

# **BUSINESS STUDIES**

**Grade 12**

**Teacher's Instructional Manual  
(Implemented from year 2009  
for Grade 12)**



**Department of Business Studies  
Faculty of Science & Technology  
National Institute of Education**

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# **BUSINESS STUDIES**

Teacher's Instructional Manual

Grade 12– 2009

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Department of Business Studies  
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## Introduction

Curriculum developers of the NIE introduced Competency Based Learning and Teaching curricula for grades 6 and 10 in 2007 and also extended it to 7, 8 and 11 progressively every year and even to GCE (A/L) classes in 2009. In the same manner, syllabi and Teacher's Instruction Manuals for grades 12 and 13 for different subjects with competencies and competency levels that should be developed in students are presented descriptively. Information given on each subject will immensely help teachers to prepare for the Learning – Teaching situations.

I would like to mention that curriculum developers have followed a different approach when preparing Teacher's Instruction Manuals for Advanced Level subjects when compared to the approaches they followed in preparing Junior Secondary and Senior Secondary curricula (Grades 10, 11).

In grades 6, 7, 8, 9, 10 and 11 teachers were oriented to a given format as to how they should handle the subject matter in the Learning – Teaching process, but in designing AL syllabi and Teacher's Instruction Manuals, freedom is given to the teachers to work as they wished.

At this level we expect teachers to use a suitable learning method from the suggested learning methods given in the Teacher's Instruction Manuals to develop competencies and competency levels relevant to each lesson or lesson unit.

Whatever the learning approach the teacher uses, it should be done effectively and satisfactorily to realize the expected competencies and competency levels.

I would like to note that the decision to give this freedom is taken, considering the importance of GCE (A/L) examinations and the sensitivity of other stakeholders in the education system, to the Advanced Level examination. I hope that this Teacher's Instruction Manual would be of great help to teachers.

I hope the information, methods and instructions given in this Teacher's Instructional Manual will provide proper guidance to teachers to awaken the minds of our students.

**Dr. Upali Sedere**  
Director General  
National Institute of Education

## Foreword

Action taken over long years of the past to retain the known and learn the predetermined has made us little able today to construct even what is. The first curriculum reform of the new millennium on secondary education that comes to being with a drastic change in the learning-teaching process at school level attempts to overcome this inability while producing a set of worthy citizens for the country capable of revising the known, exploring the undetermined and constructing what might be.

If you are a teacher teaching this subject or any other subject in grades 6 to 11, it will not be difficult for you to align yourself with the new learning-teaching approaches that are recommended in a considerable way for the GCE (A/L) as well. This reform calls on the teacher to identify competency levels under each competency and plan activities to achieve them. The teachers entering the new role of transformation should understand that the procedures which emphasize the teacher in the learning-teaching process are of limited use for the present and that it is more meaningful for the children to learn co-operatively sharing their experiences. This situation, however, requires the teachers to provide a new direction for their teaching by selecting new learning-teaching methods that emphasize the student over the teacher.

If you study the Teachers' Instructional Guides (TIGs) prepared by the National Institute of Education for Mathematics, Science, Health and Physical Education, Technology and Commerce subjects of grades 6 to 11, you certainly will be able to acquire a good understanding of the student-centred, competency based and activity-oriented approaches we have recommended for learning and teaching. The activities presented in these Guides attempt to bring learning, teaching assessment and evaluation on to the same platform and to help you to adopt co-operative learning techniques on the basis of the 5E Model.

Considering the need to establish an innovative teaching force we have selected just a few activities from the relevant activity continuum incorporated in the TIGs. Yet we have given you vast freedom to plan your own activities to suit the subject and the class requirements by studying the exemplar activities in the Guides and improving your understanding of the principles underlying the reform. The activities incorporated in the TIG, provide you with four types of information. At the beginning of each activity you are given the final outcome that the children are expected to achieve through each activity. This learning outcome named a 'Competency' is broad and long-term. The competency level stated next highlights one out of the number of abilities that the children have to develop to realize the competency.

The above explanation shows us that the competency levels are more specific and of a shorter duration when compared to the competency itself. The next section of the Guide presents a list of behaviours that the teacher has to observe at the end of each activity. To facilitate the task of both the teacher and the students, an attempt has been made to limit the number of such behaviours to five. These behaviours, referred to as learning outcomes, are more specific than the competency level. They include three abilities derived from the subject and two others derived from the learning teaching process. Out of the three subject abilities listed in order of difficulty, the teacher has to direct the children to realize at least the first two through exploration. The next section of the activity presents what the teacher should do to engage the children for exploration. Although the implementation of each and every activity starts with this step of engagement, the teachers should not forget that activity planning should begin with the exploration which is the second 'E' of the 5E Model.

Based on the Instructions for group exploration from the next section of the exemplar activities the teacher plans these procedures in such a way to allow different groups studying different facets of the same problem to reach the expected ends through a variety of learning-teaching methods. For this the teacher can select either Inquiry-based Learning carried out through a series of questions or Experiential Learning where children learn by doing. It is the responsibility of the GCE (A/L) teacher to use the knowledge that the children acquire by any of the above methods to solve problems that are specific to the subject or one that runs across a number of subjects of the curriculum as meaningful to plan such problem-based learning-teaching methods on the basis of real-life situations. For this you can select dilemmas, hypothetical situations, analogies or primary sources. Some techniques that can be used for the "explorations" are reading, information management, reflection, observation, discussion, formulation and testing of hypotheses, testing predictions, preparation of questions and answers, simulation, problem solving and aesthetic activities such as drawing or composing. There is room here even for memorization although it is considered as a form of mechanical learning.

Students explore in small groups. Instead of depending on the knowledge available to the teacher, they attempt to construct their own knowledge and meaning with the support of the teacher. Moreover, they interact with others in the group to learn from others and also to improve the quality of their findings from exploration. All this work successfully only if the teacher is capable of providing the students with the reading material and the other inputs they are in need of. The teacher also has to support student learning throughout the learning process by moving from one group to another. Although it is discovery that is prominent in this type of learning one has to recognize this as a guided discovery rather than a free discovery. There is no doubt that students learning likewise with instructional scaffolding both by the teacher and the peers acquire a whole lot of worthwhile experiences that they find useful later in life.

"Explanation" follows the second stage of "exploration". The small groups get ready to make innovative, team presentations on their findings. The special feature here is that the children have selected novel methods for their presentations. The responsibility for the presentation is also shared by all members of the group. In the next step of elaboration the children get the opportunity to clarify the unclear, correct the incorrect and fill any gaps that are left. They also can go beyond the known to present new ideas. All activities end with a brief lecture made by the teacher. This stage allows the teacher to go back to the transmission role. The teacher also has to deliver this lecture covering all the important points that the syllabus has prescribed for the relevant competency level. Step 3 of each Activity Plan guides the teachers in this compulsory final elaboration.

To overcome many problems that are associated with the general system of education today, the National Institute of Education has taken steps to move the teachers to the new transformation role recommended for them. This role that starts with a transaction gets extended to a lengthy exploration, a series of student explorations and elaborations and a summative transmission by the teacher. The students involve themselves in the exploration using reading material and other quality inputs provided to them by the teacher.

The students attend school daily to learn joyfully. They achieve a number of competencies that they need to be successful in life and in the world of work. They prepare themselves for nation building by developing thinking skills, social skills and personal skills. For the success of all this, an examination system that inquires into the ability of students to face real challenges of life is very much needed in place of an examination system that focuses on the knowledge acquired by children through the memorization of answers to model questions.

A number of activities have already commenced at national level to protect the real nature of school-based assessments. The written tests have been minimized to gain recognition for school-based assessments. A compulsory question has been incorporated in the term tests along with a scheme of authentic evaluation to ensure real outcomes of learning. It is the co-ordinated responsibility of all citizens of the country to open up doors for a new Sri Lanka by striving for the success of this new programme on the basis of sound instructional leadership and quality assurance by the management.

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**LEARNING OUTCOMES  
AND  
MODEL ACTIVITIES**

**Competency 1.0** : Examines the foundation of businesses to make practical contribution to businesses.

**Competency level 1.1** : Analyses the business concept.

**Number of periods** : 06

**Learning outcome** :

- Explains the concept of business by studying the accepted definitions.
- Analyses the basic concepts based on businesses.
- Shows that human needs and wants are fulfilled by products.
- Compares needs and wants using examples.
- Evaluates the contribution of businesses for the survival of the economy.
- Explains business objectives.

**A guidelines to expand subject matter** :

- Generally, business can be defined as all activities related to selling, distribution and production of goods and services with a profit motive in order to satisfy human needs and wants.
- There are businesses that do not have a profit motive.
- Therefore, a business can be defined as any economic activity which fulfils human needs and wants.
- Needs are the physical and mental requirements that are essential for survival.
- Food, clothing, shelter, education, health, communication, transport and defence are some of the needs.
- Wants are the various ways by which we like to fulfil our needs.
- Rice, bread, string hoppers, tea are examples of various ways of fulfilling the needs of food.
- Some characteristics of needs are, essential for survival, common and are limited.
- Some characteristics of wants are, unlimited, variable, subjective and are created by businessmen.
- Products are anything offered to the market to fulfil human needs and wants.
- Mainly, products can be divided in terms of goods and services.
- Ideas, events, people, organizations, activities, information, experiences and places also can be treated as products.
- Demand is created through purchasing power, desire to buy and readiness to buy.
- Production is the process of generating goods and services to fulfil human needs and wants.
- Any form in which the buyer and the seller meet or contact each other is a market.
- Market can be created electronically as well as physically.

- Market can be divided as consumer market, industrial market and service market.
- Businesses are essential for the survival and development of mankind.

*Examples,*

- Fulfilling the changing and complex needs.
  - Innovation.
  - Generating employment opportunities.
  - Contribution to national economic development.
- 
- Businesses may have various aims. Some of the aims are,
    - Survival
    - Profit maximization.
    - Sales maximization.
    - Increase of market share.

**Competency Level 1.2 :** Forecasts trends in business while examining the evolution of business.

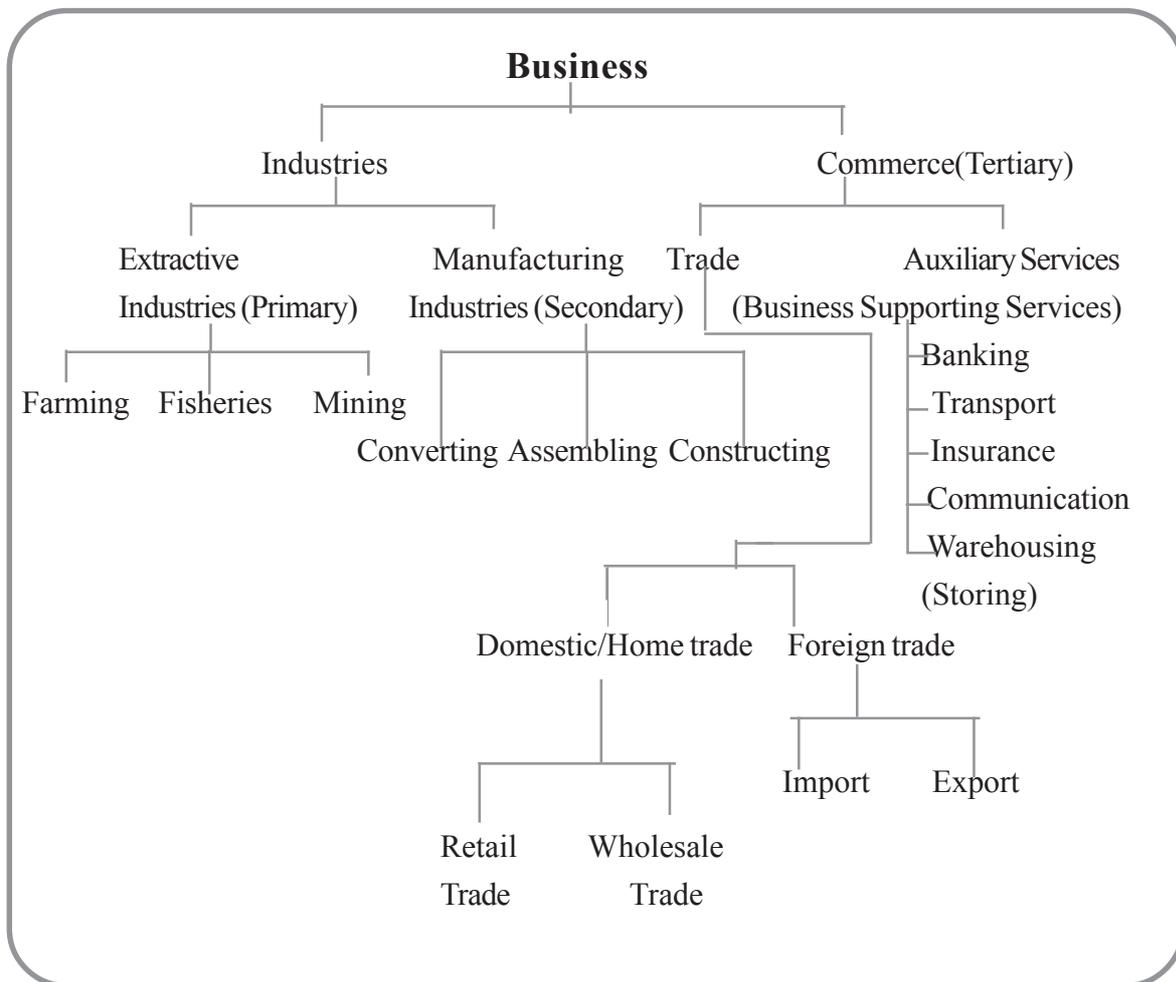
**Number of periods : 06**

**Learning outcomes :**

- Highlights the important incidents in business evolution.
- Explains the evolution of money with examples.
- Compares the past and present situations of trade.
- Classifies businesses basically as industries and commerce.
- Forecasts business trends.

