

**MODULE
BUSINESS ORGANISATION & ENVIRONMENT**

**BUSINESS
STANDARD LEVEL**

Business Organisation & Environment [Standard]
ACTIVITIES: COMPETENCE CRITERIA MAPPING

AO	CC	Activities																		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1.0	1.1																			
	1.2																			
	1.3																			
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2.0	2.1																			
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	4.3																			
5.0	5.1																			
	5.2																			
	5.3																			

Detailed descriptions of the Competence Criteria for this module are given in the syllabus. Please refer to the syllabus when undertaking course activities and assignments.

All \$ amounts in the following activities are quoted in US dollars.

IDEAS FOR COURSE ACTIVITIES AND ASSIGNMENTS

Assessment Objective 1.0 Understand and describe the features and purposes of business organisations

This assessment objective has to be the starting point of the module as it introduces students to the nature of business activity, features of business organisations, objectives and finance.

Activity 1: Business activity (assignment)
(Competence Criterion 1.1)

You will need to conduct some research into local/national/international businesses. Complete the table below by drawing up two lists each containing five examples of business activities – one of activities that are capital intensive and the other that are labour intensive.

<i>Labour intensive</i>	<i>Capital intensive</i>

Activity 2: Gulf Engineering Plc (assignment)
(Competence Criterion 1.3)

At a meeting of employees, the managing director, Yahya Mahmood, said that the company had three main objectives: remaining competitive, satisfying clients, and making 'a good profit'.

Explain and justify Dr Mahmood's objective to make 'a good profit'.

Activity 3: Investment Exercise: Following the stock exchange (assignment)
(Competence Criteria 1.1, 1.4)

Assume you have \$5,000 to invest. Select between three and five publicly quoted companies and then allocate your \$5,000 as you wish.

3.1 *Track and note the movements of the share prices of your investments over a period of 20 trading days.*

3.2 *At the end of the period, calculate your profit or loss.*

Activity 4: Features of business organisations (assignment)
[Competence Criteria 1.2, 1.4]

Complete the grid (given on the next page) by filling in the boxes (with yes, no, ticks, crosses or brief explanations) so that you can compile an easy reference and comparative chart of the features of business organisations.

Features		Sole Trader	Partnership	Private company	Public company	Cooperative society
Limited liability						
Number of members	Minimum					
	Maximum					
Stock exchange quotation						
Separate legal identity						
Liability in the event of bankruptcy						
Management control or direction						
Ownership						
Voting rights						
Maximum shareholding						
Disposal of shares						
Minimum capital requirement						
Main legislation or regulation under which the business is registered						

Activity 5: Oriental Leather Goods Company #1 (setting up) (assignment)
(Competence Criteria 1.2, 1.4, 4.3)

Tong Phi-ling has inherited \$40,000 and has decided it is enough to start a small business. She wants to become a retailer of leather goods [e.g. handbags, wallets] for the tourist market. She wants premises which will provide a shop and storage space.

She estimates that she can set up business and survive for about 18 months before worrying about getting her investment back. Phi-ling has found premises and knows a number of local leather workers who will produce goods for her. She believes she cannot really fail.

You are a business adviser and Phi-ling will listen to you. Advise her on what factors she should consider in setting up her business, e.g. legal form of organisation, business plan, nature of the tourist market and so on.

Compile a checklist of the issues with each item briefly explained.

Activity 6: Oriental Leather Goods Company #2 (financial records)(assignment)
(Competence Criterion 1.5)

Tong Phi-ling has admitted that she knows very little about bookkeeping and accounts and has asked you, as her business adviser, to explain or describe the following terms.

- (i) Invoice
- (ii) Day-book
- (iii) Bank reconciliation
- (iv) Petty cash voucher
- (v) Credit note

Activity 7: Basidiq Games: break-even analysis (assignment)

(CompetenceCriterion1.4)

Fatima and Ayesha Basidiq are about to open their business producing hand-held electronic games. They have forecast their costs and sales as follows:

Variable costs per unit		\$25
Total fixed costs		\$405,000
Selling price to retailers		\$40
Predicted unit sales	year 1	18,000
	year 2	30,000
	year 3	50,000

7.1 Using the information above, complete the following table:

Predicted output/sales		Unit costs \$			Total Production Costs \$	Total revenue \$	Profit (loss) \$
		Fixed costs	Variable costs	Total costs			
Year 1	18,000		25				
Year 2	30,000		25				
Year 3	50,000		25				

7.2 Draw the break-even chart and clearly indicate the break-even point.

7.3 Calculate the break-even point. Show the formula used and all your workings.

Assessment Objective 2.0
Investigate and explain the internal structure of a business organisation

Having identified the features and purposes of business organisations the student need to focus on their internal structures and features.

Activity 8: Organisational structure (assignment)
(Competence Criterion 2.1)

8.1 *Draw up a structure, i.e. an organisation chart, of a company that is familiar to you or one which will offer you the relevant information. This organisation may be your school, college, or employer (it doesn't matter whether you are full or part-time), or a family business.*

8.2 *List the purposes of an organisational structure.*

Activity 9: Gambia Holdings Plc: Company Directors (assignment)
(competence criterion 2.2)

Gambia Holdings Plc has twelve Directors on its Board. Nine are executive directors and three are non-executive directors. The managing director says that the non-executive directors are particularly valuable to the company as they bring wider experience to decision-making.

9.1 *Explain the difference between executive and non-executive directors.*

9.2 *Explain what the managing director means when she refers to the non-executive directors.*

Activity 10: Gambia Holdings Plc: Stakeholders (assignment)
(competence criterion 2.2)

The managing director made the point in the annual report that whenever the directors take a major decision they always take into consideration the company's stakeholders.

10.1 *Explain what a stakeholder is.*

10.2 *Identify two of the company's stakeholders and suggest why each could be regarded as the most important.*

Activity 11: Nalumang's Town and Country Food Services Ltd (Case Study)
(competence criteria 2.1, 2.3, 3.2, 5.3)

Anini Nalumang is the Managing Director of a flourishing medium-sized business. His company owns a supermarket in town and maintains a fleet of five mobile shops which serve those country districts where there are no shops. Each mobile shop is a converted van which contains shelving for the groceries and a refrigerator for meats and other perishable items. Mr Nalumang is the majority shareholder of this private company and he is the driving force behind the business.

The following personnel are employed by the company:

Supermarket manager	2 bookkeeping assistants
Assistant supermarket manager	2 secretarial and administrative assistants
30 supermarket assistants	Transport manager/mechanic
5 drivers	10 mobile shop assistants
a buyer	Company Secretary/accountant
2 odd-job and errand boys	

Mr Nalumang regards himself as an excellent employer but has high expectations of his employees. He once said that the most important features of a good employee are loyalty and trustworthiness but, he added, he demands more than that. The employees, too, have their opinions of their employer and mostly they are satisfied with their employment arrangements. They are paid well and provided with appropriate protective clothing. The attitude of the company encourages their loyalty but anyone who ignores the code of conduct is dismissed immediately.

In order that the business remains successful, Mr Nalumang believes in fair trading and satisfying the demands of his customers. He is going to draw up a customer relations policy which will set out some specific features e.g. replacement of faulty or unfit goods, refunds, and compliance with legal provisions affecting food.

- 11.1 *Draw up a suitable organisation chart to represent this company.*
- 11.2 *Describe the following expectations that Mr Nalumang might reasonably have of his employees:*
- (i) the ability to work with others*
 - (ii) effective and efficient work to an appropriate standard*
 - (iii) acceptance of the company's code of conduct*
- 11.3 *Describe the following expectations that the employees might reasonably have of their employer:*
- (i) Suitable training*
 - (ii) financial and non-financial incentives*
 - (iii) fair treatment*
- 11.4 (a) *Explain what a customer relations policy is.*
(b) *Describe the three specific features of Mr Nalumang's proposed customer relations policy:*
- (i) replacement of faulty or unfit goods*
 - (ii) refund*
 - (iii) compliance with the legal provisions affecting food*

Assessment Objective 3.0
Demonstrate awareness of the elements of employment

This objective looks at the structure of employment and the rights and responsibilities of both employers and employees. It may be possible to use students' own experience of work to come up with examples of the different types of employment and work bases.

Activity 12: Employment Rights and Responsibilities (Role Play exercises)
(Competence Criteria 3.1, 3.2, 2.1)

Each case study requires the participation of two students: one to act as a manager and the other as an employee. Students should prepare their cases beforehand and come together in an interview situation to explore and discuss the issues. The role play should be performed in front of the other class members who will act as observers and express opinions on the case afterwards.

12.1: Jade Chemicals

Mohammed Hussain is a company messenger. He always seems to know what's going on in Jade Chemicals and he spreads the word before any official announcements are made. He delivers mail to departments, runs errands, and even prepares refreshments for managers and their meetings. His job enables him to go anywhere in the company without question. He overhears meetings and conversations, reads documents on desks and the contents of wastepaper baskets, and spreads what he finds out among the employees.

Yesterday he was caught going through some personnel files and was dismissed on the spot. The company view is that Mohammed has been disloyal, untrustworthy, and regularly refused to abide by the company code of conduct. Mohammed claims that he informed staff of the internal decisions because they had no formal way of finding out what was going on in the company. He claims the structure does not recognise a channel of communications.

Mohammed has been granted an interview with the Human Resources manager at which he will appeal against the decision.

12.2: Bhatiani Travel Agency

The Bhatiani Travel Agency is demanding an improvement in the way its female employees dress. In a recent memorandum the Human Resources manager has ordered the women to dress in smart knee-length skirts. Some of the women are unhappy because they have not been offered the option of trousers and some want to keep their heads covered. The company is adamant that there will be no deviation from the new policy and has threatened disciplinary action if anyone disobeys. Shubnam has been appointed to speak for those women who feel the policy is unreasonably discriminatory. She has an interview to attempt to convince management to respect the wishes of those she represents.

12.3: Peninsular Textiles

Peninsular Textiles does not encourage any means of employee representation. The official view is that management knows best and will look after the employees. Hassan Bassidiq has only been with the company for a few weeks. In his previous job he was an active trade unionist. He now wants to put the case for introducing, if not a union, at least some form of association or other means of employee representation and participation. He has noted that the company belongs to a trade federation which regularly lobbies the government.

12.4: Radwani Engineering

There is a growing number of minor accidents in Radwani Engineering and Jawad has received several injuries in the course of his work. Most of the machines are not fitted with any kind of protection and Jawad believes it is only a matter of time before a fatal incident occurs. Jawad is a loyal employee but he feels strongly that something must be done to protect employees using dangerous machinery. The company says that employees know the risks when they take on the jobs and if they are injured then it is their fault. Jawad has a meeting to discuss the issues with the Production Manager.

Activity 13: Basiron Automotive: working arrangements (assignment) (Competence Criteria 3.1, 3.2)

Basiron Automotive has been assessing personnel costs and suggested that the company would benefit considerably with a more flexible workforce.

The company's main concern is the cost of employing permanent full-time staff. The idea is that as people leave or retire their places should be taken by casual or self-employed staff.

The company also reckons costs can be saved by teleworking i.e. allowing some categories of staff to work at and from home and only come into work one day a week. They can be equipped with laptop computers and their work can be monitored at any time.

