

Solomon Islands Business Studies

Year **8**

Teacher's Guide



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Solomon Islands Curriculum Development Division

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Introduction to this Teacher's Guide

This Teacher's Guide is designed to help you use the *Solomon Islands Business Studies Year 8 Learner's Book*. The Teacher's Guide provides you with resources to help make your planning and teaching more effective.

Each chapter in the Teacher's Guide corresponds 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
- 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 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 suggested answers or results of those activities.

The outcomes-based approach

This Teacher's Guide is written for a Learner's Book and a syllabus that follow the outcomes-based approach to learning. This has been adopted by the Ministry of Education and Human Resource Development through 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 also contrasts with the teacher-centred approach of 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, Learner's Books and Teacher's 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 to be filled with knowledge. The learners are tested by being asked to reproduce the knowledge that 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 be done successfully without the learner even understanding fully what they are writing and reading.

The present approach can be called *problem-posing education*. This presumes that 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 these 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 and 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 learnt. 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.

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 follows all these principles. It is not just a summary of the factual knowledge and concepts of the subject. 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 end of a chapter, and learners and teachers often ignored these and moved on to the next section. With this book, the activities are part of the text and must be completed in order to fully learn. Some units start with an activity that helps learners to find out information, think about their own experiences and knowledge, or practise skills for themselves.

Some 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 chapters of the Learner's Book are based on one or more sub-strands of the syllabus, and 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-strand of the syllabus. Each sub-strand of the syllabus outlines the knowledge, understanding, skills and attitudes—that is, 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, maps and diagrams. 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 and the yearly program planner

The yearly program planner on page vii shows you the total amount of time that should be spent on teaching each of the topics covered by the Year 8 Learner's Book. This section shows the entire learning program for one year of Secondary Business Studies course for Year 8. The suggested teaching times are based on 17 teaching weeks per semester and 34 teaching weeks per year in Years 7 and 8.

Try to spend 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 at present. After Year 6, most learners choose to go to National or Provincial Secondary Schools if they can. This means that the most able academic learners move to those schools, and many Community High Schools have 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 some of the rest. Do not spend so long on one topic that you miss other topics altogether. Try to teach at least some of every chapter in the Learner's Book.

If you find you have extra time available, devise some activities to study the topic in more depth. If you have very quick learners, make up some extra activities that challenge them to think about the topic in greater depth.

Year 8: Semester 1

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20															
	Accounting																																		
	Economics					Finance and banking					Income and wealth					Single entry bookkeeping system					Single entry bookkeeping system (continued)					Cash control									
	<ul style="list-style-type: none"> History and development of money Function of money Currencies Money in trade 					<ul style="list-style-type: none"> Services and role of commercial banks and Central Bank in modern society Financial institutions (banks, credit unions) Exchange rates 					<ul style="list-style-type: none"> Income from working investment Interest rates on savings and loans Taxes on income 					<ul style="list-style-type: none"> Simple accounting Financial reports: profit and loss statement, balance sheet Cash book, stock book and journals 					<ul style="list-style-type: none"> Simple accounting Financial reports: profit and loss statement, balance sheet Cash book, stock book and journals 					<ul style="list-style-type: none"> Measures for controlling cash received and cash paid out from a business Reconciliation process Checking bank account and bank statement 					Revision and exams				

Year 8: Semester 2

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20																				
	Starting Your Own Business																																							
	Economics					Retailing					Starting a business					Forming a business					Marketing					Financing a small business					Managing a small business									
	<ul style="list-style-type: none"> Inflation and the changing value of money Importance of saving money Ways of saving in a commercial economy 					<ul style="list-style-type: none"> Range of retail outlets in Solomon Islands Steps in the retailing process 					<ul style="list-style-type: none"> Starting and registering different types of business structures Business plans Requirements for a business to be legal 					<ul style="list-style-type: none"> Regulations in forming a business Documents required to be formally registered as a business 					<ul style="list-style-type: none"> Methods of assessing a business Market research Ways to market a business including advertising 					<ul style="list-style-type: none"> How to finance a small business Sources of finance including banks and financial institutions Type of documents required for a loan 					<ul style="list-style-type: none"> How to manage a small business Record-keeping Controlling expenses 					Revision and exams				

Teaching methods

It is important to plan and prepare before classes. The following are some teaching methods or approaches you can use to facilitate effective learning in your classrooms. To ensure effective applications of these methods, teacher planning and good preparation are important beforehand.

Fieldwork and excursions

Fieldwork means any work outside the classroom. This helps learners to link classroom learning to real-world experience outside the classroom. Learners are instructed to apply skills such as observation, investigation and interviewing as a means of collecting information about the topic for themselves, thus achieving the outcomes of the syllabus in more practical and realistic ways.

Fieldwork is particularly important in the outcomes approach, which aims to link the learning to the real needs of the learners. It should not be treated as an 'optional extra'.

To ensure an effective and successful outcome, you must consider important aspects of fieldwork, such as good classroom preparation and planning, the best way to carry out work in the field and 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—on an afternoon or a weekend. Some fieldwork can 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 should not be ignored by those schools. You may have to rely on questionnaires to help learners to do the fieldwork in their own time, as described above. For instance, learners can be encouraged to go out and look at a river or stream, or the sea and coastline, or a farming area, on weekends. Assignments can also be given for learners to do in their home areas during holidays; 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 8 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 8 English course teach learners about research and report writing. 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.

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 the whole class. 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 for which it is possible to have different points of view or opinions. You cannot discuss a topic such as ‘How are volcanoes formed?’ because there is only one answer to the question and answers are right or wrong. However, you can discuss ‘How can people who live near volcanoes prepare for what to do if the volcano erupts?’ There are many different answers and each learner can suggest different ideas.
- **Set the objective:** Make sure each group knows exactly what to discuss and has 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 some learners 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 talk to someone else’s back! If possible, classrooms may 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 outside and work.
- **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 being 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 8 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. But try to get each group to report back their ideas at the end in English, either verbally or in writing. If groups are confident to use English throughout, allow them to do so.
- **Reporting back:** It is often a good idea to appoint a chairperson, 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.

Debate and discussions

Group work involves learners in debates and discussions, and these are active ways of engaging learners. Learners can 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. In Year 8 we should encourage this by using simple topics. An example is Activity 4 in Chapter 11 about whether short-term or long-term loans are better. At this level, debates should be relatively informal.

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. This gives them the mental pictures to enable them to think about such things later. The skills needed include the ability to recognise what photographs show, see relationships within the photographs and explain certain features in the photographs—to interpret them. You 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 are a valuable part of your teaching.

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 as types of vehicles, may be unfamiliar to people in some rural areas. Learners will probably never have seen a wolf or a desert or an electron microscope, so we must point out what the photo shows, not just presume that learners see what we see.

Reality has three dimensions, while photographs only have two dimensions. Learners must get used to using perspective on photographs; that is, recognising that things that are close are large and things that are small are further away. This can sometimes cause confusion. Remember also that one of the differences between a photograph and a map is that photographs usually show things from the side and show perspective as we normally see them. Maps show things looking directly down from above and have a different perspective.

Graphs and statistics

Representing information through graphs and statistics is an important and effective way of teaching and learning about some topics. 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. You should not expect learners to remember statistics. They are there to illustrate a point, not to be learnt.

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.

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 other people in the community have.

Visits

This links with fieldwork. If possible, try to visit an area like the one being discussed in the Learner's Book.

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.

Assessment, recording, monitoring and reporting

Assessment is a process in which teachers gather, analyse and interpret assessment information and data. You 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 to assess the learners to know what standard they are at 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 a 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. 'Assessment *for* learning' focuses on using the assessment information to improve teaching and learning as an ongoing process. This helps you to monitor learners' progress on a continuous basis. You should constantly observe and evaluate learners' achievements, collecting data on areas of improvement and new skills that they acquire. In doing this, you should focus on the general and specific learning outcomes stated in the syllabus. Learners should also be aware of what is being assessed and the assessment techniques and criteria being used. Learners can then judge for themselves whether they are achieving the general and specific learning outcomes.

Summative assessment, for example a unit or chapter test, tells you what learners have learnt or can do after a whole section of teaching. This type of assessment focuses on 'assessment *of* learning' and is directed towards ranking learners from their performance on the learning outcomes. This will also help you to devise ways of improving the learners' performance in the classroom. These tests are important but assessment should not be done only by test. Assessment must cover skills as well as just knowledge. You should test whether learners can, for example, interpret a photograph or a graph, as well as test the factual knowledge they have learnt.

Diagnostic assessment is the type of assessment that you are encouraged to do in order to identify a learner's ability or achievement level in a specific learning outcome. This helps you to identify the learner's ability and, if necessary, devise remedial tasks as an intervention strategy. Learners who have achieved the specific learning outcome should be given enrichment support to encourage them to maintain their achievement level.

Assessment techniques

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
- Drawing, interpreting and using a map
- Analysing a photograph
- Basic library research and collecting information

Group-work assessment

- Participating in a group task and discussion
- Participating in a role-play and drama

Other

Other assessment techniques include:

- observation of what individual learners do
- consultation with individual learners by asking them questions
- focused analyses of learners' work such as portfolios, or a collection of work they have done, to determine how each individual learner is performing in their learning process.

Assessment of individual specific 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 in the Year 8 Business Studies syllabus. 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.

Learners achieving at L0, L1 and L2 are considered to be at a critical level (Lc) and need urgent assistance. Learners in this category must be given remedial work in order to reach the curriculum standard or benchmark. Learners achieving at L3+, which is a combination of L3 and L4, require assistance and must be given remedial work in order to acquire the curriculum standards or benchmark. Learners achieving at L5 are considered to have reached the curriculum benchmark and should be given enrichment support in order to maintain high excellence. Note the following:

- Learners achieving at L5 are considered to have achieved the curriculum benchmark and have full mastery of the learning outcome.
- Learners achieving at L1 to L4 are considered to have partially achieved the curriculum benchmark and have substantial, moderate, minor or minimal mastery of the learning outcome.
- Learners achieving at L0 are considered to have not achieved the curriculum benchmark and have no mastery of the learning outcome.

Level	Assessment criteria	Judgement criteria	Achievement award
L5	Statement to identify the fifth and highest level of achievement	Criteria for judging learners' achievement	Achieved (A) Full mastery of learning outcome
L4	Statement to identify the fourth level of achievement	Criteria for judging learners' achievement	Partially Achieved (PA4) Substantial mastery of learning outcome
L3	Statement to identify the third level of achievement	Criteria for judging learners' achievement	Partially Achieved (PA3) Moderate mastery of learning outcome
L2	Statement to identify the second level of achievement	Criteria for judging learners' achievement	Partially Achieved (PA2) Minor mastery of learning outcome
L1	Statement to identify the first level of achievement	Criteria for judging learners' achievement	Partially Achieved (PA1) Minimal mastery of learning outcome
L0	Statement to identify the lowest and last level of achievement	Criteria for judging learners' achievement	Not Achieved (NA) No mastery of learning outcome

Assessment criteria as achievement levels

Following is an example of an assessment criteria framework for a specific learning outcome (SLO) in Year 8 Business Studies. The SLO is the curriculum benchmark. The statements in the table are assessment criteria for the SLO 8.3.3.1 (List the different ways of earning an income from working for others, owning a business and investing money with the bank, lending money to others and buying shares in companies).

Level	Assessment criteria	Judgement criteria	Achievement award
L5	Five examples of ways of earning an income	Lists five examples of the ways of earning an income	Achieved (A) Full mastery of learning outcomes
L4	Four examples of ways of earning an income	Lists four examples of the ways of earning an income	Partially Achieved (PA4) Substantial mastery of learning outcomes
L3	Three examples of ways of earning an income	Lists three examples of the ways of earning an income	Partially Achieved (PA3) Moderate mastery of learning outcomes
L2	Two examples of ways of earning an income	Lists two examples of the ways of earning an income	Partially Achieved (PA2) Minor mastery of learning outcomes
L1	One example of ways of earning an income	Lists one example of the ways of earning an income	Partially Achieved (PA1) Minimal mastery of learning outcomes
L0	No examples of ways of earning an income	Lists no examples of the ways of earning an income	Not Achieved (NA) No mastery of learning outcomes

Recording of learners' achievements

You are encouraged to keep accurate records of 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 (see Appendix 3, page 181). Indicate whether learners have: achieved an outcome (A), partially achieved an outcome (PA 1–4) or not achieved an outcome (NA).

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

Monitoring individual learner and class achievements

With accurate records, teachers are able to monitor the learning performance, progress and achievement of individual learners and the whole class. You should monitor individual learners' performance, progress and achievements at end of each assessment event. As you continue 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 for providing advice to the parents, the learner and other key stakeholders.

In order to identify strengths and weaknesses of individual learners, you need 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 you can identify whether individual learners have achieved, partially achieved or not achieved the outcome for a particular assessment event. Using this simple monitoring technique, you can identify learners who need enrichment support and those who need remedial work to help them achieve the standards required by the national curriculum. The recommended monitoring template is shown in Appendix 4 (page 182).

Reporting individual learners' achievements

With accurate records and effective monitoring systems, teachers are able to compile and make a balanced, accurate and fair report on the learners' performance, progress and achievements in a given assessment period. The type of reporting system recommended by the Ministry of Education requires more description of the learners' performance. This means that the report must also give a descriptive account of the learners' achievements.

The reporting system will no longer use marks or grades; instead you need to specify whether a learner has achieved, partially achieved or not achieved the assessed outcome. You should indicate this with A, PA (1–4) or NA on the approved reporting form. At the end of each assessment period, you need 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 a gross point average, whereby the total value 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. The recommended reporting template is shown in Appendix 7 (page 185).

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 value 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 levels using formative and summative assessments

To calculate the overall achievement for each individual learner, add progressive achievement levels for formative and summative assessment 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 (you should round off the calculated values to the nearest whole number). The award will be issued to the learner in the form of a coloured certificate in recognition of the learner's achievement.

Reporting the learners' overall performance and achievements

Teachers will prepare two types of reports. The first is a detailed report using the internal reporting template for learners and teachers. The second is the overall reporting template using the letter grades for parents, guardians and other key stakeholders. Teachers must issue certificates in recognition of the achievements made by the learner for each subject learnt at school, with appropriate school reports at the end of each assessment period. The letter grading reporting framework is used to give parents a clear understanding of the report. Such a reporting system is similar to the current and traditional reporting framework (see Appendix 9, page 188). However, detailed reports will be used for parent-teacher meetings at the school level (see Appendix 8, page 186). This report should be kept in the learner's folio as a record of his or her learning record to show the learner's performance, progress and achievements.

The National Achievement Standards

The table on page 16 contains statements that describe the National Achievement Standards that teachers and instructors must use for measuring a learner's performance or achievements in all registered schools and TVET Centres throughout Solomon Islands. The achievement standards are based on the learner's overall achievement of learning outcomes prescribed in the National Curriculum of Solomon Islands. The achievement standard sets the benchmark for determining the learner's overall achievement level, grade, award and certification at the end of an assessment period.

Overall achievement level	Achievement standard	Achievement award	Certificate position	Colour code	Grade
Level 5 Mastery Level	The learner has an extensive knowledge and understanding of the content and can readily apply this knowledge. The learner has achieved a very high level of competence in the processes and skills and can apply these skills to newer situations.	Achieved With Excellence	Gold	Yellow	A
Level 4 Progressive Level	The learner has a thorough knowledge and understanding of the content and can apply this knowledge. The learner has achieved a high level of competence in the processes and skills and can apply these skills to most situations.	Achieved With Merit	Silver	Green	B
Level 3 Progressive Level	The learner has a basic knowledge and understanding of the content and has achieved an adequate level of competence in the processes and skills and can apply these skills in some situations.	Achieved	Bronze	Blue	C
Level 2 Critical Level	The learner has inadequate knowledge and understanding of the content and has achieved a limited level of competence in the processes and skills.	Not Achieved	Critical Level	No award	D
Level 1 Critical Level	The learner has inadequate knowledge and understanding of the content and has achieved a very limited level of competence in the processes and skills.	Not Achieved	Critical Level	No award	E
Level 0 Critical Level	The learner has no knowledge and understanding of the content. The learner has not achieved outcomes assessed and is not competent.	Not Achieved	Critical Level	No award	F

Teachers may award bonus grades to learners at the end of each assessment period. Teachers must consider the standardised range of percentages for awarding the overall grade. A bonus grade of C+, B+ or A+ must correctly reflect the difference between a C, B and A grade respectively, according to the overall percentage awarded to each learner. For example, a learner scoring 95% can be awarded an A grade, while a learner scoring 99% would be awarded an A+ grade. Teachers must ensure that the awarding of bonus grades is carefully administered according to their professional judgement and as such, reflects the learning progress and achievement of learners within a specific assessment period.

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 both the learner and the parents. The school can organise consultative meetings between teacher and parents, as well as teacher, parent and learner. If you have kept accurate records of the learner's performance, progress and achievements, you will be able to identify the learning progress and pathway of the learner and therefore determine appropriate remedial work for each learner. You will also then need to provide results after each remedial work has been carried out with the learner. Conducting such very important meetings will give parents and key stakeholders the confidence for their children to be educated in our schools. These meetings will make important links with the parents and other key stakeholders.

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

Chapter 1 • Money and trade

Strand: Economics

Suggested class time: 16 periods (4 weeks)

Sub-strand statement: This sub-strand aims at helping learners to understand the history and development of money, its function in helping to solve the problems encountered in the barter system and provide awareness of some currencies used in other countries. It will also help learners to understand the roles of money in trade.

General learning outcomes

Learners should:

- know the meanings of *money*, *traditional money*, *legal tender* and related terms (k) (8.1.1)
- understand the functions, importance and characteristics of money (u) (8.1.2)
- understand the various types of modern money and traditional money used by communities in the Solomon Islands (u) (8.1.3)
- appreciate the history and development of traditional and modern money (s) (8.1.4)
- recognise different traditional monies in Solomon Islands (v) (8.1.5)
- know how to calculate the exchange rate in converting one currency to another currency (k) (8.1.6)
- explain how traditional and modern money is made (s) (8.1.7)
- appreciate the use of traditional money in Solomon Islands (v) (8.1.8)
- understand the impacts of traditional money on modern trade (u) (8.1.9).

Specific learning outcomes

Learners should be able to:

- explain the terms *money*, *traditional money*, *coins*, *bank notes* and *legal tender* (8.1.1.1)
- list the functions and characteristics of money (8.1.2.1)
- discuss and display the history and development of money (both traditional and modern) (8.1.3.1)
- identify the various forms of modern and traditional money used by communities in Solomon Islands (8.1.4.1)
- explain the reasons for using modern and traditional money (8.1.5.1)
- understand that different countries use different currencies (8.1.6.1)
- explain how to calculate the exchange rate in converting one currency to another currency (8.1.7.1)
- describe how money aids trade and commerce in Solomon Islands (8.1.8.1)
- discuss the fact that money leads to specialisation (8.1.9.1).

Topics and timing

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

Lesson	Topic
1	What is money?
2	Functions of money
3	Traditional money in Solomon Islands
4	History of traditional money
5	History of modern money
6	History of bank notes
7	History of foreign and Solomon Island currency
8	Security features on notes
9	Other forms of modern money
10	Foreign currencies
11	Currency values
12	Money and trade
13	Wealth
14	Field trip
15	Chapter 1 review questions (unit test)
16	Chapter 1 review questions (unit test)

Lesson 1 • What is money?

Learner's Book pages 2–4

Aims

To help learners to:

- define what money is
- understand some differences (advantages and disadvantages) between Solomon Islands traditional money/barter and modern money.

Skills

- group discussion
- reading

Teacher instruction

Step 1 Ask the learners “What is money?” and record their answers on the blackboard. At this stage, do not offer any comment on learners’ suggestions, but write all their explanations.

Step 2 Ask learners to read the Introduction and the first paragraph in the section “What is money?”. Encourage learners to keep in mind the question “What is money?” as they read.

Step 3 Refer back to the list of answers on the blackboard and, using the text the learners have just read, come up with a definition of ‘money’ as a class.

- Step 4** Then say, “Give some examples of Solomon Islands traditional money that was used in communities.” If you think learners are able to provide answers, ask why people used these forms of money instead of barter in trading for goods and services. Otherwise, explain the reasons yourself. (Refer back to Solomon Islands Business Studies Year 7 Learner’s Book, Chapter 3, pages 33–35 for the advantages and disadvantages of barter.) Likely reasons include that money can be exchanged for any other product, whereas barter must be an exchange of products; the value of money is agreed, but the value of other goods will vary; money is easy to store.
- Step 5** Discuss with learners why people accepted these materials as money when they were used as payment and why items such as stones, grass, sticks, banana fruit or sand cannot be used as money. Possible reasons include that these items are very common or easily found so they have little value; they may not be easy to carry or to store; they may not be durable (for example, grass).
- Step 6** Explain that the use of money rather than barter has made it much easier for trade to take place: goods and services can be bought that are not generally available for trade (such as education, a ride on a bus, building materials), products such as cars and machinery can be imported and paid for.
- Step 7** Do Activity 1. Remind learners to think back on what they learnt in their Year 7 Business Studies classes.

Answers

- 1** Learners will most likely use the class definition of money. They may use the explanation in the text: anything that is accepted as payment for goods or services. Or, they may state that it is any form of legal tender as accepted by a government.
 - 2** Answers will vary. Some learners may know what a “mint” is (an official site where legal notes and coins are printed and made).
 - 3** Answers will vary but should include points that came up in Step 6 above: it makes trade easier between people, communities, countries because the value of money is clear and generally stable. (Do not get into details about different exchange rates of currencies here.)
 - 4** Answers will vary but should include the idea of working to provide goods or services, e.g. being paid by the government for a job such as being a teacher or nurse; working in a factory to help produce food or goods that are sold to customers; growing vegetables or fruit that are sold at market; making products such as lemonade or baskets that people want to buy.
 - 5** Answers may include: Modern money helps with trade, commerce and specialisation; modern money makes it much easier to exchange goods between people; modern money is recognised by all communities, but traditional money only had value in some communities.
- Step 8** Conclude the lesson by recapping the definition of money and having learners state what properties of money are important if money is to be successful in a community (see the list bottom page 3 of the Learner’s Book).

Lesson 2 • Functions of money

Learner's Book pages 4–5

Aims

To help learners to:

- know what the characteristics of traditional and modern money are
- understand the functions of money.

Skills

- group discussion
- summarising
- picture interpretation

Teacher instruction

- Step 1** Briefly recap on the previous lesson by asking learners to define money, and ask them what else they can tell you about money.
- Step 2** Ask, “What are the characteristics and functions of money?” Learners should be able to provide several of the characteristics listed on page 3 of the Learner's Book.
- Step 3** Have learners read pages 4–5 on the role of money and how it works.
- Step 4** Guide learners to understand the characteristics and the functions of money. Do this by asking them for real examples (using modern or traditional money) of: a medium of exchange (e.g. a person goes into a trade store and buys a tin of Taiyo. In exchange, she hands money to the shopkeeper); a measure of value (e.g. it costs more to buy a bus than it costs to buy some roofing iron, so the bus is considered to be more valuable than the roofing iron); a store of future wealth (e.g. people put their savings into a bank account so that they can save for something expensive, such as a trip overseas or a motorbike); a means for future payments (e.g. especially for very expensive items, like a house or a car, we can get a loan from the bank and gradually pay off the debt).
- Step 5** Have learners explain in their own words how money makes trade easier and solves the problems of the barter system.
- Step 6** Do Activity 2. Learners can work individually or in pairs.

Answers

- 1** Barter is the exchange of goods or services for other goods or services. Problems and limitations include: it is difficult to measure the value of the goods being exchanged; it may be difficult to store the goods/services; it can also be hard to find someone to barter with because you need to find someone who has what you want and that he/she also wants what you have.
- 2** The use of money has solved the problems and limitations identified in Question 1 because:
- money can be broken into smaller units. For example, a dollar divides into cents
 - money can be stored and used in the future
 - money is a medium of exchange – it is accepted when buying and selling goods.

3 Types of traditional money in Solomon Islands:

	Tafuliae	Bakiha	Feather money	Baniau	Red string shell money
Is it easy to recognise?	Yes	Yes	Yes	Yes	Yes
Is it easy to collect or make?	No	No	No	No	No
Is it easy to carry?	No	No	No	No	No
Does it break easily?	No	No	No	No	No
Was it acceptable to all of the community?	Yes	Yes	Yes	Yes	Yes

- 4** Encourage discussion among learners when going through their answers for this table. Answers may vary, but learners should be able to justify their answers.

	Stones	Round pieces of timber	Chicken feathers	Pigs	Canoes	Fresh meat
Acceptability	No	No	No	No	No	No
Easy to carry	No	No	Yes	No	No	No
Lasts a long time	Yes	Yes	Yes	No	Yes	No
Can be divided into smaller units	No	Yes	No	No	No	Yes
Difficult to make	No	Yes	No	Yes	Yes	Yes

- 5** Because only the islands of Temotu Province such as Santa Cruz use the feathers, so they are valuable to them but are not available in other parts of Solomon Islands.
- 6** In a dispute, money buys peace, and shows recognition that one person or group was right, and the other group or person was wrong.

Step 7 Conclude the lesson by summarising the main points. Encourage learners to participate actively in this.

Lesson 3 • Traditional money in Solomon Islands

Learner's Book pages 6–7

Aims

To help learners to:

- know the different types of traditional money in Solomon Islands
- understand the uses of these forms of money
- realise how these forms of money help to ease the problem of a barter system.

Skills

- reading
- group work

Teacher instruction

Step 1 To recap on the previous lesson ask, "What are some common types of money used in Solomon Islands?".

Step 2 In pairs, learners identify as many of the types of traditional money in Figure 1.4 as they can. a Tafuliae red money (Malaita Province) b red money (Are are in South Malaita) c Red feather (Temotu) d two necklaces made from red money (Malaita Province) e red money (Temotu) f red money which men and women wear on special occasions (Malaita Province) g Bakiha (Western Province and Choisuel) h Barava (Choisuel and Western Province)

Step 3 Ask learners to read page 7, first column on traditional money.

Step 4 Use a piece of chart paper or the blackboard to draw up a table like the one below. Encourage learners to work in pairs to brainstorm different types of traditional money used in different parts of Solomon Islands. They can include the examples shown in Figure 1.4.

Traditional money	Where it is used
Red feather	Temotu
Shell money	Malaita Province
Dolphin teeth	Malaita Province

Step 5 Explain the common uses of these traditional forms of money.

Step 6 Provide supplementary notes to explain the uses of traditional money in different parts of Solomon Islands.

Step 7 Conduct a short quiz. Put learners into groups. Explain that you will read out either a province name or an example of traditional money, and the groups must come up with as many examples as possible. The group with the most correct answers wins. Example questions: How many places use Tafuliae? (Answer: Malaita, Guadalcanal, Gela, parts of eastern Solomons). Name some forms of traditional money used in Malaita. (Answer: talufiae, armllet made from dogs' teeth, fofodare made from white cowrie shells or shell money and porpoise teeth, belt made from shell money)

Lesson 4 • History of traditional money

Learners' Book page 7

Aim

To help learners to:

- explain the history and the development of traditional money.

Skill

- picture interpretation

Teacher instruction

Step 1 Review the previous lesson by asking key questions, for example: Name some forms of traditional money in Solomon Islands. What sorts of things was traditional money used for? Why was traditional money better for trade than barter?

Step 2 If learners show a reasonable level of knowledge on traditional money, organise them into groups that share similar knowledge (such as a group of learners who have knowledge of traditional money in Malaita). Have them prepare a short explanation of the history and development of Solomon Islands traditional money for their area and present to the class.

Step 3 If learners have not shown great knowledge on the history of Solomon Islands traditional money, give additional notes or handouts to further explain it, and have groups choose one area covered in the notes that they can present to the class.

Step 4 Do Activity 3.

Answers

- 1 The first uses of traditional money were as costumes and decoration; bride price; compensation and buying food and pigs.
- 2 Artefacts became traditional money when the broader society become attracted to them and demanded to possess these artefacts.
- 3 Money is anything that is generally accepted as payment for goods, services and debts.
- 4 The three forms of money that are used traditionally are tafuliae, biru and feather money.

Lesson 5 • History of modern money

Learner's Book pages 7–8

Aims

To help learners to:

- know the history and development of modern money
- understand the development of coins
- understand the term *legal tender*.

Skills

- reading
- group discussion

Teacher instruction

- Step 1** Ask learners what they know about the development of modern money. Write their statements on the blackboard, but do not comment on them at this stage. Encourage all answers, not just the ones that best answer the question.
- Step 2** Use the statements that have been written on the board to explain some of the material that learners will read soon. For example, if there is a statement “Coins were the first type of modern money. They were made of gold.”, expand on this information by agreeing that it is correct, but ask which other metals may also have been used (silver). Ask what shape learners think early coins were (round). Use the text in the Learners' Book to explain who made the first coins (Assyrians) and where they came from (the Middle East). Explain what pictures were put on the coins and why (the king's face, to show that they were real money).
- Step 3** Explain to the learners that they are going to learn about the development of modern money. Have them read page 7 and the first column of page 8.
- Step 4** Discuss as a class how and why gold and silver were a good medium of exchange.
- Step 5** Describe how gold and silver were most likely made into coins. (Small pieces of gold or silver were hammered into flat discs, then put into a hand-operated press that stamped the image of the king on them.)
- Step 6** Explain that ‘legal tender’ means money that is officially recognised by the government. Ask learners to provide some examples of legal tender in the world today (they can mention any currency used in the world – US dollars, Japanese yen, the euro in the Euro zone, Fijian dollar.). Ensure that they understand that such currencies are only legal tender in the country that use them, so NZ dollars are only legal tender in New Zealand.

Step 7 Do Activity 4.

Answers

- 1 The three characteristics of good money are: a) it is recognised by the general public; b) it is difficult to collect or make; c) it is easy to carry.
- 2 In Solomon Islands we have coins valued at 10 cents, 20 cents, 50 cents, \$1 and \$2.
- 3 No, the value depends on the number stamped on the coin, so a coin with '20 cents' on it is valued at 20 cents, even if the metal in the coin is worth less than 20 cents.
- 4 Originally, coins had milled edges so that they could not be forged. Milled edges then became standard on most currencies.

Step 8 Conclude the lesson by summarising the main points.

Lesson 6 • History of bank notes

Learner's Book pages 8–9

Aims

To help learners to:

- know the history and development of bank notes
- understand the role of paper money
- explain the term *legal tender* in terms of paper money.

Skill

- group work

Teacher instruction

Step 1 Ask learners what they remember about how and why coins were first developed. Then ask if there are any occasions when coins are not useful as money (for example, when the amount is so large that they cannot be carried around).

Step 2 Ask the learners to read pages 8–9, up to Section 4.

Step 3 Ask which group of people introduced the first bank note (goldsmiths). Explain that goldsmiths work with gold, so why would they want to develop paper money? If learners struggle to understand the reasons for developing paper money, explain it to them using the text as a guide.

Step 4 Refer learners back to Figure 1.2 on page 3 and have them study the two sides of each denomination. Direct them to find as many differences and similarities as they can between the two sides of a denomination, and between the different denominations. If they need more direction, have them comment on the colours used, whether the text on the notes is the same or different, pictures on the front and back, any special symbols or patterns on each note. Note: special features on the notes will be covered in Lesson 8, so at this stage it is fine to accept general statements.

Step 5 Split the class into groups to do Activity 5.

Answers

- 1 Paper money is used today because it is legal tender and it is easier to carry than a large number of coins.
- 2 Notes and coins become legal tender when a government recognises them as money.

- 3 Solomon Islands currency notes are: \$5, \$10, \$20, \$50 and \$100.
- 4 When currency notes have a fixed amount on them, it is easy to make up the total for a payment.
- 5 \$5 notes would be inconvenient when making large payments.
- 6 \$100 notes would be very inconvenient in day-to-day living, because most things we buy only cost a few dollars. If we only had \$100 notes, we would have to carry around huge numbers of coins.

Step 6 Conclude the lesson by summarising the main points.

Lesson 7 • History of foreign and Solomon Island currency

Learner's Book page 9

Aims

To help learners to:

- know the history of foreign currency in Solomon Islands
- become familiar with the history of Solomon Islands' own currency.

Skills

- group discussion
- calculation

Teacher instruction

- Step 1** Prepare 6–8 statements relating to the previous lesson. Some statements should be true, and others false. Explain that you will read out these statements, and the learners must decide if they are true or false. If they are false, ask learners to correct them. For example, Goldsmiths made bank notes to wrap up their gold. (False. They made bank notes as a receipt for people's gold that they looked after.) It was easier to carry around a receipt or bank note than it was to carry around gold. (True)
- Step 2** Ask the learners to read the text on page 9.
- Step 3** Explain why foreign currencies were used in Solomon Islands before independence.
- Step 4** Have learners identify from the text which foreign currencies were introduced and what they were. (The British pound/pence and the Australian dollar) You may choose to explain that dollars and cents are based on the decimal system (units that can be divided or multiplied by 100), but that shillings and pounds were quite different. The lowest denomination was the penny, then the shilling, then the pound. 12 pence made up a shilling, and 20 shillings made up a pound (so 240 pence made up a pound).
- Step 5** Direct learners to study the table in Figure 1.8. This shows the denominations and the value of the first printing of Solomon Islands own currency.

Step 6 Ask them how they would go about calculating how many coins or notes to print of each Solomon Islands denomination. If necessary, start with the \$1 coin and explain that if 1.5 million dollars' worth of dollar coins were made, how many coins must that be? (Divide 1 into 1.5 million = 1.5 million coins) To find the number of \$2 coins that were made, divide 2 into 4,400,000 = 2,200,000 coins. If the learners are strong in maths, ask them to calculate the number of coins printed for denominations below a dollar. Note that this time they will need to include a decimal point, so for 20c coins, divide 0.20 into 600,000 = 3,000,000 coins. Alternatively, convert the dollar value in cents, so \$600,000 = 60,000,000 cents, and divide 20 into 60,000,000 = 3,000,000 coins.

Step 7 Now that learners have calculated the number of coins/notes first made, discuss whether they think it was a good balance. For example, why do they think 3 million 20c coins were made, but only 2.25 million 10c coins, or fewer than 2 million 5c coins? There are no correct answers here, but it is useful to train learners to think about figures they come across, and to consider possible reasons for it.

Step 8 Conclude the lesson by summarising the main points.

Lesson 8 • Security features on notes

Learner's Book pages 10–11

Aims

To help learners to:

- identify the security features of Solomon Islands modern forms of money
- know ways to identify counterfeit notes.

Skills

- photograph interpretation
- group work

Teacher instruction

Step 1 Ask learners in small groups to think of 3–5 areas where security is important. The obvious one is banks, because of the amount of cash they hold. Learners might also come up with shops, restaurants, the school office, keeping money or valuables safe at home, even locking a car or motorbike.

Step 2 Direct learners to consider what security may be needed for bank notes. If they need prompts, have them recall the reason behind the edges of coins being milled (see Learner's Book page 8, to stop people shaving edges off the coins).

Step 3 Ask learners to read all the text under the heading “Current Solomon Islands notes and coins”.

Step 4 If possible, bring a \$5 note to class and demonstrate the features of a genuine bank note, particularly the elements listed in Figure 1.9 about holding a note up to the light.

Step 5 Ask learners why it is important to be able to detect counterfeit notes. Ask, “What would happen if there were lots of counterfeit notes circulating in Solomon Islands?”. Answers may include: people will be nervous about spending money in case they get counterfeit notes; the value of genuine money is reduced; prices of goods may increase because shopkeepers are trying to cover their losses from getting counterfeit money; shopkeepers may stop accepting bank notes even when they are genuine. If the problem becomes serious, it may lead to a return to the barter system for some goods.

Step 6 Discuss what happens with damaged or torn notes. Have learners refer back to Figure 1.2 of Solomon Islands bank notes and ask them to identify the serial numbers on the notes.

Step 7 Do Activity 6.

Answers

- 1 Counterfeiting is making false money. It is also called forging.
- 2 Bank notes are difficult to counterfeit because they have special security features that are very difficult to copy.
- 3 You can see and feel the paper, check the 3 mm security thread line, check the colour and size match other notes of the same denomination, look for the watermark of the eagle and the bars in the corners.
- 4 The edges of coins are milled.
- 5 No. It should be accepted because its serial number is intact. (The note can be taken to CBSI to be replaced.)

Step 8 Conclude the lesson by summarising the main points.

Lesson 9 • Other forms of modern money

Learner's Book pages 11–12

Aims

To help learners to:

- know about other forms of money
- be aware of when it is appropriate to use these forms of money.

