

# Solomon Islands Business Studies Year 7

## Teacher's Guide



# Solomon Islands **Business Studies** Year **7**

Teacher's Guide



### **Solomon Islands Curriculum Development Division**

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# Introduction

This Teacher's Guide supports the *Solomon Islands Business Studies Year 7 Learner's Book*. It gives ideas for lessons, rather than telling you exactly how to teach. The exact methods you use and the timing of lessons will depend on your own circumstances.

## How the Teacher's Guide works

Each chapter of the Teacher's Guide relates to a chapter in the Learner's Book. The opening of each chapter in the Teacher's Guide provides:

- General and Specific Learning Outcomes that refer you to the outcomes in the sub-strands of the syllabus that should form the basis of your lessons. Some chapters cover one sub-strand, some refer to more than one sub-strand
- a list of topics covered in the chapter
- advice on how many 40-minute lessons should be spent on each topic.

The chapter is then divided into lessons for the topics covered. The lessons include:

- Learner's Book page references: these are the pages in the Learner's Book that you should refer to in teaching the lesson.
- Aims of the lesson: these are addressed to the teacher and show what the teacher should achieve during the lesson. The learning outcomes are addressed to the learner and show what the learner should achieve during the lesson.
- Skills: these are the skills that the learners should learn or practise during the lesson
- Teacher instructions: these are numbered steps that enable teachers and learners to achieve the aims of the lesson. They include the activities from the Learner's Book and the suggested answers or results of those activities.

## The outcomes-based approach and the Learner's Book

This Teacher's Guide is written to follow the outcomes-based approach to learning. This approach has been adopted by the Ministry of Education and Human Resources Development and the Curriculum Development Division as part of the new curriculum for Basic Education from Years 1 to 9.

The basis of this approach is that learners should acquire knowledge, understanding, skills, values and attitudes that will be useful to them later in life. The approach is based on the needs of the learners rather than the needs of the subject. The emphasis is not on the traditional content of the subject, but on choosing those elements of the subject that will be useful and valuable to learners. The curriculum is learner-centred rather than subject-centred.

This learner-centred approach contrasts with the teacher-centred approach that has been common in the past. The emphasis is on learners learning for themselves with the guidance of the teacher rather than being taught by the teacher. This means active learning in which learners do things that help them to find out for themselves, think about and draw on their own knowledge and experience, make observations, do experiments and carry out practical tasks. This can be called Learning by Doing.

Because of this approach, the syllabuses, text books and teachers guides refer to “learners”, which suggests active participation in the process, rather than “students”, which suggests passive reception of knowledge.

One way to understand this approach is to think of the more traditional approach of our schools as banking education. In banking education, the teacher regards the learners as empty vessels that should be filled with knowledge. The learners are then tested by being asked to reproduce the knowledge the teacher has given them. This method relies a lot on the learner listening to the teacher, copying notes from the board, learning them and reproducing them later. This can even be done successfully without the learner understanding fully what they are writing and reading.

The present outcomes-based approach can be called problem-posing education. This presumes that the learners already have their own ideas, knowledge and skills based on previous experience in school or elsewhere. The job of the teacher is to build on this by posing problems to the learners that make them think about their own ideas and experiences, as well as adding new knowledge and skills to it. Learners are also exposed to experiences by being asked to observe reality outside the classroom, look at pictures or diagrams, examine statistics, read passages and thus find out knowledge and ideas for themselves. They are then expected to express these in their own words, not those of the teacher, to prove that they have really understood what they have learned.

Learners are encouraged to be responsible for their own learning, to think for themselves and form their own ideas and opinions. They are encouraged to become critical thinkers and to be able to face new challenges and situations for themselves. Learning becomes a cooperative effort between the learner and the teacher. This approach also emphasises the use of multiple intelligences. In addition, education is seen not just as a way of passing on knowledge and skills but a way of forming the kinds of values and attitudes that will make people good and responsible citizens in the future.

## The approach of the Learner’s Book

The Learner’s Book, therefore, follows all these principles. It is not just a summary of the factual knowledge and concepts of the subject. In addition to this “content”, there are activities for the learners to do and these activities form an essential part of the learning process. It is no longer good enough just to “read the book”. Learners must also do the activities in the book.

In the past, activities were often included only at the ends of chapters, and learners and teachers often ignored these and moved on to the next “content” section. With this book, the activities are part of the text and must be completed in order to fully learn from the book. Some sections or chapters start with an activity that helps learners to find out information, think about their own experiences and knowledge, or practise skills for themselves.

There are also many activities based on discussions that encourage learners to form their own ideas. This is to help in the formation of the values and attitudes that are an important part of the curriculum.

Many of the activities are to be done in groups. This is to encourage interaction among the learners, because learners can often learn as much from each other as they can from the text book or the teacher.

## The Learner's Book and the syllabus

The Learner's Book is based on the strands and sub-strands of the syllabus. The order of the chapters follows the order of the sub-strands of the syllabus.

Individual chapters, however, do not always follow the order of the outcomes in the sub-strands of the syllabus. Each sub-strand of the syllabus outlines the knowledge, understanding, skills and attitudes—the outcomes we want learners to achieve. The Learner's Book gives guidance about how the learners might best achieve those outcomes. The best way to do this is not always to follow the exact order of the outcomes in the syllabus. In teaching, therefore, you should usually follow the order of presentation in the Learner's Book rather than following the order of outcomes in the syllabus. As long as the outcomes are achieved, we have reached our goal.

The Learner's Book is full of illustrations: photos, pictures, maps, diagrams and statistics. These are not just included for decoration. They should be used as an important part of your teaching. They are often just as important as the words of the book.

## Timing: The syllabus, yearly program planner and Learner's Book

The yearly program planner on page 7 is an extract from the Business Studies syllabus. It shows the total amount of time that should be spent on teaching each of the topics covered by the Year 7 Learner's Book.

**Timing of the syllabus:** Try not to spend more than the indicated number of weeks teaching each strand of the syllabus. Schools vary a great deal in the ability of their learners. This is partly due to the selective nature of our education system. Choice is allowed after Year 6 and most learners choose to go to National or Provincial Secondary schools if they can. This means that the brightest or most academically able learners move to those schools and many Community High Schools have many learners who learn at a slower pace. It is impossible, therefore, to suggest that all schools should teach the strands and sub-strands in the same way or at the same speed. If you find you are unable to teach all the topics in a strand or sub-strand in the time suggested, try to choose the most important topics and leave the rest. If you find you have extra time available, devise some more activities to study the topic in more depth.

**Use of the Learner's Book:** In the same way, some schools may find they do not have time to complete all the activities in the Learner's Book, while others may complete them all with time to spare. If you do not have time, leave out some sections and move on to the next topic. Do not spend so long on one topic that you miss other topics altogether. Try to teach at least some of every strand of the syllabus. If you have very quick learners, make up extra exercises that challenge them to think about the topic in greater depth.

**The Learner's Book and the syllabus:** Some chapters of the Learner's Book cover one sub-strand of the syllabus. Other chapters cover two or more sub-strands that are related to each other and best taught together. At the beginning of each chapter in the Teacher's Guide, there is an indication of which sub-strands of the syllabus the chapter covers. Where it covers two or more sub-strands you should make sure that you refer to the outcomes of each of the sub-strands the chapter refers to.

As explained above, the order of topics in the chapters do not always follow the order of the outcomes in the syllabus. As a teacher, therefore, you should follow the Learner's Book rather than the syllabus, and use the syllabus as a guide to what the learners should finally achieve.

## Yearly program planner

This section shows the entire learning program of the Secondary Business Studies course and the suggested teaching times based on 17 teaching weeks per semester and 34 teaching weeks per year in Year 7. In the table, the title in italics is the strand title; the title in bold is the title of the strand for Year 7; and the bullet points are for the sub-strands or main topics of the sub-strands.

### Year 7: Semester 1

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	<b>Accounting</b>																			
	<b>Economics</b>				<b>Resources and Production</b>				<b>Solomon Islands' Economic System</b>				<b>Business Documents</b>				<b>Revision and exams</b>			
	<ul style="list-style-type: none"> <li>Needs and wants</li> <li>Consumer needs and wants</li> <li>Goods: substitute and complementary</li> <li>Services: substitute and complementary</li> <li>Production</li> </ul>				<ul style="list-style-type: none"> <li>Production</li> <li>Factors of production</li> <li>Renewable and non-renewable resources</li> <li>Production process: specialisation and division of labour</li> </ul>				<ul style="list-style-type: none"> <li>The Solomon Islands economic system</li> <li>The traditional economic system</li> <li>Traditional exchange</li> <li>Traditional and modern money</li> <li>The modern economic system</li> <li>The role of the government in the economy</li> </ul>				<ul style="list-style-type: none"> <li>Introduction to bookkeeping</li> <li>Profit</li> <li>Transactions</li> <li>The need to record transactions</li> <li>Information for decision making</li> <li>Basic cash book</li> <li>Cash documents: receiving money, receipts</li> <li>Paying cash</li> </ul>							

### Year 7: Semester 2

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20		
	<b>Starting Your Own Business</b>																					
	<b>Accounting</b>				<b>Entrepreneurs</b>				<b>Business Structures</b>				<b>Introduction to Marketing</b>				<b>Modern and Traditional Business</b>			<b>Revision and exams</b>		
	<ul style="list-style-type: none"> <li>Credit</li> <li>Documents used in credit transactions (small business)</li> <li>Business documents used in communication</li> <li>Using the information from documents</li> </ul>				<ul style="list-style-type: none"> <li>Reasons for being self-employed</li> <li>Qualities needed to be a successful entrepreneur</li> <li>Good and ethical business practices</li> </ul>				<ul style="list-style-type: none"> <li>Sole traders</li> <li>Partnership</li> <li>Companies</li> <li>Joint ventures</li> <li>Cooperatives</li> <li>Non-government organisations</li> </ul>				<ul style="list-style-type: none"> <li>Distribution of goods and services</li> <li>Identifying target markets</li> <li>Identifying consumer behaviour</li> <li>Advertising</li> </ul>				<ul style="list-style-type: none"> <li>Features of traditional and modern business</li> <li>Nature of commerce or trade in cultural or modern business</li> <li>Aims of modern business</li> <li>Risks to traditional and modern business</li> <li>Corruption and leadership in business</li> </ul>					

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## Suggested teaching methods

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The following are some teaching methods or approaches teachers can use to facilitate effective learning in their classrooms. Teacher planning and good preparation are important to ensure effective applications of these methods.

### Fieldwork and excursions

Fieldwork means any work outside the classroom. This helps learners to link classroom learning to real-world experience. Learners are instructed to apply the skills of observation, investigation, interviewing and so on as a means of collecting information about the topic of study for themselves, thus achieving the outcomes of the syllabus in more practical and realistic ways. This is very important in Business Studies, which teaches learners about the real world around them.

Fieldwork is particularly important in the outcomes approach, which aims to link the learning to the real needs of the learners. Fieldwork is an essential part of teaching, not an “optional extra”.

To ensure an effective and successful outcome, the teacher must consider important aspects of fieldwork such as good classroom preparation and planning, an effective process in carrying out actual work in the field and, finally, follow-up work in the classroom.

This means you must go and look at the area you plan to do fieldwork in before you do it, and decide exactly what you want learners to observe and do when they go there.

The best way is often to provide a questionnaire to the learners before they go. A lot of the work can then be done by learners working in groups to answer the questions, without too much help from you. The activities in the Learner's Book will often give the basis for a questionnaire.

Fieldwork takes time and may have to be fitted in after the normal teaching time—in an afternoon or even on a weekend. Some fieldwork can often be done by giving questionnaires for learners to fill in during their own time by looking at their own area—either after school or, in boarding schools, during the holidays.

Fieldwork is difficult in town schools but it should not be ignored. You may have to rely on questionnaires that help learners to do the fieldwork in their own time, as described above. For example, learners can be encouraged to go out on weekends and look at an industry, business, bank or a farming area. Assignments can also be given for learners to do in their home areas during holidays, and this helps them to realise that what they are learning applies to their home area.

### Report writing

The report writing process involves researching an issue thoroughly, often through fieldwork, collecting the information through one or more of the techniques explained in this section, and organising the information in a logical and clear manner. In Year 7 you should not place too much emphasis on the formal writing of reports. It is usually enough for learners to answer a series of questions in a questionnaire.

Many of the units in the Year 7 English course teach learners about research and report writing, and you should ask the English teachers what learners are doing and even get their cooperation in sharing an exercise to write up fieldwork or other information as part of their English course.

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## Group work

Learners take a more active role and talk naturally when they are allowed to work in small groups. In this way they can express their ideas rather than listening passively to the teacher, as is often the case in whole-class activities. Group work encourages learners to talk or do things for themselves as part of the learning process. Learners discuss, share views and interact in their learning in small groups and present their collective work to the class. To ensure group work achieves effective learning, preparation and class management is important for teachers.

Group work must be properly organised and supervised. You must not use it as an excuse to sit back and let learners get on with it. On the other hand, learners will often not talk freely if they know the teacher is listening, so you must leave groups to talk on their own. Sometimes it is even effective to walk out of the classroom for a while to give groups a chance to get going without you listening.

The role of the teacher in group work should be:

- **Choose the topic:** Groups can only discuss topics that they know something about and that have different points of view or opinions. You cannot discuss a topic such as “How are business activities formed?” because there is only one answer to the question and answers are right or wrong. You can, however, discuss “How can people start their businesses?” There are many different answers to this and each learner can suggest different ideas.
- **Set the objective:** Make sure groups know exactly what to discuss and have a set of clear questions to answer. It is not enough just to say “Discuss this topic”.
- **Organise the groups:** Groups should be small enough for everyone to be able to talk. They should usually be mixed—different island groups, not all *wantoks*. It is good to mix girls and boys but do not do this if it leads to girls being too shy to talk. All-girl groups may sometimes be better.
- **Organise the seating:** Good discussion will only take place if learners face each other in a circle. You cannot discuss with someone else’s back! If possible, classrooms could be arranged by grouping desks in circles facing each other so group work is easy and no movement is necessary. In crowded classrooms you may allow some groups to go and discuss outside.
- **Circulate and listen to progress:** It is best to do this only after giving time for discussion to start. Try to make sure all learners are given a chance to speak. If you see certain people dominating groups, intervene and ask others their ideas. If groups are having difficulty, give guidance by explaining the topic, giving some extra questions or asking individuals their ideas. If groups are doing well on their own, do not interfere.
- **Decide on the language to be used:** In Year 7 most will want to use Pijin. It is best to let them do so or they may say nothing. There is nothing wrong with a local language if everyone in the group speaks it. Try to get each group to report back their ideas at the end in English, either verbally or in writing.
- **Reporting back:** It is often a good idea to appoint a “Chair”, who will report back to the whole class at the end, but this is not always necessary. Each member may write their own ideas, or groups may just learn from the process of discussion.

## Debates and discussions

Group work involves learners in debates and discussions, and these are active ways of engaging learners. Learners are able to collect information through research to use in debates about a particular topic or to share ideas with others in the classroom. They will learn a lot in this process.

Debates are good to encourage learners to form their own opinions about a topic. Even in Year 7 we should encourage this, using simple topics e.g. “How to become a successful business owner” from Chapter 6: Entrepreneurs. At this level, debates should be informal, without trying to follow the strict parliamentary rules of debating.

## Role-play and simulation

Role-play is a kind of group work where learners are given a part to play, either in a discussion or a story. Acting out a role-play encourages learners to participate, interact and learn through talking. Learners act as someone else. It involves putting yourself imaginatively in the place of other people and trying to think, act and talk as they would. Role-play is often best used at the start or end of a teaching topic, when learners have learned quite a lot about a topic or about people in a different area. It helps them to think about the ideas, emotions and feelings of those people.

Simulation is similar to role-play, but the emphasis is on a situation rather than the people.

A situation is made up, similar to a real-life situation, and learners can either be themselves acting in that situation or can act out a role-play.

For example, in Chapter 3 learners are given a story about subsistence agriculture where people work for their own consumption and exchange their surplus with other people. They could be asked to play the parts of the people in the story and act it out. This helps learners to understand other people and how they feel and also to think about what they would do in a certain situation.

In order for a role-play or simulation to be successful, enough time and teacher guidance should be given to learners to get enough information about the person and the situation so they can act and talk realistically when acting out the role-play.

The outcomes approach is meant to teach attitudes and values as well as knowledge, understanding and skills. Role-play and simulation are particularly important in teaching attitudes and values.

## Use of maps

Two important skills are map reading and map interpretation. Map reading skills involve using maps to find out where places are (location) and using information on maps to find out and imagine what places are like (description). Interpretation of maps involves finding out where the natural resources are found (location), which provinces have those natural resources and how they earn money from selling the resources and which countries they export them to.

When using maps with younger children for the first time, it is much easier for them to use them than to draw them. Maps drawn to accurate measurements are more difficult than sketch maps based on estimations. This Learner's Book practises using maps from the beginning, as this should have been learnt in primary school. In Business Studies, Chapter 2, Activity 3, Question 6 teaches learners about which provinces have natural resources by asking them to mark these on a map. Later it asks learners to trace the map and then mark where the natural resources such as gold, diamonds, seaweed and oil palm come from.

Atlases contain small-scale maps of whole countries, continents and the world. If the school has atlases, these should be used in almost every lesson from the beginning, so that learners get used to finding out where places in Solomon Islands and the world are. If you do not have atlases, the Social Studies Learner's Book contains a “mini” atlas inside the front and back covers—maps of Solomon Islands; the south-west Pacific; the whole Pacific basin and surrounding areas; and the world.

Encourage learners to use these to locate any places mentioned in the book.

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## Photograph interpretation

Looking at photographs in the classroom helps learners to understand and remember the words they hear by seeing the real thing in photographs, and gives them the mental pictures to enable them to think about such things later. The skills needed include the ability to recognise what the photograph shows, see relationships within the photograph and explain certain features in it—to interpret it. Teachers can develop these skills in learners by encouraging them to look at all the photographs in the book and asking questions about what they show. Learners should analyse and interpret photographs of the topic they are learning about. Photographs should not just be used as decorations in the book and ignored in your teaching.

In using photographs you must realise that many learners may not be used to looking at photographs, so things in the photographs that are obvious to us may puzzle some learners. Remember that photographs are just colours and lines on paper and we have to use these to decide what the photograph shows. If we are not used to doing this, it may not be easy. There may be some small “boxes” in one part of a photograph and we may know these are houses, but some learners may not recognise these as houses unless we point it out to them.

Be particularly careful of photographs of things some learners may have never seen—even simple things such types of vehicles may be unfamiliar to people in some rural areas. It is likely that no-one has ever seen a robot or a machine, so we must point out what the photo shows, not just presume that learners see what we see.

## Graphs and statistics

Representing information through graphs and statistics is an important and effective way of teaching and learning about a particular topic. Instead of providing a lot of information in words, representing it in a graphical or statistical way may make it easier for learners to understand the importance of the information. In the Business Studies Learner’s Book, learners are introduced to some simple statistics, e.g. a market survey. All the statistics used in this book are simple and you should not use complicated ones in your teaching, or expect learners to remember statistics. They are there to illustrate a point, not to be learned.

## Research interviews and questions

There are different ways of using research interviews with people to collect information about a topic. This could include informal chats; questions for particular people prepared in advance; or standardised questionnaires by which learners work in small groups, ask the same questions to a large number of people and later convert the answers into statistical form. There is a simple example of this at the beginning of Chapter 4, recording revenue and expenses transactions each day.

Prepared questions are also useful for fieldwork and they can be used alone or with any of the above techniques to collect information.

## Guest speakers

Using people from outside the school with specialised knowledge and skills on a particular topic to speak to the learners is one way of altering the normal classroom teaching and learning. Through this process, learners will appreciate the importance of specialised knowledge that other people in the community have.

The people need not be experts. For example, for Chapter 2 you might get someone from Gold Ridge Mining to tell the class about the gold and nickel resources we have in Solomon Islands. For Chapter 7 you might ask a business owner (a sole trader; or from a partnership, a company or a joint venture) to give a talk about his/her business. For Chapter 9 you might ask someone in the village to talk about traditional business or someone in town to talk about modern business.

## Visits

This links with fieldwork. If possible, try to visit an area like the one you are talking about in the Learner's Book. This might be a trade store, a logging area or a market. Make sure learners take a questionnaire, so they know what to look for and what to find out.

## Case studies

A case study is a detailed study of a particular area or topic. Presenting a case study helps learners to understand the reality of a particular topic. It helps to convert the abstract topics in the syllabus into concrete reality so learners will understand them better. In Chapter 7 learners look at Fletcher Kwaimani, which is a joint venture with a New Zealand company, and in Chapter 4 they look at how to record a simple cash book.

## Glossaries

At the end of each chapter in the Learner's Book there is a glossary, or list of words and concepts that are likely to be new to some learners. Each of these words is printed in bold in the Learner's Book. This only includes words that are important in Business Studies. Other "difficult" words should be looked up in the dictionary or explained by the teacher.

Encourage learners to use the glossary whenever they come across a word in bold that they do not know or understand clearly. Learners should not be encouraged to learn these definitions. They should use the definition to make sure they understand the word and then practise using it for themselves. The real test is being able to use the word correctly in sentences, not being able to repeat the definition.

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# Assessment, recording, monitoring and reporting

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Assessment is a process where teachers gather, analyse and interpret assessment information and data. Teachers should use such information and data to develop and implement enrichment support and intervention strategies to improve the teaching and learning processes in the classroom. It is important for teachers to assess the learner to know where they are and the progress they are making in the classroom. It is an important ongoing process in teaching and learning and it should be used continuously, meaning it should not be done only at the end after completing particular topic.

Assessment should include formative assessment, which takes place throughout every teaching topic and every chapter of the Learner's Book. Formative assessment emphasises continuous assessment as part of the teaching and learning process. The idea of "assessment for learning" focuses on using the assessment information to improve teaching and learning as an ongoing process. This helps teachers to monitor their learners' progress on a continuous basis. The teacher should constantly observe and evaluate learners' achievements, collecting data on areas of improvement and new skills that they acquire. In doing this, teachers should focus on the General and Specific Learning Outcomes stated in the syllabus in order for learners to be aware of what is being assessed, and the assessment techniques and criteria used. Learners can then judge for themselves whether they are achieving the General and Specific Learning Outcomes.

Summative assessment tells you what learners have learned or can do after a whole section of teaching, e.g. a unit or chapter test. These are also important but assessment should not be done only by tests. Tests must include skills as well as just knowledge. We should test whether learners can read an invoice or interpret a photograph as well as testing the factual knowledge they have learned.

## Variety of assessments

Some assessment techniques include:

### **Verbal assessment**

- answering questions
- making a verbal report
- interviewing

### **Written assessment**

- doing an activity (from text books or self-prepared)
- doing an assignment
- writing a report
- sitting for a test or an examination

### **Practical assessment**

- participating in a field trip/excursion and collecting information
- demonstrating a particular task
- analysing a photograph
- doing basic library research and collecting information

### **Group-work assessment**

- participating in a group task and discussion
- participating in a role-play or drama.

Other assessment techniques include:

- observing what individual learners do
- consulting with individual learners by asking them questions
- analysing a learner's work such as a portfolio, or a collection of work they have done, to determine how each individual learner is performing.

## Assessment of individual learning outcomes using achievement levels

Learners' achievements in Business Studies will be reported in levels instead of marks. These levels of achievement are derived from curriculum outcomes at Year 7 Business Studies in Solomon Islands. Six levels are used to describe learners' achievement of the learning outcomes, ranging from L5, the highest, through L4, L3, L2, L1 to L0, the lowest. These levels will be used for assessment of individual learning outcomes:

Levels	Descriptors	Indicator
L5	Full mastery of the learning outcome	Achieved (A)
L4	Substantial mastery of the learning outcome	Partially Achieved (PA)
L3	Moderate mastery of the learning outcome	Partially Achieved (PA)
L2	Minor mastery of the learning outcome	Partially Achieved (PA)
L1	Minimal mastery of the learning outcome	Partially Achieved (PA)
L0	No mastery of the learning outcome	Not Achieved (NA)

Learners achieving L1 are considered to have achieved a minimum of what is expected by the end of a particular Year level in Business Studies. It would therefore be true to say that those achieving at L2, L1 and L0 are those whose achievement is considered to be at a critical level (Lc) and need urgent assistance. L3+ combines the upper end achievement at levels L5, L4 and L3. Achievement at levels L3+ represents satisfactory achievement of the learning outcome. For reporting purposes, L0 is reported as Not Achieved (NA), L1–L4 are reported as Partially Achieved and L5 is reported as Achieved (A).

## Recording of learners' achievements

Teachers are encouraged to keep accurate records of both individual learners and the whole class. At the end of each assessment event, individual records of achievements must be recorded using the approved recording template. Teachers must indicate whether a learner has achieved an outcome with an A, partially achieved an outcome with a PA or has not achieved an outcome with a NA. The recommended recording template is shown in Appendices 3 and 4 in the Teacher's Guide (pages 136 and 137).

Keeping up-to-date and accurate records is very important for monitoring and reporting learners' performance, progress and achievements. It is also useful for teachers to use and show the records during meetings with parents, the learner and other key stakeholders.

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## Monitoring of individual learners and class achievements

With accurate records, teachers are able to monitor the learning performance, progress and achievement of individual learners and the whole class. Teachers can monitor an individual learner's performance, progress and achievements at end of each assessment event. As the teacher continues to assess more outcomes, the learning pathway of each learner can be mapped and tracked during a term or semester in any one year. This information is useful data for teachers to provide necessary advice to the learners, parents and other key stakeholders.

In order to identify strengths and weaknesses of individual learners, the teacher needs to keep accurate records of the performance of all learners in the class against the performance of an assessed outcome at the end of an assessment event. In this way the teacher is able to identify which learners have achieved, partially achieved and not achieved the outcome for a particular assessment event. Using this simple monitoring technique, teachers can identify students who need enrichment as a support and other who need remedial work as an intervention strategy to help them acquire the outcomes in order to gain the standards set and required by the national curriculum. The recommended monitoring template is shown in Appendices 5 and 6 in the Teacher's Guide (pages 138 and 139).

## Reporting of individual learners' achievements

With accurate records and effective monitoring systems, the teacher is able to compile and make a balanced, accurate and fair report on the learner's performance, progress and achievement in a given assessment period. The type of reporting system recommended by the Ministry of Education is more descriptive. This means that the report must give a descriptive account on the learner's achievement during a particular term or a semester in a year.

The reporting system will no longer use marks or grades but instead will specify whether a learner has achieved, partially achieved or not achieved the assessed outcome. Such statements will be indicated with an A, PA or NA on the approved reporting form. At the end of each assessment period, the teacher also has to give an overall achievement level for the learner. This is essential for the calculation of the overall award. The overall achievement level is calculated as gross point average, whereby the values of each of the outcomes assessed are added and divided by the number of outcomes assessed. The value of each overall achievement level is equivalent to an award of attainment for the learner for a specified assessment period. The recommended reporting template is shown in Appendix 9 in the Teacher's Guide (page 142).

## Calculating progressive achievement levels for formative and summative assessment

To calculate the progressive achievement level for formative assessment, add the values of achievement levels for all outcomes assessed during the formative component of the assessment and divide by the number of outcomes assessed. The number you get is the progressive achievement level for the learner for formative assessment. Similarly, to calculate the progressive level for summative assessment, add the values of achievement levels for all outcomes assessed in the summative component of the assessment and divide by the number of outcomes assessed. The number you get is the progressive achievement level for the learner for summative assessment.

## Calculating overall achievement level using formative and summative assessments

To calculate the overall achievement for each individual learner, add progressive achievement levels for formative and summative assessments and divide by 2. The number you get is the overall achievement level for the learner for that specific assessment period. The overall achievement level attained corresponds to an overall award for the learner. The award will be issued to the learner in the form of a coloured certificate in recognition of the learner's achievement.

The table below shows achievement levels, awards and certifications.

Overall achievement levels	Performance descriptors	Achievement awards	Certificate position	Colour code
Level 5	Learner is competent with 95% or more of the outcomes	Achieved with excellence	Gold	Yellow
Level 4	Learner is competent with 80–94% of the outcomes	Achieved with merit	Green	Green
Level 3	Learner is competent with 50–79% of the outcomes	Achieved with minimum standards	Blue	Blue
Level 2	Learner is competent with 20–49% of the outcomes	Achieved below standards	Critical level; no award	No award
Level 1	Learner is competent with less than 20% of the outcomes	Achieved far below standards	Critical level; no award	No award
Level 0	Learner is not competent. Did not achieve outcomes	Not achieved	Critical level no award;	No award

## Meetings with parents, learners and other stakeholders

Teachers and the school administration are encouraged to consult parents, learners and other stakeholders to discuss the performance, progress and achievements of learners and suggest ways that learners can improve. This is a very important process because it involves giving proper feedback to the learners, parents and other key stakeholders. Such meetings can be organised by the school administration through a consultative meeting between the teacher and the parents as well as the teacher, parent and the learner.

