provide jobs. |

B. The following risks exist for Jorge if he decides to open his own shop.

- | | |
|----------------------|----------------------------|
| a. Give up good job. | d. Market too small. |
| b. Lose savings. | e. Finding good employees. |
| c. Owe lender money. | |

C. No, Jorge should not open his own shop because he is unwilling to accept responsibility for the decisions that must be made by a business owner. Also, Jorge does not have the work ethic; he is unwilling to work long, hard hours.

**ASSIGNMENT #1 (PART 1b): WHAT MAKES A GOOD BUSINESS OWNER?
"PATRICK AS A BUSINESS OWNER"**

A. Yes, Patrick has the following characteristics of a business owner.

a. A good work ethic - Patrick is willing to work long, hard hours.

b. Accepts responsibility - Patrick realizes he will be responsible for making the difficult decisions for his business.

B. Yes, Patrick has the work and educational experience necessary to start his own business.

a. Work experience - Patrick has been working in the plumbing business for three years.

b. Educational training - Patrick has been taking

business courses at night for the last year.

- c. Trial and error - Patrick has learned from his mistakes as a plumber.

ASSIGNMENT #2: WHAT IS PROFIT?

PART 2a: "Cheryl's Restaurant" Answer: \$5,000 PROFIT.

PART 2b: "Ed's Cabinet Shop" Answer: \$1,500 LOSS.

" " The action Ed could have taken in previous months to plan for the "**slow time**" was to save money from the profitable months for use when income is not sufficient to cover expenses.

PART 2c: "Sewing By Elizabeth" Answer: \$18,000 EXPENSES

SUPPLEMENT ASSIGNMENT: DETERMINING PERSONAL ENTREPRENEURIAL QUALITIES

The correct answers are #'s 2, 5, 6, 8, 9, & 12.

TEST

1. Match the following terms to the correct definition.

- | | |
|-----------------------|--|
| _____ a. Risk | 1. A reason for taking a risk. |
| _____ b. Profit | 2. When expenses are more than income. |
| _____ c. Entrepreneur | 3. The possibility of suffering a loss. |
| _____ d. Incentive | 4. The money that remains after all expenses have been paid. |
| _____ e. Loss | 5. A person who accepts the risk of starting their own business. |
| _____ f. Income | 6. The money paid out by a business. |
| _____ g. Expense | 7. The money received by a business. |

2. Name four of the incentives that would make a person want to start his/her own business.

- a.
- b.
- c.
- d.

3. Name four of the risks involved in starting your own business.

- a.
- b.
- c.
- d.

4. List the four characteristics of a good business owner.

a.

b.

c.

d.

5. List three ways you can develop the skills needed to be a good business owner.

a.

b.

c.

6. Solve the following problem related to:

PROFIT = INCOME - EXPENSES

Harold's TV and VCR Repair Shop recently completed one year in business. Profits for the first year were \$8000. The shop's first year expenses totaled \$30,000. What was the total income for Harold's TV and VCR Repair Shop during the first year of business?

ANSWER: _____

**ENTREPRENEURSHIP
UNIT II**

ANSWERS TO TEST

1.
 - a. 3
 - b. 4
 - c. 5
 - d. 1
 - e. 2
 - f. 7
 - g. 6

2. **ANY FOUR OF THE FOLLOWING:**
 - a. Be your own boss.
 - b. Make more money.
 - c. Set your own hours.
 - d. Make your own decisions.
 - e. Work with people YOU hired.
 - f. Enjoy the challenge.
 - g. Enjoy the status of a business owner.
 - h. Provide jobs.

3. **ANY FOUR OF THE FOLLOWING:**
 - a. Give up a good job working for someone else.
 - b. Lose your savings.
 - c. Owe the bank money you do not have.
 - d. Cannot find dependable workers.

- e. Market for your product or service not large enough to support your business.
- 4.
 - a. Good work ethic.
 - b. Positive attitude.
 - c. Communication skills.
 - d. Accepts responsibility.
- 5.
 - a. Work experience.
 - b. Management training/education.
 - c. Trial and error.
- 6. \$38,000

LESSON PLAN #2:

SUBJECT: BASICS OF BUSINESS

INSTRUCTOR'S NAME:

DATE:

MAJOR INSTRUCTIONAL AREA: Organizing a New Business

TIME NEEDED: Two hours

PURPOSE: To familiarize the students with the resources needed, the costs involved, and the major decisions to be made when starting a business. Also, the student will learn the three common forms of business organization used in Belize.

PREPARATION:

1. Make copies of information sheets (Pages 4-6).
2. Make copies of assignment sheets (Pages 7-10).
3. Make copies of group activity sheet "Starting a Business" (Page 11).
4. Prepare quiz/test for lesson (Pages 18-19).

INTRODUCTION:

1. Introduce purpose of lesson (as written above.)
2. Introduce information sheets.
3. Introduce assignment sheets.
4. Introduce group activity "Starting a Business".
5. Inform students of written quiz/test at completion of lesson.

PRO

PROCEDURES:

1. Distribute and discuss information sheets.
2. Distribute, complete, and discuss assignments.
(See Answers to Assignments sheets - Pages 16,17).
3. Distribute, explain, and do the group activity.
4. Distribute, explain, and have students do quiz/test.
(See Answers to Test sheet - Page 20).

ORGANIZATION
UNIT III

INFORMATION SHEET

- 1) Terms and definitions:
 - a. Place of business - a shop, a factory, or even a street corner where employees can work.
 - b. Rent - the cost of a place of business.
 - c. Workers - employees of a business who trade their skills, knowledge, time, and energy for wages.
 - d. Wages - the cost of hiring workers.
 - e. Capital - the money, tools, and equipment used to provide a service or to make other products.
 - f. Interest - the cost of capital.
 - g. Management - the person(s) who make plans and decisions for the business.
 - h. Salary - the money paid to managers and decision-makers.
 - i. Competition - act of contending with another.
EXAMPLE: Brodie's competes with Romac's for supermarket customers.
 - j. Sole proprietorship - an individual owns the business and supplies or borrows the capital. Sole proprietors earn all the profits and suffer all the losses.
 - k. Partnership - two or more individuals own the business and supply or borrow the capital. The partners share profits and losses.
 - l. Stock - the shares of a corporation.
 - m. Stockholder - a person who owns stock in a company.
 - n. Corporation - owned by stockholders. A corporation sells shares (stock) to raise capital. Some corporations have thousands of stockholders. The stockholders share the profits and losses.
- 2) Resources needed to start a business.

- a. A place - **EXAMPLE:** A shop.
 - b. Workers - **EXAMPLE:** A mechanic.
 - c. Capital - **EXAMPLE:** Air compressor.
 - d. Management - **EXAMPLE:** Shop supervisor.
- 3) Costs involved in starting a business.
- a. Rent for a place.
 - b. Wages for the workers.
 - c. Capital (interest) for equipment and supplies.
 - d. Salary for manager/owner.
- 4) Major decisions to be made when starting a new business.
- a. Select best site for business.
 - * What location? Must be convenient for customers.
EXAMPLE: Electronics Repair Shop should be on a busy street.
 - * What size and layout of building? Must be suitable for type of business being started.
 - * How much is the rent? Must be affordable.
 - b. Find capital.
 - * How much capital is needed to get started?
 - * Where can a person get the capital? Personal savings; or loans from family, friends, or financial institutions.
 - * How much does the capital cost? Find the best interest rate and repayment terms.
 - c. Hire workers.
 - * What knowledge and skills are required for the job?

Develop a job description.

- * What wages will the workers require? Must be competitive with wages paid in similar businesses.
- * What government regulations must be followed when employing workers?
EXAMPLE: Minimum wage must be paid to all workers.

- 5) Different ways of organizing and owning a business.
- a. Sole proprietorship - Only one owner.
 - b. Partnership - Two or more owners.
 - c. Corporation (Known as a **Limited Company** in Belize) - Owned by stockholders; could be one stockholder or thousands.

**ORGANIZATION
UNIT III**

ASSIGNMENT #1

STARTING YOUR OWN BUSINESS

NAME _____

Read the following statement and answer the questions which follow. Discuss your answers with the class.

After five years of working for someone else, you are planning to open your own business.

A. What resources will you need to start your business?

- 1)
- 2)
- 3)
- 4)

B. What costs will you likely have in starting your new business?

- 1)
- 2)
- 3)
- 4)

C. What are the major decisions you will have to make as you start your business?

- 1)
- 2)
- 3)

**ORGANIZATION
UNIT III**

ASSIGNMENT #2

DECISION-MAKING WHEN
STARTING A NEW BUSINESS

NAME _____

Read the following story and answer the questions which follow.
Discuss your answers with the class.

Mike is planning to start his own restaurant in Belize City. He has narrowed the possible locations for his restaurant to the following.

Location #1: On 2nd floor, in the New Market Center; the space is quite small; rent is \$500/month.

Location #2: Next to Belcan Bridge on Central American Boulevard; the building is medium size; rent is \$350/month.

A. Which location should Mike choose for his restaurant? Why?

Mike has identified the following potential sources of capital to start his restaurant.

Source #1: His mother will lend him the money at a very low interest rate with repayment due anytime.

Source #2: Belize Bank will lend him the money at a rate **2%** higher than his mother is charging with repayment due in monthly installments over a period of three years.

B. What source of capital should Mike use? Why?

Mike has decided he needs two workers besides himself to operate his restaurant. He has interviewed the following people for the positions.

Applicant #1: Maria worked in her uncle's restaurant for two years as a cook and waitress. Maria has experience dealing with customers and handling money.

Applicant #2: Gilroy has worked in the deli at one of the local supermarkets. He was very good preparing the food but was rude to the customers.

Applicant #3: Nicole is the mother of two children, who are both in school. She has no experience working in a restaurant but is willing to learn.

C. Which two people should Mike hire to work in his restaurant? Why?

**ORGANIZATION
UNIT III**

ASSIGNMENT #3

TYPES OF BUSINESS ORGANIZATION

NAME _____

Read the following paragraphs and identify which type of business organization (sole proprietorship, partnership, or corporation) is described in each.

Victor and Harold have their own plumbing business. Victor takes care of the book-keeping and advertising. Harold supervises the three plumbers they have working for them. Victor and Harold share the profit/loss from their plumbing business.

A. What kind of business organization do Victor and Harold have?

As a result of purchasing shares of stock, Anna and Michele own part of Belize Telecommunications Limited. Though they are not part of the day-to-day operation of BTL, as stockholders they share in any profit/loss that BTL has.

B. What kind of business organization are Anna and Michele part owners of?

Dean's father is an electrician. He has his own business which he operates by himself. Dean's father earns all the profits and suffers all the losses resulting from his business.

C. What kind of business organization does Dean's father have?

**ORGANIZATION
UNIT III**

GROUP ACTIVITY:
STARTING A BUSINESS

Students should be organized into small groups. A reporter should be chosen for each group. Each group will be assigned a business (**EXAMPLE: cabinet shop, pizza restaurant, electronic repair shop**). Each group will have fifteen minutes to answer the questions on the "**Business Planning Sheet**" (See below). Begin the follow-up discussion with the reporter from each group making a brief presentation of their groups' answers to the questions on the "**Business Planning Sheet**".