13.1 *Explain two advantages and two disadvantages to the company by employing casual and self-employed staff.*

13.2 *Describe one benefit of teleworking to the employer and one to the employee.*

Assessment Objective 4.0
Examine the influences of the environment on business organisations

This objective seeks to examine the various influences on business organisations. Students need to appreciate that business operates in a dynamic and changing environment.

Activity 14: Business and the external environment (group activity)
(Competence Criteria 4.1, 4.2, 1.3)

Organise a visit to a company for you and a group of fellow students. The object of the visit is to discuss with a senior manager just how the company responds to influences in the business environment. It is essential that you prepare your enquiry carefully before the visit.

- 14.1 *Contact a business that is involved in export and/or import trade and provide full and clear reasons for your request.*
- 14.2 *Identify a list of possible external influences on the company.*
- 14.3 *With your group review the list and agree the questions and issues you will want to raise before you make the visit.*
- 14.4 *On your return, organise a group presentation to the class to share the information you have.*

Activity 15: Pacific Electrics Plc #1: location (assignment)
(Competence Criteria 4.1, 4.2, 4.3)

Pacific Electrics Plc manufactures domestic electric appliances and components. The domestic market is good and the company is seeking to expand the business. The only real issue is whether to expand by locating somewhere in the home country or find a suitable overseas location.

Describe the general factors that the company should take into account when deciding where the new factory should be located.

Activity 16: Pacific Electrics Plc #2: Trade cycle (assignment)
(competence criterion 4.1)

The Chairman of Pacific Electrics Plc said that the most influential of all the external factors affecting the company is the business or trade cycle.

- 16.1 *Explain what is meant by the business or trade cycle*
- 16.1 *As the company produces domestic appliances, explain how the company is likely to be affected by the business or trade cycle.*

Assessment Objective 5.0
Explain the importance of markets and customers

Business survives by exploiting markets and creating satisfied customers. Students should be encouraged to appreciate both the role of marketing and the need to maintain customer loyalty.

Activity 17: Promotional strategies (assignment)
(Competence Criteria 5.1, 5.2, 5.3)

17.1 *Visit a major retail establishment, e.g. one of the larger supermarkets or a department store, and make a list of their sales promotional activities and any methods used by the business to attempt to retain customer loyalty.*

17.2 *Obtain the sales literature from a car dealer, TV or computer manufacturer, and then identify what you see as the main selling points. Give your opinion on the material as a marketing tool.*

Activity 18: East-West Trading (assignment)
(Competence Criterion 5.3)

For several weeks the sales staff of East-West Trading have been attempting to deal with some very difficult customers who have been very rude and difficult. Some have made almost impossible demands regarding delivery dates, styling, colour, prices and contract terms. As a result the sales staff have been put under a lot of pressure. It has now been revealed that the 'customers' were actors hired by the managing director and that some of the abusive telephone enquiries were actually conducted by the MD herself.

At the annual company sales conference held only last week the MD was asked 'Why did you do this to us?' The MD stared at the questioner and said, 'I ought to sack you for asking that question. We are in a competitive world and my reasons ought to be obvious to everyone - including you!'

In the context of customer relations, explain the Managing Director's actions.

Activity 19: The Marketing Mix (assignment)
(Competence Criteria 5.2)

Select two or three makes of laptop computer and investigate them in terms of the 4Ps of the marketing mix i.e. product, place, promotion, and price. Present your findings in the form of a comparative chart.

**MODULE
EFFECTIVE BUSINESS COMMUNICATIONS**

**BUSINESS
STANDARD LEVEL**

Effective Business Communication: Standard
COMPETENCE CRITERIA MAPPING

AO	CC	Activities																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1.0	1.1	■		■															
	1.2	■	■	■															
	1.3			■	■														
2.0	2.1					■	■			■									
	2.2								■									■	
	2.3						■	■		■									
3.0	3.1										■		■						
	3.2										■	■							
	3.3											■							
	3.4												■						
4.0	4.1												■	■		■			
	4.2												■	■	■				
5.0	5.1															■	■		
	5.2																		■
	5.3																■		

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IDEAS FOR COURSE ACTIVITIES AND ASSIGNMENTS

Assessment Objective 1.0
Understand and appreciate the business communication process

This element focuses on the communication process. It introduces students to the reasons why communication is at the heart of business enterprise. Whilst the theory has to be taught, the practical applications can be better understood by inviting visiting speakers and organising visits to companies to find out about their communications issues.

Activity 1: COMMUNICATIONS (assignment)
 Competence Criteria 1.1, 1.2

Investigate a company, your college or school in order to review the organisation's communications.

- 1.1 *Describe the different methods and routes of communication used by the management of the organisation.*
- 1.2 *Explain how management attempts to ensure effective and efficient communication within the organisation.*

Activity 2: COMMUNICATION METHODS #1 (assignment)
 Competence criterion 1.2

- 2.1 (a) *Explain what is meant by **one-way communication***
 (b) *Identify one advantage and one disadvantage of this method.*
- 2.2 (a) *Explain what is meant by **two-way communication***
 (b) *Identify one advantage and one disadvantage of this method.*

Activity 3: COMMUNICATION METHODS #2 (assignment)
 Competence Criteria 1.1, 1.2, 1.3

Fatima Mahmood has recently joined the personnel department of The Bakery Company which employs more than 500 people. The personnel manager has given her a variety of tasks to complete. Fatima wants to make a good impression on her first day and she has asked you to check her plan as to how she will communicate each task.

Task	Receiver(s) of information	Method of communication
Closure dates of the bakery for the summer holidays.	all employees	notice on staff notice board
Promotion given to Satveer Singh, a factory worker	Satveer Singh and department manager	letter to Satveer and memo to department manager
news of possible takeover by a large competitor	all employees	fact sheet for each employee
disciplining of a factory worker regarding constant lateness	factory worker and supervisor	meeting with factory worker, supervisor and Donna
Two redundancies required in the accounts department	accounts department manager	e-mail
recruitment of ten production staff	internal and external candidates	advertisement in local paper and notice on notice board

- 3.1 For each task, state whether Fatima has chosen the best method of communication or not.

- 3.2 Explain why each method of communication is appropriate or not (e.g. who needs to know, why it is to be communicated).
- 3.3 Explain why the method chosen is an effective method of communication or not. (You may wish to mention cost-effectiveness, the receiver's viewpoint and the sender's viewpoint.)
- 3.4 For two tasks, suggest alternative methods of communication that Donna could use. State why you think they are more appropriate and would be more effective.

Activity 4: COST EFFECTIVENESS (assignment)
Competence criterion 1.3

You have just made a study visit to a company and seen how its communications process works. One of the employees said that having a wide range of information and communications technology (ICT) at their disposal made work a pleasure. However, the Finance Director suggested that no communication method is worthwhile unless it is cost-effective.

Explain why it is important for communications to be cost-effective.

Assessment Objective 2.0
Produce effective written documentation

The importance of well presented and easy to follow documentation is vital for business success. Tutors may wish to gather various examples of good and bad documentation from their work environment and other organisations. Students could use this to establish the basic theoretical aspects prior to carrying out activities which reflect their understanding. When using an organisation's documentation, the tutor may wish to alter the material slightly to make them more user-friendly.

Activity 5: LETTER WRITING (assignment)
Competence criterion 2.1

You are the production manager of Acme Engineering Solutions. The head office is located at Mensa House, Hills Road, Cambridge, UK CB1 2EU. You have received a consignment of copper piping from Gulf Engineering in Qatar. The product has been manufactured to the high quality quoted in the specification but the invoice contains errors. The price quoted in the invoice is 7½% higher than that originally agreed. You have a very good working relationship with Gulf and they are a reliable company. However, you want an explanation of the price increase [or mistake] and a resolution to the problem. The head office of Gulf Engineering is located at PO Box 1234, West Bay Area, Doha, Qatar.

5.1 *Compose a letter of complaint to Dr Yahya Mahmood, the Managing Director of Gulf, expressing your dissatisfaction with the current situation.*

Dr Mahmood takes your letter very seriously. Acme is a loyal customer and he is very unhappy that a misunderstanding has arisen over pricing. He has investigated the problem and is prepared to apologise and make you an offer in order to maintain your custom and goodwill.

5.2 *Compose a suitable reply from Dr Yahya Mahmood to you.*

[NB: the letters should conform to accepted standards of business letter writing.]

Activity 6: WRITTEN CONFIRMATION (assignment)
Competence criterion 2.1, 2.3

You have just had a meeting with your line manager who asked you to explain why a certain task was not done. Your defence was that you gave instructions to a subordinate who appeared to understand what was required. Your manager told you that in future you must always follow up a verbal instruction with written confirmation.

6.1 *Explain why you think your manager has asked you to confirm all your instructions in writing.*

6.2 *Decide how or where you would record/store the written instructions. Give reasons for your answer.*

Activity 7: WRITING MEMORANDA (assignment)
Competence criterion 2.3

The structure of a memorandum is not quite the same as that of a business letter even if the subject matter is the same. Memoranda are generally thought to be internal communications. Each of the following cases refers to situations in Parvez Solutions, a large electronics company.

- 7.1 *The managing director is concerned about the security of internal communication. Recently, confidential information about the company's expansion plans has been leaked to the Press.*

Write a memorandum to all heads of department, outlining the need for security of all paperwork, electronic mailings and verbal communications.

- 7.2 *You are the human resources manager and want to set up the regular monthly meeting of managers and supervisors from the production division. The meeting is in the diary for Thursday of next week at 08.00 in the training room. The meeting will be terminated at 10.00 regardless of whether or not all the business has been conducted. Items for the agenda should be in your hands no later than three days before the meeting.*

Write a clear and uncomplicated memorandum for circulation to the managers and supervisors of the production division.

Activity 8: BUSINESS REPORT (assignment)
Competence criterion 2.2

Investigate a company [or your school or college] and produce a business report containing your findings.

[NB#1: The report should inform the non-business reader about the structure and operation of the chosen organisation. Pay attention to your presentation, clarity of language and illustration, and style.
NB#2: a report can be written on the activities of a Young Enterprise Company or Mini-Company operated by the students.]

Activity 9: SENTOSA PUBLISHING (assignment)
Competence Criteria 2.1, 2.3

Sentosa Publishing is located in Singapore and, owing to the significant increase in publishing business especially from overseas, has recently updated its computer systems. The Board has decided that the company needs a newer and fresher corporate image. You have been asked to create this new image and design its new stationery layouts.

- 9.1 *Design a small and appropriate logo that could be easily printed on books, letterheads and other stationery.*
- 9.2 *Design the company's business letterhead. Apart from the company name, devise your own information covering the full address, telephone and fax numbers, e-mail address and web site. You will need to include the logo you designed under 10.1.*
- 9.3 *Design the company's fax cover sheet to include the following information: company name, address, telephone and fax numbers; name of person sending fax; name of person receiving the fax and the company name, address, telephone and fax numbers; number of pages being sent; and subject.*

<p>Assessment Objective 3.0 Examine effective communication in groups</p>
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Groups are established for a variety of reasons within an organisation. A tutor may wish to discuss some of the different types of groups a student is involved with within their school or college or work group: formal and informal, groups established for specific projects or extra-curricular activities. The effectiveness of a group will depend on a variety of issues; these could all be introduced through a student's learning experiences.