Skills

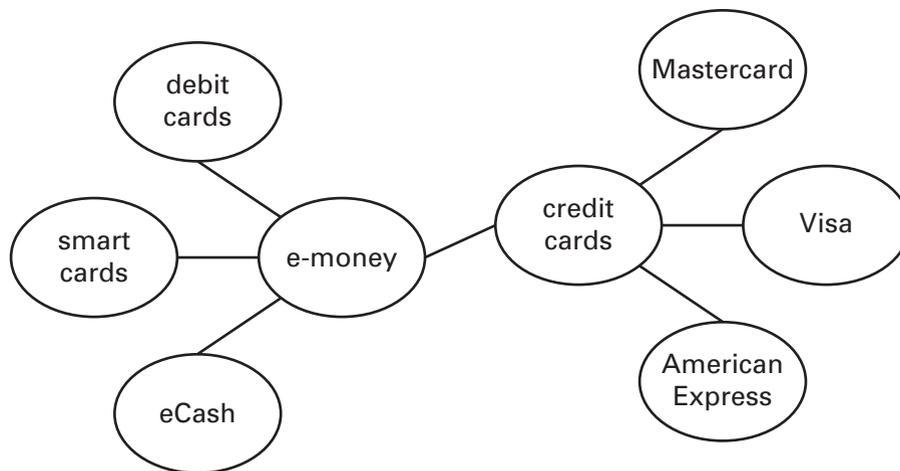
- diagram interpretation
- reading
- summarising

Teacher instruction

Step 1 Before reading the text, ask learners to think of different forms of money. They may only come up with coins and notes at this stage, and this is fine. If they suggest some other forms, write them on the board, and explain that they are to read pages 11–12 in the Learner's Book to confirm if the list on the board matches the list in the book.

Step 2 After reading, revisit the list on the board and add to it if necessary. If possible, bring to class examples of a cheque, credit card and debit card.

Step 3 Explain that as a class, you are going to convert the text on electronic money into a diagram form. Start by drawing a large circle on the board and write "e-money" inside it. Draw some lines radiating out from the circle and ask students for some examples of e-money (see page 29 for a completed diagram). Do not go into much detail here about each form of e-money as this will be covered in more detail in Chapter 2.



Step 4 Explain why some of these forms of money are not common yet in Solomon Islands: the nature of e-money requires the use of the internet, and many parts of Solomon Islands do not have easy access to the internet. People can access their bank accounts on the internet, and businesses get paid immediately, so they can send their goods immediately. (This is also covered in Chapter 2, page 29 on mobile phone banking.)

Step 5 Do Activity 7.

Answers

- 1 Yes, a cheque is money. The cheque is an instruction to the bank telling to withdraw money from the drawer’s account and give it to the payee or the bearer of the cheque. A cheque is not legal tender so a store owner has the right to refuse it. (This is more likely if the store owner does not know the person who is using a cheque.)
- 2 Most forms of e-money have not been used or are in very little use in Solomon Islands because the internet does not yet cover all the islands.

Step 6 Conclude the lesson by summarising the main points.

Lesson 10 • Foreign currencies

Learner’s Book pages 12–13

Aims

To help learners to:

- explain the terms *currency* and *foreign currency*
- recognise that different countries have different currencies
- compare the Solomon Islands’ currency against other countries’ currencies.

Skills

- group work
- diagram interpretation

Teacher instruction

Step 1 Ask, “What is the meaning of currency and foreign currency?” Learners should be able to provide examples of some foreign currencies, such as the US dollar, Australian dollar.

Step 2 Ask learners to read Section 6 and to study the different currencies in Figure 1.10.

- Step 3** Explain how most of these currencies have larger and smaller units, just like the Solomon Islands dollars and cents. Point out that most currencies have a symbol or short form as well as their full name. Ask learners what the written symbol is for Solomon Islands dollar (SBD), and go through the symbols for the currencies in Figure 1.10. See if learners can come up with the names and symbols of any other currencies.
- Step 4** Use the Solomon Islands dollar to explain how the value of one currency can be compared to other currencies.
- Step 5** Guide learners to understand why we might need foreign currency. Examples are provided in the text for exporters, importers and travellers. Ensure that learners understand the different needs.
- Step 6** Explain the term 'exchange rate' by using an example of a Solomon Islander going to Australia to study. Ask learners which currency she will need while staying in Australia and how she can get that currency. Explain that when one currency is exchanged for another one, the value of the exchange is calculated using the exchange rate posted by banks.
- Step 7** Direct learners to examine Figure 1.11 and explain that this table illustrates what SBD\$1 bought in other currencies in June 2014. Provide some examples using the table (for example, SBD\$1 bought 14 Australian cents). Then have learners work in pairs to clarify the value of the Solomon Islands dollar against the other currencies listed.

Lesson 11 • Currency values

Learner's Book pages 13–14

Aim

To help learners to:

- calculate the monetary value of one currency against another using the exchange rate.

Skill

- reading

Teacher instruction

- Step 1** Revisit the concept of the exchange rate. Use Figure 1.11 to determine which currencies appear to be strongest and weakest against the Solomon Islands dollar (the SBD seems to be strongest against the Japanese yen and weakest against the British pound).
- Step 2** Have learners read the text and the examples on page 13, then go through each of the three examples to show how conversion from one currency to another works, using the exchange rate. Note that the first example, with Japanese yen, uses a different exchange rate to that in the table.
- Step 3** Explain when multiplication or division is used in changing one currency to another (this will be covered in more detail in Chapter 2): When converting a foreign currency to SBD use division: in example 1 in the text, foreign currency [Y10,000] ÷ exchange rate [Y253] = SBD total [SI\$39.53].
- In example 3 in the text, to convert SBD to a foreign currency use multiplication: SBD amount [SI\$175] × exchange rate for foreign currency [K0.337] = foreign currency total [K59].

Note that in example 2 in the text, the calculation there shows how to confirm that the SBD total is correct, using the exchange rate in Figure 1.11. However, to make the initial calculation: $\text{AUD}\$250 \div 0.147 = \text{approx SI}\1700 .

Step 4 Do Activity 8. For the calculations, explain that learners only need to use multiplication. The answers below show how to calculate each problem.

Answers

- 1 Groups most interested in foreign currencies are importers, exporters and travellers, because they need to exchange their own currency to buy or sell goods and services in another currency.
 - Importers buy goods from other countries so they need to pay for them in that foreign currency.
 - Exporters sell their products to other countries. They will usually be paid in their own currency, but it is also important to know the value of their product in the foreign currency.
 - Travellers travel to different countries so they need foreign currencies to spend in those countries.
- 2 They can change their currency at an airport exchange office or go to a bank. Banks often have branches at airports.
- 3 The Chinese importer pays for the shirts from the manufacturer in Singapore currency (dollars and cents).
- 4 Legal tender of a country is that country's currency, so Solomon Islands currency is not accepted in other countries. To pay for things, the traveller needs to use the currency of the country in which s/he is travelling.
- 5 Yes the manager has the right to refuse the money because only Solomon Islands currency can be used in the Solomon Islands.

Calculations

- 1 If $\text{SI}\$1 = \text{Y}250$ then $\text{SI}\$5 = \$5 \times 250 = 1250$, so $\text{Y}1250$
- 2 If $\text{SI}\$1 = \text{P}10$ then $\text{SI}\$6 = \$6 \times 10 = 60$, so $\text{P}60$
- 3 If $\text{SI}\$1 = \text{HK}\6 then $\text{HK}\$72 = (\text{HK}\$72 \div 6) = 12$, so $\text{SI}\$12$
- 4 a If $\text{SI}\$1 = \text{AUD}\0.14 then $\text{SI}\$500 = \$500 \times 0.14 = 70$, so $\text{AUD}\$70$
 b If $\text{SI}\$1 = \text{AUD}\0.14 then $\text{SI}\$3000 = \$3000 \times 0.14 = 420$, so $\text{AUD}\$420$
 c If $\text{AUD}\$1 = \text{SI}\17 then $\text{AUD}\$300 = 300 \times 17 = 5100$, so $\text{SI}\$5100$

Step 5 Conclude the lesson by summarising the main points.

.. .. .
Lesson 12 • Money and trade

Learners' Book pages 14–15

Aims

To help learners to:

- explain the term *trade*
- know that money aids trade and commerce
- explain the role of money in people's lives.

Skills

- photograph interpretation
- summarising

Teacher instruction

- Step 1** Ask, “Why is money so important?” If learners need prompts, ask them to think of all the different things they use money for.
- Step 2** Have learners read page 14.
- Step 3** Explain the term ‘medium of exchange’ as something (generally money) that is used to buy and sell goods, and how money solves the many problems and shortcomings encountered in the barter system. This in turn makes trade much easier.
- Step 4** Do Activity 9. Point out that Question 5 offers more answers than are needed to complete the sentences.

Answers

- 1 Yes, because pigs are valuable animals.
 - 2 Answers will vary but the important idea that learners should grasp is that if a person lives isolated from everyone else, they are likely to be self-sufficient in their food and shelter. If they are self-sufficient they may have no use for the money. Alternatively, they may want to use the money to buy things they cannot produce (such as solar power), but they would have no way to spend it because of their isolation. The key point is that money is only useful if it can be exchanged for goods or services.
 - 3 With money, you can easily exchange it for other goods and services because money is used as a medium of exchange.
 - 4
 - a Answers will vary but the order in monetary value from most valuable to least valuable is: aeroplane, car, radio, shoe, shirt, and pencil.
 - b Answers will vary but may include: I used the value of money because it is easy to understand the price of each item.
 - 5
 - a (Money) is anything that is generally (accepted) for the payment of (goods) and (services). Traditionally money, like (stones) in the east and (shells) on the coast, were regarded more as (medium of exchange) than as a (currency).
 - b We refer to (notes and coins) as modern money. It has replaced the (barter) system. (Workers) receive an income in the form of (money). This is used to pay for (goods and services).
 - c Today, instead of exchanging goods for goods, we work to earn (money). We use money to (buy) the things we want. That is to say, we use money as a (medium) of exchange. Money as a measure of value tells people how (much) goods and services cost. We know the value of goods and services by looking at the (price). If one shirt costs \$30, and another costs \$40, we can (compare) their cost and make a choice about which to buy. When we look at the prices of goods, we are (measuring) their value. It is being used as a (store of wealth).
- Step 5** Revisit Question 4 with the class. Find out if learners have ordered their items in a range of ways. If they have, ask them to explain their reasoning. If they have ordered most things in a similar way, provide some different scenarios (see below), and have them discuss in small groups the difference this makes. At the end of the discussion, lead a discussion on how a person's circumstances or priorities in life will alter what they consider to be important or valuable, and that just because something is worth a lot of money, it may not be valuable to a person. Possible scenarios: you are living alone or as a family group on a remote island. You live in a mountainous area where airport runways and roads are not possible. Travel is an important part of your job. You and your family group have never learnt to read or write. You live in a cold environment.

Lesson 13 • Wealth

Learner's Book pages 15–16

Aim

To help learners to:

- explain *measure of value* and *store of value* in terms of money.

Skills

- photograph interpretation
- group discussion

Teacher instruction

Step 1 Describe how money helps us to compare the value of different goods to their size and amount in terms of money. Explain that this provides a measure of value.

Step 2 Use the example of the shirts on page 15 of the Learner's Book to illustrate how goods are measured in value in terms of money.

Step 3 Explain how services are measured in value in terms of money. That is, people are paid for their services, and the amount they are paid depends on how valuable their service is considered. A doctor can charge a lot for his or her services because it takes a long time to gain such expertise; a window cleaner does not need a lot of special training, and others can do the same job (even if they do not do it as well) so cannot charge a lot.

Step 4 Use the text on page 16 to explain different ways in which people earn money and are able to trade.

Step 5 Split the class to work in groups to discuss the questions in Activity 10. The groups will present their answers to the class after discussing.

Answers

Answers will vary for all the questions but may include the following.

- 1 Selling vegetables at the market, selling fish, selling eggs, working as an employee, operating a bus, etc.
- 2 Yes, I would probably find most of the things I want to buy at the market or at the shop. / No, I'd like to buy clothes and food that friends have brought back from other countries, but they aren't available here.
- 3 People find out about things that are for sale when they go to the market or to shops. They also see advertisements on TV, billboards and in papers. If people have the internet, they can look for things there.
- 4 If you have goods to sell, you probably need to sell them at a market or a shop, where lots of customers will see them. If you have a service to sell, you may need to advertise it by having a sign outside your house, or you can visit businesses or people whom you think would use your service to tell them about it.
- 5 The price of goods can be determined by knowing the price that other people use to sell their products at the market.
- 6 Factors should include: the price the person is charging and the quality of the bananas.
- 7 Things that can bring the producer and the consumer together include transportation, communication through telephone, mobile phone or fax.

Step 6 Write the questions below on the blackboard. Have learners read the text on pages 15–16 and answer the questions, or separate them into groups and allocate page 15 to some groups and page 16 to other groups.

Page 15: Give some reasons people need money.

How do prices help us to decide what we will buy?

Page 16: How can we store wealth for the future?

What are some areas that people specialise in to earn money?

Lesson 14 • Field trip

Learner's Book page 17

Aim

To help learners to:

- consolidate what they have learnt about how traditional and modern money was made.

Skills

- questionnaire
- group work

Teacher instruction

Step 1 Depending on whether you can arrange a field trip or not, outline to the class that they are going on a trip, or that they are going to work in their ethnic groups to do a project.

Research project (Question 1)

For the project, once learners are in their ethnic groups, explain that they are going to research how their traditional money is/was made and who made it. Direct learners to discuss in their groups the knowledge that they may already have on this subject. Once they have noted their information on paper, they can work out what else they may need to find out. Then, ask them to create questions to ask their families, so that they can fill in any gaps in their knowledge. Before the groups use their questions on their families, bring the whole class together and check that they have developed appropriate questions.

For example: Outline what the traditional money is/was; how difficult it was to find or make; who was allowed to collect/make it; how people got the traditional money; where it was found/made, etc.

Field trip

If it is possible to visit a place where traditional money is made, prepare learners beforehand by having them think about some questions they might ask, and what information they would expect to find out.

Central Bank (Question 2)

If your school is in Honiara or a large town, invite a guest speaker from the Central Bank or arrange a visit to the Central Bank to have a talk from an officer on how modern money is made, where it is made and who makes it.

Step 2 Explain that each group is to prepare a small presentation on their own traditional money, their visit to see money made, or what they learnt about how modern money is made.

Lessons 15 and 16 • Chapter 1 review questions (unit test)

Teacher instruction

Step 1 Learners sit a test based on the chapter. Allow two 40-minute lessons for the test. Collect test papers for marking.

Chapter 1 review questions

Instructions: Write the numbers 1–30 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 The word 'barter' means
 - a exchange of goods for money
 - b buying and selling goods
 - c exchange of goods for goods
 - d trading
- 2 A big problem with barter is
 - a earning enough money
 - b that two people must each want exactly what the other has
 - c people need to walk a long way to the market
 - d growing enough to exchange
- 3 Money
 - a helps to reduce production and prices
 - b makes trade more difficult
 - c makes trade easier
 - d helps to increase production and lower prices
- 4 Money is a medium of exchange. This means
 - a money is used in exchange for goods
 - b money changes its value
 - c money can be used in barter
 - d money can be saved when crops are produced
- 5 Which of the following is a traditional form of money in Solomon Islands?
 - a Coins
 - b Feathers
 - c Currency
 - d Trees
- 6 Shells were accepted by people in payment because
 - a they were coins
 - b they were legal tender
 - c others would accept them
 - d they were the same as cash
- 7 Money is used as a measure of value. This means
 - a money is measured by its value
 - b money is valuable
 - c a price can be given to goods and services
 - d it is long lasting

- 8** Which form of traditional money was easy to carry?
- a** Shells (Tafulua, Malaita Province)
 - b** Toau (feather money; Santa Cruz, Temotu Province)
 - c** Barava (Western province)
 - d** Bani' au (Malaita province)
- 9** What type of money is commonly used in Solomon Islands today?
- a** Shillings and pence
 - b** Notes and coins
 - c** Dogs' teeth
 - d** Legal tender
- 10** Beach sand would not be a good form of money in coastal areas because
- a** it is easy to recognise
 - b** it is plentiful
 - c** it is easy to carry
 - d** it is easy to divide
- 11** Which of the following is NOT true? Good money must be
- a** easily recognised by people
 - b** easy to make
 - c** acceptable by our people
 - d** easy to carry around
- 12** Which of the following is NOT true of money?
- a** It is easy to get.
 - b** It increases specialisation.
 - c** It makes exchange easy.
 - d** It is acceptable.
- 13** Which of the following have high value almost anywhere in the world?
- a** Coins and notes
 - b** Paper and cheques
 - c** Gold and silver
 - d** Shells
- 14** Money can be used as a store of wealth. This is because
- a** it shows the wealth of the person
 - b** it can be spent in a trade store
 - c** it can be saved and used later
 - d** it can be spent quickly
- 15** The edges of coins are
- a** round
 - b** milled
 - c** flat
 - d** sharp
- 16** Nowadays, governments make coins from
- a** precious metal
 - b** silver and bronze
 - c** copper and nickel
 - d** iron and tin

- 17** When the government says that people must accept a country's money, the money is called
- a** minted
 - b** legal tender
 - c** currency
 - d** cash
- 18** \$100, \$50, \$20, \$10, \$5 notes are called
- a** cash notes
 - b** bank notes
 - c** Bank of Solomon Islands notes
 - d** legal tender notes
- 19** The first type of bankers to issue bank notes were
- a** National Bank of Solomon Islands employees
 - b** Bank of England managers
 - c** sand banks
 - d** goldsmiths
- 20** The only issuer of bank notes in Solomon Islands is the
- a** ANZ bank
 - b** Bank South Pacific
 - c** Westpac Bank
 - d** Central Bank of Solomon Islands
- 21** Medium of exchange is best defined as
- a** earning a living
 - b** growing enough food for exchange
 - c** using money to buy goods and services
 - d** barter
- 22** Which of the following is a good example of medium of exchange?
- a** Exchanging taro for fish
 - b** Selling potato to earn money to buy fish
 - c** Working for another person
 - d** Growing goods for your own use
- 23** How does money tell people how much goods are worth? It provides the
- a** size of the goods
 - b** colour of the goods
 - c** quantity of the goods
 - d** price of the goods
- 24** An example of currency is
- a** dolphins' teeth and feathers
 - b** steel axes and knives
 - c** pounds and pence
 - d** dollars and cheques
- 25** The people who need foreign currency for their business are
- a** producers, wholesalers and retailers
 - b** importers and travellers
 - c** manufacturers and consumers
 - d** producers and consumers

- 26** Which one of the following statements about Australian and American currency is false?
- They have the same value.
 - They have different values.
 - Both their values change every day.
 - They are both called dollars.
- 27** The term 'exchange rate' refers to
- the amount one unit of currency will exchange for one unit in another currency
 - the amount of change you receive from the co-operatives
 - exchanging your note for coins
 - the price you must pay for goods bought in another country
- 28** The measure by which we compare the values of different currencies is called the
- bank rate
 - legal tender
 - rate of exchange
 - measure of value
- 29** If the rate of exchange between the Solomon Islands dollar and the US dollar is SI\$1 = US\$0.25, how many Solomon Islands dollars would be converted to US \$75?
- SI \$4
 - SI \$100
 - SI \$125
 - SI \$300
- 30** Chinese currency is called
- dollars and cents
 - yuan and fen
 - kina and toea
 - rupiah and sen

Step 2 Collect tests for marking.

Answers

- | | | | | |
|-------------|-------------|-------------|-------------|-------------|
| 1 c | 2 b | 3 c | 4 a | 5 b |
| 6 c | 7 c | 8 d | 9 b | 10 b |
| 11 b | 12 a | 13 c | 14 c | 15 b |
| 16 d | 17 b | 18 b | 19 d | 20 d |
| 21 c | 22 b | 23 d | 24 c | 25 b |
| 26 a | 27 a | 28 c | 29 d | 30 b |

Chapter 2 • Finance and banking

Strand: Economics

Suggested class time: 12 periods (3 weeks)

Sub-strand statement: This sub-strand discusses sources of finance and various services provided by commercial banks and the Central Bank in our modern society. The functions of financial institutions like banks and credit unions are important for the country. The final part focuses on the use of exchange rates and how we convert our own currency to other currencies.

General learning outcomes

Learners should:

- know the meanings of *finance* and *banking* (k) (8.2.1)
- understand the sources of finance and various services provided by different types of banks in our modern society (u) (8.2.2)
- understand the meanings of *savings* and *term deposit* (u) (8.2.3)
- complete a deposit slip, withdrawal form and cheque (s) (8.2.4)
- know the currencies of some countries (k) (8.2.5)
- be able to convert currencies (s) (8.2.6)
- appreciate the roles of banks in a commercial society (v) (8.2.7).

Specific learning outcomes

Learners should be able to:

- explain the terms *finance* and *banks* (8.2.1.1)
- state sources of finance (8.2.2.1)
- state the functions and services of commercial banks, the Central Bank, the Development Bank, savings banks and credit unions (8.2.2.2)
- compare savings accounts and term deposit accounts (8.2.3.1)
- correctly fill in a deposit slip, withdrawal form and cheque (8.2.4.1)
- explain the term *currency* and give examples of countries and their respective currencies (8.2.5.1)
- use exchange rates to convert units of one currency to another (8.2.6.1)
- discuss the roles of banks in commercial society (8.2.7.1).

Topics and timing

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

Lesson	Topic
1	What do you know already?
2	Banks and finance
3	Savings bank accounts
4	Withdrawal forms
5	Savings and loan societies
6	ATMs and cards
7	Mobile phone banking and term deposits
8	Cheque accounts
9	Currencies
10	Who needs foreign currencies?
11	Chapter 2 review questions (unit test)
12	Discussion

Lesson 1 • What do you know already?

Learner's Book page 19

Aims

To help learners to:

- explain what commercial banks are and what the Central Bank is
- know which banks operate in the country
- understand the services that banks offer to their customers.

Skills

- group discussion
- photograph interpretation

Teacher instruction

Step 1 Ask learners the questions under “What do you know already?” on page 19, and ensure they explain their answers.

Answers

- 1 Answers will vary but may include: BSP Bank, Westpac and ANZ Bank.
- 2 Answers will vary.
- 3 Answers will vary but may include: I keep my money in the bank because it is safer there. / The bank is too far away so I keep it at home, but not under a mattress.
- 4 The Solomon Islands dollar.
- 5 Answers will vary but may include currencies listed in Figure 1.10 on page 12. Other currencies include: Fiji – dollar; India – rupee.

Step 2 Do Activity 1. Answers will vary, and may not be comprehensive at this stage. Learners will check back on these answers during the next lesson, so do not provide answers before then.

Answers

- 1 Answers will vary. Essentially, a bank is a business that looks after the money of individuals and businesses and lends money to individuals and businesses.
- 2 Learners should include the banks listed in Question 3 below, as well as the Central Bank, so there are five in total. Some learners may also know about the Development Bank, but this no longer operates.
- 3 There are four: Bank of South Pacific (BSP), Pan Oceanic Bank (POB), ANZ Bank, Westpac.
- 4 Learners should name one of the banks in Question 3, and be able to justify their answer.
- 5 Answers will vary but may include: banks compete against each other for business, so interest rates may vary a little between them. Also, it will depend on the type of bank account held on which bank offers the best rate.
- 6 The Solomon Islands government.
- 7 Learners may be able to offer some of the following: the Central Bank is not a commercial bank, so individuals and businesses cannot have accounts with it. It issues money, controls the interest rate, oversees the amount of money the government borrows and the amount of money commercial banks lend, it controls foreign exchange.
- 8
 - a A farmer in a village gets money for selling copra and deposits it into the bank.
 - b A teacher has their salary automatically deposited into their bank account; can use that salary to apply for a loan to buy a house or other large purchase.
 - c A trade store owner deposits money earned into an account; may also take out a loan to grow their business.

- d** A person working in a government job has their salary automatically deposited into their bank account; can use that salary to apply for a loan to buy a house or other large purchase.
- e** A business person in town uses a bank to deposit money and to take out loans to grow the business; may also need to pay for goods and services in other currencies so the bank would help with that.
- f** A school receiving fees and a government grant would deposit the money into an account. It would probably also pay salaries out of that account directly to the accounts of teachers and other staff. It may use a high-interest account to earn money on the savings, which would mean the school would have that money ‘locked’ away for a fixed time, such as 3, 6 or more months.
- g** A local church would have an account to put deposits in. It may have a cheque account for making payments too.

Step 3 Conclude the lesson by summarising the main points.

Lesson 2 • Banks and finance

Learner’s Book pages 20–21

Aims

To help learners to:

- know more about banks
- understand types of banks
- understand what finance is.

Skills

- group discussion
- photograph interpretation

Teacher instruction

Step 1 Recall the group discussions in Activity 1 from the previous lesson. Then go over the answers with the class.

Step 2 Check that learners understand the distinction between commercial banks and the Central Bank.

Step 3 Guide learners to understand the services that the Central Bank of Solomon Islands provides for the public.

Step 4 Ask learners what they understand about the meaning of finance.

Step 5 Ask, “What are possible sources of finance?”

Step 6 Have learners read Section 2 and do Activity 2 (Group work).

Answers

- 1** Finance means to provide funding for a person or business.
- 2** The main sources of finance are: own funds (your own earnings or savings); borrowing from commercial banks; borrowing from credit unions (for registered members).
- 3** Individuals get finance by working for money, and loans from banks. Businesses get finance from banks, and from selling their goods and services. The government gets finance from taxes and loans.

- 4 When banks lend money, they charge interest, so the borrower must pay back more money than they borrowed.

Step 7 Give handouts or notes on the lesson.

Step 8 Conclude the lesson by asking questions about the main points.

Lesson 3 • Savings bank accounts

Learner's Book pages 21–22

Aims

To help learners to:

- understand the characteristics of a savings account
- explain the steps of how to open savings accounts.

Skills

- picture interpretation
- reading
- filling out bank forms

Teacher instruction

Step 1 Ask learners what they know about savings accounts.

Step 2 Use the text on page 21 to briefly explain the steps needed to open a savings account.

Step 3 Direct learners to study the application form in Figure 2.4. Be clear that this is an example only, and that forms may vary from one bank to another.

Step 4 Do Activity 3.

Sample answer

SD530	GIVEN NAMES		SURNAMES		Account No.
(MR) MRS. MS. MISS)	<i>Allen</i>		<i>Hau</i>		<i>0125678009</i>
Full address	<i>Hautahe Primary School</i>			Black Light	
and	<i>East Are Are</i>			Yes/No	
changes of	<i>Malaita Province</i>			Agency	
address				(Where applicable)	
Phone No.	Priv. No.	<i>8510264</i>	Occupation	<i>Teacher</i>	
For joint accounts requiring only one signature for operation. Until written notice to the contrary from us or any one of us is received by the Bank South Pacific one of us may in any manner withdraw money's from the joint account opened in our names and any one of us may in any manner close the account and the Bank is authorised to accept for the credit of our joint account any cheque or other negotiable instrument payable to any one or more of us and cheques and any other negotiable in instruments lodged for credit of the joint account may be endorsed by any one or more of us					Method of operation Joint A/cs
Name of Village	<i>Hautahe Village</i>		Name of next of kin	<i>Jackson Wara</i>	
Name of Island	<i>Malaita</i>		Relationship of	<i>Uncle</i>	
Name of Father	<i>Thomas Hai</i>		Name of mother	<i>Agnes Mau</i>	
Signature(s)	<i>A Hau</i>			Date of Birth	<i>10 / 06 / 80</i>
or Keyword				Date of Birth	____/____/____
of				Initial Deposit	
Depositor				CASH	
EZY CARD NO'S				CHQS	
DATE OF ISSUE				TOTAL	
Identification PERSONAL ID				INITIALS	
PASSPORT NO.				OPENING OFFICER	
LICENSE NO.				EXAMINER	
				CHECKING OFFICER	

Step 5 As a class, examine the deposit form in Figure 2.5. Again, explain that this form is a general example only.

Step 6 Do Activity 4.

Answers

1 Note: Names on the deposit form, the date and the branch name will vary, but other details should be the same as in the example below.

The Bank, Solomon Islands - DEPOSIT		THE BANK, SOLOMON ISLANDS			
Transaction Deposit				5 / 03 / 16	
Date	5 / 03 / 16	ACCOUNT TYPE:	Cheque <input type="checkbox"/>	Savings <input checked="" type="checkbox"/>	Loan <input type="checkbox"/>
Account Name	Rose Mae	Branch Name	Point Cruz		
Account No.	05 564123800 11	Account Name	Rose Mae		
Teller	\$ 31.50	Account No.	05 564123800 11		
Stamp		Depositor's Signature	R Mae		
<small>Proceeds of cheques are not available until cleared</small>		<small>Please record details of cheques of deposited on reverse. Proceeds of cheques will not be available until cleared</small>			
		Bank Use Only		Notes	24 : 00
		\$100		Coins	7 : 50
		\$50		Cheques	:
		\$20		\$	31 : 50
		\$10		No of Cheques	
		\$5			
		\$2			
		Coin			
		Total			
		Teller's Initial & Stamp			

2

The Bank, Solomon Islands - DEPOSIT		THE BANK, SOLOMON ISLANDS			
Transaction Deposit				5 / 03 / 16	
Date	5 / 03 / 16	ACCOUNT TYPE:	Cheque <input type="checkbox"/>	Savings <input checked="" type="checkbox"/>	Loan <input type="checkbox"/>
Account Name	Joe Wore	Branch Name	Point Cruz		
Account No.	05 311042800 11	Account Name	Joe Wore		
Teller	\$ 450.00	Account No.	05 311042800 11		
Stamp		Depositor's Signature	J Wore		
<small>Proceeds of cheques are not available until cleared</small>		<small>Please record details of cheques of deposited on reverse. Proceeds of cheques will not be available until cleared</small>			
		Bank Use Only		Notes	410 : 00
		\$100		Coins	40 : 00
		\$50		Cheques	:
		\$20		\$	450 : 00
		\$10		No of Cheques	
		\$5			
		\$2			
		Coin			
		Total			
		Teller's Initial & Stamp			

Step 7 Conclude the lesson by checking learners' understanding: When/Why would you complete an application form? When would you use a deposit form? What information do you need to have to complete a deposit form? What forms of money can you deposit? (Cash – notes and coins; cheques)

Lesson 4 • Withdrawal forms

Learner's Book page 24

Aims

To help learners to:

- know what a withdrawal form is
- understand how to fill in a withdrawal form.

Skills

- reading
- filling out bank forms

Teacher instruction

Step 1 Remind learners that forms need to be filled in to deposit and withdraw money from an account, and to open an account. Ask what these forms are called (application form, deposit form/slip, withdrawal form/slip).

Step 2 Explain the example of a withdrawal form in Figure 2.6 and how to fill it in.

Step 3 Most banks still issue a passbook when a savings account is opened. Ask learners what this is, and explain that this is their record and proof of the money they have with the bank. The bank also has its own records, but it's important to look after the passbook and keep it safe. Explain that overseas banks do not always issue passbooks these days, so it is important to know your own account details, and to have identification to prove who you are to the bank.

Step 4 Do Activity 5.

Answer

THE BANK, SOLOMON ISLANDS		5 / 03 / 16	
Saving Transaction Withdrawal			
Kundu Account <input checked="" type="checkbox"/>	Achiever Account <input type="checkbox"/>	Smart Saver Account <input type="checkbox"/>	
Branch Name: <i>Point Cruz</i>		Branch No. <input type="text"/>	
Account Name: <i>Jackson Kula</i>		Account No. <i>06 422061 80011</i>	
Amount in Words: <i>Seventy five dollars only</i>			
Signature: <i>J Kula</i>		\$ <i>75 : 00</i>	

Step 5 Use the information in the text to briefly explain the procedure of getting a loan.

Step 6 Give notes or handouts to learners on procedures how to get a loan.

Step 7 Conclude the lesson by highlighting the main points of the lesson.

Lesson 5 • Savings and loan societies

Learner's Book pages 25–27

Aims

To help learners to:

- know the difference between a bank and a savings and loan society
- understand who owns a savings and loan society
- understand the reasons for owning the societies.

Skills

- reading
- picture interpretation
- group work
- research

Teacher instruction

Step 1 Ask learners if they can explain what a savings and loan society is.

Step 2 Use the examples of credit unions and the National Provident Fund in the Learner's Book to explain how these societies work.

Step 3 Guide learners to understand the services that credit unions and the National Provident Fund provide to their members.

Step 4 Do Activity 6.

Answers

- 1 The National Provident Fund is a compulsory savings scheme for employees.
- 2 The purpose of the National Provident Fund is to make sure people have some money when they leave paid employment or retire.
- 3 The SINPF is owned by the government but controlled by a board of directors. (The role of the board of directors is to make decisions to grow the money invested and to keep that money safe.)
- 4 The employer pays some money (7.5 per cent value of the wage) into the savings account, and the member earns interest on that money. This allows members to have access to money when they retire or to show proof that they have some savings if they want to get a bank loan.
- 5 By not letting members access their contribution until they retire or reach a certain age, it means that when they stop working they will still have an income, even if it is less money than when they were working.

Step 5 Before turning to page 26, have learners recall the names of commercial banks in Solomon Islands, then confirm by looking at Figure 2.8.

Step 6 Do Activity 7.

Answers

Whether a speaker comes to talk to learners, or learners work in groups, services discussed should include: providing loans, offering means to save money, issuing passbooks/cheque books, providing ATMs so money can be withdrawn outside of office hours, providing business/travel advice and foreign currency.

Step 7 Explain how banks earn money by charging for their services. Use the example on page 26 so that learners understand the fees involved. Contrast this to the interest that banks pay to customers who have a savings account. Explain that banks usually charge a higher interest on loans, and give back a smaller amount of interest on savings, so they still make money. You might demonstrate bank fees and charges by drawing up a table:

Money banks earn from customers	Money banks pay to customers
Interest on loans	Interest on savings in a bank account
Fees when someone buys a foreign currency	
Fees for using cheque accounts	

Step 8 Conclude the lesson by highlighting the main points or give handouts with a summary.

Lesson 6 • ATMs and cards

Learner's Book pages 27–29

Aims

To help learners to:

- know what an automatic teller machine is
- understand the purpose of automatic teller machines
- appreciate the difference between debit and credit cards.

Skills

- group discussion
- group work

Teacher instruction

Step 1 Ask learners how they can access money from their account when banks are closed.

Step 2 Explain the purpose of automatic teller machines, and how important it is to keep a PIN code secret.

Step 3 Ask, "What is the name of the card used in an ATM?" (debit card)

Step 4 Do Activity 8.

Answers

1 Answers will vary but may include: A plastic card that allows the person who owns the card to pay for something. A card that allows you to get your money out of an ATM.

2 Answers will vary but may include: it was used at an ATM; it was used in a shop to pay for purchases; it was used to pay for something and to get some extra cash out.

Step 5 Ask learners to explain the difference between a debit card and a credit card. Use the text to support the explanation.

Step 6 Direct learners to examine the examples of cards in Figures 2.10–2.13.

Step 7 Divide learners into groups and do Activity 9, Questions 1–3.

Answers

1 A debit card is issued by a bank and allows the holder to transfer money electronically from their own bank account to another bank account when making a purchase. A credit card allows you to borrow money in small amounts at local merchants.

2 Answers will vary but are likely to include Visa, MasterCard, possibly Diner's Club and American Express.

3 Answers will vary but may include: shops, supermarkets, petrol stations, garages.

Step 8 Conclude the lesson by summarising the main points.

Lesson 7 • Mobile phone banking and term deposits

Learner's Book pages 29–30

Aims

To help learners to:

- understand the concept of mobile phone banking
- know what services are offered using a mobile phone
- understand the term *deposit*.

Skills

- group discussion
- calculating interest

Teacher instruction

Step 1 Ask what learners know about mobile phone banking, and explain any gaps in their knowledge.

Step 2 Do Activity 10, and also Question 4 from Activity 9.

Answers

- 1 Answers will vary.
- 2 Answers will vary but may include: People can view their account balance; they can transfer funds into or out of their account; they can pay bills.

Activity 9, Question 4 Learners' answers will depend on where they live, but they may comment that you need to have regular and reliable internet access to use it.

Step 3 Ask, "What is a term deposit?" Explain, using the information on page 30.

Step 4 Guide learners to understand the interest of a term deposit, using the table on page 30.

Step 5 Do Activity 11.

Answers

The answers will depend on the minimum amount provided by the teacher.

- a For example, let us use a minimum deposit of SI\$5000. The 2-month term deposit rate in Figure 2.15 is 0.25 % per annum.
 $25/100 \times \$5000.00$ per annum interest = \$1250 interest for one year. But the question requires the amount of interest gained for 2 months, so $\$1250 \div 12$ (months) = \$104.16 (per month). As this example is for 2 months, $\$104.16 \times 2 = \208.32 .
- b Using SI\$1000 as an example, for 1 year, according to the table we might get 0.5 % interest or 0.75 interest. Let's show it for 0.75 interest:
 $75/100 \times \$1000.00$ per annum interest = \$75 interest for one year, so the answer is \$75 interest.
- c Again using a term deposit of \$1000, this time it is invested for 2 years:
 $75/100 \times \$1000.00$ per annum interest = \$75 interest for one year, so for 2 years it will be $\$75 \times 2 = \150 interest.