Teachers should keep accurate records of the learner's performance, progress and achievements and at the same time be able to identify the learning progress for a given period of time during a term, a semester or a year. These results and data should provide positive feedback and a guide for the teacher to identify remedial work for each learner. The teacher will also need to provide results after each batch of remedial work has been carried out with the learner. Learners who are unable to acquire the curriculum standard or requirement for a particular Specific Learning Outcome are referred to as under-achievers.

Conducting these meetings will give parents and key stakeholders the confidence for their children/learners to be educated in our schools and to become part of the learning community. These meetings will make important links with parents and our key stakeholders and strengthen the expected support required by parents as part of the learning support for their children.

# Links between Business Studies and other subjects

Many other subjects teach topics or skills that are similar to or related to the topics and skills we teach in Business Studies. It is important that you are aware of these—when you teach a topic or use a skill, remind learners that they have also learned about this or will learn about this in another subject.

Below is a list of some of the topics or skills in other subjects that you should be aware of.

Other subjects: level and sub-strand	Business Studies: level and sub-strand
<b>Maths</b> <b>Years 7–9</b> <ul style="list-style-type: none"> <li>Use of mathematical skills, concepts, applications to calculate and/or prepare numerical information for business decisions</li> </ul>	<b>Year 7</b> <ul style="list-style-type: none"> <li>Calculating the profit, selling price of goods, percentages and mark-up percentage</li> </ul>
<b>Social Studies</b> <b>Year 7</b> <ul style="list-style-type: none"> <li>Natural resources of Solomon Islands</li> </ul>	<b>Year 7</b> <ul style="list-style-type: none"> <li>Resources and production</li> </ul>
<b>Home Economics</b> <b>Years 7–9</b> <ul style="list-style-type: none"> <li>Create certain home-grown environments for small income-generating projects, e.g. sale of products of Home Economics, such as cooked food, clothing, decorations and tablecloths</li> </ul> <b>Year 8</b> <ul style="list-style-type: none"> <li>Budgeting</li> </ul>	<b>Year 7</b> <ul style="list-style-type: none"> <li>Being an entrepreneur—sole trader, partnership and company</li> <li>Income-generating projects or running a trade store, poultry farm, piggery or taxi business</li> </ul> <b>Year 9</b> <ul style="list-style-type: none"> <li>Budgeting</li> </ul>
<b>Technology</b> <b>Years 7–9</b> <ul style="list-style-type: none"> <li>Create and provide certain small income-generating avenues such as sale of wood, plastic and metal products</li> </ul>	<b>Year 7</b> <ul style="list-style-type: none"> <li>Being an entrepreneur (to earn money)</li> <li>Income-generating projects or running a trade store, poultry farm, piggery or taxi business</li> </ul>
<b>Art and Culture</b> <b>Years 7–9</b> <ul style="list-style-type: none"> <li>Create and provide small income-generating avenues such as visual arts, painting works, handcrafts, visual and music productions</li> </ul>	<b>Year 7</b> <ul style="list-style-type: none"> <li>Being an entrepreneur (to earn money)</li> </ul>
<b>Christian Education</b> <b>Year 9</b> <ul style="list-style-type: none"> <li>To develop important values such as honesty, integrity and ethical business practices</li> </ul>	<b>Year 7</b> <ul style="list-style-type: none"> <li>Applying good and ethical business practices such as honesty, debt payment, fairness and loyalty, complaint response</li> </ul>
<b>Agriculture</b> <b>Years 7–8</b> <ul style="list-style-type: none"> <li>Farm management and costing, cash flow, calculating of selling price and profit</li> </ul> <b>Year 9</b> <ul style="list-style-type: none"> <li>Farm management and costing</li> </ul>	<b>Year 7</b> <ul style="list-style-type: none"> <li>Calculating selling price, profit, percentages and mark-up percentages</li> </ul> <b>Year 8</b> <ul style="list-style-type: none"> <li>Calculate the profit statement for the month</li> </ul> <b>Year 9</b> <ul style="list-style-type: none"> <li>Managing a small business</li> </ul>
<b>English</b> <b>Years 7–9</b> <ul style="list-style-type: none"> <li>Use of English as a means of communicating financial information for effective decision-making</li> </ul>	<b>Year 7</b> <ul style="list-style-type: none"> <li>Business documents used in communication</li> </ul> <b>Year 10</b> <ul style="list-style-type: none"> <li>Two functions of accounting are a means of communication and an aid to business decision making</li> </ul>

# Chapter 1 • Needs and Wants

**Strand:** Economics

**Suggested class time:** 12 periods (3 weeks)

**Sub-strand statement:** This introductory chapter helps learners to understand the meaning of Business Studies. It focuses on the needs and wants of society, how these have changed over time and how they can be satisfied by consuming goods and services as outputs of the production process.

## General learning outcomes

Learners should:

- know the meaning of Business Studies (k) (7.1.1)
- understand the importance of Business Studies (u) (7.1.2)
- understand the concepts of needs and wants, and why needs and wants in the past were different from present needs and wants (u) (7.1.3)
- appreciate the purpose of production (a/v) (7.1.4)
- be aware that goods and services can either be substitutes or complements (u) (7.1.5).

## Specific learning outcomes

Learners should be able to:

- define Business Studies, needs and wants, and other related terms (7.1.1.1)
- discuss the importance of Business Studies (7.1.2.1)
- compare examples of past and present needs and wants (7.1.3.1)
- explain why needs and wants in the past were different from present needs and wants (7.1.3.2)
- explain the term *production* (7.1.4.1)
- discuss the importance of production in Solomon Islands (7.1.4.2)
- differentiate between goods and services as outputs of production (7.1.5.1)
- differentiate between substitute goods and services (7.1.5.2)
- differentiate between complementary goods and services (7.1.5.3).

## Topics and timing

This chapter consists of 12 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Introduction: Why do we need to learn about businesses?
2	Consumer needs and wants
3	Changing consumer needs and wants
4	Understanding substitute goods
5	Understanding substitute and complementary goods
6	Understanding complementary services
7	Understanding substitute services
8	Goods and services as outputs of production
9	Consuming goods produced in other countries
10	Production in Solomon Islands
11	Field trip
12	Chapter 1 review questions (unit test)

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# Lesson 1 • Introduction: Why do we need to learn about businesses?

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*Learner's Book pages 2–4*

## Aims

To help learners to:

- know the importance of Business Studies in Solomon Islands
- understand that businesses as producers make or sell goods and services to consumers in order to make a profit.

## Skill

- drawing and picture interpretation.

## Teacher instruction

- Step 1** Ask learners some questions about Figures 1.1–1.6. Then ask the questions under “What do you know already?” on page 3.
- Step 2** Guide learners to understand that Business Studies focuses on learning about the knowledge and skills necessary to run a business successfully. Explain briefly that this is important for Solomon Islanders because success in business leads to more income (profit) and improvements in the standard of living and in the economy as a whole.
- Step 3** Explain that a business earns money (profit) by selling goods or services to consumers. Briefly explain what goods and services are.
- Step 4** List examples of businesses in your local area/province and identify what goods/services they produce. Note that some businesses produce both goods and services. Give some examples; for example, Soltai Company Ltd produces and sells varieties of canned tuna.
- Step 5** Briefly explain to learners that the success of a business is affected by other players, such as consumers, competitors, suppliers and government.
- Step 6** Do Activity 1.
- Answers**
- 1 A consumer is someone who uses a good or a service.
  - 2 Answers will vary.
  - 3 A business produces a good or service or both, and sells these to consumers for a profit.
  - 4 Production is the making of goods or the provision of services.
  - 5 Business Studies is about how to run a business successfully and it enables learners to become wise consumers.
  - 6 Business Studies will provide the knowledge and skills to operate a business successfully after leaving school.
- Step 7** Conclude by asking summary questions.

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## Lesson 2 • Consumer needs and wants

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*Learner's Book pages 5–6*

### Aim

To help learners to:

- differentiate between needs and wants.

### Skill

- picture interpretation.

### Teacher instruction

**Step 1** Recall the previous lesson.

**Step 2** Do Activity 2.

#### Answers

- 1 Answers will vary but may include: sports shoes, mobile phone, sports bag, sunglasses, soccer ball, magazines or bottle of soft drink.
- 2 Answers will vary but may include: 20 kg bag of rice, bush knife, radio, fishing line and hook, matches or cooking pot.
- 3 The list in Question 1 should include things that we would like to have—these are our wants. The list in Question 2 should include things that are necessary to survive—these are our needs.

**Step 3** Briefly explain that some needs and wants of consumers in Solomon Islands have changed over the years. Note that changes in wants will be more obvious than changes in needs.

**Step 4** Do Activity 3.

#### Answers

- 1 Answers will vary but may include education, medicine, transport, police and security protection.
- 2 Answers may vary significantly.
- 3 Answers will vary. If you cannot produce any of the goods in Question 2 then you have to engage in barter or use money to buy them from another person or business.

**Step 5** Summarise the lesson, emphasising the key points.

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## Lesson 3 • Changing consumer needs and wants

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*Learner's Book page 7*

### Aim

To help learners to:

- appreciate why needs and wants change over time.

### Skills

- group work
- reading.

### Teacher instruction

**Step 1** Divide learners into groups of four.

**Step 2** Do Activity 4.

**Answers**

**1 a**

Need	Past goods	Present goods
To eat	Sweet potato	Rice
To cover the body	<i>Kabilato, grass skirts, leaves</i>	Trousers
<i>For shelter</i>	Bush material house	House with iron roof
<i>Sea transport</i>	Dugout canoe, war canoe, raft	<i>Dinghy, bray boat, yacht, ship</i>
To cook food	<i>Stone oven, bamboo, open fire</i>	<i>Gas/electric oven, metal pots/pans, microwave oven</i>

**b**

Want	Past goods	Present goods
To listen to music	<i>Flutes (panpipe/bamboo), traditional drum</i>	<i>Hi-fi stereo, MP3, CD player, radio, television set, piano</i>
To play with	<i>Seashells, coconut shells, sticks, bush vines</i>	<i>Lego; dolls; battery-operated cars, planes and ships</i>
To decorate the body	<i>Flowers, herbs, traditional shell money, earrings, necklaces, bangles</i>	<i>Modern jewellery, ribbons and clothing, lipstick, nail polish</i>
To smell nice	<i>Traditional herbs and ointments</i>	<i>Perfumes, deodorants, body lotions</i>
To carry things	<i>Woven coconut or pandanus baskets, loya cane baskets</i>	<i>Handbags/suitcases, trolleys, wheelbarrows</i>

**2** Answers will vary but may include:

Goods	Services
<i>Set of false teeth</i>	<i>Dental services</i>
<i>Classical and easy-listening CDs</i>	<i>Church services on Sundays</i>
<i>Reading glasses</i>	<i>Health insurance protection</i>
<i>Woollen clothing</i>	<i>Massage services</i>
<i>Walking stick</i>	
<i>Smoking pipe and tobacco</i>	

**3** Yes. Needs and wants may differ because of differences in the environment (surroundings) they live in. For example:

- Kerosene and batteries may be a want, not a need, in town where electrical power and lighting is available.
- A jerry can for water storage is a need, not a want in villages, but not in town where piped drinking water is available.
- Cars and washing machines may be wants in towns but not in villages.

**Step 3** Highlight how needs and wants change because of the passage of time and different environmental settings.

**Step 4** Summarise the lesson, emphasising the key points.

## Lesson 4 • Understanding substitute goods

*Learner's Book pages 7–8*

### Aim

To help learners to:

- state the characteristics of substitute goods.

### Skill

- picture interpretation.

### Teacher instruction

**Step 1** Recall the answers to Activity 4, Question 1. Compare past and present needs and wants.

**Step 2** Explain that these goods are substitutes because one can be used in place of another; for example, sweet potato and rice.

**Step 3** Briefly explain why it is important for consumers to consider the price of substitute goods when making purchasing decisions; for example, the substitute may be cheaper.

**Step 4** Do Activity 5.

#### Answers

Other examples of substitute goods are:

- margarine and butter—both can be eaten with bread
- Milo and tea—either can be drunk with breakfast
- scones and buns—either can be eaten for breakfast
- black pen and blue pen—either can be used for writing.
- sandals and shoes—both are types of footwear.

**Step 5** Summarise by explaining the characteristics of substitute goods.

## Lesson 5 • Understanding substitute and complementary goods

*Learner's Book pages 8–9*

### Aim

To help learners to:

- differentiate between substitute and complementary goods.

### Skills

- picture interpretation
- comparison of goods.

### Teacher instruction

**Step 1** Recap the characteristics of substitute goods.

**Step 2** Briefly explain what complementary goods are and give some examples. Emphasise that when buying a good that has a complement, consumers must also consider the price of the complement: that is, the other good that must be bought in order to consume or use a particular good.

**Step 3** Do Activity 6.

**Answers**

CD player	Batteries	Complementary
Fresh fish	Tinned fish	<i>Substitute</i>
Bread	Margarine/butter	<i>Complementary</i>
Tea	Coffee	<i>Substitute</i>
Truck	Petrol	<i>Complementary</i>
Outboard motor	Boat	<i>Complementary</i>
Exercise book	Pen	<i>Complementary</i>
Lavalava	Shorts	<i>Substitute</i>

**Step 4** Summarise the lesson, highlighting differences between the two types of goods.

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## Lesson 6 • Understanding complementary services

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*Learner's Book pages 9–10*

### Aims

To help learners to:

- define services and list examples
- explain that some services can be complementary.

### Skill

- picture interpretation.

### Teacher instruction

**Step 1** State that in order to satisfy other needs and wants, consumers will also need to “consume” services, that is, consumer needs and wants cannot be satisfied by consuming only goods.

**Step 2** Briefly explain the definition of services.

**Step 3** Do Activity 7.

**Answers**

Answers will vary but may include the following:

- Checking for malaria in a clinic—need for health care.
- Buying a ticket for a football match—want for entertainment.
- Attending school—need for education.
- Haircut in a hair salon—want for personal hygiene/fashion.
- Travelling by bus—want for transport.

**Step 4** Define a complementary service as one that must be consumed or used as a result of buying a good. For example, if you buy a car, you will need pay for services provided by a mechanic to do maintenance and repair work if the car breaks down.

**Step 5** Do Activity 8 in groups of three.

**Answers**

Answers will vary but may include servicing or repairing a faulty camera, watch, computer, refrigerator or chainsaw.

**Step 6** Summarise the lesson, emphasising the key points.

## Lesson 7 • Understanding substitute services

*Learner's Book page 10*

### Aim

To help learners to:

- explain that services can have substitutes.

### Skills

- group work
- picture interpretation.

### Teacher instruction

**Step 1** Recap the features of complementary services discussed in the previous lesson.

**Step 2** Explain that services can have substitutes.

**Step 3** Divide the class into groups of four to do Activity 9.

#### Answers

Answers will vary but may include the following:

Need or want	Past service	Present service
Treatment for sickness	Traditional health care	Modern health care
Entertainment	<i>Storytelling, traditional dancing, singing</i>	<i>Movies, nightclubbing, concerts</i>
Transport to another island	<i>Paddling canoe or raft, sailing boat (sea transport)</i>	<i>Boats, ships, aircraft (sea and air transport)</i>
Child care	<i>Babysitting by extended family members</i>	<i>Daycare centres, orphanage homes, foster homes, nannies</i>
Communication	<i>Conch-shell blowing, smoke signals, message carriers (runners, pigeons), voice signals, drum beating</i>	<i>Telephone, fax, email, mail, newspapers, magazines, internet services, mobile phones</i>

**Step 4** Ask each group to present their answers to the class.

**Step 5** Summarise the lesson, emphasising the features of substitute services.

## Lesson 8 • Goods and services as outputs of production

*Learner's Book pages 10–11*

### Aims

To help learners to:

- define the term *production*
- appreciate that goods and services are outputs of the production process
- explain the three purposes of production.

### Skill

- picture interpretation.

## Teacher instruction

- Step 1** Recap that goods and services are required by consumers to satisfy their needs and wants. This means that goods and services need to be made available to consumers. This involves production.
- Step 2** Define *production* and briefly explain that goods and services are outputs of the production process.
- Step 3** Briefly explain that goods and services can be produced for three purposes: subsistence, domestic and export.
- Step 4** Divide the class into groups of four and do the first question in Activity 10.

### Answers

Answers will vary but may include the following:

Subsistence production today	Domestic production	Production for export
<i>Root crops such as sweet potato, yam, pana; fish, sugar cane, vegetables</i>	<i>Bread, cane/wooden furniture, vegetables, root crops, kava, carvings</i>	<i>Canned tuna, kava, gold, palm oil, marine products, butterflies, carvings, cocoa, copra</i>

**Note:** Some goods may be included in all three categories.

- Step 5** Ask each group to present their answers to the class.
- Step 6** Summarise the lesson, emphasising the key points.
- Step 7** Ask students to do Activity 11 as homework.

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## Lesson 9 • Consuming goods produced in other countries

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*Learner's Book, page 11*

### Aim

To help learners to:

- appreciate that as consumers, we also rely on goods produced in other countries to satisfy our needs and wants.

### Skills

- overseas negotiation skills
- production of goods skills.

## Teacher instruction

- Step 1** Discuss the answers to Activity 11.

### Answers

Answers will vary but should include some of the following:

- a** It is free.  
It helps you to be independent and self-reliant.  
As a consumer you are aware of the quality of the goods.
- b** We make goods available for other consumers in the country.  
We do not pay for costs of exporting the goods.
- c** There may be greater sales, as there are more consumers overseas who may buy your products. You may get a higher income if prices overseas are higher.  
It helps to get rid of surplus production.

**Step 2** Divide the class into groups of six.

**Step 3** Do the second question in Activity 10.

**Step 4** Ask each group to present their answers to the class.

**Answers**

Answers will vary but may include: pens, calculators, rulers, school bags, exercise books, chalk and clothing worn by teachers and learners.

**Step 5** Summarise the lesson, emphasising the key points.

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## Lesson 10 • Production in Solomon Islands

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*Learner's Book pages 11–12*

### Aim

To help learners to:

- explain why we sometimes rely on goods produced overseas to satisfy our needs and wants.

### Skills

- import and export skills
- picture interpretation.

### Teacher instruction

**Step 1** Divide the class into groups of four to discuss and do Activity 12.

**Answers**

**1** Answers will vary but may include the following.

**Goods:** medicine, kerosene, batteries, mosquito nets, fishing lines, nappies, outboard motors.

**Services:** hospital services, electricity, schooling, banking, water supply.

None of the goods can be obtained from other Solomon Islanders; they have to be bought from other countries. Services such as hospitals, electricity and schooling could be obtained from people and businesses in Solomon Islands. However, complicated surgical operations still need to be done overseas by more skilled doctors with the appropriate technology.

- 2** The three sources are: subsistence production, domestic production and production for export.
- 3 a** Answers will vary but may include: cassava, fish, coconut broom, taro, dugout canoe.  
**b** Answers will vary but may include: copra, gold, palm oil, cocoa.
- 4** Answers will vary but may include the following:
- No or limited resources (labour, machines, land) available locally to produce some goods cheaply.
  - The price of a good produced overseas may be cheaper than one that is produced locally.
  - Overseas goods may be better quality than locally produced goods.
  - Local business cannot produce enough of some goods, so additional amounts need to be bought from overseas.
  - Consumers have different preferences about what goods they consume to satisfy their needs and wants. They may prefer some goods that are produced in other countries.

**Step 2** Ask each group to present their answers to the class.

**Step 3** Summarise the lesson, emphasising the key points.

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## Lesson 11 • Field trip

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*Learner's Book page 12*

### Aims

To help learners to:

- state the importance of a business activity near their school
- identify the output being produced and whether the output is a need or want
- state whether the output is a substitute or complementary good or service
- identify the purpose for the production of the good or service.

### Skills

- questionnaire
- interview.

### Teacher instruction

**Step 1** Do Activity 13. Arrange a field trip to study a business activity near the school.

**Step 2** Divide the class into groups of five.

**Step 3** Give each group the following questions to be answered as a group:

- 1 What is the output being produced?
- 2 Describe how the output is produced.
- 3 Is the output a need or a want? Explain why.
- 4 Is the output a substitute or complementary? Explain why.
- 5 State the purpose(s) of the output being produced. How does it benefit the business and the economy as a whole?

#### Answers

Answers will vary depending on the nature of production and how the output is distributed.

**Step 4** Ask each group to submit their answers at the end of the field trip, to be marked as a group assessment.

## Lesson 12 • Chapter 1 review questions (unit test)

### Teacher instruction

**Step 1** Learners sit a test based on Chapter 1. Allow 30 minutes for the test.

### Chapter 1 review questions

**Instructions:** Write the numbers 1–15 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 When you drink a can of soft drink, this is an example of
  - a consumption
  - b production
  - c buying a service
  - d business
- 2 Which of the following is a want and not a need?
  - a water
  - b food
  - c clothing
  - d radio
- 3 Production is
  - a subsistence living
  - b the making of goods only
  - c the provision of services only
  - d both the making of goods and provision of services
- 4 Which of the following are substitute goods?
  - a petrol and chewing gum
  - b rice and yams
  - c petrol and a generator
  - d radio and rice
- 5 Which of the following are complementary goods?
  - a petrol and chewing gum
  - b rice and yams
  - c petrol and a generator
  - d radio and rice
- 6 Which of these businesses provide a service?
  - a taxi business
  - b fishing
  - c biscuit maker
  - d boat builder
- 7 Production for one's own consumption is called
  - a subsistence production
  - b domestic production
  - c export production
  - d import production
- 8 Production in Solomon Islands for consumption within Solomon Islands is called
  - a subsistence production
  - b domestic production
  - c export production
  - d import production

- 9** Goods consumed in this country that have been produced in another country are called
- imported goods
  - exported goods
  - subsistence goods
  - domestic goods
- 10** Which of the following is most likely to be an imported good?
- cassava
  - copra
  - bread
  - radio
- 11** Which of the following is most likely to come from subsistence production?
- cassava
  - copra
  - canned fish
  - radio
- 12** Which of the following goods is most likely to be produced for export?
- cassava
  - cocoa
  - bread
  - fibreglass canoe
- 13** Which type of production is impossible to live without?
- production for export
  - production of goods for cash
  - subsistence production
  - production of substitute goods
- 14** Which type of production allows the country to earn money from overseas?
- subsistence production
  - domestic production
  - production for export
  - production for import
- 15** What is the main purpose of production?
- to satisfy needs and wants
  - to make money
  - to give people work
  - to produce exports

**Step 2** Collect test papers for marking.

**Answers**

- |             |             |             |             |             |
|-------------|-------------|-------------|-------------|-------------|
| <b>1</b> a  | <b>2</b> d  | <b>3</b> d  | <b>4</b> b  | <b>5</b> c  |
| <b>6</b> a  | <b>7</b> a  | <b>8</b> b  | <b>9</b> a  | <b>10</b> d |
| <b>11</b> a | <b>12</b> b | <b>13</b> c | <b>14</b> c | <b>15</b> a |

**Step 3** Summarise the lesson by discussing the answers to questions given on the field trip.

## Chapter 2 • Resources and Production

**Strand:** Economics

**Suggested class time:** 16 periods (4 weeks)

**Sub-strand statement:** Production is the making of goods or the provision of services. It involves the factors of production. The natural resources, capital, labour and the enterprise in Solomon Islands help to produce goods and services. Resources in any given production process must be managed and looked after or cared for. There are three types of production: primary, secondary and tertiary production.

### General learning outcomes

Learners should:

- know the meaning of *resources* or *factors of production* (k) (7.2.1)
- understand the type of resources or factors of production used in the production process (u) (7.2.2)
- understand the importance of each type of resource in Solomon Islands (u) (7.2.3)
- appreciate the need to use our resources in a sustainable way (a) (7.2.4)
- appreciate the importance of each stage of production (v) (7.2.5)
- investigate the production process using local examples (s) (7.2.6).

### Specific learning outcomes

Learners should be able to:

- define *resources* or *factors of production* and related terms (7.2.1.1)
- list the types of resources or factors of production used in the production process (7.2.1.2)
- discuss the importance of the type of resources (7.2.2.1)
- classify examples of the types of resources in the country (7.2.3.1)
- discuss the importance of using our resources wisely (7.2.4.1)
- differentiate between renewable and non-renewable (7.2.4.2)
- explain the stages of the production process (7.2.5.1)
- describe the production process using examples in your community (7.2.6.1).

### Topics and timing

This chapter consists of 16 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic	Lesson	Topic
1	Introduction: What is production?	9	The production process
2	The factors of production	10	Specialisation
3	Resources in Solomon Islands	11	Division of labour
4	Factors of production in Solomon Islands	12	Technology
5	Map work on natural resources in Solomon Islands	13	Appropriate technology
6	Renewable resources	14	Chapter 2 review questions (unit test)
7	Non-renewable resources	15–16	Field trip
8	Types of production		

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# Lesson 1 • Introduction: What is production?

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*Learner's Book pages 14–15*

## Aims

To help learners to:

- know what production is
- understand the importance of resources in the production of goods and services.

## Skill

- reading.

## Teacher instruction

**Step 1** Ask: “What is the definition of *production*?”

**Step 2** Explain to learners that resources are very important in the process of making goods and services: if there are no resources, there can be no production of goods and services.

**Step 3** Introduce learners to the four important things known as the factors of production or resources, which are needed before goods and services can be produced: natural resources, labour, capital and enterprise.

**Step 4** Do Activity 1.

### Answers

- 1 The materials needed are: timber, sticks, nails, roofing iron, sago palm leaves and tightening strings.
- 2 Roger is building the house, with the help of his friends and relatives.
- 3 The materials were obtained by Roger's relatives and friends.
- 4 Roger is organising the building.

**Step 5** Conclude by asking the key questions: “Why are resources very important? What are the four things needed in order to produce goods and services?”

---

# Lesson 2 • The factors of production

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*Learner's Book pages 15–17*

## Aims

To help learners to:

- know the four factors of production
- realise the importance of natural resources and labour in the production of goods and services.

## Skill

- picture interpretation.

## Teacher instruction

**Step 1** Recap the previous lesson by asking: “Why are resources very important in the production of goods and services? What are the four types of resources used in the production of goods and services?”

**Step 2** Ask the learners to read pages 15–17 in the Learner's Book.

**Step 3** Explain how each type of resource is important in production. Give examples and illustrate the production process.

**Step 4** Do Activity 2.

**Answers**

**1** Natural resources, labour, capital (man-made tools) and enterprise would be used.

**2**

Natural resources	Labour	Capital	Enterprise
<i>Fish</i>	<i>Taxi driver</i>	<i>Taxi</i>	<i>Owner of boat</i>
<i>Gold</i>	<i>Deck hand</i>	<i>Fishing boat</i>	<i>Owner of taxi</i>
<i>Oil palm</i>	<i>Sweet potato farmer</i>	<i>Chainsaw</i>	<i>Garden owner</i>
<i>Trees</i>	<i>Fisherman</i>	<i>Spade</i>	<i>Restaurant owner</i>

**Step 5** Learners should know that the most important factor of production is the enterprise; that is, the factor that organises the whole production.

**Step 6** Summarise the lesson, emphasising the key points.

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## Lesson 3 • Resources in Solomon Islands

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*Learner's Book pages 18–20*

### Aims

To help learners to:

- know the types of resources that can be used in Solomon Islands in the production of goods and services
- realise how these resources can help Solomon Islands' economy.

### Skill

- group discussion.

### Teacher instruction

**Step 1** Ask: "What is meant by *standard of living*? What type of natural resources does Solomon Islands have?"

**Step 2** Ask learners to give examples of natural resources that can be found in Solomon Islands and how these resources can be used to produce goods and services.

**Step 3** Ask learners to think of some of the forms of capital that can be found in their own village, in the town and in their school.

**Step 4** Explain that labour is the human effort in the production of goods and services. This includes skilled and unskilled labour. Explain the factors that affect the quality of labour: the health of the active labour force and the level of education and skills training.

**Step 5** Explain that enterprise is the most important factor of production. Solomon Islands needs to have more entrepreneurs in order to produce more goods. If this happens, more needs and wants of people will be satisfied.