Activity 10: NON-VERBAL COMMUNICATION (assignment)
Competence Criterion 3.1

Match the following methods of non-verbal communication with the message being sent.

Non-verbal communication	Message
a smile	angry
arms crossed	unsure of information being sent
rubbing nose or tugging ear	defensive
a fist in the air	agree
nodding head	lie being told
a frown	happy

Activity 11: DRESS CODE (assignment)
Competence criterion 3.2

Over the past few years many business organisations have become much more flexible regarding what is acceptable as 'business dress'. It is not unusual, in some firms, to see staff wearing what is known as 'smart casual' clothing. However, there are still some companies which demand the acceptance by staff of a dress code. In these cases it is felt that the employees reflect the image of the business so an appropriate minimum standard of dress and personal hygiene is required.

- 11.1 *As the human resources manager, the managing director has asked you to draft a guideline for the benefit of all staff. It should clearly indicate what you think should be the minimum acceptable standards of business dress and personal hygiene.*
- 11.2 *In each of the following cases, explain what action you would advise the company to take:*
- (i) *Young men in the engineering division workshops wearing earrings and necklaces, and long hair in a loose style;*
 - (ii) *female staff do not dress with appropriate modesty;*
 - (iii) *someone with low standards of personal hygiene;*
 - (iv) *staff who have no dress sense (they wear mis-matched or strange clothes).*

Activity 12: THE BAKERY COMPANY SUMMER SOCIAL OUTING
(case study & role play)
Competence Criteria 3.1, 3.2, 3.3, 3.4

TUTOR INFORMATION

This is a role-play surrounding a 'project group' which has to organise a social outing for employees of The Bakery Company.

Suggested organisation

- Organise students into groups of four.
- Give each student a role to play: personnel manager, elected shop floor worker, accountant and observer.
- Discuss the background information.
- Give students their individual aims.
- Give students 20 minutes to decide on the event and allocation of tasks.
- Then give the observer 5 minutes to finish notes on sheets 1 and 2, and the role players to complete their forms.
- Hold a brief class discussion on the outcomes.
- Follow this with an in-depth class discussion of communication methods used during the meeting and how they affected the outcome.

THE CASE STUDY

It is time to organise the summer social outing for all 500+ staff at The Bakery Company. This is a tradition that began when the bakery was first set up in 1845. It has always taken place on a Saturday and, in the past, successful trips have included barbecues and games, or trips to fairs or shows. The aim of the social outing is for all employees, including management, to get together and have a great day out. Last year only 100 employees attended the day out. The managing director has asked a team to decide on and organise a day out that is both affordable and enjoyable for all employees.

PROCEDURE

The team is composed of the personnel manager, an elected shop floor worker and an accountant from the finance department. The team has the task of deciding what should be included in the programme for this year's social outing.

You will work in a group of four with each member choosing one of the roles. The aims of each role player are set out below:

THE PERSONNEL MANAGER

- Decide what the social outing should be this year.
- Have a maximum of two hours' travelling involved.
- You want all employees to sign up for the outing including the management, as not many of these turned up last year.
- You want it to motivate the employees so that they are talking about this for weeks before the outing and after it too.
- You need to produce a plan that outlines who needs to complete what tasks (between the three of you), in order to have a successful social event.
- The managing director has asked you to include 10 minutes for her to give a speech to all the employees
- You need to inform the managing director of the outcome of the meeting and you want to impress her.

THE ELECTED SHOP FLOORWORKER

- Your friends on the shop floor have elected you and you don't want to let them down.
- You want the day to be great fun: last year everyone thought it was too formal with too many speeches. All your fellow workers would prefer it to be a more relaxed event.
- The outing was quite expensive last year. You would like the company to contribute some funds towards the event and make it more affordable for the employees.

- You are happy to work hard and attend meetings to ensure the success of the day.
- You need to inform your friends about the decision when you return to the shop floor.

THE ACCOUNTANT

- You are a very busy person and hope being part of this team will not take up much of your time.
- You want the outing to be affordable for everyone but you would prefer not to contribute too much money from the company's funds.
- You need to inform the finance manager of the outcome of the meeting.

THE OBSERVER

- You are not to become involved in the meeting at all: your role is to **observe** the behaviour of everyone during the meeting.
- You are not interested in the topic being discussed but how everyone is acting during the meeting.
- You will be focusing on the following:
 - (i) tone of voice being used
 - (ii) appropriateness of language
 - (iii) body language, eye contact, listening etc.
 - (iv) group behaviour and hierarchy (e.g. who is the leader? is the behaviour appropriate for a formal project group?)
 - (v) the effectiveness or otherwise of the group
 - (vi) the success or otherwise of the meeting.

[NB: The attached sheets provided by your tutor may assist you in this task].

**The Bakery Company summer social outing
OBSERVER'S SHEET #1**

Make notes on each person's communication during the role-play.

Communication	Personnel manager	Shop floor worker	Accountant
tone of voice used			
Use of business-like language			
body language			
eye contact			
hand gestures			
evidence of listening			

**The Bakery Company summer social outing
OBSERVER'S SHEET #2**

Complete this sheet at the end of the role-play.

Who was the leader of the group?	
What or who determined the choice of leader?	
How did the group meet its aims?	
How did the group outline what was expected at the start of the meeting?	
List three good points about the meeting.	
List three weak points about the meeting	
Any other observation?	

The Bakery Company summer social outing
ROLE-PLAY ANALYSIS

Complete this sheet once the role-play is complete.

Name _____

Role played _____

Think about how you communicated during this role-play.

1. List **three** good communication methods **you used** during the role-play (e.g. tone of voice, body language, listening, behaviour, etc.)

- (a)
- (b)
- (c)

2. List **three** good communication methods **others used** during the role-play (e.g. tone of voice, body language, listening, behaviour, etc.)

- (a)
- (b)
- (c)

3. Did you feel the group achieved its aims effectively and efficiently?

If not, what comment would you make about the group's behaviour?

.....
.....
.....

4. Were you satisfied with the outcome of the meeting?

If not, explain why.

.....
.....
.....

5. Write down any further comments you may have.

.....
.....
.....

Assessment Objective 4.0
Investigate interviews as an effective means of communication

The tutor may find simulations and role-plays helpful in establishing the importance of being prepared for the various interviews that occur within an organisation. It is essential that students are made aware of the need for a manager to maintain control within interview situations.

Activity 13: INTERVIEWS #1 (assignment)
Competence Criteria 4.1, 4.2

13.1 Explain the purpose of each of the following types of business interviews:

- (i) problem solving and decision-making
- (ii) performance appraisal review
- (iii) medical
- (iv) counselling
- (v) grievance
- (vi) disciplinary
- (vii) attitude or behaviour change
- (viii) research and development

13.2 You have recently joined a company in a senior management post. In order to learn more about the day-to-day running of the business you want to meet each of your department heads.

Explain which of the following forms of meeting or interview you would organise:

- (i) non-structured
- (ii) structured
- (iii) loose or semi-structured

Activity 14: USE OF QUESTIONS (assignment)
Competence criterion 4.2

Give examples of the following types of questions and suggest when each type is most appropriate:

- (i) closed questions
- (ii) leading questions
- (iii) open questions
- (iv) hypothetical questions.

Activity 15: INTERVIEWS #2 (role play)
Competence Criteria 4.1, 4.2

Each role play activity requires the participation of two students: one to act as personnel manager and the other as an employee. Students should prepare their cases beforehand and come together in an interview situation to explore and discuss the issues. The role play should be performed in front of the other class members who will act as observers and express opinions on the cases afterwards.

15.1 Disciplinary interview

Imelda, a maintenance engineer, was repairing some lighting units in the corridor. She realised that she did not have the necessary resources with her and went to get them. She moved the heavy ladder and toolbox she was using against a door that swung out into the corridor. Whilst she was gone, Sadie tried to get through the door and finding it was jammed pushed against it hard just as John was passing in the corridor. The ladder fell on him, breaking his arm. Imelda has been called for interview

15.2 Employment interview

Han Le-tau has recently been appointed as an administrative assistant in a very busy department. He left school with good qualifications. His application letter and curriculum vitae were very good and had no spelling mistakes. His school references say that he is a hard worker and mixes well with people. He is popular among other junior employees but his attendance and punctuality at work needs to be improved.

15.3 Grievance interview

Luisa has asked to meet with you. Apparently she has recently found out that when working in the factory she should have been given some safety gloves to wear and training prior to completing a task. No harm came to her but she feels that her manager is not concerned with employees' welfare and is not providing the necessary training. Luisa wishes to pursue her grievance.

15.4 Performance appraisal interview

Ranjit has been working in the personnel department for five years. He has recently completed part II of his professional qualifications. His work has been excellent, particularly when dealing with employees' concerns. As personnel manager, you know he is ready to take on more responsibility and would now like him to be totally in charge of disciplinary and grievance procedures. If he carries out this responsibility well, he will be given a large pay rise in six months' time.

<p>Assessment Objective 5.0 Understand the use of visual aids in business communication</p>
--

It is important that students can identify what is the most appropriate visual aid to use to represent data accurately and for it to be easily understood. Students need to be made aware of the fact that just because they have certain skills or because a computer can write in many wonderful fonts, these may not be the best methods to use when producing visual displays.

Activity 16: UNDERSTANDING DIFFERENT VISUAL AIDS (assignment)
 Competence Criterion 5.1

Complete the table by explaining the purpose, advantage and disadvantage of each of the following visual aids used in business communication:

Visual aid	Purpose	Advantage	Disadvantage
Table			
bar chart			
pie chart			
line graph			

Activity 17: A SURVEY (assignment)
 Competence Criteria 5.1, 5.3, 2.2

You have been asked by the College [or school] Principal to write a report on the shopping habits of people in your community. Present your findings in a clear and concise manner using appropriate visual aids.

- 17.1 Obtain the following information using a simple questionnaire:
- Average student income or personal allowance;
 - What students spend their money on;
 - How students travel to and from college/school;
 - The type and hours of work that students do;
 - How students spend their leisure time.
- 17.2 Use what resources are available to you to produce an accurate and easy-to follow report.
- 17.3 As you obviously want to impress the Principal, state the reason(s) why you have chosen the particular visual aids to present your findings.

Activity 18: ORGANISATIONAL CHART (assignment)
 Competence Criterion 5.2

Students should investigate an organisation known to them and then draw up its organisational chart.

Draw up a structure, i.e. an organisation chart, of an organisation that is familiar to you or one which will offer you the relevant information. This organisation may be your school, college, or employer (it doesn't matter whether you are full or part-time), or a family business.

**MODULE
BUSINESS FINANCE**

**Business
Standard Level**

Business Finance (Standard)

ACTIVITIES: COMPETENCE CRITERIA MAPPING

AO	CC	Activities																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.0	1.1	■	■																						
	1.2					■																			■
	1.3		■	■																					
	1.4				■																				
2.0	2.1						■	■																	
	2.2								■																
	2.3									■															
3.0	3.1										■														
	3.2										■	■	■	■											
	3.3										■		■			■	■								
4.0	4.1																	■							
	4.2																		■	■	■				
5.0	5.1																					■	■		
	5.2																					■	■	■	■

Detailed descriptions of the Competence Criteria for this module are given in the syllabus. Please refer to the syllabus when undertaking course activities and assignments.