BUSINESS PLANNING SHEET

Group # _____

Type of business: _____

A. What kind of building will your business need?

B. What kinds of workers will your business need?

C. What kinds of tools, machines, or other equipment will your business need?

D. What are some decisions you will need to make before you can open your business?

Organizing a New Business

ANSWERS TO ASSIGNMENTS

ASSIGNMENT #1: STARTING YOUR OWN BUSINESS

- A. Resources needed to start a business.
- 1) A place.
 - 2) Workers.
 - 3) Capital.
 - 4) Management.
- B. Costs you will likely have in starting your own business.
- 1) Rent for a place.
 - 2) Wages for the workers.
 - 3) Capital (interest) for equipment and supplies.
 - 4) Salary for manager/owner.
- C. Major decisions you will have to make as you start your business.
- 1) Select the best location for your business.
 - 2) Find capital.
 - 3) Hire workers.

ASSIGNMENT #2: DECISION-MAKING WHEN STARTING A NEW BUSINESS

A. Mike should choose the location on Central American Boulevard for his restaurant. The rent is less and the building is larger than the space at the commercial center. Though public identification with Mike's restaurant might be greater if located at the Commercial Center, with the right exterior decor and a prominent, attention-getting sign, the Central American Boulevard location should be able to overcome this deficiency.

B. Mike should borrow the money to start his business from his mother. However, once the business is operating at a profit, Mike should secure a loan from a financial institution and pay-off the balance of the loan from his mother. Mike needs to do this to insure access to credit for the future growth of his business.

C. Mike should hire Maria and Nicole to work in his restaurant. He should hire Maria because she has extensive restaurant experience. He should hire Nicole because of her willingness to learn how to perform restaurant work. Although Gilroy has experience, his negative relationship with customers outweighs any positive restaurant skills he may possess.

ASSIGNMENT #3: TYPES OF BUSINESS ORGANIZATION

A. Victor and Harold have a partnership.

B. Anna and Michele own part of a corporation, also known as a limited company.

C. Dean's father is a sole proprietorship.

**ORGANIZATION
UNIT III**

TEST

1. Match the following terms to the correct definition.

- | | | | |
|----------|-------------------|-----|---|
| _____ a. | Management | 1. | Person who owns stock. |
| _____ b. | Corporation | 2. | A shop, a factory, or street corner. |
| _____ c. | Wages | 3. | Cost of a place of |
| _____ d. | Stock | 4. | Employees of a business who work for wages. |
| _____ e. | Place of business | 5. | Cost of hiring workers. |
| _____ f. | Interest | 6. | Money and equipment needed to start a business. |
| _____ g. | Workers | 7. | The cost of borrowed |
| _____ h. | Partnership | 8. | Person(s) who make |
| _____ i. | Salary | 9. | Money paid to managers. |
| _____ j. | Rent | 10. | Act of contending with |
| _____ k. | Sole proprietor | 11. | Two or more people own a business. |
| _____ l. | Capital | 12. | Business owned by one |
| _____ m. | Stockholder | 13. | The shares of a |
| _____ n. | Competition | 14. | Company owned by |

2. List four resources needed to start a business and give examples of each.
 - a.
 - b.
 - c.
 - d.

3. List the four costs involved in starting a business.
 - a.
 - b.
 - c.
 - d.

4. List three major decisions a person must make when starting a business.
 - a.
 - b.
 - c.

5. List the three types of business organization common in Belize.
 - a.
 - b.
 - c.

ORGANIZATION UNIT III

ANSWERS TO TEST

- | | | | | |
|----|----|----|----|----|
| 1. | a. | 8 | h. | 11 |
| | b. | 14 | i. | 9 |
| | c. | 5 | j. | 3 |
| | d. | 13 | k. | 12 |
| | e. | 2 | l. | 6 |
| | f. | 7 | m. | 1 |
| | g. | 4 | n. | 10 |
- 2.
- a. Place of business.
 - b. Workers.
 - c. Capital.
 - d. Management.
- 3.
- a. Rent.
 - b. Wages.
 - c. Capital (interest).
 - d. Salaries.
- 4.
- a. Location for business.
 - b. Who to hire.
 - c. Where to get capital to start business.
- 5.
- a. Sole proprietorship.
 - b. Partnership.
 - c. Corporation.

LESSON PLAN #3:

SUBJECT: BASICS OF BUSINESS

INSTRUCTOR'S NAME:

DATE:

MAJOR INSTRUCTIONAL AREA: Effective Communication in Business

TIME NEEDED: One and one/half hours

POSE: To highlight the need for good communication and listening skills as well as demonstrate the importance of recognizing non-verbal communication. PUR

PARATION: PRE

1. Make copies of exercise "Listening as a Communication Skill" (Pages 5&6).
2. Make three sets of puzzles for Activity #1 (Pages 89-92).
3. Make the necessary pieces of paper for Activity #2 (Page 93).

INTRODUCTION:

1. Introduce purpose of lesson (as written above.)
2. Introduce Exercise "Listening as a Communication Skill"
3. Introduce Activity #1 - PUZZLE EXERCISE.
4. Introduce Activity #2 - COMMUNICATING WITHOUT SPEAKING.

PROCEDURES:

1. Distribute, complete, and discuss exercise "Listening as a Communication Skill".
2. Divide students into groups; explain and do group activity #1; follow with discussion of results.
3. Explain and do group activity #2; follow with discussion of results.

SUPPLEMENT TO UNIT I - LIFE SKILLS

LISTENING AS A COMMUNICATION SKILL

When they hear the word **COMMUNICATION**, most people think only of the verbal aspect of interacting with others. The common belief is that a person who has well-developed verbal communication skills is usually the most effective communicator. While verbal communication skills are necessary for clear communication, non-verbal skills, specifically the ability to **LISTEN**, are necessarily required if a person seeks to be the great communicator. Briefly stated, verbal communication skills are only as good as the person's ability to **LISTEN** to those he/she is verbally communicating with. **REMEMBER, GOOD LISTENING SKILLS ENABLE YOU TO TALK WITH PEOPLE INSTEAD OF AT THEM!**

BELOW IS A CHECKLIST FOR IMPROVED LISTENING. ASK YOURSELF, "How many of these do I practice?"

_____When I give an instruction, do I obtain feedback to assure I am understood?

_____Do I give my listeners signals (**Example: eye contact**) to know when "to tune me in"?

_____Do I understand that I not only have the right to try and influence others but they also have the right to try and influence me?

_____Do I know my biases and prejudices so that they do not distort or filter out certain messages?

_____Do I understand that people "speak" in numerous non-verbal ways (**Example: facial expression**) and that I must "hear" this communication too?

_____If I were the listener, would I listen to myself?

_____Do I understand that when a person feels he/she is being understood, he/she tends to be less aggressive and less defensive?

_____Do I understand that being a good listener does not mean I have to believe or agree with what is being said?

_____Do I understand that I am learning little when I am talking?

_____Do I try not to over-respond to emotionally charged words?

_____When I disagree with something, or find something exciting, do I still attempt to listen closely.

_____If I am having trouble being understood, do I understand that the burden is on me to try and understand the other person?

_____Do I know when I may be intimidating listeners through threatening behavior?

_____Can I tell when there is a hostile, emotionally charged atmosphere?

_____Do I consider the person involved as well as the situation?

_____Have I given my best effort in trying to understand this person?

_____Do I listen for what is **NOT** being said?

_____Do I listen to the tone of a person's voice along with the words?

_____Do I also look as if I am listening?

As you can see, the ability to verbally communicate effectively can be greatly enhanced if the person doing the talking has also been listening. The fact is that the ability to listen to others will directly impact how successful a person is in his/her business and personal life.

ACTIVITY #1

PUZZLE EXERCISE

OBJECTIVE #1: To highlight the importance of good communication and listening skills.

OBJECTIVE #2: To encourage the use of cooperation and teamwork

MATERIALS: Chalk, chalkboard, scissors, and bristol board (if possible, use five different colors).

PREPARATION: Make three identical sets of five different puzzles; some suggested patterns are displayed on page four.

PROCEDURE: FOR INSTRUCTOR

1. Explain that this activity is **NOT** a competition; there are no winners and losers. **(Do not explain the real objectives of the exercise until the activity review.)**
2. Divide students into three groups of five and have them sit at different tables. Divide the remaining participants among the groups to act as observers. The observers are responsible for enforcing the rules.
3. Have the following rules written on the board and explain them.
 - * **Group members CANNOT speak to one another.**
 - * **Group members CANNOT signal one another.**
 - * **Group members CANNOT take puzzle pieces from other members of their group.**
 - * **Group member MAY give pieces to another**
 - * **Observers CAN ONLY speak if enforcing one of these rules.**
4. Inform them they have 15 minutes to do the five puzzles. A group is considered officially done with the exercise when each member has a finished square in front of them.
5. Begin the activity by giving each group 20 puzzle pieces, which is enough to make 5 complete squares (4 pieces each). Each participant (excluding observers) should take four pieces to start; however, after

exchanging puzzle pieces, they may have more or less than four.

6. When the time is up, stop the activity even if some groups have not completed their puzzles.

ACTIVITY REVIEW

1. Review the activity by asking and discussing the following questions:

- a. Which groups solved all five puzzles? Ask members what made them successful?
- b. Did anyone refuse to give their pieces away? If so, how did this affect the other group members' ability to solve their puzzle?
- c. Ask the observers if anyone broke the rules? If so, how did the other group members feel when this happened?
- d. Was it difficult to communicate without speaking? Do the participants feel they were successful communicating without speaking?
- e. What was the purpose of this activity?
(INSTRUCTOR'S NOTE: The purpose was to show the problem.)

A VARIATION ON THE PUZZLE EXERCISE

OBJECTIVE: To place an even stronger emphasis on the importance of effective communication (listening) when attempting to solve a problem.

PROCEDURE: Make the following variations in the exercise:

1. Insert the words "**solid-colored**" into the last sentence of Procedure #4 so as to read, "**A group is considered officially done with the exercise when each member has a finished, SOLID-COLORED square in front of them.**"
2. Before distributing the puzzles, substitute a piece from one set with the same-shaped piece of a different color from another.
EXAMPLE: There are three groups, three sets of puzzles. Take a piece from Set #1 and put it with Set #2; take the same-shaped piece of a different color

from Set #2 and put it in Set #3; finally, take the same-shaped piece from Set #3 and put it in Set #1 (this piece has to be a different color than the piece taken from Set #1 and put in Set #2.)

3. All other procedures remain the same.
HINT: The rules listed under Procedure #3 govern activities WITHIN the group ONLY; NOTHING stated in those rules prohibits communication or interaction BETWEEN groups.

ACTIVITY REVIEW

1. Review the activity by asking and discussing the following questions:
 - a. Which group solved their puzzles first? How did the group members feel when they discovered that another group had a piece of one of their puzzles?
 - b. Were the groups still concerned with the rules when they realized another group had one of their pieces? Should they have been?
 - c. Did the observers attempt to enforce the rules on activities between groups? Should they have?
 - d. What is lesson to be learned from this activity?
INSTRUCTORS NOTE: The lesson to be learned by participants is that listening for what is NOT said can be as important as hearing what IS said.