**A guidelines to expand subject matter :**

- There was a self-sufficient economic system in the past.
- The method of direct production had been practiced in the self-sufficient economic system.
- Personal specialization developed through direct production
- The result of personal specialization is surplus of production.
- The result of surplus is the barter system.
- Trade emerged with the barter system.
- Producing to the market is indirect production.
- Various materials were used as the medium of exchange to overcome the drawbacks of the barter system.
- Coins and notes were found as a better medium of exchange
- Apart from coins and notes, bank money and electronic money are used today.
- Mass production is the result of the industrial revolution.
- Trade expanded due to mass production.
- Auxiliary services (Business support services) help the growth of trade.
  - Banking.
  - Transport.
  - Insurance.
  - Warehousing / Storing.
  - Communication.
- Commerce is the combination of trade and business support services.
- Businesses are the combination of commerce and industries.
- Business can be divided mainly as industries and commerce that it can be shown in a flow chart as below.



- Following are the new trends in business.
  - Globalization.
  - Electronic business.
  - Electronic money
  - Environmental concern.
  - Concern for social responsibility of business
- Businesses are expanded as electronic businesses with the modern information economy.

**Competency Level 1.3 :** Classifies businesses in terms of different criteria.

**Number of periods :** 05

**Learning outcome :**

- Lists the various criteria on which businesses can be classified.
- Classifies businesses in the school area, on various criteria.
- A business can be classified into various types according to various criteria.

**Learning - Teaching Process :**

**Approach**

- Create a role play like the following and get two volunteers to enact it.
  - Perera :** Hello Mr. Silva, after a long time. Why are you so slim?
  - Silva :** Oh I' have sugar.
  - Perera :** I also have sugar. But I' am not so slim like you.
  - Silva :** Who is treating you?
  - Perera :** I get treatment from the government hospital.
  - Silva :** I have no time to go to hospital, so I go to a private doctor.
  - Perera :** From where do you buy medicine?
  - Silva :** I buy all my medicine from Gunapala's pharmacy.
  - Perera :** I buy from the Government Osusala, those drugs are not available in the hospital
  - Silva :** There is no Osusala close to our home.
  - Perera :** Oh the bus is coming, see you!
  - Silva :** OK, Ok, Let's meet again.
- Ask from the students about the business organizations mentioned in the role play.
- Have a discussion pointing out the type of business organizations they belong to.
  - Government hospital and state pharmaceutical corporation are public sector businesses.
  - The Private dispensary and Gunapala's pharmacy are private sector businesses.
  - The Government hospital and Osusala are large scale businesses.
  - The Private dispensary and Gunapala's pharmacy are small scale businesses.
  - The Government hospital is not a profit motive business. It's aim is to provide public welfare.
  - The Private dispensary and Gunapala's pharmacy are profit motive businesses.
  - The Hospital, dispensary and the bus service belong to service businesses.
  - The Osusala and pharmacy are businesses selling goods.
- Give the following proposed instructions for learning after grouping the students in a suitable way and make them engage in the activity.

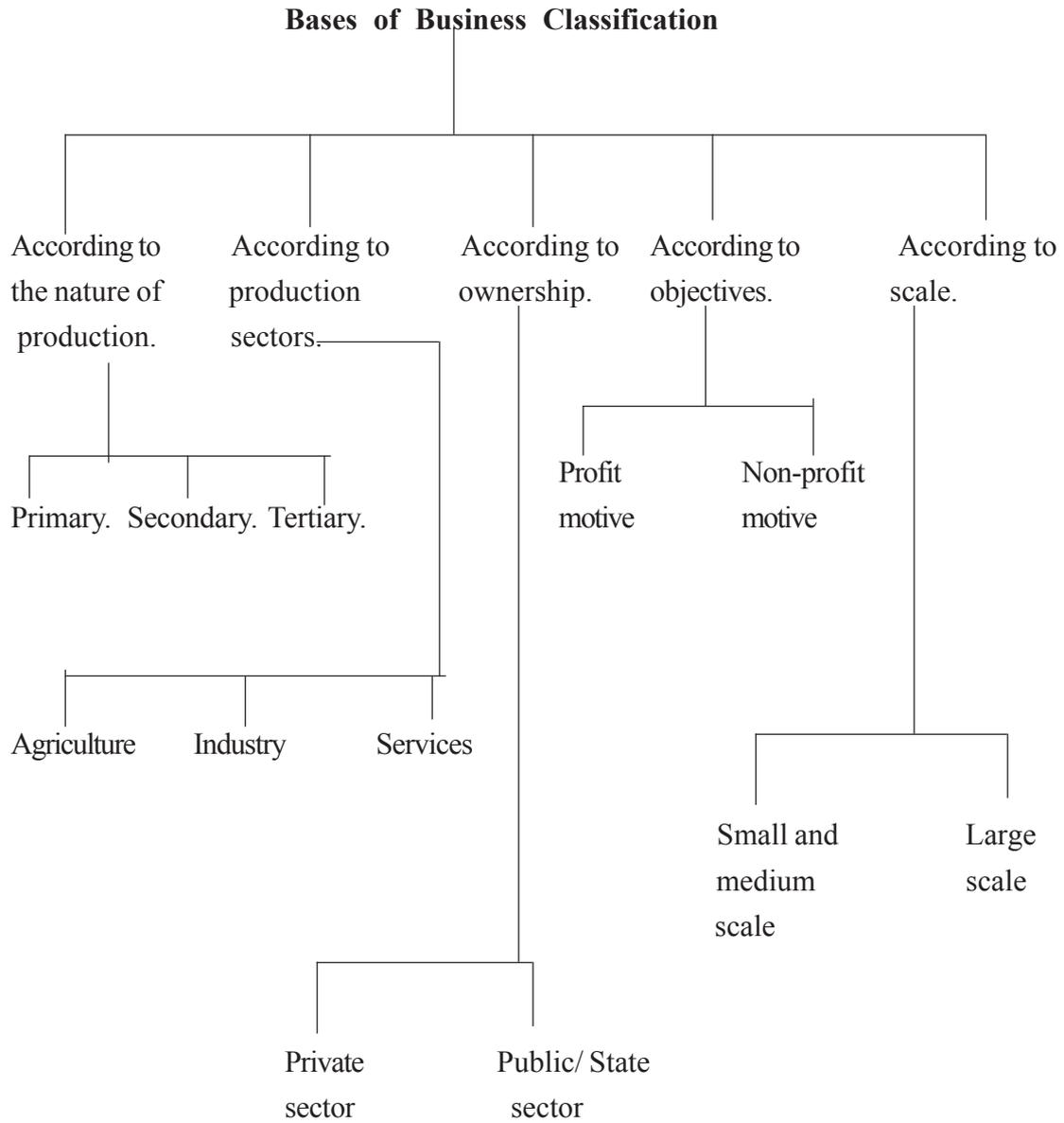
**Proposed instructions for learning.**

- The following four criteria can be used to classify businesses. Pay attention to the criterion received by your group.
  - According to scale.
  - According to production sector.
  - According to objective.
  - According to ownership.
  
- Study the flow chart of business classification provided to you.
- Conduct a discussion to explain the criterion which you have received.
- List the business institutions in your area which are familiar to you.
- Classify these businesses in terms of the criterion you received.
- Be ready to present your findings creatively to the whole class.

**A guidelines to expand the subject matter:**

- Businesses can be classified on the following criteria.
  - According to the nature of the production level.
    - Primary.
    - Secondary.
    - Tertiary.
  - According to the production sector/ Source of industry.
    - Agriculture.
    - Industry.
    - Services.
  - According to ownership.
    - Private sector.
    - Public sector/ Government sector.
  - According to objective.
    - Profit motive.
    - Non-profit motive.
  - According to scale.
    - Small and medium scale.
    - Large scale.
- Businesses in your area can be classified according to each criteria.

## Business classification.



**Competency Level 1.4** : Evaluates the contribution of each sector of production to the Gross Domestic Product of Sri Lanka.

**Number of periods** : 05.

**Learning outcomes** :

- Inquires about the contribution of each sector of the GDP to the development of the country's economy.
- Compares the trends of various sectors of the GDP in the past few years.
- Classifies the businesses in the region under various sectors of the GDP.

**A guideline for the expansion of subject matter:**

- Annual performance of the economy is shown by the GDP.
- GDP is classified as agriculture, Industry and services.
- Sectorial composition of the GDP is published in the annual report of the Central Bank of Sri Lanka.
- The sectorial composition of the GDP according to the Central Bank annual report 2008 is as follows.

**Agriculture**

**1. Agriculture, Livestock and Forestry**

- 1.1 Tea
- 1.2 Rubber
- 1.3 Coconut
- 1.4 Minor Export Crops
- 1.5 Paddy
- 1.6 Livestock
- 1.7 Other Food Crops
- 1.8 Plantation Development
- 1.9 Timber and Forestry
- 1.10 Other Agricultural Crops

**2 Fishing**

**Industry**

**3. Mining and Quarrying**

**4. Manufacturing**

- 4.1 Processing (Tea, Rubber and Coconut)
- 4.2 Manufacturing
- 4.3 Cottage Industry

## **5. Electricity, Gas and Water**

5.1 Electricity

5.2 Gas

5.3 Water

## **6. Construction**

### **Services**

#### **7. Wholesale and Retail Trade**

7.1 Import Trade

7.2 Export Trade

7.3 Domestic Trade

#### **8. Hotels and Restaurants**

#### **9. Transport and Communication**

9.1 Transport

9.2 Cargo Handling-Ports and Civil Aviation

9.3 Post and Telecommunication

#### **10. Banking, Insurance and Real Estate etc.**

#### **11. Ownership of Dwellings**

#### **12. Government Services**

#### **13. Private Services**

- The sectorial contribution to the GDP can be presented as a percentage.  
(Refer to the Central Bank report of the closest year).

**Competency Level 1.5** : Analyses the businesses as an input and output process

**Number of periods** : 06.

**Learning outcomes** :

- Lists the outputs of various businesses in the region.
- Gives examples of business outputs.
- Shows the process of the business as an input-output process through a diagram.
- Differentiates between the inputs of a certain output of the business process.

**A guideline for the expansion of subject matter:**

- A certain product is generated through the input-output process.
- The inputs such as land, labour, capital, enterprise, information and time are used for business activities.
- Production, Marketing, Finance, Human Resource Management, Administration and Research and Development are the functions of a business.
- Production is the conversion of resource into goods and services.
- Marketing are the activities related to identifying the needs and wants of the customers and fulfilling them.
- Finance is obtaining and investment of funds and the activities related to it.
- Activities such as recruiting, selecting, training, evaluating and welfare are the activities of human resource management.
- Research and Development are activities such as improving the quality of the product and finding new production methods.
- Administration are the activities such as maintaining business documents and maintaining of communication activities.
- Products can be classified as good and services.
- The process of business can be shown as an input-output process as in the following diagram.