All \$ amounts in the following activities are quoted in US dollars.

IDEAS FOR COURSE ACTIVITIES AND ASSIGNMENTS

Assessment Objective 1.0
Understand the importance and use of finance in different types of business organisation

This objective introduces students to the reasons for business finance. It also focuses on the different types of business organisations.

Activity 1: Gulf Engineering Plc
Competence Criterion 1.1

At a meeting of employees, the managing director, Yahya Mahmood, said that the company had only one real objective: making 'a good profit'.

Explain and justify Dr Mahmood's objective to make 'a good profit'.

Activity 2: Investment Exercise: Following the stock exchange
Competence Criteria 1.1, 1.3

Assume you have \$5,000¹ to invest. Select between three and five publicly quoted companies and then allocate your \$5,000 as you wish.

- 3.1 *Track and note the movements of the share prices of your investments over a period of 20 trading days.*
- 3.2 *At the end of the period, calculate your profit or loss.*

Activity 3: Finance: short and long term
Competence criterion 1.3

However successful and profitable a company is, it may still require funding during its financial year in order to maintain operations. Trade credit and debt factoring represent short-term financial sources for a business whilst retained profit is an example of long-term finance.

- 3.1 *Give a description of each of the following forms of finance and in each case identify one advantage and one disadvantage of it to a company:*
 - (i) *Retained profit*
 - (ii) *Trade credit*
 - (iii) *Debt factoring*
- 3.2 *Select and describe one other form of business finance.*

Activity 4: Finance: Working Capital
Competence criterion 1.4

- 4.1 *Explain what is meant by working capital.*
- 4.2 *Describe what it is used for.*
- 4.3 *List and explain four ways in which a business could increase the level of working capital.*

¹ Quoted in US dollars [all \$ amounts in subsequent activities are also in US dollars]

Activity 5: Features of business organisations
 (possible cross modular activity with Business Organisation & Environment)
 Competence Criteria 1.2

Complete the grid by filling in the boxes (with yes, no, ticks, crosses or brief explanations) so that you can compile an easy reference and comparative chart of the features of business organisations.

Features		Sole Trader	Partnership	Private company	Public company	Cooperative society
Limited liability						
Number of members	Minimum					
	Maximum					
Stock exchange quotation						
Separate legal identity						
Liability in the event of bankruptcy						
Management control or direction						
Ownership						
Voting rights						
Maximum shareholding						
Disposal of shares						
Minimum capital requirement						
Main legislation or regulation under which the business is registered						

Assessment Objective 2.0
Understand the need for and use of financial procedures and reporting

The need for financial recording is best illustrated by considering financial reports of real or mock businesses. Tutors may create their own records using a fictitious business or use more complex company reports. Many company reports can be found in local libraries or accessed through company websites. Tutors introducing students to published accounts at this level may wish to use those of large companies who often accompany their records with user-friendly explanations.

Activity 6: Balance Sheets
 Competence Criteria 2.1

- 6.1 *Collect two or three Annual Reports and Balance sheets from publicly quoted companies.*
- 6.2 *With tutorial help, draw conclusions about each business organisation's financial status from the information presented.*

Activity 7: Users of financial records
Competence criterion 2.1

There are several interested parties which need to consult a company's financial records.

- 7.1 Complete the accompanying table by identifying (tick the appropriate box) whether those listed are internal or external users
- 7.2 Suggest their reason(s) for using the records.

Users of financial records	Internal	external	Reason(s) for use
Auditors			
Bank			
Competitors			
Government			
Inland Revenue			
Prospective investors			
Shareholders			
Suppliers			

Activity 8: Principles of Accounting
Competence criterion 2.2

There are a number of accounting principles and you are required to demonstrate knowledge and understanding of them.

- 8.1 Explain what is meant by
(i) consistency
(ii) accruals or matching
- 8.2 Explain how each principle (in 8.1 above) contributes towards the production of a set of accurate accounts.
- 8.3 List at least four other accounting principles.

Activity 9: Global Trading Company: Concepts and standards
Competence criterion 2.3

At an in-house training session for new entrants to the accounting divisions, the Director of Finance said, 'Since we operate in more than 15 countries and own more than 20 foreign firms, it is essential that accounting principles are harmonised throughout the world.'

Give reasons why the Finance Director wants to harmonise accounting principles and practice throughout their companies across the world.

Assessment Objective 3.0
Identify and explain the need for and use of financial, management and cost accounting methods

Students should be made aware of the distinctions between the various branches of accounting and be able to appreciate how the different approaches employed generate different types of information for different users/audiences.

Activity 10: Accounting Methods
 Competence 3.1, 3.2, 3.3

Give a definition, and explain the use, of the following forms of accounting. Where possible, provide examples of the types of figures used by actual companies.

10.1 *Financial accounting*

10.2 *Management accounting*

10.3 *Cost accounting*

Activity 11: Basidiq Games: break-even analysis
 Competence Criterion 3.2

Fatima and Ayesha Basidiq are about to open their business producing hand-held electronic games. They have forecast their costs and sales as follows:

Variable costs per unit		\$22
Total fixed costs		\$504,000
Selling price to retailers		\$40
Predicted unit sales	year 1	20,000
	year 2	36,000
	year 3	60,000

11.1 *Using the information above, complete the following table:*

Predicted output/sales		Unit costs \$			Total Production Costs \$	Total revenue \$	Profit (loss) \$
		Fixed costs	Variable costs	Total costs			
Year 1	20,000		22				
Year 2	36,000		22				
Year 3	60,000		22				

11.2 *Draw the break-even chart and clearly indicate the break-even point.*

11.3 *Calculate the break-even point. Show the formula used and all your workings.*

Activity 12: Costs
 Competence criterion 3.3

Produce definitions for the following business costs:

Costs	Definition
direct	
indirect	
overheads	
marginal	
unit	

Activity 13: Cost and profit centres
Competence criterion 3.2

It is not unusual for a company to split itself into cost and profit centres.

13.1 Explain what is meant by a:

- (i) cost centre
- (ii) profit centre

13.2 Identify one argument for and one against organising a company into cost and profit centres.

Activity 14: College Books Ltd
Competence Criterion 3.2

Here is part of the cost budget for last year produced by College Books Ltd. The manager is comparing the original budget figures with the actual costs for last year.

Cost Area	Budget \$	Actual \$	Variance \$
Staffing	14,000	17,000	(3,000)
Paper	5,200	4,800	400
Equipment	6,500	7,500	(1,000)
Electricity & telephone	4,000	5,000	x
Rent	3,000	3,000	-
Total	32,700	37,300	y

14.1 Calculate the **x** and **y** variances.

14.2 Explain whether or not the manager should be satisfied with the cost levels of the firm.

14.3 Assuming the manager wanted to reduce costs to the budgeted levels, identify which costs you would advise should be considered.

Activity 15: Gopal Electronics: Costs
Competence Criterion 3.3

Gopal Electronics produces three models of laptop computer but the cost details contained in the table below are incomplete.

Calculate the missing figures.

Costs & output	Laptops		
	Delhi	Mumbai	Simla
Direct material costs	60,000	100,000	?
Direct labour costs	120,000	?	210,000
Share of indirect costs	60,000	90,000	120,000
Total costs	?	370,000	500,000
Annual output	800	?	1250
Average total cost per unit	?	296	?
Average total direct cost per unit	?	?	?

Activity 16: Fixed and Variable Costs
Competence Criteria 3.3

16.1 Allocate the following costs under the headings of fixed or variable cost:

Rent, insurance, heating, depreciation, wages, raw materials, packaging.

<i>Fixed cost</i>	<i>Variable cost</i>

16.2 Some costs may be regarded as semi-variable, i.e. they contain features of both direct and indirect costs. Consider why heating, telephone and labour costs could be considered semi-variable.

Assessment Objective 4.0
Understand and describe the elements of accounts and accounting records

Students will be required to demonstrate knowledge of how to produce documents and records that are in accordance with the normal conventions of the accounting model.

Activity 17: Double entry bookkeeping
Competence criterion 4.1

- 17.1 Define double-entry bookkeeping.
- 17.2 Demonstrate your understanding of double-entry bookkeeping by providing examples from business.
- 17.3 Explain why the correct application of double-entry bookkeeping ensures that the balance sheet always balances.

Activity 18: Records and Books for Gopal Electronics
Competence criterion 4.2

Complete the table for all the transactions shown.

Source document	Transaction	Subsidiary book	Account to be debited	Account to be credited
Cheque counterfoil	Insurance paid by cheque	Cash book		
	Supplies purchased on credit			Gopal Supplies
Paying-in slip				

Activity 19: Documentation
Competence Criterion 4.2

Students could be asked to prepare relevant financial transaction documentation based on a real or fictional project. This task could be integrated into a mini-business project where students are producing real documentation and processing real transactions.

Most standard computer software now carries templates for invoices, purchase orders etc. Where this is not available, students could produce their own, using standard conventions.

19.1 Find or copy a set of source documents for a business (ask permission or ensure confidentiality if using real documents – otherwise use examples from a book) and identify how the documents are used by the business.

Activity 20: Financial records
Competence criterion 4.2

Wong Oi-Fan, who setting up her first small business, has admitted that she knows very little about bookkeeping and accounts and has asked you, as her business adviser, to explain or describe the following terms.

Give brief explanations or descriptions of the following terms:

Term	Description/explanation
Invoice	
Credit note	
Double-entry bookkeeping	
Day-book	
Bank reconciliation	
Credit transaction	
Petty cash voucher	

<p>Assessment Objective 5.0 Demonstrate the application of basic accounting techniques</p>

Students will be required to demonstrate an ability to prepare documents/records and to interpret information/results to aid the decision-making process.

Activity 21: Balance Sheets
 Competence Criteria 5.1, 5.2

A managing director of a company is trying to write out the balance sheet for the business. The following items have been listed. You have been asked to help the managing director by putting them all under their correct heading. *Tick the correct box.*

Items	Current assets	Fixed assets	Current liabilities	Long-term liabilities	Share capital	Reserves
Company vehicles						
Cash in the till						
Ten-year bank loan						
Ordinary share capital						
Money owed by customers						
Unsold goods						
Factory						
Retained profit						
Amounts owed to suppliers						
Tax owed to government						

Activity 22: Good Hope Enterprises Ltd #1
 Competence Criteria 5.1, 5.2

For each of the following transactions, tick the correct column to indicate whether they are cash inflows or cash outflows for Good Hope Enterprises Ltd, by ticking the correct box.

Transaction	Cash inflow	Cash outflow
Purchase of a new computer for cash		
Sale of goods to customers - no credit given		
Interest paid on bank loan		
Wages paid to staff		
Debtors pay their bills		
Additional shares are sold to shareholders		
Creditors are paid		
Bank overdraft is paid off		

Activity 23: Good Hope Enterprises Ltd #2
Competence Criterion 5.2

The business records the following transactions for one month:

Sales of goods	\$45,000 (50% for cash; 50% on one month's credit)
Materials purchased and used	\$12,000 (all paid in cash during the month)

Assume no other transactions.