Lesson 8 • Cheque accounts

Learner's Book pages 30–33

Aims

To help learners to:

- know what a cheque is and name the parts of it
- understand how to fill in a cheque.

Skills

- group work
- filling out cheques
- picture interpretation

Teacher instruction

Step 1 Recall the previous lesson by quizzing learners on mobile phone banking.

Step 2 Ask learners, "What is a cheque account?" They should be able to explain a little from their lessons in Year 7. Explain further to them if needed.

Step 3 Guide learners to understand the parts of a cheque, and to use the proper terms: drawer, drawee, payee, cheque butt.

Step 4 Give handouts or notes to learners to copy.

Step 5 Divide the class into groups and do Activity 12.

Answers

- 1 A cheque is a written order, telling the bank to pay a certain amount of money to another person or business.
- 2 A crossed cheque has two parallel lines drawn across its face that mean the cheque can only be paid into a bank account. An open cheque has no crossed lines and can be exchanged for cash at the branch named on the cheque.
- 3 The advantages of using a cheque are that it is safe from stealing money; it provides a useful record of payments for the drawer; it is easy and small to carry safely in your pocket and you can use it to make large payments.
- 4 The purpose of a cheque butt is to provide a useful record for the drawer of payments that have been made.
- 5 A cheque needs to be signed by the drawer so that the bank can honour it (pay out the money).
- 6 A dishonoured cheque is returned to the owner (drawer) so that the owner knows there is not enough money in the bank account, and that the payee has not received their money.
- 7 The right person to receive and withdraw money from a 'not negotiable' cheque is the person whose name is on the section 'Pay' on the cheque.

Step 6 Do Activity 13.

Answer

DATE <u>27/02/2016</u> PAYEE <u>ITA Hardware Ltd</u> _____ _____ DETAIL <u>Wheelbarrow</u> _____ _____ FWD. \$ _____ CHQ. \$ <u>380.00</u> BAL. \$ _____ <p style="text-align: center;">082348</p>	<p>The Bank, Solomon Islands CHEQUE 082348 STAMP DUTY PAID</p> <p>DATE <u>27/02/2016</u></p>				
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;">PAY <u>ITA Hardware Ltd</u></td> <td style="width: 40%; border-bottom: 1px solid black;">OR BEARER</td> </tr> <tr> <td style="border-bottom: 1px solid black;">THE SUM OF <u>Three hundred and eighty dollars only</u></td> <td style="border-bottom: 1px solid black; text-align: right;">\$ <u>380.00</u></td> </tr> </table>	PAY <u>ITA Hardware Ltd</u>	OR BEARER	THE SUM OF <u>Three hundred and eighty dollars only</u>	\$ <u>380.00</u>
PAY <u>ITA Hardware Ltd</u>	OR BEARER				
THE SUM OF <u>Three hundred and eighty dollars only</u>	\$ <u>380.00</u>				
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; text-align: center;"> Rosa Lilian 2963418491 </td> <td style="width: 60%; text-align: center;"> <i>R. Lilian</i> </td> </tr> </table>	Rosa Lilian 2963418491	<i>R. Lilian</i>		
Rosa Lilian 2963418491	<i>R. Lilian</i>				

Step 7 Conclude the lesson by summarising the main points.

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Lesson 9 • Currencies

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Learner's Book page 34

Aims

To help learners to:

- know what *currency* is
- understand examples of money used in other countries.

Skills

- group work
- summarising
- photograph interpretation

Teacher instruction

Step 1 Explain that today you will be studying currencies. Ask learners, “What is a currency?”

Step 2 Ask learners to study the different currencies from other parts of the world in Figure 2.22.

Step 3 Do Activity 14.

Answers

Currencies below are listed going across the page.

Country	Currency
Papua New Guinea	kina
Samoa	tala
Australia	dollar (Australia)
Vanuatu	vatu
The USA	dollar (US)
New Zealand	dollar (NZ)
United Kingdom/Great Britain	pound (GB)
Japan	yen

Step 4 Do Activity 15.

Answers

Country	Currency
Tonga	Pa'anga
Kiribati	dollar (Australia)
Malaysia	ringgit
India	rupee
Indonesia	rupiah
South Korea	won
Marshall Islands	US dollar
Mexico	peso
Russia	rouble

Step 5 Guide learners to understand the reasons why Kiribati and Tuvalu use the Australian currency.

Step 6 Conclude the lesson by summarising the main points.

Lesson 10 • Who needs foreign currencies?

Learner's Book pages 34–37

Aims

To help learners to:

- understand that our currency can be converted to the currencies of other countries
- know who needs foreign currency
- understand what an exchange rate is.

Skills

- calculating using exchange rates
- reading

Teacher instruction

Step 1 Look at the currencies in Figure 2.22 and ask, “Who do you think would need to use any of these currencies?” Learners should know that travellers to those countries need to use them to pay for goods and services.

Step 2 Briefly explain the importance of foreign currency when goods are traded between Solomon Islands and other countries.

Step 3 Ask, “What are exports and imports?” Have learners provide some examples of goods that are exported from Solomon Islands, and imported to Solomon Islands.

Step 4 Ask learners to explain what an exchange rate is.

Step 5 Explain the table in Figure 2.24 that shows the exchange rate of the Solomon Islands dollar for other currencies in March 2014. Give an example of an exchange rate between Solomon Islands and another country, using SI\$100 as the figure to be exchanged.

Step 6 Do Activity 16 using the table in Figure 2.24.

Answers

1 NZD 10 to SBD:

NZ\$1 is worth SI\$6.09

So NZ\$10 = SI\$6.09 × 10 = SI\$60.90

2 USD 10 into SBD:

USD\$1 is worth SI\$7.27

So USD\$10 = SI\$7.27 × 10 = SI\$72.70

3 Euro 10 into SBD:

€1 is worth SI\$10.02

So €10 = SI\$10.02 × 10 = SI\$100.20

4 The Great British pound has the highest value compared to the SBD because it costs SI\$12.14 to buy just one GB pound.

Step 7 Do Activity 17.

Answers

1 Banks are very important in a society because they look after people's MONEY.

2 Another name for credit card is PLASTIC MONEY.

3 Lending money is one of the services provided by BANKS.

4 The Central Bank of Solomon Islands controls the MONETARY SYSTEM in the country.

5 The form used to withdraw money from a savings account is called a WITHDRAWAL FORM.

6 The form used to put money into a savings account is called a DEPOSIT FORM.

7 The person who receives money written on the cheque leaf is called a PAYEE.

Step 8 Conclude the lesson by highlighting the main points.

Lesson 11 • Chapter 2 review questions (unit test)

Teacher instruction

Step 1 Learners sit a test based on Chapter 2. Allow 40 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 Financing means
 - a providing money to those who need it
 - b giving money to everybody
 - c sending money to friends and relatives
 - d providing a service for people
- 2 Financing is important in a commercial society because
 - a interest is charged by banks
 - b it enables people and businesses to get money they need
 - c interest is charged by the Central Bank
 - d foreign currencies are used
- 3 What are the sources of finance where people, businesses and government can get money from?
 - a Bank South Pacific, own assets and the Central Bank
 - b Credit union, own funds and NPF
 - c Own funds, commercial banks and credit unions
 - d Central Bank, NPF and credit unions
- 4 What are banks?
 - a Banks are very large businesses that keep people's money safe.
 - b Banks are institutions that create and make money.
 - c Banks are businesses that do not keep people's money safe.
 - d Households that charge interest only.
- 5 Which of the following services is NOT provided by commercial banks?
 - a Accepting cheques from people and businesses
 - b Giving loans to people and businesses
 - c Printing new notes and coins
 - d Allowing people to withdraw money from their savings account
- 6 Which of the following statements is true?
 - a The Central Bank sets the exchange rate.
 - b The Central Bank gives loans to people and businesses.
 - c Commercial banks give loans to people and businesses.
 - d The Central Bank charges interest to commercial banks.
- 7 What is a deposit form?
 - a A form that you need to fill in each time you withdraw money from your savings account
 - b A form that you need to fill in each time you get interest
 - c A form that a person needs to fill in when applying for a loan
 - d A form that you need to fill in each time you put money into your savings account

- 8** Why do businesses need to have a cheque account?
- It is required by the government.
 - It is not safe to carry large amounts of money with you when you want to make large payments.
 - It is because businesses deal with other businesses.
 - It is a very fast way to make large payments.
- 9** What is the purpose of a cheque butt?
- It gives a record of a person's accounts.
 - It is easy to communicate.
 - It provides a useful record of payments for the drawer of the cheque.
 - It provides useful information for the business.
- 10** Who needs foreign currencies?
- A farmer
 - A bakery owner
 - An importer
 - A carver
- 11** How many Solomon Islands dollars will you get from \$5 Fijian if SI \$4 is equal to \$1 Fijian?
- SI \$20
 - FJ \$20
 - SI \$5
 - FJ \$9
- 12** What is the name of the Philippines currency?
- rupee
 - yen
 - dollar and cents
 - peso
- 13** A crossed cheque is usually safe from being cashed if it is lost or stolen. It must be
- stamped by the boss
 - withdrawn from any bank
 - paid into the payee's bank account
 - cashed as soon as possible
- 14** Why was the Development Bank of Solomon Islands closed down?
- People were not interested in it.
 - It didn't make a profit.
 - Too many customers borrowed money.
 - The interest rates were too high.
- 15** When you open a savings account you need to show several things. Which of the following is NOT needed?
- A form to fill in
 - Identification card
 - Passport
 - Parents' photo

Step 2 Collect the test papers for marking.

Answers

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

Lesson 12 • Discussion

Aims

To help learners to:

- know the differences between a commercial bank and the Central Bank
- understand the role of banks.

Skills

- forming an argument
- group work

Teacher instruction

Learner's Book page 37

Step 1 Learners form small groups to discuss the statement in Activity 18. Ask some groups to argue that cheque accounts are a waste of time, and other groups to argue that cheque accounts are NOT a waste of time.

Step 2 Have a mini debate in class, with groups taking turns to give an argument for or against the statement.

Step 3 Do Questions 2–5 individually.

Answers

1 The teacher may find extra points to agree or disagree with the statement.

Statements that disagree with the statement include:

- It is safe to carry a cheque around and not huge amount of money.
- It is easy to sign a cheque when you are in rural area especially when ATM machines are not available.
- It is convenient to pay someone by cheque instead of withdrawing money and paying cash.
- It is easier to keep track of payments using cheques than by using cash.

Statements that agree with the statement include:

- It costs money to buy a cheque book.
- There may be a fee to withdraw money from an account using a cheque.
- An open cheque is not safe.

2 Answers will vary but may include: by lending money, by paying interest on a person's savings account and encouraging people to save more money.

3 Answers will vary but may include: controlling the issue of notes and coins; controlling the rate of interest charged by other banks; controlling foreign exchange.

4 The exchange rate is the rate at which one currency can be exchanged for another currency. For example, SI\$4 is equivalent to Fijian \$1.

5 a \$30 Fijian will be equivalent to SI\$120 ($FJ\$30 \times \$4 = \120).

b SI \$50.00 will be equivalent to FJ \$12.50 ($SI \$50 \div 4 = \12.50).

Step 4 Conclude the lesson by summarising the main points.

Chapter 3 • Income and wealth

Strand: Economics

Suggested class time: 12 lessons (3 weeks)

Sub-strand statement: This sub-strand discusses types of income that people earn by working for others or for themselves, and from investments with banks or businesses. Learners understand how banks calculate interest rates on saving accounts and on bank loans. Income earners have to pay taxes on their wages or salaries, and information is provided on how this is calculated.

General learning outcomes

Learners should:

- know the meanings of income and wealth (k) 8.3.1
- understand some different types of income and wealth (u) (8.3.2)
- know that there are various ways of earning an income (k) (8.3.3)
- understand the difference between income and wealth (u) (8.3.4)
- calculate how banks pay interest on money that people save in the bank, and how lending money to others and buying shares in companies generates income (s) (8.3.5)
- appreciate the various ways of earning income in the country (v) (8.3.6)
- have formed opinions of how people work for others to earn a salary or wages (a) (8.3.7).

Specific learning outcomes

Learners should be able to:

- define the terms *income* and *wealth* (8.3.1.1)
- explain different types of income and wealth (8.3.2.1)
- list the different ways of earning an income from working for others, owning a business and investing money with the bank, lending money to others and buying shares in companies (8.3.3.1)
- differentiate between individual and community wealth (8.3.4.1)
- show how to calculate interest on money kept in banks and on how salaries and wages are earned (8.3.5.1)
- discuss the types of work for which people earn salaries and wages (8.3.6.1)
- explain why many people can do certain jobs, but that there are other types of jobs that only a few people can do (8.3.7.1).

Topics and timing

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

Lesson	Topic
1	Income and wealth
2	Wages and salaries
3	Deductions
4	National Provident Fund payments
5	Income from running a business
6	Types of investment and wealth
7	How banks calculate interest
8	Higher and lower wages
9	Chapter 3 review questions (unit test)
10	Field trip
11	Field trip
12	Field trip

Lesson 1 • Income and wealth

Learner's Book pages 40–42

Aims

To help learners to:

- explain what income and wealth are
- understand some examples of income and wealth.

Skills

- photograph interpretation
- reading

Teacher instruction

Step 1 Ask learners to think of examples of things that they cannot make or grow and that they have to buy to make their lives more comfortable. Then ask how people can earn money to buy these things. Explain that this is called a person's income.

Step 2 Ask learners what they understand to be the difference between income and wealth. Explain, using the text on page 41.

Step 3 Guide learners to understand types of income and wealth and their examples on page 42.

Step 4 Do Activity 1. When learners have finished the activity, encourage them to think of different ways to present this information, and to choose a way to represent the number of learners in the class who earn an income, e.g. A bar graph with three bars: one for those with no income, one for income at home, one for income at school or elsewhere. For Question 2, learners could draw a pie chart circle showing the percentage of learners who earn income in particular ways, e.g. selling vegetables, selling fish, selling things to a store.

Answers

- 1 The answers will depend on the class, but see Step 4 above on ways to present the information.
- 2 Answers will vary but may include selling mangrove shells and fruit, fish, potatoes, taro, yam, pana.
- 3 Answers will vary but may include: I could run the canteen at home or at school. I could help out at my family's store.

Step 5 Do Activity 2.

Answers

- 1 Examples will vary, but should be local stores or wholesalers or businesses that learners are familiar with.
- 2 It depends on the examples provided in Question 1 but they most likely earn an income from selling their goods, to shops if they are a wholesaler, or in shops if they are a store. Local businesses may offer services that they get paid for, such as a hairdresser, a dressmaker, or a taxi owner.
- 3 Examples: A nurse works for the government under Ministry of Health. Police work for the government under the Ministry of Police and Security. A truck driver may work for a transport company. A labourer works for his boss, or may work for himself (so he is self-employed). An accountant may work for Advance Technology Company. A forklift driver may work for Y.Sato Wholesaler.

Step 6 Conclude the lesson by summarising the main points.

Lesson 2 • Wages and salaries

Learner's Book pages 42–44

Aims

To help learners to:

- know the difference between wages and salary
- understand how to calculate overtime
- know that workers have rights to minimum wages.

Skills

- calculating wages
- interview

Teacher instruction

Step 1 Recall the previous lesson and the topic of income. Explain that most employees earn either a salary or a wage. Ask learners if they know the difference, and explain.

Step 2 Explain when overtime pay is given and go through the example of Mr Timo on page 42.

Step 3 Given the information learners now have on wages, overtime and salaries, ask what they think the advantages and disadvantages of each may be. For example:

	Advantages	Disadvantages
Wages	<ul style="list-style-type: none"> • You get paid for every hour you work • You get overtime pay for weekends • You might be paid in cash 	<ul style="list-style-type: none"> • You can be dismissed more easily • If you get cash, it's easier to spend it and not put it in the bank
Salaries	<ul style="list-style-type: none"> • Pay is usually put straight into your bank account every fortnight • Salary earners often have a higher income than wage earners because they have more training 	<ul style="list-style-type: none"> • You don't get overtime time if you work extra hours

Step 4 Do Activity 3.

Answers

1 a $\$5.00 \times 42 \text{ hours} = \210.00 per week. So in two weeks, Thompson normally earns $\$210 \times 2 = \420 .

b Saturday overtime is one and a half times his usual hourly rate: $1 \frac{1}{2} \times \$5.00 = \7.50 an hour, and $\$7.50 \times 3 \text{ hours} = \22.50

Sunday overtime is two times his usual hourly rate: $2 \times \$5.00 = \10.00 an hour, and $\$10.00 \times 4 \text{ hours} = \40.00

Therefore $\$22.50 + \$40.00 = \$62.50$

$\$420.00 + \$62.50 = \$482.50$ for that fortnight with overtime

c $\$13,000 \div 26 = \500.00 , so Janet Sepo earns \$500 a fortnight

2 Answers will vary.

Step 5 Explain about pay slips and the different types of leave an employee or worker may be able to get.

Step 6 Conclude the lesson by summarising the main points.

Lesson 3 • Deductions

Learner's Book pages 44–45

Aims

To help learners to:

- know what deductions are taken from a wage
- understand how income tax is deducted from wages and salaries.

Skills

- group work
- research
- interview

Teacher instruction

Step 1 Use the example of Thompson who earns \$5.00 an hour. Ask learners if they think he gets the \$40 that he might earn if he works 8 hours.

Step 2 Explain about gross pay and net pay, and briefly explain how Pay As You Earn (PAYE) and income tax work.

Step 3 Encourage learners to think about why workers pay tax (to pay for schools, roads, nurses, hospitals, etc.)

Step 4 Use Figure 3.9 to illustrate how tax is calculated. Use an example, such as 'Mary Tepo' whose gross annual income is \$22,000:

$$\$22,000 - \$15,080 \text{ (the tax-free threshold)} = \$6920$$

11% of \$6920 = \$761.20, so Mary pays \$761.20 a year in tax. That means her net income is $\$22,000 - \$761.20 = \$21,238.80$. (Note that Mary must also pay NPF which is 5% of $\$22,000 = \1100 .)

Step 5 Do Activity 4. Learners may need some help to think of someone they might interview, or an employee who earns a wage/salary. Encourage them to recall the various jobs talked about so far in this chapter to help them (nurse, teacher, mechanic, taxi driver, cleaner, etc.).

Answers

1–2 The answers will depend on which job is chosen or who is interviewed.

3 Learners use the table in Figure 3.9 to calculate the PAYE.

4 Mr Warwari's gross pay is \$2976.92 per fortnight. The calculations on page 44 show how the net pay is calculated. Learners should be able to explain each step of the calculation that leads to the net pay of \$2192.39.

5 Answers will vary.

Step 6 Give notes or handouts to learners and conclude by highlighting the main points.

Lesson 4 • National Provident Fund payments

Learner's Book pages 45–46

Aims

To help learners to:

- know what NPF is
- understand why NPF is important
- recognise that the government contributes to NPF too
- be able to calculate how much NPF comes out of wages/salaries.

Skill

- interview

Teacher instruction

Step 1 Remind learners that they have already read about the National Provident Fund in Chapter 1. Ask, “What can you tell me about it? What does it do for workers? Why is it good for workers?”

Step 2 Briefly explain that a worker earns savings in the NPF from two sources: 5% deduction from their own wages/salary, but the government also contributes 7.5 % of a worker's wage.

Step 3 Go through the example on pages 45–46 of Janet Sepo's pay and NPF deductions.

Step 4 Do Activity 5.

Answers

- 1 Answers should include: to provide an income when a worker retires; to provide savings that a worker can then borrow against if they need a loan from the bank.
- 2 Employers must contribute 7.5%, but some employers may pay even more than that.

Step 5 Conclude the lesson by summarising the main points.

Lesson 5 • Income from running a business

Learner's Book pages 46–47

Aims

To help learners to:

- review the different types of income gained from running a business
- understand income from investing money
- recall different business structures.

Skill

- interview

Teacher Instruction

Step 1 Ask learners in which ways a person can earn an income. Explain any points that they may have missed to cover the three main ways: profit from running a business; owning capital or having money in a bank that earns interest; income from investments in shares, land, property.

Step 2 Have learners read the example of Mr Solomon. When they have finished, ask questions to check that learners have understood.

Step 3 Remind learners that they studied different business structures in Year 7. See if they can remember them: sole proprietorship and partnership. Explain about these if needed.

Step 4 Do Activity 6.

Answers

- 1 Answers will vary but are likely to include: No, income varies each week because sales to customers vary each week.
- 2 Answers will vary but may include: They may find a market for something that they can collect freely, such as clam shells, and make money selling them overseas; they buy goods for their store at wholesale prices, and sell the goods on to customers for a higher price; they grow vegetables or fruit and sell them at the market; they offer a service (hairdressing, building, running a taxi) that other people are willing to pay for.
- 3 Answers will vary.
- 4 Yes

Step 5 To summarise the lesson, ask questions about the content.

Lesson 6 • Types of investment and wealth

Learners book page 47–48

Aims

To help learners to:

- know the types of investment
- understand interest, buying shares in companies and share certificates.

Skills

- diagram interpretation
- group work

Teacher instruction

Step 1 Ask learners to make a definition of ‘investment’ given the information they have learnt so far about income. They can refer to the glossary definition on page 52.

Step 2 Revise together the types of income a person can earn (see Lesson 5), and then ask, “What types of income can a person earn through investing money?”

Step 3 Explain the types of investment and provide handouts or notes to summarise the three ways listed in Figure 3.12.

Step 4 Go through the example of buying shares as shown in Figure 3.13.

Step 5 Do Activity 7. Be aware that it will be helpful if learners can speak to members of their family before they answer the questions. They will work in groups to discuss these questions.

Answers

1–5 Answers will depend on the groups.

Step 6 Write or read out a list of some of the following: schools, bridges, clinics, roads, sporting fields, airports. Ask learners who they think owns these things. Ask who uses them.

Step 7 Explain the difference between personal wealth and community wealth.

Step 8 Do Activity 8.

Answers

- 1 Individual wealth is what a person owns. This includes money saved or things that a person owns such as land, pigs, houses, canoes, food crops, coconut plantations and personal belongings.
- 2 Community wealth refers to those things of value that are owned and enjoyed by all of the people in the community or country. For example, schools, roads, bridges, clinics, market areas, power facilities, water supplies and sanitation.
- 3 Answers will vary but may include: I could help the adults in my village when they decide to make something for the whole community, such as a sports field or a hall that everyone can use.

Step 9 Conclude the lesson by summarising the main points.

Lesson 7 • How banks calculate interest

Learner's Book pages 48–50

Aims

To help learners to:

- know how banks calculate interest
- understand why banks pay interest.

Skills

- diagram interpretation
- calculating interest

Teacher instruction

- Step 1** Remind students they have already learnt that banks pay interest on savings that people have in bank accounts. In small groups, have them come up with a list of what they can recall about banks paying interest, and have the lists shared in class.
- Step 2** Explain any reasons why banks pay interest on savings that the learners have not already shared.
- Step 3** Guide learners to understand how banks earn a profit out of a loan by going through the example of Cinthia's deposit on page 49.
- Step 4** Break the example down into simple steps and give notes or handouts to learners on the lesson.
- Step 5** Do Activity 9.

Answers

- 1 Commercial banks pay interest on people's deposits to encourage people to put their savings with the bank. The bank then uses that money by lending it to other clients who want a loan, and charging a higher interest on the loan than they offer on the savings account.
- 2 **a** At the end of the year the BSP Bank will pay back Peter's \$1000, plus interest of \$40 (4% of 1000: $4/100 \times \$1000 = \40).
- b** Mrs Joan will repay \$1000, plus about \$8.30 a month in interest ($10/100 \times 100/1 = \$100$ in total interest). The total she will pay is \$1100.
- 3 Answers may include: paying rent for the building, paying for its equipment (computers, photocopiers, etc.), stationery, postage, wages.

Step 6 Explain how interest-bearing term deposits work and summarise the content of the lesson.

Step 7 Conclude the lesson by summarising the main points.

Lesson 8 • Higher and lower wages

Learner's Book page 50

Aims

To help learners to:

- know that the work people do is not all valued at the same price
- understand the reasons why some people's wages and salaries are higher than others.

Skill

- group work

Teacher instruction

Step 1 Ask learners to recall the differences between a salary and a wage (see Lesson 2).

Step 2 Explain that some people earn a lot of money, yet others earn just the minimum wage. Ask why this may be, and guide learners to think about the value of different skills that people have.

Step 3 Direct learners to think about other factors that may count in the level of wages/salary earned. Explain about knowledge and skills, ability and experience, type of work and location of work.

Step 4 Do Activity 10.

Answers

- 1 Answers will vary but may include: shop keepers, cleaners, security, drivers, plantation workers, factory workers.
- 2 Some people's wages and salaries are higher than others because they have trained a long time for it, they are very good at their job or have a lot of experience (this means they don't need much supervision), the work may be unpleasant so not many people will do it, the work may be a long way from home and not be very comfortable.
- 3 Answers will vary but may include: doctors, CBSI workers, miners, people who get work overseas in countries like Australia.
- 4 Answers will vary but may include: Some people may never get promoted because they are happy doing the same work and not learning new things; they may not understand the work that is required at a higher level; they may not have a good attitude to work and be a little lazy, or only do the minimum amount of work; they might complain about their work, so their supervisors do not think they will be a good role model for other workers.
- 5 Answers will vary but may include: A worker can be promoted by doing their training; showing that they are keen and committed to the job by arriving punctually and working properly without stopping and chatting a lot; showing that they want to learn more and do better; staying in the job and learning all aspects of it, rather than changing jobs a lot; taking advantage of the wantok system or using contacts in the business.

Step 5 Give notes or handouts on the lesson.

Step 6 Conclude the lesson by summarising the main points.

Lesson 9 • 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 The amount of money a person receives from working, running a business or investing money is referred to as
 - a personal wealth
 - b income
 - c wages
 - d a salary
- 2 The value of all the things a person owns is referred to as
 - a personal wealth
 - b income
 - c wages
 - d a salary
- 3 The main difference between salary earners and wage earners is
 - a wage earners are always paid less than salary earners
 - b wage earners are not educated and all salary earners are well educated
 - c salary earners are permanent employees and wage earners are not
 - d salary earners receive their pay every fortnight and wage earners receive their pay every month
- 4 People who work for others are called
 - a employers
 - b employees
 - c wage earners
 - d salary earners
- 5 People who employ others to work for them are called
 - a employers
 - b employees
 - c wage earners
 - d salary earners
- 6 The term 'minimum wage' refers to
 - a the lowest amount of money that should be paid to an employee working in towns around the country
 - b helping individuals to get paid
 - c setting the highest pay for people working in towns
 - d paying village people for their work
- 7 A progressive tax system is one whereby
 - a big businesses pay more tax than small businesses
 - b as people's incomes increase their tax also increases
 - c people on a low income do not pay any tax at all
 - d everyone in the country pays the same amount

- 8** By law, all wage and salary earners must pay what percentage of their income to the Solomon Islands National Provident Fund?
- 2%
 - 3%
 - 5%
 - 7.5%
- 9** The National Provident Fund was set up by the government to assist members
- when they want to go into business
 - when they want to go overseas
 - with their education
 - when they retire at the end of their working life
- 10** A person who owns a share certificate is called
- a company director
 - a shareholder of the company
 - an investor
 - a lender
- 11** Some people may receive higher wages than others because
- they have more responsibility at work
 - they have received more training than others
 - they produce better quality work
 - all of the above
- 12** The Labour Division states that overtime on public holidays should be payable at
- half time
 - normal wage rate
 - double time
 - time and half
- 13** Why do employers issue pay slips?
- To explain the cheque
 - To explain the employee's wages and deductions
 - To inform the government
 - To give to the bank
- 14** John Kirori is a senior teacher at St John Secondary School. He pays tax on everything he earns over:
- \$75,080
 - \$45,080
 - \$30,080
 - \$15,080
- 15** What is wealth?
- The amount of money an individual or community has
 - What a person owns, including money and other things
 - When a person uses money itself to earn an income
 - The amount of money a person receives as an employee

Step 2 Collect papers for marking.

Answers

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

Lessons 10–12 • Field trip

Aims

To help learners to:

- know how businesses calculate their profit
- understand how businesses earn their income.

Skills

- questionnaire
- note taking

Teacher instruction

Step 1 Organise the class to take a trip to a business or an industry such as Solomon Soap Factory or Biscuit Ltd to talk to the owner or manager.

Step 2 In a lesson before the visit, have learners work in groups to come up with a list of questions to find out how the business earns its income and calculates profits.

Step 3 As a class come up with a list of questions to ask. Learners who will ask the questions should write them down to take with them on the visit.

Step 4 Visit the business. When questions are being answered learners should write down the owner or manager's answers.

Step 5 In a lesson after the visit, summarise what was seen and talked about for students. Ask them questions to check understanding.

OR

Step 1 Organise the class to invite someone from Inland Revenue to talk on how deductions are made on salary and wages.

Step 2 In a lesson before the visit, have learners work in groups to come up with a list of questions.

Step 3 As a class come up with a list of questions to ask. Learners who will ask the questions should write them down to have for the visit.

Step 4 Have the visitor come and talk. When questions are being answered learners should write down the answers of the guest speaker.

Step 5 In a lesson after the visit, summarise what was talked about for learners. Ask them questions to check understanding.

OR

Step 1 If the school is in town, organise the class to visit Inland Revenue for a talk on how taxes and deductions are made on salaries and wages.

Step 2 Before the class visit, tell learners to work in pairs to think of some questions to ask.

Step 3 Visit the Inland Revenue. When questions are being answered learners should write down the speaker's answers.

Step 4 In a lesson after the visit, summarise what was seen and talked about for learners. Ask them questions to check understanding.

Chapter 4 • Savings and inflation

Strand: Economics

Suggested periods: 10 (2–3 weeks)

Sub-strand statement: In any commercial economy, inflation can become an issue in the economy. People depend on money to work, travel, communicate, and produce goods and services to satisfy needs and wants. If there is inflation, prices for all these goods and services increase, so people will buy fewer goods and services. This chapter focuses on inflation and the changing value of money. It also examines the importance of saving money, and ways of saving in a commercial economy.

General learning outcomes

Learners should:

- understand the terms *saving* and *inflation* and related terms (u) (8.5.1)
- know methods of saving and the different types of saving bank accounts (k) (8.5.2)
- understand why people save (u) (8.5.3)
- understand the effect of inflation on saving (u) (8.5.4)
- calculate the rate of inflation from one year to another (s) (8.5.5)
- appreciate and value the concept of saving (a) (8.5.6)
- form opinions on the consumer price index using Honiara prices of goods to calculate inflation (v) (8.5.7).

Specific learning outcomes

Learners should be able to:

- define the following terms: *saving*, *inflation*, *commercial banks*, *investment*, *deposits* and *withdrawal* (8.5.1.1)
- describe different types of saving bank accounts and their importance (8.5.2.1)
- identify ways of saving in the past (8.5.2.2)
- list the reasons why people save and ways of saving money (8.5.3.1)
- state the advantages and disadvantages of these ways of saving (8.5.4.1)
- discuss how to calculate the inflation rate using the Honiara consumer price index (8.5.5.1)
- describe the values and concept of saving in the banks (8.5.6.1)
- explain the causes of inflation and describe its effects on saving (8.5.7.1).

Topics and timing

This chapter consists of 10 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Introduction
2	Why should we save?
3	Traditional ways of saving
4	Modern ways of saving
5	Savings and investment
6	Inflation
7	Inflation and the value of money
8	Inflation in urban areas
9	Chapter 4 review questions (unit test)
10	Chapter 4 review questions (unit test)

Lesson 1 • Introduction

Learner's Book pages 53–54

Aims

To help learners to:

- know what saving is
- understand the different sources of income.

Skill

- picture interpretation

Teacher instruction

Step 1 Ask learners to think about something they would like to own one day, but they don't have enough money for it right now. Now ask them how they can look after their money to make it 'grow' and help them achieve their dream of ownership.

Step 2 Guide learners to interpret Figure 4.2. The diagram shows that income generally comes from a handful of things: interest on a bank account, income from an investment (in this case, rent from a house that is used as investment), selling goods, earning money for work done (wage or salary) and profit (from a business). Ensure that learners understand that expenses for day-to-day living need to come out of any income earned, and that what is left over can be used to save money.

Step 3 Do Activity 1.

Answers

- 1 Answers will vary but should include some of the following: income is money earned from working, from running a business, or from having investments.
- 2 The types of income we earn are: wages/salaries, profit from a business (this could be selling crops or other goods), an investment (e.g. renting out a house we own, keeping money in a bank account that pays good interest, investing money in other ways such as buying shares in a company or putting money into someone's else's business).
- 3 We get this income by working: either producing goods or providing services.
- 4 The bank indicates interest that can be earned, rent can be earned by renting out a house we own, selling crops provides an income, wages and salaries are paid for the work we do for someone else, profit is the money we make in a business after all the expenses are paid. Saving is what we should do with any money we have left from our income after paying out expenses (food, clothing, education, housing etc.).
- 5 The expenses in the diagram refer to money spent on food, clothing, rent or mortgage, education, running a vehicle, etc.
- 6 Answers will vary but may include: saving means keeping apart some of the money we have earned.
- 7 Saving is included in the diagram because it is part of money earned. It should be put somewhere where the total amount of money will 'grow', such as in a bank account that earns interest.

Step 4 Ask learners to think back to the beginning of the lesson and the thing that they might like to own one day.

Step 5 Have them work in pairs to consider some ways that they could achieve their goal. (The most obvious one is to put any savings into a bank account, but they may also think of ways to earn some more money to put into savings.)

Step 6 Conclude the lesson by summarising the main points.

Lesson 2 • Why should we save?

Learner's Book pages 54–56

Aims

To help learners to:

- know the importance of saving
- understand there are many reasons for saving.

Skill

- diagram interpretation

Teacher instruction

Step 1 Ask learners to think back on the previous lesson, and to give reasons for saving some of the money we earn.

Step 2 Have learners look at the pictures in Figure 4.3 and discuss each one. Ask them to think of other emergencies that would need money.

Step 3 Do Activity 2.

Answers

- 1 People in the past saved their money in their house, inside bamboo or dug holes in the ground and buried the money or hid the money in a tree.
- 2 Answers will vary, but most people in town are likely to use bank accounts to save money. Some people may still prefer to hide their money in their house somewhere.
- 3 Planned saving is a way to make saving easier. If we put a certain amount of money aside from each wage/salary, we tend not to think about it, and we cannot spend it.
- 4 We should save to meet emergencies; to pay for something expensive; to own property; to have some money for old age; to start a business, whether big or small.
- 5 Disadvantages of not saving include: there is no money to depend on if a big payment or purchase is needed; if a person loses their job or their business doesn't work, they have no money to live on before they find another job; there will be no money in old age.

Step 4 Have learners study Figures 4.4 and 4.5 in pairs. Ask for some more examples of special events that can be expensive, or expensive products that make our lives easier.

Step 5 Ask learners to think of some examples of small or large businesses, then have them look at Figures 4.7 and 4.8 to see if they include examples the learners didn't consider. Ask learners what the difference is between a small business and a large business in terms of how much money is needed to start it.

Step 6 Conclude the lesson by summarising the main points.

Lesson 3 • Traditional ways of saving

Learner's Book page 57

Aim

To help learners to:

- know and understand that different communities have different methods of saving.

Skill

- group work

Teacher instruction

- Step 1** Divide learners into groups with a similar history, for example, provinces or religion. In these groups, learners discuss how people in that community/religion saved things of value in the past. (The emphasis is more likely to be on food than money, as previous generations were more likely to lead a subsistence way of life.)
- Step 2** Ask each group to present what they have discussed.
- Step 3** Do Activity 3. Change the make up of groups so that each group of learners represents a range of ethnic or community backgrounds.

Answers

Provinces/Islands	How people saved things in the past
Malaita (lau – northern)	Built yam house in the garden to save yam. Traditional money put in woven <i>kaufe</i> (a traditional mat used to store goods)
Western	<i>Nali – nut-shells were taken off plants and kept in airtight container. (Could be used for up to 4 months.)</i>
Makira (Haununu)	<i>The 6-month pudding: taro (cacake) was baked in an earth oven and mixed with coconut oil. Pudding was kept in a wooden bowl and preserved by mixing the coconut oil with the pudding every day.</i>
Guadalcanal (Marau)	<i>Crop management in the garden. The garden was divided into smaller areas and crops were mixed (short-term, medium-term, long-term, e.g. corn, potatoes, yam, pana, taro, cassava) and planted according to the time of harvesting. This allowed one garden to be continuously harvested.</i>
Isabel	<i>Kept food (meat) over fire area to preserve it.</i>
Choiseul	<i>Built yam and pana house for storing root crops for replanting. Also stored root crops like taro in the kitchen, covered with dead banana leaves and also in the water. They also put nali-nut shells in bamboo or in a basket and put them above the fire to heat them.</i>
Temotu	<i>Nambo. Breadfruit was roasted; cooked and cleaned breadfruit was cut into portions and dried in the sun. Then it was put into a special woven basket and hung over the fire (it lasted there for 4–6 months).</i>
Others	<i>Money was put in airtight container, locked in a box and buried in the ground.</i>
	<i>North Solomons (Bougainville): Smoked (dried) fish. Fish is cleaned and dried over fire. Cooked meat can be kept in a basket over the fire area for 2 months.</i>

- Step 4** Groups of learners are likely to have a range of answers for Activity 3. Allow each group some time to present their material, to see if other groups can add to it.
- Step 5** Challenge learners to compare the importance of these traditional ways of saving to the needs or wants the learners themselves may have. Ask, “What would happen to people in the past if they didn’t save food/other items like this? How is this different to what would happen if you couldn’t save the money you wanted?”
- Step 6** Conclude the lesson by summarising the main points.