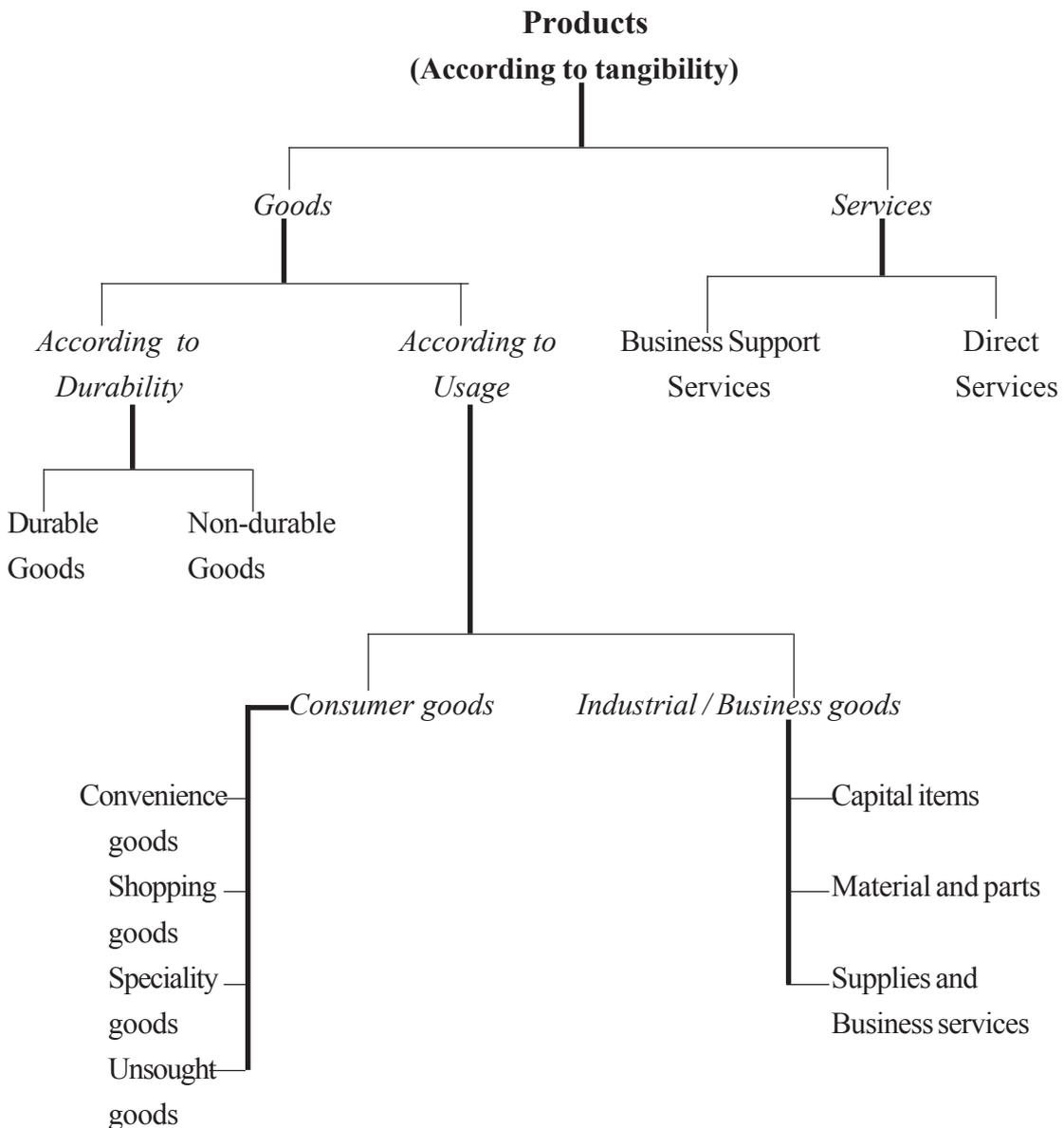
**Competency Level 1.6** : Classifies the different products that fulfil needs and wants.  
**Number of periods** : 06.

**Learning outcomes** :

- Presents factors to differentiate between services and goods.
- Classifies goods.
- Classifies services.
- Presents the classification of goods and services through a flow chart.

**A guideline for the expansion of subject matter:**

- Products (goods and services) can be presented as shown in the following flow chart.



**Competency Level 1.7** : Examines reasons for the interest of stakeholders in business.

**Number of periods** : 06.

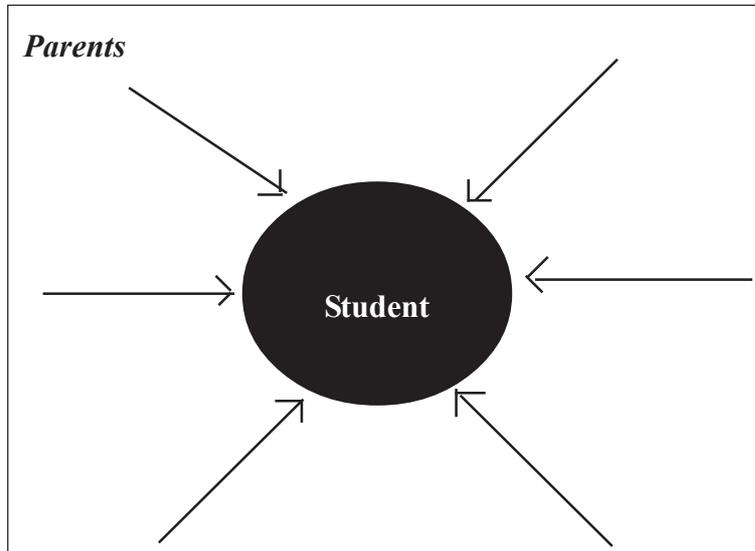
**Learning outcomes** :

- Lists the stakeholders relevant to a selected business.
- Finds out the reasons for the interest of various parties in the businesses.
- Reveals that the reasons for the interest of each party varies from each other.
- Shows how a business should perform to achieve the aims of interested parties for the survival of a successful business.

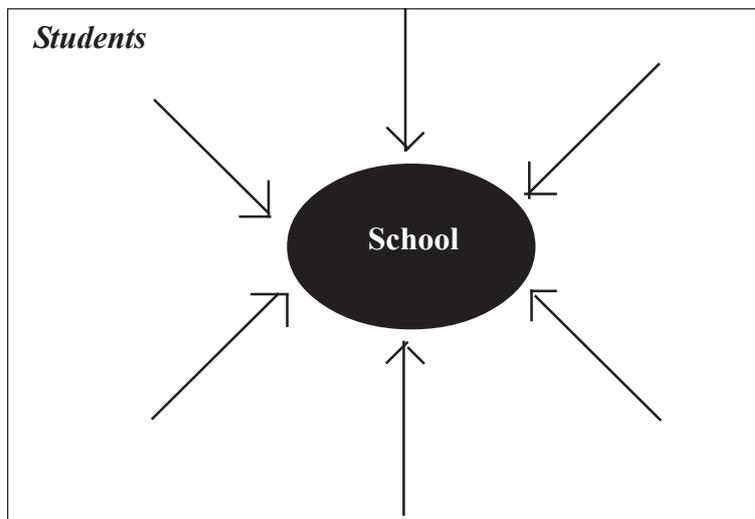
**Learning-Teaching process.**

**Approach**

- Complete the following picture identifying the parties interested in students.



- Complete the following picture asking the parties interested in the school.



- Conduct a discussion pointing out the following facts to identify the stakeholders in businesses
  - Parties such as parents, teachers, friends, brothers and sisters, government are some of the parties interested in a student.
  - Parents, teachers, pastpupils, government, community are some of the interested parties of a school.
  - Among the above parties the government and the community are the interested parties of businesses.
  - There are many interested parties in businesses.
- Group the students and make them engage in the following proposed instructions for learning

**Proposed instructions for learning.**

- Pay attention to the business you have received from the following businesses.
  - Garment factory
  - Private dispensary
  - Cafeteria
  - Books and stationery shop
- Identify a business available in your area under your topic.
  - Identify the stakeholders of that business through a group discussion.
  - Discuss their expectations from the business.
  - Show how the business should perform to achieve them.
  - Why the business should be concerned about the stakeholders.
  - Be ready to present your findings creatively to the whole class

**A guideline for the expansion of subject matter:**

- Owners                      • Government
  - Managers                    • Community
  - Employees                  • Competitors
  - Suppliers                    • Creditors
  - Customers                   • Potential investors
- Reasons for them to be interested in the business.
    - Owners    - Profit, growth, market share
    - Managers - Profit, growth, success of decisions, promotion of position.
    - Employees - Salary, bonus, job satisfaction, job security, promotions
    - Suppliers - Continuous orders, repayments of loans.

- Customers - Quality goods and services, existence of the business, discharging of responsibilities.
- Government - Taxes, employment opportunities, economic development
- Community - Environment protection, Employment opportunities
- Competitors - To decide on marketing strategies, To be aware of information
- Creditors - Security, ability to recover loans, safety of securities.
- Potential investors - To invest their resources in the future.
  
- Some reasons for the business to be interested in them are given below.
  - Owners - To ensure existence
  - Employees - To increase the productivity of employees, to increase the satisfaction of employee's.
  
  - Creditors - To obtain the required funds continuously
  - Government - To get special reliefs, To get Infrastructure facilities.
  - Customers - To secure market share of certain goods or services.

**Competency 2.0** : Confirms that the business environment influences business

**Competency level 2.1** : Classifies the business environment to facilitate its analysis

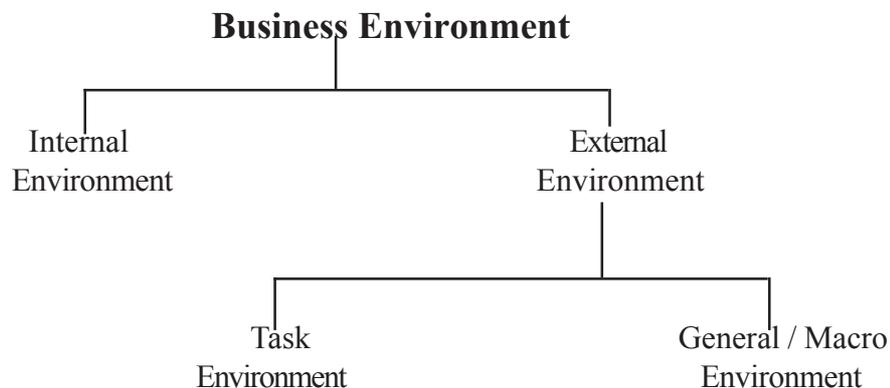
**Number of periods** : 04.

**Learning outcomes** :

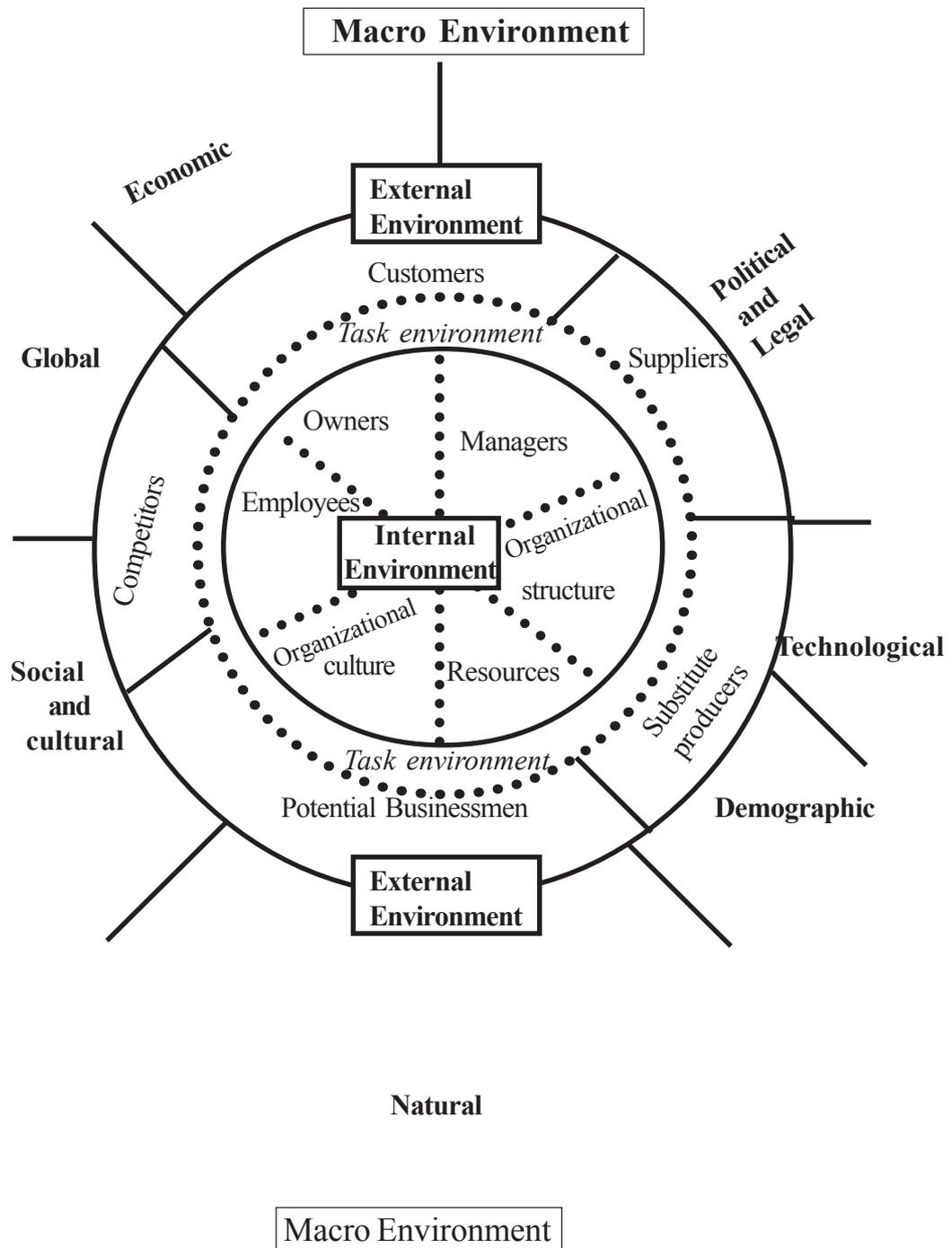
- Defines the business environment.
- Lists the advantages to businessmen of studying the business environment
- Lists the environmental forces which influence businesses.
- Lists the internal and external environmental forces of a given firm separately

**A guideline for the expansion of subject matter:**

- Business environment can be defined as the environment which influence business activities.
- A businessman can get many advantages by studying the business environment, Viz,
  - To identify the strengths
  - To identify the weaknesses
  - To identify the opportunities
  - To identify the threats
- The business environment can be classified as below.