- 23.1 *Calculate the gross profit made by the business in this month.*
- 23.2 *Calculate the cash held by the business at the end of the month (assume it had no cash at the start of the month).*
- 23.3 *Explain why the answers to questions 1 and 2 are different.*
- 23.4 *There is a clear difference between the profit made by Good Hope Enterprises Ltd and the cash flow over the same period. Explain why the cash figure is lower than the gross profit.*

Activity 24: Gardener's Green
Competence Criteria 5.2, 1.2

Manuel Guitano set up in business as a sole trader nine years ago. He called his business Gardener's Green. Manuel designs the gardens for hotels, offices and large private houses. He also maintains customers' gardens. The business is very busy in the spring, summer and autumn but not very busy in the winter.

Manuel is a sole trader and therefore the owner of the business. He employs six full-time employees. These employees have been with him for the past four years. Experienced gardeners are not always easy to find.

Gardener's Green has a small amount of land with six greenhouses although there is space for more. Gardener's Green grows about 50% of the plants that it supplies to customers.

The work is seasonal and so are the incomes to the business, but expenses occur every month. Look at the cash-flow forecast below to see what is likely to happen in the next financial year. There is a cash-flow problem. You have been asked by Manuel to consider this problem and make recommendations as to what he can do to solve it.

NB: The cash-flow forecast for Gardener's Green is given on the next page.

- 24.1 *Suggest who else, apart from Manuel, is likely to be interested in a cash-flow forecast for Gardener's Green. Give reasons for your answer.*
- 24.2 *Refer to the cash-flow forecast.*
- (i) *Explain why some costs stay the same every month. Use an example to explain your answer.*
- (ii) *Explain why some costs vary in some months. Use an example to explain your answer.*
- 24.3 *Manuel has just been informed that his major supplier of plants and trees is about to raise prices. If these costs rise, suggest how the cash-flow forecast for Gardener's Green will be affected.*
- 24.4 *Describe what can be done to improve the cash flow of Manuel's business. Make **three** recommendations to Manuel, explaining their advantages and disadvantages, for improving the cash flow of Gardener's Green.*

(See cash-flow forecast on following page)

Cash-flow forecast for Gardener's Green. All figures in brackets are negative.

Item	Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash inflows												
Sales revenue	70,000	80,000	1,000	1,400	200	200	1,000	50,000	80,000	80,000	60,000	60,000
Cash outflows												
Wages	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Plants & trees purchased	20,000	0	0	0	0	0	0	30,000	30,000	30,000	30,000	30,000
Seed & compost	0	0	6,000	0	0	6,000	8,000	8,000	0	0	0	0
Heating & water	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Bank interest percentage	0	0	0	0	0	10.18	35.49	46.49	31.50	9.10	2.16	0
Business tax on land	100	100	100	100	100	100	100	100	100	100	100	100
Total cash outflow	41,100	27,100	27,100	21,100	21,100	28,118	32,649	63,749	54,250	52,010	51,316	51,100
Opening balance	100	29,000	8,100	55,800	36,100	15,200	(12,718)	(44,367)	(58,116)	(39,366)	(11,376)	(2,692)
Net cash flow	28,900	52,900	(26,100)	(19,700)	(20,900)	(27,918)	(31,649)	(13,749)	18,750	27,990	8,684	8,900
Bank balance (closing)	29,000	81,900	55,800	36,100	15,200	(12,718)	(44,367)	(58,116)	(39,366)	(11,376)	(2,692)	6,208

**MODULE
MARKETING**

**Business
Standard Level**

Marketing [Standard]

ACTIVITIES: COMPETENCE CRITERIA MAPPING:

AO	CC	Activities																		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1.0	1.1	■	■	■	■	■														
	1.2		■	■	■	■														
2.0	2.1						■	■		■		■								
	2.2				■		■	■	■	■		■								
3.0	3.1										■	■	■	■						
	3.2										■	■	■	■	■					
4.0	4.1													■	■			■	■	
	4.2														■	■	■	■	■	
5.0	5.1																			■
	5.2																			■
	5.3																		■	

Detailed descriptions of the Competence Criteria for this module are given in the syllabus. Please refer to the syllabus when undertaking course activities and assignments.

All \$ amounts in the following activities are quoted in US dollars.

IDEAS FOR COURSE ACTIVITIES AND ASSIGNMENTS

<p style="text-align: center;">Assessment Objective 1.0 Understand and describe the purposes and functions of a marketing culture</p>

At the beginning of the course, ask your students to create a portfolio of examples of questionnaires, customer satisfaction surveys, direct mail, articles about marketing, and advertisements that appeal to them.

Students should be made aware how the need for organisations to adopt a marketing orientation has evolved. They need to understand why customers are important to an organisation and how relationships can be developed with different customer groups. The need to use marketing research to identify customer needs accurately is explored, as well as the meaning of basic marketing terminology - segmentation, targeting, the marketing mix, the promotional mix.

Activity 1: ROLE OF MARKETING MANAGER (assignment)
Competence criterion 1.1

- 1.1 *Look through the recruitment pages of the national papers and select four advertisements for marketing managers.*
- 1.2 *Examine the advertisements and identify the key activities for the role.*

Activity 2: CUSTOMER ORIENTATION/1 (group activity)
Competence Criteria 1.1, 1.2

Organise your students into groups of three. Each group should:

- 2.1 *identify examples of good and poor customer service that they have experienced recently;*
- 2.2 *identify what it was specifically that contributed to their experience;*
- 2.3 *explain how, in the case of poor service examples, they would advise the organisation(s) involved to change the approach to customers.*

Activity 3: CUSTOMER ORIENTATION /2 (assignment)
Competence criteria 1.1, 1.2

<p>For several weeks the sales staff of East-West Trading have been attempting to deal with some very difficult customers who have been rude and difficult. Some have made almost impossible demands regarding delivery dates, styling, colour, prices and contract terms. As a result the sales staff have been put under a lot of pressure. It has now been revealed that the 'customers' were actors hired by the managing director and that some of the abusive telephone enquiries were actually conducted by the MD herself.</p>
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<p>At the monthly sales performance review held only last week the MD was asked, 'Why did you do this to us?' The MD stared at the questioner and said, 'I ought to sack you for asking that question. We are in a competitive world and my reasons ought to be obvious to everyone - including you!'</p>

Explain the purpose behind the Managing Director's actions.

Activity 4: CREATING CUSTOMER LOYALTY (assignment)
Competence criteria 1.1, 1.2, 2.2

You are a management trainee at the Jayanti Drug Company which operates a chain of large stores all located in busy city and town centres. The interiors of the stores are identical and laid out strictly according to head office plans. Each store contains three specialist departments - a pharmacy, an optician, and a photographic processing unit. The selling floor is devoted to health and hygiene products, baby care, and cosmetics. Business is good but it is felt that not enough is being done to encourage customer loyalty i.e. the stores should not rely on occasional and impulse purchasing but should try to increase transaction values and create regular customers.

*You have been given a project to examine ways of improving customer loyalty. **At this stage you are only required to provide general notes.***

- 4.1 *Before making any recommendations you would need to understand the behaviour of the company's customers. Explain how you would collect the necessary information.*
- 4.2 *Assuming that nothing is being done about customer loyalty, recommend between 5 and 10 features of a customer loyalty policy that you would like to see installed.*
- 4.3 *Explain the advice you would offer the company to ensure that there is appropriate staff focus on the customers.*

Activity 5: MARKETING ORIENTATION (assignment)
Competence criterion 1.2

Undertake a brief investigation into a well-known business organisation like Microsoft and identify five features which indicate the company's marketing orientation.

Assessment Objective 2.0
Investigate and explain the reasons for, and use of, marketing research for business decisions

One definition of marketing refers to its role in identifying, anticipating and satisfying customer needs. The only way to ensure that this is happening effectively is through marketing research. Students need to recognise that sound business decisions need to be based on research.

Activity 6: CANNED SOFT DRINKS: SMALL SCALE MARKET RESEARCH (group activity)
Competence Criteria 2.1, 2.2

The object of this primary research is to recommend an acceptable price band for canned soft drinks for the 16-30 age group. Students are required to design and trial a questionnaire.

Organise the students into groups of three. Each group is to:

- 6.1 *Design a 'ten question' questionnaire to establish how other students feel about the price of canned soft drinks.*
- 6.2 *Pilot their questionnaire.*
- 6.3 *Analyse the results.*
- 6.4 *Give a presentation to the class on the effectiveness of the questionnaire for its purpose, given the results of the pilot survey.*

Activity 7: PRIMARY RESEARCH (assignment)
Competence Criteria 2.1, 2.2

- 7.1 *Explain the reasons why a large store or supermarket might use primary research.*
- 7.2 *Devise a short questionnaire suitable for identifying customer satisfaction levels at a large store or supermarket. (The questionnaire should not exceed 10 questions).*

Activity 8: USE OF SECONDARY DATA (assignment)
Competence Criterion 2.2

Identify appropriate sources of secondary data for the following companies:

- 8.1 *A European company wanting to expand into the Indian sub-continent.*
- 8.2 *A software company wanting to write programs for the secondary school market.*

Activity 9: CHANGE OF NAME (assignment)
Competence Criteria 2.1, 2.2

You are the marketing manager of a company that produces biscuits. One of the best selling lines among young children is called 'Commando'. The company has received a lot of criticism from parents who claim the name is inappropriate. The company is prepared to change the name of the biscuit.

- 9.1 *Suggest a new name to replace 'Commando' and explain your choice.*
- 9.2 *Suggest how you would assess the attitude of current 'Commando' consumers to the new name you have proposed.*

Assessment Objective 3.0
Understand how to identify customer needs and target segments

Students need to grasp that few organisations sell to all buyers in a market or to all buyers in the same way. The concept of market segmentation is at the core of marketing, and students should be able to identify various bases for segmenting markets.

Activity 10: MARKET SEGMENTATION/1 (assignment)
 Competence Criterion 3.1, 3.2

- 10.1 *Investigate a hotel known to you, preferably one which is used by tourists, business people, and those wanting short mid-week or weekend breaks.*
- 10.2 *Analyse the market segmentation of the chosen hotel and complete the grid with your findings.*

<i>Guest segment</i>	<i>Principal benefit sought</i>	<i>Demographic</i>	<i>Behavioural characteristics</i>	<i>Lifestyle</i>
<i>Business people</i>				
<i>Tourists</i>				
<i>Mid-week and Weekend holiday-makers</i>				

Activity 11: MARKET SEGMENTATION/2 (assignment)
 Competence Criteria 3.1, 3.2

Kofi Mercer is an internationally acclaimed chef and has just written a cookery book which contains recipes of leading international dishes. The recipes demand skill and are likely to be expensive to prepare. The book is at an advanced stage of production. The publishers have advised Kofi that in order to market the book successfully they must segment the market. He doesn't understand what this means.

- 11.1 *Identify and explain five reasons for market segmentation.*
- 11.2 *Suggest which segment of the cookery book market is most likely to buy Kofi's' book and explain your reasons.*

Activity 12: BREAD FOR HEALTH Ltd (Case study)
Competence Criterion 3.1, 3.2, 2.1, 2.2

Joshua Gichira owns a bakery firm called Bread for Health Ltd. The company bakes and sells its own label products to retail shops, restaurants and institutions (e.g. schools, hospitals).