**Step 6** Do Activity 3.

**Answers**

**1** Natural resources are the factor of production of which Solomon Islands has the best supply.

**2** Better education and skills training would lead to improved quality of labour and enterprise.

**3** It is difficult for Solomon Islands to have a good supply of capital because capital is expensive.

**4** The health of people has the most impact on labour.

- 5 Enterprise is the most important factor of production because it is responsible for organising the whole production.
- 6 The resources should be marked in the provinces where they are found. For example: gold in Guadalcanal; diamond and oil in Malaita; nickel in Ysabel; mineral mining in East Choiseul and Rennel.

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## Lesson 4 • Factors of production in Solomon Islands

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*Learner's Book pages 18–21*

### Aims

To help learners to:

- know the four factors of production (natural resources, capital, labour and enterprise) that can be found in Solomon Islands
- realise how the four factors of production contribute to the wealth of our country
- understand how natural resources can be best managed and used in a sustainable way.

### Skill

- reading.

### Teacher instruction

**Step 1** Ask the learners to read the text on page 18 of the Learner's Book.

**Step 2** Explain that natural resources are one of the important factors of production.

**Step 3** Discuss what natural resources are found in Solomon Islands.

**Step 4** Ask: "What is labour? What are the latest census figures for the population of Solomon Islands? What are the two factors affecting the quality of labour? Why?"

**Step 5** Guide learners to understand what capital is. Ask: "What are some examples of capital in Solomon Islands and in other countries? How can capital help the production of goods and services in our country?"

**Step 6** Ask: "What is an entrepreneur? How could you become a successful entrepreneur when you leave school?"

**Step 7** Explain that there are two types of natural resources: renewable and non-renewable resources.

---

## Lesson 5 • Map work on natural resources in Solomon Islands

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*Learner's Book page 20*

### Aim

To help learners to:

- locate some of the natural resources found in Solomon Islands.

### Skills

- research
- reading.

## Teacher instruction

- Step 1** Ask learners to trace clearly the map on page 20 into their exercise books.
- Step 2** List the natural resources found in Solomon Islands, such as gold, nickel, palm trees, seaweed and timber.
- Step 3** Help learners to decide on symbols to represent different types of natural resources, for example, a star to represent gold.
- Step 4** Ask learners to place the symbols on the map to show where different natural resources are found. For example, a star that represents gold could be placed in Guadalcanal.

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## Lesson 6 • Renewable resources

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*Learner's Book pages 20–21*

### Aims

To help learners to:

- define *renewable and non-renewable resources* and list examples
- understand different types of renewable natural resources
- know how to control renewable resources.

### Skill

- reading.

## Teacher instruction

- Step 1** Explain what renewable resources are.
- Step 2** Do Activity 4.
- Answers**  
Answers will vary but may include the following:
- 1 population increase, pollution from logging, new fishing methods
  - 2 We can manage the harvesting of trees and plant more trees.
  - 3 No, because gold is not a renewable resource. When it is used up, it cannot be replaced.
- Step 3** Explain how renewable resources can be managed so that they can continue to be used in the future. Explain the term *sustainable* with respect to renewable resources.
- Step 4** Guide learners to identify some common renewable resources in Solomon Islands.
- Step 5** Ask: “What will happen to our resources if they are not properly managed?”
- Step 6** Summarise the lesson, emphasising the key points.

---

## Lesson 7 • Non-renewable resources

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*Learner's Book page 21*

### Aims

To help learners to:

- understand different types of non-renewable resources
- realise the consequences of over-harvesting of non-renewable resources.

## Skills

- reading
- group discussion.

## Teacher instruction

**Step 1** Link this lesson to the previous lesson. Ask: “What are some of the non-renewable resources in Solomon Islands?”

**Step 2** Ask the learners to summarise the text on non-renewable resources on page 21 of the Learner’s Book.

**Step 3** Do Activity 5. For Questions 3, 4 and 5, divide the class into six groups. Ask a representative from each group to write down the group’s suggestions and report to the class.

### Answers

- 1 Answers will vary but may include: trees, fish, shells.
- 2 Answers will vary but may include: gold, nickel, copper.
- 3 Answers will vary.
- 4 Using resources in a sustainable way means that they can continue to be used in the future. An example of sustainable development is reforestation.
- 5 People will have to look for alternative resources.

**Step 4** Summarise the lesson, emphasising the key points.

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## Lesson 8 • Types of production

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*Learner’s Book pages 21–22*

## Aims

To help learners to:

- define *primary, secondary and tertiary production*
- know the three types of production
- give examples of goods and services made in the three types of production.

## Skill

- reading.

## Teacher instruction

**Step 1** Explain what the three types of production are: primary, secondary and tertiary.

**Step 2** Help learners to explain each type of production.

**Step 3** Ask learners if they can give examples of goods and services made in each type of production.

**Step 4** Give the learners summary notes of the three types of production.

**Step 5** Summarise the lesson, emphasising the key points.

## Lesson 9 • The production process

Learner's Book pages 21–23

### Aims

To help learners to:

- know the production process that involves the four factors of production needed for any type of production
- understand how the four factors of production help in the production of goods and services.

### Skill

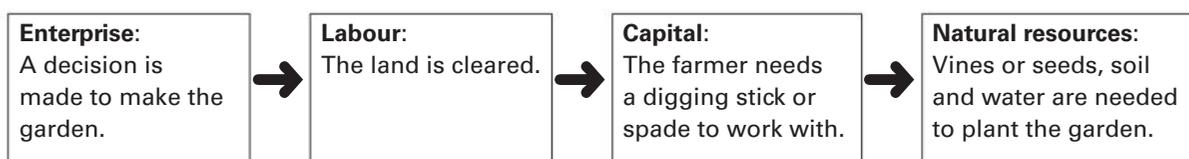
- picture interpretation.

### Teacher instruction

**Step 1** Recap the previous lesson by asking learners to state the three types of production of goods and services, and give examples of each type.

**Step 2** Help to explain how the four factors of production (natural resources, labour, capital, enterprise) are involved in the production process.

**Step 3** Use a diagram to illustrate the production process in making a garden.



**Step 4** Do Activity 6.

#### Answers

Primary	Secondary	Tertiary
Logging	<i>Baking bread</i>	<i>Teaching</i>
<i>Collecting trochus shells</i>	<i>Making shell money</i>	<i>Putting on a concert</i>
<i>Mining gold</i>	<i>Drying copra</i>	<i>Writing up a record for business and for shipping</i>
	<i>Making a chair</i>	
	<i>Making a fibreglass boat</i>	
	<i>Printing a newspaper</i>	

**Note:** There is an error in the table above that appears in the Learner's Book. Teachers should ask learners to delete the "Enterprise" column.

**Step 5** Summarise the lesson, emphasising the key points.

## Lesson 10 • Specialisation

Learner's Book page 23

### Aims

To help learners to:

- define *specialisation* and *specialist* and list examples
- understand the benefits of specialisation in the production of goods and services.

## Skill

- picture interpretation.

## Teacher instruction

**Step 1** Ask: “What is specialisation? What is a specialist?” Help the learners to understand these terms.

**Step 2** Explain how specialisation can have an impact on the quantity and quality of the production of goods and services.

**Step 3** Ask learners to think of examples of specialisation in different areas of production.

**Step 4** Ask: “What are the benefits of specialisation?”

**Step 5** Do Activity 7.

### Answers

- 1 Answers will vary and may include: custom doctor, carpenter, fisherman, carver, basket weaver.
- 2 Answers will vary. For example, in Honiara, most people who work are specialists because they are skilled in doing certain activities.

**Step 6** Summarise the lesson, emphasising the key points.

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# Lesson 11 • Division of labour

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*Learner's Book page 24*

## Aims

To help learners to:

- define *division of labour* and list examples
- realise the importance of the division of labour in the production of goods and services
- understand how the division of labour is used in the process of making goods and services
- understand that technology leads to increases in production.

## Skills

- reading
- group discussion
- making a paper aeroplane.

## Teacher instruction

**Step 1** Help learners to understand how the division of labour is used in production.

**Step 2** Ask learners to write notes on the division of labour.

**Step 3** Help to explain division of labour in some well-known companies such as Soltai, GPPOL (Guadalcanal Plain Palm Oil Limited).

**Step 4** Divide the class into groups of six to do Activity 8. Make sure that learners follow the instructions in the activity properly.

**Step 5** Help learners understand that there are six stages of work involved in the production of the paper aeroplanes (six different students representing six stages in the production).

**Note:** This could be turned into a competition between the groups. However, the quality of each plane should be looked at as well as the quantity of planes made before deciding the winning group.

**Step 6** Help to explain which stages are involved in natural resources, labour, capital and enterprise. Explain how the assembly line helps the division of labour in commercial production.

**Step 7** Summarise the lesson, emphasising the key points.

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## Lesson 12 • Technology

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*Learner's Book pages 24–25*

### Aims

To help learners to:

- define *technology* and list examples
- know how technology in the production process has changed over time
- understand how appropriate technology suits particular needs and times
- realise that the introduction of new technology leads to greater production.

### Skill

- reading.

### Teacher instruction

**Step 1** Ask: “What is technology?” Guide learners to explain how technology is used in production.

**Step 2** Ask learners to give examples of technology used in the past and today in making gardens, fishing, building houses and so on.

**Step 3** Explain that modern technology in the production process has greatly increased the outputs. Discuss the use of appropriate technology.

**Step 4** Do Activity 9.

#### Answers

- 1 Answers will vary but may include: to manage, to organise, to look after the production.
- 2 Answers will vary but may include: doctor, accountant, dentist, chainsaw operator, electrician.
- 3 Yes. The garden was made in different stages. Men would do brushing and cutting big trees from the garden and may have done the ploughing. Women would find the vines and do the planting, weeding and harvesting.
- 4 With specialisation, workers are more skilled, and the quantity and quality of goods are increased.
- 5 Technology is the ways in which the factors of production are combined.  
Answers will vary but may include: stone axe (traditional technology) and computer (modern technology).
- 6 Appropriate technology is technology that best suits the needs of a particular situation.
- 7 Modern technology is not always appropriate, because different locations have different needs. For example, a computer cannot be used in an office in a rural area where there is no electricity.

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# Lesson 13 • Appropriate technology

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*Learner's Book page 24–25*

## Aim

To help learners to:

- understand how appropriate technology suits particular needs.

## Skill

- reading.

## Teacher instruction

**Step 1** Guide learners to explain how appropriate technology suits particular needs.

**Step 2** Ask learners to give examples of how appropriate technology can be best used in rural areas.

**Step 3** Give notes about technology from pages 24 and 25 for learners to copy.

**Step 4** Ask learners to complete the activity below, matching words and definitions. Learners write the letter in the space next to the correct definition.

- |                               |                |   |
|-------------------------------|----------------|---|
| <b>A</b> Secondary production | <b>1</b> _____ | Anything that can be used in production                     |
| <b>B</b> Production           | <b>2</b> _____ | A factor of production; it refers to tools or machinery     |
| <b>C</b> Tertiary production  | <b>3</b> _____ | The use of raw materials to make something new or different |
| <b>D</b> Labour               | <b>4</b> _____ | The person who organises the factors of production          |
| <b>E</b> Resource             | <b>5</b> _____ | Making goods or providing services                          |
| <b>F</b> Capital              | <b>6</b> _____ | The provision of a service                                  |
| <b>G</b> Entrepreneur         | <b>7</b> _____ | The human effort needed to produce something                |

### Answers

**1 E   2 F   3 A   4 G   5 B   6 C   7 D**

**Step 5** Ask learners to give examples of appropriate technology in their area or town.

**Step 6** Summarise the lesson, emphasising the key points.

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## Lesson 14 • Chapter 2 review questions (unit test)

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### Teacher instruction

**Step 1** Learners sit a test based on Chapter 2. Allow 30 minutes for the test.

### Chapter 2 review questions

**Instructions:** Write the numbers 1–15 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 In the making of a traditional garden, a digging stick would be an example of which factor of production?
  - a natural resources
  - b labour
  - c capital
  - d enterprise
- 2 Which factor of production is most under threat from HIV/AIDS?
  - a natural resources
  - b labour
  - c capital
  - d enterprise
- 3 Which factor of production is responsible for organising the other factors of production?
  - a natural resources
  - b labour
  - c capital
  - d enterprise
- 4 Which of the following is a human-made resource?
  - a timber
  - b tools
  - c fish
  - d rice
- 5 The main reason we do not use very expensive capital equipment in Solomon Islands is because
  - a the population is small
  - b we cannot afford to buy it
  - c it cannot be made in this country
  - d no one wants to buy it
- 6 Which of the following is a renewable resource?
  - a nickel
  - b gold
  - c oil
  - d timber
- 7 Renewable resources are only sustainable if
  - a they are managed carefully
  - b business is allowed to sell as much as they can
  - c the government does not place any restrictions on their use
  - d they are not allowed to be used

- 8** When non-renewable resources are used up, people
- a** will go without a particular product
  - b** will need to find alternative resources
  - c** will try to make some more
  - d** will try to grow some more
- 9** Making a fibreglass boat is an example of
- a** primary production
  - b** secondary production
  - c** tertiary production
  - d** secondary and tertiary production
- 10** Growing rice is an example of
- a** primary production
  - b** secondary production
  - c** tertiary production
  - d** primary and secondary production
- 11** Running a bus business is an example of
- a** primary production
  - b** secondary production
  - c** tertiary production
  - d** primary and tertiary production
- 12** Specialisation will result in
- a** greater quantity of a product being produced
  - b** better quality of a product being produced
  - c** both greater quantity and better quality of a product being produced
  - d** not as many of the products being made
- 13** Division of labour means that many people
- a** each make the same product
  - b** each make part of the same product
  - c** do not use any equipment to make the product
  - d** sit and watch while one person makes the product
- 14** Technology is to do with
- a** using the most modern equipment
  - b** the capital factor of production only
  - c** how the different factors of production are used
  - d** how the work is divided among many workers
- 15** Using appropriate technology means using the
- a** most suitable equipment
  - b** most modern equipment
  - c** most expensive equipment
  - d** cheapest equipment

**Step 2** Collect test papers for marking.

**Answers**

- |             |             |             |             |             |
|-------------|-------------|-------------|-------------|-------------|
| <b>1</b> c  | <b>2</b> b  | <b>3</b> d  | <b>4</b> b  | <b>5</b> b  |
| <b>6</b> d  | <b>7</b> a  | <b>8</b> b  | <b>9</b> b  | <b>10</b> a |
| <b>11</b> c | <b>12</b> c | <b>13</b> b | <b>14</b> c | <b>15</b> a |

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## Lessons 15–16 • Field trip

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*Learner's Book page 25*

### Aims

To help learners to:

- realise the importance of the division of labour in the production of goods and services
- understand how the division of labour is shared among workers in an industry or business.

### Skills

- reading instructions
- questioning.

### Teacher instruction

**Step 1** Do Activity 10.

**Step 2** Help learners to identify the closest business where a division of labour is used in the production of goods and services. Provide instructions to help guide the learners during the field trip.

**Step 3** Prepare questions to ask during the field trip, including the ones listed in the activity on page 25.

**Step 4** After the field trip, divide the class into groups to write a one-page report about the trip. Assess each group's work.

**Step 5** Collect the report from each group at the end of the lesson.

# Chapter 3 • Solomon Islands' Economic System

**Strand:** Economics

**Suggested class time:** 20 periods (5 weeks)

**Sub-strand statement:** The dual economy in Solomon Islands is made up of traditional and modern systems. In the traditional economy, people produce goods and services for their own consumption and barter is used to exchange goods for goods. In the modern economy, money is exchanged for goods and services. The government plays an important role in the economy.

## General learning outcomes

Learners should:

- know the meaning of *economy*, *traditional economy* and *modern economy* (k) (7.3.1)
- understand how Solomon Islands' economy has developed over the years in terms of trade and exchange (u) (7.3.2)
- appreciate the differences between the traditional and modern economy (a) (7.3.3)
- value the important roles of government in an economy (v) (7.3.4).

## Specific learning outcomes

Learners should be able to:

- define the following terms: *economy*, *traditional economy* and *modern economy* (7.3.1.1)
- list the types and the characteristics of the economic systems in the country (7.3.1.2)
- explain the importance of the types of economic systems used in Solomon Islands (7.3.1.3)
- describe historical accounts of trade and exchange in Solomon Islands (7.3.2.1)
- discuss how barter as a system of exchange takes place (7.3.2.2)
- list the advantages and disadvantages of the barter system (7.3.2.3)
- differentiate between traditional and modern economic systems (7.3.3.1)
- discuss how modern money is used in the modern economic system (7.3.3.2)
- identify the goods and services that are provided by the government (7.3.4.1)
- list the roles of government in an economy (7.3.4.2).

## Topics and timing

This chapter consists of 20 topics. Most of the topics should be covered in a 40-minute lesson.

Lesson	Topic
1	What do you know already?
2	Introduction: The economic system
3	How needs and wants are satisfied by the Solo family
4	What is an economy?
5	The traditional economic system
6	Traditional exchange
7	Reasons for barter
8	Advantages and disadvantages of barter
9	The barter game
10	Traditional money

Lesson	Topic
11	The modern economic system
12	Use of money
13	Commercial ways of satisfying needs and wants
14	Supply and demand
15	The role of government: to make rules
16	The role of government: to provide goods and services not provided by business
17	The role of government: to provide infrastructure
18	Chapter 3 review questions (unit test)
19–20	Field trip

## Lesson 1 • What do you know already?

*Learner's Book pages 28–29*

### Aims

To help learners to:

- know the goods and services that the government produces
- understand who makes the decisions in a family or in a village.

### Skill

- photograph observation.

### Teacher instruction

**Step 1** Ask learners the questions on page 28 of the Learner's Book.

**Step 2** Ask learners to read the text on page 29 of the Learner's Book, then question them about the pictures and cartoons on pages 28–29 (Figures 3.1–3.7).

**Step 3** Ask: “What does Mrs Solo produce? What does she do with the surplus?”

**Step 4** Ask: “Where does Mr Solo work? Where does the family spend their money?”

**Step 5** Ask: “What types of products does Jackson sell? How does Jackson feel when he receives money from his customers?” Explain that these people and businesses make up a part of the economic system.

**Step 6** Give learners notes to copy from the lesson.

## Lesson 2 • Introduction: The economic system

*Learner's Book pages 29–30*

### Aims

To help learners to:

- understand the economic system
- know the different ways of producing goods and services in Solomon Islands to satisfy needs and wants.

## Skill

- photograph observation.

## Teacher instruction

**Step 1** Recall the previous lesson.

**Step 2** Guide learners to understand needs and wants by looking at the cartoons on page 29 and reading the text.

**Step 3** Ask learners to draw the diagram of the economic system on page 30.

**Step 4** Do Activity 1.

### Answers

The owners and workers in the CD player factory and bakery are happy because:

- the owners receive money for the goods they produce
- the workers receive payment (money) for the work (service) they perform.

**Step 5** Summarise the lesson, emphasising the key points.

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# Lesson 3 • How needs and wants are satisfied by the Solo family

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*Learner's Book pages 29–30*

## Aims

To help learners to:

- know how needs and wants are satisfied
- understand that the production of goods and services needs resources
- realise that we depend on other people or countries for some of the goods and services we need and want.

## Skills

- interpretation of economic system diagram
- observation.

## Teacher instruction

**Step 1** Do Activity 2.

### Answers

**1** Answers will vary but may include the following:

Needs	Wants
<i>Food</i>	<i>Radio</i>
<i>Water</i>	<i>Shoes</i>
<i>Clothing</i>	<i>Bread</i>
<i>Shelter</i>	<i>Rice</i>

- 2** They are used by the family as food; extra (surplus) is sold at the local market for income.
- 3** No, Mrs Solo gets the things she grows from the garden.
- 4** She might need: knives, a hoe, a spade, fertiliser and insecticides.
- 5** She might buy them from ABC store.
- 6** She earns money from selling vegetables.

- 7 He gets wages (money).
- 8 It is sold to ABC store and direct to customers.
- 9 The bakery would buy more flour, and pay wages. The owner of the bakery would also use the money to get his needs and wants.
- 10 Money is paid out to the:
- local bakery for bread
  - Japanese factory for tinned fish, clothing, rice and CD players.
  - He has to pay out this money to get goods for resale and keep his business going.
- 11 Only few factories in Japan make CD players. The resources used to make CD players are scarce.
- 12 Because Jackson's wife buys Mrs Solo's vegetables at the market.
- 13 No, because they would not have enough money.

**Step 2** Explain that there must be resources to produce goods and services in order to satisfy needs and wants.

**Step 3** Give notes for the learners to copy.

**Step 4** Conclude by asking summary questions based on the lesson.

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## Lesson 4 • What is an economy?

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*Learner's Book pages 30–31*

### Aims

To help learners to:

- know the meaning of *economy*
- understand the factors of production (natural resources, labour, capital and enterprise)
- realise that different places or societies have different ways of producing goods and services.

### Skills

- group discussion
- cartoon and diagram interpretation.

### Teacher instruction

**Step 1** Explain to learners that the diagram on page 30 of the Learner's Book is about a simple economic system.

**Step 2** Guide learners to understand how needs and wants are satisfied in their homes. Divide the class into groups of four to discuss how needs and wants are satisfied in their homes. Ask a representative of each group to present their discussion to the whole class and explain.

**Step 3** Ask learners to make notes on "What is an economy?" on page 31 of the Learner's Book.

**Step 4** Do Activity 3.

### Answers

Answers will vary but may include the following:

Needs	Wants
Food	Spear
Shelter	Bows and arrows
Clothing	Carvings Tools

**Step 5** Conclude by asking summary questions.

## Lesson 5 • The traditional economic system

*Learner's Book pages 31–33*

### Aims

To help learners to:

- know the meaning of the traditional economic system
- understand how needs and wants were satisfied in the past.

### Skill

- picture interpretation.

### Teacher instruction

**Step 1** Ask: “What is a traditional economic system?” Ask questions based on the cartoon stories. Explain that people in the past had different needs and wants from people today.

**Step 2** Guide learners to understand how people produce their needs and wants in traditional ways.

**Step 3** Do Activity 4.

#### Answers

**Figure 3.11:** Some of the women are helping the men to build a house while others are clearing a new garden. The house is to provide shelter (need) for the family and the garden is to provide food for the family (need).

**Figure 3.12:** The men are making carvings. These can be used by the family as decorations (want) or exchanged for other goods or services that cannot be produced by the family.

**Step 4** Ask: “What is subsistence agriculture and barter?”

**Step 5** Guide learners to understand the difference between the hard-working family and the lazy family. The hard-working family has a surplus that they can exchange for other goods. The lazy family produces very little and they rely on their *wantoks*.

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## Lesson 6 • Traditional exchange

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*Learner's Book pages 32–33*

### Aims

To help learners to:

- know the different ways of satisfying needs and wants
- understand how people got what they did not produce in the past.

### Skills

- summarising
- picture interpretation.

### Teacher instruction

**Step 1** Ask: “What is subsistence agriculture?”

**Step 2** Guide learners to understand how needs and wants are satisfied and the different ways of production for direct consumption. Explain how the barter system was used to satisfy needs and wants in the past.

**Step 3** Ask learners to read the cartoon stories. Ask questions about them.

**Step 4** Have learners copy the notes from the lesson.

**Step 5** Do Activity 5.

#### Answers

- 1 Needs: food, water, shelter, clothing  
Wants: bows and arrows, knives, hoes
- 2 The Sula family would be able to satisfy more of their needs and wants.
- 3 They produce more from the garden because they are hard-working.
- 4 The Sula family would have a better life because they are hard-working, they produce more than enough and they barter the surplus (extra) for what they do not produce.

**Step 6** Summarise the lesson, emphasising the key points.

---

## Lesson 7 • Reasons for barter

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*Learner's Book page 33*

### Aims

To help learners to:

- know the reasons for the barter system
- understand the advantages and disadvantages of the barter system.

### Skills

- group discussion
- picture interpretation.

### Teacher instruction

**Step 1** Guide learners to understand the reasons for the barter system and that different areas have different resources. Ask: “What are the reasons for barter?”

**Step 2** Explain the advantages and disadvantages of the barter system.

**Step 3** Give learners notes to copy from the lesson.

**Step 4** Do Activities 6, 7 and 8.

**Answers**

Answers will vary depending on what region the learners come from.

**Activity 6**

Resources that saltwater people had may include: fish, shells, crabs, lobsters, salt water.

Resources that bush people had may include: taro, kumara, betel nut, pig, sago palm.

**Activity 7**

Answers may include: bow and arrows, custom medicine, things that the family cannot produce.

**Activity 8**

**1** Advantages may include: creates trade, creates friendship and unity, provides a chance to own many things, encourages production.

Disadvantages may include: difficulty with measurement, difficulty in carrying bulky goods, difficulty in storing wealth, difficulty in finding the right partners.

**2** They could have exchanged any surplus of food or other products with people who had a surplus of leaves.

**Step 4** Conclude by asking questions about the reasons for the barter system, and the advantages and disadvantages of it.

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## Lesson 8 • Advantages and disadvantages of barter

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*Learner's Book pages 33–35*

### Aim

To help learners to:

- understand the advantages and disadvantages of barter.

### Skills

- group discussion
- picture interpretation.

### Teacher instruction

**Step 1** Ask: “What are the advantages and disadvantages of barter?” Explain to learners the four main advantages and four main disadvantages of barter.

**Step 2** Divide the class into five groups to do Activities 9 and 10. They should present their answers in groups.

**Answers**

**Activity 9**

**1** They are not satisfied with the amount offered for exchange.

**2** There is no standard unit of measurement.

**3** Answers will vary.

**4** You could try to decide how many pawpaws equals one chicken in price.

**5** If one can of cola cost \$8 and a packet of chips cost \$2, then one can of cola equals four packets of chips. You can decide by comparing the prices.

**Activity 10**

- 1 John and Anna exchange the pig and the potatoes. Ben and John exchange the chickens and the potatoes.
- 2 This story shows that the disadvantage of barter is that you need to find someone who wants what you are offering.

**Step 3** Give learners notes to copy on the reasons for and the advantages and disadvantages of barter.

**Step 4** Summarise the lesson by asking questions about the key points.

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## Lesson 9 • The barter game

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*Learner's Book page 35*

**Aims**

To help learners to:

- perform a barter role-play
- understand and appreciate that the barter system has advantages and disadvantages.

**Skill**

- role-play.

**Teacher instruction**

**Step 1** Explain that the barter system has some advantages and disadvantages.

**Step 2** Explain how Activity 11 works, and how to use the barter cards.

**Step 3** Select some leaders to play the barter game while the rest of the class watches the role-play, then allow everyone to play.

**Step 4** Ask learners to give the advantages and disadvantages discovered during the game.

**Step 5** Listen to their sharing and add any advantages or disadvantages that are missing. Give notes.

**Step 6** Do the question in Activity 11.

**Answers**

The main problems with barter as a means of exchanging goods are:

- a the measurement of the goods may not be equal or satisfied
- b it may be difficult to find someone who has the goods you want
- c it can take a lot of time to find the right partner.

---

## Lesson 10 • Traditional money

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*Learner's Book page 36*

**Aims**

To help learners to:

- know the meaning of traditional money
- understand the differences between the traditional and modern economic systems
- understand the use of traditional money.

## Skills

- group discussion
- picture interpretation.

## Teacher instruction

**Step 1** Guide learners to understand the meaning and use of traditional money. Ask: “What types of traditional money still exist in Solomon Islands today?”

**Step 2** Explain to learners that Figures 3.19a–c show some uses of traditional money in Solomon Islands. In some provinces, traditional money does not exist today.

**Step 3** Give learners notes to copy from the lesson.

**Step 4** Do Activity 12.

**Step 5** Explain the uses of money such as the feather and shell money in Figures 3.20a–b and the modern money in Figure 3.20c.

### Answers

Answers may include: bride price, pay back or compensation, to buy land, to save and build up wealth.

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# Lesson 11 • The modern economic system

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*Learner's Book pages 37–38*

## Aims

To help learners to:

- know the meaning of the modern economic system
- understand the differences between the traditional and modern economic systems.

## Skills

- group discussion
- picture interpretation.

## Teacher instruction

**Step 1** Guide learners to understand the differences between the subsistence sector and the commercial economic system. Ask: “What is the commercial economic system? What is the subsistence sector?”

**Step 2** Introduce and explain modern money and how it is used today. Explain that money is very important in commerce today.

**Step 3** Do Activity 13.

### Answers

- 1 They are wearing modern clothing.
- 2 They are in a modern building.
- 3 She is buying goods.
- 4 There are different kinds of goods on the shelves.
- 5 No, because they are:
  - in a modern building,
  - wearing modern clothing
  - using modern money
  - buying processed and imported goods.