- Classification of the business environment can be presented in a diagram as below.



- Internal environment is the forces and conditions within an organization.
- External environment is everything outside an organization that might affect it.
- Task environment is specific organizations or groups that affect the organization.
- Macro / General environment is the set of broad dimensions and forces in an organizations' surroundings that influence its overall activities.

**Competency level 2.2** : Analyses the influence of internal environmental forces on businesses.

**Number of periods** : 05.

**Learning outcome** :

- Lists internal forces which influence a selected business.
- Lists the strengths of a firm by studying the internal environmental forces.
- Lists the weaknesses of a firm by studying the internal environmental forces.
- Analyses comparatively, the impact of strengths and weaknesses on business activities.
- Explains the ability to make a business successful by using strengths and ability to take necessary steps to overcome the weaknesses.

**Learning-Teaching process**

**Approach**

- Inquire from the students about the internal forces which influence the school activities.
- Inquire about the impact of these influences on school activities.
- Conduct a discussion pointing out the following facts.
  - Principal, teachers, parents, past pupils and resources of the school influence the school activities.
  - These forces are the strengths of the school.

**Examples.**

- Personality of the principal.
- Training and the experience of the teachers.
- Donations and assistance of past pupils.
- Availability of necessary physical resources.
- There may be weaknesses also in these forces.

**Examples.**

- Lack of dedication in the teachers.
- Lack of assistance of past pupils.
- Deficiency in necessary physical resources.
- There are strengths and weaknesses in internal environmental forces of the business.
- Group the students and make them engage in the activity after giving them the following instructions for learning.

**Proposed instructions for learning.**

- Three pairs of internal environmental forces which influence the business are given below. Pay attention to the pair which you have received.

- Owners - Organizational culture.
  - Managers - Organizational structure.
  - Employees - Resources.
- 
- Pay attention to a familiar firm to identify the forces relevant to the topic.
  - Identify the help that can be expected from these forces for the success of the business.
  - Identify the strengths of these forces for the success of the business.
  - List the weaknesses of the above forces which have a negative impact on the success of the business.
  - Give your proposals for the use of strengths and to overcome the weaknesses .
  - Get ready to present your findings to the whole class creatively.

**A guideline for the expansion of subject matter:**

- Internal environmental forces of the business are given below.
  - Owners
  - Managers
  - Employees
  - Organizational culture
  - Organizational structure
  - Resources
  
- Availability of more owners, knowledge and the experiences of the owners and financial strengths are the strengths of the owners.
- Small number of owners, financial deficiency, lack of knowledge and experience are the weaknesses of the owners.
- Availability of trained and experienced managers who take correct decisions, are some of the strengths of managers.
- Untrained and inefficient managers who take incorrect decisions are the weaknesses of managers.
- Efficient and trained employees, motivated employees are also strengths of a business.
- Untrained employees, inefficient employees are the weaknesses of a business.
- Organizational culture can be defined as the transfer of beliefs, values, attitudes, norms, habits, laws and behavioral patterns to the next generation and their sharing among the individuals of the business.
- These may be strengths and weaknesses in the organizational culture.
- Organizational structure can be defined as the allocation of authority and resources to achieve organizational aims easily.

- Strengths or weaknesses can be brought to the business by the organizational structure.
- Any inputs which are used to produce goods and services can be explained as resources.
- Land, labour, capital, entrepreneurship, time, information, knowledge are business resources.
- There may be strengths and weaknesses in these resources.
- Businesses should try to use strengths and overcome the weaknesses of all the internal environmental forces.

**Competency level 2.3** : Analyses the influence of task environmental forces on businesses.

**Number of periods** : 05.

**Learning outcomes** :

- Lists the influence of the forces of the task environment on a selected business.
- Identifies the business opportunities of the forces of the task environment.
- Reveals the available threats to businesses from the forces related to the task environment.
- Explains, with examples, the impact of task environmental forces on businesses.
- Presents suggestions to face the threats and to take advantage of them by identifying the business opportunities.

**A guideline for the expansion of subject matter:**

- Forces of the task environment of a business are given below.
  - Customers
  - Suppliers
  - Competitors
  - Producers of substitutes
  - Potential businessmen
- Customers are the buyers of goods and services of a business.
- Knowledge and the income of the customers creates the opportunities as well as threats to businesses.
- Suppliers are the individuals and institutions who supply the necessary resources to the business.
- Facts whether the supply of quality materials is on time or not, whether discounts are received or not, may create opportunities and threats to businesses.
- The producers of similar goods and services are the competitors of a business.
- Arrival of new competitors on the market, withdrawal of competitors from the market, supply of various facilities by competitors with their goods and services may create opportunities but also become threats to the businesses.
- Producers of complementary goods produce alternatives for goods and services offered by the business.
- Availability of substitutes in the market is a threat to a business and this is a chance for other business opportunities.
- Potential investors or the businessmen who expect to enter the market also create opportunities and threats.

**Competency level 2.4** : Analyses the influence of macro environmental forces on business

**Number of periods** : 06.

**Learning outcomes** :

- Lists the influences of the forces of the macro environment, on a selected business.
- Shows the nature of each force of the macro environment.
- Shows the importance of each force of the macro environment.
- Analyses the impact of the forces of the macro environment on the businesses.
- Explains, with examples, the existence of inter-relationship among the forces of the macro environment.

### **Learning-Teaching process.**

#### **Approach**

- Present to the class “A newspaper notice on the increase in the price of petroleum products” as an example.
- Point out, through a discussion, that the increase in price of petroleum products has a global impact on any business.
- Discuss petroleum as depreciating natural resource and how this resource influences not only transport services but also all the business fields.
- Group the students in a suitable way, and ask them to engage in the activity after giving the proposed instructions for learning.

#### **Proposed instructions for learning.**

- Pay attention to the news group you have received from the following news headlines.

##### **News headlines - Group 01**

- It is compulsory to display the prices of goods in all shops.
- General elections will be held in next year.

##### **News headlines - Group 02**

- One of four people is an elder person
- Everything require to hold the “Dalada Perahara” is ready.

##### **News headlines - Group 03**

- Gas prices go up again next month.
- A modern machine has been produced to harvest and process paddy harvests

##### **News headlines - Group 04**

- Petroleum from Sri Lanka’s earth.
- Suggestions have been forwarded to use a single currency in SAARC countries.

- Identify the macro environmental forces in the news headlines you have received
- Explain the possible impacts of the issue which you have received on businesses.
- Give examples for other influential issues which can happen in the macro environment identified by you.
- Show the impact of macro environmental issues on the forces of the task environment of business.
- Be ready to present your findings creativity to the whole class.

**A guideline for the expansion of subject matter:**

- Forces in the macro environment which influence businesses can be listed as below.
  - Political and legal environment
  - Economic environment
  - Social and cultural environment
  - Technological environment
  - Demographic environment
  - Natural environment
  - Global environment

- Each force of the macro environment influences the existence of the businesses.

- **Political and legal environment**

Government Acts, rules and regulations, government institutions, political policies of the existing government, influence the businesses.

- **Economic environment**

Purchasing power influences the existence of businesses and it depends on economic factors. The cost of business activities also depends on economic factors.

Apart from business and consumer expenses, interest rate, distribution of income, rate of inflation, availability of employment, price changes in the world market are the economic factors which influence businesses.

- **Social and cultural environment**

Issues such as personal beliefs, values, expectations, and social ethics get polished through the social and cultural environment. Some changes take place in the thoughts ideas and custom of people, due to the close relationship among the countries.

These situations also influence businesses .

- **Technological environment**

The life styles of people have changed due to the technological changes in fields such as agriculture, industry, medical, communication and transport. This situation has caused changes in business activities also.

- **Demographic environment**

The major factors connected to businesses is population. This means that the market is composed of people. Factors such as the size of the population, growth rate of the population, age structure, gender, race mix, education levels, family composition and household patterns influence businesses in various ways.

- **Natural environment**

Today, the global attention is focused on the destruction of natural resources. Air, water and soil have been polluted in many countries of the world due to business activities. Rules and regulations have been enacted to make the situation better in the natural environment.

- **Global environment**

There are more opportunities for the exchange of goods and services as a result of globalization. The culture of the people also has changed. There are various goods and services have been added to the world market and a massive competition can be seen.

- There is inter relationship among macro environmental forces.

***Examples:***

- Gem veins belong to the natural environment. But when converting it to a business enterprise a permit is needed.
- A commercial banks should get a permit from the Central Bank when it installs a teller machine.
- Social and cultural factors are related to the community.
- Changes of the global environment are inter-related with the economic environment.
- The economic environment is inter-related with the natural and global environment.

- Although the forces of the macro environment are explained separately they are interrelated to each other

**Competency 3.0** : Considers social responsibilities and ethics of business to adapt to a dynamic business environment

**Competency level 3.1** : Evaluates the importance of the social responsibilities of business.

**Number of Periods** : 07

**Learning outcomes :**

- Explains social responsibility through accepted definitions.
- Explains the importance of accomplishing social responsibilities.
- Lists the parties by whom social responsibilities should be fulfilled.
- Presents separately, with examples, the social responsibilities which should be fulfilled with respect to each party.
- Shows ways of fulfilling social responsibilities to each party, taking a business as an example.
- Lists the benefits that can be gained by a business by fulfilling the social responsibilities.
- Explains the benefits gained by a business by fulfilling its social responsibilities taking a business as an example.

**A guideline for the expansion of subject matter:**

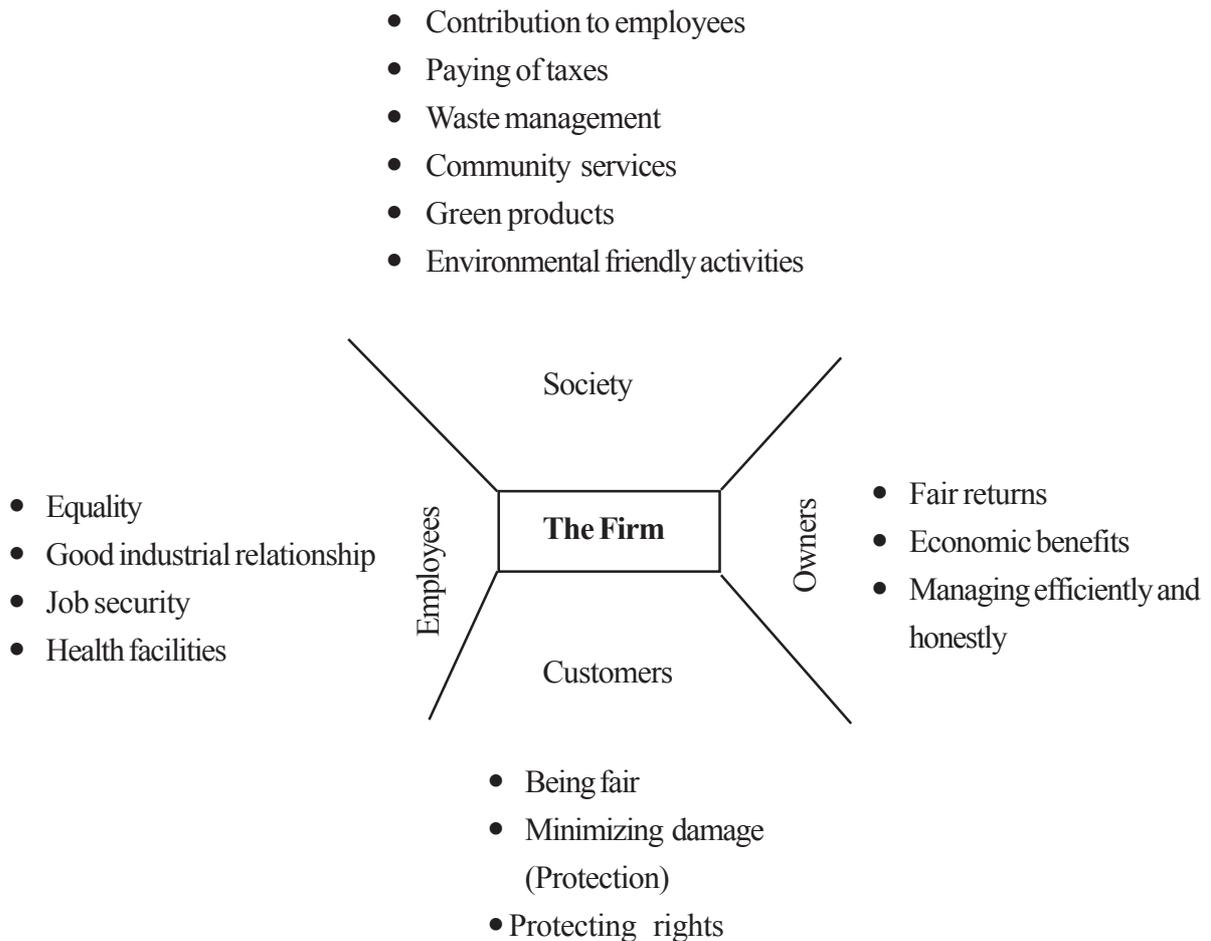
- There are many definitions of the concept of social responsibility.