Lesson 4 • Modern ways of saving

Learner's Book pages 57–60

Aims

To help learners to:

- know there are different methods of saving
- realise that saving helps individuals, families, communities and the economy
- appreciate the best methods of saving.

Skills

- summarising
- group discussion

Teacher instruction

Step 1 Remind learners that in the last lesson they considered traditional ways of saving. Ask them to think of some modern ways of saving.

Step 2 Add to the learners' list of ways to save, using the information on page 57, and explain why these methods are more secure than hiding money around the house.

Step 3 Do Activity 4.

Answers

1 The bank pays interest to use the saver's money.

2 In a bank

3 Answers are likely to include: it may be lost or forgotten; the house may be burnt accidentally; the money may be stolen.

4 Answers may include: insects or pests may eat the money; the exact hiding place may be forgotten; it may accidentally be seen so somebody might steal it; the money could not increase in value, the way that it can in a bank.

5 Answers could include: National Provident Fund, Solomon Islands Mutual Insurance, Central Bank of Solomon Islands.

Step 4 Learners will be familiar with the commercial banks that do business in Solomon Islands, but explain that a range of financial institutions operate in the country (such as building societies, credit unions, pension funds, investment banks).

Step 5 Do Activity 5.

Answers

Answers will vary. The requirements will be different for different banks. BSP and ANZ Bank will require: a letter from the applicant's employer (if the applicant is employed); a letter from the church or commissioner of oaths (if the applicant is not working); a declaration form that will be signed by a lawyer or commissioner of oaths; a birth certificate or updated passport.

Step 6 Briefly explain the types of savings accounts available (see pages 59–60).

Step 7 Do Activity 6.

Answers

2–3 Answers will vary, as the interest rate is likely to fluctuate slightly during the year.

The teacher should aim to provide updated interest rates to learners. Minimum amount for opening deposit will also vary. In 2015 Pan Oceanic Bank had a minimum opening deposit of \$50, ANZ minimum was \$20 and Westpac accepted any amount.

Step 8 If it's possible to bring in some bank forms, hand them out to learners so they can practise filling them in.

Step 9 Conclude the lesson by summarising the main points.

Lesson 5 • Savings and investment

Learner's Book pages 60–61

Aims

To help learners to:

- understand the concept of saving and investment
- understand how saving is important for investment
- become familiar with the concept of the Honiara Consumer Price Index.

Skills

- group work
- diagram interpretation

Teacher instruction

Step 1 Ask learners to read about savings and investments on page 60. Check that they can differentiate between the two terms.

Step 2 Do Activity 7.

Answers

- 1 Commercial banks: BSP, ANZ, Westpac, Pan Oceanic; Saving and loan societies or Credit unions, e.g. SIPEU, SINTA; National Provident Fund; Solomon Islands Development Bonds; investment businesses
- 2 Savings is money that has been earned and put aside; investment is using money saved to earn more money.
- 3 We invest in order to earn more money, and we save to have money for emergencies or to achieve goals.

Step 3 Direct learners' attention to the Honiara Consumer Price Index table on page 61. Explain that the numbers in the columns represent average prices for a set of goods and services in the different categories.

Background information for the teacher: the row marked 'Weight' indicates the weight, or level of importance, of each category. Food is the most important category so its weight is highest, and clothes are the least important specified category (only 'Misc.' has a lower weight, because it is a group of a few miscellaneous items put together). The numbers should be read in columns, so learners can compare the variation in the prices of a category across the months in 2012 and 2013, for example, clothes cost 143.1 in January 2012 and increased slightly during the year, but had risen to 155.6 in January 2013.

Step 4 Do Activity 8.

Answers

- 1 Answers will depend on learners' own knowledge.
- 2 Learners should notice that the numbers in each column do not remain stable – they go up and down, depending on the category.
- 3 Prices didn't increase for all the categories: Some of the prices increased a lot from 2012 to 2013 (e.g. Household operations); Some prices went down (e.g. Recreation, health) and some prices went up and down a lot within each year (e.g. Food).
- 4 Answers will vary but may include: There may be different reasons for prices to increase: demand may have increased (this may happen if people have more money to spend); supply may have decreased so there are fewer goods; imported goods may become more expensive if the Solomon Islands dollar weakens.
- 5 Learners are not expected to know this, but some may be able to explain that the CPI measures the average change over time of prices in a set group of goods and services.

Step 5 Conclude the lesson by summarising the main points.

Lesson 6 • Inflation

Learner's Book page 62

Aims

To help learners to:

- understand inflation and the causes of inflation
- understand how inflation affects consumers and producers.

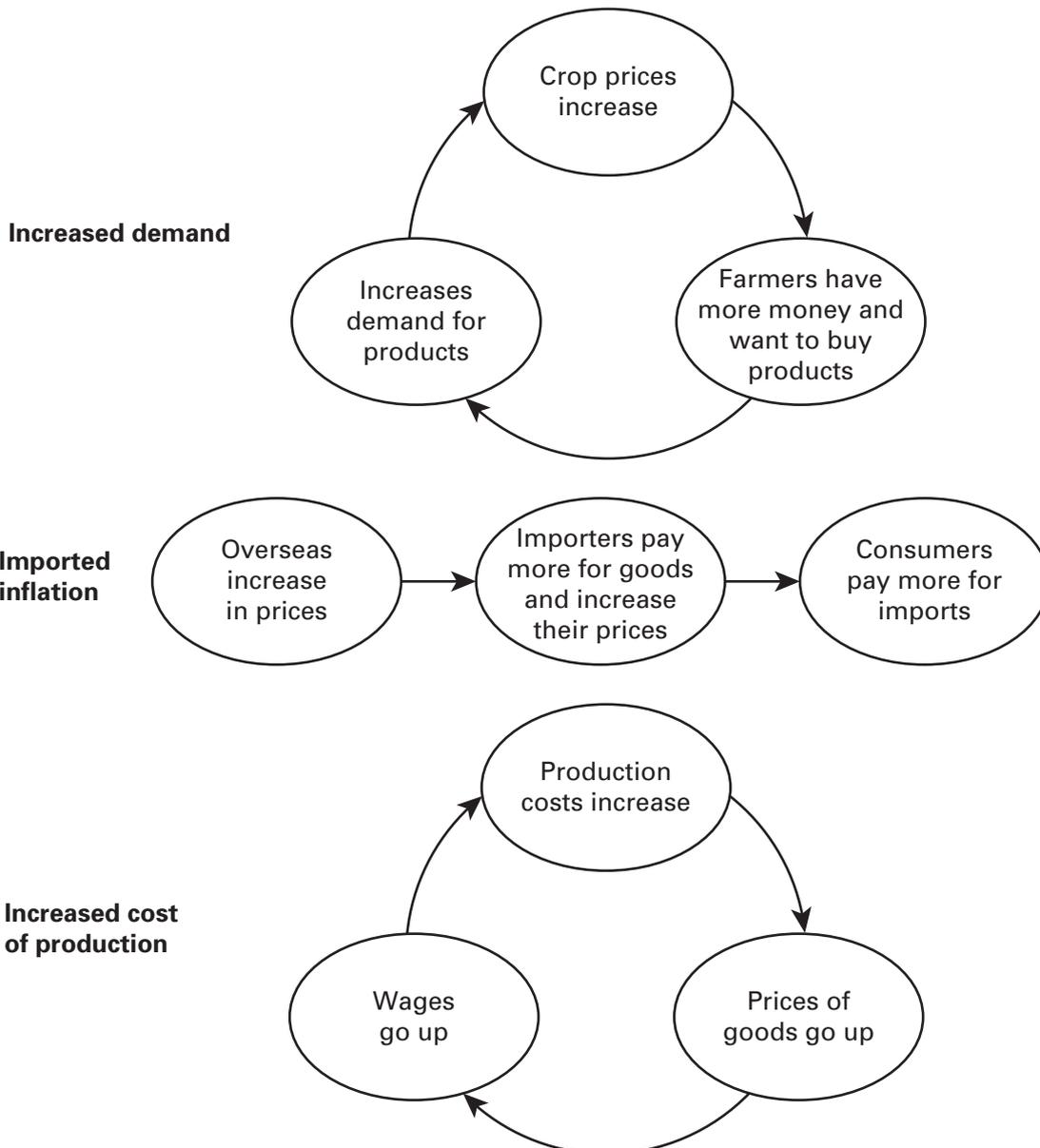
Skill

- group discussion

Teacher instruction

Step 1 Spend some time in this lesson to ensure that learners understand the concept of inflation. Start with the example in the Learner's Book of pineapples to illustrate it, or choose examples of local products to illustrate it.

Step 2 Explain the causes of inflation and consider using diagrams to help learners to understand.



Step 3 Do Activity 9. Ask learners to present their answers to the class.

Answers

- 1 Inflation is the general increase in prices of all or most goods and services at one time.
- 2 Inflation is caused when demand is greater than supply (so lots of people are trying to buy fewer goods); when the cost of production increases (so prices go up); when inflation is imported from overseas; when people have too much money.
- 3 It is measured by the Consumer Price Index.
- 4 Consumers have to spend more money to buy the same things. Producers may earn more money in the short term from the higher prices, but people will have less money to spend, so they may buy fewer goods longer term.
- 5 Savings in the bank become less valuable during inflation, as the cost of goods and services increases more quickly than the value of money in the bank.

Step 4 Conclude by stating the key ideas and providing notes/diagrams on the information.

Lesson 7 • Inflation and the value of money

Learner's Book pages 63–64

Aims

To help learners to:

- appreciate that money gains its value through the amount of goods and services it can buy.

Skills

- reading
- photograph interpretation

Teacher instruction

Step 1 Revise the causes of inflation that were covered in the previous lesson: name each reason for inflation and see if the learners can give an example. (Alternatively, provide an example and see if learners can name the type of inflation.) For example, “Give an example of imported inflation.” Possible answer: If we import cars from Japan, and there is inflation in Japan, our new cars will cost more here.

Step 2 Examine with the class Figures 4.17 and 4.18, and discuss what this means if you have a fixed income, where the amount of money you earn doesn't change.

Step 3 Have learners read the section on inflation and interest, and ask questions to ensure that they understand what happens to savings when there is inflation.

Step 4 Draw up a table on the blackboard, like the one below, and invite the learners to help you fill in both sides. Likely suggestions and answers are written in italics.

What people in towns need money for	What people in rural areas need money for
<i>All food (meat, fruit, vegetables)</i>	<i>Some food, like rice or Taiyo</i>
<i>Housing</i>	<i>Clothes</i>
<i>Clothes</i>	<i>Shoes</i>
<i>Transport</i>	<i>Transport</i>
<i>Drinks</i>	
<i>Shoes</i>	

Step 5 Have learners read the section on inflation in urban areas, then discuss how inflation can affect people in towns compared to rural areas.

Step 6 Do Activity 10.

Answers

Answers will vary but reducing spending may include: always have a budget; reduce spending on non-essential items; go to markets when items may be cheaper e.g. at the end of the day; always have a shopping list when going shopping; don't waste the use of some essential items, e.g. water, electricity.

Becoming more self-sufficient may include: have a small garden outside the house; have a small market, e.g. sell betel nut, ring cake, etc.

Step 7 Conclude the lesson by summarising the main points.

Lesson 8 • Inflation in urban areas

Learner's Book pages 63–64

Aims

To help learners to:

- appreciate and value that savings help our economy to grow
- revise the effect that inflation can have on the economy.

Skill

- diagram interpretation

Teacher instruction

Step 1 Revisit the subject of inflation and the value of money in the previous lesson, and ask some questions about it, for example, “What happens if you earn the same amount in your wage, but the prices of goods go up?”

Step 2 Look at the diagram in Figure 4.20. Ask learners where they think is the best place to start in the circle of pictures, and to give a reason for their choice. Note that there is no right answer here, as each item leads to another, but because the focus has been on savings in this chapter, that might be a good starting point.

Step 3 Do Activity 11. Ask learners to provide an example for each stage of the diagram, and encourage them to look back through the chapter for support if needed.

Answers

Possible answer: Savings means putting money aside so that it can be used at a later date. If savings are put into a bank, that money can be used for investment.

Investment can include using the money to build a factory to produce goods. Or it might be used to buy buses for a bus business. These become the capital goods.

Capital goods produce goods (such as items made in a factory) or services (such as a bus route). These products (goods and services) are sold for money. Some of that money is used for wages, and some of the money is profit.

Some of the wages and some of the profit is saved.

More saving increases investment, which leads to capital goods, and so on.

Step 4 Look at Figure 4.20 with the class, and ask what happens if the prices in the ‘Products’ stage become more expensive. Prompt learners to understand that sales will go down, which leads to smaller profits and lower savings from wages. This will lead to less money going into the banks as savings, and from there to less money for investment, so fewer factories or other capital goods will be built, etc.

Step 5 Conclude the lesson by summarising the main points.

Lessons 9 and 10 • Chapter 4 review questions (Unit test)

Teacher instruction

Step 1 Learners sit a test based on Chapter 4. Allow two 40-minute blocks for the test.

Questions 1–12 are multiple choice, questions 13–21 are short-answer.

Chapter 4 review questions: Multiple choice

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.

For questions 13–21, write the question, followed by your answer.

- 1 Inflation occurs when
 - a the price of a particular good increases
 - b the prices of most goods increase
 - c the price of a particular good decreases
 - d the prices of most goods decrease
- 2 When there is inflation, we say that money loses its value. This means that if you have \$10, you can buy
 - a fewer goods than before
 - b more goods than before
 - c the goods that are available
 - d the goods that you do not really want
- 3 When there is inflation, the government will usually
 - a try to stop it
 - b try to encourage it
 - c do nothing about it
 - d leave it up to businesses
- 4 The inflation rate is 5% per year. The price of a radio is \$105 this year will probably go up next year to
 - a \$150.55
 - b \$105.00
 - c \$100.25
 - d \$110.25
- 5 If the government prints more money, but production does not increase, the prices of goods will
 - a fall
 - b go up and down
 - c rise
 - d stay the same
- 6 A country is rich if it
 - a has lots of money
 - b has lots of goods and services that people can buy
 - c has few goods and services that people can buy
 - d has inflation
- 7 People in towns depend on money because they
 - a need it to buy food and services
 - b need it to buy beer and cigarettes
 - c need it to put in a bank
 - d want to save it

- 8** The people who are least affected by inflation are
- a** town people
 - b** rural people
 - c** village people
 - d** subsistence farmers
- 9** When there is inflation, people on a fixed income are able to buy
- a** more with their income
 - b** less with their income
 - c** the same amount as they could before inflation
 - d** none of the above
- 10** When there is inflation, employees will want
- a** an increase in their wages
 - b** a decrease in their income
 - c** free goods from the government
 - d** free goods from businesses
- 11** If businesses pay more money to their workers, this means that
- a** the businesses will grow fast
 - b** the cost of making goods will increase
 - c** the cost of making goods will decrease
 - d** the businesses will make more profit
- 12** If the cost of making goods increases, the prices that consumers pay for these goods will
- a** go up and down
 - b** decrease
 - c** increase
 - d** stay the same

Short-answer questions

- 13** Why do people save?
- 14** What are the advantages of saving money?
- 15** Explain the procedure for depositing money in a savings account.
- 16** What are the advantages to savers of the following facilities?
- a** a savings bank account
 - b** National Provident Fund
- 17** Write down three types of accounts that a person can have with a commercial bank.
- 18** Why would a savings institution be willing to pay a higher rate of interest on a deposit left for four years than for one year?
- 19** What is inflation?
- 20** How does inflation affect the value of money?
- 21** Explain how inflation may affect
- a** someone living in a village
 - b** someone living in a town like Honiara

Step 2 Collect test papers for marking.

Answers

- 1** b **2** a **3** d **4** d **5** c
6 b **7** a **8** d **9** b **10** a
11 b **12** c
- 13** Possible answers: To meet emergencies; to pay for something expensive; to own property; for old age; to start a business.
- 14** Possible answers: To meet emergencies; to buy better food; to pay for a better education; to improve living conditions; to have a better standard of living.
- 15** Fill in a deposit slip with the total amount of money that you are going to deposit. Give the money and the deposit slip to the teller. Wait and collect your receipt to see your balance.
- 16** **a** A deposit or withdrawal can be done at any time; money is safe; interest is earned.
b Money is safe; interest is earned; it acts as capital for investment during an unemployed period; it provides savings for old age.
- 17** Types of accounts include: pass book; easy account; ATM account; cheque account; term deposit; school fee savings account; call account.
- 18** To encourage customers to keep their money with the bank for longer because the bank can lend the money out for longer and earn more from the interest.
- 19** When there is a price increase in the general cost of goods/services.
- 20** Money buys fewer goods and services than before.
- 21** **a** Someone living in a village is less affected because they buy fewer goods/services.
b Someone living in a town is more affected because they buy most of their goods/services.

Chapter 5 • Retailing

Strand: Economics

Suggested class time: 11 periods (2–3 weeks)

Sub-strand statement: This sub-strand outlines the range of retail outlets in Solomon Islands and the various steps in the retailing process. Understanding the steps in retailing highlights how a retail business operates and how the mark up on goods from the wholesaler is calculated.

General learning outcomes

Learners should:

- know the meaning of *retailer*, *retail outlets* and related terms (k) (8.5.1)
- understand the various steps in the retailing process and examples in Solomon Islands (u) (8.5.2)
- understand the difference between various types of retail outlets or businesses (u) (8.5.3)
- appreciate the different methods of purchasing goods and services (v) (8.5.4)
- produce and calculate how retail businesses mark up prices for their goods or services to earn a profit (s) (8.5.5)
- have opinions about how retail outlets are run successfully (a) (8.5.6).

Specific learning outcomes

Learners should be able to:

- explain the meaning of the following terms: *retailer*, *retail outlet*, *market sellers*, *street sellers*, *trade stores*, *specialty stores* and *supermarkets* (8.5.1.1)
- describe various steps in the retailing process (8.5.2.1)
- identify examples of the retail process in Solomon Islands (8.5.2.2)
- differentiate between various types of retail outlets or businesses (8.5.3.1)
- list examples of retail outlets in Solomon Islands (8.5.4.1)
- state the advantages and disadvantages of any of the three types of retail outlets (8.5.4.2)
- describe how a retail business operates and how they calculate their prices (8.5.5.1)
- describe the means of purchasing goods and services (8.5.5.2)
- identify and explain the various methods of purchasing goods and services (8.5.5.3)
- discuss how retail outlets are run successfully (8.5.6.1).

Topics and timing

This chapter consists of 11 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Retailers
2	Retail outlets
3	Small-scale retailers
4	Larger retail stores
5	The retailing process
6	The value of the retailer
7	The wholesaler
8	Running a successful trade store
9	Cost into store
10	The cash book
11	Chapter 5 review questions (unit test)

Lesson 1 • Retailers

Learner's Book page 66

Aims

To help learners to:

- explain what a retailer is
- understand the process of how goods are sold from producers to consumers.

Skill

- summarising

Teacher instruction

Step 1 Name some local people who are retailers in Solomon Islands. Ask learners what all these people have in common. Guide them to use the term “retailers”.

Step 2 Explain the meaning of a retailer, using the text as a guide.

Step 3 Guide learners to understand that in a subsistence society people directly consume what they produce. Contrast this to a cash society, in which people mainly produce goods and services to sell to other people. Ask for some examples of a subsistence society and a cash society in Solomon Islands. (Learners might count subsistence societies as some that still thrive in more remote areas of the country, and cash societies flourishing in towns such as Honiara.)

Step 4 Do Activity 1.

Answers

- 1 A retailer is someone who sells goods and services to consumers.
- 2 When there is a choice of retailers, consumers can choose which retailer they will buy their goods from. That means that retailers that charge higher prices for similar products or services are likely to sell fewer goods or services.
- 3 Answers should include some of the following: Subsistence farming is labour intensive and generally only provides enough food for the farmer's family to consume themselves. Farmers do not aim to sell their products, and money is not central to their way of living.
- 4 We say that a producer is a retailer when the producer sells their product directly to consumers at the market.

Step 5 Conclude the lesson by summarising the main points.

Lesson 2 • Retail outlets

Learner's Book page 67

Aims

To help learners to:

- know what a retail outlet is
- understand types of retail outlets
- understand the advantages and disadvantages of types of retail outlets.

Skills

- group work
- photograph interpretation

Teacher instruction

Step 1 Have learners recall what a retailer is, from the previous lesson. Now ask if they can work out what a retail outlet is. Have them provide some examples of local retail outlets. These could be local trade stores or market stalls, as well as shops.

Step 2 Do Activity 2.

Answers

- 1 Answers will vary but may include: a trade store; a market stall or seller; Ausmart shop; a local supermarket.
- 2 Answers may include: fruit, vegetables, baskets, clothing, shoes, food that we can't grow, products from overseas (radios, telephones, etc.).

Step 3 Briefly explain the types of retail outlets on page 67, and ask for a local example of each type.

Step 4 Do Activity 3. Ensure that the class is divided into six groups for the activity. If the class is large, more than one group can work on the same type of retail outlet. Each group should present their information to the class.

Answers

Answers will vary; examples are provided where possible.

- 1 A retail outlet is a place where goods or services are sold to consumers.

Group 1: market stall

- 2 A market stall is a space where a market operates, where sellers display their products that they have grown or made.
- 3 Advantages include: buyers and sellers can meet and talk; barter system can take place; there's a variety of goods and services to choose from; consumers can compare the market price to get cheaper goods.
Disadvantages include: retailers are affected by the weather (they may have to increase prices due to not enough supply in the market); there is limited space to put the goods if there are too many sellers; retailers may have to travel far to the market place.

Group 2: trade store

- 2 Trade store is a business in a building where goods and services are provided to consumers to satisfy their wants and needs.
- 3 Advantages include: retailers can sell goods that have been produced by a manufacturer; consumers may buy single articles such as a packet of cigarettes or a kilo of rice; customers may be able to get credit.
Disadvantages include: the variety of goods for consumers is small; the stores are not very large; they serve only a small number of people within a village or community.

Group 3: street sellers

- 2 A street seller is a person who sells their goods or services on the street in a town or city.
- 3 Advantages include: street sellers are mobile (they can choose when and where to sell their goods); they do not pay for a licence; there are a lot of potential customers on the street.
Disadvantages include: it may be illegal without a permit; there is no protection in bad weather; they can only stock a very small amount of goods; they usually focus on one type of goods.

Group 4: specialty store

- 2 A specialty store focuses on selling one particular type of goods, for example, a shoe store sells only shoes; a clothing store may sell only baby clothes.

- 3** Advantages include: they are likely to have a big range of goods, because that is their specialty; the employees are likely to be knowledgeable about their products.
Disadvantages include: because only one type of product is sold there (e.g. shoes), consumers cannot do all their shopping in one place.

Group 5: supermarket

- 2** A supermarket is a large food store that is often owned by a limited company.
3 Advantages include: there is space inside to move around; there is a variety of goods to choose from; consumers can buy all the food they want under one roof; supermarkets sell products (food and household items) that consumers will always need.
Disadvantages include: they are mainly in the centre of a town so may be difficult to get to; their prices are likely to be higher than market stalls because they have more expenses (wages, rent, electricity, etc.).

Group 6: department store

- 2** A department store is a large shop which has many different sections that offer a wide range of goods: clothing, shoes, electrical products, kitchen goods, books, music, etc.
3 Advantages include: each department is specialised in selling a certain type of goods so employees are likely to be knowledgeable and helpful about those products; customers can easily find what they want to buy at one shop.
Disadvantages include: they are only found in large towns, they are usually owned by companies, e.g. Ausmart Company, so the profits may not go back into the community.

Step 5 Conclude the lesson by highlighting the main points.

Lesson 3 • Small-scale retailers

Learner's Book pages 67–69

Aims

To help learners to:

- know more about market sellers and street sellers
- understand the reasons why street sellers select certain streets to sell their products
- differentiate between different retail outlets in Solomon Islands.

Skill

- reading

Teacher instruction

Step 1 Recall the activity in the previous lesson where learners discussed advantages and disadvantages of various retail outlets.

Step 2 Explain that learners will now read about some of these retail outlets in more detail.

Step 3 Ask, “What are the advantages and disadvantages of market sellers?” Direct learners to read the text on pages 67–68.

Step 4 Do Activity 4.

Answers

- 1** Producers sell their products at a market to earn money.
- 2** Both sellers and producers meet at the market with buyers so that they can exchange their goods and services.
- 3** Market sellers sell directly to consumers.
- 4** Answers will vary, but should relate to sellers at a nearby market.

Step 5 Explain why street sellers select certain places to sell their goods beside the road.

Step 6 Do Activity 5. Divide the class into teams to complete the sentences. The first group to complete the sentences provides the answers to the class. If an answer is wrong, another group gets a chance to answer. Points scored for each correct answer.

Answers

- 1 producers
- 2 variety
- 3 Street sellers
- 4 cheaply

Step 7 Do Activity 6. Learners use the text on page 69 to help them.

Answers

- 1 Answers will vary but may include: Taiyo; noodles; sugar; biscuits; rice.
- 2 Trade store owners sell goods in single articles because they serve a small number of people within a community so demands are smaller. It means the trade store doesn't sell large numbers of goods, and customers do not buy large numbers.
- 3 Trade store owners should not allow their customers too much credit because it will affect the store's cash flow, and the owner cannot be sure when or whether the customers will pay for the goods they take.

Step 8 Conclude the lesson by summarising the main points.

Lesson 4 • Larger retail stores

Learner's Book pages 69–71

Aims

To help learners to:

- explain what specialty stores, supermarkets and department stores sell
- understand how these types of stores operate.

Skills

- group discussion
- photograph interpretation

Teacher instruction

Step 1 Recall the previous lesson and ask questions about examples of smaller retail outlets.

Step 2 Divide the class into three groups and explain that each group is to discuss and act out how one of these larger stores operates: group 1 will discuss the role of a specialty store; group 2 will discuss how a supermarket operates and group 3 will discuss a department store.

Step 3 Each group reads the text that matches their topic. When they are ready, they present their work to the class.

Step 4 Fill in any differences between a specialty store, supermarket and department store that the groups missed explaining.

Step 5 Do Activity 7.

Answers

- 1 Answers will vary but may include: so that supermarkets can sell goods at a lower price compared to trade stores; because supermarkets have a lot more customers, so they need to buy larger quantities; so that they do not run out of products.

- 2 Answers will vary but may include Wings and Sullivan's Ltd.
- 3 Specialty stores specialise in selling only certain types of goods. For example, a pharmacy is a specialty store that sells products to do with health. Supermarkets are very large stores, usually owned by a limited company and usually found in towns. They sell mostly food and household products like soap and shampoo.
- 4 Answers will vary but may include: they have a lot of stock, so people can buy most things they need in one place; they are in the centre of town so when people come to town it is convenient to shop there; they display the goods well; they are clean and well lit; they offer self-service; they offer more choice than smaller stores.

Step 6 Each group presents their answers.

Lesson 5 • The retailing process

Learner's Book page 71

Aims

To help learners to:

- know the chain of production for goods
- understand the chain in bringing goods from producers to consumers, especially from manufacturers to retailers and then to consumers.

Skill

- diagram interpretation

Teacher instruction

Step 1 Ask learners to think about how retailers arrange to have goods in their stores. Encourage learners to think of a range of retail outlets, such as those studied in the previous lesson.

Step 2 If the learners have provided ideas that match the process of goods moving from producers to consumers, incorporate their thoughts as you explain the steps of the retailing process.

Step 3 Copy onto the blackboard the diagram in Figure 5.9 showing one-step retailing, and after explaining the one-step process, ask what extra step might go between the 'Producer/manufacturer' step and the 'Consumer' step for a two-step process.

Step 4 Repeat this for each new step of retailing, explaining to learners that although they may not be familiar with these steps, they have actually come across all these different businesses.

Step 5 Do Activity 8.

Answers

- 1 Answers may include: because it is like a production line in a factory: the goods pass in order from the producer through a number of stages to the consumer.
- 2 The distributor is most likely to have a warehouse, because they store the goods that arrive from the producer, and then sell the goods to many retailers.
- 3 The wholesaler buys goods in bulk from manufacturers or distributors and then sells the goods to retailers. (This is very similar to a distributor's role.)

Step 6 Conclude the lesson by asking questions about the chain of production and provide local examples for each one or ask learners to think of examples.

Lesson 6 • The value of the retailer

Learner's Book page 72

Aims

To help learners to:

- explain the term retailer
- understand the services provided by a retailer.

Skill

- survey

Teacher instruction

Step 1 Ask, "What services do you think retailers provide to consumers?"

Step 2 Guide learners to understand the services provided by retailers to both consumers and producers.

Step 3 Do Activity 9.

Answers

- 1 Answers will vary, but learners should be able to justify their choice. For example, I think it is most important to get advice on products, especially for things like medicine, or electrical goods.
- 2 Answers will vary but may include: going to a retailer nearby is convenient because it takes less travel time to get there; I can buy a single article, e.g. one box of matches, instead of having to buy a carton of 10 boxes; they have all the basic foods that our family needs, so we can always get something there that we need to prepare a meal.

Step 4 Do Activity 10. Learners could work in small groups.

Answers

Answers will vary for Questions 2 and 3. Possible answers for goods:

Product name	Producer	Type of product	Location
Clean soap	Solomon soap	washing soap	Ranadi
<i>Solomon Taiyo</i>	<i>Soltai</i>	<i>tin taiyo</i>	<i>Noro (Western Province)</i>
<i>Schweppes/Cola</i>	<i>Zetu Company</i>	<i>soft drink</i>	<i>Honiara</i>
<i>Calrose rice</i>	<i>Rice Growers Ltd Company</i>	<i>rice</i>	<i>Australia</i>
<i>Mineral Water</i>	<i>Blue Water Company</i>	<i>drinks</i>	<i>Ranadi (Honiara)</i>
<i>Milo</i>	<i>Nestlé Company</i>	<i>drink</i>	<i>Malaysia</i>

Step 5 Have groups present their results to the class.

Step 6 Conclude the lesson by asking questions based on presentation answers.

Lesson 7 • The wholesaler

Learner's Book page 73

Aims

To help learners to:

- explain what a wholesaler is
- understand the role of the wholesaler in the chain of production.

Skill

- group work

Teacher instruction

Step 1 Go back to Figure 5.11 on page 71, which shows the role of the wholesaler in the chain of production. Have learners explain each stage of it to the class.

Step 2 Guide learners to understand the services provided by wholesalers to retailers and to producers.

Step 3 Do Activity 11.

Answers

- 1 The wholesaler is sometimes called a middleman because they come between the producer and the retailer (so they are 'in the middle').
- 2 If the retailer buys goods directly from the producer, they are less able to compare products. And the retailer would need to deal with a lot of different producers, instead of buying lots of different products from one wholesaler. The wholesaler is likely to have a range of products and prices, so the retailer can choose the ones they want to stock. Also, a producer's job is to make a product. It would interrupt their business if they had to deal with retailers coming to them directly. They prefer to leave that job to the wholesaler.

Step 4 Do Activity 12. Explain to learners that this activity will help them to think about what makes a retailer successful.

Answers

Answers will vary but may include:

- a Reasons why they are successful may include: a good relationship with customers; they offer lower prices than other stores; they keep good records and bookkeeping; good management; the amount of money allowed on credit is limited.
- b Reasons for a less successful trade store may include: there are too many trade stores around the community (so there is too much competition); their prices are higher than other trade stores; the owner does not allow any credit so customers don't want to come and buy; they have a poor relationship with customers; they are open for shorter hours.
- c Reasons for a trade store having to close may include: the owner took goods and cash and didn't pay back the owed amount; the mark up was too high; there was a poor relationship with customers; there was no proper recording or bookkeeping; sometimes the store owner gave free goods and cash to friends and families.

Step 5 Conclude the lesson by highlighting the main points.

Lesson 8 • Running a successful trade store

Learner's Book pages 73–74

Aims

To help learners to:

- understand the factors to consider before running a trade store.

Skills

- reading
- calculating profit

Teacher instruction

Step 1 Recall the possible reasons for success or failure of the trade stores that learners examined in Activity 12.

Step 2 Explain to learners the factors to consider before running a trade store, as outlined in the text on page 74: competition, location, management, keeping cash and stock safe, selling at the right price.

Step 3 Compare these factors to the things that learners listed in Activity 12.

Step 4 Give handouts or notes to learners.

Step 5 Do Activity 13.

Answers

1 To find out competition in an area you would do a survey of the location you are interested in to find out what other businesses (trade stores) are there, and whether they are selling the same sorts of products.

Learners' answers on competition in an area they know will depend on the area they are thinking of.

2 A trade store owner needs to find a location where many people live close by who have money to spend on goods or services.

3 Answers will vary, but may include: by managing the business well (keeping regular store hours, providing good quality stock, a range of stock); by choosing a location that will service a lot of people who have money to buy things; selling goods at a fair price that covers expenses, but not so high that people don't want to pay.

4 a $\$10 \div 5 = \2 , so each packet cost \$2.

b The profit = selling price \$3 – cost price \$2 = \$1, so she make \$1 profit on each packet of soap sold.

Step 6 Use the example of question 4 in Activity 13 to ask, "What is the selling price of the soap? What is the cost price? So, what is the mark up?"

Step 7 Explain the differences between the selling price, cost price and mark up.

Step 8 Ask, "What are the two reasons a trade store owner has to be careful when adding a mark up to goods?" (Answers should include: if the price is too high, people will go to another store; if the price is too low, the owner won't make enough profit, and the store may not survive.)

Step 9 Conclude the lesson by summarising the main points.

Lesson 9 • Cost into store

Learner's Book pages 75–76

Aims

To help learners to:

- know the meanings of *cost into store* and *mark up*
- understand how to calculate the cost into store.

Skill

- calculating freight

Teacher instruction

- Step 1** Remind learners of the example in the last lesson of the soap that was bought from the wholesaler for \$2 a packet, and sold to customers for \$3 a packet. Ask learners to identify the cost price and mark up.
- Step 2** Explain to learners how to calculate the cost into store (the wholesale price plus all expenses such as freight or labour).
- Step 3** Work through the example of calculating cost into store as outlined on page 75.
- Step 4** Do Activity 14.

Answers

- 1 a** Average cost of freight on goods

$$\text{Total wholesale cost} = (5 \times \$55) + (4 \times \$50) + (2 \times \$28) = \$275 + \$200 + \$56 = \$531$$

$$= \frac{\text{Freight} \times 100}{\text{total wholesale cost}} = \frac{\$50 \times 100}{\$531} = \frac{5000}{531} = 9.4 = 10\% \text{ (rounded)}$$

So freight as a percentage of total wholesale cost = 10%

- b** Total wholesale cost = $(10 \times \$48) + (10 \times \$25) = \$480 + \$250 = \$730$

$$\frac{\text{Freight} \times 100}{\text{total wholesale cost}} = \frac{\$60 \times 100}{\$730} = \frac{6000}{730} = 8.2 = 9\% \text{ (rounded)}$$

So freight as a percentage of total wholesale cost = 9%

- 2** \$50 (wholesale) + 10% of \$50 freight
 $= \$50 + (10/100 \times 50) = \$50 + \$5.00 = \$55 \div 48 = \$1.14$ (to the nearest cent)

- Step 5** Revise the main points of the lesson.

Lesson 10 • The cash book

Learner's Book page 76

Aims

To help learners to:

- explain a cash book
- understand a cash book.

Skill

- diagram interpretation

Teacher instruction

- Step 1** Summarise the last few lessons, which have dealt with understanding wholesale and retail prices, and finding the cost into store.
- Step 2** Ask learners how a store owner should keep track of these finances. Explain that they have already learnt about cash books (in Year 7 Business Studies).
- Step 3** Explain all the columns in the example in Figure 5.16: details, cash in, cash out and balance. Demonstrate how the information in the text matches that in the table. Ensure that learners understand clearly that money coming from customers goes into the 'cash in' column, and expenses paid out from the trade store go into the 'cash out' column.
- Step 4** Give learners handouts or copy notes from the Learner's Book.