SAMPLE PUZZLES PATTERNS

ACTIVITY #2

COMMUNICATING WITHOUT SPEAKING

OBJECTIVE: To demonstrate the importance of recognizing non-

TIME: 30 minutes

MATERIALS: Paper, pens/pencils

PREPARATION: On a piece of paper, write emotions that a customer may experience while shopping.

PROCEDURE: FOR INSTRUCTOR

1. Cut one piece of paper for each participant and write an emotion that a customer may experience when shopping. (**EXAMPLES: happy, angry, confused, frustrated, impatient, disgusted, tense, etc.**)
2. Tell participants they will each receive a piece of paper with an emotion written on it. They should not show this paper to anyone.
3. Ask each participant to think about the emotion and how he/she could act it out portraying a customer shopping. Provide an example.
4. State that each of them will stand in front of the group and act as a customer experiencing that correctly guess the emotion being non-verbally communicated. Repeat until all participants have had a turn.

ACTIVITY REVIEW:

1. Was guessing the emotions easy or difficult?
2. What types of communication were used? (**EXAMPLES: gestures, facial expression, body position.**)
3. How important is it that employees of a business verbally communicate with each and every customer is often an impossibility. In addition, customers may be reluctant to verbally convey their true opinion. Thus, the **ONLY** way to determine if a customers' needs are being met is by recognizing their non-verbal communication.

LESSON PLAN #4:

SUBJECT: BASICS OF BUSINESS

INSTRUCTOR'S NAME:

DATE:

MAJOR INSTRUCTIONAL AREA: Managing a Small Business

TIME NEEDED: Two hours

PURPOSE: To familiarize the student with the responsibilities a manager has when operating a business, such as being the principal decision-maker with particular attention focused on those decisions involving employees.

PREPARATION:

1. Make copies of information sheets (Pages 4-6).
2. Make copies of assignment sheets (Pages 8-11,14).
3. Prepare quiz/test for lesson (Pages 18,19).

INTRODUCTION:

1. Introduce purpose of lesson (as written above.)
2. Introduce information sheets.
3. Introduce assignments sheets.
4. Inform students of written quiz/test at completion of lesson.

PRO

PROCEDURES:

1. Distribute and discuss information sheets.
2. Distribute, complete and discuss assignments.
(See Answers to Assignments sheets - Pages 15-17).
3. Distribute, explain, and have students do quiz/test.
(See Answers to Test sheets - Pages 20,21).

MANAGEMENT
UNIT IV

INFORMATION SHEET

1) Terms and definitions:

- a. Management - the decision-makers in a business.
- b. Employer - a person who pays for your work.
- c. Employee - a person who works for a business in return for money.
- d. Job application - a form completed when applying for work.
- e. Applicant - a person who applies for a job.
- f. Job interview - a meeting between an employer and a job applicant.
- g. Job description - states the duties and responsibilities of a particular job.

EXAMPLE: Cashier - duties include controlling access to cash drawer, taking payment, making change, and performing cash count at end of shift.

2) Typical day-to-day decisions a manager/owner has to make.

- a. Amount of supplies to order.
- b. Number of workers needed for shift.
- c. Whether to hire/fire someone.
- d. Which job needs to be completed first; set priorities.

- 3) Qualities employers look for in their employees.
 - a. Experience - any work experience is better than none.
 - b. Punctuality.
 - c. Honesty.
 - d. Dependability.
 - e. Initiative.
 - f. Willingness to learn - receptive to new ideas.

- 4) Guidelines for **COMPLETING** a job application:
 - a. Fill in all information requested (personal, educational, work experience).
 - b. Use a pen or a typewriter.
 - c. Print neatly.
 - d. Spell correctly.
 - e. Answer questions honestly.
 - f. If required, make sure you sign the application.

- 5) Guidelines for **REVIEWING** a job application as an employer.
 - a. Has applicant answered all questions on the application?
 - b. Is the application legible and without spelling errors?
 - c. Has the applicant listed good, verifiable references?
 - d. Does education and work experience qualify the applicant for the position as described in the job description?
 - e. Are there any "red flags" - meaning, has the applicant written anything on the application that should make you extremely cautious about hiring that person?

- 6) **Interviewing** for a job; as the person being interviewed (**Job Applicant**), you should be prepared to:
 - a. Answer all questions the employer might ask.
 - b. Evaluate your appearance; hair combed, dressed professionally, good posture etc.
 - c. Evaluate your attitude; you are confident, have a smile on your face, ready to answer questions clearly and honestly.

- 7) **Conducting** the job interview; as the person conducting the job interview (**Employer**), you should be prepared to:
 - a. Ask the job applicant the right questions.
 - b. Evaluate the applicant's appearance.
 - c. Evaluate the applicant's attitude.
 - d. Watch and listen for any **"red flags"**.

**MANAGEMENT
UNIT IV**

ASSIGNMENT #1 (PART 1b)

MANAGEMENT DECISIONS

NAME _____

Read the following story and answer the questions which follow.
Discuss your answers with the class.

"MAKING PERSONNEL DECISIONS"

You are the owner of an electronics repair shop. Your newest employee has just completed his trade school training. His instructor has told you he was the best student in the class. On his second day of working for you, this employee ruins a piece of equipment used in making repairs. You had specifically told this employee not to use this piece of equipment until you had an opportunity to show him how to operate it.

A. As the owner, what action, if any, do you take against this employee?

B. As the owner, what can you do to possibly prevent this type of problem from occurring in the future?

**MANAGEMENT
UNIT IV**

ASSIGNMENT #2

DESIRABLE QUALITIES IN EMPLOYEES

NAME _____

A. Below is a list of personal qualities (some good, some bad). Put a "Y" for yes or an "N" for no if you would want that particular quality in a person you hire.

- _____ 1. Initiative.
- _____ 2. Honesty.
- _____ 3. Does not listen to instructions.
- _____ 4. Experience.
- _____ 5. Thinks he/she already knows everything.
- _____ 6. Unable to get along with others.
- _____ 7. Dependable.
- _____ 8. Ignores rules.
- _____ 9. Learns from mistakes.
- _____ 10. Requires constant supervision.

B. Read the following statement and answer the question which follows.

Marie has applied for a job in your shop. From reading her application, you can tell Marie has the qualities listed after #'s 1, 2, 4, & 7 from above. Her application also indicates that Marie has the quality listed after #6.

1. As a manager/owner would you hire Marie? Why, or why not?

**MANAGEMENT
UNIT IV**

ASSIGNMENT #3 (PART 3a)

THE APPLICATION

NAME _____

COMPLETING THE APPLICATION

Complete the blank application on the following page. Apply for a position that is in your area of specialization. Exchange completed applications with the person next to you. Review the other person's application to see if it follows the guidelines for properly completing an application. This exercise will be followed by a group discussion.

APPLICATION FOR EMPLOYMENT

POSITION APPLYING FOR:

- 1. Surname First Name
- 2. Full Address
- 3. Age yrs. Date of Birth Place of Birth
- 4. Nationality (and period of residence of non-native)
- 5. Physical Traits: Height Weight
- 6. Physical defects/disabilities
List them, if any

7. EDUCATION

From	To	School, College, etc.	Record, Exams Awards
------	----	-----------------------	----------------------

- 8. Particulars of any training and/or further education (e.g. evening classes) since leaving school, and any certificates/diplomas awarded.

From	To	Place	Certificate/Diplomas
------	----	-------	----------------------

9. PREVIOUS

From	To	Employer	Position	Salary	Reason for Leaving
------	----	----------	----------	--------	--------------------

- 10. Name and address of two references. (One should be from school or last employer).

1. _____ 2. _____

APPLICANT'S SIGNATURE _____ DATE _____

**MANAGEMENT
UNIT IV**

ASSIGNMENT #4

INTERVIEWING FOR A JOB/
CONDUCTING THE INTERVIEW

NAME _____

Team-up with the person next to you. Interview each other as applicants for a job with a local company using the application **YOU** filled out in assignment #3a. As the employer, ask the following questions of the applicant. As the applicant, you should be prepared to answer these questions. When finished, switch roles and repeat the exercise. (**Please note:** As an interviewer, you should take notes, especially when several applicants are to be interviewed).

1. Why do you want to work in this field?

2. Why do you want to work for this company?

3. Are you willing to work long, hard hours?

4. Does your family (wife, girlfriend, parents) support the idea of you working for this company?

BASICS OF BUSINESS
Lesson #4
Managing a Small Business

ANSWERS TO ASSIGNMENTS

ASSIGNMENT #1 (PART 1b): MANAGEMENT DECISIONS
"Making Personnel Decisions"

- A.** This employee should be made to understand that his behavior in this instance is totally unacceptable. However, because of the positive recommendation of the trade school instructor as to this employee's ability, firing the person would probably be the wrong thing to do. Instead, a written warning detailing the incident and stating that any future behavior of a similar nature will result in the employee's immediate dismissal should be read and signed by the employer and the employee.
- B.** To prevent problems of this nature from occurring in the future you, as the owner, could develop an organized training program for new employees. Also, the use of wall charts showing which employees are trained in using various pieces of equipment would make everyone in the shop aware of who should, and more importantly, who should not be using what equipment.

ASSIGNMENT #2: DESIRABLE QUALITIES IN EMPLOYEES

- A. Personal qualities you would want in a person you hire.**
- | | |
|--------|--------|
| 1. Yes | 6. No |
| 2. Yes | 7. Yes |
| 3. No | 8. No |
| 4. Yes | 9. Yes |
| 5. No | 10. No |
- B.** Even though Marie's application indicates she has initiative, is honest, has experience, and is dependable, the fact that the application also indicates Marie has had trouble getting along with others in her previous jobs is enough reason for you not to hire her. The only possible circumstance in which you might hire Marie would be if the job you gave her allowed for her to work by herself.

ASSIGNMENT #3 (PART 3a): COMPLETING THE APPLICATION

This is an interactive assignment and should be done by the class in pairs. The exercise should be followed-up by a group discussion. Possible topics for discussion are:

1. Types of information the application asks for:
2. Why this information is important.
3. The importance of neatness and accuracy when
4. The importance of honesty when answering questions on a job application.

**ASSIGNMENT #4: INTERVIEWING FOR A JOB/
CONDUCTING THE INTERVIEW**

This role-playing assignment requires class participation. After each student has played both roles (**Employer and Job Applicant**) the following topics should be presented for group discussion.

1. The importance of asking the job applicant the right questions during an interview; also, as a job applicant, the importance of being able to answer those questions.
2. The importance of the job applicant's appearance.
3. The importance of the job applicant's attitude.
4. As an employer, the importance of recognizing any "**red flags**" that appear during the course of

**MANAGEMENT
UNIT IV**

TEST

1. Match the following terms to the correct definitions.
- | | | | |
|---------|-----------------|----|--|
| _____a. | Job application | 1. | The decision-makers in a business. |
| _____b. | Job interview | 2. | A person who pays for your work. |
| _____c. | Management | 3. | A person who applies for a job. |
| _____d. | Employee | 4. | A form completed when |
| _____e. | Applicant | 5. | States the duties and |
| _____f. | Employer | 6. | A person who works for a business in return for money. |
| _____g. | Job description | 7. | Meeting between an employer and a job applicant. |
2. List three typical day-to-day decisions a manager/owner has to make.
- a.
 - b.
 - c.
3. List four qualities employers look for in their employees.
- a.
 - b.
 - c.
 - d.