**Examples:**

- “Business social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large.”  
**World business council for sustainable development**
- “Business social responsibility is about how companies manage the business processes to produce an overall positive impact on society”.  
**Mallen Baker**
- There are also national definitions about business social responsibility.
  - “Business social responsibility is about taking personal responsibility for your actions and the impacts that you have on society”.  
**The United States of America (USA)**
  - “Business social responsibility is about business giving back to society”.  
**The Philippines**

- With the expansion of sectors such as electronic business, globalization, business competition the business activities have a negative influence on the stakeholders and generally on society as a whole.
- Today much attention has been paid to the need for fulfilling business social responsibilities.

The following diagram shows the business social responsibilities that should be fulfilled with respect to each party.



- Social responsibilities to be fulfilled with regard to each party, can be presented separately.
- Fulfilling of business social responsibilities ensures the existence of the business

**Examples :**

- Growth of goodwill
- Ensures the confidence of the business.

**Competency level 3.2** : Confirms the necessity of a code of ethics for the success of businesses.

**Number of periods** : 08

**Learning outcomes** :

- Explains the concept of “ Business ethics”.
- Gives examples of the good and bad caused by businesses.
- Shows the necessity of adhering to business ethics.
- Lists the factors to be determined when preparing a code of ethics.
- Proposes suitable business ethics to each factor through one’s experiences.
- Discusses how a familiar business adheres to a code of ethics.
- Constructs a code of ethics suitable for a suitable business.

**Learning - teaching process**

**Approach**

- Inquire from the students about the ethics that should be adhered to in the school.
- Conduct a discussion pointing out the following facts.
  - Greeting a teacher, religious activities before starting the school, conserving water and electricity, disposal of waste, punctuality of teacher, concern for dress, avoiding smoking in the school, equality to students, are some ethics that can be followed in the school.
- Doing good and not doing anything bad are ethics conformed to by businesses when maintaining relations with consumers.
- Group the students suitably and get them to engage in the activity after giving them the proposed instructions.

**Proposed instructions for learning**

- The following are some situations where you buy goods and services.  
Pay attention to the situation assigned to your group.
  - Buying garments or textiles
  - Buying gift items
  - Getting public transport facilities
- Conduct a discussion to recall the experiences members of members of the group about the relevant situations given above.
- List the good and bad experiences of the members related to that particular situation.

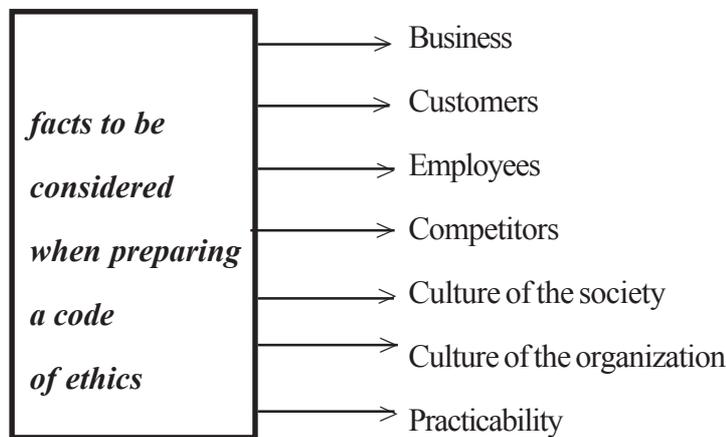
- Give your ideas as to why the businessmen should act with correct knowledge of what is good and bad.
- Assume that your group is conducting a business on the topic you have received and prepare a code of ethics that you should follow.
- List the facts that you have taken into consideration when preparing the above code of ethics.
- Get ready to present your findings creatively to the whole class.

**A guideline for the expansion of subject matter:**

- Ethics can be defined as doing good to all parties involved in the business with a sound understanding of what is good and bad.
- Adherence to business ethics is important to businesses.

**Examples :**

- Malpractices such as financial frauds can be avoided by following the ethics relevant to accounting purposes.
- For an efficient human relation management, there shouldn't be discrimination with regard to religion, race and gender, to employees through employer- employee rights and duties.
- Be fair to the customers by supplying them quality goods and services
- Several facts have to be considered when preparing a code of ethics



**Examples:**

- Customers - Understanding who he is That is concerning facts relevant to religion, social background and culture as well as demand patterns, communication etc.
- Culture of the society - Preparing the code of ethics determining the ethics, values and sub cultures of the various races.

**Competency 4.0** : Confirms the necessity of maintaining relationships with the government in the process of conducting business.

**Competency Level 4.1** : Investigate how the government influences businesses.

**Number of Periods** : 05

**Learning Outcomes :**

- Influence to Sri Lanka business by the Central Government, Provincial councils and Local authorities.
- Shows separately the intervention of the central government, provincial council and local authorities, taking a selected business as an example.
- Explains the various ways in which the government influences businesses.
- Presents examples separately of the ways in which the government influences businesses.

**Learning - Teaching Process:**

**Approach**

- Ask from the students about the various facilities provided by the government for the success of education.
- Conduct a discussion by highlighting the following facts.
  - The government supplies uniforms, season tickets, scholarships, text books, school buildings etc. to students.
  - The government supplies various facilities to businesses for their success.
- Give the following proposed instructions for learning after grouping the students in a suitable way and get them to engage in the activity.

**Proposed Instructions for Learning:**

- The following are some of the businesses in Sri Lanka. Pay attention to the business assigned to your group.
  - An institution exporting garments .
  - A farm cultivating potatoes.
  - An institution providing transport services.
- Assume that your group is conducting the relevant business.
- List the facilities that can be obtained from the government to run the business.
- List the government institution from which each facility can be obtained.
- Classify these institutions under the central government, provincial council institution and the local government.

- Explain the importance of supplying these facilities to businesses.
- Get ready to present your findings to the whole class creatively.

**A guideline for the expansion of subject matter:**

- The government influences businesses in Sri Lanka in the following way.
  - Central government policies, laws and regulations.
  - Provincial council policies, laws and regulations
  - Local government policies, laws and regulations
- The ways in which the government influence businesses can be explained as follows.
  - Supplying infrastructure facilities
  - Being a competitor
  - Formulating policies
  - Enacting laws and regulations
  - Providing incentives
  - Imposing taxes

**Competency Level 4.2** : Confirms how business contributes to the achievement of the economic aims of the government.

**Number of Periods** : 06

**Learning Outcome** :

- Explains the economic aims/ objectives of the government.
- Explains how businesses contribute to the achievement of the government's economic aims.
- Shows how a business contributes to the achievement of the economic aims of the government using a selected business as an example.
- Shows how both the government and the business achieve their aims through their mutual relationship.

**A guideline for the expansion of subject matter:**

- Every economy needs to achieve the following aims.
  - Gradual economic growth and development
  - Full employment
  - Economic stability
  - Fair income distribution
  - Better international trade(Each aim should be explained separately and briefly)
- Businesses contribute to the achievement of the government's aims in the following manner.
  - Paying taxes
  - Using local resources
  - Following government policies
  - Following Laws and regulations
  - Providing jobs
  - Minimizing the environmental distraction.
- The mutual relationships between the government and businesses are important because businesses get motivated by the facilities provided by the government and the objectives of the government can be achieved through the development of the businesses.

**Competency Level 4.3** : Confirms the importance of conducting businesses according to the fiscal policies of the government

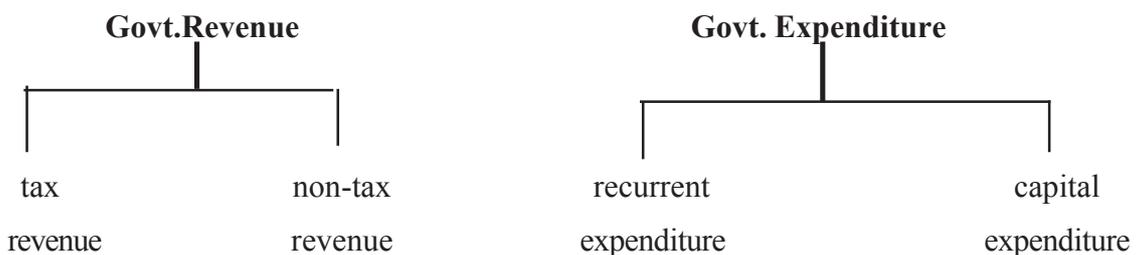
**Number of Periods** : 06

**Learning Outcomes** :

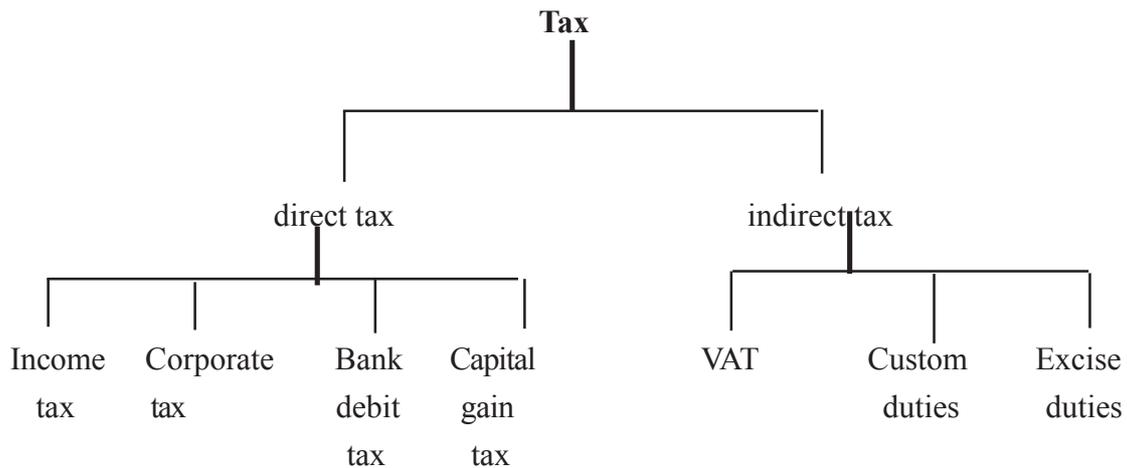
- Explains the government’s fiscal policies
- Explains the importance of implementing government fiscal policies.
- Shows the structure of the government’s income and expenditure through a diagram.
- Classifies the taxes and gives examples of each type.
- Explains, with examples the non- tax revenue of the government .
- Analyses the impact of the previous year’s to budget proposal on businesses.

**A guideline for the expansion of subject matter:**

- Fiscal policy implies the activities related to the revenue and expenditure of the government.
- The aim of the fiscal policy is maintaining the stability of the macro economy.
- Government revenue is the income for a certain financial year of the economy and government expenditure is the total expenditure for a year spent on activities of economic growth and expenses on maintaining daily affairs.
- Government revenue and expenditure can be categorized as follows



- Tax is a compulsory payment that should be paid by an individual or institute imposed by the government or government authorized institution.
- Tax can be classified as follows.



- Direct tax is a tax paid by the person himself or the institution itself.
- Indirect tax is the tax that can be transferred to another.
- The government receives tax revenues as well as non tax revenues.
- The following are the examples for non tax revenue
  - Licence fees
  - Fines/ Penalties
  - Stamp duties
- Recurrent expenditure is the expenses spent on the maintenance of state services
- Examples of current expenditure
  - Wages and salaries
  - Interest payments
- Long term investments of the government are known as capital expenditure
- Examples of capital expenditure
  - Construction of highways
  - Construction of bridges
- The impact of fiscal policies on businesses can be explained through the following examples:
  - Taxes charged by business are used for the development of infrastructural facilities.
  - Local industries are protected by some taxes on imports.
  - Tax imposed on productions may cause price increases.
- Explain the impact of government budget proposals on businesses using the previous year's budget proposals.

**Competency Level 4.4** : Evaluates the importance of conducting business according to government monetary policies.

**Number of Periods** : 06

**Learning Outcomes**

- Explains the government monetary policy
- Describes the aims of the government monetary policy.
- Shows the strategies that can be followed by the government to control the monetary policy of a country.
- Analyses the influence of monetary control instruments taken by the government on business.

**A guideline for the expansion of subject matter:**

- The government uses monetary policy to influence the money supply in the economy.
- The Central Bank of Sri Lanka implements the monetary policy on behalf of the government.
- The main aim of the monetary policy is stability of prices in the home economy.
- Price stability means the long-term stability of prices.
- The following instruments are used to implement the monetary policy.
  - Interest rates
  - Changing statutory reserve requirements
  - Open market operations
  - Changing discount rates
  - Restrictions on credit
- The interest rate used by the Central Bank of Sri Lanka to implement the monetary policy is known as “Policy interest rate”
- There are three types of policy interest rates as follows,
  - Repurchase rate (Reps)
  - Reverse repurchase rate (Reverse Repo)
  - Bank intent rates
- Repurchase rate means the interest rate paid to commercial banks and primary dealers when they invest their excess funds in government securities hold by the Central Bank.