Lesson 11 • Chapter 5 review questions (unit test)

Teacher instruction

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

Multiple choice

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 Retailers are businesses that sell goods to
 - a manufacturers
 - b consumers
 - c producers
 - d shops
- 2 A retail outlet is a place where goods are sold directly to
 - a consumers
 - b producers
 - c manufacturers
 - d community people only
- 3 A trade store owner usually sells goods that have been produced by
 - a retailers
 - b consumers
 - c manufacturers
 - d wholesalers
- 4 Credit is when customers
 - a take the goods and pay later
 - b take the goods and pay now
 - c order the goods and receive an invoice
 - d pay for the goods in advance
- 5 Supermarkets mainly sell
 - a goods which are manufactured
 - b foods and household goods
 - c household goods only
 - d furniture
- 6 Producers or manufacturers are specialised in producing goods. This means they
 - a buy goods from retailers
 - b only produce goods for overseas
 - c make goods to sell
 - d sell directly to consumers
- 7 Wholesalers are also referred as a middleman because they come between the
 - a retailer and themselves
 - b consumers and themselves
 - c producers and consumers
 - d producers and retailers

- 8** Retailers sell single items to their customers. This means that they can sell
- a** just one box with all its contents
 - b** just one article
 - c** sewing machines
 - d** manufactured goods
- 9** To cover the cost of goods and allow for a profit, retailers add a mark up to the
- a** cost into store of a product
 - b** discount to consumers
 - c** discount to wholesalers
 - d** retail price of a product
- 10** Three-step retailing is manufacturer to
- a** retailer to consumer
 - b** wholesaler to retailer to consumer
 - c** distributor to wholesaler to retailer to consumer
 - d** consumer
- 11** Retailers give their customers a choice of goods. This means that they
- a** sell single items
 - b** give credit
 - c** sell in large quantities
 - d** sell a range of goods
- 12** There are five columns for a cash book. They are
- a** date, details, cash in, cash out and balance
 - b** date, details, profit, cost into store and balance
 - c** date, details, cash in, invoices, profit
 - d** date, details, discount, mark up, balance
- 13** The details column states
- a** the amount of money coming in
 - b** the amount of money going out
 - c** the amount of money that is left
 - d** why the money comes in or is paid out
- 14** A department store is
- a** a small store which has many goods in it
 - b** a big store which has only some goods in it
 - c** a big store which specialises in one type of product
 - d** a large store which has many different parts in it
- 15** Why do street sellers set up their stalls in a town?
- a** Because they don't have to pay a fee before they sell
 - b** Because they find it hard to sell in other places
 - c** Because there are not enough spaces for them to sell at the market
 - d** Because they just want to sell their goods along the street

Fill the blanks

Instruction: Copy and complete the sentences using words in the box.

Note: there are more words in the box than needed.

mark up wholesalers goods money producers profit shops

- 16** In two-step retailing, retailers buy their goods from _____.
- 17** Sometimes _____ buy goods from producers and sell them to retailers.
- 18** The role of producers is to specialise in making _____.
- 19** Retailers need to calculate the _____ on their goods to get the selling price.
- 20** All the businesses involved in making and selling goods need to make a _____ to stay in business.

Step 2 Collect test papers for marking.

Answers

- 1** b **2** a **3** c **4** a **5** b
6 c **7** d **8** b **9** a **10** b
11 d **12** a **13** d **14** d **15** a
16 producers **17** wholesalers **18** goods **19** mark up **20** profit

Chapter 6 • Single entry bookkeeping system

Strand: Accounting

Suggested class time: 17 periods (4–5 weeks)

Sub-strand statement: This sub-strand aims to introduce simple accounting, the concept of Single Entry Bookkeeping learnt in Year 7. Financial reports discuss the profit and loss statement and balance sheet of the financial year. Decisions are based on information provided by the relevant documents such as the cash book, stock book and journals that are entered in the profit statement.

General learning outcomes

Learners should:

- know the meaning of *cash sales*, *cash sales book*, *cash book* and related terms (k) (8.7.1)
- understand the purpose and importance of cash sales, using a cash sales book, cash book and stocktaking procedure in business (u) (8.7.2)
- understand how to use a cash book for transactions (u) (8.7.3)
- calculate and fill in the transactions for refunds, surpluses and shortages in a cash book (s) (8.7.4)
- produce proper records of stock or inventory and journals (s) (8.7.5)
- appreciate how to calculate profit using goods sold and bought, goods at start and goods at the end of the month (v) (8.7.6)
- understand how to read a profit and loss statement (a) (8.7.7)
- understand how to read a balance sheet (8.7.8).

Specific learning outcomes

- define the terms *cash sales*, *cash sales book* and *cash book* (8.7.1.1)
- explain the purpose and importance of a cash book, cash sales book and stock taking (8.7.2.1)
- construct and prepare a cash sales book, cash book and the stocktaking procedure (8.7.3.1)
- define the terms *drawing*, *refunds and returns*, *surpluses*, *shortages* and *stock taking or inventory* (8.7.3.2)
- discuss how drawing, surpluses, shortages and refunds are recorded in a cash book (8.7.4.1)
- explain examples of stock or inventory (8.7.5.1)
- understand the stocktaking procedure (8.7.5.2)
- produce a proper record of stocktaking or inventory (8.7.5.3)
- discuss and show how to calculate the profit using goods sold and bought, and goods at start and goods at the end of the month (8.7.6.1)
- calculate the journal and profit statement for the month (8.7.7.1)
- draw up a balance sheet (8.7.7.2).

Topics and timing

This chapter consists of 17 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Cash transactions
2	Cash sales
3	Cash book
4	Drawing
5	Refunds, surpluses and shortages
6	Stocktaking
7	Profit and loss
8	Calculating COGS
9	Finding the profit
10	The profit and loss statement
11	Understanding returns
12	Credit purchases
13	Order forms
14	Invoices
15	Journals
16	Statements
17	Chapter 6 review questions (unit test)

Lesson 1 • Cash transactions

Learner's Book pages 79–80

Aims

To help learners to:

- know what cash sales refer to
- know the purpose of a cash sales book
- understand how to draw up and prepare a cash sales book.

Skills

- group discussion
- filling out a cash book

Teacher instruction

Step 1 Remind learners that they have already studied some topics to do with bookkeeping. To get them thinking about the topic, direct them to go through the “What do you already know?” questions in small groups on page 79. It is likely that learners will not know answers to all the questions.

Possible answers

- Joan needs a cash sales book to record everything she sells. She also needs a cash book to record both the money that has come into her store (from people buying goods) and the money she has spent (to pay wholesalers).
- She is successful because she probably keeps good records of her income and expenses; she keeps a good range of stock in the shop that people want to buy; she is careful not to buy more goods from the wholesalers than she can sell, etc.

- She may have been taught at school; by other business people; by learning about bookkeeping from a book, etc.
- She probably uses a cash book and cash sales book to keep her records. Some learners may also know about profit and loss statements and stocktake records.
- Businesses fail for many reasons, but may include: when they do not know how much money is going into the business, what the business's debts are; they do not keep track of where the money is.
- To find a business's profit and expenses, store owners need to know exactly how much money customers have paid to them for goods, how much those goods were bought for at the wholesalers, what the business's expenses are: wages, electricity, insurance, tax, etc.
- There are various ways to get training in bookkeeping: at school or other training places, from a business owner who practised good accounting; from working for a large business, etc.

Step 2 Explain what a transaction is, and bookkeeping.

Step 3 Ask learners some questions on cash sales and a cash sales book. Ensure that you can explain the terms clearly, using the text on page 80, to avoid any confusion among the learners.

Step 4 Do Activity 1.

Answers

- 1 A transaction is an exchange, in business that usually means an exchange of goods for money, so a customer pays a business owner for goods (or services).
- 2 A cash transaction is when a customer pays money and receives goods in return. A credit transaction is when goods or services are taken, but paid for later.
- 3 Bookkeeping is keeping records of all daily business transactions, so goods and services that are sold or bought.
- 4 They should write them all in a book. This could be a journal or a cash sales book.
- 5 A cash book shows all the money coming in and going out of a business.
- 6 Answers may vary: to know how much profit they make.

Step 5 Conclude the lesson by summarising the main points.

Lesson 2 • Cash sales

Learner's Book pages 80–81

Aims

To help learners to:

- know what cash sales are
- understand how to fill in details of cash sales.

Skill

- filling out a cash book

Teacher instruction

Step 1 Recall the previous lesson on cash transactions. Ask learners how a store keeper could keep track of sales made in a day (in a cash sales book). Then ask what other records business owners should keep (expenses, ie money going out of the business).

Step 2 Refer to the examples of a cash sales book and a cash book as shown in Figures 6.4 and 6.5. Explain any entries that learners are unsure about.

Step 3 Do Activity 2.

Answers

1

Cash sales book – John Tano Store				
Date	Items	Tally	Price	Total
2014			\$	\$
Jan 1	Navy biscuit		2.00	8.00
√	Packet coffee mix		1.00	3.00
√	Sugar – 500 g		7.00	28.00
2	Rice – 1 kg		13.00	39.00
√	Solomon Blue – medium		6.00	12.00
√	Salt – 500 g		5.00	5.00
3	Noodles (Mamei)	 	2.00	10.00
4	Waioka Taiyo – medium		6.00	24.00
5	Corned beef		15.00	45.00

- 2 Jack might have mistakenly given \$2 less change to one of his customers. For example, he should have given \$4 change to a customer but he only gave \$2.
Or, he might have wrongly recorded the amount. For example, instead of recording \$4 in his book he recorded \$2.
- 3 Jenny might have given too much change. For example, she gave \$10 to a customer but she should have given \$6 change. Or, she might have wrongly recorded the amount.

Step 4 Conclude the lesson by summarising the main points.

Lesson 3 • Cash book

Learner's Book pages 81–82

Aims

To help learners to:

- know the purpose of a cash book
- understand how to fill in a cash book.

Skill

- filling out a cash book

Teacher instruction

Step 1 Ask learners if they can recall from Year 7 what a cash book is.

Step 2 Explain the purpose of a cash book and use Figure 6.6 as an example.

Step 3 Do Activity 3. Ensure that learners use Figure 6.5 to answer Questions 1–4.

Answers

- 1 The balance on 5 January is \$1035.
- 2 He received \$2671 for the goods sold in the four days ($\$720 + \$520.60 + \$650.40 + \780).
- 3 He paid \$1850.50 for goods bought ($\$600.50 + \$600 + \$650$). (The other sum, \$230, could also be included to this total to make \$2180.50, or it can be excluded because it is stationery and is for office use, not to be sold.)
- 4 He paid \$40.00 for freight to take his goods home.

5

Cash book – Henry Tawa Store				
Date 2013	Details	Cash in \$	Cash out \$	Balance \$
Feb 1	Balance			500.30
2	Bought goods from Y. Sato Co.		300.50	199.80
	Goods sold	200.00		399.80
3	Goods sold	150.00		549.80
	Expenses		30.00	519.80
	Kerosene for lamp		50.00	469.80
4	Goods sold	200.00		669.80
5	Bought goods from Low Price Enterprises		500.00	169.80
	Goods sold	150.00		319.80

6

Cash book – Agnes Api				
Date 2014	Details	Cash in \$	Cash out \$	Balance \$
March 1	Balance			90.00
3	Goods sold	250.00		340.00
4	Bought goods from George Wu Trading		200.00	140.00
4	Paid freight		30.00	110.00
5	Sold goods	200.50		310.50
6	Bought goods from Abba Wholesale Ltd		250.00	60.50
6	Freight paid		25.00	35.50
6	Sold goods	350.00		385.50

Step 4 Conclude the lesson by asking questions about the main points.

Lesson 4 • Drawing

Learner's Book pages 82–83

Aim

To help learners to:

- define *drawing*
- understand and show how drawing appears in the cash book.

Skills

- diagram interpretation
- filling out a cash book

Teacher instruction

Step 1 Ask learners what they think happens in a business when the owner takes some cash or goods for their own use.

Step 2 Explain about drawing and show where to record drawings in a cash book, using Figure 6.10.

Step 3 Do Activity 4.

Answers

- 1 Drawing is when the trader or business owner takes money or goods (stock) for their own use.
- 2 The retailer should tell his son to record the amount in the cash book.
The amount should be entered under the 'cash out' column with the entry 'drawing' in the Details column.

3

Cash book – Gabriel Ramo Store				
Date 2012	Details	Cash in \$	Cash out \$	Balance \$
April 5	Balance			569.20
April 6				569.20
6	Goods bought from QQQ wholesale Ltd		275.00	294.20
6	Freight		30.00	264.20
6	Drawing		80.00	184.20
6	Goods sold	156.50		340.70

- 4 If Gabriel Ramo takes money from his cash box there may not be enough money left in the business to buy more goods.

5

Cash book – Moses Kere				
Date 2014	Details	Cash in \$	Cash out \$	Balance \$
August 11	Balance			150.60
	Goods sold	120.30		270.90
12	Bought goods from Y.Sato Co		100.20	170.70
	Goods sold	90.50		261.20
13	Drawing		60.00	201.20
	Goods sold	98.00		299.20
14	Bought goods from Y.Sato Co		120.30	178.90
	Goods sold	90.50		269.40

Step 4 Conclude the lesson by asking questions about drawing.

Lesson 5 • Refunds, surpluses and shortages

Learner's Book pages 83–85

Aims

To help learners to:

- know what the terms *refund*, *surplus* and *shortage* mean
- understand how transactions for refunds, surpluses and shortages are entered in the cash book.

Skill

- filling out a cash book

Teacher instruction

Step 1 Ask learners to explain what they understand about the meanings of refund, surplus and shortage. Have them provide examples where possible; alternatively describe scenarios from the text to illustrate each term.

Step 2 Explain how we enter refunds, surpluses and returns in the cash book.

Step 3 Do Activity 5. Direct learners to copy Robert Konea's cash book in Figure 6.14 into their exercise book.

Answers

- 1 The goods might have been damaged, gone bad or they may have been the wrong size. \$5 is written in the 'cash in' column because money has come back into the business from Y. Sato.
- 2 The shortage of \$1 means there was less money in the cash box than in the cash book balance. The amount was written in the 'cash out' column because money went out of the business (a customer was given an extra dollar in change).
- 3 The surplus refers to more money being in the cash box than the amount that was written in the cash book.
- 4 The refund shows that goods or cash came into the business. The refund was written in the 'cash in' column because money came into the business from Poma.

5

Cash book – Carson Maua				
Date 2014	Details	Cash in \$	Cash out \$	Balance \$
Sept 1	Balance			60.30
	Goods sold	29.92		90.22
	Shortage		1.00	89.22
2	Bought goods from ABBA Trading Co.		41.30	47.92
	Freight		11.00	36.92
	Goods sold	34.21		71.13
3	Goods sold	35.21		106.34
	Surplus	2.50		108.84

Step 4 Conclude by asking questions and summarising the text.

Lesson 6 • Stocktaking

Learner's Book pages 85–86

Aims

To help learners to:

- know what stock fulfill is
- understand the importance of keeping proper records of stock.

Skill

- diagram interpretation

Teacher instruction

Step 1 Ask learners how they think a business knows exactly what goods they have in stock at a given time.

- Step 2** Explain what a stocktake is and how a business owner goes about doing a stocktake.
- Step 3** Explain to learners the importance of keeping proper records of stock. (It allows the owner to know exactly how much money they have at a given time.)
- Step 4** Guide learners to understand the single stocktake in Figure 6.17, and John Tano’s monthly record of stock in Figure 6.18.
- Step 5** Do Activity 6.

Answers

- 1 Stocktake is counting up all the goods the owner has in the store.
- 2 A stocktake should be carried out so that the owner can keep track of how much profit their business has made and how many goods they still have left. The stocktake should be carried out at the end of the month. It is done by keeping a record in a book or on a piece of paper of goods sold and goods that are available in a store. The cost of each item needs to be multiplied by the number of that item in stock. Then the totals of all items are added to find the total of stock in store. For example, sugar: $\$8.00 \times 23$ pkts in store = $\$184.00$ (so the value of sugar in the store is $\$184$).
- 3
 - a Sugar (500 g) = $\$8.00 \times 22 = \176
Rice (1 kg) = $\$12.00 \times 12 = \144
 - b Solomon Family Taiyo = $\$12.00 \times 32 = \384
Solomon baby Taiyo = $\$5.00 \times 20 = \100
 - c Sugar (500g) $\$8.00 \times 26 = \208
Rice (1 kg) $\$12.00 \times 22 = \264
Solomon Family Taiyo $\$12.00 \times 30 = \360
Solomon Baby Taiyo $\$5 \times 21 = \105
Winfield pkt $\$20.00 \times 18 = \360
Lux soap $\$2.50 \times 19 = \47.50
TOTAL: $\$1344.50$

Step 6 Conclude the lesson by summarising the main points.

.. .. .
Lesson 7 • Profit and loss

Learners Book pages 86–87

Aims

To help learners to:

- know what profit and loss is
- understand the importance of making a business profitable.

Skills

- summarising
- diagram interpretation

Teacher instruction

- Step 1** Ask learners to imagine they have their own business. Would they rather make a profit, or a loss? Ask, “Why did you choose that answer?” and have them give reasons.
- Step 2** Explain what a business can do when it makes a profit, and what it must do if it makes a loss.
- Step 3** Do Activity 7.

Answers

- 1 Answers will vary but may include: It is important because the owner can give themselves a larger income or they can save more money; they can 'grow' the business by putting some of the profit back into it; they can buy equipment to make their job easier and more efficient and this may lead to a bigger profit.
 - 2 Answers will vary but may include: The trader needs to find out what their weaknesses are and try to fix them; the trader could ask an experienced friend for advice on how to improve their business.
 - 3 Answers will vary but may include: The trader must close down or sell the business before they owe more money than they can pay back.
- Step 4** Explain that a profit and loss statement is used to understand a business's revenue and expenses, and that a business uses this to track how well they are performing.
- Step 5** Go through the example of a profit and loss statement in Figure 6.19. Guide learners to understand that the cash book and stock record contribute to the figures in the profit and loss statement. Examine each step and be very clear about the steps:
- **Calculate** the total revenue (ie all the money that has come in to the business).
 - **Subtract** the cost of goods sold. (You will clarify how to get this figure in the next lesson.)
 - **Total** all the expenses and **subtract** them.
 - The final figure is the **net profit**.
- Step 6** Explain the difference between gross profit and net profit, and emphasise that the net profit is what shows how healthy a business is.

So, Total revenue = Gross profit – Cost of goods sold – Expenses <hr style="width: 50%; margin-left: 0;"/> = Net profit

- Step 7** Provide handouts or notes on the key information needed to draw up a profit and loss statement, and how to calculate the gross profit.

Lesson 8 • Calculating COGS

Learner's Book pages 87–89

Aims

To help learners to:

- know how important it is to keep track of stock
- understand how to calculate the stock at start, stock at end, goods bought, goods sold and the expenses
- know how to calculate cost of goods sold (COGS) and how this fits with the gross profit.

Skill

- calculating cost of goods sold

Teacher instruction

- Step 1** Review the notes and content of the last lesson. Ensure that learners understand the difference between net and gross profit, and that they understand the information that a profit and loss statement provides a business.

- Step 2** Explain how the cost of goods sold (COGS) needs to be calculated in order to work out the gross profit. Go through the steps needed to calculate the COGS (at top of column 2, page 87), and follow that up with the example in Figure 6.20.
- Step 3** Reassure learners that they have learnt a lot of new terminology, and that this information is useful to understand if they go into business.
- Step 4** Do Activity 8. Go through the example with the class and then have learners work on this in pairs or small groups. Some learners will find this challenging. Check answers to 1a (and 1b if necessary) as a class to ensure that everyone understands the formula.

Answers

- 1 a** $\$250 + \$375 = \$625$ (total of stock at start and goods bought)
 $\$625 - \220 (stock at end) = $\$405$
 COGS = $\$405$
- b** Note that to do the activity, learners need to re-order the information to: stock at start, goods bought, stock at end.
 $\$335 + \$2600 = \$2935$ (total of stock at start and goods bought)
 $\$2935 - \230 (stock at end) = $\$2705$
 COGS = $\$2705$
- 2 a** Learners must change the order of the formula:
 $a + \$335 - \$147 = \$378$
 therefore $a + (\$335 - \$147) = \$378$
 $a + \$188 = \378
 $a = \$378 - \188
 $a = 190$, so stock at start = $\$190$
- b** $\$526 + a - \$250 = \$2000$
 therefore $(\$526 - \$250) + a = \$2000$
 $\$276 + a = \2000
 $a = \$2000 - \276
 $a = \$1724$, goods bought = $\$1724$
- 3** Note that in this example, the gross profit answer is negative. To make the problem simpler for learners, change the Revenue of goods sold to $\$1477$, and this will provide a gross profit of $\$934$.
 $\$221 + \$499 - \$177 = \text{COGS}$
 COGS = $\$543$
 To calculate gross profit: revenue – COGS = gross profit
 $\$477 - \$543 = -\$66$ so there is no profit.
- Step 5** Conclude the lesson by highlighting the main points.

Lesson 9 • Finding the profit

Learners Book pages 88–89

Aim

To help learners to:

- understand how to calculate the value of stock at the end of a specified time and the revenue of a business for a profit and loss statement.

Skill

- diagram interpretation

Teacher instruction

- Step 1** Revise the terms needed to understand profit and loss statements: gross profit, net profit, revenue (income), cost of goods sold (COGS).
- Step 2** Ask learners how they can know if a business has made a profit or a loss for that month. Explain that a profit means the business has earned money for the month, but if a loss is incurred, the business owes more money than it has earned. (After completing a profit and loss statement, a profit will show as a positive number, and a loss will show as a negative number.)
- Step 3** Provide a handout or draw up the following diagram on the blackboard for learners to copy into their books.

To find profit or loss

$$\begin{array}{r} \text{total revenue (money received for goods sold to customers)} \\ - \text{the amount of stock still in store} \\ \hline = \text{gross profit} \\ \\ - \text{expenses} \\ \hline = \text{net profit} \end{array}$$

- Step 4** Direct learners to the two figures on page 89. Explain that these are records for John Tano's store, and that learners are going to use these figures to complete John Tano's profit and loss statement for January.
- Step 5** Explain that in this lesson, learners will calculate two things: the value of stock on 31 January and the total revenue for January. In the next lesson, learners will use these calculations to complete the statement in Activity 9.
- Step 6** Ask learners to examine the stock record in Figure 6.21. Ask, "How can you find out the total value of John Tano's stock on 31 January?" Direct learners to the column '31/01/14 Total cost \$' and explain that they need to add up everything in that column to get the total value. (\$184.50)
- Step 7** Ask which figure learners will use to find the total revenue (Figure 6.22). Ask, "Which column of figures in the cash book tell us about money that has come in to the business?" (The 'cash in' column) Ask, "What do you need to do with these numbers to find the revenue?" (Add up all numbers in the 'cash in' column) Have learners complete the task. The total should be \$322.80.
- Step 8** Conclude the lesson by summarising the main points.

Lesson 10 • The profit and loss statement

Learner's Book pages 88–89

Aims

- To help learners to:
- understand how to draw up a profit and loss statement
- know how to complete a profit and loss statement.

Skill

- filling out a profit and loss statement

Teacher instruction

- Step 1** Revisit the work that learners did in the previous lesson. Remind them that they calculated the total revenue for January, and the total stock in the store at the end of January.

Step 2 Direct learners to Activity 9 and as a class, examine the table and the notes a–e below the table. Ask, “Where can you use the calculations you have already made?” Guide them to understand that they have the figure for one part of question (a): stock at end of January; and they have the revenue for (b). Note that because the cash book only has information for January, learners do NOT need to calculate the stock for 28/02/2014.

Step 3 Have learners copy the table into their books, and insert the figure for total revenue. Ask how they will calculate the figure for (a): value of stock – goods bought, so \$184.50 – (cash book entries \$60 + \$80 + \$40), so \$184.50 – \$180 = \$4.50.

Step 4 Do the remainder of Activity 9. Remind learners that the figure for expenses comes from adding up items in ‘cash out’ column that do not relate to goods bought: Freight = \$3 + \$10 + \$10; books and pens = \$10; store licence = \$25, so \$23 + \$10 + \$25 = \$58 expenses.

Answers

- a $\$184.50 - \$180 = \$4.50$
- b \$322.80
- c $\$322.80 - 4.50 = \318.30 gross profit
- d \$58
- e $\$318.50 - \$58 = \$260.50$

Step 5 Conclude the lesson by emphasising the main points.

Lesson 11 • Understanding returns

Learner’s Book pages 89–90

Aims

To help learners to:

- define *returns*, *surpluses* and *shortages*
- understand how returns, surpluses and shortages are entered into the cash book.

Skills

- diagram interpretation
- filling out a profit and loss statement

Teacher instruction

Step 1 Ask learners, “Why might retailers return goods to a wholesaler?”

Step 2 Explain that any returns must be entered into a business owner’s records, and go through the example on page 89.

Step 3 Guide learners to understand the meanings of return, surplus and shortage.

Step 4 Do Activity 10.

Answers

The stock at the beginning of January is taken from the quantities on 31/12:

4 × \$5 (Solomon Blue Taiyo)	= \$20
3 × \$8 (Nambawan Mackerel)	= \$24
10 × \$1 (Matches)	= \$10
2 × \$14 (Ox & Palm)	= \$28
2 × \$13.50 (Sunshine Milk)	= \$27
TOTAL VALUE OF STOCK	= \$109

The stock at the end of the fortnight is taken from the quantities on 14/01:

3 × \$5 (Solomon Blue Taiyo)	= \$15
2 × \$8 (Nambawan Mackerel)	= \$16
4 × \$1 (Matches)	= \$4
2 × \$14 (Ox & Palm)	= \$28
1 × \$13.50 (Sunshine Milk)	= \$13.50

TOTAL VALUE OF STOCK	= \$76.50
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To calculate COGS: existing stock 31/01	\$109
Goods bought 1–15/01	+ \$192.33
Total stock	= \$301.33
Closing stock 14/01	– \$ 76.50
COGS	= \$224.83

Profit and loss statement – Rodney Hou Store 14/01/2014		
	Total revenue	252.69
Less	Cost of goods sold	– 224.83
	Gross profit	27.86
Less	Total expenses (\$11.05 – \$2 surplus)	9.05
Equals	Net profit	18.81

Step 5 Conclude the lesson by asking summary questions.

..

Lesson 12 • Credit purchases

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Learner's Book page 91

Aims

To help learners to:

- define *credit* and *purchases*
- understand credit documents.

Skill

- calculation

Teacher instruction

Step 1 Remind learners that in Year 7 (Business Studies Chapter 5) they studied how credit might be used. Ask them to explain what they think 'credit' means. Also ask them to think of another word for 'purchase' (buy).

Step 2 Encourage learners to provide some examples of credit. They should be familiar with credit cards, and in Year 7 they learnt about customers asking retailers for credit.

Step 3 Explain the system of retailers purchasing goods on credit and paying the wholesaler for them later.

Step 4 Do Activity 11.

Answers

- 1 The word credit means taking goods and paying for them later.
- 2 **a** The wholesaler is Honiara consumers.
b The retailer is Moses.
- 3 Retailers prefer to pay for goods they buy on credit because they have a chance to sell some of the goods before they need to make the credit payment. This makes it easier to manage their finances.
- 4 Answers may include: Wholesalers give credit to some retailers because they want the retailers to sell their products. Maybe the retailer will take more products if they don't have to be paid for immediately. However, the wholesaler needs to be confident that the retailer will pay for the products; in other words, the wholesaler must trust the retailer.

Step 5 Conclude the lesson by asking questions to summarise the text.

Lesson 13 • Order forms

Learner's Book page 91

Aims

To help learners to:

- be able to read an order form
- understand how to write up an order form.

Skill

- order form interpretation

Teacher instruction

Step 1 Review an example of an order form: if possible, have learners look at the order form example from Business Studies Year 7 page 62. Otherwise, draw up a simple order form on the blackboard. As a class, go through the sections on the form and have learners identify the different parts: address, the day's date, the name of the business filling in the form, the form number, the products ordered and their quantities and cost, etc.

Step 2 Ask, "What is the purpose of the order form?"

Step 3 Guide learners to understand the retailer's role and the wholesaler's role in processing an order (the retailer, or buyer, must submit an order on an official order form, and must sign it for the wholesaler to fill the order).

Step 4 Ask learners what they think might happen if the retailer fills out the form with the wrong products or the wrong quantities. (If the order is very different to their usual one, the wholesaler might call the retailer to confirm it's what they want; otherwise the retailer will receive the products ordered and may then have to return some of them.)

Step 5 Do Activity 12.

Answers

- 1 The buyer needs an order form so that they can write the goods and quantities that they want.
- 2 The wholesaler owns the order form.
- 3 The retailer needs the order form.

Step 6 Conclude the lesson by asking questions about filling in orders.

Lesson 14 • Invoices

Learner's Book page 92

Aims

To help learners to:

- know what an invoice is
- understand how to fill in an invoice and how to read an invoice.

Skill

- creating invoices

Teacher instruction

Step 1 Review the basic terms that have been studied over the past two lessons: getting goods on credit, and using order forms. Ask learners what an invoice is for, in relation to buying things.

Step 2 Explain the reasons for issuing an invoice.

Step 3 Use the example in Figure 6.26 to remind learners how to read an invoice, and how to fill in an invoice.

Step 4 Do Activity 13.

Answers

- 1 An invoice is a document that is filled in by the business/person selling goods (in the examples here it is the wholesaler) and sent to the buyer (the retailer).
- 2 The wholesaler
- 3 The invoice was made out to itemise all the goods that the retailer has taken on credit.
- 4

INVOICE		Atasi store	
		P.O.Box 1702	
		Honiara	
		Solomon Islands	
		Telephone 23974	
No.2908			
Date: 18/09/2015			
Haggie Tom			
Rara Village, East Are'Are, Malaita Province			
Quantity	Description	Unit Price	Amount
2 ctn	Solomon blue family Taiyo	165.00	330.00
4 ctn	Mackerel (142g)	56.00	224.00
1 ctn	Sno-white (500g)	32.00	32.00
1 ctn	Chicken Crackers	65.00	65.00
1 bale	Sugar (500g)	52.00	52.00
1(20)	Solrice (20 kg)	182.00	182.00
1 ctn	Winfield	250.00	250.00
			1135.00

Step 5 Conclude the lesson by summarising the key points.

Lesson 15 • Journals

Learner's Book pages 92–93

Aims

To help learners to:

- know why retailers should keep a journal
- understand how to use a journal.

Skills

- creating a journal

Teacher instruction

Step 1 Briefly revisit the purpose of an invoice, for both the wholesaler and the retailer.

Step 2 Ask learners how a retailer can check that the goods the wholesaler has sent them match the goods that the retailer ordered.

Step 3 Explain that it is important for the retailer to keep an accurate record of orders made and goods received, and that the best way to do this is in a journal. Explain how to fill in a journal.

Step 4 Do Activity 14.

Answers

- 1 A retailer should keep a copy of their orders for goods on credit so that at the end of the month they know exactly how much they owe to each creditor.
- 2 Yes, retailers should keep a record of orders of goods in a journal.
- 3 It is important to check the goods received to make sure: the quantity is correct; the goods are not damaged; the right brand and size were sent; all the goods that were ordered have arrived.
- 4 A retailer must check the invoice against the goods received.
- 5 They should contact the wholesaler immediately.
- 6 The simplest method is to keep a record in an exercise book or journal.
- 7 The wholesaler sends a statement of the total amount owed at the end of the month.
- 8 The retailer should check the statement amount against the amount they recorded in their journal.

Step 5 Do Activity 15.

Answers

a

Journal Credit purchases			
Date	Wholesalers (Creditors)	Invoice no.	Amount
2014			\$
June 5	Y. Sato	3546	85.03
10	QQQ	786	91.22
19	Solomon Traders	883	101.31
27	Chan Wing	90	76.76

b

Cash book				
Date	Details	Cash in	Cash out	Balance
2014				688.71
June 30	Y. Sato		85.03	603.68
	QQQ		91.22	512.46
	Solomon Traders		101.31	411.15
	Chan Wing		76.76	334.39

Step 6 Conclude the lesson by summarising the key points.

Lesson 16 • Statements

Learner's Book page 94

Aims

To help learners to:

- know how to read a statement
- understand how to write up a statement.

Skills

- interpreting a statement
- creating a statement

Teacher instruction

Step 1 Remind learners that when they looked at journals in the previous lesson, they learnt that statements are sent out by wholesalers at the end of the month.

Step 2 Ask, "What is shown on a statement? How is this different to an invoice?" (An invoice is for each order, but a statement shows all the orders from one business during that month.)

Step 3 Explain how to read a statement.

Step 4 Do Activity 16.

Answers

- 1 The wholesaler is Y. Sato & Co. Ltd and the retailer is Andrew Wan. Andrew Wan will pay Y. Sato.
- 2 The goods were bought on credit. This statement acts as a bill, showing the names of the wholesaler and retailer, the date, details of all invoices sent and the total now owed.
- 3 The amount now owed is \$250.
- 4 The statement tells Andrew Wan to pay Y. Sato. If Andrew Wan pays with cash within 30 days of the date on the statement (this example of a statement doesn't have the date filled in) he will get a 2.5% discount.

5

A. Swami Benifo Village		Statement Date: 30/11/13		
		Account with Sullivans Pty Ltd P.O. Box 3 Honiara Phone: 21643		
Date	Particulars	Debit	Credit	Balance
2013				
3.11.13	515	85.03		85.03
10.11.13	616	91.22		176.25
15.11.13	1065	1010.31		1186.56
27.11.13	1269	76.76		1263.32
				1263.32

Step 5 Explain credit sales and how they affect the accounts in a profit and loss statement.

Step 6 Conclude the lesson by summarising the key points.

Lesson 17 • 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 numbers 1–15 in your exercise book. Write the stem of each question followed by what you think is the correct answer.

- 1 What is a transaction?
 - a An event in business which does not cause any change to either assets, liabilities or proprietorship
 - b An event in business which causes change to either assets, liabilities or proprietorship
 - c An event in business which explains the assets, liabilities or proprietorship on a balance sheet
 - d An event in business which checks all the reports of assets, liabilities or expense accounts
- 2 Why do small businesses need to keep their records in a cash book?
 - a To know how many goods come into the business
 - b To know how to record the transactions of the business
 - c To know how much money the business receives and pays out each day
 - d To know how much money the owner of the business takes each day
- 3 Who is responsible for writing records in a cash book?
 - a The owner's children
 - b The business advisor
 - c The employee only
 - d The owner or the store keeper
- 4 What is drawing?
 - a It's when the business owner takes money or goods for their own use.
 - b It's when the employee takes money or goods for their own use.
 - c It's when money or goods are taken on credit and paid for later.
 - d It's when money and goods are taken from the business after being paid for.
- 5 If the owner continues to take money and goods from their business, what will happen to the business?
 - a The business will break down.
 - b The business will grow.
 - c The business will run out of goods and cash.
 - d The owner will receive a warning letter.
- 6 A refund is when a trader
 - a returns goods to the wholesaler after buying them, and gets money back for those goods
 - b doesn't return any goods because they are the right goods
 - c has broken goods and doesn't want to return them
 - d gives money to a customer
- 7 When a trader finds that they have less money in the cash box than the amount written as the balance in the cash book, this is called a
 - a surplus
 - b refund
 - c shortage
 - d drawing

- 8** When should the store owner do a stocktake?
- At the end of the year
 - At the end of each month
 - At the end of each week
 - Every three months
- 9** What is the purpose of a stocktake? This is for the owner to know
- exactly how much stock they have so they know exactly how much money they have
 - exactly how much stock is being sold
 - exactly how much money is spent on that day
 - exactly when to stop taking stock into the business for the day
- 10** Why does a business owner want to find the profit of their business? This is because
- if they are making a loss they should not worry about it
 - the main aim of running a business is to make a profit to expand the business
 - they want to be the boss
 - they want to take money for their own use
- 11** Which of the following two books does a trader get the figures from to find the profit of the business?
- Cash book and statement
 - Cash book and stock record
 - Cash sale book and cash book
 - Journal and stocktake
- 12** An invoice is a
- list of assets and liabilities of other businesses that owe the business
 - document that the retailer gets after paying for goods
 - report of all the accounts at the end of the financial year
 - document that shows what goods have been delivered and how much they cost
- 13** The column where surpluses and shortages are shown in a profit and loss statement is
- revenue
 - gross profit
 - expenses
 - net profit
- 14** When should a profit and loss statement be prepared?
- Every August
 - At the end of the financial year
 - At the end of the week
 - At the end of the month
- 15** Before paying an invoice for goods received, a retailer must
- file the invoice in a safe place
 - write down the invoice details in a journal
 - add the goods as assets to a profit and loss statement
 - check the goods against the details of the invoice

Step 2 Collect test papers for marking.