4. List the guidelines for completing a job application.
 - a.
 - b.
 - c.
 - d.
 - e.

5. List the guidelines for reviewing a job application as an employer.
 - a.
 - b.
 - c.
 - d.
 - e.

6. As a job applicant, what three things should you do before going to interview for a job?
 - a.
 - b.
 - c.

7. As an employer, what four things should you do when interviewing someone for a job?
 - a.
 - b.
 - c.
 - d.

**MANAGEMENT
UNIT IV**

ANSWERS TO TEST

1.
 - a. 4
 - b. 7
 - c. 1
 - d. 6
 - e. 3
 - f. 2
 - g. 5

2.
 - a. Amount of supplies to order.
 - b. Number of workers/shift.
 - c. Whether to hire/fire someone.
 - d. Set priorities; which job needs to be completed first.

3. **ANY FOUR OF THE FOLLOWING:**
 - a. Experience.
 - b. Punctuality.
 - c. Honesty.
 - d. Dependability.
 - e. Initiative.
 - f. Willingness to learn.

4.
 - a. Fill in all information requested.
 - b. Use a pen or a typewriter.
 - c. Print neatly/spell correctly.

- d.** Answer all questions honestly.
- e.** Sign the application.

5.
 - a. Has applicant answered all questions on the application?
 - b. Is the application legible and without spelling errors?
 - c. Has the applicant listed good, verifiable references?
 - d. Does education and work experience qualify the applicant for the position?
 - e. Are there any "red flags"?

6.
 - a. Prepare, know what questions might be asked.
 - b. Evaluate your appearance.
 - c. Evaluate your attitude.

7.
 - a. Ask the right questions.
 - b. Evaluate the applicants appearance.
 - c. Evaluate the applicants attitude.
 - d. Look for "red flags".

LESSON PLAN #5:

SUBJECT: BASICS OF BUSINESS

TRUCTOR'S NAME:

DATE:

INS

OR INSTRUCTIONAL AREA: Production Methods and Productivity

MAJ

TIME NEEDED: One and one/half hours

PURPOSE: To familiarize the student with the concept of productivity and how different production methods as well as management decisions affect the productivity of a business.

PRE

PARATION:

1. Make copies of information sheets (Pages 4-6).
2. Make copies of assignment sheets (Pages 8,9).
3. Prepare quiz/test for lesson (Pages 14,15).

INTRODUCTION:

1. Introduce purpose of lesson (as written above.)
2. Introduce information sheets.
3. Introduce assignments sheets.
4. Inform students of written quiz/test at completion of lesson.

PROCEDURES:

1. Distribute and discuss information sheets.
2. Distribute, complete and discuss assignments.
(See Answers to Assignments sheets - Page 12,13).
3. Distribute, explain, and have students do quiz/test.
(See Answers to Test sheet - Page 16).

**PRODUCTIVITY
UNIT V**

INFORMATION SHEET

1) Terms and definitions:

- a. Production - making goods and services out of raw materials.
- b. Raw materials - the resources used to make other goods.
EXAMPLE: Raw materials used by a garment factory are fabric and thread.
- c. Unit production - one worker producing a complete product.
EXAMPLE: A worker at the garment factory sews the whole shirt.
- d. Quality control - checking the quality of products.
EXAMPLE: Person at the garment factory checks the shirts for missing buttons, loose threads, etc.
- e. Assembly line - assembling a product in steps by moving it from one worker to another.
EXAMPLE: At the garment factory, one worker sews on the shirt sleeves, one sews on the pockets, one sews on the buttons, etc.
- f. Productivity - measures of goods or services produced per worker.
EXAMPLE: The number of shirts produced per worker, per hour.
- g. Division of labor - breaking a job into series of small tasks.
EXAMPLE: In a restaurant, one person takes the order, another cooks, and another takes the money.
- h. Mass production - producing identical products in large quantities.
EXAMPLE: Using the assembly line, the garment factory produces large quantities of shirts.

2) Comparing unit production to mass production.

- a. In unit production, the product is assembled or the service is performed by one worker from start to finish; in mass production, each step of the assembly or service process is done by a different worker.
- b. In unit production, the worker must usually possess a higher skill level to produce a product or perform a service from start to finish; in mass production, a lower Skill level is required, since the worker only needs to know how to do one task in the production process.

3) Calculating worker productivity and understanding it's importance.

- a. **PRODUCTIVITY = # OF UNITS PRODUCED/# OF WORKERS**
EXAMPLE: The two cooks at your restaurant can make 60 burgers during the busy lunch hour. Productivity is 30 burgers per cook during the lunch hour.

- b. Worker productivity is important because it directly affects your cost per unit of production which in turn determines the price you can charge your customers and still make a profit.

EXAMPLE: Company A and Company B both produce the same pen. Both companies pay their workers \$3.20/hour.

	<u>COMPANY A</u>	<u>COMPANY B</u>
PRODUCTION:	100 pens/hour	80 pens/hour
# OF WORKERS:	5	5
#PENS/HOUR:	<hr style="width: 50%; margin: 0 auto;"/> 20/worker	<hr style="width: 50%; margin: 0 auto;"/> 16/worker
LABOR COST/PEN:	\$3.20/20 = .16	\$3.20/16 = .20
COST OF MATERIALS:	+ .20	+ .20
PER UNIT COST:	<hr style="width: 50%; margin: 0 auto;"/> = .36	<hr style="width: 50%; margin: 0 auto;"/> = .40
T/PEN:	+ .04	+ .04
SELLING PRICE:	<hr style="width: 50%; margin: 0 auto;"/> = .40	<hr style="width: 50%; margin: 0 auto;"/> = .44

PROFI

NOTE: The lower productivity of workers at Company B gives Company A a selling price advantage of 4 cents/pen.

4) The effect(s) of management decisions on worker productivity.

- a. Management decisions can have a negative affect on worker Productivity.

EXAMPLE: To offset low productivity, management decides to lower wages to reduce labor costs - the effect is to cause productivity to go even lower.

EXAMPLE: Rather than purchase new, more efficient equipment, management decides to keep the old machines. Low productivity results due to machine breakdowns, a higher reject rate in quality control, and/or low worker morale.

- b. Management decisions can have a positive affect on worker productivity.

EXAMPLE: To encourage and reward productivity, management decides to offer a cash bonus for each unit of product a worker produces above a certain number.

EXAMPLE: To increase productivity, management purchases the latest, most efficient equipment to enable the workers to produce the maximum amount of quality products possible.

**PRODUCTIVITY
UNIT V**

ASSIGNMENT #1

PRODUCTION METHODS

NAME _____

Read the following story and answer the questions which follow.
Discuss your answers with the class.

"LYNDA'S PIZZA"

Lynda is ready to open her new pizza restaurant. The only major decision left to make is the method of production she will use. Option #1 is for each worker to make the pizza from start to finish (unit production). Though Lynda believes the pizzas made this way might be of higher quality, she estimates that four pizza-makers could only make 20 pizzas per hour. On the other hand, Option #2 would utilize the assembly line (mass production). By dividing the tasks involved in making a pizza among the four workers (one rolls the crust, one puts on the sauce and the cheese, one puts the toppings on, and the fourth cooks the pizza) Lynda estimates that 30 pizzas could be produced per hour. Lynda also believes that pizza quality might be improved because the assembly line produces a more consistent product.

A. Which production method would you recommend Lynda use? Give the reason(s) for your answer.

B. Why would assembly line mass production produce a more consistent product than unit production?

**PRODUCTIVITY
UNIT V**

ASSIGNMENT #2

CALCULATING PRODUCTIVITY

NAME _____

Using the formula $PRODUCTIVITY = \# \text{ OF UNITS PRODUCED} / \# \text{ OF WORKERS}$, calculate the productivity of the workers in the following examples.

A. Harold has a TV/VCR repair shop. Between himself and his two employees, Harold's shop averages nine repairs per day. **What is the productivity of Harold and his two workers?**

B. Lynn owns Lynn's Ideal Manufacturing Company. Her four employees produce 300 ideals per hour. **What is the productivity of Lynn's employees?**

BASICS OF BUSINESS
Lesson #5
Production Methods and Productivity

ANSWERS TO ASSIGNMENTS

ASSIGNMENT #1: PRODUCTION METHODS
"Lynda's Pizza"

- A. Lynda should use the assembly line method of production for the following reasons:
1. The assembly line method will produce the **most**
 2. The assembly line method will produce the most **consistent** product.
 3. With proper management, the assembly line will produce a **higher quality** product.
- B. Assembly line mass production produces a more consistent product than unit production for the following reasons:
1. Each worker in the assembly line performs a **specific job** in the production process. Having a worker perform the same task on each pizza made allows for **consistency**.
 2. By **repeatedly** performing the same task, the assembly line employee should naturally become very skilled at that particular job, which promotes **product quality**.

ASSIGNMENT #2: CALCULATING PRODUCTIVITY

- A. # of repairs/day (9) divided by # of workers (3) equals 3 repairs/worker/day.
- B. # of Ideals produced/hour (300) divided by # of workers (4) equals 75 Ideals/worker/hour.

PRODUCTIVITY

UNIT V

TEST

1. Match the following terms to the correct definition.

- | | | | |
|----------|-------------------|----|--|
| _____ a. | Production | 1. | One worker producing a |
| _____ b. | Raw materials | 2. | Assembling a product in steps by moving it from one worker to another. |
| _____ c. | Unit production | 3. | Breaking a job into a |
| _____ d. | Quality control | 4. | Making goods and services out of raw materials. |
| _____ e. | Assembly line | 5. | The resources used to make other goods. |
| _____ f. | Productivity | 6. | Checking the quality of |
| _____ g. | Division of labor | 7. | Producing identical |
| _____ h. | Mass production | 8. | Measure of goods and |

2. Indicate which method of production is being described in the following examples. Put a "U" for unit production, an "M" for mass production.

- _____ a. A mechanic performs a tune-up on a vehicle by
- _____ b. Each of four workers has a specific task in making a large quantity of pizzas.
- _____ c. A cabinet shop produces large quantities of identical kitchen cabinets for installation in new homes.
- _____ d. An architect drafts the plans for a new office building.

3. Calculate worker productivity and determine it's impact at the following businesses.

a. Joe's Bakery has two employees who produce an average of 40 loaves of bread per hour. Calculate the productivity of these employees. **ANSWER:** _____

b. Kim's Bakery has three employees who produce 90 loaves of bread per hour. Calculate the productivity of these employees. **ANSWER:** _____

c. Joe and Kim both pay their workers \$3.00 per hour. What is the labor cost per loaf of bread?

AT JOE'S BAKERY: _____

AT KIM'S BAKERY: _____

d. Which bakery is going to have to increase productivity or possibly risk going out of business? **ANSWER:** _____

4. Indicate the effect of the following management decisions on worker productivity. Mark "P" for positive affect, and "N" for negative affect.