**Step 4** Ask: "Why do people buy goods and services with money?"

**Step 5** Do Activity 14.

**Answers**

Traditional food needs	Commercial food wants
Cassava	Rice
Taro	Bread
Fish	Tinned fish
Coconut cream	Vegetable oil
Water	Cola

**Step 6** Give notes for learners to copy.

**Step 7** Conclude the lesson, asking summary questions.

## Lesson 12 • Use of money

*Learner's Book, pages 38–39*

### Aim

To help learners to:

- know the different ways of satisfying needs and wants in the commercial economic system.

### Skills

- picture interpretation
- group discussion.

### Teacher instruction

**Step 1** Explain that, in a modern society, people have different needs and wants to people in a traditional society. Houses, materials and clothes are different in modern and traditional societies.

**Step 2** Guide learners to know the different ways of satisfying needs and wants in the commercial economic system.

**Step 3** Ask what type of materials and goods are bought overseas to help production in Solomon Islands.

**Step 4** Do Activities 15 and 16.

**Answers**

**Activity 15**

Answers will vary but may include: sunglasses, beach towels, swimming trunks, head bands, sulus (Fijian wrap-arounds).

**Activity 16**

Answers will vary but may include:

Traditional house	Modern house
Sago palm leaves	Iron sheets
Loya canes	Nails, hammer
Bush sticks	Masonite
Betel nut trunks	Glass for louvres

**Step 5** Summarise the lesson, emphasising the key points.

---

# Lesson 13 • Commercial ways of satisfying needs and wants

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Learner's Book pages 39–41

## Aims

To help learners to:

- know the traditional and commercial ways of satisfying needs and wants
- understand that people in traditional and modern societies work to satisfy needs and wants.

## Skills

- cartoon interpretation
- calculating profit.

## Teacher instruction

**Step 1** Guide learners to understand how people in traditional and modern societies work to produce goods and earn money to satisfy needs and wants.

**Step 2** Do Activities 17, 18 and 19.

### Answers

#### Activity 17

Traditional needs	Modern wants
<i>Food: cassava, potato, fish Clothing: kabilato, grass skirt Shelter: sago palm leaves, bush sticks</i>	<i>Food: rice, cake, pizza, cola, ice cream Clothing: jeans, shorts, sneakers Shelter: iron roofing</i>

#### Activity 18

- 1 He is involved in producing commercial goods.
- 2 He earns wages for working in the factory.
- 3 He has to work in the factory.

#### Activity 19

- 1 Answers will vary but may include: clerk, secretary, driver, cleaner, nurse, teacher, police officer, manager.
- 2 Answers will vary but may include: fishing for mangrove crabs and shells to sell; planting cabbages, Chinese cabbages, beans, tomatoes and shallots; working in the garden to produce potato, yam, pana and cassava; making pudding cassava, taro, banana, potato, yam and pana.

**Step 5** Conclude the lesson by asking learners to copy the correct answers to the activities.

# Lesson 14 • Supply and demand

Learner's Book pages 40–42

## Aims

To help learners to:

- know how price changes in relation to demand and supply
- understand how money, time and work are very important.

## Skills

- cartoon interpretation
- calculating profit
- role-play.

## Teacher instruction

**Step 1** Ask: “What is supply and demand?” Guide learners to understand how supply and demand affect price by involving them in John's story.

**Step 2** Explain that the more work, time and money spent on making goods, the more valuable and costly they become.

**Step 3** Guide learners to understand that, as a clerk, John earned an income that was paid to him by his boss for the work he did. As a businessman, he earns a profit from selling his goods. In the commercial economic system, needs and wants are satisfied by earning an income or making a profit.

**Step 4** Do Activities 20 and 21.

### Answers

#### Activity 20

Resources	Processed goods
Tobacco	Packets of cigarettes
Logs	Furniture
<i>Bonito</i>	<i>Tin of taiyo</i>
<i>Coconut</i>	<i>Cooking oil, Niu soap</i>
<i>Cocoa</i>	<i>Chocolate</i>
<i>Mango</i>	<i>Mango juice</i>

#### Activity 21

**1** He goes to see if his *wantoks* can supply peanuts and if the store owner will buy them from him.

**2** He gets the money from his savings.

**3** 100 bags

**4** He decides to resign from his job because he is bored working for someone else and because he wants to run his own business.

**5** On each bag of nuts, the shopkeeper earns \$0.50 (50 cents).

If the shopkeeper buys 100 bags from John:  $100 \text{ bags} \times \$1.00 \text{ cents} = \$100.00$  for 100 bags.

The shopkeeper sells each bag for \$1.50:  $100 \text{ bags} \times \$1.50 \text{ cents} = \$150.00$  income.

The shopkeeper's profit is:  $\$150.00 - \$100.00 = \$50.00$  profit.

**6** \$400

**7** \$120

- 8 Income: \$400; Expenses: \$120; Profit: \$280
- 9 He can buy more peanuts and employ some labourers to help.
- 10 They are more valuable because work, time and money has been spent on them: the skin of the peanuts has been taken off and the nuts have been packed.
- 11 He is satisfying the wants of people in his area

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## Lesson 15 • The role of government: to make rules

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*Learner's Book pages 42–43*

### Aims

To help learners to:

- know the rules or laws in the economy
- understand how government is involved in business and what part it plays in the economy to help improve economic development.

### Skill

- picture interpretation.

### Teacher instruction

**Step 1** Recall the previous lesson.

**Step 2** Ask: “What is the role of the government? Who makes the laws of the country? Why do we need to have laws? How does the government make the laws and why?”

**Step 3** Ask learners who provides goods and services that businesses do not provide. Ask: “Who does the government provide goods and services for and who will benefit? Why does the government provide these goods and services?”

**Step 4** Give learners notes to copy.

**Step 5** Ask: “What types of goods and services does the government in Solomon Islands provide? Why?”

**Step 6** Conclude by asking learners questions about Figures 3.27 to 3.30.

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## Lesson 16 • The role of government: to provide goods and services not provided by business

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*Learner's Book pages 43–44*

### Aims

To help learners to:

- know types of goods and services that the government provides for the country
- know the rules or laws of the country
- define *statutory bodies* and list examples
- understand how government is involved in business and what part it plays in the economy to help improve economic development.

### Skill

- picture interpretation.

## Teacher instruction

**Step 1** Recall the previous lesson.

**Step 2** Ask: "What are statutory bodies? Can you name some statutory bodies? Why are they different from government ministries? What are the good and bad things about these statutory bodies?"

**Step 3** Give notes for learners to copy.

**Step 4** Do Activity 22.

### Answers

- 1 Answers will vary but may include: education, health, transport (trucks, ships, planes), communication (SIBC, Solomon Star), electricity.
- 2 Answers will vary but may include: medicines, stamps/envelopes.
- 3 Answers will vary but may include: roads, schools, wharves, airfields, clinics.

**Step 6** Summarise the lesson, emphasising key points.

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## Lesson 17 • The role of government: to provide infrastructure

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*Learner's Book page 44*

### Aims

To help learners to:

- know the meaning of *infrastructure* and list examples
- understand the importance of infrastructure in the development of the country
- appreciate how government provides infrastructure.

### Skill

- picture interpretation.

## Teacher instruction

**Step 1** Recall the previous lesson.

**Step 2** Ask: "What is infrastructure? Who provides infrastructure? Why is infrastructure important in the economy and the development of the country?"

**Step 3** Give notes on infrastructure for learners to copy.

**Step 4** Ask learners to complete the activity below.

- 1 Define the following words.
  - a statutory bodies
  - b subsistence economy
  - c public goods
- 2 List two advantages and disadvantages of barter.
- 3 Why does the government charge tax for the services they provide?
- 4 Give any roles of the government.
- 5 Why does the government, not business, own the public goods?

### Answers

- 1 a Statutory bodies are government businesses or corporations established by an Act of Parliament.

- 
- b** A subsistence economy is one where people produce goods and services for their own consumption.
  - c** Public goods are the goods and services provided by the government to business and the rest of the community.
- 2** **Advantages** of barter include: it encourages production; it creates trade within a village and between villages; it creates friendship and unity; it provides a chance to own many things.
- Disadvantages** of barter include: difficulty with measurement; difficulty finding a person who wants what you are offering; goods may be bulky or difficult to carry; the difficulty of storing wealth.
- 3** The government charges tax for the services they provide because that is one way of getting income to assist in running the country.
  - 4** The two roles of the government are: to make the laws of the country; to build infrastructure for the country.
  - 5** The government owns the public goods because they are needed for the country and there is no profit from them.

**Step 5** Conclude the lesson by asking summary questions.

## Lesson 18 • Chapter 3 review questions (unit test)

### Teacher instruction

**Step 1** Learners sit a test based on Chapter 3. Allow 30 minutes for the test.

### Chapter 3 review questions

**Instructions:** Write the numbers 1–15 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 An economic system is the way in which a community
  - a makes decisions about what to produce
  - b produces goods and services
  - c uses money to buy goods and services
  - d consumes goods and services that have been produced
- 2 When decisions about what to produce, how to produce and how to share what is produced are made in a village according to tradition, this would be described as a
  - a subsistence economic system
  - b modern economic system
  - c commercial economic system
  - d government economic system
- 3 Which of the following is an example of a need in a traditional economic system?
  - a shoes
  - b bow and arrow
  - c necklace
  - d basket
- 4 In a modern economic system, which of the following is an example of a need?
  - a radio
  - b watch
  - c medicine
  - d outboard motor
- 5 The way people in a commercial economic system satisfy their needs and wants is through
  - a barter
  - b earning income
  - c producing goods for themselves
  - d providing services
- 6 Which of the situations described below is necessary before trade can take place?
  - a surplus production
  - b having an efficient communication system
  - c having finance
  - d the existence of money
- 7 When goods are given in return for other goods, this is best described as
  - a trade
  - b barter
  - c income
  - d commerce

- 8** If the price of gold increased, what could this lead to in Solomon Islands?
- a** an increase in demand for gold
  - b** a decrease in demand for gold
  - c** no change in demand for gold
  - d** less income for mining companies
- 9** Which body is responsible for setting the rules that business and the community must follow?
- a** the churches
  - b** parliament
  - c** the court
  - d** economic system
- 10** Which body acts as an umpire to see that the rules are being followed?
- a** the churches
  - b** parliament
  - c** the court
  - d** economic system
- 11** The government will produce those goods and services to do with things such as health and education that
- a** are needed by everyone in the country
  - b** would not be produced by business
  - c** would not be produced by the subsistence sector
  - d** all of the above
- 12** Which one of the following is the best example of infrastructure?
- a** company
  - b** road
  - c** government department
  - d** statutory authority
- 13** The main reason why the government is responsible for building of most of the infrastructure in the country is because
- a** it is their role in the economy
  - b** there is not much profit to be made by private businesses
  - c** governments are experts in building infrastructure
  - d** infrastructure is very expensive to build
- 14** What has made trade easier today compared to when the barter system was in use?
- a** better communication
  - b** better transport
  - c** the development of traditional money
  - d** the development of modern money
- 15** Solomon Islands Broadcasting Corporation is an example of a
- a** statutory body
  - b** government department
  - c** business
  - d** non-government organisation

**Step 2** Collect test papers for marking.

**Answers**

- |             |             |             |             |             |
|-------------|-------------|-------------|-------------|-------------|
| <b>1</b> a  | <b>2</b> a  | <b>3</b> b  | <b>4</b> c  | <b>5</b> b  |
| <b>6</b> b  | <b>7</b> b  | <b>8</b> b  | <b>9</b> b  | <b>10</b> c |
| <b>11</b> d | <b>12</b> b | <b>13</b> a | <b>14</b> d | <b>15</b> a |

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## Lessons 19–20 • Field trip

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*Learner's Book page 45*

### Aim

To help learners to:

- understand how to do and organise research.

### Skill

- research.

### Teacher instruction

**Step 1** Do Activity 23. If your school is in or near Honiara town, then do Option 1. If your school is in a rural area, do Option 2.

# Chapter 4 • Business Documents

**Strand:** Accounting

**Suggested class time:** 20 periods (5 weeks)

**Sub-strand statement:** A simple accounting system helps businesses by providing them with information. Information is needed so that people can make good decisions from the business documents that the business uses to record cash and credit transactions. A basic cash book and other cash documents are used to record the daily transactions of the business.

## General learning outcomes

Learners should:

- know the meaning of *business documents* and related terms (k) (7.4.1)
- understand the importance of business documents (u) (7.4.2)
- understand the purpose of business documents and the need to record transactions (u) (7.4.3)
- appreciate the difference between cash and credit documents (v) (7.4.4)
- understand the importance of keeping business documents when credit and cash transactions occur (a) (7.4.5)
- be able to record transactions in a cash book(s) (7.4.6).

## Specific learning outcomes

Learners should be able to:

- define *business documents, profit, expenses* and *revenue* (7.4.1.1)
- explain the importance of business documents (7.4.2.1)
- discuss the purpose of bookkeeping and the need to record transactions (7.4.3.1)
- explain the use of different business documents (7.4.4.1)
- list examples of cash and credit documents (7.4.4.2)
- complete a simple receipt (7.4.5.1).

## Topics and timing

This chapter consists of 20 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Introduction to bookkeeping
2	Profit
3	Transactions
4	The need to record transactions
5	Basic cash book
6	Basic cash book: John Kaiye's small business
7	Cash documents (receiving money)
8	Using receipts
9	Paying cash
10	Chapter 4 review questions (unit test)
11	Extra activity
12–20	Income-generating projects or running a canteen

## Lesson 1 • Introduction to bookkeeping

*Learner's Book pages 48–49*

### Aims

To help learners to:

- know what bookkeeping is
- understand the meaning of profit, loss, revenue, expenses and how a business makes a profit.

### Skills

- case study
- picture interpretation.

### Teacher instruction

**Step 1** Ask: “What is accounting? What is bookkeeping?”

**Step 2** Guide learners to understand how bookkeeping is done in small businesses, including market sellers, how they earn money and how to calculate profit.

**Step 3** Explain and discuss the “Introduction to bookkeeping” text and what Figure 4.1 is about.

**Step 4** Explain that businesses produce goods and provide services in order to make extra money called profit. Learners need to know the meaning of *profit*.

**Step 5** Ask learners to give the meaning of *expenses* and *revenue*. Refer to the businesses shown in Figures 4.2 and 4.3, and discuss what the revenue and expenses would be for each business.

**Step 6** Give learners notes to copy from the lesson.

## Lesson 2 • Profit

*Learner's Book pages 49–50*

### Aims

To help learners to:

- understand how to use the formula to calculate profit
- appreciate that the aim of businesses is to make profit
- know what transactions, and cash and credit transactions are.

### Skills

- case study
- picture interpretation.

### Teacher instruction

**Step 1** Ask learners to state the formula for calculating profit.

**Step 2** Do Activity 1.

#### Answers

**1** Answers will vary but may include:

- marketing of betel nuts, mangrove, shells or fruits
- fishing and selling the fish
- feeding and selling pigs
- building other people's houses and receiving payment for the work done
- planting and selling root crops and cabbages.

- 2 Answers will vary but may include: cocoa, coconut, betel nut, leaf and lime, coffee. The prices depend on demand and supply, and may be high or low.
- 3 Bus owners get their revenue by collecting money from passengers. The five expenses are: petrol/diesel; tyres; purchase of new parts and paying for repairs to the bus; vehicle licence; the wages of bus drivers and bus conductors.
- 4 **a** Revenue: eight pawpaws for \$5.00 each = \$40.00  
**b** Expenses: \$12.00 bus fares + \$4.00 entrance fee = \$16.00  
**c** Profit: \$40.00 (revenue) – \$16.00 (expenses) = \$24.00  
**d** The \$2.00 is not included as an business expense because Rita buys it for herself, not for the business.
- 5 **a** Revenue: \$302.00  
**b** Expenses: \$275.00 (for goods) + \$30.00 (transport) + \$20.00 (paper bags) = \$325.00  
**c** Profit/Loss = Revenue – Expenses: \$302.00 – \$325.00 = –\$23.00  
Loss = \$23.00

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## Lesson 3 • Transactions

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*Learner's Book pages 50–51*

### Aims

To help learners to:

- know what transactions, and cash and credit transactions are
- understand transactions that take place each day in a business.

### Skill

- picture interpretation.

### Teacher instruction

**Step 1** Ask: “What is a transaction?” When learners have given their answers, explain that transactions take place every day when something is bought and sold in a business.

**Step 2** Guide learners to understand the two types of transactions: cash and credit.

**Step 3** Do Activity 2.

#### Answers

- 1** Answers will vary but may include:  
Revenue: bus fares  
Expenses: paying town council for licence; paying to fix a tyre; paying for spare parts; paying wages to employees.
- 2** Answers will vary but may include:  
Revenue: selling vegetables  
Expenses: buying tools (spade, knife, hoe); paying wages to employees; buying new seedlings.

## Lesson 4 • The need to record transactions

*Learner's Book pages 51–52*

### Aims

To help learners to:

- know what bookkeeping is and the two reasons for keeping accounts
- appreciate the importance of bookkeeping.

### Skill

- picture interpretation.

### Teacher instruction

**Step 1** Ask what bookkeeping is and what the two reasons for keeping accounts or records are.

**Step 2** Explain the importance of bookkeeping and the difference between an accountant and a bookkeeper.

**Step 3** Guide learners to understand that business owners need to know which products make more profit than others. Bookkeeping and accounting can provide the information needed to make the best decisions.

**Step 4** Explain that a business person should be accountable in explaining how and when money is being received and spent in a business.

**Step 5** Do Activity 3.

#### Answers

- 1 A bookkeeper records all the transactions that take place in a business. In a small business, one person is often the owner, manager, bookkeeper and worker all in one.
- 2 A bookkeeper keeps records of business transactions in a small business. An accountant is responsible for the records of a larger business.
- 3 Accountability means being able to explain how money was used. Accountability is very important in a business situation so that the business owner knows where the money has gone.
- 4 People need information to make the best decisions for their business. Examples: records provide information about how a business is going; keeping records allows for decision making and control.

## Lesson 5 • Basic cash book

*Learner's Book pages 52–53*

### Aims

To help learners to:

- know the importance of keeping a record of revenue and expenses
- understand how to calculate expenses, revenue and profit.

### Skill

- diagram interpretation.

### Teacher instruction

**Step 1** Explain what a cash book is and how to fill in the transactions. Give learners notes to copy.

**Step 2** Link with Lesson 4 and divide the class into three groups to do Activity 4. Group 1 should do Questions 1 and 2, group 2 should do Question 3 and group 3 should do Question 4. Ask each group to complete their questions and their group leader to write their answers on a chart or on the blackboard.

**Answers**

**1** It is important to keep a record of revenue and expenses so that the business owner knows where his or her money has gone.

**2**

Raka's bus business							
Date	Revenue	\$	¢	Date	Expenses	\$	¢
2011 June 1	Passenger fares	180	00	June 1	Petrol	200	00
2	Passenger fares	220	50				
3	Passenger fares	190	50				
4	Passenger fares	230	40	4	Tyre repair	112	00
5	Passenger fares	220	00				
6	Passenger fares	180	50	6	Petrol	250	00
7	Passenger fares	310	90	7	Driver's wage	550	00
<b>Total</b>		<b>1532</b>	<b>80</b>	<b>Total</b>		<b>1112</b>	<b>00</b>

Raka's profit for the week is \$1532.80 – \$1112.00 = **\$420.80**

**3**

Rita Wakunianda's dressmaking business							
Date	Revenue	\$	¢	Date	Expenses	\$	¢
2011 March 1	Deposit	100	00	March 5	Cloth bought	85	00
2	Creditor (uncle)	80	00	6	Buttons and thread bought	25	00
15	Blouse sold	45	00	26	Material bought	120	00
17	Lavalava sold	15	00				
21	Shirt sold	40	00				
29	Dresses sold	165	00				
	<b>Total</b>	<b>445</b>	<b>00</b>		<b>Total</b>	<b>230</b>	<b>00</b>
April 1	<b>Balance</b>	<b>215</b>	<b>00</b>				

Profit = Revenue – Expenses: \$445.00 – \$230.00 = \$215.00  
 Rita's profit for March is \$230.00 so the balance on April 1 is \$215.00

**Step 3** Give handouts of the solutions or write the solutions on the board for learners to check their answers.

## Lesson 6 • Basic cash book: John Kaiye's small business

Learner's Book page 53

### Aims

To help learners to:

- know how to draw a simple cash book
- understand how to calculate expenses, revenue and profit.

### Skill

- diagram interpretation.

### Teacher instruction

**Step 1** Recall what a cash book is and how to fill it in. Give learners notes to copy on cash books.

**Step 2** Link with Lesson 5 and do Activity 4, Question 4.

#### Answers

4

John Kaiye's small business							
Date	Revenue	\$	¢	Date	Expenses	\$	¢
2011 June 1	Balance	60	00				
1	Creditor (Peter)	140	00	June 2	Timber bought	95	00
8	2 scrapers sold @ \$35.00	70	00	4	Second-hand tools bought	50	00
15	3 scrapers sold @ \$30.00	90	00	6	Sheet metal bought	45	00
23	4 scrapers sold @ \$35.00	140	00				
	<b>Total</b>	<b>500</b>	<b>00</b>		<b>Total</b>	<b>190</b>	<b>00</b>
June 30	<b>Balance</b>	<b>310</b>	<b>00</b>				
Profit = Revenue – Expenses: \$500.00 – \$190.00 = \$310.00 John's balance at the end of June is \$310.00.							

**Step 3** Ask groups to present their answers to the class.

**Step 4** Give handouts of the solutions or write the solutions on the board for learners to check their answers.

---

## Lesson 7 • Cash documents (receiving money)

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*Learner's Book pages 53–54*

### Aims

To help learners to:

- understand how money received is recorded on a business document
- appreciate the different types of documents used, such as receipts.

### Skill

- using a receipt.

### Teacher instruction

**Step 1** Explain that any money coming into a business for whatever reason has to be recorded on a document. Ask learners what a document is. This lesson will help learners to understand about cash transaction documents and one of them is the receipt.

**Step 2** Guide learners to understand what a receipt is and study the example in Figure 4.8.

**Step 3** Emphasise that a receipt is proof that money has been paid.

**Step 4** Explain that cash register docketts are also receipts, and so are cash sale docketts that are used by larger shops.

**Step 5** Learners should briefly summarise each type of receipt and also copy the blank example in Figure 4.7 into their exercise book. Make sure they do not just copy the whole passage from the book.

**Step 6** Summarise the lesson by asking questions.

---

## Lesson 8 • Using receipts

---

*Learner's Book page 55*

### Aim

To help learners to:

- know how to fill in a receipt.

### Skills

- filling in a receipt
- calculation.

### Teacher instruction

**Step 1** Link with the previous lesson on receipts.

**Step 2** Ask: “What are cash register docketts or tapes and cash sale docketts?”

**Step 3** Explain how a cash register machine works and what types of documents it prints.

**Step 4** Do Activity 5.

#### Answers

- 1 a** Alice is paying the money.  
**b** Honiara Hardware is receiving the money.  
**c** The money is being paid for a chainsaw.  
**d** The receipt number is 333.

2 a

<b>Receipt No. 645</b>	
Solomon Tyres Ltd	6 May 20 12
Received by cash by cheque from	
Joanna Wale	
the sum of eight thousand	
four hundred	dollars
	cents
being 4 Dunlop 61 tyres	
	per \$ 8400.00
With thanks signed: Ambrose Dai	

b

<b>Receipt No. B221</b>	
Hardware	23 June 20 12
Supplies Ltd	
Received by cash by cheque from	
Fred Huni	
the sum of three thousand	
six hundred and eighty	dollars
	fifty cents
being Timber and nails	
	per \$ 3680.50
With thanks signed: Alice Gale	

c Answers will vary depending on the receipts that learners collect.

**Step 5** Conclude by summarising the text on cash register docketts and cash sale docketts.

---

## Lesson 9 • Paying cash

---

*Learner's Book page 56*

### Aims

To help learners to:

- know two ways of paying for goods and services
- understand cheques and their legal side.

### Skill

- filling out a cheque.

### Teacher instruction

**Step 1** Guide learners to know two ways of paying for goods and services: cash and cheque.

**Step 2** Ask: “What is a cheque? What does *legal tender* mean? What kinds of payments are legal tender?”

**Step 3** Learners work in pairs to discuss the meaning of cheques and how cheques are used.  
Give them notes on cheques to copy.

**Step 4** Give copies of a cheque book or cheque slips to learners and explain how they are filled out.  
Ask learners to fill out their copies.

**Step 5** Explain to learners how to take care of a cheque book and what banks charge for each cheque used.

---

## Lesson 10 • Chapter 4 review questions (unit test)

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### Teacher instruction

**Step 1** Learners sit a test based on Chapter 4. Allow 30 minutes for the test.

### Chapter 4 review questions

**Instructions:** Write the numbers 1–15 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 A business needs to make profit
  - a so that it can pay tax to the government
  - b because all businesses make a profit
  - c if it wants to continue doing business
  - d if the owner wants to become rich
- 2 Profit is equal to
  - a expenses – revenue
  - b revenue – expenses
  - c revenue + expenses
  - d expenses + revenue
- 3 Which of the following would be an example of revenue?
  - a when a bus owner pays for petrol
  - b when a bus owner pays one of his money collectors
  - c when a bus owner buys new tyres
  - d when a bus owner receives money from a passenger
- 4 Which of the following is an example of an expense?
  - a a trade store buying goods to sell
  - b the owner taking some money out of the business
  - c receiving money from selling goods
  - d the owner putting more money into the business
- 5 A transaction takes place
  - a any time something is bought or sold
  - b only when a person starts up a business
  - c only when a business sells a good
  - d if money is paid for a good straight away
- 6 For small businesses, most transactions
  - a are credit transactions
  - b are cash transactions
  - c do not involve money
  - d only involve shell money
- 7 The main purpose of bookkeeping is to
  - a look like a serious business
  - b follow the law
  - c provide information
  - d list all the transactions

- 8** The word *accountability* is about
- a** being able to explain where the money has gone
  - b** adding up numbers and doing maths
  - c** recording transactions
  - d** making decisions
- 9** For most businesses, the first place where information about a transaction is written is in
- a** an account
  - b** a document
  - c** a record
  - d** a book
- 10** Which one of the following documents does not record money coming into a business?
- a** receipt
  - b** cheque
  - c** cash sales docket
  - d** cash register tape
- 11** Who signs the receipt?
- a** the person who works for the business that receives the money
  - b** the person who owns the business
  - c** the business that receives the money
  - d** the person buying the goods
- 12** Cheques are not legal tender. This means that
- a** it is against the law to use a cheque
  - b** people must accept a cheque in payment
  - c** people do not have to accept a cheque in payment
  - d** cheques are the same as notes and coins
- 13** A cheque is a
- a** written command from the cheque owner instructing the bank to pay a certain amount of money
  - b** book document instructing the bank to withdraw some money
  - c** written command from the bank asking the cheque account holder to deposit money
  - d** written statement by the bank to the government
- 14** If a business cashes a cheque for the payee, this means that it
- a** hands over notes and coins in return for the cheque
  - b** deposits money into that person's bank account
  - c** writes out a cheque and gives it to the payee
  - d** pays money to the bank
- 15** A business will make a loss if its
- a** revenue is greater than its expenses
  - b** expenses are greater than its revenue
  - c** revenue is equal to its expenses
  - d** expenses are very high

**Step 2** Collect test papers for marking.

**Answers**

- |             |             |             |             |             |
|-------------|-------------|-------------|-------------|-------------|
| <b>1</b> c  | <b>2</b> b  | <b>3</b> d  | <b>4</b> a  | <b>5</b> a  |
| <b>6</b> b  | <b>7</b> c  | <b>8</b> a  | <b>9</b> b  | <b>10</b> b |
| <b>11</b> a | <b>12</b> c | <b>13</b> a | <b>14</b> a | <b>15</b> b |

## Lesson 11 • Extra activity

### Aims

To help learners to:

- know how to calculate profit
- understand how to use a cash book.

### Skill

- using a cash book.

### Teacher instruction

**Step 1** Do the following activity.

Draw up a cash book for Martin and Son taxi business, with the following expenses and revenue. Record all of the revenue on one side and the expenses on the other side. What was Martin and Son's profit or loss for the week?