Answers

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

Chapter 7 • Cash control

Strand: Accounting

Suggested class time: 12 periods (3 weeks)

Sub-strand statement: The strand focuses on cash control and discusses measures for controlling cash received and cash paid out from the business. The reconciliation process is explained so that the business owner knows how to check their bank account details and bank statement.

General learning outcomes

Learners should:

- know the meaning of *bank account*, *cheque account* and related terms (k) (8.7.1)
- understand the purpose and the uses of a cheque account, cash book, bank account, bank statement and bank reconciliation statement (u) (8.7.2)
- prepare a bank statement and bank reconciliation statement (s) (8.7.3)
- identify the relevant information for a bank reconciliation statement (a) (8.7.4).

Specific learning outcomes

Learners should be able to:

- explain the terms *bank account*, *cash control*, *cheque account*, *drawee*, *drawer* and *payee* (8.7.1.1)
- discuss cheque account, cash book, bank account, bank statement and bank reconciliation statement (8.7.2.1)
- identify examples of a cheque account, cash book, bank account, bank statement and bank reconciliation statement (8.7.2.2)
- explain reconciliation, bank statement and bank reconciliation (8.7.3.1)
- draw a bank statement, bank account and bank reconciliation (8.7.4.1).

Topics and timing

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

Lesson	Topic
1	Cash control
2	Petty cash
3	Cheque accounts
4	The cheque butt
5	Bank account records
6	Bank reconciliation
7	Completing a reconciliation
8	Finding the problem
9	Chapter 7 review questions (unit test)
10	Field trip
11	Field trip
12	Field trip

Lesson 1 • Cash control

Learner's Book pages 97–98

Aims

To help learners to:

- know what cash control is
- understand the different types of cash.

Skill

- discussion

Teacher instruction

Step 1 Ask, “What are examples of cash?” (Notes, coins, cheques)

Step 2 Explain that a very important part of any business is to understand where all the cash is in the business. This means all money coming into and paid out by the business.

Step 3 Guide learners to understand the measures used to control cash, and why it is important.

Step 4 Do Activity 1.

Answers

- 1 Notes, coins and cheques
- 2 Cash control helps avoid theft, because employees cannot take cash without recording it.
- 3 Businesses should keep records of cash receipts and cash payments.

Step 5 Give handouts or notes for learners to copy.

Step 6 Ask summary questions.

Lesson 2 • Petty cash

Learner's Book pages 98–99

Aims

To help learners to:

- know what petty cash is
- understand how to fill in a petty cash book.

Skill

- using a petty cash book

Teacher instruction

Step 1 Review the previous lesson on keeping records of cash in a business.

Step 2 Explain to learners that many businesses have a petty cash fund, and that this consists of notes and coins in a cash box that is used for making small payments.

Step 3 Go through the text, which explains what petty cash vouchers and advances are, and how they are recorded.

Step 4 Study the two examples of general journal entries for petty cash, in Figures 7.3 and 7.4.

Step 5 Do Activity 2.

Answers

1	Date	Account title and description	Ref.	Debit \$	Credit \$
	June 1	Petty cash			80.00
	June 2	Advertising		10	
	June 3	Cleaning		30	
	June 4	Stationery		5	
	June 5	Stamps		4	

- 2 The petty cash fund is $\$80.00 - \$49.00 = \$31.00$ balance. Money to be paid in at the end of the period is \$49.00, to make the total back to \$80.00.

Step 6 Give handouts or notes for learners to copy.

Lesson 3 • Cheque accounts

Learner's Book pages 99–100

Aims

To help learners to:

- know what a cheque account is
- understand the different parts of a cheque.

Skill

- discussion

Teacher instruction

Step 1 Review the concept in the previous lesson of a petty cash fund.

Step 2 Ask learners to explain what a cheque is, and why businesses might prefer to use cheques to cash.

Step 3 Do Activity 3.

Answers

- 1 To deposit money into any account a deposit form is needed.
- 2 A cheque account is useful when paying bills because it is easier than carrying a large amount of money and it is safer (because it's harder to get money from a stolen cheque than stolen cash).
- 3 The account balance is the total amount of money left in the account after money has been deposited or withdrawn from it.

Step 4 Explain the different elements of a cheque, using Figure 7.5, including the cheque butt on the left of the cheque.

Step 5 Do Activity 4.

Answers

- 1 \$350
- 2 **a** Mary Susan is paying the money (so she is the drawer).
b Graham Hiele is receiving the money (so he is the payee).

- 3 The owner of the cheque book
- 4 Different businesses and customers have their own reasons why they do not have cheque books. Answers will vary, but may include: some people do not often need to pay large sums of money, so they do not need a cheque book; some people trust cash more than cheques.

Step 6 Summarise the lesson by explaining the key points.

Lesson 4 • The cheque butt

Learner's Book page 100

Aims

To help learners to:

- know the purpose of a cheque butt
- understand a dishonoured cheque.

Skills

- diagram interpretation
- role-play

Teacher instructions

- Step 1** Recall the previous lesson about cheque accounts and quiz learners on the meanings of drawer, drawee, payee.
- Step 2** Explain the importance of filling in the cheque butt as a record. Also explain how a cheque can bounce and the purpose of an overdraft.
- Step 3** Do Activity 5. Note that for the role play, organise pairs to work together and take turns to be a bank teller and a customer.

Answers

- 1 If a cheque is not honoured, or it bounces, it means there was not enough money in your uncle's account, so you cannot get the money.
- 2 A cheque butt is part of a cheque that stays in the cheque book and is used to record the details of cheques that have been filled out.
- 3 An overdraft is when the account holder takes out more money than there is in the account, and an overdraft limit is the amount agreed with the bank on how much an account holder can be overdrawn.
- 4 The bank charges interest on an overdraft because the account holder owes money to the bank.

5

DATE _____ PAYEE <u>AAA Wholesale Ltd</u> DETAIL <u>Goods</u> FWD. \$ _____ CHQ. \$ <u>1000.00</u> BAL. \$ _____ 0778196	The Bank, Solomon Islands CHEQUE 0778196 DATE <u>21 / 02 / 2013</u> PAY <u>AAA Wholesale Ltd</u> OR BEARER THE SUM OF <u>One thousand dollars</u> \$ <u>1000.00</u> REGINA ANI SAMPLE <i>R Ani</i>	STAMP DUTY PAID
--	---	-----------------------

- Step 4** Encourage some pairs to do their role play to the class, and ask learners to suggest any improvements to the information provided by the 'teller'.

Lesson 5 • Bank account records

Learner's Book page 101

Aims

To help learners to:

- know what records a bank uses to keep track of customers' money
- understand how to read a bank statement.

Skill

- diagram interpretation

Teacher instruction

Step 1 Explain that today's lesson relates to bank accounts, and ask learners what ways the bank uses to keep a record of the money going into and out of an account. Guide them to use the proper term: bank statement.

Step 2 Guide learners to understand how to read and understand a bank statement. Use the example in Figure 7.8.

Step 3 Ask students to identify each part of the bank statement by going over each column and its contents. Ensure that learners understand the main abbreviations that might be used, such as 'Dr' and 'Cr'.

Step 4 Do Activity 6.

Answers

1

BANK STATEMENT – Cosmos Carlos				
Date 2014	Details	Debit \$	Credit \$	Balance \$
Jan 1	Namasi	128.70		261.10
3	Cash		100.80	361.90
6	Cash		121.10	483.00
8	Anna		51.80	534.80
	Pita	33.70		501.10
10	Cash		87.30	588.40

2 Cosmos Carlos

3 So that the person can know if there are any mistakes in the record of transactions, and so they know the balance in their account.

4 The credit column is used to show money that has been deposited into the account and it is added to the balance. The debit column shows money that has been withdrawn from the account and it is subtracted from the balance.

Step 5 Give notes to learners.

Step 6 Conclude by summarising the main points.

Lesson 6 • Bank reconciliation

Learner's Book pages 102–103

Aims

To help learners to:

- know that it is important to check bank records
- understand how to do a bank reconciliation.

Skill

- diagram interpretation

Teacher instruction

Step 1 Recap the previous lesson to remind learners about bank statements.

Step 2 Ask, “What do you think should happen if your cheque butt records do not match the bank statement for your account?”

Step 3 Guide learners to understand the process of a bank reconciliation.

Step 4 Provide details on the reasons for having a difference between bank records and the account holder's records, as listed on page 102.

Step 5 On the board draw the example below of Diana Hou's bank reconciliation statement, and explain each stage of it.

DIANA HOU BANK RECONCILIATION STATEMENT AS AT 31ST DECEMBER 2016	
Bank account balance	\$121.40
Add cheques drawn but not yet cleared	
• \$321.70	
• \$150.70	+ \$472.40
	<hr/> \$593.80
Deduct cheques deposited but not yet cleared	– 0
	<hr/>
Bank statement as per bank account	\$593.80

Step 6 Direct learners to examine the bank statement in Figure 7.11 and the bank account record in Figure 7.12. Have them compare the balances in the two figures, and to identify where the balances match, and where they don't.

Step 7 Have learners identify the various particulars in the statement, such as '287' (it must refer to a cheque of that number), 'Fee' (likely to be money that the bank charges the account holder for having the cheque account), 'CBK' (refers to the cost of a new cheque book).

Step 8 Conclude the lesson by summarising the main points.

Lesson 7 • Completing a reconciliation

Learner's Book pages 102–103

Aim

To help learners to:

- understand how to calculate a bank reconciliation statement.

Skill

- summarising

Teacher's instruction

Step 1 Recall the previous lesson and remind learners of the differences they examined between the bank statement and bank account record.

Step 2 Guide learners to understand the other two steps involved in doing a bank reconciliation statement.

Step 3 Go through the example in Figure 7.13, asking questions about it to ensure that learners understand each stage. Relate this reconciliation back to the information in Figures 7.11 and 7.12.

Step 4 Do questions 1 and 2 of Activity 7.

Answers

1 Reconciliation is the process of matching two statements so that they agree.

2

MARY DAVIS BANK RECONCILIATION STATEMENT AS AT 31 DECEMBER 2014	
Bank account balance	\$285.30
Add cheques drawn but not yet cleared	
• \$83.80	
• \$102.50	+ \$186.30
	<u>\$471.60</u>
Less cheques deposited but not yet cleared –	
	<u>\$107.10</u>
Credit balance of bank statement	\$364.50

Note that in Question 2, the balance of \$364.50 matches the balance in Figure 7.14 of \$356.50 once the bank fees (\$3 + \$2.50 + \$2.50) are also subtracted.

Step 5 Conclude the lesson by explaining that you will continue the Activity in the next lesson. Summarise the main points.

Lesson 8 • Finding the problem

Learner's Book pages 103–104

Aims

To help learners to:

- know the steps in the bank reconciliation process
- understand why an account holder's bank balance is different from a bank statement.

Skill

- calculation

Teacher instructions

- Step 1** Recall the stages involved in reconciliation. Put the stages up on the board in the wrong order, and have learners identify the correct order.
- Step 2** Revise the steps in a bank reconciliation and how the calculations are made. Explain that learners will use this information to help them in the next activity.
- Step 3** Do questions 3 and 4 of Activity 7. Teachers please note: the statement balance figure in Question 3 is incorrect. Instead of \$95.52 it should be \$87.00.

Answers

- 3** John Ben has added cheques deposited but he should have deducted them. And he subtracted cheques drawn but he should have added them. This gives the balance of \$95.50. Then the fee of \$5 and the cheque book for \$2.50 still need to be deducted, so the balance becomes \$87.00.

JOHN BEN BANK RECONCILIATION STATEMENT AS AT 31 AUGUST 2014		
Bank account balance		\$120.10
Add cheques drawn but not yet cleared	• \$72.10	
	• \$12.10	+ \$84.20
		<u>\$204.30</u>
Deduct cheques deposited but not yet cleared	• \$26.70	
	• \$82.10	– \$ 108.80
		<u>\$95.50</u>

- 4** A dishonoured cheque is a cheque that cannot be redeemed because there is not enough money in the bank account of the account holder. 'Deposited not yet cleared' means the cheque has been deposited into the bank account, but it hasn't been processed yet so the funds are not yet available.

- Step 4** Conclude the lesson by summarising the main points.

Lesson 9 • Chapter 7 review questions (unit test)

Teacher instruction

Step 1 Learners sit a test based on Chapter 7. Allow 30 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 What is cash control?
 - a A process of checking the accurate recording of all cash received and paid out from the business
 - b A process of recording the stock coming in and out of the business
 - c A process of keeping records of the goods sold and bought in the business
 - d A process of checking the recording of all accounts in the business
- 2 When a cheque is dishonoured, it means that the cheque
 - a is lost and someone has found it
 - b has bounced back because there isn't enough money in the account
 - c has bounced back because there is plenty of money in the account
 - d has a signature that does not match the account holder's signature
- 3 People use cheques and not cash because
 - a it is not safe to use cheques
 - b it is safer to use cheques than cash
 - c it is fast to use cheques
 - d people trust cheques more than cash
- 4 Who is the payee?
 - a The person of the account who signs the cheque
 - b The bank whose name is on the cheque
 - c The person who will receive the money
 - d The person who signs the cheque
- 5 Who records the transactions of a bank account in the cash book?
 - a The bank teller
 - b The employee
 - c The payee
 - d The owner of the business
- 6 If the balance is in credit in a bank statement, what does it mean to the account owner?
 - a The account will close.
 - b The account has an overdraft.
 - c There is money in the account.
 - d There is no money in the account.
- 7 When does the bank give a bank statement to the account owner?
 - a When the bank receives money
 - b When the customer asks for it
 - c At the end of the month
 - d Once a year

- 8 Who prepares a bank statement?
- The bank which has the customer's account
 - The owner of the account
 - The loan officer
 - The BSP Bank
- 9 Why is it important for the account holder to check their bank statement?
- To know that the account has been used
 - To check that the bank is paying interest
 - To know that the account holder can write cheques
 - To know the balance of the account
- 10 What is bank reconciliation?
- It brings together the policy of the bank account and the bank statement.
 - It brings together an agreement between the teller and the customer.
 - It compares and matches the statement balance and the bank account balance.
 - It lists all the transaction errors made by the bank.
- 11 In the bank reconciliation the cheques deposited but not yet cleared are _____ the balance.
- deducted from
 - added to
 - divided by
 - multiplied by
- 12 What is the missing figure for this bank reconciliation?

DAVID MAE BANK RECONCILIATION STATEMENT AS AT 31 DECEMBER 2013		
Bank account balance		\$300.00
Add cheques deposited but not yet cleared	• \$30.00	
	• \$40.00	+ \$70.00
		<u>\$370.00</u>
Deduct cheques drawn but not yet cleared	• \$60.00	
	• \$	- \$100.00
		<u>\$270.00</u>

- \$100
 - \$40
 - \$50
 - \$30
- 13 Which of the following does not appear in a bank statement?
- The name of the account holder
 - Debits and credits
 - The name of the businesses which owe money to the bank
 - The fees charged by the bank to the account holder
- 14 The amount of money entered under the credit column in a bank statement _____ the balance.
- is subtracted from
 - increases
 - is divided by
 - is multiplied by

15 The petty cash book is used to record small payments in a business. Why is a petty cash fund used? Choose the TRUE sentence.

- a** You are not allowed to write cheques for small amounts.
- b** Small amounts of money are available to pay for small items.
- c** It's available to give small amounts of money to employees if they need it.
- d** The boss can use money whenever they want.

Step 2 Collect test papers for marking.

Answers

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

Lessons 10–12 • Field trip

Aim

To help learners to:

- understand how businesses manage cash control.

Skill

- questioning

Teacher instruction

Step 1 As stated in Activity 8, organise the class to invite a cashier, accountant or manager to talk about managing cash control in a business.

Step 2 In a lesson before the visit, have learners work in groups to come up with a list of questions relating to cash control, reconciliation and bank accounts.

Step 3 As a class come up with a list of questions to ask. Learners who will ask the questions should write them down to ask during the visit.

Step 4 Have the visitor come and talk. When questions are being answered learners should write down the answers of the guest speaker.

Step 5 In a lesson after the visit, summarise what was talked about for learners. Ask them questions to check understanding.

OR

Step 1 As stated in Activity 8, organise the class to visit a small trade store or other business nearby.

Step 2 In a lesson before the visit, have learners work in groups to come up with a list of questions.

Step 3 As a class come up with a list of questions to ask. Learners who will ask the questions should write them down to take with them on the visit.

Step 4 Visit the business. When questions are being answered learners should write down the speaker's answers.

Step 5 In a lesson after the visit, summarise what was seen and talked about. Ask the learners questions to check understanding.

Chapter 8 • Starting a business

Strand: Starting your own business

Suggested class time: 12 periods (3 weeks)

Sub-strand statement: This strand focuses on how to start and register different types of business structures and the requirements and regulations involved in forming a business. It also identifies documents needed for an entrepreneur to be formally recognised as a legal business.

General learning outcomes

Learners should:

- know the meaning of *interests, hobbies, talents, resources, values* and *beliefs* (k) (8.8.1)
- understand ways to find a business idea or concept by considering personal factors in their own lives (u) (8.8.2)
- know how to develop a business plan (s) (8.8.3)
- appreciate the benefit of systematic planning in developing a business plan (v) (8.8.4).

Specific learning outcomes

Learners should be able to:

- explain the meaning of *interests, talents, resources, values* and *beliefs* (8.8.1.1)
- explain how personal factors can be used to start a business (8.8.2.1)
- analyse a case study to show a feasible business idea (8.8.3.1)
- list the advantages and disadvantages of planning as a way to start businesses (8.8.3.2)
- discuss the benefits of systematic planning in developing a business plan (8.8.4.1).

Topics and timing

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

Lesson	Topic
1	What motivates a business person?
2	Talent
3	Values
4	Beliefs
5	A business plan
6	Steps in planning
7	An example plan
8	Marketing
9	Finances
10	Advantages of making plans
11	Develop an idea
12	Chapter 8 review questions (unit test)

Lesson 1 • What motivates a business person?

Learner's Book pages 106–108

Aims

To help learners to:

- know what *interest* is
- state the motivating factors of starting a business
- understand the kind of requirements needed for starting some types of business.

Skill

- discussion

Teacher instruction

Step 1 Introduce the topic. Ask, “Why do you think people start a business?”

Step 2 Ask, “What are some factors that motivate a business person?” To give learners support to think about this, provide the subheadings from the text (interest, talent, values and beliefs, confidence, discipline, sacrifice, attitude) and either have learners discuss each one in small groups, or give each group a different heading to discuss.

Step 3 Once learners have shared their thoughts with the class, explain that these areas will be examined in more detail over coming lessons.

Step 4 Do Activity 1.

Answers

- 1 Some decisions before starting a small business include: Do I have interest in this kind of business? Do I have skills, talents and values in this kind of business?
- 2 Answers may include: People start their own business so that they can take control of most of the profit; be their own boss; earn money to satisfy their needs and wants.
- 3 Answers may include: It's a good idea because we can make use of our skills and abilities; we can earn a profit to become a successful business person; I can be my own boss.
- 4 Answers may include: Some benefits are that you can: earn a profit; gain status; make use of skills and talents; gain experience; help others.
- 5 Some problems might be: it's hard work, exhausting; there's less time for leisure or holidays; it could cause stress and worries.

Step 5 Conclude the lesson by asking about the main points.

Lesson 2 • Talent

Learner's Book page 108

Aims

To help learners to:

- know what talent is
- explain how talents and skills contribute to a successful business.

Skill

- discussion

Teacher instruction

Step 1 Recap from the previous lesson, encouraging learners to recall some of the factors that are important if you want to be successful in a business.

Step 2 Ask learners to provide some definitions and examples of talent.

Step 3 Ask individual learners to share their own talents with the class.

Step 4 Do Activity 2. For Questions 5–7, learners could work in small groups.

Answers

1 Answers may include: because they have special talents and skills on how to run a business.

2 Talent is the natural ability or skills you have to do something well.

3 Answers may include: because they do not have the right attitude or the talent and skills to operate a particular business. They do not know how to manage and do bookkeeping. They may not have the right qualification.

4 Answers will depend on who was spoken to, but talents may include: being ethical, being disciplined in how they spend and save money, being hospitable and welcoming to customers, keeping good records for bookkeeping, managing people and money.

5 Answers may include: save the money in the bank to earn interest; buy stationery and sell it to students to earn profit; sew hair bands as a project and sell them to girls to earn profit; lend the money to others and earn interest on it when it is repaid.

6 Some risks may be: people may not want to buy what you have to sell; the price may be too high, and lowering the price means there is no profit.

7 If a profit is made then your personal wealth will increase.

Step 5 Conclude the lesson by asking summary questions.

Lesson 3 • Values

Learner's Book page 108

Aims

To help learners to:

- know what values are
- understand how values help a person to grow their business.

Skill

- group discussion

Teacher instruction

Step 1 Remind learners that they have been studying some factors that help make business people successful. Recap on the factors that have been covered so far.

Step 2 Ask, “What do you think are a person’s values?” Explain.

Step 3 Do Activity 3. Ask learners to work in groups or pairs.

Answers

1 Possible answers: My aim of running a business is to make a profit and to provide jobs for people. Second, I'd like to provide for people's needs and wants. Lastly, I think business people are important in the community because they help provide jobs and income.

- 2 Possible answers: People take risks when they don't know their talents and skills, or strengths and weaknesses; when they haven't worked out possible risks in the business or what profits they are aiming for; when they do not have competence in the type of work or confidence in their own abilities; when they do not have the necessary management skills.
- 3 Possible answers: Some benefits of increasing profit are: they increase their personal wealth; they can buy better food; pay for a better education and medical services; they can grow their business; they can increase their standard of living.
- 4 Possible answers: Starting a business helps the wider community by making goods and services that people need and want; it may be able to employ local people.

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

Step 5 Discuss ideas that maybe only one group mentions, and see if the class agrees with these points.

Lesson 4 • Beliefs

Learner's Book page 109

Aims

To help learners to:

- know what beliefs are
- understand the attitude and behaviours required by a business person to help make a business successful.

Skill

- group work

Teacher instruction

Step 1 Remind learners that they have been studying some factors that help make business people successful. Recap on the factors that have been covered so far.

Step 2 Talk about beliefs and guide learners to understand how they can help a person in business.

Step 3 Divide the class into groups and do Activity 4.

Answers

- 1 A belief is a feeling that is real and true.
- 2 Possible answer: being ethical is good for business because it builds a good reputation for the business.
- 3 Honesty is very important when starting a business because people will trust you and you will gain more customers each day.

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

Step 5 Guide learners to understand how confidence, discipline, sacrifice and attitude are all good skills or characteristics for success.

Step 6 On the blackboard, write these qualities that were listed as helpful for entrepreneurs in Year 7 Business Studies: courage, determination, energy, self-assessment of one's skills (strengths and weaknesses). Have learners discuss these qualities in groups and report back to the class.

Lesson 5 • A business plan

Learner's Book page 110

Aims

To help learners to:

- know what business plan is
- understand the purpose of a business plan and types of business plan.

Skill

- group discussion

Teacher instruction

Step 1 Ask learners what they think a business plan is, and what information might be found in it.

Step 2 Explain what a business plan is, and go through the list of objectives of a business plan. Provide examples using a local business, if possible.

Step 3 Briefly explain what a business vision and mission are. Encourage learners to come up with suggestions of visions and missions that local business may have written.

Step 4 Divide the class into groups and do Activity 5. Note that learners' answers for Question 5 will be revisited in the next lesson.

Answers

- 1 A business plan is a written document that acts as a map or plan of the future direction of the business.
- 2 The three steps in planning a business are: A business vision, which means thinking about the future of the business and what its longer-term aims might be. Second, the business mission, which can be a simple statement about something like providing a good service to customers. Third, the business objectives, which means deciding on the objectives of the business (these are plans and directions business owners need to take in order to reach their goals).
- 3 A vision statement is a broad statement that outlines the business dreams for the future. A mission statement explains the purpose of the business and how it will achieve these objectives.
- 4 Possible answers: The benefits of a business plan are: it allows the person to measure achievement of objectives; it provides direction; it can be used to strengthen a loan application.
- 5 The answers will vary. A possible vision statement is to have a successful and profitable business in the future and therefore improve personal wealth.
A possible mission statement is: the business is a shipping service company. It will provide services for passengers and cargo.

Step 5 Summarise the key points with review questions. If you think more support is needed, provide some notes or handouts.

Lesson 6 • Steps in planning

Learner's Book page 111

Aims

To help learners to:

- know the steps in planning
- understand how and when to use each step.

Skills

- diagram interpretation
- group work

Teacher instruction

Step 1 Revise the purpose of business objectives covered in the previous lesson.

Step 2 Explain that there are five general steps involved in putting together a business plan. Learners have already looked at working out the business objectives.

Step 3 Introduce learners to the idea of a SWOT analysis to outline the facts. Direct them to study the cartoon in Figure 8.5 as part of this. Explain how this can be a very useful tool for any decision making as it helps to show up both good and bad ideas.

Step 4 Explain the remaining planning steps and have learners copy Figure 8.6 into their books. Encourage them to add some notes to each box as reminders.

Step 5 Have learners reassemble in the groups used for Activity 5 in the previous lesson. Explain that they are going to revisit their responses to Question 5, and that this time they are to outline the facts (do a SWOT analysis) and develop an alternative. There are no correct answers for this.

Step 6 Ask the groups to present their results to the class, and to get further suggestions from the class. Allow a discussion on SWOTs, especially if groups have different views of strengths, weaknesses, etc.

Lesson 7 • An example plan

Learner's Book pages 112–113

Aims

To help learners to:

- recognise what needs to go into a business plan
- appreciate why a business plan is an important document for a business
- understand the steps to follow when planning a business.

Skills

- interpreting a business plan
- creating a business plan

Teacher instruction

Step 1 Tell learners that they are going to examine an example business plan. Ask them what they know should be included in it. (Learners should mention topics they have already covered: mission statement, vision statement, issues, guidelines and directions for the business.)

Step 2 Direct learners to study Figure 8.7 showing the components. Ask them in which section they might expect to see the suggestions they listed in Step 1 above.

Step 3 Point out the examples provided for each section of the business plan. They are for Florence's lemonade business (see Figure 8.8) and can be found in boxed text.

Step 4 Do Questions 1 and 2 in Activity 6. For Question 2, learners should think back to the business they thought up in Activity 5, Question 5.

Answers

1 A cover sheet is a sheet with the title 'Business plan'. It should state the name of the business and the name of the owner or owners.

2 Although the information on cover sheets will vary, learners should include the information shown in the example in Figure 8.9.

Step 5 Conclude the lesson by informing students that they will continue the activity in the next lesson. Summarise the main points.

Lesson 8 • Marketing

Learner's Book pages 113–114

Aims

To help learners to:

- know how marketing can help a business
- understand how to make a marketing plan.

Skill

- creating a business plan

Teacher instruction

Step 1 Revise the parts of a business plan that were discussed in the last lesson. Explain that in this lesson they will look at marketing.

Step 2 Ask learners what they remember about marketing from their studies in Year 7. Prompt them to think about the target market, gaps in the market, and mass and niche markets.

Step 3 Direct learners to Figure 8.11, and explain market research.

Step 4 Explain about the 'four Ps', which are all central to marketing: product, place, price, promotion. Then talk through Florence's example marketing plan on page 114.

Step 5 Do Question 3 of Activity 6.

Answer

3 The market research and market mix.

Step 6 Provide notes or handouts on market research and the marketing mix.

Step 7 Conclude the lesson by informing students that they will continue the activity in the next lesson. Summarise the main points.

Lesson 9 • Finances

Learner's Book pages 113–117

Aims

To help learners to:

- know that finance is necessary for a business
- understand how to calculate the level of finance needed.

Skills

- creating a business plan
- summarising

Teacher instruction

Step 1 Briefly recap the stages of a business plan covered so far.

Step 2 Ask learners what they have to consider in terms of money for a business. Explain the term *capital*, and the importance of calculating the break-even point.

Step 3 With the class, examine Florence's financial plan on page 115, and explain what fixed costs and variable costs are.

Step 4 Do Questions 4 and 5 of Activity 6.

Answers

- 4 The three parts of a financial plan are: capital requirements, and calculating the fixed costs and variable costs.
- 5 Promotion is all about getting information about the product to possible consumers.

Step 5 Briefly review what a budget is, and study Florence's cash budget in Figure 8.14.

Step 6 Do Activity 7 in pairs.

Answers

- 1 A budget is a written plan for the future, for a set of period of time, on how to spend an amount of money.
- 2 A cash budget is important in the business because it guides the business's spending.
- 3 The three things to determine the break-even point are: the selling price (price at which the product is sold); the variable cost (cost that changes depending on the amount of product made, e.g. 1 metre of fabric costs \$10 therefore 5 metres of fabric would cost \$50); and the fixed cost (cost that does not change, e.g. space in the building – the cost stays the same whether you make 5 products or 500 products).

Step 7 Conclude the lesson by summarising the main points.

Lesson 10 • Advantages of making plans

Learner's Book page 118

Aims

To help learners to:

- know why a business plan is useful
- understand that a business plan should be referred to regularly.

Skill

- discussion

Teacher instruction

Step 1 Briefly revise what learners have understood about a business plan.

Step 2 Have learners read the list of advantages for having a business plan.

Step 3 Do Activity 8.

Answers

- 1 There may be different opinions on this, so allow some discussion. Likely answers should include: a) To show that a business idea is possible and profitable on paper before starting the business. b) To outline how all the issues involved in running the business will be addressed before it enters the market place. c) To provide clear guidelines for the operation of the business. d) To give clear direction for the business, to help maintain its focus and the owner's enthusiasm.
- 2 The four aspects of marketing are: product, place, promotion, price.
- 3 A variable cost is the cost that changes depending on the number of goods made, e.g. 1 metre of fabric costs \$10 therefore 5 metres of fabric would cost \$50. The fixed cost is a cost that does not change, e.g. Space in the building: the cost stays the same whether you make 5 products or 500 products.
- 4 Possible answers: Some people do not want to plan their business because they do not know how to go about it. They might not understand how it helps a business to be successful, and how it makes the owner think of many different parts of the business. Advice might include: find someone who can help explain a business, or who can help you write a plan; find a book that explains it.

Step 4 Ask each group to present the group work to the class.

Step 5 Ask, "What are the steps to follow when planning a business?"

Step 6 Summarise the lesson by providing notes.

Lesson 11 • Develop an idea

Learner's Book page 118

Aim

To help learners to:

- write a business plan.

Skills

- group work
- research

Teacher instruction

Step 1 Explain to learners that now is their opportunity to think more carefully about a business idea, and to see if it could be successful.

Step 2 Learners need to work in groups. If the groups and business ideas that were used in Activity 5 are well-thought out, learners should continue to use them. However, some groups may need to think more carefully about a business idea to use as their model.

Step 3 Refer learners to check back on Florence's lemonade business, and the examples provided for Florence's business plan. They can use these as a model for their own.

Step 4 Do Activity 9 in groups.

Step 5 Allow enough time at the end of the lesson for groups to present their work to the class.

Lesson 12 • Chapter 8 review questions (unit test)

Step 1 Learners sit a test based on Chapter 8. Allow 30 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 Ethics is all about
 - a knowing the right etiquette
 - b knowing all about the business
 - c being good to all businesses
 - d being honest and considerate
- 2 A business plan
 - a sets out the goals of the business and how they are to be achieved
 - b is another name for a budget
 - c sets out all the goods to be bought
 - d is a record of how much profit has been made
- 3 To make market research meaningful, it is better to survey
 - a your friends only
 - b people of the same age and gender
 - c a range of different age groups and gender
 - d the members of your family
- 4 Which of the following components of the marketing mix is to do with packaging?
 - a Product
 - b Place
 - c Price
 - d Promotion
- 5 The break-even point is the number of products that have to be sold before
 - a any revenue is made
 - b any profit is made
 - c expenses are covered
 - d losses are made
- 6 A variable cost is an expense that changes according to the
 - a number of products made
 - b number of products sold
 - c size of fixed costs
 - d size of the profits
- 7 The business objective is a statement that describes
 - a what the business is not trying to achieve
 - b the life of the business
 - c what the business is trying to achieve
 - d the profit of the business

- 8** To be successful in business, you need to know some factors that can lead you to success. Which of the following are correct factors?
- Confidence, attitude, discipline, sacrifice
 - Confidence, anger, happiness, sacrifice
 - Confidence, attitude, dishonesty, sacrifice
 - Confidence, attitude, wantok system, sacrifice
- 9** Promotion is all about getting information about
- your business plan to competitors
 - your product to potential consumers
 - the prices and break-even point
 - advertising on billboards
- 10** Which of the following is a benefit of planning your business?
- It helps your competitors
 - It doesn't sign you up to any commitments
 - It makes you think about your strengths and weaknesses when you look in the mirror
 - It allows you to anticipate your future strengths and weakness
- 11** Which of the following is a helpful factor when starting a business?
- Interest
 - Reading
 - Writing
 - Making lemonade
- 12** Financial planning includes
- calculating fixed and variable costs to get the break-even point
 - asking wantoks to help out
 - thinking about the 'four Ps'
 - writing a mission statement
- 13** A simple plan should contain the following:
- cover sheet, table of contents, mission statement
 - cover sheet, table of contents only
 - cover sheet, table of contents, mission statement, the business, marketing plan, financial plan
 - cover sheet, financial plan, marketing plan
- 14** When starting a business you must
- be honest to your customers
 - be dishonest to your customers
 - not trust your customers
 - only follow the laws if you want to
- 15** When planning to start a business
- Florence might help you
 - there are five steps to follow, and this includes doing a SWOT analysis
 - you need to have a talent in carving or music
 - it is important to pay for advertising

Step 2 Collect test papers for marking.

Answers

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

Chapter 9 • Forming a business

Strand: Starting your own business

Suggested class time: 8 periods (2 weeks)

Sub-strand statement: This sub-strand focuses on how to start and register different types of business structures, the requirements and regulations involved in forming a business. It also identifies documents needed for an entrepreneur to be formally recognised as a legal business.

General learning outcomes

Learners should:

- know the meaning of the law and regulations (k) (8.9.1)
- understand legal requirements for starting sole proprietorship, partnerships and private companies (u) (8.9.2)
- understand the process of registering of sole proprietors, partnerships and private companies (s) (8.9.3)
- be aware of the consequence for not complying with legal registration process (a) (8.9.4).

Specific learning outcomes

Learners should be able to:

- explain the meaning of *law* and *regulations* (8.9.1.1)
- state the laws and regulations that are required for starting sole proprietors, partnerships and private companies (8.9.2.1)
- describe the process for registering a business name, satisfying National Provident Fund requirements, paying taxes, paying licence fees and calculating assets (8.9.3.1)
- explain how to calculate assets for a sole trader and for a partnership (8.9.3.2)
- identify the benefits of being formally recognised as a legal business (8.9.4.1).

Topics and timing

This chapter consists of 8 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Laws and regulations
2	Types of business
3	Partnerships
4	Legal and government requirements
5	Paying tax and licence fees
6	Employers and NPF
7	Calculating business assets
8	Chapter 9 review questions (unit test)

Lesson 1 • Laws and regulations

Learner's Book page 121

Aims

To help learners to:

- know the motivating factors of starting a business
- understand the kinds of requirements and regulations for starting certain businesses.

Skills

- research
- interview

Teacher instruction

- Step 1** Introduce the topic of laws and regulation needed for starting a business. Explain that important legal documents, like a Title of Registration of business, need to be completed in order to start a business. Offices such as the Ministry of Commerce, Honiara City Council and Provincial Centres can help with this.
- Step 2** Ask, “What are some rules in your family?” and listen to some suggestions from learners.
- Step 3** Then explain that a law is a certain type of rule. Ask, “Who makes laws? Is a regulation the same as a law? Why or why not?”
- Step 4** Explain the importance of laws and regulations in any community. Ask learners why they think the government has laws for businesses (to protect customers, employees and business owners).
- Step 5** Do Activity 1.
- Answers**
Answers for the research task will depend on the information learners found out. Some documents they should mention are: Honiara City Council Business Licence or one of the Provincial centres’ licence; permits e.g. building permits or Solomon Islands Electrical Authority permits; Application for business name under company Haus; IRD from Inland Revenue for tax payers; NPF form for employers; registration form and one document from Ministry of Commerce.
- Step 6** Conclude the lesson by having learners share the information they found out.

Lesson 2 • Types of business

Learner’s Book pages 122–123

Aims

To help learners to:

- know the steps in registering a business
- understand the kind of requirements and regulations for starting a certain kind of business.

Skill

- research

Teacher instruction

- Step 1** Remind learners that in Year 7 they studied different business structures, such as people who choose to start a business alone, with a partner or with a larger group of people.
- Step 2** Ask, “What do you remember about a sole trader business?” Explain what a sole trader is and give a local example.
- Step 3** Ask learners to read the case study on a trade store about CD canteen, run by Siosi Dioko.
- Step 4** Do Activity 2. For Questions 3–5 learners will work in groups and may need to ask questions at businesses near school. They will present their findings to the class.