_____ a. Management lowers wages

_____ b. Management offers a cash bonus for productivity

_____ c. Instead of replacing old equipment that is constantly breaking down, management keeps repairing it.

_____ d. Management purchases a new, more efficient machine for employees to use in production.

_____ e. Management immediately fires employees whose productivity drops below a certain level without sitting down and explaining the situation to them.

**PRODUCTIVITY
UNIT V**

ANSWERS TO TEST

1.
 - a. 4
 - b. 5
 - c. 1
 - d. 6
 - e. 2
 - f. 8
 - g. 3
 - h. 7

2.
 - a. U
 - b. M
 - c. M
 - d. U

3.
 - a. $40/2 = 20$ loaves/employee
 - b. $90/3 = 30$ loaves/employee
 - c. Labor cost for Joe's Bakery: $\$3.00/20 = .15/\text{loaf}$
Labor cost for Kim's Bakery: $\$3.00/30 = .20/\text{loaf}$
 - d. Joe's Bakery

4.
 - a. N
 - b. P
 - c. N
 - d. P
 - e. N

LESSON PLAN #6:

SUBJECT: BASICS OF BUSINESS

INSTRUCTOR'S NAME:

DATE:

INS

OR INSTRUCTIONAL AREA: Marketing a New Business

MAJ

TIME NEEDED: Two hours

POSE: To familiarize the student with the role of marketing when starting and operating a business by highlighting three important marketing areas: pricing, advertising/promotion, and the personal selling of a product or service.

PUR

PREPARATION:

1. Make copies of information sheets (Pages 4-7).
2. Make copies of assignment sheets (Pages 9-11,13,14).
3. Prepare quiz/test for lesson (Pages 19,20).

INT

INTRODUCTION:

1. Introduce purpose of lesson (as written above.)
2. Introduce information sheets.
3. Introduce assignments sheets.
4. Inform students of written quiz/test at completion of lesson.

PRO

PROCEDURES:

1. Distribute and discuss information sheets.
2. Distribute, complete and discuss assignments.
(See Answers to Assignments sheets - Pages 17,18).
3. Distribute, explain, and have students do quiz/test.
(See Answers to Test sheets - Pages 21,22).

MARKETING
UNIT VI

INFORMATION SHEET

1) Terms and definitions:

- a. Marketing - the activities needed to get a product to a buyer.
EXAMPLE: A company advertises a new product on radio to get customers to buy it.
- b. Price - the cost of an item to a buyer.
EXAMPLE: A tune-up at the local automotive repair shop costs \$50.00.
- c. Discount - to subtract or deduct from the standard price of an item.
EXAMPLE: The automotive repair shop offers a 15% discount coupon on tune-ups.
- d. Profit - money left after all expenses have been paid.
REMEMBER: PROFIT = INCOME MINUS EXPENSES
- e. Advertising - informing buyers about a product by placing notice in public places, magazines, newspapers, or on radio and television.
EXAMPLE: BTL advertises cellular phone service on television.
- f. Market research - collecting information about interest in a product or service by surveying consumers.
EXAMPLE: Before advertising cellular phones, BTL conducts a survey to determine customer interest in such a service.
- g. Target market - the group of consumers a product or service is aimed for.
EXAMPLE: Based on the results of a survey, BTL concludes that professionals and business people are the target market for the cellular phone service.
- h. Consumer - a person who buys and uses goods and services.
EXAMPLE: Many Belizeans are consumers of the various bus services.
- i. Selling - offering a product or service in exchange for

money.

EXAMPLE: Batty Bus Service sells city bus service for .50/adults and .25/children.

- j. Wholesale - the sale of goods in large quantities, usually for resale by a retailer.

EXAMPLE: Grace Kennedy Limited sells large quantities of canned goods to Brodie's for retail sale.

- k. Retail - the sale of goods in small quantities to the public.

EXAMPLE: Brodie's sells small quantities of goods to individual Belizean consumers.

2) Examples of marketing related activities.

- a. Distribution - a method for shipping a company's product(s) to stores.

- b. Designing an attractive, attention-getting display for a product.

- c. A salesperson making calls on stores trying to get them to sell his or her company's product(s).

EXAMPLE: A salesman comes to your automotive parts store trying to sell you a line of automotive accessories.

- d. Setting a fair and profitable price for a product.

- e. Advertising and promoting a product.

EXAMPLE: You advertise your construction company on a billboard at Mile #4 on the Western Highway.

3) Setting the right price for a product or service.

- a. The price should meet the expectations of the consumer.

EXAMPLE: The consumer has been paying \$50.00 for an engine tune-up; you will probably have to charge \$50.00 or less at your shop.

- b. The price should cover the businesses' costs.

EXAMPLE: ENGINE TUNE-UP

Cost of materials.....\$15.00

Cost of workers.....	20.00
Cost of equipment, rent, etc.....	6.00
Cost of marketing(advertising).....	<u>4.00</u>
TOTAL COST	\$45.00

c. The price should provide the business with a profit.

EXAMPLE: ENGINE TUNE-UP

Total cost - Engine tune-up.....	\$45.00
Plus 10% profit.....	4.50
CUSTOMER'S PRICE.....	\$49.50

4) Selecting an advertising strategy for a business.

a. Identify the target market for your product

EXAMPLE: You have an electronics repair shop on Baymen Avenue. You have identified the target market for your service as the King's Park area.

b. Conduct market research to learn as much about your target market as possible.

EXAMPLE: Survey results of the King's Park area tell you that people would be more likely to use your electronics repair service if you offered free pick-up and delivery.

c. Based on the information obtained through your market research, you select an advertising strategy.

EXAMPLE: You conclude that the advertising strategy for your electronics repair shop is to emphasize your new service; FREE PICK-UP AND DELIVERY.

5) Identify the various types of advertising strategies.

a. BE LIKE US--Conformity. Ads that encourage consumers to join the crowd and be like "everyone else."

EXAMPLE: Everyone drinks Polar Pack Juice; so should you.

b. CHOSEN BY FAMOUS PEOPLE--Association. Ads that use celebrities to sell a product.

EXAMPLE: The cross-country cycling champion drinks Polar Pack Juice; so should you.

- c. BE LIKE ME--Testimonials. Ads that use "people who should know" to sell a product.
EXAMPLE: A prominent doctor drinks Polar Pack Juice for his health; so should you.
- d. WHAT IF...--Suggestion. Ads that suggest you would be happier, more beautiful, etc., if only you would use the product.
EXAMPLE: Drink Polar Pack Juice and look and feel younger.
- e. BE A SMART SHOPPER--Intellectual appeal. Ads that use facts and figures.
EXAMPLE: Polar Pack Juice has 25% more real citrus juice than other juice drinks.
- f. FOR THOSE WHO WANT THE BEST--Appeal to the wealthy. Ads for products used by the wealthy.
EXAMPLE: Buy the best--Premium Polar Pack Juice--better than all the rest.

6) Understanding the concept of selling, the importance of the salesperson, and the steps involved in making a good sales presentation.

- a. Selling requires two things; a customer's need and a business capable of filling that need.
EXAMPLE: The office workers in downtown Belize City need places to eat lunch. Restaurants have opened to fill that need.
- b. The salesperson is the link between a business and its customers. Good salespeople are successful in meeting the needs of the customer and are a business' best form of advertising; poorly trained, unprepared salespeople are not.
EXAMPLE: The servers in a downtown restaurant are the salespeople. They provide the link between the business and the customers and are ultimately responsible for meeting the needs of the customers.
- c. The tool of the salesperson is the sales presentation. Effective sales presentations contain the following steps.

1. KNOW YOUR PRODUCT--**EXAMPLE: Servers at a downtown**

restaurant need to know what that day's special is.

2. GET THE CUSTOMER'S ATTENTION--EXAMPLE: A server at the downtown restaurant greets a customer and tells them she will be with them in just a moment.
3. MAKE THE PRESENTATION--EXAMPLE: A server at the restaurant describes the various items on the menu to the customer.
4. CLOSE THE SALE-----EXAMPLE: The server asks the customer for their order.

**MARKETING
UNIT VI**

ASSIGNMENT #1

MARKETING-RELATED ACTIVITIES

NAME _____

Read the following story and answer the question at the end.
Discuss your answers with the class.

"ADRIAN'S PIZZA"

Adrian sells pizza out of his home in Belize City. His customers tell Adrian he should market his pizza throughout Belize. Adrian likes the idea of selling his pizza throughout the country but he is unsure how to go about it. **What are some of the marketing activities that would allow Adrian to sell his pizza throughout Belize.**

1.

2.

3.

4.

5.

**MARKETING
UNIT VI**

ASSIGNMENT #2

SETTING THE RIGHT PRICE

NAME _____

Read the following story and answer the questions which follow.
Discuss your answers with the class.

"BILL'S WELDING SHOP"

Bill is ready to open his welding shop at Mile #2 on the Northern Highway. The major decision he has yet to make is what to charge for the standard window-size burglar bars he intends to produce and install. Bill has studied his two main competitors and discovered that one charges \$65.00 per window, installed, and the other charges \$70.00. Review the production costs listed below for Bill's welding shop and answer the questions that follow.

BILL'S WELDING SHOP
(Cost Per Window)

Materials	\$25.00
Workers (including installation)	30.00
Equipment, rent, etc.	7.00
Advertising	<u>3.00</u>
	TOTAL COST \$ _____
	PLUS 10% PROFIT _____
	CUSTOMER'S PRICE \$ _____

1. What is Bill's total cost to produce burglar bars for one standard size window? _____

2. If Bill wants to make a 10% profit, what price will he have

to charge his customers? _____

3. Do you think people will pay this price to Bill? Why, or why not?

**MARKETING
UNIT VI**

ASSIGNMENT #4

IDENTIFYING TYPES OF ADVERTISING

NAME _____

Find examples of the following advertising strategies being used in Belize. (Check ads in the local newspapers, watch local television, and listen to local radio)

A. BE LIKE US--Conformity.

EXAMPLE #1:

EXAMPLE #2:

B. CHOSEN BY FAMOUS PEOPLE--Association.

EXAMPLE #1:

EXAMPLE #2:

C. BE LIKE ME--Testimonials.

EXAMPLE #1:

EXAMPLE #2:

D. WHAT IF...--Suggestion.

EXAMPLE #1:

EXAMPLE #2:

E. BE A SMART SHOPPER--Intellectual appeal.

EXAMPLE #1:

EXAMPLE #2:

F. FOR THOSE WHO WANT THE BEST--Appeal to the wealthy.

EXAMPLE #1:

EXAMPLE #2:

BASICS OF BUSINESS
Lesson #6
Marketing a New Business

ANSWERS TO ASSIGNMENTS

ASSIGNMENT #1: MARKETING-RELATED ACTIVITIES

- A. Adrian needs to establish a method of **distribution**. He needs a reliable, cost-effective way of transporting his pizzas to the retailers throughout Belize who would be selling his product.
- B. Adrian needs attractive, eye-catching **displays (signs and posters)** for each retail outlet selling his pizza.
- C. Adrian needs to hire a **salesperson** to make calls on retailers, take orders, and help with distribution.
- D. Adrian needs to determine the pricing strategy for his pizza. His product must be competitive in price with other pizza and still allow Adrian to make a profit.