- January 2012**
- 1 Martin put \$500.00 of his own money into the business
  - 2 Bought petrol \$300.00
  - 3 Money from passengers \$200.00
  - 5 Money from passengers \$150.00
  - 6 Repair of tyre \$180.00
  - 7 Bought petrol \$250.00
  - 8 Money from passengers \$180.00
  - 9 Paid driver and conductor \$580.00

### Answers

Martin and Son's taxi business							
Date	Revenue	\$	¢	Date	Expenses	\$	¢
2012 Jan 1	Balance	500	00	2	Petrol bought	300	00
3	Passenger fares	200	00	6	Repair of tyre	180	00
5	Passenger fares	150	00	7	Petrol bought	250	00
8	Passenger fares	180	00	9	Wages (driver, conductor)	580	00
	<b>Total</b>	<b>1030</b>	<b>00</b>		<b>Total</b>	<b>1310</b>	<b>00</b>
Profit/Loss = Revenue – Expenses: L\$1030.00 – \$1310.00 = -\$280.00 (Loss)							

**Step 2** Choose one of the options in Activity 6 and divide the class into groups to plan their income-generating projects for the next lesson.

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## Lessons 12–20 • Income-generating projects or running a canteen

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*Learner's Book page 57*

### Aims

To help learners to:

- know how to record in a cash book
- understand how to run a small project.

### Skill

- drawing interpretation.

### Teacher instruction

**Step 1** Divide the class into the groups they were in at the end of the previous lesson to do Activity 6.

**Step 2** Explain how to draw up the cash book and give an example for each group to learn from. Assess each group on their plans and reporting of the profit each group earns for the nine lessons.

# Chapter 5 • Transactions and Documents

**Strand:** Accounting

**Suggested class time:** 16 periods (4 weeks)

**Sub-strand statement:** This strand focuses on credit transactions and documents. The different documents used in credit and cash transactions when buying and selling goods provide information to enable the owner to make good decisions for the business. The information from the documents helps to calculate the selling price, percentage mark-up and the profit or loss of the business.

## General learning outcomes

Learners should:

- know the meaning of *credit* and *transaction* and related terms (k) (7.5.1)
- understand the purpose and the use of cash and credit transactions and documents (u) (7.5.2)
- use the correct documents to record relevant transactions (s) (7.5.3)
- appreciate how to calculate the selling price, mark-up percentage, profit and loss (s) (7.5.4) .

## Specific learning outcomes

Learners should be able to:

- define the terms *credit*, *transactions*, *creditor*, *debtor* and *bad debt* (7.5.1.1)
- explain the concept of credit and how bad debts can lead to losses (7.5.2.1)
- list the consequences of not managing credit documents (7.5.3.1)
- draw and complete simple credit documents (7.5.4.1)
- record cash and credit transactions (7.5.5.1).

## Topics and timing

This chapter consists of 16 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	What do you know already?
2	Introduction: What is credit?
3	Documents used in credit transactions for small businesses
4	Documents used in credit transactions for medium to large businesses
5	Business documents: Order forms
6	Business documents: Invoices (A)
7	Business documents: Invoices (B)
8	Buying and selling goods on credit: Statements
9	Business documents used in communication
10	Using the information from documents: Calculating cost-into-store
11	Using the information from documents: Adding on the mark-up
12	Mark-up
13	Chapter 5 review questions (unit test)
14–16	Research questions

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## Lesson 1 • What do you know already?

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Learner's Book pages 59–60

### Aims

To help learners to:

- know what *credit* in Business Studies means
- appreciate the reasons why credit is not allowed.

### Skills

- discussion
- picture interpretation.

### Teacher instruction

**Step 1** Explain the specific learning outcomes and what will be covered in the lesson.

**Step 2** Ask learners the questions on page 59 of the Learner's Book. Discuss their answers, then conclude.

**Step 3** Ask learners what the picture in Figure 5.1 is about. Ask: "How can we control credit in our shops or businesses?" Have learners give their views, then conclude.

**Step 4** Explain credit transactions and the people involved in them. Explain what a bad debt is.

**Step 5** Give notes for learners to copy.

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## Lesson 2 • Introduction: What is credit?

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Learner's Book page 60

### Aims

To help learners to:

- appreciate the important reasons for businesses to allow people to take goods now and pay later
- be aware of the *wantok* system in Solomon Islands and the pitfalls of credit or *kaoni* for businesses.

### Skills

- discussion
- interpretation.

### Teacher instruction

**Step 1** Guide learners to understand that Business Studies is concerned with people and places. Explain that credit can make a business a success or a failure. Ask: "If a business is not a success, how can it be improved?"

**Step 2** Tell the learners a short story about two village store owners, Tom and Peter. Tom trusts the villagers and allows them to take goods from the store as he believes that credit will increase his sales. Peter, on the other hand, is very strict and only allows a few people that he trusts to take goods on credit. Even then, there are limits on how many goods a person can take at a particular time. Peter also sets a time that people have to pay back their credit or *kaoni*.

**Step 3** Discuss with learners which store will operate successfully and why. Ask learners to help

you make some basic rules to assist Tom in allowing customers to take goods on credit from his store.

Step 4 Do Activity 1.

#### Answers

- 1 The creditor is Mafe and the debtor is Ken.
- 2 The creditor is Martha and the debtor is Mary.
- 3 A bad debt is a debt that is not paid back. In Question 1, if Ken did not pay back the \$120 to Mafe, then it would be treated as lost money or a bad debt.
- 4 Answers will vary but may include people borrowing money from relatives and friends, or taking goods on credit from local stores and businesses. Major problems include trying to get the money back from borrowers.
- 5 Answers will vary but may include needing to know about their customer's character and credit standing. This is done by asking around in the community.

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## Lesson 3 • Documents used in credit transactions for small businesses

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*Learner's Book page 61*

### Aims

To help learners to:

- know the meaning of cash and credit transactions
- understand the purpose and the use of cash and credit books
- appreciate the importance of limiting the credit of business.

### Skills

- discussion
- interpretation.

### Teacher instruction

**Step 1** Explain the importance of recording information on a daily basis, particularly goods that are taken on credit and cash that is received. Explain that a credit book (which can just be a simple exercise book) needs to be used to keep track of credits.

**Step 2** Give the following information for learners to copy into a credit book. Explain to learners how to do this.

On 1 January 2012, Tom Wate took on credit from the school canteen one packet of rice @ \$13.00 and one tin of family taiyo @ \$15.00.

On 3 January 2012, Tom Wate took on credit from the school canteen two packets of rice @ \$13.00 each, one tin of family taiyo @ \$15.00 and three packets of noodles @ \$3.00 each.

On 5 January 2012, Tom Wate made \$50.00 cash repayment for part of the goods taken.

On 8 January 2012, Tom Wate took on credit from the school canteen five packets of rice @ \$13.00 each, two tins of baby taiyo @ \$5.00 each, five packets of noodles @ \$3.00 each and one big packet of sugar @ \$14.

On 12 January 2011, Tom Wate made \$80.00 cash repayment for part of the goods taken.

**Panatina school canteen credit book: Mr Tom Wate**

Date	Particulars	Money owed	Money repaid	Balance	Signed by borrower
1/1/12	1 pkt rice, 1 tin family taiyo	\$28.00		\$28.00	T. Wate
3/1/12	2 pkts rice, 1 tin family taiyo, 3 pkts noodles	\$50.00		\$78.00	T. Wate
5/1/12	Cash repayment		\$50.00	\$28.00	T. Wate
8/1/12	5 pkts rice, 2 tins baby taiyo, 5 pkts noodles, 1 pkt sugar	\$104.00		\$132.00	T. Wate
12/1/12	Cash repayment		\$80.00	\$52.00	T. Wate

**Step 3** Have learners study the example above, then make a new table and write in their own transactions based on one of the shops in their community or in town.

## Lesson 4 • Documents used in credit transactions for medium to large businesses

*Learner's Book page 61*

### Aims

To help learners to:

- know the meaning of *retailer* and *wholesaler*
- understand that when businesses buy in bulk, they pay a lower price and can charge a lower price
- appreciate how a business buys in bulk.

### Skills

- discussion
- interpretation.

### Teacher instruction

**Step 1** Ask: “What is a retailer? What is a wholesaler?” Discuss with learners.

**Step 2** Discuss why a wholesaler buys in bulk.

**Step 3** Give notes for learners to copy.

**Step 4** Do Activity 2.

#### Answers

- 1 Answers will vary, but it is important for the teacher to sum up the answers. Emphasise that it would not be a good idea to give credit to everybody. The exceptions would be for working people such as teachers and nurses, particularly in rural areas where commercial centres are a day's trip away.
- 2 When a customer has reached the limit of his or her credit (*kaoni*), no further credit should be allowed.
- 3 Answers will vary, but it is important for the teacher to sum up the answers. Emphasise that cash is the life blood of any business and if customers do not repay their credit, the business will die.

## Lesson 5 • Business documents: Order forms

Learner's Book pages 61–63

### Aims

To help learners to:

- know what an order form is
- understand the importance of keeping business document records such as order forms
- appreciate the importance of using an order form.

### Skills

- filling in an order form
- diagram interpretation.

### Teacher instruction

**Step 1** Ask learners what an order form is. Explain the importance of having an order form for business use.

**Step 2** Copy the order form in Figure 5.4 on page 62 of the Learner's Book. Explain the different parts of it.

**Step 3** Divide the class into groups of four to do Activity 3. In Question 9, the unit prices have not been provided in the Learner's Book. Ask students to estimate unit prices for each item. Prices and the total amount on each learner's invoice will vary as a result. Teachers should ensure that learners' calculations are correct. Alternatively, teachers may choose to set the unit prices for each item to ensure that all learners are working with the same data. Sample answers are given below.

#### Answers

- 1 9 August 2012
- 2 Aimaua's Store
- 3 Poma Wholesale
- 4 Order Number 154
- 5 Corned beef, tomato sauce, Navy biscuits, plain flour, white sugar, Calrose rice
- 6 No information is given.
- 7 Rosie
- 8 At least two copies of the order form should be made to prove the accuracy of the order. The order form can be used to check the goods when they are delivered.

9 a

ORDER FORM		TOME'S TRADE STORE		ORDER NUMBER 22	
		AUKI		[today's date]	
To Sullivan's Pty Ltd					
PO Box 1255					
Honiara					
Quantity	Particulars	\$	¢		
5 ctns	Taiyo (15) small	150	00		
8 ctns	Powdered milk (750 g)	250	00		
2 bags	Rice (20 kg)	165	00		
15 ctns	Navy biscuits	80	00		
6 cases	Soft drink	163	00		
		<b>Total</b>			
Date delivery required.....					
Delivery method.....					
				 Signature	

**b** **ORDER FORM** **J. ALO'S FAST FOOD LTD**  
P.O. BOX 789, HONIARA

To  
e-World Technology Ltd  
P.O. Box 1066.....  
Honiara.....

**ORDER NUMBER 5089**  
[today's date]

Quantity	Particulars	\$	¢
2	Remington adding machines, electric model 3M5	4000	00
3	Adding machines, manual model 2M4	4500	00
<b>Total</b>		8500	00

Date delivery required.....  
Delivery method.....

*J. Alo*  
.....  
Signature

## Lesson 6 • Business documents: Invoices (A)

*Learner's Book pages 61–63*

### Aims

To help learners to:

- know what an invoice is
- understand the importance of keeping business records such as invoices
- appreciate the importance of using an invoice.

### Skills

- filling in an invoice
- diagram interpretation.

### Teacher instruction

**Step 1** Recall the previous lesson.

**Step 2** Ask: “What is an invoice?” Draw up an invoice on the blackboard or chart paper and explain its features.

**Step 3** Guide learners to understand the purpose of an invoice. Ask: “Who issues the invoice? Who receives the invoice? Why is an invoice sent with goods?”

**Step 4** Give notes about invoices for learners to copy. Ask them to copy the invoice in Figure 5.5 on page 62 of the Learner's Book.

**Step 5** Conclude the lesson by asking questions.

## Lesson 7 • Business documents: Invoices (B)

*Learner's Book page 62*

### Aims

To help learners to:

- understand the importance of using an invoice to show goods bought on credit
- apply transactions into an invoice form to simulate a real-life situation.

### Skills

- discussion
- diagram interpretation.

### Teacher instruction

**Step 1** Explain that as a business gets larger, it may need to take goods on credit and will need an invoice. Explain that an invoice is a document that is prepared by a seller of goods and sent to the buyer.

**Step 2** Ask learners to copy these notes:

- The seller prepares the invoice document.
- The invoice lists all the goods that have been sold.
- The invoice shows the price of the goods and the total amount of money owing.

**Step 3** Ask learners to study the invoice in Figure 5.5, then answer the following questions:

- On what date was the invoice prepared?
  - Who is the buyer?
  - What is the name of the supplier?
  - What is the number of the invoice document?
  - What goods are being ordered?
  - How much is owed? Who owes it? Who will it be paid to?
- Clyde has a store at Uhu Village. He orders goods on credit to be delivered from Aba Wholesale in Honiara. Make out an invoice with today's date, like the one shown on page 62, with these details:  
 Invoice No. 35099  
 three cartons Navy biscuits @ \$79.00 ctn  
 three 20 kg bags rice @ \$180.00 bag  
 one carton Solomon blue @ \$289.00 ctn  
 one bale of salt @ \$56.00 bale

### Answers

- 29 November 2012
  - A. Toupe
  - Y. Sato & Co. Ltd
  - Invoice No. 20500
  - 1 ctn corned beef, 1 ctn Solomon blue (taiyo), 1 ctn milk, 4 bags rice, 1 bale sugar, 5 bags flour
  - \$1915 is owed by A. Toupe to Y. Sato & Co. Ltd

2

ABA WHOLESALE HONIARA		INVOICE		
Clyde's Store Uhu Village		No. 35099		
		Date: [today's date]		
Quantity	Description	Unit price	Total Amount	
3 ctns	Navy biscuits	79.00	237	00
3 bags	Rice (20 kg)	180.00	540	00
1 ctn	Taiyo (Solomon Blue)	289.00	289	00
1 bale	Salt	56.00	56	00
			1122	00

## Lesson 8 • Buying and selling goods on credit: Statements

Learner's Book pages 63–65

### Aims

To help learners to:

- know the meanings of *cost-into-store* and *statements of account*
- identify the important steps used in buying and selling goods on credit.

### Skills

- discussion
- diagram interpretation.

### Teacher instruction

**Step 1** Explain to learners that when businesses are engaged in the buying and selling of goods on credit, they go through certain stages. These include:

**Stage 1** The buyer fills out an order form, which clearly states the name and address of the buyer, a clear description of the goods they want, the quantity, and how and when they want them delivered.

**Stage 2** The seller delivers the goods with a document called a delivery docket, which lists the goods that have been delivered.

**Stage 3** An invoice document is then given to the buyer, which lists the goods, their prices and the total amount of money owing.

**Stage 4** The buyer may order several lots of goods from the same supplier. This means that stages 1 to 3 may be repeated. At the end of the month, it is usual for the seller to send a statement of account to the buyer, which sets out all the details of invoices previously sent in the month, showing any payments that have been received, and what is now owing.

**Stage 5** After receiving the statement, usually in the mail, the buyer is expected to pay for the goods, usually no later than 30 days from the date shown on the statement. Often, the buyer will send a cheque to do this.

**Step 2** Ask learners to copy the statement in Figure 5.6a (Learner's Book, page 63) into their exercise books.

**Step 3** Explain the differences between a statement and an invoice.

**Step 4** Conclude the lesson by asking questions.

## Lesson 9 • Business documents used in communication

*Learner's Book pages 64–65*

### Aims

To help learners to:

- understand the importance of communication in business
- identify the activity of business as buying and selling.

### Skills

- discussion
- diagram interpretation.

### Teacher instruction

**Step 1** Ask: “What is the importance of communication in business?”

**Step 2** Ask the following questions about the statement in Figure 5.7 on page 65.

- 1 Who is the wholesaler and the retailer?
- 2 Were the goods bought for cash or on credit? Explain.
- 3 How much is now owed?
- 4 Who will pay whom?
- 5 Imagine Terry S. is the retailer to whom the statement is being sent. What does the statement tell Terry S. to do? When should he do it?
- 6 Make up a statement in your exercise book using these details:  
Date: 30.11.2011  
Retailer: D. Mani, Rara Village, Malaita  
Supplier: Poma Pty Ltd, P.O. Box 2, Honiara, Telephone 31456  
Invoices: no. 212 1.10.2011 \$357.00; no. 540 4.10.2011 \$500.00; no. 754 10.10.2011 \$655.00; no. 1065 20.10.2011 \$873.00

### Answers

- 1 The wholesaler is Y. Sato and the retailer is unknown.
- 2 The goods were bought on credit, because a statement has been issued and a statement is a credit document. If the goods were bought in cash, a receipt would be issued.
- 3 The amount owed is \$880.04.
- 4 It is unknown but the customer whose name is on the statement usually pays the wholesaler.
- 5 The statement informs Terry S. to pay the money he owes at the end of the month.

6

**STATEMENT**

M/S... D. Mani,.....

..... Rara Village South Malaita

DATE... 30/11/2012.....

**ACCOUNT WITH POMA PTY LTD**PO Box 2, Honiara  
Solomon Islands

Date	Particulars	Debit		Credit	Balance	
2011	Account rendered					
1.10.11	212	357	00		357	00
4.10.11	540	500	00		857	00
10.10.11	754	655	00		1512	00
20.10.11	1065	873	00		2385	00

Trade Terms – 2.0% discount for cash  
within 30 days of date of statement.The last amount in this column is  
the amount owing. E&OE**Step 3** Do Activity 4.**Answers****1** 1 c; 2 e; 3 a; 4 b; 5 g; 6 f; 7 d**2** Answers will vary but may include:

- as a means of communication: between two entities, such as buyers and sellers
- as a record of transaction: the two entities, for example buyers and sellers, use documents such as receipts and credit notes when keeping the records of the business.

## Lesson 10 • Using the information from documents: Calculating cost-into-store

*Learner's Book pages 66–67***Aims**

To help learners to:

- know how to calculate the freight cost-into-store
- understand the importance of cost-into-store in calculating selling prices
- apply some of the recording skills in classroom.

**Skills**

- group discussion
- interpretation.

**Teacher instruction****Step 1** Ask: “What is freight? How is freight added on to the selling price? How do we calculate the average cost of freight on goods?”**Step 2** Explain how to calculate the average cost of freight on goods.**Step 3** Give learners notes to copy.**Step 4** Explain the examples on page 66 of the Learner's Book of how to change percentage into fractions and decimals. Have learners copy the table into their exercise books.

**Step 5** Do Activity 5, Question 1.

**Answers**

- 1 a** Freight (%) =  $[\text{Freight} \times 100] \div \text{Wholesale Cost}$   
 $= [\$35 \times 100] \div \$1128$   
 $= \$3500 \div \$1128$   
 $= 3.1$   
 Freight = 3%
- b** Freight (%) =  $[\text{Freight} \times 100] \div \text{Wholesale Cost}$   
 $= [\$50 \times 100] \div \$3524$   
 $= \$5000 \div \$3524$   
 $= 1.41$   
 Freight = 1.4%
- c** Freight (%) =  $[\text{Freight} \times 100] \div \text{Wholesale Cost}$   
 $= [\$60 \times 100] \div \$4200$   
 $= \$6000 \div \$4200$   
 $= 1.42$   
 Freight = 1.4%

## Lesson 11 • Using the information from documents: Adding on the mark-up

*Learner's Book pages 66–68*

### Aims

To help learners to:

- define *mark-up percentage* and *selling price percentage*
- understand the importance of having the mark-up percentage and CIS to calculate selling prices.

### Skills

- group discussion
- interpretation.

### Teacher instruction

**Step 1** Learners need to know the importance of deciding on the selling price of goods. If the price is too low, goods will be sold fast but the money might not be enough to meet all the costs and the business will fail. If the prices are too high, very few people will buy the goods and the business will fail.

**Step 2** Ask: “What is cost-into-store (CIS)?” Explain that there are two steps in calculating the selling price of goods.

(i) Calculate the cost-into-store (CIS)—the cost of goods plus the cost of transport.

(ii) Calculate the mark-up—extra money that is added on to the cost-into-store (CIS).

This mark-up must be high enough to cover all the other expenses of the business, with some profit for the business. The mark-up is a percentage (%) of the CIS, and is added onto the CIS.

**Step 3** Ask learners to give the meaning of *per cent* and explain the term as illustrated on page 66 of the Learner's Book.

**Step 4** Go through the cost-into-store (CIS) example on page 67 of the Learner's Book.

**Step 5** Do Activity 5, Question 2.

### Answers

$$\begin{aligned}2 \text{ a} \quad \text{CIS on each tin} &= \$320 + (10\% \text{ of } \$320) \\ &= \$320 + \$32 \\ &= \$352 \\ &\$352 \div 48 \text{ tins} \\ &= \$7.30\end{aligned}$$

$$\begin{aligned}\text{b} \quad \text{CIS on each packet} &= \$78 + (8\% \text{ of } \$78) \\ &= \$78 + \$6.24 \\ &= \$84.24 \\ &\$84.24 \div 40 \text{ packets} \\ &= \$2.10\end{aligned}$$

$$\begin{aligned}\text{c} \quad \text{CIS on each tin} &= \$500 + (5\% \text{ of } \$500) \\ &= \$500 + \$25 \\ &= \$525 \\ &\$525 \div 24 \text{ tins} \\ &= \$21.80\end{aligned}$$

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## Lesson 12 • Mark-up

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*Learner's Book pages 67–68*

### Aims

To help learners to:

- know how to use the mark-up to calculate the selling price
- apply some of the recording skills in classroom.

### Skills

- group discussion
- interpretation.

### Teacher instruction

**Step 1** Recall the previous lesson.

**Step 2** Have learners take notes on mark-up percentage.

**Step 3** Work out the example shown in Activity 6 with the class.

**Step 4** Ask learners to do Activity 6.

### Answers

- 1  $\$8 + 20\% \text{ of } \$8 = \$9.60$
- 2  $\$10 + 25\% \text{ of } \$10 = \$12.50$
- 3  $\$25 + 30\% \text{ of } \$25 = \$32.50$
- 4  $\$12 + 15\% \text{ of } \$12 = \$13.80$
- 5  $\$10 + 50\% \text{ of } \$10 = \$15.00$
- 6  $\$80 + 60\% \text{ of } \$80 = \$128.00$
- 7  $\$5 + 10\% \text{ of } \$5 = \$5.50$
- 8  $\$0.60 + 10\% \text{ of } \$0.60 = \$0.66$

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## Lesson 13 • Chapter 5 review questions (unit test)

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### Teacher instruction

**Step 1** Learners sit a test based on Chapter 5. Allow 40 minutes for the test.

### Chapter 5 review questions

**Instructions:** Write the numbers 1–15 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 If too much credit is given to customers, this will
  - a make it difficult for the business to buy more goods
  - b make it difficult for the business to make a profit
  - c result in more bad debts
  - d all of the above
- 2 If Apike gets goods from Rita's store on credit then
  - a Apike will be the creditor and Rita the debtor
  - b Apike will be the debtor and Rita the creditor
  - c both Rita and Apike will be debtors
  - d both Apike and Rita will be creditors
- 3 With the selling of goods on credit there
  - a is a need to keep a record
  - b is no need to keep a record
  - c should be no limit to how much a customer can take
  - d are no problems that could arise
- 4 This document tells the seller which goods the buyer wants:
  - a order form
  - b invoice
  - c delivery docket
  - d statement of account
- 5 This document tells a buyer how much is owing to the seller at the end of the month:
  - a order form
  - b invoice
  - c receipt
  - d statement of account
- 6 This document is prepared by the seller and sets out the goods that are being sold with their prices:
  - a order form
  - b invoice
  - c delivery docket
  - d receipt
- 7 This document arrives at the same time the goods arrive:
  - a order form
  - b invoice
  - c delivery docket
  - d cheque
- 8 From whom do consumers usually buy goods?
  - a retailers
  - b wholesalers

- c manufacturers
  - d importers
- 9 Which type of business would be more likely to have warehouses in different parts of the country?
- a retailers
  - b wholesalers
  - c manufacturers
  - d importers
- 10 The cost-into-store for a retailer is
- a the wholesale cost of the goods
  - b the wholesale cost plus freight
  - c the wholesale cost plus freight plus mark-up
  - d the wholesale selling price and mark-up
- 11 The selling price of a good is
- a the wholesale cost of the goods
  - b the wholesale cost plus freight
  - c the wholesale cost plus freight plus mark-up
  - d the wholesale selling price and mark-up
- 12 The CIS of a good is \$8.00. If the mark-up is 10%, then the selling price will be
- a \$18.00
  - b \$8.10
  - c \$8.80
  - d \$10.80
- 13 The CIS into the store is \$10.00. If the mark-up is 25%, then the selling price will be
- a \$12.50
  - b \$37.50
  - c \$14.00
  - d \$12.25
- 14 A reduction in the normal price of goods is called
- a a discount
  - b freight
  - c bulk
  - d mark-up
- 15 A store owner should
- a never give credit
  - b always give credit
  - c be careful in giving credit
  - d give credit to relatives only
- 16 Calculate the following percentages into fraction and decimals. An example is given. Show all your working out.

Percentage	Fraction	Decimal
5%	$\frac{5}{100} = \frac{1}{20}$	0.5
10%		
15%		
25%		
60%		
95%		

**Step 2** Collect test papers for marking.

**Answers**

1 a            2 b            3 a            4 a            5 d

6 b            7 c            8 a            9 d            10 b

11 c           12 c           13 a           14 a           15 c

16

Percentage	Fraction	Decimal
5%	$\frac{5}{100} = \frac{1}{20}$	0.05
10%	$\frac{10}{100} = \frac{1}{10}$	0.1
15%	$\frac{15}{100} = \frac{3}{20}$	0.15
25%	$\frac{25}{100} = \frac{5}{20} = \frac{1}{4}$	0.25
60%	$\frac{60}{100} = \frac{3}{5}$	0.6
95%	$\frac{95}{100} = \frac{19}{20}$	0.95

## Lessons 14–16 • Research questions

*Learner's Book page 68*

### Aims

To help learners to:

- know how to do research in the field
- apply some calculating skills.

### Skills

- research
- calculation.

### Teacher instruction

**Step 1** Divide the class into groups of five or six to do the research questions in Activity 7.

**Step 2** Have each group present their findings to the class in Lesson 16.

**Step 3** Conclude the lesson by highlighting the main parts of the business documents.

**Step 4** Have learners take notes from the lesson.

# Chapter 6 • Entrepreneurs

**Strand:** Starting your own business

**Suggested class time:** 12 periods (3 weeks)

**Sub-strand statement:** A business has to be planned and organised by somebody. A business is an organisation, big or small, that is formed by combining all factors of production—natural resources, labour, capital and enterprise. An entrepreneur is an independent factor and is the most important factor, responsible for combining all the other factors. An entrepreneur is the person who does all the planning and organising of all the other factors in forming the business into a complete unit. A business is a producing unit that is responsible for producing a good or a service.

## General learning outcomes

Learners should:

- know the meaning of *entrepreneur* and related terms (k) (7.6.1)
- understand the benefits of small businesses in the community (u) (7.6.2)
- appreciate the characteristics of a successful business person (a/v) (7.6.3)
- acquire the ability to think of how to run any business (s) (7.6.4)
- value self-employment as the basis for a sustainable livelihood (v) (7.6.5).

## Specific learning outcomes

Learners should be able to:

- define *entrepreneurs*, *ethical* and other related terms (7.6.1.1)
- describe the benefits of or reasons for running small businesses in the community (7.6.2.1)
- identify the characteristics a business person needs to successfully run a business (7.6.3.1)
- list the advantages and disadvantages of running a business (7.6.4.1)
- list good and ethical business practices (7.6.5.1)
- present a case study for sustaining your own livelihood by running your own business (7.6.6.1).

## Topics and timing

This chapter consists of 12 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	A case study on an entrepreneur
2	Introduction: Enterprise
3	Reasons for being self-employed: To make more money
4	Reasons for being self-employed: To be your own boss
5	Reasons for being self-employed: To use a business opportunity
6	Reasons for being self-employed: To avoid unemployment
7	Courage, determination, energy and skill
8	Selecting the right business opportunity and assessing your financial position
9	Applying ethical business practices
10	Chapter 6 review questions (unit test)
11–12	Research questions

## Lesson 1 • A case study on an entrepreneur

*Learner's Book pages 71–72*

### Aims

To help learners:

- to relate the concept of entrepreneurship in the case study to real-life situations
- understand the term *entrepreneur*.

### Skill

- analysing a case study.