- Reverse repurchase rate means the interest rate charged by the Central Bank from commercial banks and primary dealers when they obtain funds from the Central Bank using government securities as collateral
- Bank rate means the interest rate charged by the Central Bank when it provides loans to commercial banks to solve their liquidity problems as a “Leader of last resort”
- Statutory reserve means the amount of money to be kept with the Central Bank by the commercial banks according to their deposit liabilities. The money supply in the economy can be controlled by changing statutory reserve requirements.
- Buying and selling of government securities by the Central Bank is called open market Operations.
- The money supply in the economy can be controlled by changing the discount rate when government securities are discounted before maturity by the commercial bank or by the parties who have bought them from the Central Bank issues.
- Restrictions on credit are implemented as quantitative and qualitative methods.
- Credit restrictions only for selected areas are known qualitative restrictions.
- Quantitative restriction methods are implemented in the following manner.
  - Decide on maximum maturity period on commercial bank an loan
  - Ban or limit the supply of new loans by commercial banks
  - Decide on minimum deposits in issuing letter of credit
 (Explain, briefly the instruments used in implementing the financial policy)
- Explain, using examples the influence of financial instruments on business.

**Competency Level 4.5** : Shows the necessity of conducting businesses in accordance with the steps taken by the government to protect consumers.

**Number of Periods** : 06

**Learning Outcomes** :

- Explains the concept of “Consumer Protection”.
- Gives reasons for the timely importance of consumer protection.
- Lists separately, the advantages of consumer protection to the consumer and to the businessman.
- Shows consumer rights as well as consumer responsibilities.
- Explains the behavior of a rational consumer.

**Learning - Teaching Process:**

**Approach**

- Present the following role play to the class using two students who volunteer to play the roles.

### *Role Play*

Consumer : Mudalali, please give me a packet of biscuits.

Trader : Ah..... Here You are can I have Rs. 65/- please.

Consumer : (Examining the packet) Mudalali, this biscuit packet has expired.

Trader : (Examining) Ah... Yes. Give it, back I will give another one.  
(Gives another one).

Consumer : (Searching the price ) Mudalali, the price of this packet of biscuit has been altered, another price has been pasted on it.

Trader : It was not done by us and its done by the company. Doesn't matter, I will give you another one.

Consumer : I don't need not price altered one. Here is the packet of biscuit, I am leaving

- Asks about trade malpractices according to the role play.

- Conduct a discussion pointing out the following facts.
  - Consumers have to face various trade malpractices in the market.
  - Knowledge able consumers are protected from these trade malpractices.
  - Avoiding these trade malpractices is a good characteristic of a business and it is also a reason for the success of the business.
- Group the students in a suitable way and get them to engage in the activity after giving the proposed instructions.

**Proposed instructions for learning:**

- The Following are several pairs of consumer rights and pay attention to the pairs assigned to your group.
  - The right to safety                      - The right to be informed.
  - The right to choose                      - The right to be heard.
  - The right to satisfaction of  
basic needs                                  - The right for redress
  - The right to consumer  
education                                      - The right for a healthy environment
- Explain the pair of consumer rights you have received.
- Explain the reasons for establishing such rights according to your point of view.
- Explain how the consumers are protected according to the pair of rights assigned to you.
- Show your duties to ensure the pair of rights you have received.
- Explain how these rights are protected when fulfilling the above duties.
- Explain the advantages that can be gained by a businessman by considering consumer rights and duties.
- Get ready to present your findings creatively to the classroom.

**A guideline for the expansion of subject matter:**

- Consumer protection is the legal coverage made to ensure satisfaction for the payment made by the consumer.
- Some reasons are given below which influenced the recent increase of the necessity for consumer protection.
  - Complexity of the market.
  - Competitiveness.
  - Free trade.
  - Globalization.

- Consumer protection is important to consumers for the following reasons
  - Gets a chance to consume goods which provide fair value for the payment.
  - Can get legal assistance against trade malpractices.
  - Ensures consumer health and safety etc.....
  
- Consumer protection is important to businessmen for the following reasons.
  - The confidence of the consumers can be won through the supply of quality goods.
  - Profits can be increased through increased turnover.
  - Costs can be reduced since the production is done according to standards.
  
- John F. Kenady a former president of USA has declared the following consumer rights.
  - The right to safety.
  - The right to be informed.
  - The right to choose.
  - The right to be heard.
  
- Apart from that the International Organization of Consumer Association declared the following rights.
  - The right to satisfaction of basic needs.
  - The right to redress.
  - The right to consumer education.
  - The right to a healthy environment.
  
- The eight rights above accepted as international consumer rights.
  
- Consumers have the following responsibilities.
  - Critical awareness.
  - Action.
  - Social concern.
  - Environmental awareness.
  - Solidarity.

**Competency Level 4.6** : Examine the role of government institutions acting for consumer protection.

**No. of Periods** : 06

**Learning Outcomes** :

- Lists the government institutions which act for consumer protection in Sri Lanka.
- Explains the goals and roles of the Consumer Affairs Authority.
- Clarifies the power and importance of the Consumer Affairs Authority in formalizing the trade.
- Explains the goals and activities of Sri Lanka Standards Institutions.
- Notes the institutions where complaints can be made related to violation of consumer rights.

**A guideline for the expansion of subject matter:**

- The Consumer Affairs Authority is established in order to fulfil the following objectives.
  - To protect consumers against the setting up of goods or the provision of services which are hazardous to life and property of consumers.
  - To protect consumers against unfair trade practices and guarantee that consumer interest shall be given due consideration.
  - To ensure that, wherever possible, consumers have adequate access to goods and services at competitive prices.
  - To seek redress against unfair trade practices, restrictive trade practices or any other form of exploitation of consumers by traders.
- The following are some examples of the functions of the Consumer Affairs Authority.

***Examples:***

- Control or eliminate restrictive trade agreements among enterprises.
- Eliminate abuse of a dominant position with regard to domestic trade or economic development within the market or in a substantial part of the market.
- Eliminate any restraint of competition adversely affecting domestic or international trade or economic development.

- Investigate or inquire into anti-competitive practices and abuse of a dominant position.
  - Maintain and promote effective competition between persons supplying goods and services.
  - Promote and protect the rights and relationships of consumers with respect to the price, availability and quality of goods and services.
- Certain power invested in the Consumer Affairs Authority to formalize trade is given below.
    - The Authority can act in a suitable way to protect consumers from producers and traders with respect to price marking, labelling, packeting, selling or production of any goods.
    - The Authority can issue special directions to manufacturers and traders with respect to the factors affecting consumer protection such as production, imports, storage, selling, and maintenance of stocks.
- Any manufacturer or trader who fails to comply with any direction issued by the Authority shall be guilty of an offence.
  - The authority can issue certain directions in relation to standard of the goods and services for the protection of consumers.
  - Consumers can complain against the traders who do not produce, supply, store, transport and sell according to the standards established by the Authority. A complaint related to the sale of any goods or the provision of any services shall be made to the Authority in writing within three months of the sale of such goods or the provisions of such services, as the case may be.
- Sri Lanka Standards Institution functions to fulfil following objectives.
    - Prepare standards on the national and international basis in relation to production process and processing.
    - Promote standardization and quality control in industry and commerce and establish and maintain laboratories and library services for that purpose.
    - Examine whether the locally produced and imported goods comply with the standards.
    - Provide research facilities for standardization and quality control activities.
    - Implement a certification marks scheme.
    - Provide for co-operation with international standards institutions and other similar organizations.

- Promote standardization and quality control activities through education, guidance and other means.
  
- Sri Lanka Standards Institution provides the following services.
  - Formulate standards.
  - Implement standards.
    - Voluntarily
    - SLS certification system.
    - Pre export investigation.
    - Import investigation.
    - Examination of sea food prepared for export.
  
  - Implementing ISO standards.
  - Organizing training programmes on standardization and quality control.
  - Promoting standardization and quality control activities.
  - Numeration services for equipment.
  - Popularizing consumer education.
  - Library services, sale of local and foreign standards and information services.
  - Implementing international standards on quality systems.

**Competency 5.0** : Confirms that business organizations are essential to commence and conduct businesses formally.

**Competency Level 5.1** : Classifies business organizations according to ownership.

**Number of Periods** : 04

**Learning Outcome** :

- Explains an what “organization” is and gives examples.
- Lists the characteristics of a formal organization.
- Classifies business organizations in terms of ownership.
- Lists business organizations belonging to the private sector.
- Lists business organizations belonging to the public sector.
- Classifies business organizations in terms of ownership and presents some through a chart taking all the business organizations into consideration.

**A guideline to expand the subject matters:**

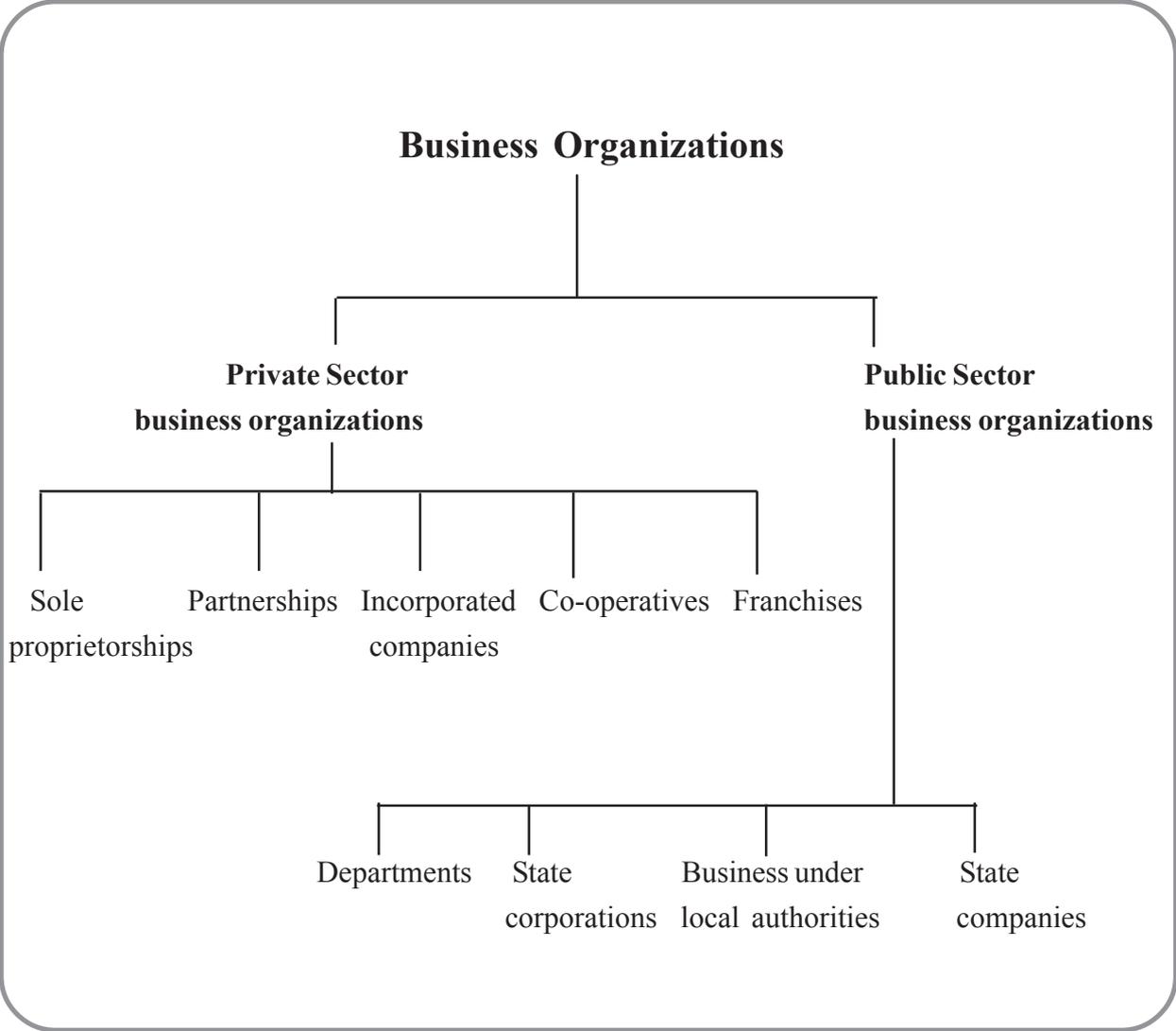
- An organization is a social unit formed with groups of people to achieve a common aim (Goal)
- Institutions that are engaged in producing and distributing goods and services to earn profits or to provide social welfare are business organizations.
- Several common characteristics of a formal organization are given below.

**Examples** : Having an aim

Having an organizational structure

People

- Business organizations can be classified on ownership as private sector businesses and public sector organizations.
- Classification of business organizations in terms of ownership can be presented through a flow chart.



**Competency Level 5.2** : Compares comparatively the advantages and limitations of sole proprietorship examining the characteristics

**Number of Periods** : 04

**Learning Outcomes** :

- Explains sole tradership.
- Explains the specific features of a selected sole trader business.
- Compares the advantages and disadvantages of sole trader businesses.
- Explains the rules and regulations applicable when registering a sole trader business.
- Explains the procedure of registering a selected sole trader business.