ASSIGNMENT #2: SETTING THE RIGHT PRICE
"Bill's Welding Shop"

- 1. Bill's total cost to produce burglar bars for one window is **\$65.00**.
- 2. To make a 10% profit (\$6.50), Bill will have to charge his customers **\$71.50/window**.
- 3. No, Bill's price is higher than either of his competitors. Bill needs to find a way to lower his cost/window.

ASSIGNMENT #4: IDENTIFYING TYPES OF ADVERTISING

This assignment requires that the student look outside the classroom for examples of the various types of advertising previously discussed. Ads can be from all types of media. The format for this assignment should be a group discussion. Possible topics for discussion are:

- 1. Why does a company select a particular advertising strategy for a product?
- 2. Select a product(s) produced in Belize and discuss the advertising strategy used. Why did the company select that strategy?

**MARKETING
UNIT VI**

TEST

1. Match the following terms to the correct definition.

- | | |
|--------------------------|--|
| _____ a. Price | 1. The activities needed to get a product to a buyer. |
| _____ b. Profit | 2. The cost of an item to a buyer. |
| _____ c. Market research | 3. To subtract or deduct from the standard price of an item. |
| _____ d. Consumer | 4. The sale of goods in large |
| _____ e. Wholesale | 5. Money left after all expenses have been paid. |
| _____ f. Marketing | 6. Offering a product or service in exchange for money. |
| _____ g. Discount | 7. A person who buys and uses goods and services. |
| _____ h. Advertising | 8. The group of consumers a product or service is aimed for. |
| _____ i. Target market | 9. The sale of goods in small |
| _____ j. Selling | 10. Collecting information about |
| _____ k. Retail | 11. Informing buyers about a product or service. |

2. List three examples of marketing-related activities.

- a.
- b.
- c.

3. Determine the right price for the following services.
- a. You wish to make a 10% profit on engine tune-ups; your cost per tune-up is \$40.00. **What is your price to the customer?** _____
 - b. Instead of a 10% profit you decide you want to make 20% on engine tune-ups; your cost per tune-up is still \$40.00. **What is your price to the customer**_____
 - c. The two automotive shops near yours both charge \$45.00 for an engine tune-up. **Will you be able to charge the price that allows for a 20% profit? Why, or why not?**

4. List the three steps for selecting an advertising strategy.
- a.
 - b.
 - c.
5. List four types of advertising strategies.
- a.
 - b.
 - c.
 - d.
6. List the four steps in making an effective sales

presentation.

a.

b.

c.

d.

**MARKETING
UNIT VI**

ANSWERS TO TEST

1.
 - a. 2
 - b. 5
 - c. 10
 - d. 7
 - e. 4
 - f. 1
 - g. 3
 - h. 11
 - i. 8
 - j. 6
 - k. 9

2.
 - a. Product distribution.
 - b. Product display.
 - c. Salesperson selling a product.
 - d. Setting a fair and profitable price for a product.
 - e. Advertising and promoting a product.

3.
 - a. \$44.00
 - b. \$48.00
 - c. No, because your tune-up price will be \$3.00 more than either of your competitors.

4.
 - a. Identify your target market.
 - b. Conduct your market research on the target market.
 - c. Based on results of your market research, select an advertising strategy.

5. **ANY FOUR OF THE FOLLOWING:**
 - a. Be like us--Conformity.
 - b. Chosen by famous people--Association.
 - c. Be like me--Testimonials.
 - d. What if...--Suggestion.
 - e. Be a smart shopper--Intellectual appeal.
 - f. For those who want the best--Appeal to the wealthy.

6.
 - a. Know your product.
 - b. Get the customer's attention.
 - c. Make the presentation.
 - d. Close the sale.

LESSON PLAN #7:

SUBJECT: BASICS OF BUSINESS

INSTRUCTOR'S NAME:

DATE:

MAJ

OR INSTRUCTIONAL AREA: Making a Budget?

TIME NEEDED: Two hours

PURPOSE: To acquaint the students with the idea of estimating income and expenses for a specific period to arrive at a budget which they can use as a planning tool for personal or business purposes.

PREPARATION:

1. Make copies of information sheets (Pages 1,2).
2. Make copies of assignment sheets (Pages 3-5).
3. Prepare quiz/test for lesson (Page 8).

INT

RODUCTION:

1. Introduce purpose of lesson (as written above.)
2. Introduce information sheets.
3. Introduce assignment sheets.
4. Inform students of written quiz/test at completion of lesson.

PRO

CEDURES:

1. Distribute and discuss information sheets.
2. Distribute, complete and discuss assignments.
(See Answers to Assignments sheets - Pages 6,7).
3. Distribute, explain, and have students do quiz/test.
(See Answers to Test sheet - Page 9).

MAKING A BUDGET

INFORMATION SHEET

1) TERMS AND DEFINITIONS:

- A. **BUDGET** - a summary of **PROJECTED** financial expenses and incomes over a specified period (month, quarter, year).
- B. **PROJECTION** - a prediction based on known evidence or observations; always deals with **future** events.
- C. **PROJECTED INCOME** - money expected to be received by a person or a business during a specific time period.
- D. **PROJECTED EXPENSES** - money expected to be paid out by a person or a business during a specific time period; the two types of expenses are **FIXED** and **VARIABLE**.
- E. **FIXED EXPENSES** - items a person or a business must have; income is used to cover these costs first.
- F. **VARIABLE EXPENSES** - items a person or a business would like to have; income remaining after paying fixed expenses can be used to cover these costs.
- G. **PLANNED SAVINGS** - amount a person plans to have left after paying personal expenses. For a business, the money that is projected to remain after all expenses have been paid is called **PROFIT**. Or, if projected expenses exceed projected income, the shortage is called a **LOSS**.

2. SAMPLE BUSINESS BUDGET.

Gina has made the following budget projections for next month at her restaurant.

<u>PROJECTED INCOME</u>	<u>PROJECTED EXPENSES</u>
\$5000 = 1000 customers	Supplies.....\$1,500
@ \$5/each	Wages.....1,200
	Rent..... 600
	Loan Payment..... 500
	<u>Utilities..... 200</u>
<u>TOTAL.....\$5,000</u>	TOTAL.....\$4,000

By estimating how many customers she will have (1000) and how much each will spend (\$5.00), Gina is able to project next month's income at \$5,000.00. By totaling her rent, cost of supplies, wages, etc., Gina is able to project next months' operating expenses at her restaurant. Gina projects that her restaurant will make a \$1000.00 profit

next month.

3. SAMPLE PERSONAL BUDGET. NAME _____
 For The Week Of _____

PROJECTED INCOME		PROJECTED EXPENSES
Allowance	\$ <u>15.00</u>	Your "musts" (fixed
expenses)		(EX: Bus fare)
Earnings	<u>35.00</u>	
Lunch - 5 days	\$ <u>10.00</u>	
Other Income	<u>-0-</u>	Bus
fare - 5 days	<u>5.00</u>	
School supplies	<u>2.00</u>	
EXPENSES	\$ <u>17.00</u>	(1) TOTAL FIXED
like		Things you would
		(variable expenses)
jewelry)		(EX: cassette tape,
Rent video	\$ <u>5.00</u>	
Necklace	<u>12.00</u>	
Friday Night	<u>8.00</u>	Pizza on
EXPENSES	\$ <u>25.00</u>	(2) TOTAL VARIABLE
		TOTAL EXPENSES (1) +
(2)	\$ <u>42.00</u>	Plus: Planned
Savings	<u>3.00</u>	
TOTAL INCOME	\$ 50.00	TOTAL EXPENSES &
SAVINGS	\$ 45.00	

* In the above budget example, TOTAL INCOME is \$5.00 more than TOTAL EXPENSES & SAVINGS. You can use this surplus as additional savings or as extra spending money.

* HOWEVER, had TOTAL EXPENSES & SAVINGS been \$5.00 more than TOTAL INCOME, purchases of items you would like (variable expenses), planned savings, or both would have to be reduced, since you

cannot spend or save more than you have.

MAKING A BUDGET

ASSIGNMENT #1

PROJECTED BUSINESS BUDGET

NAME _____

Use the information below to fill-in the projected budget. Then answer the two questions that follow.

For the upcoming month, Joe's Bakery is projecting the following income and expenses.

Income = 500 customers/week x 4 wks. x \$4.00/customer;
 Supplies = \$3000.00; Wages = \$2400.00; Rent = \$400.00;
 Loan Payment = \$350.00; Electric = \$25.00; Water = \$15.00; Phone = \$10.00

JOE'S BAKERY
 For Month Of _____

<u>PROJECTED INCOME</u>	<u>PROJECTED EXPENSES</u>
Sales.....\$ _____	Supplies.....\$ _____
	Wages..... _____
	Rent..... _____
	Loan Payment..... _____
	Utilities..... _____
	Other..... _____
 TOTAL.....\$ _____	 TOTAL.....\$ _____

1. How much profit/loss is projected for the upcoming month at Joe's Bakery? _____

2. Change income projection by lowering weekly customer count from 500 to 350. How much profit/loss is now projected for the upcoming month at Joe's Bakery? _____

MAKING A BUDGET

ASSIGNMENT #2

PROJECTED PERSONAL BUDGET

NAME _____

USE THE FOLLOWING INFORMATION TO COMPLETE THE PERSONAL BUDGET ON THE PREVIOUS PAGE AS WELL AS TO ANSWER THE QUESTIONS BELOW.

For the upcoming week, Tanya is projecting the following incomes:
Allowance = \$15.00; Earnings = \$50.00; Other Income(Gift) = \$25.00.

She needs/would like to spend money on the following items.
Lunch = \$3/day x 5; Blouse = \$20.00; Medicine for Allergy \$15.00;
Perfume = \$10.00; Pizza on Friday Night = \$10.00;
Soft Drink = \$1/day x 5; Bus Fare = \$1/day x 5;
Video Rental = \$5.00;

1. Which items are Tanya's fixed expenses for the week and how much do they total?
 - a.
 - b.
 - c.

TOTAL \$ _____

 2. How much money does Tanya have left for planned savings or additional spending for the week?
\$ _____

 3. Change projected earnings from \$50.00 to \$45.00. If Tanya still wants to save \$5.00, which item under variable expenses will she have to give up?
-

MAKING A BUDGET

ANSWERS TO ASSIGNMENTS

ASSIGNMENT #1: PROJECTED BUSINESS BUDGET
"Joe's Bakery"

The completed business budget for Joe's Bakery should resemble the following:

<u>PROJECTED INCOME</u>		<u>PROJECTED EXPENSES</u>	
Sales.....\$	<u>8,000</u>	Supplies.....\$	<u>3,000</u>
		Wages.....	<u>2,400</u>
		Rent.....	<u>400</u>
		Loan Payment.....	<u>350</u>
		Utilities.....	<u>50</u>
TOTAL.....\$	<u>8,000</u>	TOTAL.....\$	<u>6,200</u>

Answers to Assignment #1 questions:

1. \$1800.00 Profit.
2. \$ 600.00 Loss.