### Teacher instruction

**Step 1** Ask learners to read the case study.

**Step 2** Ask learners various questions about the case study.

**Step 3** Do Activity 1.

#### Answers

- 1 He sells empty clam shells.
- 2 He sells them to people in the United States of America and in other developed countries.
- 3 They are used as wash basins in bathrooms and to hold fruit in kitchens.
- 4 Samuel uses the internet to contact buyers in other countries.
- 5 Samuel has been successful because: he was willing to look for opportunities; he had acquired appropriate business knowledge and skills; he has knowledge about the internet.
- 6 Some people in Solomon Islands benefit from Samuel's business because: they are employed by Samuel, thus receive an income; they sell clam shells to Samuel; they receive payments from Samuel in exchange for goods and services.
- 7 Answers will vary.

## Lesson 2 • Introduction: Enterprise

*Learner's Book page 73*

### Aims

To help learners to:

- know the importance of enterprise and entrepreneurs in business
- differentiate between *enterprise* and *entrepreneur*.

### Skill

- planning.

### Teacher instruction

**Step 1** Guide learners to understand that enterprise is the most important factor of production, and is responsible for organising and combining all the other factors of production (natural resources, labour and capital).

**Step 2** Explain that at the heart of enterprise is the entrepreneur, the person responsible for organising those other factors of production.

**Step 3** Summarise the four factors of production.

**Step 4** Tell learners that entrepreneurs can start small and expand their business over time.

**Step 5** Do Activity 2.

**Answers**

Answers will vary but should include: initiating a business idea, looking for business opportunities, organising the other factors of production (natural resources, labour and capital), and managing the factors of production and the production process.

---

## Lesson 3 • Reasons for being self-employed: To make more money

---

*Learner's Book pages 73–75*

### Aims

To help learners to:

- know that one of the reasons that prompt some people to start a business is to make more money
- understand that profit is the income for enterprise.

### Skills

- analysing
- picture interpretation.

### Teacher instruction

**Step 1** Explain how business creates money.

**Step 2** Discuss the nature of business as a risk-taking activity (profit or loss).

**Step 3** Do Activity 3, Questions 1 and 2.

**Answers**

- 1 Profit motive is the making of money as the reason a person goes into business.
- 2 Answers will vary.

---

## Lesson 4 • Reasons for being self-employed: To be your own boss

---

*Learner's Book pages 73–75*

### Aim

To help learners to:

- know that another reason to start a business is to be your own boss rather than to be employed by someone else.

### Skills

- discussion
- role-play.

### Teacher instruction

**Step 1** Discuss what “to be your own boss” means: you make your own decisions; you are the planner, organiser, director and controller.

**Step 2** Discuss the qualities one needs to “be your own boss”: decision-making skills, management skills, organising skills, planning skills.

**Step 3** Do Activity 3, Question 3.

**Answers**

**3** Answers will vary but may include:

Advantages: you can make your own decisions; you can develop the business yourself.

Disadvantages: developing the business may be limited to your ability to plan, organise and control; if you are sick or away, your business might have to close.

---

## Lesson 5 • Reasons for being self-employed: To use a business opportunity

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*Learner's Book pages 74–75*

### Aim

To help learners to:

- know that another reason why some people start up a business is because they find a chance to make a profit.

### Skill

- analyse the demand, supply and price for a local commodity.

### Teacher instruction

**Step 1** Discuss what is meant by *business opportunity* and give relevant examples.

**Step 2** List factors to be considered when searching for a business opportunity: demand, population, location, factors of production, finance, distribution, competition.

**Step 3** Give learners notes to copy from the lesson.

**Step 4** Do Activity 3, Questions 4 and 5.

**Answers**

**4** A business opportunity is a situation in which a need or want is not presently being met. An entrepreneur has a chance to organise factors of production to form an enterprise that will meet the need or want, and make a profit.

**5** Answers will vary.

---

## Lesson 6 • Reasons for being self-employed: To avoid unemployment

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*Learner's Book pages 74–75*

### Aims

To help learners to:

- appreciate that starting a small business is a way to avoid being unemployed
- differentiate between being employed by someone, self-employed and unemployed.

### Skill

- analyse unemployment in the country.

### Teacher instruction

**Step 1** Briefly explain to learners what unemployment is.

- Step 2** Discuss employment and unemployment.
- Step 3** Discuss how starting your own business is a way of being self-employed and may also create a chance to employ other people.
- Step 4** Explain that unemployment is one of the primary reasons for the rising levels of poverty, crime and other social problems in our society.
- Step 5** Do Activity 3, Questions 6 to 11.

**Answers**

- 6** Answers will vary.
- 7** Good choices: making gardens to produce food to eat and to sell; starting a business to earn money; seeking employment in the private and/or public sectors.  
Bad choices: stealing; prostitution; begging; being dependent on family members.
- 8** The problems of unemployment include an increase in crimes such as stealing.
- 9** Yes, there is no real unemployment in Solomon Islands because people without paid work have a village with land they can go back to and look after themselves.
- 10** Many people in Honiara or other towns who do not have paid employment are said to be voluntarily unemployed because they may just sit around and rely on *wantoks*, or they may grow their own food and satisfy their other needs in their villages, or they may start a business or seek employment in an existing business.
- 11 a** The *wantok* system can encourage unemployment because people can rely on their relatives to look after them, instead of looking after themselves or running a business or seeking employment in an existing business.
- b** The *wantok* system can help those who are genuinely unemployed by helping to look after them.

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## Lesson 7 • Courage, determination, energy and skill

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*Learner's Book pages 75–77*

### Aim

To help learners to:

- appreciate the qualities a person needs in order to become a successful entrepreneur.

### Skill

- self-assessment skills to identify one's strengths and weaknesses.

### Teacher instruction

- Step 1** Discuss personal characteristics such as courage, determination, being hard-working and energetic, and having skills in terms of planning, organising, directing and controlling. These are all necessary attributes for a successful entrepreneur.
- Step 2** Explain why and how each of the attributes listed above is important.
- Step 3** Do Activity 4. Use Figure 6.6 on page 76 of the Learner's Book to do Question 1.

**Answers**

- 1** Answers will vary.
- 2** Answers will vary but may include: use personal savings; borrow from the bank; apply to the Ministry of Commerce for small-business grant assistance; ask your Member of Parliament for RCDF funding.

---

## Lesson 8 • Selecting the right business opportunity and assessing your financial position

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*Learner's Book page 76*

### Aim

To help learners to:

- appreciate the qualities a person needs in order to become a successful entrepreneur.

### Skill

- self-assessment.

### Teacher instruction

**Step 1** Discuss how selecting the right business opportunity is a very important factor in being a successful entrepreneur. The right business opportunity means:

- there is an opportunity to make a profit
- there is a low risk of making a loss
- there is an ability to meet consumer demand.

**Step 2** Discuss how effective financial management is another important factor in being a successful entrepreneur. The entrepreneur needs to have good financial management systems and needs to be able to make financial assessments in order to know about their financial strengths.

Before starting a business the entrepreneur needs to ask these questions:

- “Do I have enough money to start?”
- “Where can I get extra money to help me start?”
- “Who shall I ask to borrow from?”

**Step 3** Have learners do the following revision activity.

You want to start a business and there is no capital to start with. Some possible ways to earn money include: working for someone and getting paid by them; making a garden and selling your vegetables and crops to earn money; borrowing money from someone you know or from the bank. Which of these options is best? Explain why.

---

## Lesson 9 • Applying ethical business practices

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*Learner's Book pages 77–78*

### Aim

To help learners to:

- appreciate that business involves people and therefore business owners must have ethical or moral attitudes towards people when serving them.

### Skill

- behavioural skills such as manners, respect and kindness.

---

## Teacher instruction

**Step 1** Discuss that business involves people who work in the business and people who will be customers of the business. Therefore, ethical approaches must be shown, especially by entrepreneurs, in order to establish a high level of motivation in workers and trust from customers. Key elements of ethical principles are: honesty, respect, timeliness, fairness, kindness.

**Step 2** Ask learners to copy notes from the lesson.

**Step 3** Do Activity 5.

**Step 4** Conclude the lesson, emphasising the key points.

### Answers

- 1** Ethical business practice means using moral principles when doing business, especially when dealing with people.
- 2** Answers will vary but may include:
  - honesty with customers in answering their questions
  - being fair when calculating mark-ups
  - always keeping your promise
  - respecting the rights of customers.
- 3** Answers will vary but will be the opposite of the answers in Question 2: being dishonest, being unfair, breaking promises, being disrespectful and so on.
- 4** Being honest in business will motivate workers in the business to work willingly. It will also create trust in customers, thus encouraging high levels of productivity and trading.
- 5** Answers will vary.

## Lesson 10 • Chapter 6 review questions (unit test)

### Teacher instruction

**Step 1** Learners sit a test based on Chapter 6. Allow 30 minutes for the test.

### Chapter 6 review questions

**Instructions:** Write the numbers 1–10 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 Which factor of production is responsible for organising all the other factors?
  - a natural resources
  - b labour
  - c capital
  - d enterprise
- 2 The *entrepreneur* is associated with which factor of production?
  - a natural resources
  - b labour
  - c capital
  - d enterprise
- 3 Profit motive is concerned with
  - a wanting to make money from starting a business
  - b wanting to be self-employed
  - c finding a business opportunity
  - d finding a business partner
- 4 A person who starts a business is their own “boss”. This means that
  - a they make all the decisions
  - b no one else is working for them
  - c they tell themselves what to do
  - d they must do what they are told to do
- 5 John works in Mary’s trade store. This means that
  - a John is the employer and Mary is the employee
  - b John is the employee and Mary is the employer
  - c Both John and Mary are employers
  - d Both John and Mary are employees
- 6 A business opportunity means that
  - a there is a chance to provide goods or services that are not presently being provided
  - b there is a space between two businesses where a new business could be built
  - c a store has sold out of a particular product
  - d there is no market for a particular product
- 7 Which of the following personal qualities is most likely to lead to success in business?
  - a being very smart
  - b willingness to work hard
  - c being popular
  - d having plenty of money

- 8** Self-assessment will enable a person to
- a** know what their strengths and weaknesses are
  - b** know how to run a business
  - c** see if they have enough money to run a business
  - d** find a business opportunity
- 9** Financial assessment will enable a person to
- a** know what their strengths and weaknesses are
  - b** know how to run a business
  - c** see if they have enough money or can get money to run a business
  - d** find a business opportunity
- 10** Being ethical in business means
- a** trying to make as much money as possible
  - b** treating people fairly and honestly
  - c** being friendly to everyone
  - d** taking advantage of customers who are not educated
- 11** Discuss and explain the four ethical business practices in your own words and give examples for each:
- honesty
  - debts
  - fairness and loyalty
  - handling complaints.

**Step 2** Collect test papers for marking.

**Answers**

- 1** d      **2** d      **3** a      **4** a      **5** b  
**6** a      **7** b      **8** a      **9** c      **10** b      **11** Answers will vary.

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## Lessons 11–12 • Research questions

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*Learner's Book page 78*

### Aims

To help learners to:

- understand the unemployment statistics in the country
- appreciate how to do research on a business activity or a market.

### Skills

- questioning
- research.

### Teacher instruction

**Step 1** Choose one of the options in Activity 6 for your class to research. Explain to learners how to do their research.

**Step 2** Divide the class into groups. If the class does Option 1, have each group present their findings to the class in Lesson 12. Option 2 is a written assignment.

# Chapter 7 • Business Structures

**Strand:** Economics

**Suggested class time:** 16 periods (4 weeks)

**Sub-strand statement:** *Business structures* refers to the different types of business organisations in the country: sole trader, partnership, company, joint venture and cooperative society owned by one, few or many people. These structures are allowed by the law and the government wants people to start up businesses in order to help the economy grow. The government also gets an income from business by charging a tax.

## General learning outcomes

Learners should:

- know the meaning of terms such as *business structures*, *sole trader*, *partnership* and *company* (k) (7.7.1)
- understand the different business structures in Solomon Islands (u) (7.7.2)
- appreciate how the different business structures operate in the community (v) (7.7.3)
- have formed opinions on how to run any of the business structures successfully (s) (7.7.4).

## Specific learning outcomes

Learners should be able to:

- define terms such as *business structures*, *sole trader*, *partnership* and *company* (7.7.1.1)
- list the advantages and disadvantages of the different business structures (7.7.2.1)
- identify examples of different business structures in Solomon Islands (7.7.3.1)
- discuss which business structures are suitable to operate in our community (7.7.4.1)
- explain ways that a business can be successful (7.7.4.2).

## Topics and timing

This chapter consists of 16 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Introduction: Business structures
2	Sole traders
3	Sole traders: Advantages and disadvantages
4	Partnerships
5	Partnerships: Advantages and disadvantages
6	Calculating profit
7	Companies
8	Companies: Advantages and disadvantages
9	Comparing advantages and disadvantages of sole traders, partnerships and companies
10	Joint ventures
11	Public-private partnerships
12	Cooperatives
13	Non-government organisations (NGOs)
14	Chapter 7 review questions (unit test)
15–16	Research

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# Lesson 1 • Introduction: Business structures

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*Learner's Book pages 81–82*

## Aims

To help learners to:

- know what a business structure is
- understand types of business structures in Solomon Islands.

## Skill

- picture interpretation.

## Teacher instruction

**Step 1** Guide learners to recall that entrepreneurs are people who start businesses. Business structure refers to the way the ownership of a business is arranged. Explain that some businesses need a licence or a permit before they can operate.

**Step 2** Do Activity 1.

### Answers

**1** Answers will vary but may include the following.

Good things:

- There is only one owner.
- It is easier to start the business.
- There are no complicated forms.
- The person starting the business can make all the decisions by himself or herself.
- Very small sole trader businesses will probably not get into debt (because they are unable to buy goods on credit).

Problems:

- Unlimited liability. This means if the business has debts, the sole trader is absolutely liable to repay all of the debt. The owner may have to sell anything of value owned by the business, as well as his or her personal possessions.
- The size of the sole trader's business will largely depend on how much money the owner can put into the business. They may lack a certain skill or knowledge that would make the business successful.
- The sole trader has to do all jobs that arise in the business.

**Step 3** Conclude by asking questions about the key ideas in the lesson.

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# Lesson 2 • Sole traders

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*Learner's Book pages 82–83*

## Aims

To help learners to:

- know what a sole trader is
- list the advantages and disadvantages of a sole trader business
- understand how a sole trader business operates and how the law guides it.

## Skill

- reading a case study.

## Teacher instruction

- Step 1** Ask learners to read the case study about the sole trader on page 83 of the Learner's Book.
- Step 2** When they have read the case study, ask questions such as: "Who is the owner of the sole trader business? Where did the sole trader get his skill from? Why did the owner change from a sole trader business to a partnership?" Discuss the case study.
- Step 3** Guide learners to understand that a sole trader is a business owned by one person.
- Step 4** Explain what unlimited liability is.
- Step 5** Give learners notes to copy.
- Step 6** Summarise the lesson, emphasising the key points.

## Lesson 3 • Sole traders: Advantages and disadvantages

*Learner's Book page 82*

### Aims

To help learners to:

- understand the advantages and disadvantages of a sole trader business
- appreciate how a sole trader business operates and how the law guides it.

### Skill

- reading a case study.

## Teacher instruction

**Step 1** Recall the previous lesson and ask questions about sole traders.

**Step 2** Do Activity 2.

### Answers

- 1 A sole trader is a business owned by one person.
- 2 Unlimited liability means if the business has debts, the sole trader is absolutely liable to repay all of the debt. The owner may have to sell anything of value owned by the business, as well as his or her personal possessions.
- 3 Stephen wanted to change from being a sole trader to being in partnership so that he could increase his skills and knowledge, learning from other people in the business.
- 4 Answers will vary. Ask each group's leader to report to the class about their case study findings.

**Step 3** Summarise the lesson by asking questions.

## Lesson 4 • Partnerships

*Learner's Book pages 82–85*

### Aims

To help learners to:

- know what a partnership is
- understand the advantages and disadvantages of a partnership.

## Skills

- reading a case study
- picture interpretation.

## Teacher instruction

**Step 1** Ask learners to read the case study about the partnership on page 84 of the Learner's Book.

**Step 2** When they have read the case study, ask questions such as: "What is the case study about? How many people own the business and who are they? Why did the owners form a partnership? What are the benefits the owners of the partnership receive? What are some of the difficulties they faced?"

**Step 3** Briefly explain that a partnership is a business structure made up of between two and 20 owners or partners.

**Step 4** Do Activity 3.

### Answers

**1** Luke, Andrew and Steve's reasons for forming a partnership are as follows:

- They have the experience and the skills from the technology company.
- They want to work for themselves so that it will benefit their families and the country as a whole.
- They can utilise their skills and talents by working together as a partnership.

**2** A sole trader is a business owned by one person. A partnership has between two and 20 owners.

**3** The advantages of a partnership over a sole trader are:

- the partners can pool their money, so there is more capital available to start the business
- the owners have different skills and talents and can help each other
- the work load is shared so there is less pressure
- if one person gets sick or takes time off, the other owners can still carry on the business
- more money can be earned because of the larger business and greater capital.

**Step 5** Summarise the lesson, emphasising the key points.

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# Lesson 5 • Partnerships: Advantages and disadvantages

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*Learner's Book page 82–86*

## Aims

To help learners to:

- know how a partnership operates
- understand the advantages and disadvantages of a partnership
- appreciate how to calculate the profit of a partnership.

## Skills

- picture interpretation
- profit calculation.

## Teacher instruction

**Step 1** Recall the case study on the partnership and discuss the advantages and disadvantages.

**Step 2** Do Activity 4.

**Answers**

- 1** The advantages of a partnership include:
- partners can share the responsibility and work load
  - partners have different skills and can work in different departments
  - partners can help each other.
- 2** Other advantages are that more capital is available to start the business, and that the business can continue if a partner takes time off.
- 3** The main disadvantage of a partnership is that partners can have disagreements.
- Step 3** Guide learners to understand that a partnership agreement is a document that sets out things such as how the profit is to be shared, the responsibilities of each partner and what would happen if a partner was to die or wanted to leave the partnership.
- Step 4** Learners need to know that if there is no partnership agreement, the law says all the profits are to be shared equally among the partners, even though they may not have contributed the same amounts of money to start the business.
- Step 5** Explain the meaning of *unlimited liability* in a partnership. Each partner is responsible for his or her share of the partnership. This means he or she is liable for all the debts the business might have, and may have to pay debts not only from the business fund but also out of their private possessions.
- Step 6** Give learners notes to copy on partnership.

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## Lesson 6 • Calculating profit

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*Learner's Book page 86*

**Aims**

To help learners to:

- understand the advantages and disadvantages of a partnership
- know how to calculate the profit of a partnership.

**Skill**

- profit calculation.

**Teacher instruction**

**Step 1** Do Activity 5.

**Answers**

**1 a** Mary \$2000 =  $\frac{2000}{10000} \times \frac{500}{1} = \$100.00$

Kaire \$1000 =  $\frac{1000}{10000} \times \frac{500}{1} = \$50.00$

Laurence \$5000 =  $\frac{5000}{10000} \times \frac{500}{1} = \$250.00$

Valentine \$2000 =  $\frac{2000}{10000} \times \frac{500}{1} = \$100.00$

**b**  $\frac{500}{4} = \$125.00$ . Each partner is entitled to \$125.00.

**2 a** Ishmael \$10 000 =  $\frac{10000}{20000} \times \frac{2400}{1} = \$1200.00$

Barbara \$6000 =  $\frac{6000}{20000} \times \frac{2400}{1} = \$720.00$

Ann \$4000 =  $\frac{4000}{20000} \times \frac{2400}{1} = \$480.00$

**b**  $\frac{2400}{3} = \$800.00$ . Each partner is entitled to \$800.00.

**Step 2** Give learners an extra activity on how to calculate profit.

John and Moses form a partnership. John puts in \$4000 and Moses puts in \$2000. In the first year, the business makes a profit of \$600.

- 1 If there is a partnership agreement that says that each partner will share in profit in proportion to the money contributed to the business, how much of the profit will each partner receive?
- 2 If they do not have a partnership agreement, how much would each partner be entitled to?

**Answers**

1 John \$4000 =  $\frac{4000}{6000} \times \frac{600}{1} = \$400.00$

Moses \$2000 =  $\frac{2000}{6000} \times \frac{600}{1} = \$200.00$

2  $\frac{600}{2} = \$300.00$ . Each partner is entitled to \$300.00.

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## Lesson 7 • Companies

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*Learner's Book pages 86–89*

### Aims

To help learners to:

- define *company* and list examples in Solomon Islands
- understand how a company is operated and that there are procedures to follow according to the law
- understand how a company benefits its owners and the difficulties the owners face.

### Skills

- reading a case study
- research.

### Teacher instruction

**Step 1** Ask learners to read the case study about the company on pages 86–87 of the Learner's Book.

**Step 2** When they have read the case study, ask questions such as: “Who is the owner of the company? What does the company sell? What level of education did the owner reach? Why do you think the owner changed from a sole trader business to a company?”

**Step 3** Explain that a company needs some procedures to follow according to the law before it can operate.

**Step 4** Learners need to understand that directors are the people who decide how the company's dividends are shared; sometimes they are referred to as the Board of Directors.

**Step 5** Do Activity 6.

**Answers**

1 Answers will vary but may include:

- He is chairman and chief executive officer of Tropic Glass and Aluminum Ltd.
- He is a licensed member of the Australia and New Zealand Windows and Doors Association.
- He exports his products to Papua New Guinea.

2 Answers will vary. Ask each group leader to share their answers with the class.

3 Answers will vary but may include: Soltai Company, LAS Company, Fibreglass Company Ltd, Tropic Glass and Aluminum Ltd, Solomon Star Company.

**Step 6** Explain that the chief executive officer is appointed by the directors of a company to be responsible for managing and running the company.

## Lesson 8 • Companies: Advantages and disadvantages

*Learner's Book pages 86–89*

### Aims

To help learners to:

- differentiate between the advantages and disadvantages of a company
- appreciate how to calculate a company's profit
- understand the different roles in a company and how the dividends are shared among shareholders.

### Skills

- reading a case study
- research.

### Teacher instruction

**Step 1** Explain the advantages of a company. One of them is limited liability.

**Step 2** Do Activity 7, Questions 1 to 7.

#### Answers

- The advantages of a company include:
  - It is usually possible for a shareholder to sell his or her shares to another person.
  - Shareholders have limited liability. This means the responsibility each shareholder has for paying back the debts of the business is limited to the value of his or her shares. Their personal property is safe.
- The disadvantages of a company are:
  - If the company goes bankrupt, then the assets of the business have to be sold to pay back the debt.
  - If this is not enough to pay back all the debt, then the creditors will not get back all the money that is owed to them.
- The liability of shareholders is limited because the responsibility of each shareholder to pay back the debts of the business is limited to the value of his or her shares. Their personal property cannot be sold to pay back the company's debts.
- The Chief Executive Officer :
  - manages and makes decisions about the company on a day-to-day basis.
 The Chairman of the Board of Directors:
  - looks after the running of the business of the company
  - chairs the annual general meeting
  - gives reports about how the company is going, including how much profit or loss has been made
  - may be involved in other companies and businesses.
- Yes, a shareholder is a part owner of the company and has a vote on the board. Some shareholders are elected as directors.
- It would raise  $\$2 \times 10\,000$  shares = \$20 000.
- $10\,000$  shares  $\div$  \$5000 profit = \$2.00 per share as dividend.

# Lesson 9 • Comparing advantages and disadvantages of sole traders, partnerships and companies

Learner's Book pages 82–89

## Aim

To help learners to:

- understand the advantages and disadvantages of a sole trader, a partnership and a company.

## Skills

- reading
- group discussion.

## Teacher instruction

**Step 1** Recall the previous lessons and ask questions about the different business structures.

**Step 2** Divide the class into three groups and do Activity 7, Question 8. Each group looks at the advantages and disadvantages of one of the business structures.

### Answers

8	Business structure	Advantages	Disadvantages
	Sole trader	<ul style="list-style-type: none"><li>• Only one owner, who enjoys all the profit</li><li>• Very easy business to start</li><li>• Very easy to close down</li><li>• No complicated forms</li><li>• All decisions are made by the owner</li><li>• Very small sole trader businesses will probably not get into debt because they are unable to buy goods on credit</li></ul>	<ul style="list-style-type: none"><li>• Size of the sole trader's business will largely depend on how much money the owner can put into the business</li><li>• Owner may lack a certain skill or knowledge that would make the business successful</li><li>• Unlimited liability</li></ul>
	Partnership	<ul style="list-style-type: none"><li>• Partners share the responsibility and work load</li><li>• Partners have different skills to assist in different departments</li><li>• Partners help each other</li></ul>	<ul style="list-style-type: none"><li>• Disagreements and arguments can develop among the partners</li><li>• Too small for very large businesses—upper limit of partners is 20</li><li>• Unlimited liability</li></ul>
	Company	<ul style="list-style-type: none"><li>• Greater access to capital</li><li>• Limited liability</li><li>• Shares can be traded publicly on the stock exchange</li></ul>	<ul style="list-style-type: none"><li>• High company tax</li><li>• Difficulties in setting up and winding down</li></ul>

**Step 3** Ask each group to present their answers to the class. Follow this with discussion and questions.

**Step 4** Ask learners to copy the notes from the group presentations.

## Lesson 10 • Joint ventures

*Learner's Book pages 89–91*

### Aims

To help learners to:

- know what a joint venture is
- appreciate the advantages and disadvantages of joint ventures
- appreciate how government companies and private companies can work together (PPP).

### Skills

- reading a case study
- picture interpretation.

### Teacher instruction

**Step 1** Ask: “What is a joint venture company? What are some examples of joint venture companies in Solomon Islands?” Ask learners to read the case study about the joint venture on pages 89–90 of the Learner’s Book.

**Step 2** When learners have read the case study, ask questions such as: “Who are the owners of the joint venture in the case study? When was the business started? Name the major constructions or buildings the joint venture built in the past few years.”

**Step 3** Explain that a joint venture is when one company joins in business with another company.

**Step 4** Do Activity 8.

#### Answers

- 1 A joint venture is when two companies work together to develop a business opportunity.
- 2
  - a Jeheil Kwaimani’s company would gain building expertise, management skills and modern technology from Fletcher.
  - b The two companies formed a joint venture so that they could work together as partners and to contribute money and skilled people to work on projects and provide jobs.
  - c One company would not try to develop the project by itself because they need each other in terms of money, skilled people, land and management skills.
- 3 Some Solomon Islanders are not able to start a big business themselves because they do not have enough money to pay for very expensive building materials and they lack management skills.

4	Overseas company	Local company
	<i>Machines</i>	<i>Land</i>
	<i>Expertise in designing</i>	<i>Unskilled labour</i>
	<i>Management skills</i>	

- 5 The three ways in which joint venture businesses help Solomon Islands are:
  - providing training
  - providing jobs
  - government collecting tax from the joint venture business.

**Step 5** Ask learners to copy notes about joint ventures.

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## Lesson 11 • Public–private partnerships

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*Learner's Book page 91*

### Aims

To help learners to:

- know what a public–private partnership is
- understand how public–private partnerships contribute to the government and the company
- appreciate how the government and private companies can work together (PPP).

### Skill

- reading.

### Teacher instruction

**Step 1** Ask: “What is a public–private partnership?” Explain that, in a public–private partnership (PPP), both the government and the company contribute money and skilled people to work on the project.

**Step 2** Ask: “Can you give an example of a public–private partnership in Solomon Islands? Who owns it? Why does it exist?”

**Step 3** Learners should understand that when a company works with the government on a joint venture, it is called a public–private partnership (PPP).

**Step 4** Do Activity 9.

#### Answers

A public–private partnership is when a company works with the government on a joint venture. The government is most likely to contribute land, unskilled labour, money and a licence. The company is most likely to contribute management skills, machines, expertise in designing and money.

**Step 5** Have learners copy notes on public–private partnerships, and follow this with discussion.

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## Lesson 12 • Cooperatives

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*Learner's Book pages 91–93*

### Aims

To help learners to:

- know what a cooperative society is
- understand that there are two types of cooperative societies.

### Skill

- reading a case study.

### Teacher instruction

**Step 1** Ask: “What is a cooperative society?” Ask learners to read the case study about the cooperative on pages 91–92 of the Learner's Book.

**Step 2** When learners have read the case study, ask questions based on the case study.

**Step 3** Explain that there are two types of cooperatives: a consumers' and a producers' cooperative.

**Step 4** Do Activity 10.

**Answers**

- 1 Answers will vary.
- 2 There is no limit on the number of owners.
- 3 The owners are the people who form the cooperative society.
- 4 The benefits are: earning a profit, helping each other, satisfying needs and wants, buying in bulk at a low price, saving time and money.
- 5 Answers will vary but may include a trade store and selling honey.
- 6 A consumers' cooperative can help its members save money because they buy in bulk at the wholesale price rather than the retail price.
- 7 A producers' cooperative can be of help to its members by buying equipment that individual members cannot afford. Members can then take it in turns to use the equipment. Producers can also help each other by joining together to transport their product to a central selling point.