Answers

- 1 Motivating factors might include: to make a profit; to provide services that are needed; to make use of knowledge/skills; to be independent of others; because someone is confident about doing a good job; because someone wants to do well (being ambitious).
- 2 To make sure government knows about it so that it becomes legal. (Being legal means the business is protected by the law, but consumers are also protected in case something goes wrong with the business.)
- 3 Answers will vary but may include: bus service; taxi service; trade stores; vegetable farming.
- 4 Answers will vary but may include: choosing the name of the business; registering the name of the business; starting the business.
- 5 Answers will vary.

Step 5 Conclude by asking questions related to being a sole trader.

.. .. .
Lesson 3 • Partnerships
.. .. .

Learner’s Book pages 123–124

Aims

To help learners to:

- know what a partnership and partnership agreement are
- understand how to register a partnership.

Skill

- group work

Teacher instruction

Step 1 Recall the previous lesson about sole traders. Have learners present the information they found out after talking to businesses for Activity 2.

Step 2 Ask learners, “Why might some people want to go into business with one or more other people?” (Because they have different skills, because they can bring more money/investment into the business)

Step 3 Do Activity 3. Question 4 needs to be answered in groups.

Answers

- 1 A partnership is a business owned by 2–20 partners.
- 2 A partnership agreement is a set of rules under which a partnership will operate.
- 3 Some things that should go into an agreement are: how profit is to be shared among the partners; the liability of each partner; how much money each partner has contributed; who signs cheques; who makes the decisions, etc.
- 4 Answers will depend on the groups.

Step 4 Ask each group to present their partnership business to the class.

Step 5 Ask, “What do you think a private company is?” Explain.

Step 6 Do Activity 4. Learners can report back on their findings for Question 3 in the next lesson.

Answers

- 1 A private company needs to complete more government forms; it is separate from its owners; and it has limited liability. In contrast, a sole trader and a partnership are liable for any debts they incur.
- 2 Limited liability means the owners (shareholders) are not personally responsible for the debts that may happen in the business, so they may lose the business but they will not lose any personal possessions like a house or car.
- 3 Learners should find quite a range of company names.

Lesson 4 • Legal and government requirements

Learner's Book pages 124–126

Aims

To help learners to:

- know what a business name is
- understand the laws and regulations required to register a business
- understand the process for registering a business name.

Skill

- creating a logo

Teacher instruction

- Step 1** Have learners share the business names they found on packaging after completing Activity 4 in the previous lesson.
- Step 2** Ask learners which types of business (sole trader, partnership, private company) they think need to have a business name (All of them).
- Step 3** Explain the requirements for a business: registering the business name, applying for a Honiara City Council licence or permits, registering for the goods and services tax and completing an employer's registration form.
- Step 4** Guide learners to understand how to fill in the form for registering a business name in Figure 9.5, and know where to take the form.
- Step 5** Explain that the Business Names Act is for businesses that choose a business name (like CD Canteen in the case study) rather than their own name (Siosi Dioko).
- Step 6** Briefly explain how to register a company at the registrar of companies.
- Step 7** Direct learners to Figure 9.6, and ask them for any real examples they can think of for good names in Solomon Islands or internationally. If possible, also show some logos for these companies and discuss how effective they are.
- Step 8** Do Activity 5.

Answers

- 1 Because it is legal requirement. (It can be your own name or a new, made-up name.)
 - 2 To get a company name from the Ministry of Finance it cost \$120.00 in 2009. (Note that this may have changed.)
 - 3 Website
 - 4 Learners will produce their own designs.
- Step 9** Conclude the lesson by summarising the main points.

Lesson 5 • Paying tax and licence fees

Learner's Book pages 126–129

Aims

To help learners to:

- know what tax is
- understand the purpose of tax
- understand the process for completing the IRD Tax Registration Form.

Skill

- discussion

Teacher instruction

Step 1 Recall the previous lesson, and explain that registration of a business is a one-off fee, but there are other fees that must be paid annually. Ask what these might be (taxes and licences).

Step 2 Ask, “What is the purpose of tax?” Explain, and make clear the difference between direct and indirect taxes.

Step 3 Briefly explain to learners the process of how to register for tax purposes and how to fill in the IRD form on pages 127–128. (At this stage, learners are only expected to be aware that there are forms to fill in.)

Step 4 Do Activity 6.

Answers

- 1 Tax is a person's or business's payment to the government, based on their level of income.
- 2 The government uses tax money to pay for essential services such as roads, hospitals, wharves, schools.
- 3 TIN stands for Tax Identification Number.
- 4 People who do not have regular incomes pay taxes through sales tax, which is on goods and services like telephone calls, fuel, house items such as rice, canned tuna, furniture and so on.
- 5 Answers may include: to make sure that the businesses follow the regulations for safety (e.g. doctors and dentists must follow regulations for medical providers).

Step 5 Examine the business licence form in Figure 9.9.

Lesson 6 • Employers and NPF

Learner's Book pages 130–131

Aims

To help learners to:

- know what the National Provident Fund is
- understand the purpose of the National Provident Fund
- understand the process to register a company as an employer with the Solomon Islands National Provident Fund according to SINPA Act.

Skill

- discussion

Teacher instruction

Step 1 Ask learners to recall what they remember about the National Provident Fund. Briefly explain its importance.

Step 2 Guide learners to understand that all companies and employers must register with the Solomon Islands National Provident Fund and explain how to fill in the National Provident Fund.

Step 3 Explain why it is important to nominate other people who may benefit from your fund in case you die.

Step 4 Do Activity 7.

Answers

- 1 The NPF provides an income for workers when they retire.
- 2 The NPF was established in 1976.
- 3 Workers have money deducted from their wage and paid directly into their NPF account.
- 4 The member gets it when they retire. If they die before they have used the money, the money goes to people that the member nominated to receive it.

Step 5 Summarise the lesson by asking questions about the NPF and reviewing information about it that was covered in Chapter 2, page 25 of the Learner's Book.

Lesson 7 • Calculating business assets

Learner's Book pages 131–132

Aims

To help learners to:

- know what a business asset is
- understand the types of assets in a business and how to calculate the value of assets when they depreciate
- know the benefits of being formally recognised as a legal business.

Skills

- photograph interpretation
- discussion

Teacher instruction

- Step 1** Direct learners to look at the three photos and captions on page 131. Ask them what these photos show examples of (assets).
- Step 2** Briefly explain types of business assets.
- Step 3** Guide learners to understand how to calculate a business asset when it depreciates using the example of the truck in the text.
- Step 4** Give notes to learners.
- Step 5** Do Activity 8.
- Answers**
- 1 An asset is something of value that the business owns, e.g. cash and receivable stock.
 - 2 The four categories of assets are: cash and receivables; employees; machines and equipment; land and buildings.
 - 3 Business assets are calculated according to their value. Some assets depreciate, like machinery and equipment, so the depreciation level (e.g. 10%) is subtracted from the cost price.
- Step 6** Briefly explain the benefits of being formally recognised as a legal business.
- Step 7** Do Activity 9.

Answers

- 1 Possible answers:

	Advantages	Disadvantages
Sole trader	<ul style="list-style-type: none">• Own boss• Easy to make decisions• Easy to start up and close down• All profits belong to one person or one family	<ul style="list-style-type: none">• Have to do all the work oneself• No time out• No specialisation• Less capital
Partnership	<ul style="list-style-type: none">• More partners• Work is shared, easy• Specialisation is possible• Can take time out	<ul style="list-style-type: none">• More partners• Difficult to make decisions• Difficult to start up and close down
Private company	<ul style="list-style-type: none">• Limited liability• Can raise money	<ul style="list-style-type: none">• Requires a lot of legal paperwork• Requires a lot more money to start

- 2 A legal business is registered and pays taxes and fees.
- 3 Answers may include: you will be fined for not registering or paying licence fees; if something goes wrong, customers could sue you; you could be caught and fined for not paying taxes.

- Step 8** Conclude the lesson by summarising the main points.

Lesson 8 • Chapter 9 review questions (unit test)

Teacher instructions

Step 1 Learners sit a test based on Chapter 9. Allow 40 minutes for the test.

Chapter 9 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 you want to register a business name, where can you go to do this?
 - a The Provincial Centre
 - b Honiara City Council
 - c The Title of Registrar companies
 - d The immigration office
- 2 A law made by parliament is
 - a an Act of Parliament
 - b a law and order scheme
 - c a regulation
 - d a guideline
- 3 If you choose not to use your own name for a business, what must you do?
 - a Advertise the name in local papers
 - b Register the name with the Register of Companies
 - c Apply for an Act of Parliament
 - d Buy a licence
- 4 Which of the following would be a good sales and marketing tool for a business through the internet?
 - a Logo
 - b Business card
 - c Website
 - d Trademark
- 5 The Act of Parliament that you would need to comply with if you were registering a business name is
 - a Income Tax (Amendment) 2014
 - b Companies Act 2009
 - c Tobacco Control Act 2010
 - d Public Financial Management Act 2013
- 6 Taxes that businesses pay include
 - a PAYE and company tax
 - b NPF and sales tax
 - c import duty and PAYE
 - d company tax and goods tax
- 7 What does TIN stand for?
 - a True Identification Name
 - b Trade Identification Number
 - c Tax Identification Number
 - d Tin Identification Name

- 8 Which of the following is NOT an example of an asset?
- Cash
 - Receivables
 - Machines and equipment
 - Bank loans
- 9 What year was NPF established?
- 1970
 - 1976
 - 1980
 - 1986
- 10 The purpose of NPF is to:
- pay for schools, hospitals and roads
 - earn money for the government
 - provide income for workers when they retire
 - control equipment using computers
- 11 How many owners can a partnership agreement registered with the Ministry of Commerce, Industries, Labour and Immigration have?
- one
 - more than twenty five
 - at least two and no more than twenty
 - only two
- 12 Tariffs are placed on imported goods to
- encourage importing
 - make exporting easier
 - protect foreign industries
 - protect local industries
- 13 Direct tax is paid directly by
- individuals and businesses
 - individuals only
 - businesses only
 - governments and businesses
- 14 For a business to be legal it must
- have staff
 - have a bank account
 - be registered and licensed
 - have assets
- 15 Why do income earners pay tax to the government?
- So income earners have money to spend
 - So income earners can save for retirement
 - So the government can buy assets
 - So the government earns revenue

Step 2 Collect test papers for marking.

Answers

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

Chapter 10 • Marketing

Strand: Starting your own business

Suggested class time: 9 periods (2–3 weeks)

Sub-strand statement: Marketing is an important and exciting element when thinking of starting a business. It is the most competitive weapon that a business needs to become successful. This chapter focuses on location, marketing, and importance of marketing and methods of assessing the business.

General learning outcomes

Learners should:

- know the meanings of the terms *marketing*, *marketing environment* and related terms (k) (8.10.1)
- understand the importance of assessing the business location, the market demography, target customer and competitors (u) (8.10.2)
- carry out secondary market research to find business opportunities (s) (8.10.3)
- appreciate there are a number of ways businesses can promote their business and product (a) (8.10.4)
- know the meaning of advertising and packaging (k) (8.10.5).
- explain the reasons for packaging (u) (8.10.5)
- understand the advantages and the disadvantages of advertising (u) (8.10.6).

Specific learning outcomes

Learners should be able to:

- explain the terms: *marketing*, *marketing environment*, *cultural practices*, *location*, *market*, *demography*, *target customer* and *competitors* (8.10.1.1)
- explain the importance of assessing the business location, the market demography, target market and competitors (8.10.2.1)
- describe the different stages of the marketing and distribution process (8.10.2.2)
- formulate and describe simple methods for assessing a business location, the market demography, target customer and possible competitors (8.10.3.1)
- explain how to carry out a secondary marketing strategy to find business opportunities (8.10.3.2)
- describe a number of ways small businesses can promote their business's goods and services (8.10.4.1)
- explain advertising and packaging (8.10.5.1)
- state the advantages and disadvantages of advertising (8.10.7.1).

Topics and timing

This chapter consists of 10 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Marketing
2	The marketing environment
3	The target market
4	Market research and competition
5	Location
6	Promotion and advertising
7	Persuasive advertising
8	The importance of packaging
9	The appeal of packaging
10	Chapter 10 review questions (unit test)

Lesson 1 • Marketing

Learner's Book page 134

Aims

To help learners to:

- know what marketing is
- know the importance of assessing the business
- understand the reasons for assessing the business.

Skill

- discussion

Teacher instruction

Step 1 Remind learners that last year they learnt a little about marketing and advertising. Find out what they can remember about marketing.

Step 2 Explain how marketing depends on customers and their needs and wants.

Step 3 Ask, "What is advertising?"

Step 4 Guide learners to understand the difference between marketing and advertising.

Step 5 Ask, "Why is marketing important?"

Step 6 Guide learners to understand the importance of assessing the best way to market a business.

Step 7 Do Activity 1.

Answers

- 1 Answers will vary but should clearly show the difference: marketing is the process of getting goods and services to the consumer, and advertising is making a product known to consumers. Advertising is one small part of marketing. It includes using media (radio, TV, newspapers), billboards, word of mouth.
- 2 Answers should include the idea that marketing is: an exchange between a business and customers so that the business gets the right products to the right customers.
- 3 Answers may include: they use signs on the side of the road; posters or notices around the school or area.
- 4 Answers may include: a business identifies which customers may want its products, then it communicates the product to those customers, decides on the best price to use, and distributes the product to the places where its potential customers will see it. Learners should use an example of a product they are familiar with locally.
- 5 To make their product known to potential customers

Step 8 Summarise the lesson by explaining the key points.

Lesson 2 • The marketing environment

Learner's Book pages 134–136

Aims

To help learners to:

- know about marketing environment, cultural practices, government law and available technologies
- understand the level of competition.

Skills

- photograph interpretation
- group discussion

Teacher instruction

- Step 1** Recall the previous lesson by quizzing the learners on differences between marketing and advertising.
- Step 2** Explain that a business operates within a marketing environment. It also needs to consider cultural practices and the level of competition.
- Step 3** Explain that a business needs to assess these areas as part of its marketing strategy.
- Step 4** Ask “How do you think government laws and technology may affect the marketing of a product?”
- Step 5** Guide learners to understand government laws and available technology that affect stages of production and marketing of a product.
- Step 6** Do Activity 2. Divide learners to work in groups and discuss the four factors.

Answers

The local examples will depend on individual groups, but the answers to Questions 1 and 2 should include:

- Marketing environment is the business, the community and the wider world. A business needs to take account of all these areas and match its marketing to that.
- Cultural practices are traditions that are specific to certain communities. A business needs to be sensitive to these if it wants to be successful.
- Government laws are rules that make sure the products do what they say they will do. Businesses must be truthful in their claims or they can be fined.
- Technology is all the modern machinery and inventions that can help businesses. Businesses should choose the technology that works for them.

- Step 7** Provide notes or handouts for the key points.

Lesson 3 • The target market

Learner's Book pages 136–137

Aims

To help learners to:

- know what demography is
- understand the different ways of using demographics.

Skills

- group work
- summarising

Teacher instruction

- Step 1** Show learners a product that they have brought from home, or that is already in the classroom, for example, a text book. Ask “Who are the target customers for this product?”

Step 2 Guide learners to understand how a target market is different, depending on the product. Use examples in the text, such as the different types of bread available and how they have different target markets.

Step 3 Explain the demographic factors that affect how customers spend.

Step 4 Do Activity 3. Learners will work in small groups.

Answers

- 1 The target market is the group of people who want or need a particular product.
- 2 The target market is important to understand, so that businesses can direct their advertising and promotion to that group of people.
- 3 Demography is the study of a community of people, its ethnic groups and gender ratio.
- 4 Three ways to measure it are: age and life cycle; gender; level of income. (Learners could also list ethnic group, family size, occupation and education level.)
- 5 Demography allows us to understand how a community is made up, as that affects customers' spending habits.

Step 5 Ask each group to present what they have discussed.

Step 6 Ask learners to identify the key points in the lesson.

Lesson 4 • Market research and competition

Learner's Book pages 137–139

Aims

To help learners to:

- know the meaning of competition
- understand secondary market research.

Skill

- summarising

Teacher instruction

Step 1 Recall the previous lesson: ask learners to provide some examples of demography, and to explain how that helps find the target market.

Step 2 Explain how market research is a way to find out the target market. Guide learners to understand there are two types of market research: primary and secondary. Be clear about the differences between them, and use examples to help illustrate the point.

Step 3 Do Activity 4.

Answers

- 1 Primary market research means collecting information from potential customers. This can be surveys, interviews or giving out samples of the product. Secondary market research is using information that has been collected by other organisations, such as getting population numbers for an area. Secondary market research is cheaper, and is more likely to be undertaken by a small business.
- 2 Answers will vary. Provide some examples of businesses for learners to consider if they cannot think of any.

Step 4 Ask, “Why is it important to understand the competition?” Explain that businesses need to know this to best target their product.

Step 5 Do Activity 5.

Answers

- 1 Competition is the process of trying to beat others. In business, it simply means asking, “is there anyone else providing the same goods or services in this area?” If so, then these businesses need to compete against each other.
- 2 Competition is part of marketing and as a new business owner you need to know if there are other businesses in the community that your potential customers may use.
- 3 Answers will vary. Provide some examples for learners to consider if they cannot think of their own.

Step 6 Conclude the lesson by summarising the main points.

Lesson 5 • Location

Learner's Book pages 139–140

Aims

To help learners to:

- know the importance of a business's location
- understand different ways of assessing location.

Skill

- picture interpretation

Teacher instruction

Step 1 Ask learners why location might be an important part of marketing a business.

Step 2 Provide an example of a place nearby where not many people live. Ask why it is or isn't a good place for a trade store.

Step 3 Ask, “What needs to be thought about when choosing a location for a business?”

Step 4 Guide learners to understand the different factors to consider.

Step 5 Do Activity 6.

Answers

- 1 Location is where to situate a business. It should be near customers, and it helps if it is easy to get goods to the business.
- 2 Answers will vary. Give direction to learners if they are having difficulty thinking of local examples.

Step 6 Ask learners to try to recall the term used to describe how products are moved around from where they are made to where they will be sold (distribution). Explain why distribution is an important part of marketing.

Step 7 Conclude the lesson by summarising the main points.

Lesson 6 • Promotion and advertising

Learner's Book pages 140–143

Aims

To help learners to:

- know what promotion is
- understand techniques in promotion.

Skill

- group work

Teacher instruction

Step 1 Briefly summarise what has been covered so far in this chapter: the target market needs to be identified, and market research should be carried out.

Step 2 Ask, “How is the business person going to let people know about their product?” Guide learners to understand that advertising is one part of promotion.

Step 3 Explain the purpose of promotion. Guide learners to understand promotion techniques used to reach target customers.

Step 4 Ask learners to name some types of advertising. Organise learners into groups to decide if each type of advertising is expensive or not to implement.

Step 5 In the same groups, have learners discuss the advantages and disadvantages of advertising.

Step 6 Do Activity 7.

Answers

1 Advertising is to do with making the product known to customers, and it is usually a short-term activity. Promotion is putting the product forward: telling the target customers that the right product is available at the right place and for the right price.

2 The purpose of promotion is to influence the attitudes and behaviour of target customers so that they will buy the product.

3 We can promote a product using the ‘Ps’: the product, price and place.

4 Answers will vary.

5 Some of the factors that influence the cost of advertising in the newspaper might be: the advertisement needs to be written up, designed, and have photos or illustrations added to it; the size of the advertisement affects the cost as bigger advertisements cost more.

6 Responsible advertising is honest and usually provides relevant information about the product. The consumer knows that they are buying something that was advertised correctly, and this helps to build the market for the product.

Step 7 Ask learners to bring in some old newspapers and magazines for the next lesson. Explain that they should focus on bringing in material that includes advertisements.

Step 8 Conclude the lesson by summarising the main points.

Lesson 7 • Persuasive advertising

Learner's Book pages 142–143

Aims

To help learners to:

- know some different techniques used in advertising
- understand how these techniques work on the consumer.

Skills

- picture interpretation
- group work

Teacher instruction

Step 1 Provide a local example of an informative advertisement and a persuasive advertisement, for products that the learners may be familiar with. Ask them how the two advertisements differ.

Step 2 Explain that most advertising is either informative or persuasive.

Step 3 Have learners look at Figures 10.12 and 10.13 and compare the informative and persuasive advertisements. Ask what is different, what is the same.

Step 4 Do Activity 8 in groups.

Answers

Display the posters in the classroom and ask learners from each group to explain their poster.

Step 5 Summarise the main points of the lesson. Ask learners to bring in examples of packaging for the next lesson. They will need them to do Activity 9.

Lesson 8 • The importance of packaging

Learner's Book pages 143–144

Aims

To help learners to:

- know what packaging is
- understand the importance of packaging information.

Skills

- photograph interpretation
- hands-on activity

Teacher instruction

Step 1 Direct learners to examine the images in Figure 10.14. Have them identify as many different packaging examples as they can.

Step 2 Ask for some reasons for using packaging.

Step 3 Guide learners to understand the purposes of packaging, and the information that they can provide consumers.

Step 4 Give notes or handouts to learners.

Step 5 Do Activity 9.

Answers

The answers to these questions will depend on the products that each group brought in to examine.

Step 6 Do Activity 10.

Answers

- 1 Answers should include some of these: to protect the product until the consumer is ready to use it; to give information to the consumer (quantity, how to use it, when to use it by, the ingredients, who made it and where); to encourage a person to buy the product.
- 2 Most packaging materials (metal, plastic, paper) are simply thrown out or burned. This causes problems for the environment and wastes the resources in the world.
- 3 Consumers need to know the weight or quantity of a product, especially when it is food, to know exactly what they are getting for their money. It allows them to compare prices of other similar products.

Step 7 Ask learners to bring in as many examples of food labels and packets as possible to the next class.

Lesson 9 • The appeal of packaging

Learner's Book pages 143–144

Aims

To help learner to:

- know that the presentation of a product can influence us to buy it
- differentiate between different types of packaging.

Skill

- class project

Teacher instruction

Step 1 It would be useful here to collect some labels and packaging examples to add to learners' examples.

Step 2 Ask learners to gather their examples of labels and empty packets and to look for the information on the packets. Ask, "Do all packets have similar amounts of information?"

Step 3 Do Activity 11.

Answers

This is a class project so there are no correct answers.

Step 4 Once learners have voted on their favourite labels that give information or are attractive, discuss what makes a label attractive, and how this influences us to buy that product.

Lesson 10 • Chapter 10 review questions (unit test)

Teacher instruction

Step 1 Learners sit a test based on Chapter 10. Allow 30 minutes for the test.

Chapter 10 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 main aim of marketing is to
 - a satisfy producers' needs and wants
 - b satisfy customers' needs and wants
 - c agree with the business owner's needs and wants
 - d agree with the customer's view only
- 2 What is a simple form of primary research?
 - a Giving out the message on the radio about the product
 - b Putting the product in an advertisement
 - c Giving out samples of a given product
 - d Lowering the price of the product
- 3 Why would a business give away product samples?
 - a To measure their ability to work hard
 - b To see the customer's demand for other goods
 - c To know their business background
 - d To see whether the customers like the product
- 4 The target market for a product or service is
 - a everyone
 - b the group of consumers who don't know about the product or service
 - c the group of consumers most likely to be interested in buying the product or service
 - d only older people with money
- 5 Demography helps to define the target market. Which of these are demographic factors?
 - a Age, price, quantity and gender
 - b Occupation, income, cost price and selling price
 - c Gender, price, age and cost price
 - d Age, occupation, income and gender
- 6 The main purpose of packaging is to
 - a protect the product until the consumer is ready to use it
 - b protect the product from people trying to use it
 - c control the stock
 - d show how honest the product is
- 7 What is secondary market research?
 - a It's using information or data that has been collected by other businesses or organisations.
 - b It's conducting a survey to find out what people think about a particular product.
 - c It's finding the best place to start a business in a populated area.
 - d It's doing research to find out the target customer to buy the product you want to sell.

- 8 The purpose of promotion is to
- influence the attitudes and behaviour of target customers so that they will buy the product
 - influence the behaviour of wealthy consumers so that they buy the product
 - allow customers to be aware of the product even though it's not for sale
 - advertise a product to customers
- 9 To promote a product to customers you have to tell them the 'four Ps'. What are the 'four Ps'?
- Placement, preparation, price and persistence
 - Product, price, place and promotion
 - Price, position, place and preparation
 - Product, position, persistence and price
- 10 Promotion techniques include
- personal selling, consumer awareness, advertising and trade
 - direct marketing, public relations and posters
 - advertising and personal selling
 - personal selling, direct marketing and public relations and advertising
- 11 The type of advertisement that provides a lot of relevant information about a product is known as
- persuasive advertising
 - informative advertising
 - radio advertising
 - media advertising
- 12 The cost of advertising in a newspaper is paid by the
- public who buy the newspaper
 - producer or retailer of the goods advertised
 - government which charges a tax
 - producers of the newspaper
- 13 What is persuasive advertising?
- Providing false information about a product
 - Providing consumers with factual, useful information that enables consumers to make decisions
 - Trying to attract consumers' attention but not providing much useful information
 - Encouraging consumers to read the information on the packaging
- 14 Packaging refers to the
- content inside the container
 - information about the product
 - wrapping around a product, or the container it comes in
 - brand of the product printed on the outside
- 15 Consumers should be aware when looking at advertising that businesses might
- make the advertising too colourful
 - make false statements about the product or service
 - state the price of the product or service
 - stop the consumer from being informed about the product or service

Step 2 Collect test papers for marking.

Answers

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

Chapter 11 • Financing a small business

Strand: Starting your own business

Suggested class time: 11 periods (2–3 weeks)

Sub-strand statement: This strand discusses how to finance a small business and the sources available, such as commercial banks and financial institutions. Learners as customers need to understand the type of documents required by financial institutions for a loan.

General learning outcomes

Learners should:

- know various sources of business financing available for small businesses (k) (8.11.1)
- understand how to apply for a business loan from banks and financing companies (u) (8.12.2)
- appreciate the responsibility of repaying a loan on time (a) (8.11.3)
- understand the importance of repaying loans and the consequences of non-repayment (u) (8.11.4).

Specific learning outcomes

Learners should be able to:

- identify some sources of business finance available to business owners, including savings, retained profits and loans (8.11.1.1)
- describe the procedures and requirements for applying for commercial loans (8.11.2.1)
- complete applications for loans from financial institutions or agencies (8.11.2.2)
- list ways to repay a loan in the time required (8.11.3.1)
- explain the importance of repaying a loan on time (8.11.3.2)
- discuss the consequences of non-repayment of loans (8.11.4.1).

Topics and timing

This chapter consists of 11 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Introducing finance
2	Types of finance
3	Financial institutions
4	Bank loan research
5	Applying for a loan
6	Assets and liabilities
7	The cost of borrowing
8	The importance of business loans
9	Chapter 11 review questions (unit test)
10	Practical project
11	Practical project

Lesson 1 • Introducing finance

Learner's Book pages 147–148

Aims

To help learners to:

- know what finance is
- understand the sources of some institutions that provide finance to small businesses.

Skill

- summarising

Teacher instruction

Step 1 Ask learners how people get money if they want to start a business. Explain that this is getting finance.

Step 2 Ask learners what a financial institution is, and to give some examples. Explain if necessary.

Step 3 Do Activity 1.

Answers

- 1 Finance is money, usually for a business venture.
- 2 Answers will vary but may include: loans from banks, relatives, overdrafts, mortgages.
- 3 Equity is savings or other money that a person uses in their business.
- 4 Answers will vary but may include: saving money to provide equity, borrowing from relatives, asking for an overdraft from the bank.

Step 4 Guide learners to understand there are many ways to find capital to finance a small business from financial institutions such as commercial banks, credit unions, the individual's own savings and from relatives.

Step 5 Explain that these financial institutions provide a service.

Step 6 Guide learners to understand that different businesses have different financial needs, and it is important to find the right financial deal for that business.

Lesson 2 • Types of finance

Learner's Book pages 148–149

Aims

To help learners to:

- know what equity is
- explain the word *debt*
- understand types of debt finance.

Skills

- photograph interpretation
- reading

Teacher instruction

Step 1 Provide the example given in the text of a transport business wanting a new vehicle. Outline the options for getting finance, and discuss what might be the advantages and disadvantages of each option.

Step 2 Explain what equity is and where it might come from.

Step 3 Guide learners to understand the example of equity in relation to getting a bank loan.

Step 4 Ask, "What is debt?" Explain, and give examples of the two types of debt.

Step 5 Do Activity 2.

Answers

1 Answers will vary but may include:

Weaknesses: There is no one to assist the owner of the business when they are sick. There is no one to help with knowledge or skills if the owner does not have them. If the owner has poor management skills and insufficient finance, the business might not survive.

Strengths: There is just the one owner, so it is not necessary to consult with others. The owner owns the capital or money so profit doesn't need to be shared out. The owner makes all the decisions of the business.

2 Answers will vary but may include: I did not have skills in management, marketing, finance and production; I misused the business money and so I had insufficient finance to buy more goods for the store; I gave credit to customers and they did not pay their debt; It's my business, so I took money when I needed it (this is stealing.).

3 Answers will vary but may include: They have good management skills; they have a good relationship with customers; they treat customers fairly and equally; they treat the business as a different entity from the owner; the location is near the road and customers.

4 Debt is money owed to someone else.

5 Short-term debt and long-term debt

Step 6 Conclude the lesson by asking questions about equity and debt.

Lesson 3 • Financial institutions

Learner's Book pages 149–150

Aims

To help learners to:

- know that there are three types of bank loans in Solomon Islands
- understand the loan services of commercial banks and the Central Bank of Solomon Islands.

Skills

- reading
- group work

Teacher instruction

Step 1 Ask, "What are the different types of banks in Solomon Islands?" Learners should be familiar with the ones listed in the text.

Step 2 Briefly explain the purpose and functions of commercial banks and the Central Bank of Solomon Islands.

Step 3 Do Activity 3.

Answers

- 1 A long-term loan. This is because a loan for a house takes a long time to pay off.
- 2 A short-term loan usually has to be repaid within year. This includes an overdraft. A long-term loan may be paid back over 10 years, or even longer.
- 3 Answers may include: Repayments for the loan will be deducted from Peter's salary, so he and his family will have less money to spend each week. So pressure about having spending money may increase. However, he was probably paying rent before that, and saving money for the deposit, so now that money can go into buying the house.
- 4 Answers may include: It is not usually possible to save for a house and pay for it without a loan. The loan allows the family to live in their own house.

Step 4 Do Activity 4.

Answers

- 1 Answers to be discussed.
- 2 Answers will vary, but may include: banks are worth billions of dollars and historically in Solomon Islands management of banks has not been done properly and there are not enough experts to run them. For example, National Bank of Solomon Islands was owned by SI Government and Papua New Guinea but it failed because the issue of money was not properly managed. The second example is the Development Bank of Solomon Islands which was unsuccessful because the people could not repay their loans in time or could not repay their loans at all.

Lesson 4 • Bank loan research

Learner's Book page 151

Aims

To help learners to:

- know what the requirements for short-term and long-term loans are
- understand the benefits and drawbacks of both short-term and long-term loans.

Skills

- research
- questionnaire
- group work

Teacher instruction

Step 1 Ask learners to recall the previous lesson. Remind learners that banks offer different types of loans.

Step 2 Divide learners into groups and do Activity 5.

Answers

The teacher will need to check questionnaires and compare interest rate deals that learners find.

Step 3 Ask each group to report their findings back to the class about which loans they found and whether short-term or long-term loans were a better deal. You may divide the class into those who believe short-term loans are better and those who believe long-term loans are better to have an informal debate.

Lesson 5 • Applying for a loan

Learner's Book page 151

Aims

To help learners to:

- know what the Credit Corporation is
- understand how to fill in a loan application form.

Skill

- group work

Teacher instruction

Step 1 Quiz learners on the types of financial institutions that were covered in the previous lesson.

Step 2 Ask learners what they know about the Credit Corporation, and explain.

Step 3 Ask learners how they might go about getting a loan from a financial institution. Explain that people wanting to take out a loan usually need to supply several documents that support their ability to repay it.

Step 4 Go through the list of documents in the text.

Step 5 Do Activity 6.

Answers

1 Possible answers include that documents need to be provided by borrowers before money is lent to:

- show the borrower's credit history (Have they had loans before? Did they repay them on time?)
- show the borrower has a bank account and savings
- show proof that the borrower is either a true employer of that company or owns some assets or has savings with the National Provident Fund
- prove the borrower's identity.

2 If teachers/learners cannot get hold of the documents below, they should be able to list what is required and draw up an example of how these might look.

- Four recent pay slips plus a confirmation letter from the employer
- Receipts or proof of other income such as rental income or a business. This could be a copy of a lease agreement for rental income, financial statements and bank statements
- A cash flow forecast
- Official identification documents such as valid driving licence or passport
- National Provident Fund contribution and savings

Step 6 Explain how to apply for a business loan and the procedure.

Step 7 Guide learners to understand that the borrower needs to provide the purpose of the loan, the size of loan, proof of security, and an ability to repay the loan within the time.

Lesson 6 • Assets and liabilities

Learner's Book page 152

Aims

To help learners to:

- know what liabilities are
- understand how a bank conducts a loan interview.

Skills

- group work
- filling out a loan application form

Teacher instruction

Step 1 Briefly remind learners of what is needed to apply for a loan, and the questions borrowers should have thought about.

Step 2 Explain the purpose and content of a cash flow statement, and ask learners where this information would come from (a cash book).

Step 3 Explain the purpose of a balance sheet, which shows both the assets and liabilities of a business. Teach the terms *liabilities*, *current assets* and *long-term assets*.

Step 4 Go through the steps needed for a borrower when they go to a financial institution to have an interview about the loan they are requesting.

Step 5 Do Activity 7. Learners will work in groups.

Answers

Learners will fill in the loan application form in their groups. Here is a sample of a personal loan application form that you can copy onto the board for students to work from if you can't get copies from your local bank.

There are a number of requirements for different types of loans (personal loans, housing loans and business loans). Remind students that banks usually require and consider the following type of information to be provided for a business loan.

For existing customers the bank would normally look at:

- account history
- financial reports
- securities offered
- purpose of request
- amount
- location of business
- key personnel of business and their management capabilities.

For new business undertakings the bank would look at all of the above but pay particular attention to:

- repayment capabilities
- business experience
- securities
- cashflow forecasts on the proposed venture.

It is important to make a good impression that you will be a good potential borrower with the capacity to repay the loan.

Personal Finance Request • *for loan applications predominantly for personal purposes*

Amount of Finance Required

SBD

Own Contribution

SBD

Total Cost of Purchase/Project

SBD

Loan type requested

Housing Loan	Investment Property Loan	Land Loan	Personal Loan
Other			

Borrowing Requirement

Borrowing requirement (*purpose of finance*)

Anticipated settlement/drawdown date / / .

Applicant Details

Applicant (1) name (personal details)

Title	Given Name(s)	Family Name
-------	---------------	-------------

Date of Birth	Marital Status	Number of dependents excluding spouse	
Day / Month / Year			

Home Address (Residential Address)	Time there
	yrs mths

Postal address (<i>if different from home address</i>)	Name of contact person

Home phone number	Work phone number	Mobile phone number	Email address

Name of Employer:	Current:		Position:	Years of service:	
	Previous:		Position:	Years of service:	

Applicant (2) name

Surname	First Names
---------	-------------

Date of Birth	Marital Status	Number of dependents excluding spouse	Time there

Postal address (<i>if different from home address</i>)	Relationship to Applicant 1

Home phone number	Work phone number	Mobile phone number	Email address

Current Borrowings

Details of current bank/finance loans, leases, hire purchase & other liabilities (including bonds, guarantees, trade finance and commercial bill facilities)

Type of loan (term, overdraft, etc)	Name of bank/ finance co	Outstanding balance	Approved limit	Monthly payment	Interest rate	Value of security pledged	Type of security pledged
					%		
					%		
					%		

In the event you are unable to work for an extended period of time, do you have any arrangements in place to ensure you can continue to meet your monthly loan commitments? Yes No

Security offered for this loan

Is security held with this Bank? Yes Go to next section No Complete this section (provide security details below)

Description (e.g. home, factory, stock)	Full name of owners	Estimated market value	Property address (if applicable)	Details of existing mortgages		
				Details of lender	Balance Owed	Interest rate
						%
						%
						%

Application Checklist • ensure you have attached the following

- Personal Finance Request form (completed in full) Copy of Purchase/Sale Agreement (if applicable)
 Income Verification details (last 2 years if available)

Signatures & Declarations

- I/We have read and understood the particulars which have been completed in this Form and declare and represent that these particulars are true and complete in every particular;
- I/We acknowledge that the representations made by me/us in this Form have been made to the Bank to enable it to determine whether or not to grant a loan to me/us;
- I/We confirm financial statements provided with this application present an accurate view of the borrowing entity's financial position;
- I/We confirm all statutory obligations of the applicant/s have been serviced in terms of legislation and approved arrangements;
- I/We acknowledge the Bank has the right to confirm the details of the information provided in this application;
- I/We hereby authorise the Bank to make any other enquiries relative to this enquiry, which it considers necessary and for that purpose to enquire from any other Bank, or Credit Union details of my/our account;
- The representations made by me/us in this Form do not and will not constitute part of any contract for a loan that may subsequently come into existence between the Bank and me/us;
- I/We have made the representation constituted by completing this Form in order to induce the Bank to offer to grant me/us a loan;
- I/We consent to the Bank giving to any guarantor(s) / indemnitor(s) all information, including credit reports and copies of documents, which the Bank sees fit concerning me/us for credit provided to me/us and any security;
- I/We consent to the Bank exchanging information concerning my/our financial affairs with any person acting on my behalf including my/our agent, accountant or solicitor;
- I/We acknowledge that my/our obligation for the debt will continue regardless of any changes in my/our circumstances including death, disablement or illness;
- I/We authorise the Bank and any of its related bodies corporate and the officers of such corporations to freely exchange credit or other information concerning my/our financial/business affairs and the financial condition of the applicant/s; and
- I/We have read and I/we understand and agree to the acknowledgements and consents relating to the protection of my/our privacy.