ASSIGNMENT #2: PROJECTED PERSONAL BUDGET
Tanya Smith

Answers to Assignment #2 questions:

1. a. Lunch
b. Medicine for allergy
c. Bus fare
TOTAL: \$ 35.00
2. \$ 5.00
3. Either the soft drink (\$5.00) or the video rental (\$5.00).

The personal budget for Tanya Smith should resemble the completed budget on the following page.

NAME: Tanya Smith

For Week Of _____

PROJECTED INCOME	
Allowance	\$ <u>15.00</u>
expenses)	
Earnings	<u>50.00</u>
Other (Gift)	<u>25.00</u>
<u>Medicine</u>	<u>15.00</u>
<u>Bus fare</u>	<u>5.00</u>
_____	_____

<u>Blouse</u>	\$ <u>20.00</u>
<u>Pizza</u>	<u>10.00</u>
<u>Perfume</u>	<u>10.00</u>
<u>Soft drink</u>	<u>5.00</u>
<u>Video rental</u>	<u>5.00</u>

EXPENSES	\$ <u>50.00</u>
(2)	\$ <u>85.00</u>
Savings	<u>-0-</u>
TOTAL INCOME	\$ <u>90.00</u>
SAVINGS	\$ <u>85.00</u>

PROJECTED EXPENSES
Your "musts" (fixed
(EX: Bus fare) _____
<u>Lunch</u> \$ <u>15.00</u>

- (1) TOTAL FIXED
- (2) EXPENSES
- (3) \$ 35.00

Things you would like
like
(variable expenses)
(EX: cassette tape,
jewelry)

(2) TOTAL VARIABLE

TOTAL EXPENSES (1) +

Plus: Planned

TOTAL EXPENSES &

MAKING A BUDGET

TEST

1. Match the following terms to the correct definition.

- | | | | |
|----------|--------------------|----|--|
| _____ a. | Projection | 1. | Items a person or business must have. |
| _____ b. | Variable Expenses | 2. | A summary of projected |
| _____ c. | Planned Savings | 3. | Money expected to be paid-out during a specific time period. |
| _____ d. | Budget | 4. | Prediction based on known evidence or observations. |
| _____ e. | Projected Income | 5. | Amount left in the budget after figuring projected expenses. |
| _____ f. | Fixed Expenses | 6. | Money expected to be |
| _____ g. | Projected Expenses | 7. | Items a person or business would like to have. |

2. Juan's Dry Goods Shop is projecting income for next month to be \$8000.00. He projects total expenses for that month will be \$7200.00. Juan also has an opportunity to purchase \$1000.00 worth of inventory at a substantially reduced price in the next month. He would have to pay one-half at time of purchase and the balance the following month. Does Juan's projected budget allow him to purchase the inventory? Why?

3. Maria projects her total income for the upcoming week to be \$55.00. Her fixed expenses will be \$25.00 and she plans to save \$10.00. How much can Maria project to spend on items she would like" to have (variable expenses)? \$ _____

MAKING A BUDGET

ANSWERS TO TEST

1. a. 4

- b. 7
- c. 5
- d. 2
- e. 6
- f. 1
- g. 3

- 2. Yes. Because Juan projects a \$800.00 profit for the upcoming month which would allow him to make the one-half payment (\$500.00) for the \$1000.00 worth of inventory.
- 3. \$20.00

LESSON PLAN #8:

SUBJECT: BASICS OF BUSINESS

INSTRUCTOR'S NAME:

DATE:

MAJOR INSTRUCTIONAL AREA: Banks and Banking

TIME NEEDED: Three hours

PUR

POSE: To inform students about banks and their staffs as well as identify and explain some of the services the bank provides.

PREPARATION:

1. Make copies of information sheets (Pages 3-7).
2. Make copies of assignment sheets (Pages 8-13).
3. Prepare quiz/test for lesson (Pages 18-20).

INTRODUCTION:

1. Introduce purpose of lesson (as written above.)
2. Introduce information sheets.
3. Introduce assignments sheets.
4. Inform students of written quiz/test at completion of lesson.

PROCEDURES:

1. Distribute and discuss information sheets.
2. Distribute, complete and discuss assignments.
(See Answers to Assignments sheets - Pages 14-17).
3. Distribute, explain, and have students do quiz/test.
(See Answers to Test sheets - Pages 21,22).

**BANKS AND BANKING
SUPPLEMENTAL UNIT**

INFORMATION SHEETS

1) Terms and definitions:

- a. Bank - is a business that keeps your money in a safe place; allows you to pay bills without handling cash; loans you money for personal or business purposes; and, helps keep records of the movement of your money.

- b. Savings account - an account in which you keep (**SAVE**) money.
- c. Current account - an account that allows you to pay bills without cash by use of a **CHECK** that represents the money you have in the account.
- d. Check - allows for the payment of bills or the purchase of goods/services without using cash; however, the money must be available in the **CURRENT ACCOUNT**.
- e. Endorsement - signature of the payee (person to whom the check was paid) that is required on the back of the check in order to cash or deposit it.
- f. Deposit - when you put money in an account.
- g. Withdrawal - when you take money out of an account.
- h. Loan - a sum of money you borrow from the bank which must be paid back by a specified date, usually with **INTEREST**.
- i. Interest - the amount paid to use someone else's money; the bank pays you for the use of your money (**SAVINGS ACCOUNT**) and you pay the bank for the use of their money (**LOAN**).
- j. Bank teller - person who works at the window behind the counter; handles the customers' deposits and withdrawals.
- k. Bank clerk - usually sits at a desk in the lobby; explains the services offered by the bank and assists the customer with opening/closing accounts.
- l. Bank supervisor - oversees the tellers and clerks and assists customers with special needs and questions.
- m. Loan officer - responsible for recommending/approving loans to customers; duties include reviewing loan applications, interviewing prospective borrowers, establishing collateral requirements, and checking credit references.
- n. Bank manager - oversees all bank employees and is responsible for overall operation of bank; also approves loans.

- 2) What are the advantages of using a bank?
- a. Safety from loss or theft of your money.
 - b. Spending is easier to control - you cannot spend what you do not have on hand.
 - c. Access to loans.
 - d. Earn interest on savings.
 - e. Improves recordkeeping.
- 3) Why open a **SAVINGS ACCOUNT?** **CURRENT ACCOUNT?**
- a. You open a **SAVINGS ACCOUNT** to:
 - * * Keep your money in a safe place until you need it.
 - * * Earn interest on your money.
 - * * Keep a record of your money.
 - b. You open a **CURRENT ACCOUNT** to:
 - * * Avoid having to carry around a lot of cash.
 - * * Serve as a record and proof of payment.
 - * * Provide a record of your expenses.
- 4) Requirements that most banks have when you apply for a loan.
- a. Application form - completed correctly and neatly.
NOTE: When applying for a business loan, a written business plan will also need to be submitted.
 - b. Interview - with the loan officer/bank manager.
 - c. Collateral - security for the loan.
 - d. References - letters of recommendation from people who know you well, excluding family members.
- 5) Understanding **INTEREST**.
- a. **INTEREST EARNED** - when you put money into a **SAVINGS ACCOUNT**, the bank uses the money and pays you **INTEREST** for using it.

FORMULA: $\text{Bank Rate} \times \text{Amount of Money in Savings Account} = \text{Interest Earned}$

EXAMPLE: If the bank rate is 5% and you have \$1000 in your **SAVINGS ACCOUNT**, you will **EARN** \$50

REMEMBER, the amount of **INTEREST EARNED** depends on:

 - * * The amount in the **SAVINGS ACCOUNT**.
 - * * The rate the bank pays.
 - * Any minimum account balance requirements, meaning no interest is paid if the account balance drops below a certain balance (for **SAVINGS ACCOUNTS** with check-writing privileges.)

- b. **INTEREST PAID** - when you borrow money (**LOAN**) from the bank, you pay the bank **INTEREST** for using their money.

FORMULA: Bank Rate x Amount of Money Borrowed = Interest Paid

EXAMPLE: If the bank rate is 15% and you borrow \$1000, you will **PAY** \$150 **INTEREST** for one year.

NOTE: Each bank has a method for calculating loan

REMEMBER the amount of **INTEREST PAID** depends on:

- * * The amount borrowed.
- * * The bank rate and method of calculating interest.
- * * The length of time the money is borrowed for.

- 6) Using a **SAVINGS ACCOUNT** (See Sample Savings book below).
- * * Withdrawal from **SAVINGS ACCOUNT** decreases the
 - * * Deposit into the **SAVINGS ACCOUNT** increases the
 - * * Interest earned by the **SAVINGS ACCOUNT** increases the account balance.

SAMPLE SAVINGS BOOK

DATE	ITEM	INIT.	WITH-DRAWALS	DEPOSITS	BALANCE
7/3/96	Bal. Fwd.	DMR			70.00
10/3/96	Withdrawal	DMR	20.00		50.00
24/3/96	Bake Sale	DMR		100.00	150.00
31/3/96	Interest	DMR		7.50	157.50

- * * The savings book tells you the date of the deposit/withdrawal; the item deposited (**Ex: money from a bake sale**); who made it; how much it was for; and, the resulting balance.

- 7) Using a **CURRENT ACCOUNT** (See samples below).
- a. Writing a check - should always be written in ink.
NEVER WRITE A CHECK IN PENCIL!

SAMPLE CHECK

BELIZE BANK First Street North	BELIZE BANK
-----------------------------------	-------------

Corozal Town,
Belize, C.A.

7 June 19

No. 055531

Pay to the order of BEL \$ 15.25

Fifteen dollars & -----25/100 dollars

Acct. No. 5000152 Signature

- b. Recording a check.
- * * Each must be recorded on the pages in the front of your **CURRENT ACCOUNT** book; all **DEPOSITS** into the
 - * * These entries should be made immediately to prevent mistakes.
 - * * Recording this information means: you have a record of money coming in and going out; you have a record of to whom you have paid money; and, you know what your **CURRENT ACCOUNT** balance is at all times.

SAMPLE CURRENT ACCOUNT BOOK

BALANCE

	CHECK		AMT. OF	AMT. OF	
DATE	NO.	PARTICULARS	CHECK	DEPOSIT	
7/6/96	055531	May bill - BEL	15.25		100.00 84.75

NOTE: If you do not keep records, mistakes can happen. For example, your check can "bounce", meaning there is not enough money in your account to pay for that check. This can be an embarrassing situation for both you and the party to whom you wrote the check. In fact, they may insist you make cash payments in the future. Also, the bank will charge you a penalty fee.

c. Cashing a check.

- * * In order to cash a check, or deposit it in a **CURRENT ACCOUNT**, the check must be signed (**ENDORSED**) on the reverse side by the person it was paid to (written out to).
- * * To withdraw money from your **CURRENT ACCOUNT**, you write the check payable to **CASH** and **ENDORSE** it yourself in the presence of the Teller.

**BANKS AND BANKING
SUPPLEMENTAL UNIT**

ASSIGNMENT #1

WRITING A CHECK/MAKING DEPOSITS AND WITHDRAWALS

NAME

Do the following exercise using the Sample Current Account and Sample Savings Account books on the following page (Beginning Balances are provided); your instructor will provide the blank checks. (Use today's date on all transactions).