**Step 5** Ask learners to copy notes about cooperatives.

**Step 6** Conclude the lesson by highlighting the key points and asking questions.

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## Lesson 13 • Non-government organisations (NGOs)

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*Learner's Book page 93*

**Aims**

To help learners to:

- know what a non-government organisation is
- know what non-government organisations provide to the people in the community.

**Skill**

- research.

**Teacher instruction**

**Step 1** Explain that a non-government organisation supplies either goods or services to consumers, but it is not a business. It does not aim to make a profit. Ask: "What is the purpose of non-government organisations in the community and how do they operate?"

**Step 2** Divide the class into groups of five to do Activity 11.

**Answers**

Answers will vary. Some examples are SIDT, Live and Learn, Oxfam, Save the Children and World Vision. SIDT helps the community by:

- teaching people how to eat healthily and to eat local food
- providing sanitation for communities
- helping the development of the country in terms of money and resources
- helping to run some government programs, such as awareness of HIV and AIDs.

**Step 3** Ask learners to work in groups to research a non-government organisation near their school or community. They should answer the following questions: What is the name of this organisation? Who owns it? What is its main aim and purpose in the country and the community? How is the organisation financed? Who finances it? Which country finances it? Why did this country finance this organisation?

**Step 4** Ask each group to present their findings.

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## Lesson 14 • Chapter 7 review questions (unit test)

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### Teacher instruction

**Step 1** Learners sit a test based on Chapter 7. Allow 36 minutes for the test.

### Chapter 7 review questions

**Instructions:** Write the numbers 1–15 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1** The owners of a company are called
  - a** sole traders
  - b** partners
  - c** shareholders
  - d** directors
- 2** Limited liability is a feature of which type of business structure?
  - a** sole trader
  - b** partnership
  - c** company
  - d** cooperative
- 3** In a sole trader business, there is
  - a** one person working in the business
  - b** one person who owns the business
  - c** more than one person working in the business
  - d** more than one owner of the business
- 4** Unlimited liability means that
  - a** the owner/owners may need to use their personal money to pay the debts of the business
  - b** the owner/owners will lose only the money they have put into the business
  - c** the owner/owners do not have to pay any of the debts of the business
  - d** the owner/owners have no liabilities
- 5** In a partnership, the business has
  - a** 1 owner
  - b** 2–20 owners
  - c** 1–50 owners
  - d** 5 to no limit
- 6** Partner A puts in \$1000, partner B puts in \$600 and Partner C puts in \$400. There is a partnership agreement that says that profit will be shared in the same proportion as to what they put in. If the business makes a profit of \$300, then how will the profit be shared?
  - a** A \$100, B \$100, C \$100
  - b** A \$150, B \$90, C \$60
  - c** A \$200, B \$60, C \$40
  - d** A \$100, B \$60, C \$40
- 7** Use the same information as in Question 6, but this time there is no partnership agreement. According to the law, how much should each partner get?
  - a** A \$100, B \$100, C \$100
  - b** A \$150, B \$90, C \$60
  - c** A \$200, B \$60, C \$40
  - d** A \$100, B \$60, C \$40

- 8 If a company gets into trouble and owes more money than the value of its assets, then the shareholders will
- a have to pay in extra money
  - b have to buy more shares
  - c only lose the money they have already put into the company
  - d get all of their money back
- 9 Who has the most say in the day-to-day running of a company?
- a shareholders
  - b directors
  - c chairman of the board
  - d chief executive officer
- 10 Which type of business structure is most likely to be able to raise the most money?
- a sole trader
  - b partnership
  - c company
  - d cooperative
- 11 Which word must be included in the name of a company?
- a limited
  - b company
  - c enterprise
  - d business
- 12 Which two of the following are most likely to form the basis of a public-private partnership?
- a company and partnership
  - b partnership and government
  - c government and company
  - d company and another company
- 13 Which two of the following are most likely to form the basis of a joint venture?
- a company and partnership
  - b partnership and government
  - c government and company
  - d company and another company
- 14 When a group of ordinary people come together to save money by buying goods in bulk, this is called a
- a partnership
  - b producers' cooperative
  - c non-government organisation
  - d consumers' cooperative
- 15 An organisation that has been set up mainly to either help people or the environment and not to make a profit, it is called a
- a partnership
  - b producers' cooperative
  - c non-government organisation
  - d consumers' cooperative
- 16 Give two advantages of a joint venture and two disadvantages of companies.

**Step 2** Collect test papers for marking.

### Answers

- 1** c      **2** c      **3** b      **4** a      **5** b  
**6** b      **7** a      **8** c      **9** d      **10** c  
**11** a      **12** c      **13** d      **14** d      **15** c

- 16** Advantages of joint ventures include: they contribute money and skilled people to the country; dividends are shared; they provide modern technology that we do not have in our country.  
Disadvantages of companies include: difficulties in setting up and winding down; they have to pay high company tax.

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## Lessons 15–16 • Research

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*Learner's Book page 93*

### Aim

To help learners to:

- know how to write and research.

### Skill

- research.

### Teacher instruction

**Step 1** Divide the class into groups of six to do Activity 12.

**Step 2** Assess each group's case study.

# Chapter 8 • Introduction to Marketing

**Strand:** Starting your own business

**Suggested class time:** 12 periods (3 weeks)

**Sub-strand statement:** This strand is about how the business person markets goods and services to customers. Advertising is about making a product known to the potential market and communicating with the market. Different types of media are used to advertise a product to the public and this can lead to passing on false information about a product.

## General learning outcomes

Learners should:

- know the meaning of *marketing*, *advertising* and related terms (k) (7.8.1)
- understand key factors that determine whether or not a business is viable (u) (7.8.2)
- appreciate the distribution of goods and services from producer to consumer (a) (7.8.3)
- have opinions on how to identify consumer behaviour (s) (7.8.4)
- understand the main media used in advertising (u) (7.8.5).

## Specific learning outcomes

Learners should be able to:

- define the following terms: *marketing*, *advertising* and *potential market* (7.8.1.1)
- describe how information about location, demography, competition and target market is essential to business success or failure (7.8.2.1)
- identify examples of business structures around their community that are successful (7.8.2.2)
- discuss how this success relates to location, demography, competition and target market (7.8.2.3)
- do market research (7.8.4.1)
- explain the main media that are used in advertising (7.8.5.1)
- discuss how advertising can attract customers (7.8.5.2).

## Topics and timing

This chapter consists of 12 topics. Each topic should be covered in a 40-minute period.

Lessons	Topics
1	Introduction to marketing
2	The distribution of goods and services
3	Identifying the target market
4	Identifying consumer behaviour
5	Niche markets vs mass markets
6	Advertising
7	Providing information
8	Responsible advertising
9	Chapter 8 review questions (unit test)
10–12	Research

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## Lesson 1 • Introduction to marketing

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*Learner's Book page 96*

### Aims

To help learners to:

- know what they will learn about marketing
- appreciate the five areas involved in marketing: identifying a potential market, developing the right product for that market, communicating, pricing and distributing the product.

### Skill

- picture interpretation.

### Teacher instruction

**Step 1** Ask learners to study Figure 8.1 on page 96 of the Learner's Book. Ask: "Why is Jenny not selling any pandanus baskets? Is she selling her products at the right location?"

**Step 2** Do Activity 1.

#### Answers

- 1 Jenny needs to move to the road side where people are walking. This will enable potential customers to see the baskets.
- 2 She could put up a sign advertising the baskets and their price.
- 3 If Jenny tries to sell her baskets at a very high price, no one will buy them. The consumers will look for cheaper baskets.
- 4 She could have made the baskets, or bought them from someone else.

**Step 3** Ask: "What is marketing?" Marketing is a term that covers the whole process of getting goods and services to consumers.

**Step 4** Learners need to understand that marketing involves five main factors: identifying a potential market, developing the right product, communicating with the market, pricing and distributing the product.

**Step 5** Ask learners about the difference between advertising and marketing.

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## Lesson 2 • The distribution of goods and services

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*Learner's Book pages 97–98*

### Aims

To help learners to:

- know what distribution is and about the importance of marketing
- understand the two types of selling: direct and indirect.

### Skill

- diagram interpretation.

### Teacher instruction

**Step 1** Ask: "What is distribution?" Explain that distribution is an important part of marketing.

**Step 2** Ask learners to study the diagram on indirect selling in Figure 8.3 on page 97 of the Learner's Book.

**Step 3** Briefly explain that for a retailer to be successful, they need to be careful about the location of their store.

**Step 4** Do Activity 2.

**Answers**

- 1 Answers will vary.
- 2 Direct selling is where the wholesaler sells goods to the retailer and the retailer sells them to consumers. Two examples of local firms are: Ning's bread factory and Poma store.
- 3 Indirect selling is where manufacturers are responsible for the marketing of their product, while not actually selling the product to the final consumers. Two examples are: Aba and X-J6 clothing.
- 4 Two types of businesses that act as middlemen in the distribution of goods are: LAS Company and Aba wholesaler.
- 5 The manufacturer usually takes responsibility for the advertising of products that are sold by retailers.
- 6 The location is very important for retailers because the store needs to be situated near where there are enough people who may buy goods from that store.

**Step 5** Summarise the lesson by asking questions.

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## Lesson 3 • Identifying the target market

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*Learner's Book page 98*

### Aims

To help learners to:

- know what a target market is
- appreciate the aim of marketing and how to sell the product to the consumer.

### Skill

- comparing advertisements.

### Teacher instruction

**Step 1** Guide learners to understand what a target market is.

**Step 2** Ask: "What is the main aim of marketing?"

**Step 3** Divide the class into small groups to do Activity 3.

**Answers**

- 1 No, the advertisements aimed at different target markets.
- 2 The target market for the products in "A" is builders or carpenters who want to buy materials and tools to build houses or other things for their customers.
- 3 The target market for the products advertised in "B" is consumers who want their hair cut or styled.

**Step 4** Ask each group to report their answers to class, and follow with questions.

**Step 5** Summarise the lesson, emphasising the key points.

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## Lesson 4 • Identifying consumer behaviour

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*Learner's Book pages 98–99*

### Aims

To help learners to:

- understand what market research is and its purpose
- appreciate the difference between demography and market gap.

### Skills

- reading a survey
- market research.

### Teacher instruction

- Step 1** Explain what market research is and that through market research, businesses can find out about consumer behaviour, habits, needs and wants.
- Step 2** Explain that market research can help businesses to identify the target market, set the selling price and identify which consumers will buy their product.
- Step 3** Ask learners to study the simple market survey in Figure 8.4 on page 99 of the Learner's Book.
- Step 4** Divide the class into five small groups to do Activity 4. Answers will vary depending on the research done by the groups.
- Step 5** Explain what demography is. Look at Figure 8.4 again. Business people need to look at the demography of a community, for example: Are there more young or old people in the community? Are the demands of the young people different to the demands of the old people?
- Step 6** Explain that a business owner also needs to know if there is a market gap. A market gap provides a business opportunity.
- Step 7** Summarise the lesson, emphasising the key points.

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## Lesson 5 • Niche markets vs mass markets

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*Learner's Book page 100*

### Aim

To help learners to:

- understand the difference between a niche market and a mass market.

### Skill

- picture interpretation.

### Teacher instruction

- Step 1** Briefly explain the difference between a niche market and a mass market.
- Step 2** Divide the class into four groups to do Activity 5.

#### Answers

- 1 A target market is a group of consumers who might be interested in buying the product.
- 2 The purpose of market research is to find out more about what consumers actually want.

- 3 Demography is useful for a person who is interested in starting a business to find out if the people in a particular area might buy the business's product.
- 4 A market gap is a situation in which the needs and wants of consumers are not presently being met. The examples given will vary.
- 5 A mass market is a market for products that are needed or wanted by most people. A niche market is a very small market for a product that is wanted by some people in the community.
- 6 Answers will vary but may include:
  - mass markets: flour (bread), Solomon Blue taiyo, stationery
  - niche markets: welding equipment, medical equipment, wedding dresses.
- 7 There would be more competition in a mass market.
- 8 Distribution involves transportation and the use of a middleman to get the goods to the consumer.

**Step 3** Summarise the lesson by asking questions.

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## Lesson 6 • Advertising

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*Learner's Book pages 100–101*

### Aims

To help learners to:

- know that advertising is a powerful tool for creating awareness in consumers
- appreciate the main types of media in Solomon Islands.

### Skill

- comparing pictures.

### Teacher instruction

- Step 1** Ask: “What is advertising?” Explain that advertising is an important part of marketing. It is how a product is made known to consumers.
- Step 2** Ask: “What is media?” Explain that businesses choose an appropriate type of media to advertise their product.
- Step 3** Divide the class into six groups and allocate one type of media to each group: print, broadcast, billboards and signage, clothing, the internet, word of mouth. Ask each group to discuss their type of media and to look for different pictures of this type of advertising. Learners paste the pictures in their exercise books.
- Step 4** Group leaders report to the class about their type of media and how it is used in advertising. They show pictures to the class and use charts or write their notes on the blackboard while learners take notes.
- Step 5** Ask learners to give a brief summary of each type of media in their exercise books and to paste in pictures of each type. Make sure they do not just copy the whole passage from the book.

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## Lesson 7 • Providing information

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*Learner's Book pages 101–102*

### Aims

To help learners to:

- know that an important part of marketing is communicating with consumers
- understand that different businesses use different marketing strategies.

### Skills

- picture interpretation
- reading.

### Teacher instruction

**Step 1** Link this lesson with the previous lesson on advertising and do Activity 6.

#### Answers

- 1 The best media would be radio, newspaper, TV news, mobile phone, wireless radio, posters and word of mouth.
- 2 A small business might be able to afford posters, newspapers, radio, TV news, wireless radio or word of mouth.
- 3 Yes, because the media has to be effective in reaching the target market.
- 4 Answers will vary.
- 5 Answers will vary.
- 6 Answers will vary.
- 7 Answers will vary.

**Step 2** Guide learners to understand that an important part of marketing is communicating with consumers. Advertising is a useful way of providing information to consumers.

**Step 3** Ask learners to find out the aim of advertising. The purpose of advertising is to increase sales, so advertisers try to persuade people to buy the product.

**Step 4** Do Activity 7. Answers and pictures will vary.

**Step 5** Ask some students to present their pictures to the class.

**Step 6** Briefly explain that different businesses use different market strategies, depending on the market share and brand name.

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## Lesson 8 • Responsible advertising

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*Learner's Book pages 102–103*

### Aims

To help learners to:

- understand the health issues caused by junk food that is advertised to the public
- know that parents need to be responsible when it comes to allowing children to buy junk food.

### Skill

- cartoon interpretation.

## Teacher instruction

**Step 1** Help learners to understand that junk food contains a high amount of sugar, salt or fat, which makes food taste good but is bad for our health. Explain that some advertising for junk food can be misleading.

**Step 2** Explain that parents need to be responsible when deciding which products their children are allowed to buy.

**Step 3** Do Activity 8.

### Answers

- 1 Advertising can be useful to consumers if it provides information to enable them to make decisions.
- 2 Junk food is food or drink that contains high amounts of sugar, salt or fat. Examples: Twisties, soft drinks and ice blocks.
- 3 Answers will vary.

4 a

Product	Brand
toothpaste	<i>Colgate, Macleans</i>
washing powder	<i>Omo, Biozip, Niu, Kleen</i>
soap	<i>Palmolive, Lux, Medicare, Lyla</i>
car	<i>Toyota, Mitsubishi, Isuzu, Ford, Hyundai</i>
radio	<i>Sanyo, Toshiba, National, Phillips</i>
sports shoes	<i>Nike, Puma, Adidas</i>
outboard motor	<i>Tohatsu, Yamaha, Johnson, Suzuki</i>

- b We know these brands because they are advertised.

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## Lesson 9 • Chapter 8 review questions (unit test)

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### Teacher instruction

**Step 1** Learners sit a test based on Chapter 8. Allow 38 minutes for the test.

### Chapter 8 review questions

**Instructions:** Write the numbers 1–15 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 Marketing is concerned with
  - a identifying the target market
  - b advertising the product
  - c distributing the product
  - d all of the above
- 2 Marketing strategies
  - a work the same way anywhere in the world
  - b should suit the culture of the country
  - c are the same as advertising strategies
  - d apply to goods and services
- 3 Conducting a survey to find out what people think about a particular product is an example of
  - a market research
  - b advertising
  - c distribution
  - d promotion
- 4 Which of the following businesses would best be described as a middleman?
  - a manufacturer
  - b wholesaler
  - c retailer
  - d consumer
- 5 Which of the following is responsible for marketing a product that is aimed at covering all of Solomon Islands?
  - a manufacturer
  - b wholesaler
  - c retailer
  - d consumer
- 6 The study of how a population is made up of different age groups, gender and ethnic groups is called
  - a democracy
  - b geography
  - c geology
  - d demography
- 7 A situation in which needs and wants are not presently being met is called a
  - a market gap
  - b niche market
  - c target market
  - d mass market

- 8 When there is a relatively small market, for very specialised goods and services, this is usually referred to as a
- market gap
  - niche market
  - target market
  - mass market
- 9 This is the name given to a particular product by the manufacturer:
- a brand
  - a trade mark
  - a label
  - a niche market
- 10 Media is a term that refers to
- the type of communication that is used
  - the use of television and radio
  - the use of newspapers and magazines
  - equipment controlled by computers
- 11 The decision as to which type of media should be used to advertise a product is usually based on
- how much it costs to use different media
  - the number of people reached by a particular type of media
  - effectiveness in reaching an audience and cost
  - which is the cheapest form of media
- 12 Which of the following would you expect to be the cheapest method of advertising?
- word of mouth
  - newspapers
  - television
  - billboards
- 13 Which of the following will mostly affect whether a retailer is successful or not?
- how big the building is
  - what colour paint is used for the outside of the building
  - how many signs are placed at the front of the building
  - the location of the building
- 14 Advertising is most helpful for consumers when it
- uses persuasive language
  - provides information
  - is colourful and interesting
  - can be seen everywhere
- 15 Businesses use advertising to try to
- sell more products
  - provide information
  - become well known
  - increase their costs
- 16 List two examples of products that have a niche market and two examples of products that have a mass market.
- 17 Why do business people have to consider the demography of the area before they can start their business?

**Step 2** Collect test papers for marking.

## Answers

- 1** d      **2** d      **3** a      **4** b      **5** a  
**6** d      **7** a      **8** b      **9** a      **10** a  
**11** c      **12** a      **13** d      **14** b      **15** a

**16** Answers will vary but may include:

Niche market: selling clam shells overseas, mangrove crabs.

Mass market: rice, taiyo Solomon, timber, minerals.

**17** People have to consider the demography of the area before they can start a business to make sure there are enough people who might buy their product. For example, if they have a good or service that young people will buy, they need to make sure there are plenty of young people in the area.

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## Lessons 10–12 • Research

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*Learner's Book page 103*

### Aim

To help learners to:

- understand the topics that are covered in the chapter.

### Skill

- research.

### Teacher instruction

**Step 1** Divide the class into groups of five to do Activity 9.

**Step 2** Have each group present their findings, their business plan and their advertising campaign to the class. Assess each group's work.

## Chapter 9 • Modern and Traditional Business

**Strand:** Starting your own business

**Suggested class time:** 12 periods (3 weeks)

**Sub-strand statement:** This strand focuses on modern and traditional businesses in Solomon Islands. The features of modern and traditional business are conflicting. The nature of modern business is different from traditional business in terms of culture, values and beliefs.

### General learning outcomes

Learners should:

- know the meaning of *traditional business*, *modern business*, *dual economy* and related terms (k) (7.9.1)
- understand the difference between modern business and traditional business (u) (7.9.2)
- appreciate the nature of trade and exchange in modern business and traditional business (a) (7.9.3)
- describe the major aims of modern business and traditional business (s) (7.9.4)
- understand the sustainability of modern business and traditional business (u) (7.9.5)
- have formed opinions about corruption in relation to religious teachings, businesses practice and leadership in enterprise (a) (7.9.6).

### Specific learning outcomes

Learners should be able to:

- define *traditional business*, *modern business*, *dual economy* and *commerce* (7.9.1.1)
- differentiate between modern business and traditional business practices (7.9.2.1)
- explain how trade and exchange occur in both modern and traditional businesses (7.9.3.1)
- understand the key factors of having modern and traditional businesses in the community (7.9.4.1)
- discuss the advantages and disadvantages of the *wantok* system for modern businesses practices (7.9.5.1)
- discuss the definition of *corruption* in relation to religious teachings, businesses practice and leadership in enterprise (7.9.6.1).

### Topics and timing

This chapter consists of 12 topics. Each topic should be covered in a 40-minute period.

Lessons	Topics
1	Introduction: The two economic systems
2	Features of modern business
3	Commerce or trade in traditional business
4	Commerce or trade in modern business
5	Aims of traditional business
6	Aims of modern business
7	Risks to traditional business
8	Factors affecting traditional business
9	Risks to modern business
10	Corruption and leadership in business
11	Corruption
12	Chapter 9 review questions (unit test)

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# Lesson 1 • Introduction: The two economic systems

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*Learner's Book pages 106–107*

## Aims

To help learners to:

- know about Solomon Islands' economy
- understand the dual economy, where the traditional and modern economic systems exist side by side.

## Skill

- picture interpretation.

## Teacher instruction

**Step 1** Ask, “What is an economy? What type of economy does Solomon Islands have? What is a dual economy?”

**Step 2** Guide learners to understand that Solomon Islands' economy consists of traditional and modern economic systems.

**Step 3** Ask, “What are the features of traditional business?”

**Step 4** Do Activity 1.

### Answers

**1** Answers will vary but may include:

- The first picture is about shell money – tafuliae from north Malaita and LangaLanga Lagoon (in Auki). It is considered part of a traditional business because it is traditional money.
- The second picture is about two people exchanging tafuliae or giving compensation or for bride price or for buying goods such as pigs or root crops.

**2** Other traditional businesses are: feasting, bride price and barter. They are considered businesses because people exchange goods, traditional money and even modern money.

**Step 5** Conclude the lesson, asking questions.

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# Lesson 2 • Features of modern business

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*Learner's Book page 107*

## Aim

To help learners to:

- compare the features of modern businesses in Solomon Islands.

## Skills

- picture interpretation
- reading.

## Teacher instruction

**Step 1** Ask a few questions about the pictures of modern business in Figure 9.2 on page 107 of the Learner's Book. For example: “What can you see in the picture? Who are these people? What are they doing? Where are they? What is happening in the picture?”

**Step 2** Divide the class into groups of five to do Activity 2. Ask each group leader to present their answers to the class.

**Answers**

- 1 These are modern businesses because they provide goods and services in exchange for money.
- 2 Other examples of modern businesses: taxi service, shipping, selling clothes or second hand goods.

3

	Traditional	Modern
<b>Money</b>	Shell money	Modern money
<b>Clothes</b>	Kabilato, grass skirts	Trousers, shirts, dresses
<b>Environment</b>	In villages	In towns
<b>Services</b>	Traditional healing	Modern medicine
<b>Goods</b>	Unprocessed food	Tinned meat

**Step 3** Conclude by asking questions about the lesson.

## Lesson 3 • Commerce or trade in traditional business

*Learner's Book pages 107–108*

### Aims

To help learners to:

- know the nature of commerce and trade in traditional business
- understand the process of commerce and trade in traditional business.

### Skills

- picture interpretation
- interviewing.

### Teacher instruction

**Step 1** Guide learners to understand that commerce is concerned with how food and things that are useful get to the people who want them. Explain that commerce also describes the process of how the goods and services that people want get to them. This includes production, transportation, distribution, marketing and exchange.

**Step 2** Guide learners to understand that the concept of trade concerns distribution, marketing and exchange.

**Step 3** Explain that traditional commerce and trade usually occurred at events and activities such as barter, marriage, funerals and feasting.

**Step 4** Do Activity 3.

**Answers**

- 1 They got them by exchanging goods with other people who had what they wanted, such as by barter.
- 2 Answers will vary. The photos show: a shoe shop, women selling their traditional baskets, people doing their shopping, banana and other fruit sellers, a bus service, melon sellers and root crop sellers at the market.

**Step 5** Conclude the lesson by encouraging learners to interview some older people in the village on the following topics: How did the barter system work? How did bride price and compensation work? On what occasions were these used?

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## Lesson 4 • Commerce or trade in modern business

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*Learner's Book page 108*

### Aims

To help learners to:

- know how modern money is used in modern business
- understand the process of commerce and trade in modern business.

### Skill

- interviewing.

### Teacher instruction

**Step 1** Guide learners to understand that in the past people used traditional money for special occasions such as feasts, funerals, compensation, land payment and bride price. Modern money can be used in exchange for goods and services. In the past, Solomon Islanders exchanged goods for goods. They used their surplus to exchange for what they did not have.

**Step 2** Do Activity 4.

#### Answers

- 1 Answers will vary but the problems with the barter system may include:
  - It may be hard to find a person who has the goods you want and who wants the goods you have.
  - You can only barter if you have a surplus of goods.
- 2 There were shortages in certain goods and there were surpluses in other goods. The people then exchanged their surplus to get other goods that they had a shortage of. They also used traditional money to buy from other people or relatives.
- 3 If there was a surplus, people exchanged or bartered with other people who were short of that particular good.
- 4 Yes, modern money makes exchange easy because you buy what you want with the money.
- 5 Yes, most people have shifted to a cash society because money is easier to use. Answers to the second question will vary but may include: because of their cultural values, their beliefs or family ties.

**Step 3** Conclude the lesson, asking questions.

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## Lesson 5 • Aims of traditional business

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*Learner's Book page 109*

### Aims

To help learners to:

- understand the aims of traditional business
- appreciate why relatives and friends help each other.

## Skill

- picture interpretation.

## Teacher instruction

**Step 1** Guide learners to understand that the aim of traditional business was to help each other get goods and services that one person could not produce.

**Step 2** Explain to learners why people or relatives help each other. Briefly explain how helping others means that they will help us in times of trouble and need.

**Step 3** Do Activity 5.

### Answers

- 1 The middle and bottom pictures
- 2 The top and middle pictures. In the top picture, they are selling melons to earn money. In the middle picture, the girl's family will get bride price and will gain money. The boy's family will lose money.
- 3 In the traditional system, people save by helping each other. For example, when a man helps his brother by contributing money to his brother's son's marriage, his brother will help him when his son marries in the future.
- 4 People benefit from their savings in relation to weddings and feasting because they receive presents, goods, services, traditional money and modern money from people, friends or relatives who they have helped in the past.
- 5 His relatives will probably help him in future marriages, funerals and feasting. But sometimes today some people will not repay others.

**Step 4** Conclude by reminding learners that their own culture may be different from the culture of other learners.

## Lesson 6 • Aims of modern business

*Learner's Book pages 109–110*

### Aims

To help learners to:

- understand the aims of modern business
- appreciate the reasons why modern businesses produce goods.

### Skills

- picture interpretation
- research.

## Teacher instruction

**Step 1** Guide learners to understand that the aim of modern business is to earn an income or profit.

**Step 2** Explain that there are cash rewards for the four factors of production: labour (wages or salary), natural resources (rent or paying for resources), capital (interest) and enterprise (profit).

**Step 3** Ask: "Why do modern businesses produce goods? What are the disadvantages of the barter system? What makes trade in modern business much easier?"

**Step 4** Do Activity 6.

## Answers

- Answers will vary but may include:
  - planting vegetables such as kumara, pana and yams in their garden to sell the surplus for modern or traditional money
  - making furniture, canoes, axes, paddles and wooden bowls
  - planting and harvesting betel nut trees and leaves
  - fishing for mangrove crabs and fish
  - feeding pigs and chickens
  - running trade stores.
- Answers will vary but may include: rice, noodles, biscuits, school fees and utensils.
- The people in a village would not sell all the things they produce but only some of them.
- Yes, trading in the modern system is easier than trading in the traditional system. This is because in the modern system, money is used for trading and in the traditional system barter was used where people had to find a partner to exchange with.
- Answers will vary. The traditional ways of doing business are declining or dying out because our society does not value many of our culture's beliefs and values, and because the modern system of trading is much easier.

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## Lesson 7 • Risks to traditional business

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*Learner's Book page 111*

### Aims

To help learners to:

- understand the impact of modern and foreign influences on traditional business
- appreciate the factors affecting traditional businesses and why they are dying out or declining.

### Skills

- reading
- group work.