**A guideline to expand the subject matters:**

- When a person owns a business organization, it is known as a sole proprietorship
- The following characteristics can be seen in sole proprietorship.
  - Management decisions are taken by the owner.
  - Unlimited liability.
  - No continuous existence.
  - Registration is not compulsory.
  - Profits and losses are borne by the owner.
  - Risk is borne by the owner.
  - No going concern.
  - Accounting is not compulsory.
  - Taxes are not paid in the name of the business, but taxes on the business income should be paid by the owners under their private name.
- Several advantages of sole trader businesses are given below.
  - Can be started easily.
  - All profits can be enjoyed by the owner.
  - Decisions can be taken independently.
  - Few rules and regulations.
  - Confidentiality of business information.
  - Can wind up easily.
- Several disadvantages of sole trader businesses are given below.
  - Unlimited liability.
  - Difficulties in raising capital.
  - Incorrect decisions can be taken.
  - No guarantee of continuous existence

- Sole trader businesses should be registered at the divisional secretarial under the Business Names Ordinance No. 6 of 1918, if it is carried out in an other name other than the owners name.
  
- The following procedure has to be followed when they are registered.
  - Obtaining the application form, from the divisional secretary's office where the business is going to be located.
    - The application form used to register a name of a sole trader business.
    - The report of the "Grama Niladari" required for the registration of a business name.
  
  - Submitting the Grama Niladari report and the completed application form to the divisional secretary with the registration fees.
  - Issuing of certificate of business name registration by the divisional secretary, taking the above facts into consideration.

**Competency Level 5.3** : Compares the advantages and disadvantages of partnerships, examining the characteristics of partnerships.

**Number of Periods** : 04

**Learning Outcome** :

- Defines partnerships according to the Partnerships Ordinance.
- Points out the specific characteristics of partnerships.
- Lists the basic features of partnerships.
- Explains the procedure of registering the partnership.
- Explains the advantages and disadvantages of partnerships.
- Compares a sole trader business with a partnership.

**A guideline for the expansion of subject matter:**

- A partnership is defined in the Partnership Ordinance as follows.
  - An association of two or more individuals who agree to operate a business together with a profit motive.
- Several specific features of partnerships are given below.
  - The minimum number of partners is two and the maximum is twenty.
  - There should be an agreement between partners.
  - Having a business.
  - There should be an agreement between partners on sharing of profits.
  - Every partner is treated as an agent and a principal of himself and other parties.
- Several advantages of partnerships are given below
  - Easy to start
  - Much capital can be collected
  - Skills and talents of several partners can be used.
  - Liability is borne by many people
- Several disadvantages of partnerships are given below
  - Unlimited liability
  - Conflicts between partners
  - No guarantee of continuous existence of concern
- If the partnership is conducted with a name other than the owners name, It has to be registered under the Business Names Ordinance No. 06 of 1918
- The procedure of registering a partnership is similar to the registering of a sole proprietorship

**Competency Level 5.4** : Confirms the necessity of a deed of partnership to start and conduct a partnership

**No. of Periods** : 04

**Learning Outcomes** :

- Explains the agreement partnership
- Describes how a partnership agreement can come into effect.
- Evaluates the importances of the deed of partnership
- Reveals the facts that are generally included in a deed of partnership
- Analyses the facts in section 24 of the Partnership Ordinance of 1890
- Lists the rights and duties of partners

**Learning - Teaching Process:**

**Approach**

- Show the cleaning time table of the classroom and ask why it is maintained in writing.
- Conduct a discussion pointing out the following facts.
  - Cleaning of the classroom can be done by implication or by naming the students orally but there is the possibility that problems may arise.
  - Problems can be minimized by maintaining a written list of names.
  - A partnership also can be started by implication, orally or with a written agreement.
- Group the students in a suitable way and make them engage in the activity after giving them the following instructions.

**Proposed Instructions for Learning:**

- The following pairs are some facts that partners should be agreed upon. Pay attention to the pair that is assigned to you.
  - Investing capital - Sharing profits
  - Carrying out business activities - Withdrawal of cash and goods for private use.
  - Providing loans for the business - Taking on a new partner
- Assume that your group is conducting a partnership.
- Take relevant decisions with the consent of all the partners of the group.
- List the other conditions that should be agreed upon in addition to the pair of facts that you received.
- Point out through a group discussion, the joint decisions taken by your group relevant to the above facts.
- Explain with reasons which is more suitable to maintain your joint decisions, whether by implication, orally or in writing.
- Explain the responsibilities of each partner required to ensure the existence of the partnership.
- Get ready to present your findings creatively to the classroom.

**A guideline for the expansion of subject matter:**

- A written document in which the conditions of the partnership are included is the “Deed of partnership.”
- Section 24 of the Partnership Ordinance of 1890 is applicable when there is no written agreement.
  - Profits and losses should be shared equally and partners have the right to share the capital equally when winding up a partnership
  - The expenses incurred by the partners on behalf of the business should be paid to them by the business.
  - Interest of 5% should be paid to partners for the extra funds provided by them to the business in addition to their capital.
  - No interest on capital will be allowed
  - All partner can participate in the management of the business.
  - No partner can claim a salary for the service provided to the business.
  - Admission of a new partner cannot be implemented without the consent of all the partners
  - Decisions relevant to general business problems can be taken with the consent of the majority of the partners but decisions with regard to changing of the nature of the business activities should be taken with the consent of all the partners.
  - Account Books of the business should be kept in the main office of the partnership and they can be inspected and copied by all the partners at any time.
- Several rights of partners are given below
  - Right to participate in business activities
  - Right to enjoy profit
  - Right to receive interest for the capital
  - Right to receive interest on loans
  - Right to inspect the Accounts books
- Duties of the partners are given bellow
  - Participate in the business enthusiastically
  - Do not to receive profits personally
  - Bare the losses
  - Do not engage in competitive businesses

(Incorporated companies and franchises relevant to competency levels 5.7, 5.8, 5.9 should be discussed before competency levels 5.5 and 5.6 relevant to co-operatives)

**Competency Level 5.5** : Verifies the specific characteristics of incorporated companies.

**No. of Periods** : 04

**Learning Outcomes** :

- Defines “incorporated companies.”
- Explains the specific characteristics of incorporated companies.
- Analyses the advantages and disadvantages of companies.
- Explains the procedure followed in the incorporation of a company,

**A guideline for the expansion of subject matter:**

- A company is a group of individuals incorporated under the company act.
- Several common characteristics of incorporated companies are given below.
  - An institution incorporated under the company act.
  - It is a legal entity separate from its membership.
  - There is continuous existence.
  - Owners have limited liability
  - Management is done by the board of directors
- Several advantages of companies are given below
  - A large amount of capital can be collected
  - Large scale businesses can be started
  - Business activities can be carried by enrolling skilled managers
  - Investors can be recruited because of limited liability.
  - Death or resignation of a shareholder will not affect the existence of the business
  - Shares are transferrable.
  - Human resources at a high level can be recruited
- Several disadvantages of companies are given below
  - Numerous rules and regulations
  - Have to follow a complex procedure to start the business and a cost is involved in it.
  - Minor shareholders have little power since the voting power depends on the number of shares.
  - Taxes should be paid on the profits of the company and also on the dividends received by the shareholders.
- Companies should be registered under the company act of the relevant country.  
Companies in Sri Lanka should be incorporated under the Company Act No. 7 of 2007

- Documents to be forwarded to the registrar of companies for the incorporation of a company
  - Application for registration
  - Articles of Association
  - Declaration from each of the initial directors giving their consent to act as a director.
  - Declaration from the initial secretary to act as the secretary, to the company.

**Competency Level 5.6** : Compares the specific characteristics of various types of companies

**No. of Periods** : 05

**Learning Outcomes** :

- Classifies incorporated companies
- Clarifies the criteria used to compare the types of incorporated companies
- Compares the types of incorporated companies based on identified criteria.

**A Guideline to expand the subject matters:**

- The following companies can be incorporated according to the Company Act No.7 of 2007
  - Limited companies
    - Private limited companies
    - Public limited companies
      - Listed companies
      - Non-listed companies
    - Off shore companies
  - Unlimited companies
  - Companies limited by guarantee
  - Foreign companies
- The following criteria are used to compare the companies
  - Number of members
  - Liability
  - Supplying of capital
    - Shares
    - Debentures
  - Management
- Limited companies are companies in which the liability of the shareholders are limited to the amount of money they paid as agreed to pay, for their shares. These are also known as the companies limited by shares.
- Several characteristics of a private limited company are given below.
  - Minimum number of members is one and the maximum is fifty. The shareholders employed in the company are not included in the above maximum number.
  - Minimum number of directors is 01 and the maximum is unlimited
  - Issuing of shares to the public is not allowed.
  - Dividends can be distributed with the consent of all the shareholders without a solvency test.

- Several characteristics of public limited companies are given below.
  - Minimum number of members is one and the maximum is unlimited.
  - Minimum number of directors is two and the maximum is unlimited.
  - Shares and other securities can be issued to the public
  - A solvency test has to be implemented before the distribution of dividends
  
- Public companies listed at Colombo Stock Exchange are known as listed companies; public companies which are not listed at the CSE are known, as non-listed companies.
- A company incorporated in Sri Lanka to do their business activities outside Sri Lanka is known as an offshore company.
  
- A company incorporated in a foreign country and again has applied to incorporate in Sri Lanka and registered, carrying out business activities only in a foreign country is also treated as an offshore company.
- Unlimited companies are companies in which the liability of the shareholders is not limited as mentioned in the articles of association
- Several characteristics of companies limited by guarantee are given below.
  - Shares are not issued.
  - Each member should state one's contribution in the articles of association in case of a winding up of the business
  - Minimum membership is two and the maximum is unlimited
  - Starting with common objectives
  - No distribution of profits
  
- Any company incorporated outside Sri Lanka and has a business place established within Sri Lanka is an overseas company.
  
- A foreign company should submit details about the company to the registrar of companies within one month of establishing the place of business in Sri Lanka.
  
- The registrar of companies enters the name of the foreign company in the register of foreign companies after investigating the details of that company..

**Competency Level 5.7** : Compares the advantages and limitations of franchise verifying their specific characteristics

**No.of Periods** : 05

**Learning Outcomes** :

- Defines franchise
- Shows the related parties of a franchise
- Explains the interrelationship between the franchiser and the franchisees.
- Clarifies the services provided by the franchiser to the franchisee
- Classifies franchises
- Shows the advantages and disadvantages of franchise businesses

**A guideline for the expansion of subject matter:**

- Franchising is a form of business which allows another business organization to supply their goods and services in a specific market place.
- There are two parties involve in franchise business
  - The company which permits another to sell goods under the trade name of the franchise (Franchiser)
  - The company which obtains permission from the franchiser (Franchisee)
- The agreement between the franchiser and franchisee is known as the franchise agreement.
- The following are supplied by the franchiser to the franchisee
  - Permit to use their trade name
  - Management training
  - Support for marketing
  - Finance facilities
  - Layout of the shop
  - Goods and equipment
  - Technology
- The following should be done by the franchisee
  - Agreement to act according to the terms and conditions of the franchiser
  - Invest capital
  - Purchase of goods only from franchiser or the suppliers approved by the franchiser
  - Payment of the royalty as agreed
- Franchises can be classified as
  - Product franchises
  - Manufacturing franchises
  - Business method franchises

- Several advantages of franchise businesses are given below
  - Franchiser can expand the business without his own investment
  - Franchisee gets a large market due to the goodwill of the franchiser
  - Franchisee gets a chance to receive a large profit
  - Franchisee receives management training from the franchiser
  
- Several disadvantages of franchise businesses are given below
  - Franchisee does not enjoy complete independence since the franchiser's control is there
  - There is a risk with regard to the investment since it depends on the franchiser's goodwill
  - There is uncertainty of profits
  - Purchase of franchise is costly.

**Competency Level 5.8** : Compares the advantages and limitation of Co-operatives examining their characteristics

**No.of Periods** : 04

**Learning Outcomes** :

- Defines co-operative businesses
- Investigates the specific characteristics of cooperatives
- Shows the advantages and disadvantages of co-operatives
- Explains the procedure of registering co-operative businesses

**A guideline for the expansion of subject matter:**

- Co-operatives are defined by the International Co-operative Association as follows.  
“An autonomous association of persons, united voluntarily to meet their common economic, social and cultural needs and aspirations, through a jointly owned and democratically controlled enterprise.”
- Several characteristics of co-operatives are given below
  - An independent organization
  - A group of voluntarily gathered individuals
  - Collective ownership of members
  - Having common needs and objectives
  - A business with democratic control
- Several advantages of co-operatives are given below
  - Has democratic control
  - Provides essential goods and services at fair prices
  - Ability to do business in various fields.
  - Mutual co-operation
- Several disadvantages of co-operatives are given below
  - Limited sources of funds
  - Business activities have to be done according to co-operative policies
- Co-operative societies are registered through the commissioner of Co-operative Development of the Co-operative Development Department under the co-operative development commissioner of the provincial council
- The following documents should be submitted to the commissioner of co-operative development to register a co-operative society
  - An application form
  - Two copies of the interim constitution
  - The feasibility report of proposed economic activities.
  - The report of the annual general meeting at which the proposal to register the co-operative society was approved.
  - A certificate from the working committee stating that the members who signed the application had paid their membership fees and that the money is under the trust of the working committee.
  - A map giving directions to the location of the society.