About three years ago Bread for Health introduced a speciality line of breads called 'Fitness'. Speciality breads been a rapidly growing segment of the bread market and the typical consumer comes from an upper-income household and is more highly educated than the typical bread consumer.

Joshua knows that the company's speciality breads are of high quality and that they should be selling well but sales figures indicate otherwise. The Fitness line seems to be rapidly losing market share to the national brands and the company's salespeople can offer no reason as to why the Fitness line is doing badly.

Joshua wants to do some marketing research. Joshua has made notes on what he knows about the position of the Fitness line but, except for his own sales records and reports in trade publications, he realises he knows very little e.g:

- He is unaware of the rise or growth rates of the speciality bread market in his area.
- He has no idea who buys his bread or those of his competitors, or how much consumers buy and how often.
- He doesn't know the relative awareness of the Fitness line and its image among consumers.
- He hasn't any idea of retailers' attitudes towards his bread.

Explain how Joshua should put together an outline marketing research plan to deal with his problem.

Activity13: MARKETING TERMS (assignment)
Competence Criterion 3.1

A marketing manager recently gave a talk about marketing to a group of secondary school pupils. The talk was boring largely because marketing terms were used as if the pupils knew what they meant. There wasn't time for questions so many of the pupils were rather confused by what had been said.

Explain the following terms within the marketing context:

13.1 *Situational factors*

13.2 *Business demographics*

13.3 *Psychographic*

13.4 *Business-to-business bases*

Assessment Objective 4.0
Understand and explain the meaning and use of the marketing planning process

Students here should be introduced to the necessity to plan in order to market proactively rather than reactively. They should also be able to outline the stages in the planning process.

Activity 14: PLANNING A JOURNEY (assignment)
Competence Criteria 4.1, 3.2

To introduce you to the marketing planning process:

- 14.1 *Plan a journey for a group of students.*
(the journey can be local or international; use your imagination)
- 14.2 *Prepare your travel plan proposals and recommendations for a class feedback session.*
(Your proposal should use the following headings:
Objective(s)
Selection of sources of information [including costs involved]
Collection of information
Analysis of information
Conclusions and recommendations)
- 14.3 *Using the same headings prepare an outline plan to investigate a named product or service.*

Activity 15: PEST ISSUES AND MARKET PLANNING (company visit)
Competence Criterion 4.2

Organise a visit to a company for you and a group of fellow students. The object of the visit is to discuss with a senior manager just how the company responds to PEST influences and how they affect market planning. It is essential that you prepare your enquiry carefully before the visit.

- 15.1 *Contact a business that is involved in export and/or import trade and provide full and clear reasons for your request.*
- 15.2 *Identify a list of possible external influences on the company.*
- 15.3 *With your group review the list and agree the questions and issues you will want to raise before you make the visit.*
- 15.4 *On your return, organise a group presentation to the class to share the information you have.*

Activity 16: A SWOT ANALYSIS (assignment)
Competence criterion 4.2

Conduct a SWOT analysis on either

- 16.1 *Your own employer or institution, or*
- 16.2 *Any product of your choice.*
- 16.3 *Report back to a plenary session of your class.*

Activity 17: HI-TECH UNLIMITED (assignment)
Competence criteria 4.1, 4.2

Hi-Tech Unlimited is a brand new company and is about to produce electronic notebooks. The people setting up the business are well qualified in all areas with the exception of marketing. The bank advised them to consult experts in marketing when they were writing the business plan. They are now learning about marketing but they have asked you for advice.

Explain to the company in a memorandum what is meant by:

17.1 *The marketing mix*

17.2 *SMART objectives*

17.3 *Segmentation*

Assessment Objective 5.0
Explain and apply the marketing mix to a product or service

An introduction to the marketing mix was used in the 'planning' section under Competence Criterion 4.2 (see above). Further discussion should be undertaken to highlight the fact that the mix can be varied to different situations. The concept of the product life cycle should be covered thoroughly, highlighting appropriate adaptations of the mix at each stage.

Activity 18: PRODUCT LIFE CYCLE (assignment)
Competence Criterion 5.3

You work for a manufacturer of software and the following figures (given below) for your product groups are available for analysis. Prepare a graph showing the product life cycles for the products A, B, C and D.

Annual sales (US\$ millions)

Year since launch/ Product	1	2	3	4	5	6
A	100	120	200	210	125	80
B		90	120	140	170	180
C	380	420	500	350	340	340
D				40	70	140

Activity 19: THE 7Ps (assignment)
Competence Criteria 5.1, 5.2

Compile a set of notes for yourself on the various elements of the **extended marketing mix**.

19.1 Product

You have been asked to give a talk on the role that branding plays in the product mix.

19.2 Price

Explain the main factors that a business should take into account when setting the price of a new product.

19.3 Promotion

Explain how direct marketing can be used to support sales staff in retailing.

19.4 Place

Identify suitable places or channels of distribution for the following products:

- (i) luxury watches*
- (ii) textbooks*
- (iii) fast food*
- (iv) antique furniture*
- (v) laptops*

19.5 People

You run a private school for children aged 5- 11 years old. Explain the factors you need to take into account under the 'people' element of the marketing mix.

19.6 Process

You work for a firm of lawyers in the centre of a large city. What aspects of the 'process' element of the marketing mix do you need to take into account?

19.7 Physical evidence

You work for a large accounting firm which is about to move to new premises. Advise your managers about the 'physical evidence' element of the marketing mix and why it is important.

**MODULE
HUMAN RESOURCE MANAGEMENT**

**BUSINESS
STANDARD LEVEL**

Human Resource Management (Standard)
COMPETENCE CRITERIA MAPPING

AO	CC	Activities																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1.0	1.1	■	■			■																			
	1.2			■	■	■																			
2.0	2.1						■	■																	
	2.2								■																
	2.3									■															
	2.4										■														
3.0	3.1										■														
	3.2											■	■		■										
	3.3															■									
	3.4													■											
4.0	4.1																■								
	4.2																		■						
	4.3																		■		■				
5.0	5.1																				■	■			
	5.2																						■		
	5.3																							■	
	5.4																								■

Detailed descriptions of the Competence Criteria for this module are given in the syllabus. Please refer to the syllabus when undertaking course activities and assignments.

All \$ amounts in the following activities are quoted in US dollars.

IDEAS FOR COURSE ACTIVITIES AND ASSIGNMENTS

Assessment Objective 1.0
Understand the meaning, purpose and organisation of human resource management

This objective lays the foundation of the module as it defines both the purpose and context of human resource management. The student needs to grasp the essentials before tackling the rest of the module.

Activity 1: Defining Human Resources
Competence Criterion 1.1

You have been asked to talk about the company's human resources department to a party of students. You need to prepare some notes.

- 1.1 *Write down your definition of human resources management.*
- 1.2 *List and briefly discuss at least eight activities undertaken by the human resources department*

Activity 2: The costs of employment
Competence Criterion 1.1

Juanita Textiles has full order books and there is much more business in the pipeline. The issue for the human resources department is whether to offer overtime to existing staff or to take on additional labour. The human resources manager is generally against hiring more staff because of the cost (not of recruitment but of employment). One of the assistants, very new to the job, queried this view saying the only cost is wages.

Explain what costs you think the human resources manager means.

Activity 3: The division of responsibilities
Competence Criterion 1.2

Sunil works in the HR department and is getting irritated with line managers who, according to him, interfere in personnel matters. The latest case concerns a manager who has disciplined a member of staff and issued a warning that if the 'offence' occurs again the employee will be sacked. Sunil reckons that it is the responsibility of HR to deal with such matters as discipline whilst the function of the *line* managers is to ensure their respective teams meet targets.

Explain what personnel responsibilities you think line managers should have compared to the human resources specialists.

Activity 4: Centralisation of human resources
Competence Criterion 1.2

Chandarana Telecommunications employs 15,000 people in some 15 plants and offices throughout the country. The company believes it is cost-effective to centralise its operations including the HR division. There is concern among local managers about the HR provision who think it is ineffective because the entire operation is located at the centre and despite being 500 miles away from its most outlying plant, the HR department still insist on appointing even low-paid unskilled labour. Local managers feel that the appointment of specialist and senior staff may be done at head office, but they must have some HR authority in terms of discipline, pay and recruitment as they have knowledge of local circumstances.

Consider this case carefully and explain whether or not the HR activity should be centralised.

Activity 5: Human resource management: company visit
Competence Criteria 1.1, 1.2

Organise a visit to a company for you and a group of fellow students. The main object of the visit is to discuss with human resources staff what their functions and activities are. It is essential that you prepare thoroughly before your visit. Your group should be no larger than five, including yourself.

- 5.1 *Contact a suitable company with your request for a visit and provide full and clear reasons for your visit.*
- 5.2 *Brief your group before you make the visit and agree the questions and issues you will want to raise.*
- 5.3 *On your return, organise a group presentation to the class to share the information you have obtained.*

Assessment Objective 2.0
Investigate the employment market and the frameworks within which organisations manage people

Having understood the purpose of and reasons for human resources management, the student now needs to appreciate aspects of the employment environment and the context in which people are managed.

Activity 6: Trends: employment market
 Competence criterion 2.1

6.1 Obtain figures on the employment and population trends in your country. You need, if available, three sets of data – current, historical e.g. 10 years ago, and the forecast trends e.g. 10 years ahead. Complete the following table:

Period		Historical	Current	Forecast
Population:	total			
	% male			
	% female			
Age distribution	<21			
	22-39			
	40-59			
	>60			
Working population				
Unemployed % or total				
Number in self-employment				

6.2 Explain any conclusions you can draw from your figures and identify any growing trends.

Activity 7: Comparison of employment
 Competence Criterion 2.1

Consider the difference between being employed by someone else and working for yourself, then complete the following table identifying advantages and disadvantages for each type of employment:

Type of employment	Advantages	Disadvantages
Full-time employment		
Self-employment		

Activity 8: Representative organisations
Competence Criterion 2.2

Trade unions, employers' associations and professional bodies are all representative organisations and have some effect on the process of human resource management.

For each of the following representative organisations explain its function or purpose:

7.1 *trade unions*

7.2 *employers' associations*

7.3 *professional associations*

Activity 9: Modahl Chemicals
Competence Criteria 2.3, 2.4

Form a discussion group with not more than 5 members and discuss each of the following cases within 30 minutes. Report your views, reactions and conclusions to a class plenary session.

9.1 Technological change

Modahl Chemicals is a modern organisation but remains under pressure from rapid change and the managers have to be alert to technological, economic and social changes if they want to maintain their current market position. It is the same for the HR department because, for example, as production methods change so do the required skills and associated training. Within Modahl's HR department there is some difference of opinion about reaction to change: some feel their obligation is only to train to meet the demands of new processes, whilst others feel they have a wider role in helping employees to develop their careers and be involved in lifelong learning.

9.2 Health & Safety

Employees ought to be employed in circumstances which are safe and do not pose a threat to their health. There are countless cases of people contracting illnesses as a result of the hazardous materials they have to handle in their jobs, especially in the chemical industry. Equally people suffer physical injuries because equipment and machines are not safe. The production director at Modahl has to work within a tight budget and is always looking to reduce costs. There is a worrying level of accidents within the factory because safety precautions are inadequate and there are no employees who have undergone first-aid training. The production director's view is that it all costs money and in any case the employees know industrial plants are dangerous places. If they don't like it then there are plenty of others who would gladly take on the work.