### Teacher instruction

- Step 1** Explain that the increasing impact of modern and foreign influences weakens traditional businesses so they die out. Discuss the five basic factors that have caused traditional business to decline: the need to obtain modern goods and services; education; church; medicine; modern business and the cash economy.
- Step 2** Learners need to understand that money is required to obtain modern goods and services.
- Step 3** Divide the class into small groups to discuss what other factors threaten traditional businesses.
- Step 4** Learners need to know that the rules and procedures in modern and traditional business are different.
- Step 5** Give notes for learners to copy from the lesson.
- Step 6** Divide learners into their own cultural groups to do Activity 7, Questions 1 and 2.

### Answers

- Traditional business:
  - Relatives help each other in times of trouble, and for marriages, funerals, feasts and other important occasions. These transactions are done using non-monetary measures.

- Barter is used to exchange goods and services.
- Helping relatives is a form of saving.
- There is a direct exchange between the producer and consumer.

Modern business:

- In times of trouble and for funerals, marriages and important occasions, people help relatives and friends by giving them money and goods. In other words, transactions are done using monetary measures.
- Money can be borrowed from relatives or friends and paid back later.
- Retailers buy goods from producers and re-sell them to consumers.
- Modern money is used to buy goods and services.

## 2 Three traditional aspects:

- Paying of bride price.
- Contributing to feasting, funeral expenses and feeding extended families.
- People produce goods for own consumption.

Three modern aspects:

- People ask for credit (*kaoni*) from business owners.
- The *wantok* system is often used.
- In Honiara, workers receiving low wages will not be able to feed their extended families or even their own families. This is because the price of goods in Honiara is higher.

## Lesson 8 • Factors affecting traditional business

*Learner's Book page 111*

### Aims

To help learners to:

- understand the impact of modern and foreign influences on traditional business
- appreciate the factors affecting traditional businesses and why they are dying out or declining.

### Skill

- reading.

### Teacher instruction

**Step 1** Recall the previous lesson and ask: "What are the five factors that have caused traditional business to decline?"

**Step 2** Divide learners into their own cultural groups to do Activity 7, Questions 3 and 4.

#### Answers

**3** It means that traditional trading systems are practised less and less and are being replaced by modern systems.

**4** Answers will vary, depending on learners' communities and cultures but may include:

- Communities could build traditional houses to teach and encourage young people about traditional practices and activities.
- Some traditional practices could be included in the school curriculum.
- Parents could teach their children about traditional practices at home.

**Step 3** Have groups present their information to the class so learners can ask questions and learn about different cultural groups.

**Step 4** Ask: “What is the best way to reduce the risks to traditional business in our society? How and when can we do this? Why do we need to do this?” Guide learners to understand that if we do not stop the decline of traditional business, we will lose our cultures very soon.

**Step 5** Summarise the lesson by highlighting that the main risk to traditional business is modern business.

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## Lesson 9 • Risks to modern business

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*Learner’s Book pages 111–112*

### Aims

To help learners to:

- understand that traditional business is a threat to modern business
- appreciate the factors affecting modern business that lead to success or failure.

### Skill

- reading.

### Teacher instruction

**Step 1** Explain that traditional practices such as extended family and the *wantok* system can cause modern business to fail. Sometimes business owners are pressured to give out money from their business to meet obligations or duties for marriages and funerals.

**Step 2** Explain that management skills and decisions about how to handle money are very important in modern business.

**Step 3** Discuss the aims of modern business, and how the procedures and practices are different from those in traditional business.

**Step 4** Divide the class into small groups to do Activity 8.

#### Answers

- 1 Answers will vary.
- 2 Answers will vary. If yes, it is because your family ties and culture are very important, and you are not respected if you neglect your relatives or your culture.
- 3 Answers will vary.
- 4 Extended family and *wantok* practices can lead to business failure if a business owner gives gifts, goods and money freely to relatives to the extent that the business cannot continue to run.
- 5 Answers will vary but may include:
  - Only give credit or *kaoni* and help to your *wantoks* wisely and in a limited way— not so much that the business breaks down.
  - Do not give credit at all.

**Step 5** Give notes for learners to copy from the lesson.

## Lesson 10 • Corruption and leadership in business

*Learner's Book pages 112–113*

### Aims

To help learners to:

- know what corruption is
- appreciate that corruption is a great problem in our society.

### Skills

- reading
- group work.

### Teacher instruction

**Step 1** Ask: “What is corruption? How are people involved in corruption? Why is corruption a problem in our society? How can we control corruption?”

**Step 2** Explain that corruption is a serious issue, both in the private and public sector, and it affects society and modern business.

**Step 3** Guide learners to understand that corruption is the misuse of entrusted power for private gain, for example, using your official position to make money for yourself. It is different from stealing. Stealing is taking something that does not belong to you—you are not using your official position to take things.

**Step 4** Divide the class into four groups to each work on one of the stories in Activity 9. Each group reports their answers to the class.

#### Answers

##### Story 1

- 1 The bus conductor is guilty of stealing.
- 2 He used his position as a bus conductor to steal the bus fare money.

##### Story 2

- 3 Moses is guilty of corruption.
- 4 He is only giving money so he can get a contract to build the church.

##### Story 3

- 5 Margret and the Honiara businessman are guilty of corruption.
- 6 Margret had arranged with the wholesaler to give her goods cheaply so she could force the other shops to close. The businessman gave her very low prices so she could drive the other shops out of business and then he could sell more goods to her.

##### Story 4

- 7 Malaki and Bernard are guilty of corruption.
- 8 Malaki gave money to help Bernard get elected. In exchange, Bernard made sure Malaki was given a big government grant to develop his resort.

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# Lesson 11 • Corruption

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*Learner's Book page 114*

## Aim

To help learners to:

- know the different types of corruption.

## Skill

- picture interpretation.

## Teacher instruction

**Step 1** Divide the class into four groups to do Activity 10.

**Step 2** Tell each group to focus on one illustration, read the description below it, then answer Questions 2 and 3. Answers will vary.

**Step 3** Ask each group leader to present and explain their answers to the class.

**Step 4** Discuss what corruption is and how it affects society and the leadership in the country.

**Step 5** Give learners notes to copy from the lesson.

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## Lesson 12 • Chapter 9 review questions (unit test)

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### Teacher instruction

**Step 1** Learners sit a test based on Chapter 9. Allow 36 minutes for the test.

### Chapter 9 review questions

**Instructions:** Write the numbers 1–12 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 One of the characteristics of traditional business is
  - a production for cash
  - b buying and selling
  - c production for barter
  - d to earn profit
- 2 An example of a traditional business would be
  - a the paying of bride price
  - b a trade store
  - c selling goods for cash
  - d running a taxi service
- 3 Commerce is a concept that occurs in
  - a the traditional business system only
  - b the modern business system only
  - c both traditional and modern business systems
  - d the modern society system
- 4 Commerce is about:
  - a buying only
  - b selling only
  - c buying and selling only
  - d the process by which goods and services get to the people who want them
- 5 One of the reasons for trade or exchange is
  - a to get extra goods
  - b to get goods you cannot produce or cannot produce enough of
  - c to get rid of your surpluses
  - d to get to know other people
- 6 In the modern cash economic system, goods and services are normally exchanged for
  - a modern money
  - b other goods and services
  - c shell money
  - d both shell money and other goods and services
- 7 One of the differences between traditional business and modern business is that
  - a only traditional goods are exchanged in traditional business while modern goods are exchanged in modern business
  - b in traditional business no form of money is used while money is used in modern business
  - c no market exists in the traditional business; market is a modern concept
  - d goods are exchanged for other goods in traditional business while goods are exchanged for money in modern business

- 8 The basic aim of traditional business is to
- create more wealth
  - help each other in difficult times
  - make friends with other people
  - travel to other places
- 9 The basic aim of modern business is to
- earn income and then use the money to buy other goods and services
  - get rich
  - live like white people
  - own a lot of things
- 10 Traditional business is currently in danger of dying out because of a major threat created by
- criminals
  - the problem of barter
  - the modern cash system and associated influences
  - the presence of foreigners
- 11 One of the major threats to the sustainability of modern business is
- thieves
  - traditional attitudes and behaviour such as the *wantok* system
  - ethnic tensions and riots
  - traditional goods
- 12 Corruption is present in
- the government sector only
  - the private sector only
  - all levels and sectors
  - the modern business sector only
- 13 What are the five risks to traditional business?
- 14 Define these words:
- dual economy
  - traditional business
  - corruption
- 15 What are the aims of traditional and modern business?

**Step 2** Collect test papers for marking.

**Answers**

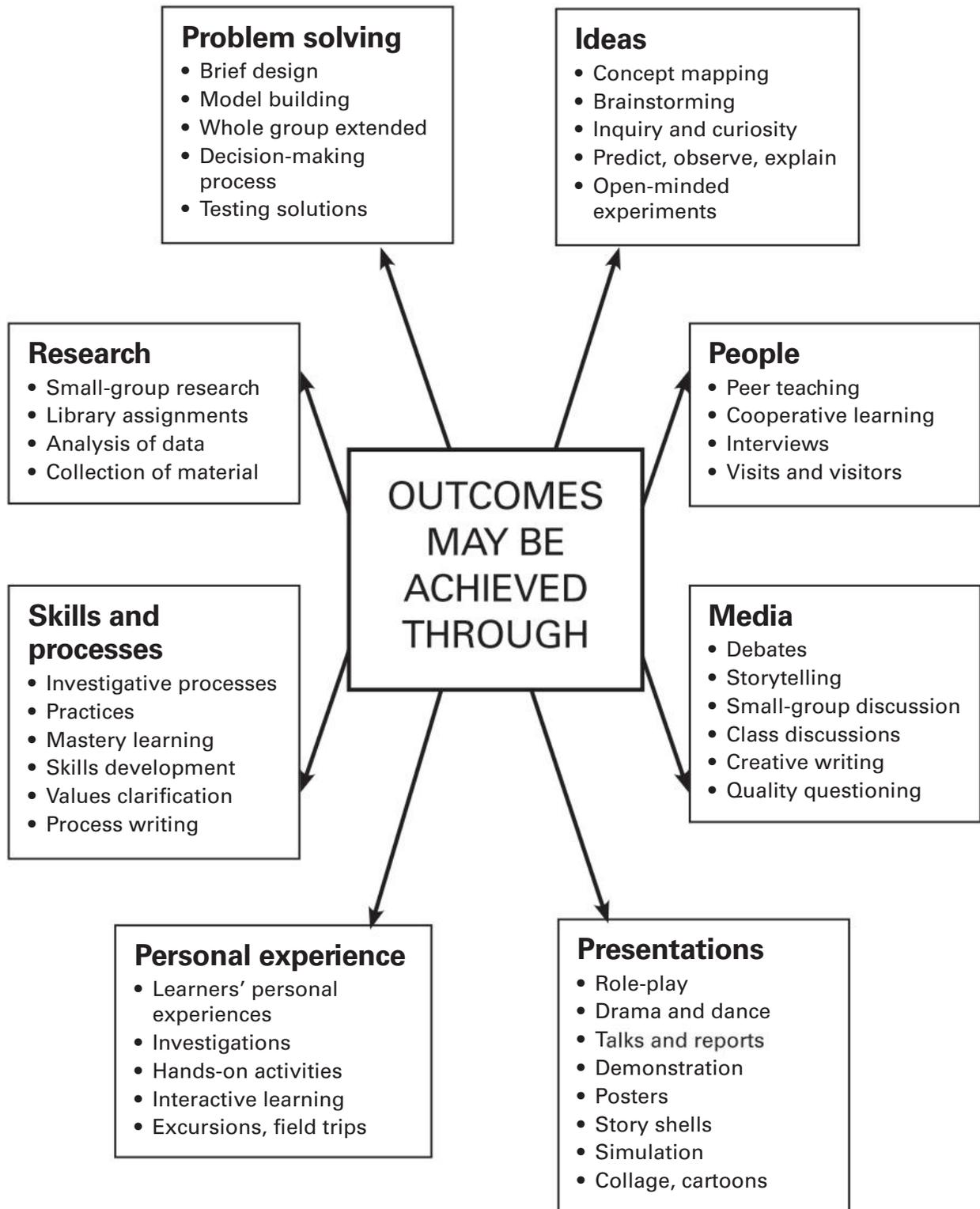
- 1 c      2 a      3 c      4 d      5 b      6 a  
 7 d      8 b      9 a      10 c      11 b      12 c

- 13 The five risks to traditional business are: the need to obtain modern goods and services; education; the church; medicine; modern business and the cash economy.
- 14 A dual economy is an economy where two economic systems exist side by side. Traditional business is where people help each other to get what each person does not produce. Corruption is the misuse of power for private gain.
- 15 The aim of traditional business is to help people get the goods and services they do not produce for themselves. The aim of modern business is earn an income.

# Appendices

## Appendix 1 • Suggested teaching methods

Strategies for helping learners to achieve the overall learning outcomes are shown here. There are eight categories.



## Appendix 2 • Lesson plan format

<b>Name of school:</b>	<b>Class teacher:</b>
<b>Lesson title:</b>	<b>Date:</b>
<b>Learning outcomes</b> <ul style="list-style-type: none"> <li>• What are the main things I want learners to learn and be able to do as a result of the lesson? How are lesson outcomes linked to syllabus outcomes?</li> <li>• What other things do I want learners to learn?</li> </ul>	
<b>Lesson content</b> <ul style="list-style-type: none"> <li>• What are the key facts, concepts or procedures that I want learners to understand as a result of this lesson?</li> </ul>	
<b>Introduction</b> <ul style="list-style-type: none"> <li>• How will I get learners motivated, curious and ready to learn? (Allocate 3–5 minutes.)</li> </ul>	
<b>Teacher activities</b> <ul style="list-style-type: none"> <li>• What am I going to do during the lesson in order for learners to achieve the learning outcomes? (Allocate 8–10 minutes.)</li> </ul>	<b>Learner activities</b> <ul style="list-style-type: none"> <li>• What are the learners going to do during the lesson in order for them to achieve the learning outcomes? (Allocate 20–25 minutes.)</li> </ul>
<b>Conclusion</b> <ul style="list-style-type: none"> <li>• How will I bring the lesson to a logical and meaningful conclusion? (Allocate 5–7 minutes.)</li> </ul>	
<b>Learner assessment</b> <ul style="list-style-type: none"> <li>• How will I know that learners have achieved what I wanted them to achieve?</li> </ul>	
<b>Lesson evaluation</b> <ul style="list-style-type: none"> <li>• How will I evaluate the success of the lesson?</li> </ul>	
<b>Lesson endorsement:</b> (To be signed by Head of Department/Head teacher/Principal)	
<b>Head of Department</b>	<b>Head teacher/Principal</b>

## Appendix 3 • Sample learner's record form

Learner's name:		Class:		Year:						
Year level	Strand Sub-strand	Assessment event	Specific Learning Outcomes (use appropriate code)	Achievement levels (ratings)					Specific Learning Outcomes Achieved (A) Partially Achieved (PA) Not Achieved (NA) Key: 5 = A, 1-4 = PA, 0 = NA	
				5	4	3	2	1		0
		1	Code 7.1.1.1							A
		2	7.1.1.2			*				PA
		3	7.1.2.1						*	NA
		4	7.1.3.4				*			PA
Descriptive comments										
Class teacher				Signature				Date		

# Appendix 4 • Sample class record form

Class	Strand	Sub-strand	Year
	<b>Specific Learning Outcomes</b> Achieved (A), Partially Achieved (PA), Not Achieved (NA) (use appropriate code)		<b>Individual comments on the learning progress in the class</b>
<b>Assessment event</b>	1		
<b>Names</b>	7.1.1.1		
Mary	A		Improved/excellent progress
John	PA		
Yates	NA		Not improved/slow progress
<b>Overall comments</b>			
<b>Class teacher</b>		<b>Signature</b>	<b>Date</b>

## Appendix 5 • Sample individual monitoring form

Learner's name		Class		Year		
Strand/Sub-strand			Topic/Unit			
Assessment event	Specific Learning Outcome assessed Achieved (A), Partially Achieved (PA), Not Achieved (NA)					Remarks Comment on learning progress: improved; steady or not improved
	Code	Description of outcome assessed	A	PA	NA	
1	7.1.1.1	Identify what is a need and a want	*			Improved from previous assessment event
2						
3						
4						
5						
6						
Class teacher			Signature			Date



## Appendix 7 • Sample monitoring of Specific Learning Outcomes form

Class		Term/Semester				Year										
Strand/Sub-strand		Total number of learners: 40				Topic/Unit remarks										
Assessment event	Code	Specific Learning Outcome assessed (A), Partially Achieved (PA), Not Achieved (NA)	A	PA	NA											
1	7.1.1.1	Identify what is a need and a want.	5	25	10	<table border="1"> <thead> <tr> <th>Enrichment support</th> <th>Remedial work</th> </tr> </thead> <tbody> <tr> <td>5 learners have achieved outcome assessed.</td> <td>35 learners have not achieved outcome assessed.</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Enrichment support	Remedial work	5 learners have achieved outcome assessed.	35 learners have not achieved outcome assessed.						
Enrichment support	Remedial work															
5 learners have achieved outcome assessed.	35 learners have not achieved outcome assessed.															
Class teacher						Signature										
						Date										

# Appendix 8 • Sample learner's remedial work form

Learner's name		Class		Term/Semester	Year	
Strand		Sub-strand				
Assessment event	Specific Learning Outcome assessed Achieved (A), Partially Achieved (PA), Not Achieved (NA)					
Code	Description of outcomes assessed	A	PA	NA	Remedial work required	Results after remedial work
1	7.1.1.1 Identify what is a need and a want.		*		Give specific activity to identify examples of past and present needs and wants.	Able to identify examples of past and present needs and wants. Achieved the requirement.
Class teacher					Signature	Date

## Appendix 9 • Sample learner's report form

Learner's name		Class	Semester	Year
Results for formative assessment: The progressive achievement level for formative assessment is _____				
<b>Strand</b>	<b>Specific Learning Outcomes</b> Achieved (A), Partially Achieved (PA), Not Achieved (NA)			
<b>Code</b>	<b>Specific Learning Outcome assessed</b>	<b>A</b>	<b>PA</b>	<b>NA</b>
7.1.1.1		*		
<b>Descriptive remarks</b> (must include results after remedial work has been completed by the learner)				
<b>Strand</b>	<b>Specific Learning Outcomes</b> Achieved (A), Partially Achieved (PA), Not Achieved (NA)			
<b>Code</b>	<b>Specific Learning Outcomes</b>	<b>A</b>	<b>PA</b>	<b>NA</b>
7.1.2.1			*	
<b>Descriptive remarks</b> (must include results after remedial work has been completed by the learner)				

cont'd on page 143

# Appendix 9 • Sample learner's report form cont'd

<b>Results for summative assessment:</b> The progressive achievement level for summative assessment is _____				
Strand	Combination of sub-strands	Specific Learning Outcomes		
		Achieved (A)	Partially Achieved (PA)	Not Achieved (NA)
7.3.1.1		*		
7.4.1.2				*
7.4.1.3			*	
<b>Descriptive remarks from summative assessment</b>				
<b>Overall achievement level</b> (combination of formative and summative)		<b>Overall award</b>		
<b>School administration report on learner's behaviour and character</b>				
<b>Name of class teacher</b>			<b>Signature</b>	<b>Date</b>
<b>Class teacher comments</b>				
<b>Name of Head teacher/Principal</b>			<b>Signature</b>	<b>Date</b>
<b>Head teacher/Principal's comments</b>				

## Appendix 10 • Glossary

**accountability** being able to explain what has happened to the money that a person was in control of

**Act of Parliament** a law passed by Parliament

**advertising** making a product known to consumers

**alternative** when something can be used instead of something else, it is said to be an alternative

**appropriate technology** technology that best suits the needs of a particular situation

**assembly line** a line of workers and machinery along which a product is moved as each worker or machine adds something to it until it is finished

**asset** something a business owns

**bad debt** a debt that is not paid back

**balance** how much money is left (this could be notes and coins, or it could be money in a bank account)

**barter** a type of exchange when one good is given in return for another

**brand name** the name given to a particular product by the manufacturer

**bulk** large quantities of goods

**business** made up of a person, or a group of people, who produce a good or service to sell to consumers

**business opportunity** the situation in which some needs and wants that people have are not being satisfied. This provides an opportunity to start a business to satisfy these needs or wants

**business structures** the ways the ownership of a business can be arranged

**Business Studies** a subject that explains what you need to know to be successful in business; it looks at the role business plays in production

**capital** a factor of production; it refers to tools or machinery

**cash** modern money (notes and coins), used to pay for goods and services

**cash register docket (tape)** a type of receipt; the small piece of paper that is printed by the cash register in the shop

**cash transaction** a transaction that results in money changing hands straight away

**chair of the board** a company director who has the responsibility of being in charge of a company

**cheque** a written command from the cheque account holder telling their bank to make payment to the person whose name appears on the cheque

**chief executive officer (CEO)** a person appointed by the board of directors of a company to manage the day-to-day running of a company

**commerce** the process that involves the production of goods and services, and how these goods and services get to consumers

**company** a type of business structure that is recognised by the law as being separate from the owners

**complementary goods** goods that are needed along with other goods to make them work

**complementary service** a service you also have to pay for when you buy a certain type of good

**consumer** a person who uses a good or a service

**consumers' cooperative** a group of consumers joined together to help each other, usually by putting their money together to buy in bulk and save money by not paying retail prices

**corruption** the misuse of entrusted power for private gain

**cost-into-store (CIS)** the total cost of getting the goods into a store

**credit note** a document prepared by a seller of goods that have been bought on credit, when some or all of these goods have been returned by the buyer

**credit transaction** a transaction that may involve the exchange of goods but payment is not made until some time in the future

**credit** when goods are bought and given to the buyer and the money is not paid until later

**creditor** a person or business to whom money is owed

**debt** an amount of money owed

**debtor** a person or business who owes money to another person or business

**delivery docket** a document prepared by a seller of goods that is sent with the goods to the buyer

**demand** the amount of goods or services that consumers want or need

**demography** the study of a community of people, its ethnic groups, gender ratio etc.

**direct selling** when goods are exchanged directly for money

**directors** shareholders who have been elected by other shareholders to look after the management of a company

**discount** a small reduction in the normal price of goods

**distribution** getting the goods from the producer to the consumer

**dividend** the part of the profit made by a company that is paid to a shareholder

**division of labour** takes place when the work required to make one product is done by several workers, each responsible for a different part of the production

**document** a piece of paper on which information about a transaction is written

**domestic production** the production of goods and services within the country

**dual economy** an economy where two economic systems exist side by side

**economy** how production is organised to produce the goods and services to satisfy needs and wants

**employees** people who work for other people

**employer** a business or government department that pays people to work for it

**enterprise** a factor of production; it refers to the person who organises the other factors of production

**entrepreneur** the person who organises the other factors of production—the entrepreneur provides the enterprise

**ethical** doing things in a way that is honest and morally correct

**expenditure** the amount of money spent

**expense** money paid out by a business in order to carry on business activities

**exports** goods that are produced in one country and sold overseas

**factors of production** the four things needed to produce any good or service: natural resources, labour, capital and enterprise

**freight** the cost of transporting goods

**global** covering the whole world

**goods** things that satisfy people's needs and wants

**human resources** the people who are involved in production—they can either provide the labour or the enterprise

**human-made resources** the tools and machinery needed for production (can also be called capital)

**imports** goods bought from overseas

**indirect selling** where manufacturers/growers are responsible for marketing their product, while not actually selling the product to the final consumers

**infrastructure** services and facilities that allow businesses to function

**internet** a computer network that allows people to communicate with other people who use computers anywhere in the world, and allows people to search for information on a very wide range of subjects from around the world

**invoice** a document prepared by a seller of goods and sent to the buyer

**jingle** a catchy, usually short, song that mentions the name of the product being advertised

**joint venture** a type of business structure where two companies work together to develop a business project

**junk foods** foods that contain high amounts of sugar, salt or fat, or a combination of these

**labour** a factor of production; it is the human effort needed to produce anything

**legal tender** something that people must accept in payment according to the law

**legislation** laws passed by Parliament

**limited liability** a legal arrangement in which the shareholders' responsibility for paying any debts of the company is limited to the value of the shares they own

**location** where something is situated or set up

**loss** when a business has more expenses than revenue, so it has not made any profit

**manage** to look after

**manufacturing** see *secondary production*

**mark-up** the extra money that is added to the cost price of goods to work out the selling price

**market gap** where there is a need for a good or service that is not presently being provided

**market share** how much of the total goods being sold is supplied by a particular business

**marketing** the whole process of getting goods and services to consumers

**mass market** a market for products that are needed or wanted by most people

**media** the types of communication that are used to get across a message

**middleman** a business that buys goods from the producer and then sells them on to other businesses until the goods eventually reach the consumer

**moral principles** what a society thinks to be the right or correct ways of doing things

**natural resources** a factor of production; it refers to anything we get from the Earth or the sea (sometimes called land)

**need** something a person has to have in order to live

**niche markets** very small markets for products that only appeal to some people in the community

**non-government organisation (NGO)** an organisation that aims to help either people or the environment, but not necessarily to make a profit

**non-renewable resource** a resource that once it is used can never come back

**order form** a document that is sent from a buyer of goods to the seller. It has a clear description of the goods they want, the quantity and how they are to be delivered

**partner** an owner in a partnership business

**partnership** a business structure where the business is owned by between two and 20 people

**partnership agreement** a document written by the partners stating things such as how profit is to be shared among the partners

**potential market** the number of customers who might be willing to buy the product

**primary production** taking raw materials from the Earth

**producers' cooperative** a cooperative made up of individual producers who join together to buy equipment or to transport and sell their products

**production for export** goods produced to be sold overseas

**production** the making of goods or providing of services. Any activity that satisfies a need or want is production

**profit** the extra money that has been made by a business. It is found by taking expenses away from revenue

**profit motive** the making of money as the reason a person goes into business

**public-private partnership (PPP)** a business structure where a government works with a company on a business project

**quality** refers to how well made a good is, or how good a service is

**quantity** the number of goods produced

**receipt** a document used to record money received by a business

**renewable resources** resources that can last forever

**resource** anything that can be used in production

**retailer** a business that sells goods directly to consumers

**revenue** money coming into a business from selling goods or providing services

**secondary production** the use of raw materials to make something new or different

**sector** a part of something bigger

**self-assessment** looking at your own strengths and weaknesses

**services** any help that we get from another person

**shortage** when there is not enough of a certain kind of good

**sole trader** a business structure where the business is owned by one person

**specialisation** concentration on the production of one type of good or service

**standard of living** the level of comfort measured by the number of goods and services available to people in that country

**statement of account** a document prepared by a seller of goods on credit. This document summarises all the transactions between the buyer and the seller. It shows the amount of money owed by the buyer to the seller

**statutory bodies** corporations established by an act of parliament

**storing** when people put goods away for later use

**subsistence living** when people produce the goods and services they need for themselves

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**subsistence production** production for your own use

**substitute good** a good that can be used instead of another good

**supply** the amount of goods or services that producers make and offer for sale

**surplus** the extra goods that a person produces

**sustainable** capable of being continued into the future

**target market** the group of consumers who might be interested in buying a product

**tax** money paid to the government by people and businesses

**technology** the ways in which the factors of production are combined

**tertiary production** the provision of services

**transaction** takes place any time something is bought and sold

**unemployed** looking for or wanting a paid job but not having one

**unlimited liability** a legal arrangement in which the sole trader or partnership is responsible for paying all debts of a business, even if they have to sell their personal possessions

**want** something people would like to have. These things may not be necessary for life, but they make life more enjoyable

**wholesalers** businesses that buy in large quantities, either from a manufacturer or from an importer of goods from other countries, and sell to retailers



# Solomon Islands Business Studies Year **7**

## Teacher's Guide

This book contains teacher support material for the *Solomon Islands Business Studies Year 7 Learner's Book*.

This Teacher's Guide is designed to support the teaching of all nine chapters of the Learner's Book across the three main topics of Economics, Accounting and Starting Your Own Business. For each chapter, this guide provides notes on the following:

- lesson topic
- aims
- skills
- method
- Learner's Book page references
- suggested answers to activities in the Learner's Book

It also includes additional assessment activities in the form of 'Chapter Review Questions (Unit Test)' for each chapter.

This Teacher's Guide is part of a new series of teaching materials for **Solomon Islands Business Studies for Years 7 – 9** and is based on the Reform of Solomon Islands School Curriculum. It has been written for teachers to assist them in encouraging learners to gain skills, and develop attitudes and values that relate to economic issues, which they will be able to apply to their own lives as they contribute to the economic growth of their families, communities and country.