Authorised signatures of all applicants:

Signature(s)

Date

	Applicant	Spouse		Applicant	Spouse
Business income/drawings	<input type="text"/>	<input type="text"/>	Mortgage	<input type="text"/>	<input type="text"/>
Net Rent	<input type="text"/>	<input type="text"/>	Hire purchase/lease	<input type="text"/>	<input type="text"/>
Net interest/dividends	<input type="text"/>	<input type="text"/>	Credit/store card	<input type="text"/>	<input type="text"/>
Salary/wages	<input type="text"/>	<input type="text"/>	Childcare/maintenance	<input type="text"/>	<input type="text"/>
Other <input style="width: 50px;" type="text"/>	<input type="text"/>	<input type="text"/>	Other loans/commitments	<input type="text"/>	<input type="text"/>
Total Income A	<input type="text"/>	<input type="text"/>	Total Fixed Expenses B	<input type="text"/>	<input type="text"/>
Combined Monthly Surplus (A) – (B)			<input style="width: 150px;" type="text"/>		

All Existing Bank Accounts	Balances (000's)	Type of Account	Security

This Request:

Facility	Amount	Repayment Amount	Term	Interest Rate	Repayment Basis	E-Fee/DHF

Details of investment real estate owned

	Property 1	Property 2	Property 3
Type of property (<i>residential/commercial/retail</i>)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Tenant names (<i>if non residential</i>)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Remaining term of lease in years	<input type="text"/>	<input type="text"/>	<input type="text"/>
Lease renewal options	<input type="text"/>	<input type="text"/>	<input type="text"/>

Statement of Assets and Liabilities of (Applicant/s)

	Address			Bank	Term-yrs	Int rate	
House or residence	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	Home mortgage	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Other real estate	1.	<input style="width: 100%;" type="text"/>	Other mortgages	1.	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	2.	<input style="width: 100%;" type="text"/>		2.	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	3.	<input style="width: 100%;" type="text"/>		3.	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	4.	<input style="width: 100%;" type="text"/>		4.	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Accounts	Bank		Overdraft	Bank			
	1.	<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	2.	<input style="width: 100%;" type="text"/>		Bank			
	3.	<input style="width: 100%;" type="text"/>		Personal loans/Leases	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
4.	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>		
Motor Vehicles	Details	<input style="width: 100%;" type="text"/>	Credit Cards	Bank/type	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Boats/Caravans/Trailers/Motorbikes (insurance cover)	<input style="width: 100%;" type="text"/>	Other liabilities	Details	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Furniture and personal effects (insurance cover)	<input style="width: 100%;" type="text"/>		<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Jewelry (insurance cover)	<input style="width: 100%;" type="text"/>	Tax owed	Year	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
Total Assets			Total Liabilities			B <input style="width: 100%;" type="text"/>	
Investment	Superannuation (company)		In the event of your death, disability or suffering a major illness, do you have arrangements in place to protect your: <ul style="list-style-type: none"> • Home. <input type="radio"/> Yes <input type="radio"/> No • Assets. <input type="radio"/> Yes <input type="radio"/> No • Family's current lifestyle. <input type="radio"/> Yes <input type="radio"/> No 				
	SINPF NO	<input style="width: 100%;" type="text"/>					
	SINPF NO.	<input style="width: 100%;" type="text"/>					
	Share Portfolio	<input style="width: 100%;" type="text"/>					
	Share of Company/Business	<input style="width: 100%;" type="text"/>					
Other Investments	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>					
Insurance	Life Policy and Company	<input style="width: 100%;" type="text"/>					
	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>					
Total Assets			A			<input style="width: 100%;" type="text"/>	

Net Assets (A) – (B)

Step 6 Conclude the lesson by summarising the main points.

Lesson 7 • The cost of borrowing

Learner's Book pages 153–154

Aims

To help learners to:

- understand why banks charge interest
- understand the cost of borrowing.

Skill

- calculation

Teacher instruction

Step 1 Learners should be familiar with the idea that banks charge interest on loans. Ask them why banks do this. (To make a profit, to cover their administrative and other costs)

Step 2 Explain that there are two types of loan repayments, but that the reducing balance loans are likely to be more common.

Step 3 Go through the two tables outlining the differences in loan repayments in Figures 11.7 and 11.8, along with the worked examples showing how the interest is calculated.

Step 4 Do Activity 8.

Answers

- 1 A flat-rate loan has interest charged on the full amount of the loan, even when part of the loan has been repaid.
- 2 A reducing rate interest is better for the borrower because interest is only paid on the money owed.
- 3 **a** The total paid for the loan is \$8000 of the initial loan + monthly interest of $\$33.33 \times 8 \text{ months} = \$8000 + \$267$ (rounded up to the next dollar) = \$8267
b Monthly interest = $8000 \times 5/100 \times 1/12$
 $= 400 \times 1/12 = \$33.33$
 Total interest for 8 months = $8 \times \$33.33 = \267 (rounded up to nearest dollar)

Step 5 Conclude the lesson by asking learners about the cost of borrowing.

Lesson 8 • The importance of business loans

Learner's Book page 154

Aims

To help learners to:

- know the importance of a business loan
- understand the consequences of non-repayment.

Skill

- group work

Teacher instruction

Step 1 Briefly revisit the previous lesson by asking learners to identify the difference between flat-rate and reducing balance loans.

Step 2 Review earlier topics of the chapter. Ask, “Why might a business want to take out a loan?” Explain.

Remind learners that it is the borrower’s role to work out the best loan for them, and to compare the offers of different financial institutions.

Step 3 Ask, “What do you think happens if a loan is not repaid?” Explain.

Step 4 Guide learners to understand that taking a loan is a risk for the borrower and that it is important to have a good financial plan and accurate cash flow statement to ensure that repayment of the loan is manageable.

Step 5 Give notes to learners.

Step 6 Do Activity 9. Learners will work in small groups.

Answers

1 Answers will vary but should include some of the following: the bank may send debt collectors to recover the money; the bank may sue you for the money you owe it, so you could lose any assets you have such as a house or car; you may not be able to use any money in your bank account until you have repaid the bank. Some reasons might be: the business is not doing well; you did not have accurate records of income and expenses so you thought it would be easier to pay back; you have given credit to some customers and they have not paid you.

2 Answers may include: they could ask the lender to sell some assets to pay off the loan; they could suggest that the borrower finds out if any family members can help in the short term, so that the lender can see the borrower is trying to resolve the problem.

Step 7 Explain to learners that financial institutions don’t want to take people to court over loan repayments. Nor do they want to sell a borrower’s assets. If a borrower can see that they are going to have trouble making a repayment, they should go to the bank immediately to talk to a bank officer about it. In this way it may be possible to reschedule the repayments.

Step 8 Conclude the lesson by summarising the main points.

Lesson 9 • Chapter 11 review questions

Teacher instruction

Step 1 Learners sit a test based on Chapter 11. Allow 30 minutes for the test.

Chapter 11 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 What is the purpose of the Credit Corporation? It
 - a lends money to small businesses and to the public
 - b serves government officers
 - c helps the poor
 - d helps retired public servants
- 2 We can borrow money to finance a small business from
 - a the Central Bank of Solomon Islands
 - b the Development Bank of Solomon Islands
 - c commercial banks
 - d relatives only
- 3 What is equity?
 - a It's the money owned by the business owner
 - b It's the money owed by the business owner
 - c It's the overdraft that the bank gave to the business
 - d It's the money available at a bank for customers to borrow
- 4 When considering finance options, small business owners should
 - a make the decision quickly
 - b take money from the first person who offers it
 - c investigate options carefully
 - d wait until they need to expand to get finance
- 5 What is an example of a debt?
 - a Money that a customer has in their account
 - b Finance contributed by shareholders
 - c Cash that you have with you
 - d Money that people borrow from financial institutions to start their businesses with
- 6 Why do people want to borrow money from financial institutions?
 - a To finance their plans and businesses
 - b To help their own relatives
 - c To afford their daily needs and wants
 - d To increase their salary
- 7 What is the cost of borrowing money?
 - a It's the total amount of money repaid
 - b It's having to sell off assets to pay for the loan
 - c It's the interest paid on a loan
 - d It's the principal amount of money you borrow

- 8** If a proprietor wanted to take out a loan to buy property to build their business on, they would likely take out
- a** an overdraft account
 - b** a long-term loan
 - c** a personal loan
 - d** a business loan
- 9** If a proprietor wants to apply for a business loan, they would need to provide the financial institution with
- a** proof of income
 - b** identification documents
 - c** forecast of cash flow, showing how income is calculated
 - d** all of the above
- 10** Andrew takes a five-year personal loan with Westpac Bank. What may happen if the loan is not repaid within the time allocated?
- a** Andrew will have to borrow money from another bank to pay back the first bank
 - b** Andrew's assets will be sold and the loan paid off with the money raised
 - c** All the money from Andrew's NPF contribution will be taken away
 - d** Andrew will be allowed to borrow more money
- 11** If a proprietor is being interviewed for a loan application, they should prepare to be asked about
- a** their medical history
 - b** the advantages to the bank that would result from the loan being approved
 - c** their church
 - d** whether they have children
- 12** Daisy borrows \$1000 for a personal loan from a commercial bank for a year. The interest rate is 2%. Calculate the interest rate that Daisy will pay.
- a** \$20
 - b** \$1020
 - c** \$2
 - d** \$240
- 13** Why do customers have to provide documents to the bank when applying for a loan?
- a** To see a photo of the customer
 - b** To prove that the customer has assets and the ability to repay the loan
 - c** To know what sort of person the customer is
 - d** To check the customer's education history
- 14** What is an asset?
- a** Something a business or individual owns
 - b** Something a business or individual owes
 - c** Equity in the business
 - d** Capital investment
- 15** Which of the following is an example of a long-term asset?
- a** Equipment
 - b** Cash in a bank account
 - c** Stock
 - d** Interest paid by the bank on an account

Step 2 Collect test papers for marking.

Answers

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

Lessons 10 and 11 • Practical project

Learner's Book page 154

Aim

To help learners to:

- plan a small business project.

Skills

- research
- group work

Teacher instruction

Step 1 Do Activity 10. Learners will work in groups to plan a small business they think of, and do research on which institutions they will ask for finance to fund their plan. Allow 80 minutes to do this activity.

Step 2 Ask each group to present their findings to the class. The teacher may choose to mark the activity as part of learners' assessment.

Chapter 12 • Managing a small business

Strand: Starting your own business

Suggested class time: 11 periods (2–3 weeks)

Sub-strand statement: This sub-strand discusses the procedures needed to manage a small business. Daily records need to be kept and documentation should verify the types of transactions. When managing a small business the owner needs strategies to control expenses of the business. This chapter brings together many strands from earlier chapters.

General learning outcomes

Learners should:

- know the meaning of *managing, small business, business equipment* and related terms (k) (8.12.1)
- understand the procedures and rules for paying and receiving cash when using and managing equipment, labour and meeting legal requirements (u) (8.12.2)
- appreciate the need to provide quality service and practise ethical business (v) (8.12.3)
- use relevant records to prepare business reports and recommend appropriate changes (s) (8.12.4).

Specific learning outcomes

Learners should be able to:

- explain the terms *managing, small business, business equipment* and *labour* (8.12.1.1)
- explain the procedures and rationale for paying and receiving cash, and for recording it on a daily basis (8.12.2.1)
- identify ways to control the use of business equipment (8.12.2.2)
- explain the monetary, ethical and moral value of practising honesty when running a small business (8.12.3.1)
- discuss the need to provide quality service and practise ethical business habits (8.12.3.2)
- explain the terms *cash flow statement* and *profit and loss statement* (8.12.4.1)
- prepare a cash flow statement, profit and loss statement and recommend changes to improve the business (8.12.4.2).

Topics and timing

This chapter consists of 11 topics. Each topic should be covered in a 40-minute period.

Lesson	Topic
1	Introduction
2	Being a manager
3	Managing business equipment
4	Managing cash
5	Cash books
6	Cash payment and cash flow
7	Profit and loss statement
8	Managing labour
9	Customer service
10	Ethical business
11	Chapter 12 review questions (unit test)

Lesson 1 • Introduction

Learner's Book page 156

Aims

To help learners to:

- know what managing a business is
- understand the importance of how to manage a small business.

Skill

- reading

Teacher instruction

Step 1 Ask, "What sort of knowledge do you think is important to manage a small business?" If necessary, give prompts from previous chapters, such as managing cash flow, organising a loan, understanding how to price a product or service, marketing and advertising a product or service, looking after employees.

Step 2 Guide learners to understand the importance of how to manage a small business.

Step 3 Do Activity 1.

Answers

- 1 The four things to do and know may include: being motivated, having values, having the right attitude, making sacrifices, being disciplined, having confidence; making a business plan; having a mission statement/vision statement; making a market plan; making a financial plan.
- 2 Answers may include: to achieve my business goals; to earn a profit; to make good decisions; to have a successful business.
- 3 It means that the business needs an owner (or manager) to be active in it and in control of it, so that the business can run successfully.
- 4 Possible answers include: posters, T-shirts, banners, newspapers, pamphlets, the internet, billboards, radio, TV commercials.
- 5 To control the cash inflow and out flow; to control stock; to make the right buying decisions, and to keep costs down. It is also important for the owner to know whether their business is making a profit or a loss.

Step 4 To conclude the lesson, quiz learners on how they would go about doing some of the things that are important in managing a small business, such as, "How can a business owner manage cash flow? Give some examples. How does an owner work out how to price a product? What needs to be taken into account for this? What sorts of things are included in marketing? Name some parts of a financial plan. Why do businesses need a loan?" etc.

Lesson 2 • Being a manager

Learner's Book pages 156–157

Aims

To help learners to:

- know what being a manager is
- understand the importance of how to manage a small business.

Skills

- reading
- picture interpretation

Teacher instruction

Step 1 Briefly explain the role of a manager of a small business: to oversee all parts of the business, including people, equipment, finances, stock, etc.

Step 2 Ask, “What do you think is involved in managing employees?” Give some example situations, such as “What might the manager need to consider if an employee comes to work late every day? ... is making lots of mistakes? ... seems to be unhappy in their job?”

Step 3 Ask, “Why do you think a business needs to manage its relationship with its customers?” Guide learners to understand the importance of building a good relationship with customers.

Step 4 Do Activity 2.

Answers

- 1 Managing a business means taking control of all the things a business owns, including equipment and resources, activities and personnel of the business, in order to meet its objectives.
- 2 The three business areas are: equipment and resources, employees, marketing and sales.
- 3 Answers may include: to ensure they are performing their duties, to respect them, to listen to them and have good communication with them, praise them, to provide monetary incentives and to provide on-the-job training.

Step 5 Give notes to learners on the topic, or ask questions about the main points.

Lesson 3 • Managing business equipment

Learner’s Book pages 157–158

Aims

To help learners to:

- know what business equipment is
- understand how to manage cash.

Skills

- photograph interpretation
- research

Teacher instruction

Step 1 Direct learners to look at the photographs in Figure 12.3, and ask which examples of equipment are shown there. Ask learners to list some other examples they may be able to think of.

Step 2 Explain what is included in business equipment, and that these are called assets.

Step 3 Guide learners to understand the importance of controlling and managing a business’s equipment.

Step 4 Do Activity 3. The teacher needs to arrange a field trip; if this is not possible, a visit around the school will suffice.

Answers

- 1 Possible organisations include: bus or taxi service; trade store; vegetable farmer.
- 2 Answers will vary. A taxi or bus service will have vehicles, telephones, possibly computers; trade store may have calculators, shelving, cash register; farmer will have farming tools.
- 3 Possible questions include: How often do you have to service the taxis/buses? Do you have to update the computers and software regularly? How do you keep the tools sharp/clean?
- 4 Answers will depend on the business. Encourage learners to consider which pieces of equipment are likely to be the most expensive.

Step 5 Go over the field trip questions with the class to see if some learners had different interpretations of the questions.

Lesson 4 • Managing cash

Learner’s Book page 158

Aims

To help learners to:

- know what is meant by managing cash
- understand how to manage cash.

Skill

- discussion

Teacher instruction

Step 1 Briefly revise what has been covered so far in the unit, by asking questions about being a manager and looking after and managing equipment.

Step 2 Ask, “What do you think is involved in managing cash in a business?”

Step 3 Explain to learners the internal controls and briefly explain the importance of tracking cash.

Step 4 Do Activity 4.

Answers

- 1 Managing cash is taking control of the money in a business to meet its operations.
- 2 Cash can be managed by having enough cash at hand to meet the daily requirements of the business while making enough money available for further operations.
- 3 It is important for a business to manage its cash because money is needed for the daily running of the business. For example, to pay for expenses and assets, to settle liabilities, to pay employees and so on.
- 4 The accountant/cashier/owner is responsible for managing the business cash.
- 5 The two advantages of controlling business cash should include some of these: it prevents the mishandling of funds to safeguard against loss; it protects employees from charges of mishandling funds by defining people’s responsibilities in the cash handling process; it ensures there is enough cash available to meet operational needs.

- 6 Answers may include: talk to an accountant to understand what is needed; study cash management using books or talk to someone with knowledge; go to the bank and ask for advice from someone there.

Step 5 Conclude by asking questions about internal controls and tracking cash.

Lesson 5 • Cash books

Learner's Book page 159

Aims

To help learners to:

- know what a cash book is
- understand the different types of cash book
- interpret how to fill in a cash book.

Skill

- calculation

Teacher instruction

Step 1 Remind learners that in Year 7 they learnt a little about cash books. Ask if they can explain the purpose of a cash book, or any other information they can recall about it.

Step 2 Direct learners to the two examples of cash books in the text. Explain that they have already learnt about simple cash books, as in Figure 12.4, and direct them to study the two-column cash book in Figure 12.5. Go over each column and explain how to fill in the cash book. Ensure that learners differentiate between the two sections: receipts and payments.

Step 3 Do Activity 5. Before learners attempt Question 3, it would be helpful to go through each example and elicit from them whether the transaction should go into the receipts column or the payments column.

Answers

- 1 A cash book is used to record each day's receipt of money from selling goods and the cash payments the business has made.
- 2 Businesses need to have a cash book so that the business can monitor and control the cash flow within the business.

3

Receipts				Payments			
Date	Particulars	Disc Allow	Cash	Date	Particulars	Disc Rec	Cash
2014 Jan 01	Cash in		15000	2014 Jan 5	Paid to Ram	100	3000
				6	Purchased goods		4000
10	Received from R. Gupta	200	9800	12	Paid to S. Sharma	50	2950
11	Sold goods		4000	13	Paid wages		500
				14	Narashi		4000
		\$200	\$28800			150	\$14450

Step 4 Ensure that learners have understood the difference between receipts and payments. Ask learners why they think discounts are shown in both sections, and how big the discounts are. (Generally discounts are given for paying on time, paying in full, and where large amounts of money are involved.)

Lesson 6 • Cash payment and cash flow

Learner's Book pages 160–161

Aims

To help learners to:

- know what cash payment procedures are
- know what a cash receiving procedure is
- understand how to read a cash flow statement.

Skill

- preparing a cash flow statement

Teacher instruction

Step 1 Remind learners that earlier in the chapter they learnt about managing cash. Ask questions to remind them about internal controls and tracking cash.

Step 2 Explain what cash payment procedures are and why they are important.

Step 3 Remind learners why cash control is important, and explain cash receiving procedures.

Step 4 Explain what cash flow is, and that a cash flow statement is used to keep track of cash coming into a business.

Step 5 Guide learners through the cash flow statement in Figure 12.7. Ensure they understand clearly how to get the net cash in/out number: total receipts minus total payments = net cash in/out. Closing cash balance is found by adding together the net cash in/out and opening cash balance.

Step 6 Do Activity 6.

Answers

- 1** A cash payment procedure includes cash received in a business and cash paid out or spent; and it is a way of monitoring this cash. A cash receiving procedure is the process of receiving and recording cash in a cash book or a cash receipts journal.
- 2** The purpose of cash payment procedure is to protect cash from misuse and theft from employees.
- 3** A cash flow statement shows how much cash comes into and out of the business.
- 4** It is important for a business to have a cash flow statement to show the amount of cash generated and used by a business in a given period.

5

	July	August	
Opening cash balance	870	4990	
Receipts:			
Sales	4500		
Accounts receivable	2800		
Receipt subtotal	7300		
Payments:			
Purchases	2600		
Accounts payable	120		
Freight	50		
Transport	60		
Wages	350		
Payments subtotal	3180		
Net cash in/out	4120		
Closing cash balance	4990		

Step 7 Conclude the lesson by asking about the procedures covered in the lesson.

Lesson 7 • Profit and loss statement

Learner's Book pages 162–163

Aims

To help learners to:

- know what a profit and loss statement is
- understand how to prepare a profit and loss statement
- know what stocktake is.

Skill

- preparing a profit and loss statement

Teacher instruction

Step 1 Quiz learners on the purpose of the cash flow statement as studied in the previous lesson.

Step 2 Ask, “What do you think a profit and loss statement can tell a business owner?” Explain its purpose, and that it relates to the stock held by a business.

Step 3 Guide learners to understand how to prepare a profit and loss statement by going through each stage of the statement in Figure 12.9.

Step 4 Do Activity 7.

Answers

- 1 A stocktake is the physical counting of products that are bought by a business with the intention of matching actual stock to the business records of stock that has been bought and sold.
- 2 The importance of stocktaking is to know how much stock there is so that a profit and loss statement can be made.
- 3 A regular stocktake allows a business to keep track of the business's profit, and the amount of stock that hasn't been sold.
- 4 Note that in this example, the profit and loss statement of Rodney Trade Store for the month of June 2014 shows a negative amount at the end, so it is a net loss, not a profit.

<i>Profit and loss statement of Rodney Trade Store for June 2014</i>		
	\$	\$
Sales		4000
Less cost of goods sold		
Stock 01/07/2014	2100	
Add purchases	<u>1534</u>	
	3634	
Add freight	300	
	3934	
Less stock 30/06/2014	<u>1800</u>	<u>2134</u>
Gross profit		<u>1866</u>
 <i>Less other expenses</i>		
Wages	1450	
Transport	150	
Licence	250	
Freight	<u>200</u>	<u>2050</u>
Net loss		<u>-184</u>

Step 5 Summarise the lesson by asking about profit and loss statements.

Lesson 8 • Managing labour

Learner's Book pages 163–164

Aims

To help learners to:

- know what labour is
- understand the importance of managing employees and how to motivate them
- know what motivation, development, retention, engagement and satisfaction are.

Skills

- photograph interpretation
- discussion

Teacher instruction

Step 1 Ask, “What is labour?” Ask learners to think of some examples of labour.

Step 2 Explain the importance of managing labour in a business.

Step 3 Guide learners to understand the benefits of managing employees well, and why this is so important as part of a successful business.

Step 4 Do Activity 8.

Answers

- 1 Managing employees is important for a business because it allows the owner or manager to see the strengths and abilities of their employees and how they contribute to the goals of the business.
- 2 Ways to motivate employees include: providing incentives or rewards, more money, flexibility with work hours, bonuses, making them feel valued and respected at work.
- 3 Employee retention means being able to keep employees working for the business.

Step 5 Give notes to learners about the lesson, and ask learners questions about what they have studied.

Lesson 9 • Customer service

Learner’s Book pages 164–165

Aims

To help learners to:

- know what customer service is
- understand the importance of quality customer service
- understand the benefits of providing quality service.

Skill

- group discussion

Teacher instruction

Step 1 Remind learners that it is important to treat customers well, so that they return to the business and spend their money there. Ask, “What sorts of things can business owners do to look after their customers?”

Step 2 Briefly explain to learners what customer service is and explain the reasons for quality customer service.

Step 3 Ask, “What are the benefits of quality customer service?”

Step 4 Organise learners into small groups and ask them to come up with an example of when they received good customer service, and another time when they didn’t. Have them list the things that they think are important as customers. Groups report back to the class.

Step 5 Do Activity 9.

Answers

- 1 Customer service relates to how the business treats and relates to their customers to make them happy and satisfied.
- 2 Quality customer service is important so that customers will return to a business for the products and services on offer.
- 3 The benefits are: the customers will return to a business for the products and services on offer (this is called customer loyalty); if the customer is happy, they will tell others, and this can lead to increased revenue; the business gets a good reputation.
- 4 Some ways to provide quality customer service are to: always put the customer first, by acting on the idea that the customer is always right; value customers by treating them well; meet customer expectations; be willing to communicate with customers and receive their feedback.
- 5 'The customer is always right' means you must listen to their expectations and needs because they are the ones who buy the business's goods and services.

Lesson 10 • Ethical business

Learner's Book page 165

Aims

To help learners to:

- know what ethics are
- understand the importance of ethics
- explain the three areas of ethics.

Skill

- group work

Teacher instruction

Step 1 Briefly recall the main topics of the chapter by asking learners a few questions.

Step 2 Ask, "What is ethics?"

Step 3 Guide learners to understand the importance of business ethics.

Step 4 Explain that there are three areas of ethics that are particularly important in business, and explain the meanings of nepotism and accountability by using examples.

Step 5 Study the cartoon in Figure 12.13, and analyse what the problems are with this style of running a business.

Step 6 Do Activity 10. Divide the class into small groups.

Answers

- 1 Business ethics are moral values and principals that guide acceptable and appropriate behaviour with everyone involved in a business.
- 2 To be ethical in business means treating customers and employees fairly. This is vital for a business to be successful.
- 3 The three areas of ethics are: trust, nepotism and accountability.
- 4 Nepotism is the practice of people with power or influence favouring relatives or friends, especially by giving them jobs or other advantages because of their relationship to the boss, rather than because they have the best skills.

Step 7 Conclude the lesson by summarising the key points of being ethical in business.

Lesson 11 • Chapter 12 review questions (unit test)

Teacher instruction

Step 1 Learners sit a test based on Chapter 12. Allow 30 minutes for the test.

Chapter 12 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 To run a business successfully the most important considerations are
 - a business goals, the product and keeping good records
 - b how to advertise the product
 - c where customers live
 - d buying good equipment
- 2 Think about what is involved in managing a business. What is NOT involved in managing a business?
 - a Taking control of equipment
 - b Managing employees
 - c Looking after the resources of a business
 - d Being unwilling to look after the employees' welfare
- 3 Which of the following is an example of equipment in the business?
 - a Tables
 - b A water bill
 - c Mixed goods
 - d Exercise books
- 4 Why does a business need to be careful about managing cash?
 - a To control cash going out of the business
 - b To control cash coming in to the business
 - c To prevent theft in the business
 - d To have enough cash at hand to meet the daily requirements and for further operations
- 5 One of the advantages of controlling how cash is handled is
 - a it prevents thieves from taking goods from the business
 - b it prevents the mishandling of funds to safeguard against loss
 - c it means the cash record will always match the business's records
 - d it allows for proper financial records of cash flow in the business
- 6 Tracking cash in the business
 - a helps to control transactions
 - b maintains a steady amount of cash in the business
 - c helps the owner to know exactly how much cash is on hand at all times
 - d helps the owner to spend money wisely
- 7 Discount allowed is
 - a the reduction given by the business to its customers or debtors
 - b an increased price given by the business to its customers or debtors
 - c the amount set aside to pay credit
 - d the reduction given by the business to its creditors

- 8** The purpose of a cash book is to
- record the receipts
 - record receipts and payments of cash
 - record the balances only
 - record the payments
- 9** A cash flow statement
- shows how much cash comes into and goes out of a business
 - shows how much cash is in the business
 - shows how many goods have not been sold
 - shows how much money is left in the bank balance
- 10** A business does a regular stocktake to
- check that all the stock is similar and is not missing
 - check that the physical stock that they hold matches the stock levels listed in their record
 - check that all the physical stock that they hold has been sold
 - check for stock that is old
- 11** In the profit and loss statement, the stock and new purchases are
- added to sales
 - subtracted from sales
 - included in expenses
 - part of the gross profit
- 12** How can a business owner or manager motivate their employees?
- By allowing them to have free time
 - By respecting them and listening to them
 - By not giving rewards to them
 - By allowing them to arrive late if they want to
- 13** Businesses should apply customer service
- whenever a potential customer enters the business
 - whenever a customer is about to walk past the business
 - when no one wants to buy anything from their business
 - when the employees talk to anyone
- 14** When you treat your customers nicely they are likely to
- leave your shop
 - return to you the next time they want to buy products you stock
 - be happy that they can return products to your business
 - be happy and forget you
- 15** Ethics is important in business because
- the owner's family can get jobs with the business
 - it gives power to the boss
 - it ensures that customers and employees are treated fairly
 - it gives employees freedom

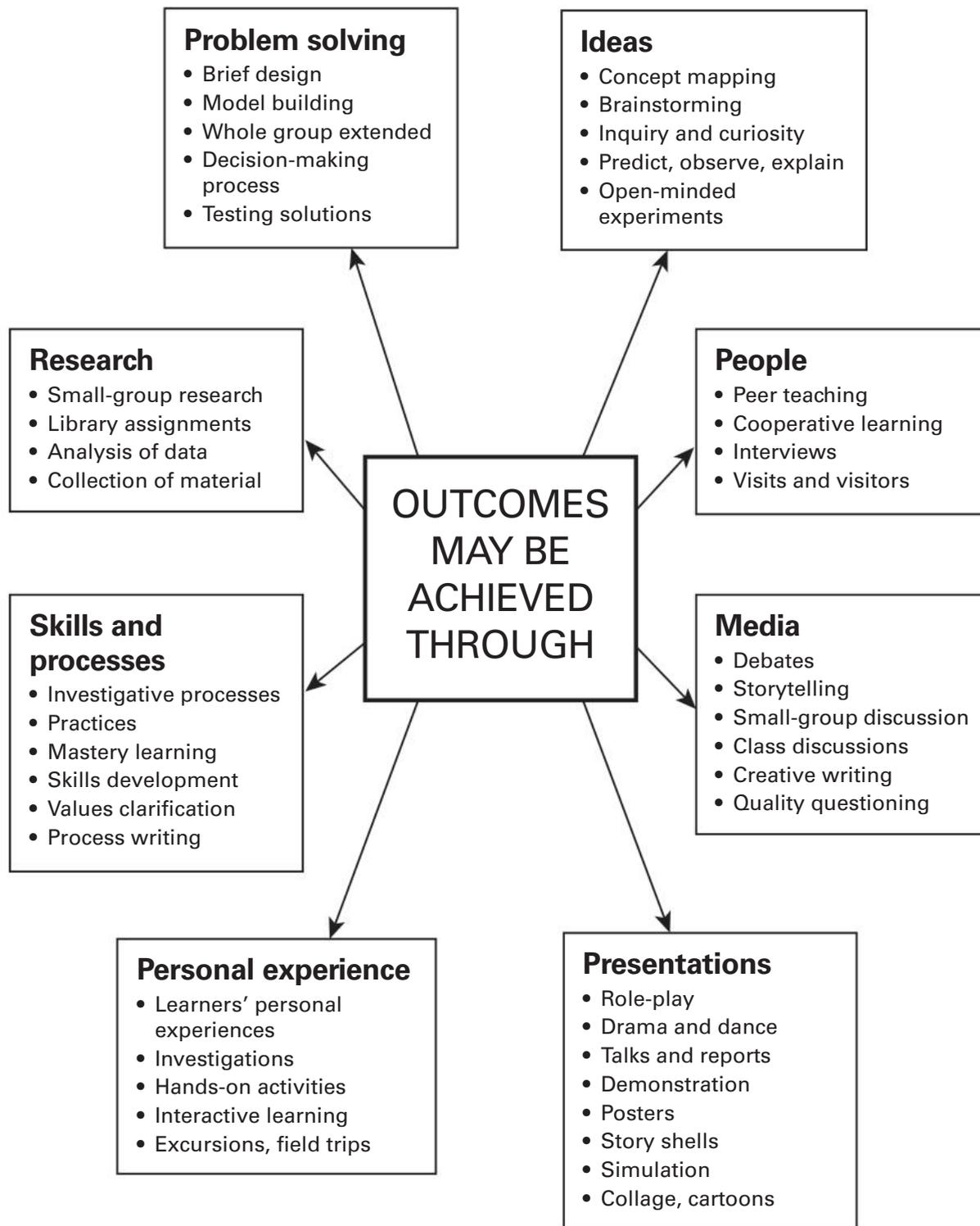
Step 2 Collect test papers for marking.

Answers

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

Appendix 1: Suggested teaching methods

A range of strategies for helping learners to achieve the overall learning outcomes are shown here.



Appendix 2: Lesson plan format

Name of school:	Class teacher:
Lesson title:	Date:
Learning outcomes <ul style="list-style-type: none"> • 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? • What other things do I want learners to learn? 	
Lesson content <ul style="list-style-type: none"> • What are the key facts, concepts or procedures that I want learners to understand as a result of this lesson? 	
Introduction <ul style="list-style-type: none"> • How will I get learners motivated, curious and ready to learn? (Allocate 3–5 minutes.) 	
Teacher activities <ul style="list-style-type: none"> • What am I going to do during the lesson in order for learners to achieve the learning outcomes? (Allocate 8–10 minutes.) 	Learner activities <ul style="list-style-type: none"> • What are the learners going to do during the lesson in order for them to achieve the learning outcomes? (Allocate 20–25 minutes.)
Conclusion <ul style="list-style-type: none"> • How will I bring the lesson to a logical and meaningful conclusion? (Allocate 5–7 minutes.) 	
Learner assessment <ul style="list-style-type: none"> • How will I know that learners have achieved what I wanted them to achieve? 	
Lesson evaluation <ul style="list-style-type: none"> • How will I evaluate the success of the lesson? 	
Lesson endorsement: (To be signed by Head of Department/Head teacher/Principal)	
Head of Department	Head teacher/principal

Appendix 8: Sample learner's classroom report form

Learner's name:	Class:	Semester:	Year level:
Results for formative assessment: The progressive achievement level for formative assessment is _____			
Strand:	Sub-strand:	Achievement level and award Achieved (A), Partially Achieved (PA) or Not Achieved (NA)	
Code	Specific Learning Outcome and benchmark (use appropriate code)	A	PA NA
Descriptive remarks: (must include results after remedial work has been completed by the learner)			
Strand:	Sub-strand:	Achievement award Achieved (A), Partially Achieved (PA) or Not Achieved (NA)	
Code	Specific Learning Outcome and benchmark (use appropriate code)	A	PA NA
Descriptive remarks: (must include results after remedial work has been completed by the learner)			
Results for summative assessment: The progressive achievement level for summative assessment is _____			

Appendix 9: Sample learner's school report form

TAKWA COMMUNITY HIGH SCHOOL				
Name: _____ Year level: _____				
Reporting period: _____				
Subjects	Score (100%)	Overall achievement level, award and certification	Grade	Comments
English	95%	5, AWE, Gold	A	Well done
Mathematics				
Science				
Social Studies	90%	4, AWM, Silver	B	Good work
Health Education				
Christian Education	60%	3, AWMS, Bronze	C	Satisfactory work
Business Studies				
Physical Education	21%	2, ABMS	D	Needs to attend practical sessions in PE
ICT	0%	0, NA	E	Needs to put more effort in ICT
Class teacher comments on learner's attitude, behaviour and character:				
Head teacher/Principal comments:				
Key 95%–100%: Achieved With Excellence (AWE), Gold 80%–94%: Achieved With Merit (AWM), Silver 50%–79%: Achieved (A), Bronze 20%–49%: Not Achieved (NA) 1%–19%: Not Achieved (NA) 0%: Not Achieved (NA)				

Solomon Islands Business Studies

Year 8

Teacher's Guide

This book contains teacher support material for the ***Solomon Islands Business Studies Year 8 Learner's Book***.

This Teacher's Guide is designed to support the teaching of all twelve 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 to 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.

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