- A. Write a check for \$20.00 to the classmate on your left; give him/her the check.
- B. Record the check you wrote in the **CURRENT ACCOUNT BOOK**.
- C. Endorse the \$20.00 check you receive from the classmate on your right.
- D. Deposit the check in your **SAVINGS ACCOUNT**; show the entry in the **SAVINGS ACCOUNT BOOK** shown on the next page.
- E. Write a check to BTL for phone bill of \$48.09; record check.
- F. Write a check to classmate on your left (your employee) for weekly wages earned of \$150.00; record check.
- G. Endorse check received for wages and deposit it in your **SAVINGS ACCOUNT**; make necessary entry.
- H. Transfer \$50.00 from your **SAVINGS ACCOUNT** to your **CURRENT ACCOUNT**; make entries.

SAMPLE CURRENT ACCOUNT BOOK

BALANCE

DATE	CHECK NO.	PARTICULARS	AMT. OF CHECK	AMT. OF DEPOSIT	
					255.00

SAMPLE SAVINGS BOOK

DATE	ITEM	INIT.	WITH-DRAWALS	DEPOSITS	BALANCE
19/1/96	Balance Forward				35.00

INSTRUCTOR: Make copies of this sheet; cut-out blank checks; give each student three so they can do Assignment #1.

SAMPLE CHECKS

BELIZE BANK First Street North Corozal Town, Belize, C.A.	BELIZE BANK _____ 19 \$ _____ /100 dollars
No. 055531 Pay to the order of _____	

Acct. No. 5000152 _____

BELIZE BANK
First Street North
Corozal Town,
Belize, C.A.

BELIZE BANK

No. 055532
Pay to the order of _____ \$ _____

_____ /100 dollars

Acct. No. 5000152 _____

BELIZE BANK
First Street North
Corozal Town,
Belize, C.A.

BELIZE BANK

No. 055533
Pay to the order of _____ \$ _____

_____ /100 dollars

Acct. No. 5000152 _____

BANKS AND BANKING
SUPPLEMENTAL UNIT

ASSIGNMENT #2

CALCULATING INTEREST

NAME _____

This assignment requires the use of the **FORMULAS** presented in the unit for determining the amount of **INTEREST EARNED** or **PAID**.

A. Calculate the **INTEREST EARNED** on the following **SAVINGS ACCOUNT** balances.

- | | | |
|----|-----------------|---------------|
| 1. | \$ 450 at 5% | Answer: _____ |
| 2. | \$1700 at 6% | Answer: _____ |
| 3. | \$ 500 at 6.5% | Answer: _____ |
| 4. | \$ 75 at 4% | Answer: _____ |
| 5. | \$2540 at 5.25% | Answer: _____ |
| 6. | \$ 940 at 7% | Answer: _____ |

B. Calculate the **INTEREST PAID** on the following **LOANS** if the bank rate is 16%.

- | | | | | | |
|----|--------|---------------|----|--------|---------------|
| 1. | \$ 200 | Answer: _____ | 5. | \$300 | Answer: _____ |
| 2. | \$2000 | Answer: _____ | 6. | \$50 | Answer: _____ |
| 3. | \$ 650 | Answer: _____ | 7. | \$1325 | Answer: _____ |
| 4. | \$ 460 | Answer: _____ | 8. | \$3100 | Answer: _____ |

**BANKS AND BANKING
SUPPLEMENTAL UNIT**

ASSIGNMENT #3

MAINTAINING BANK ACCOUNT RECORDS

NAME

Examine the following information and then record it in the correct record. Use the blank samples on the back of this page.

A. SAVINGS ACCOUNT

- * * Open account on 21 January, 1996 with \$100.
- * * Deposit \$40 on 3 February, 1996.
- * * Withdraw \$60 on 15 June, 1996.
- * * Deposit \$150 on 30 September, 1996.
- * * Withdraw \$90 on 17 December, 1996.
- * * Calculate **INTEREST EARNED** on 31 December, 1996 balance;

Interest rate is 4%.

B. CURRENT ACCOUNT

- * * Open balance \$250.
- * * Check #101 to Brodie's for 24.50 on 1 May, 1996.
- * * Check #102 to BEL for \$33 on 10 May, 1996.
- * * Deposited \$100 on 31 May, 1996.
- * * Check #103 to Mrs. Garcia for \$75 on 12 June, 1996.
- * * Check #104 to WASA for \$24.15 on 20 June, 1996.

SAMPLE CURRENT ACCOUNT BOOK

BALANCE

DATE	CHECK NO.	PARTICULARS	AMT. OF CHECK	AMT. OF DEPOSIT	

SAMPLE SAVINGS BOOK

DATE	ITEM	INIT.	WITH-DRAWALS	DEPOSITS	BALANCE
	Balance Forward				

**BANKS AND BANKING
SUPPLEMENTAL UNIT**

ANSWERS TO ASSIGNMENTS

ASSIGNMENT #1: WRITING CHECKS/MAKING DEPOSITS AND WITHDRAWALS

The written checks should appear as follows:

CHECK #1

BELIZE BANK First Street North Corozal Town, Belize, C.A.	BELIZE BANK <u>Today's Date</u> 19
No. 055541	
Pay to the order of <u>Name of Classmate</u> \$ 20.00	

<u>Twenty dollars & -----00/100 dollars</u>	
<u>Acct. No. 5000152</u>	<u>Signature</u>

CHECK #2

BELIZE BANK First Street North Corozal Town, Belize, C.A.	BELIZE BANK
No. 055542	<u>Today's Date 19</u>
Pay to the order of <u>BTL</u>	<u>\$ 48.09</u>
<u>Forty-eight dollars & -----09/100 dollars</u>	
<u>Acct. No. 5000152</u>	<u>Signature</u>

CHECK #3

BELIZE BANK First Street North Corozal Town, Belize, C.A.	BELIZE BANK
No. 055543	<u>Today's Date 19</u>
Pay to the order of <u>Name of Employee</u>	<u>\$ 150.00</u>
<u>One hundred fifty dollars & -----00/100 dollars</u>	
<u>Acct. No. 5000152</u>	<u>Signature</u>

The SAVINGS ACCOUNT book and the CURRENT ACCOUNT record should Look like the following:

SAMPLE CURRENT ACCOUNT BOOK

BALANCE

	CHECK		AMT. OF	AMT. OF	
DATE	NO.	PARTICULARS	CHECK	DEPOSIT	
/ /	055541	To classmate	20.00		255.00 235.00
/ /	055542	To BTL	48.09		186.91
/ /	055543	To employee	150.00		36.91
/ /	Deposit	From Saving Acct.		50.00	86.91

SAMPLE SAVINGS BOOK

DATE	ITEM	INIT.	WITH-DRAWALS	DEPOSITS	BALANCE
/ /	Balance Forward				35.00
/ /	Received Check			20.00	55.00
/ /	Received Wages			150.00	205.00
/ /	To Current Acct.		50.00		155.00

ASSIGNMENT #2: CALCULATING INTEREST

A. INTEREST EARNED

1. 22.50
2. 102.00
3. 32.50
4. 3.00
5. 133.35
6. 65.80

B. INTEREST PAID

1.	32.00	5.	48.00
2.	320.00	6.	8.00
3.	104.00	7.	212.00
4.	73.60	8.	496.00

ASSIGNMENT #3: MAINTAINING BANK ACCOUNT RECORDS

The account books should look like the following:

SAMPLE SAVINGS BOOK

DATE	ITEM	INIT.	WITH-DRAWALS	DEPOSITS	BALANCE
21/ 1/96	Opened Account	xxx			100.00
3/ 2/96	Deposit	xxx		40.00	140.00
15/ 6/96	Withdrawal	xxx	60.00		80.00
30/ 9/96	Deposit	xxx		150.00	230.00
31/12/96	Withdrawal	xxx	90.00		140.00
31/12/96	Interest Earned on Balance	xxx		5.60	145.60

SAMPLE CURRENT ACCOUNT BOOK

BALANCE

DATE	CHECK NO.	PARTICULARS	AMT. OF CHECK	AMT. OF DEPOSIT	
1/5/96	101	Brodie's	24.50		250.00
					225.50

10/5/96	102	BEL	33.00		192.50
31/5/96		Deposit		100.00	292.50
12/6/96	103	Mrs. Garcia	75.00		217.50
20/6/96	104	WASA	24.15		193.35

BANKS AND BANKING
SUPPLEMENTAL UNIT

TEST

1. Match the following terms to the correct definition.

- | | |
|--|--|
| <p>_____a. Check</p> <p>_____b. Savings account</p> <p>_____c. Bank manager</p> <p>_____d. Loan</p> <p>_____e. Bank supervisor</p> <p>_____f. Bank</p> <p>_____g. Interest</p> | <p>1. Oversees tellers and</p> <p>2. A sum of money you borrow from the bank.</p> <p>3. When you take money out of an account.</p> <p>4. An account that allows you to pay bills using a check.</p> <p>5. A business that provides a safe place to keep money.</p> <p>6. Oversees all bank</p> <p>7. An account in which you</p> |
|--|--|

_____h.	Bank teller	8.	When you put money in an account.
_____i.	Current account	9.	Responsible for reviewing and approving loans.
_____j.	Endorsement	10.	Assists with the opening and closing of accounts.
_____k.	Bank clerk	11.	Amount paid to use someone else's money.
_____l.	Deposit	12.	Required before a check can be cashed or deposited.
_____m.	Loan officer	13.	Allows bills to be paid
_____n.	Withdrawal	14.	Handles the customers'

2. List three advantages of using a bank.

- a.
- b.
- c.

3. List two reasons for opening a savings account and two reasons for opening a current account.

- | | |
|----|----|
| a. | a. |
| b. | b. |

4. Answer True or False to the following statements concerning requirements that banks have when you seek a loan.

- _____a. Loan application must be completed accurately and neatly.
- _____b. An interview with the loan officer/bank manager is not necessary.

- _____c. A written business plan needs to be submitted when applying for a business loan.
- _____d. Letters of recommendation are required from family members.
- _____e. Collateral for the loan will be required.

5. What three items determine the amount of INTEREST EARNED on a savings account? And, what three items determine the amount of INTEREST PAID on a loan?

- a. a.
- b. b.
- c. c.

6. Circle the correct answer for the following statements.

- a. Withdrawal from a savings account (INCREASES/DECREASES) the account balance.
- b. Deposit into a savings account (INCREASES/DECREASES) the account balance.
- c. Interest earned by the savings account (INCREASES/DECREASES) the account balance.

7. Answer True or False to the following statements concerning the use of a current account.

- _____a. Checks can be written in pencil or ink.
- _____b. Each check should be recorded in the front of the current account book.
- _____c. A check can be cashed or deposited into a current account without the signature of the person to whom it was written.
- _____d. The bank will charge a penalty fee for a "bounced" check.

- _____e. The current account balance should be known at all times.

**BANKS AND BANKING
SUPPLEMENTAL UNIT**

ANSWERS TO TEST

1. a. 13
b. 7
c. 6
d. 2
e. 1
f. 5
g. 11
h. 14
i. 4
j. 12
k. 10
l. 8
m. 9
n. 3

2. ANY THREE OF THE FOLLOWING:

- a. Safety from loss or theft of your money.

c. Increases

7. a. False

d. True

b. True

e. True

c. False