9.3 Equal opportunities

An e-mail has arrived from a group of disaffected workers calling for an end to what it calls Modahl's hypocrisy in human resources management. Its main focus is equal opportunity for all and it cites cases where women, immigrants and the disabled are paid less and have fewer promotion opportunities than able bodied male nationals. The e-mail has been intercepted by a number of employees at all levels and quite an argument has been generated. The human resources director is sympathetic to the group's campaign but the managing director is adamant that 'these categories of employee are incapable of performing their tasks reliably and satisfactorily. We only employ them because they are cheap!' Equally he is of the opinion that to remove the pay and promotion differentials would only upset the country's social balance and give less deserving employees more opportunity than they merit.

<p>Assessment Objective 3.0 Describe how organisations meet their human resource requirements</p>
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This aim is devoted to the ways and means that human resources are recruited, organised and managed.

Activity 10: Employment Contracts
 Competence Criterion 3.1

10.1 Give your own definition of the following types of employment contract.

Type of contract	Definition
Full-time	
Part-time	
Fixed term	
Permanent	
Temporary	

10.2 When you have completed the boxes you should check your definitions with those given in a text book or on the Internet.

Activity 11: Recruitment and Selection
 Competence Criterion 3.2

11.1 Application packs

In order to appreciate how companies go about attracting applications for posts, obtain application packs from targeted business organisations. You should keep this material in your portfolio.

Approach three or four companies (preferably those currently advertising posts) and ask for their application packs (which should contain a job description and person specification).

11.2 The CV (Curriculum Vitae)

It is not unusual for an organisation to sometimes receive hundreds of applications for a job and the human resources staff do not always have the time to study each one. The very first task is to reduce the number to a manageable proportion from which to select the shortlist. Staff often say that they are influenced by first impressions.

Write your own CV. Discuss it with two or three other students, encouraging them to make suggestions as to style and content (bearing in mind that first impressions are important).

11.3 Job description

The advertisements for certain levels or types of appointment will invite those interested to apply for the application details which will include the job description.

- (i) Look through the jobs page in your local newspaper and then select a job that appeals to you. Read the advertisement carefully and then draw up what you think would be a likely job description.
- (ii) Write to the organisation, as a potential applicant, asking for the official or real job description. You can then compare yours with the real one.

11.4 Person specification

An important recruitment document is the person specification which defines the sort of person who would do the job satisfactorily.

Identify a job (it can be your tutor or manager) within a particular organisation and then produce an appropriate person specification.

Activity 12: Assessing candidates Competence Criterion 3.2

Candidates react differently in interview situations. Some do not sell themselves well and some may seem over-confident but interviewers (those assessing the candidate) have to attempt to see the 'real person' behind a candidate's application and interview performance.

List and briefly explain what you would look for as positive indicators in a candidate i.e. apart from the content of the application and CV, suggest how should the candidate respond and behave in an interview in order to appeal to you as a prospective employee.

Activity 13: Organisation of work Competence Criterion 3.4

Shiftworking

Jupiter Electronics is very busy with an expanding order-book, so much so that it has abandoned day work for all factory personnel in favour of a shift system.

13.1 *Describe how a shift system is different from day work.*

13.2 *Suggest two benefits that Jupiter will expect to gain from it.*

Flexible working hours (flexitime)

Whilst the factory staff at Jupiter Electronics have been reorganised into shift work, the office staff continue to be on regular day work hours except that they have been offered flexitime. Some workers in the factory have protested that the flexible working hours scheme is not available to them.

13.3 *Explain how a flexitime scheme works.*

13.4 *Suggest, in your opinion, why flexitime hasn't been offered to the factory personnel.*

Activity 14: Recruitment advertising: using the best medium
Competence Criterion 3.2

Advise the human resources department which medium you would use to advertise each post. Some posts may need to be advertised in more than one medium.

Complete the grid below by ticking the appropriate box or boxes.

Media	Vacancies								
	cleaner	receptionist	accountant	Catering staff	Fork-lift truck driver	Management trainee	Computer programmer	General clerical	Semi-skilled general
Local newspapers									
National newspapers									
The Internet									
Local radio									
Television									
Professional journals									
Recruitment agencies									
Careers offices									
University appointments board									
Job centre									
Other (specify)*									

* other:

Activity 15: Termination of a contract of employment
Competence Criterion 3.3

The following cases deal with ways in which employment can come to an end.

15.1 Redundancy

Pacific Software is reorganising and streamlining its operations. The new structure is expected to be less expensive and there will be a new management style. Output will double with only 60% of the current staffing level. Redundancies are inevitable. Pacific Software will be leaner and fitter!

Explain what is meant by redundancy and how it differs from dismissal. Suggest how employees should be selected for redundancy.

15.2 The problem with dismissal

Dismissal is not always a straightforward issue even if an employee has allegedly done something to deserve it. Pacific Software has various rules regarding employee conduct and sometimes people have to be dismissed either instantly or given notice.

Set out the reasons why an employee can or should be instantly dismissed.

15.3 Retirements

The human resources director has a large organisation chart on the wall of her office. It shows the names of every employee exercising some authority and responsibility within the company. Hassan, a potential management trainee, was having an informal interview with the director and noticed the chart. Hassan asked why a date of birth was logged beside each name and also why some names were coloured in red. The human resources director said, 'I will just say that those coded red are all over 55 years old. Now, you think you have management potential so you tell me the significance of my system.'

Assuming you are Hassan, describe your response to the director.

Assessment Objective 4.0
Describe the methods used to enable individuals and groups to work together effectively and resolve conflict

The student needs to appreciate the ways in which people are organised and managed at work, how they may participate in the organisation, and how conflicts are dealt with.

Activity 16: Oriental Foods #1: Appraisal
Competence Criterion 4.1

Oriental Foods was taken over by Gourmet International (GI) about six months ago and, as was expected, many changes have taken place. GI has decided to introduce an appraisal system into Oriental Foods. Instead of being welcomed as an innovative human resources policy there is deep suspicion of GI's motives. It is well known that other companies taken over by GI have suffered from redundancies and the rumour has begun to circulate that appraisal will be used to sack people.

- 16.1 *Explain the purpose of an appraisal system.*
- 16.2 *Suggest how appraisal can help and support an employee.*
- 16.3 *Produce a one page document which outlines the main points about appraisal. This is for distribution to the workforce at Oriental Foods.*

Activity 17: Oriental Foods #2: Disciplinary and grievance procedures
Competence Criterion 4.3

Since Oriental Foods was taken over there has been some growing discontent. It was expected that both the management style and company mission statement would change but not to the extent that is has. Gourmet International's (GI) directors never smile, they give out their orders without discussion, and often impose very strict deadlines on Oriental Foods' management so that they almost collapse under the pressure. The managers, in turn, have increased the pressure and demands on the employees; some employees think it won't be long before they are asked to break the terms and conditions of their employment. Whilst GI is introducing new ideas into Oriental Foods, it hasn't yet sanctioned disciplinary and grievance procedures.

- 17.1 *Explain what you understand to be 'disciplinary and grievance procedures' and how they might affect employees.*
- 17.2 *Make a list of the possible grievances in the case study. Compare your list with others in the class and identify the most common grievances.*

Activity 18: Oriental Foods #3: Participation
Competence criterion 4.2

It is the case that some companies have works councils whilst others have worker directors. They are seen as ways of encouraging employee participation. Oriental Foods has been approached by staff representatives who would like the owners of the company, Gourmet International, to set up a works council or to appoint some worker directors.

- 18.1 *Explain what a works council is.*
- 18.2 *Suggest one advantage and one disadvantage of setting up a works council.*
- 18.3 *Explain what a worker director is.*
- 18.4 *Suggest one advantage and one disadvantage of appointing worker directors*

Activity 19: Oriental Foods #4: Total Quality Management
Competence Criterion 4.3

Another innovation introduced by Gourmet International (GI) is called total quality management (TQM). This is applied throughout the companies owned by GI which, as a result, enjoys a worldwide reputation for high quality food products. The Oriental Foods' production manager told GI that they already had a satisfactory system of random testing of their products after manufacture. GI's response was to demand proper and regular testing before final production. The GI managing director ordered 'Just do it and I want evidence of teamwork!'

- 19.1 *Describe what is meant by TQM and how it could benefit Oriental Foods and their customers.*
- 19.2 *Explain what you think the managing director meant by the reference to teamwork.*

Assessment Objective 5.0
Understand how organisations reward, motivate and develop employees

This part of the unit explores how, once they have been recruited, employees are rewarded and motivated and how their commitment to the organisation is developed.

Activity 20: Methods of payment
 Competence Criterion 5.1

There are a number of ways in which employees can be paid for their work, e.g. sales staff may be paid on commission or production workers by piece rates. The method often reflects the nature of the work.

Define the following payment terms and then offer one advantage and one disadvantage of each term.

- (i) *piece rates*
- (ii) *fixed rates*
- (iii) *payment by results*
- (iv) *salary*
- (v) *wages*
- (vi) *commission*

Activity 21: Monthly pay
 Competence criterion 5.1

At Juanita Textiles white collar workers (all grades) are paid monthly by cheque or credit transfer whilst others are paid weekly in cash (based on actual hours worked). There is a view that this is an expensive way to run the payroll and it would suit the company if all employees, regardless of grade, were paid monthly. The union has been consulted and no objections were raised. However, on the other hand, junior managers have expressed opposition because they reckon monthly pay distinguishes them from ordinary hourly rated workers. The HR manager said the attitude of the junior managers is outdated and does not represent the image of a modern company.

Describe your reaction to the views of the junior managers and the human resources manager. Do you agree with either of them? Give reasons for your point of view.

Activity 22: Fringe benefits
 Competence Criterion 5.2

22.1 *Examine the following list of fringe benefits and then number them in the order of your priority i.e. give 1 to the benefit that you think would motivate you most and 12 to the one with least appeal.*

Benefit	Order
company car with unlimited personal use	
non-contributory pension scheme	
subsidised meals	
discounts when buying the company's products	
private medical insurance covering you and your family	
paid study leave	
free sports facilities	
profit-sharing scheme	
entertainment allowance	
low-interest loan scheme	
travel allowance	
share-option scheme	

22.2 *Ask a colleague to complete the same task. Compare the two sets of results. Do you and your colleague agree or disagree about which benefits motivate people?*

Activity 23: Job satisfaction and Motivation
Competence Criterion 5.3

A company has organised a social function to encourage a mixing of all levels of employees. During the function a senior manager, sitting at a table of factory operatives, said that in his view claims for higher wages must be resisted because in his view job satisfaction is higher than money. Some of the lower paid workers felt insulted by his attitude since they all knew he had a limousine, a large house full of antiques, and took expensive overseas holidays.

23.1 *Bearing in mind that not all jobs are the same (some may demand considerable mental effort whilst others are physically exhausting),*
(i) *Explain what is meant by job satisfaction.*
(ii) *Indicate briefly how you would have responded to the senior manager's view.*

Motivation is the inner force which drives a person to achieve. An incentive is the external factor which aids that motivation e.g. a person may have an interest in the job but a bonus or promotion could encourage greater motivation. One problem for a human resources department is how to keep motivation alive, especially when people have such differing abilities, attitudes and jobs.

23.2 *List and explain what you think are the main ways in which an employer can contribute to motivating employees.*

Activity 24: Defining training
Competence Criterion 5.4

The Managing Director's position is quite clear on training - it is expensive and distracts employees from the tasks in hand; it also unnecessarily raises expectations in terms of status, promotion and pay. He later explained that rather than meet the cost of training he prefers to buy in those already trained and experienced at a higher rate of pay and when they have done what he wants, he can dismiss them.

24.1 *You are asked to respond to the MD's attitude on training. As part of your response provide a list of points for and against his views.*

Induction training should be offered to all new employees as it introduces them to the organisation and to the job. Opinion differs on induction training and there is a variety of practices among companies. In some a one-hour introduction to colleagues is considered sufficient, whilst in others the induction process may be spread over several weeks.

24.2 *Think about a job you would like to do and then draw up what you consider to be an ideal one-day induction programme.*

**MODULE
BUSINESS START-UP**

**Business
Standard Level**

Business Start-Up [Standard]

ACTIVITIES: COMPETENCE CRITERIA MAPPING

AO	CC	Activity													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.0	1.1														
	1.2														
2.0	2.1														
	2.2														
	2.3														
3.0	3.1														
	3.2														
	3.3														
4.0	4.1														
	4.2														

Detailed descriptions of the Competence Criteria for this module are given in the syllabus. Please refer to the syllabus when undertaking course activities and assignments.

All \$ amounts in the following activities are quoted in US dollars.

IDEAS FOR COURSE ACTIVITIES AND ASSIGNMENTS

This module is a good complementary study to Business Organisation & Environment and Business Finance as some of the activities can be used as cross modular assignments.

Students are not necessarily destined to set themselves up in business but the module helps them to understand the practical aspects of creating and running business organisations. Tutors should also read the notes for this module as given in the syllabus.

The main aspect of this module is the preparation of the business plan which should be an on-going activity. Students are advised to start their researches into their business ideas from the beginning of the course. The activities contained in this guide are designed to help students focus on some of the more obvious issues.

Assessment Objective 1.0: Identify and describe a proposed business activity

The purpose of this objective is to introduce students to business ideas and the personal skills required to set-up a business.

Activity 1: A Business Idea (competence criterion 1.1)

Students need to be organised into groups of three. The object is to brainstorm ideas for new businesses. This activity needs to be followed by a tutor-led session in class when each group feeds back its ideas for general discussion.

Choose two other students and form yourselves into a brainstorming group. At this stage you may not have decided what sort of business you would like to set-up but your group should attempt to identify workable ideas i.e. those business ideas which are feasible and can readily be investigated. By exchanging ideas collectively you may be able to identify suitable products or services to fill a 'gap in the market'.

Present your ideas to a feedback session of the full class.

Activity 2: Business Success (competence criterion 1.1)

This activity directs a student to look at local businesses and think about why they have been successful.

Choose two or three local businesses and briefly investigate them.

Write down 5 reasons or factors which you think indicate why each business is successful.

Activity 3: Personal skills audit (competence criterion 1.2)

It is imperative that students appreciate the personal skills required to set up and run a business. This exercise asks the students to focus on what they believe are their skills and how, if appropriate, they are going to acquire or improve them.

Assessment Objective 2.0: Investigate and explain the process of setting up a business

The focus of this objective is on the sources of help and advice to the would-be entrepreneur. Attention is also drawn to the different types of business organisation and start-up requirements.

Activity 4: Sources of help and advice
(competence criterion 2.1)

The focus here is on the sources of help that are available to any would-be entrepreneur. Students need to consider which of them can be considered essential or not and what kind of help they offer.

- 4.1 Consider the list of sources in the accompanying table and indicate whether each source is essential or non-essential.
- 4.2 Complete the last column with brief details of the help you would expect to receive.
- 4.3 Add any other source of assistance you think appropriate
- 4.4 Suggest which of these sources you would consult first and indicate why.

Source	Essential	Non-essential	Nature of information and/or assistance provided
Accountant			
Advertising agent			
Bank			
Business consultant			
Chamber of commerce			
Estate agent			
Insurer			
Lawyer			
Local government			
Surveyor			
Tax authority			
Trade association			

Activity 5: Features of business organisations I
[Competence Criterion 2.2]

Students are asked to complete the grid by filling in the boxes (with yes, no, ticks, crosses or brief explanations) so that they can compile an easy reference and comparative chart of the features of business organisations. (This task is also given in the Business Organisation and Environment module and in the Business Finance module)

Features		Sole Trader	Partnership	Private company	Unlimited company
Limited liability					
Number of members	Minimum				
	Maximum				
Stock exchange quotation					
Separate legal identity					
Liability in the event of bankruptcy					
Management control or direction					
Ownership					
Voting rights					
Maximum shareholding					
Disposal of shares					
Minimum capital requirement					
Main legislation or regulation under which the business is registered					

Activity 6: Features of business organisations II
(competence criterion 2.2)

This activity extends activity 5 and asks students to consider the pros and cons (advantages and disadvantages) of each of the three types of business they are most likely to establish.

Complete the accompanying table by identifying two advantages and two disadvantages of each of three business organisations.

Type of business	Advantages	Disadvantages
Sole trader		
Partnership		
Private company		

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Activity 7: Franchise
(competence criterion 2.2)

Some business opportunities are available in the form of a franchise. Students are asked to consider the features of this form of trading.

You might decide to buy into a franchise.

7.1 Explain what a franchise is.

7.2 Identify two advantages and two disadvantages of buying into a franchise.

Activity 8: Iberian Leather Goods Company (setting up)
(Competence Criteria 2.1, 2.2, 2.3)

Students are put in the role of a business adviser and expected to display knowledge and understanding of the practical issues of running a business.

Maria Ramirez has inherited \$40,000¹ and has decided it is enough to get her started in a small business. She wants to become a retailer of leather goods [e.g. handbags, wallets] for the tourist market. She wants premises which will provide a shop and storage space.

She estimates that she can set up business and survive for about 18 months before worrying about getting her investment back. Maria has found premises and knows a number of local leather workers who will produce goods for her. She believes she cannot really fail.

You are a business adviser and Maria will listen to you. Advise her on what factors she should consider in setting up her business, e.g. form of business organisation, business plan, nature of the tourist market and so on.

Compile a checklist of the issues with each item briefly explained.

¹ All amounts in this guide are quoted in US dollars

Assessment Objective 3.0: Identify and describe the elements of business finance

The aim of this objective is to examine business finance and the role it plays in running a business.

Activity 9: Mandarin Business Consultants (finance and business terms)
(competence criteria 3.1, 3.2)

This activity is designed to help students appreciate the various sources and types of business finance.

You are a business start-up consultant with Mandarin and have an appointment to discuss finance with Tariq Al-Huq who wishes to buy into a franchise. He has been reading about business but remains confused by the terms 'tangible and intangible assets' and by financial terms generally. He is also concerned that his initial costs will include amounts for brand names and goodwill. You have invited Tariq in for an informal chat to explain finance and to clarify some of the issues which confuse him.

9.1 Explain to Tariq why the cost of buying a business may include an amount for goodwill and/or the use of a brand name.

9.2 Prepare some brief explanatory notes so that Tariq can have a better understanding of the following business terms:

Ploughed-back or retained profits	Working capital	
leasing	overdraft	Trade credit
bank loans	tangible assets	intangible assets
cash-flow		

Activity 10: Campbell's Caribbean Drapery
(Competence Criterion 3.3)

This activity is designed to ensure that the students are aware of what direct and indirect costs are and that they have the ability to categorise the different costs incurred by a business.

Primrose Campbell owns a drapery business making curtains and soft furnishings. The following costs have been incurred by Primrose during the last month. Separate them into direct and indirect costs.

Insurance	packer's wages	machinists' wages
Petrol	binding	fabric
Heating	thread	power for the sewing machines
Cleaner's wages	telephone	delivery person's wages
Stationery	packaging	lighting

Activity 11: Basidiq Games: break-even analysis
(Competence Criteria 3.3, 4.2)

Forecasting break-even is an important business activity and this case gives students an introduction to calculating the break-even point. They will also need to know how to draw a break-even chart and identify the break-even point. In the example below students could also be asked to calculate break-even using a formula method.

Fatima and Ayesha Basidiq are about to open their business producing hand-held electronic games. They have forecast their costs and sales as follows:

Variable costs per unit		\$25
Total fixed costs		\$405,000
Selling price to retailers		\$40
Predicted unit sales	year 1	18,000
	year 2	30,000
	year 3	50,000

11.1 Using the information above, complete the following table:

Predicted output/sales		Unit costs \$			Total Production Costs \$	Total revenue \$	Profit (loss) \$
		Fixed costs	Variable costs	Total costs			
Year 1	18,000		25				
Year 2	30,000		25				
Year 3	50,000		25				

11.2 Draw the break-even chart and clearly indicate the break-even point.

11.3 Calculate the break-even point.

Activity 12: Michael's Cash Flow
(Competence Criteria 3.3, 4.2)

This activity focuses on constructing and understanding a cash-flow forecast.

Michael Gichira owns a store selling spare auto-parts. Trade is good but he is always worried that he will not have sufficient cash at the end of the year. He wants to expand his business in July at a cost of \$25,000 and is concerned that he will not have sufficient funds. As his bank manager he has given you the following information regarding his costs for the next few months.

The opening balance for January is \$4,000.

The estimated sales for January-June are: January \$6,000, February \$5,000, March \$4,000, April \$8,000, May \$7,000 and June \$6,000. Although he pays rent for his premises he sub-lets the living accommodate above the shop for \$500 a month.

The cash outflows for the same period will be as follows: gas \$300 in February, electricity \$700 in February, and regular monthly payments of \$800 for rent, \$150 for petrol, \$400 for wages, \$50 for consumables, \$200 for cleaning and cleaning materials.

Create a cash-flow statement and tell Steven what you estimate his closing balance will be at the end of June of this year and inform whether or not he can afford the expansion.

Assessment Objective 4.0: Understand the nature and structure of the business plan

The purpose of this objective is to introduce students to the nature and structure of a business plan. They should then be ready to undertake the final assignment under objective 5.0.

Activity 13: Mandarin Business Consultants (Business Plan)
(Competence Criteria 4.1, 4.2)

You work for Mandarin as a business start-up consultant and have an appointment to see Raoul Sanchez who wants to open his own fast-food business. He knows he needs additional financial support and has approached his bank manager who told him that he must produce his business proposal in the form of a business plan. Raoul does not know how to produce a business plan. The object of your meeting with him is to discuss the production of a business plan.

Write a series of brief headings and notes that you can give to Raoul Sanchez to demonstrate how a good business plan should be drafted - what it should contain, who it is aimed at, and what is it designed to achieve.

Activity 14: Draft Business Plan
(competence criteria 1.1, 2.1, 2.2, 2.3, 3.2, 3.3, 4.1, 4.2)

You should be almost ready to complete and submit your final assignment.

14.1 *Draft* your business plan paying special attention to:

A summary of your business proposal i.e. an overview of the business and its aims and objectives.

A marketing plan

Production plan [if relevant]

Resource requirement

Financial information

14.2 Present your business plan to your fellow students in a class plenary session.