**Competency Level 5.9** : Forecasts the trends of the co-operatives verifying the evolution of co-operatives

**No.of Periods** : 05

**Learning Outcomes** :

- Explains the evolution of the co-operative movement in Sri Lanka
- Reveals knowledge of the co-operative policies
- Analyses how the co-operative movement contributes to economic development
- Forecasts the trends of the co-operative movement
- Presents suitable proposals for the upliftment of the co-operative movement.

**A guideline for the expansion of subject matter:**

- The following are the milestones of the evolution of the co-operative movement
  - 1912 - Start of lending co-operatives
  - 1942 - Establishment of consumer co-operative societies.
  - 1947 - Establishment of the co-operative societies for agriculture production and distribution
  - 1957 - Start of multi purpose co-operative societies
  - 1971 - Restructuring of co-operatives
  - 1992 - Amendment of co-operative societies
- Policies of the co-operative movement
  - Voluntary and open membership
  - Democratic member control
  - Social economic participation
  - Autonomy and independence
  - Co-operative education training and information
  - Co-operation among local, national and international co-operatives
  - Concern for society
- Co-operative societies contribute to the economic development of the country in various ways.
  - Eg.* Increasing the employment contributing to the national production through multi purpose co-operative socialities, manufacturing co-operative societies, Thrift credit co-operative societies and industrial co-operative societies
- New trends can be seen in the co-operative movement within the current complex and competitive economy
  - Eg.* Setting up of self service shops
  - Stepping into new business fields

**Competency Level 5.10** : Inquires into the characteristics of public sector organizations and points out their importance

**No. of Periods** : 05

**Learning Outcomes** :

- Inquiries into the reasons to conduct business activities under the government
- Classifies public sector businesses
- Gives examples of public sector business organizations
- Explains “privatization”
- Compares favorable and unfavorable results of privatization

**A Guideline to expand the subject matters:**

- The government intervenes to carry out businesses for the welfare of the public
- The government engages in business activities for the following reasons
  - To control the unfavorable market situations in the private sector.
  - To prevent monopolies
  - To provide essential services to the public
  - To minimize wastage of resources
- A State corporation is a business organization incorporated by a special or common act owned completely or more of the ownership by the government and controlled by the board of directors appointed by the government.
- Government Departments can be considered special institutions working under the administrative regulations and financial regulations, directly controlled under a ministry and often providing the services.
- Provincial councils, Municipal councils, Town councils and Pradeshiya Saba are also engaged in business activities.
- All government sector businesses are known as public sector
- Privatization is one of the procedures introduced by the government to make the different business in the public sector efficient.
- There are good and bad results in government sector businesses

**Competency 6.0** : Shows the contribution of entrepreneurship in economic and personal development

**Competency Level 6.1** : Exhibits interest in becoming an entrepreneur by studying the importance and benefits of entrepreneurship

**Number of Periods** : 06

**Learning Outcomes** :

- Constructs a definition for entrepreneurship by studying recognized definitions.
- Evaluates the importance of entrepreneurship
- Lists the individual, social and economic benefits of entrepreneurship
- Categorizes separately, the benefits received by the entrepreneur, society and the economy considering selected enterprises.
- Explains the relationship between economic development and entrepreneurship
- Presents ideas about the future of the entrepreneurship by studying new trends in entrepreneurship

**A Guideline to expand the subject matter:**

- There are many definitions of entrepreneurship

**Examples :**

- An entrepreneur is someone who perceives an opportunity and creates an organization to pursue it. The entrepreneurial process includes all the functions and activities entrepreneurial and actions associated with perceiving opportunities and creating organizations to pursue them.

**William D Bugrave.**

- Entrepreneurship is important for the following reasons.
  - There is a great demand for entrepreneurs who can find innovations to keep pace with the rapid changes in the world.
  - Entrepreneurs are needed to identify the business opportunities in the competitive business world to convert them to the state of completion and generate expected benefits.
  - Entrepreneurs are required in ventures such as farms, schools, universities, hospitals, government and social agencies since they can offer much - needed leadership in a fast - changing world.

- Personal, social and economic benefits can be realized through entrepreneurship
- *Examples:*
  - Personal benefits
    - Opportunities for the use of personal skills
    - Enhanced benefits through increased dedication.
    - Social status and recognition
    - Financial gain.
  - Social and economic benefits
    - Job opportunities
    - Opportunities for higher income.
    - New products and services.
    - High living standards
    - Higher rate of employment.
    - Exploration of regional resources in production
    - Development of new markets.
- Some facts to explain the relationship between entrepreneurship and economic development are given below.
  - The national product will increase because of the innovations of entrepreneurship.
  - Contribution to economic development by generating new job opportunities
  - Expansion of market activities and formation of new competitive markets are reasons for the economic development and formation of new competitive markets for economic development
  - There will be a great demand for the regional resources since they are being used
  - Starting new business is a reason for economic development
- Several trends in entrepreneurship are given below
  - Social entrepreneurship
  - Woman entrepreneurship
  - Intra entrepreneurship

**Competency Level 6.2** : Studies the reasons behind the emergence of entrepreneurs

**Number of Periods** : 06

**Learning Outcomes :**

- Introduces “entrepreneur”
- Give reasons to be an entrepreneur
- Reveals the reasons for being an entrepreneur
- Reveals the reasons for being an entrepreneur by studying the autobiographical information of entrepreneurs

**Learning - Teaching Process:**

**Approach**

- Have a discussion with an entrepreneur in your area
  
- Consider the following facts in the above discussion
  - Nature of the business
  - Successes/ failures
  - Reasons for the successes/ failures
  - Reasons why entrepreneurs come into being
  
- Conduct the discussion highlighting the following facts
  - Sometimes entrepreneurs are born and sometimes entrepreneurs are made
  
  - From the autobiographies of successful entrepreneurs reasons for their success could be identified.
  
- Group the students suitably and make them engaged in the activity giving the following proposed instructions for learning.

**Proposed instructions for learning:**

- Pay attention to the business fields assigned to your group out of the following business fields
  - Industry
  - Trade
  - Services
  - Agriculture

- Conduct a group discussion to identify the business sectors assigned to you
- Identify entrepreneurs relevant to your topic through discussion
- Give a brief description of his current business activities
- Disclose information about the beginning of his business
- Introduce reason for success
- What is the specific reason for the success of his business?
- Why do you define him as an entrepreneur? Give reasons
- Be ready to present your findings creatively to the class.

**A guideline for the expansion of subject matter:**

- There is a wide range of definitions of “entrepreneurs”.

***Examples:***

- “An entrepreneur is one who organizes, manages and assumes the risks of a business or enterprise”

**The Merriam Webster Dictionary**

- “An entrepreneurs is the person who destroys the existing economic orders by introducing new products and services by creating new forms of organization or by exploring new raw materials”.

**Joseph Schumpeter**

- Some reasons for being an entrepreneur are given below
  - Tending to self creations

***Example:*** • Creation of new products and services

- Parents and family members are engaged in business fields and other family members following it too.

- Social and economic background suitable for the entrepreneurs

***Example:***

- Social background valued by the entrepreneurs
- Government incentives

- By the experiences received from employment
- Activities done as a hobby have been converted to a business

***Example:***

- Raring of wet pets
- Education and practice gained about various professions and other fields
- As a result of finding the solution to social problems

***Example:***

- Producing compost to reduce garbage.
- Presenting solution to the menace of flies and mosquitos.
- Construction of hearth of different types as a solution to the fuel crisis.

**Competency Level 6.3** : Exhibits ability to act as an entrepreneur by developing entrepreneurial competencies

**Number of Periods** : 06

**Learning Outcomes** :

- Lists out entrepreneurial competencies
- Highlights entrepreneurial competencies, by studying biographies of entrepreneurs
- Proposes the sources of entrepreneurial competencies development
- Explains the importance of competency in an entrepreneur in order to be a successful entrepreneur

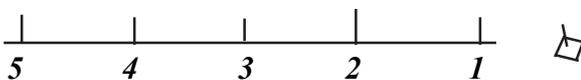
**Learning - Teaching Process:**

**Approach**

- Present the question as an example of the people who need essential skills to practise some professions.

**Example :**

- Lyricist
  - Architect/Designer
  - Businessman
- Conduct a discussion by highlighting the facts given below.
    - Businessmen need various skills to conduct business successfully.
    - Entrepreneurs exhibit special characteristics and skills
    - Such skills could be identified through activities given below.
  - **Instructions to the teacher for the ring game**
    - Divide the class in to two or three groups
- Ex.** Group I  
Group II
- Give instructions to the groups on how to play the game.
  - Make three rings of diameter 6, 8, 10 cm Plastic rings of the aforesaid diameters could be used.
  - Plant a stick on the ground so that 8-10 cm of it sticks out of the ground.
  - Draw a straight line from the stick and mark out distances 1, 2, 3, 4 m from it as given in the diagram.

**Example :** 

- Inform the group that the game involves throwing the ring into the stick successfully.
- Inform them that they can select any ring and that 6 chances are given
- Write the marks in front of the groups while they are playing the game
- Either all or selected groups can play.
- After completion of the game discuss their experiences by providing the proposed instructions
- Consider the behavior of students in playing the game and consider these observations in explaining the lesson.

#### **Proposed instructions for learning:**

- Involve yourself in the game in accordance with the instructions of the teacher
- After the game conduct a group discussion to bring out the following facts
  - What did those who participated do?
  - What are the reasons for not changing position where they stand during the game.
  - Express your ideas about the selected ring.
  - What effects did the environmental factors have on the game.
- Be ready to present your findings creatively by considering the experience you got during the game.

#### **How to grasp the subject matters**

- Highlight entrepreneurial competencies by studying the biography of entrepreneurs.
- There are several sources available to develop entrepreneurial competencies

#### ***Example:***

- Through self - evaluation by identifying entrepreneurial competencies first then what competencies are available or are not available in you and what competencies are needed for further development?
- Through entrepreneurship training programs
- Through education in addition to general education
- Practice of enterprise activities or acquiring experiences by acting as an entrepreneur
- Those who have entrepreneurial competencies tend to be successful entrepreneurs.
- In a research by Entrepreneurship Development Institute of India they identified the following entrepreneurial competencies.
  - initiative
  - Sees and acts on opportunities

- Persistence
- Knowledge
- Commitment to work contract
- Efficiency orientation
- Systematic planning
- Problem solving
- Assertiveness
- Self-confidence
- Persuasion
- Use of influence strategies
- Monitoring
- Concern for employee welfare

**Competency Level 6.4** : Examines the contribution of small businesses to economic development.

**No. of Periods** : 06

**Learning Outcomes** :

- Defines “Business” using accepted criteria.
- Lists the specific characteristics of a small business.
- Explains the support given by small business to the economic development of a country using examples.
- Analyses, how entrepreneurship helps in the success of a small business.
- Lists separately the facts to be considered when starting and conducting a small business.
- Analyses the reasons for the success and failure of a small business.

**A guideline for the expansion of subject matter:**

- Small businesses have been defined on various criteria for a variety of purposes by different institutes.
- The institute of “Small Business Administration” of United States of America has defined small business thus.  
“A small business is one that is independently owned and operated and does not dominate in its field of operation.”
- Various institutions in Sri Lanka use various criteria to identify small businesses.

**Examples:**

<b>Institute</b>	<b>Criteria</b>
1. Industrial Development Board.	1. Invested capital not exceeding 4 million rupees.
2. Institute of Industrial Technology	2. Invested capital not exceeding 4 million rupees.
3. Department of Small Industries	3. Invested capital not exceeding 4 million rupees.
4. Ministry of Industrial Development.	4. Invested capital not exceeding 20 million rupees.

- |  |  |
|--|--|
| 5. Department of Census and Statistics | 5. Business with less than 25 employees.                           |
| 6. Ministry of Rural Industries        | 6. Business with less than 50 permanent employees.                 |
| 7. Central Bank of Sri Lanka.          | 7. Business that consumes less than 50 kilovolts<br>of electricity |

There are specific characteristics of small businesses.

***Examples:***

- Market is small.
  - Capital invested is small
  - Limited number of employees.
  - Labour provided by members of the family.
  - Independent management of the business and usually the owner is the chief manager.
  - Normally sells to the local market but sometimes supplies to the foreign market as well.
  - Relatively limited financial obligation when compared to large businesses.
  - Little usage of new technology.
- Small businesses support the economic development of a country in many ways.

***Examples:***

- Generating more employment opportunities compared to large scale businesses.
- Contributing to the growth of the national product.
- Supplying material and partisan services to large scale businesses.
- Enhanced use of local and regional resources.
- Undertakes business activities that are left out by large scale businesses.
- Increases the income level of the people.
- Increases the quality of products by combining traditional techniques with new technology.
- Reduces the problems of urbanization with regional development.

- Small businesses enhance the chances of success of entrepreneurship.

***Examples:***

- Starting businesses is risky. But entrepreneurs face risks successfully.  
Dedication of the entrepreneur is essential for the success of small businesses.

- Facts to be considered when starting a small business.

***Examples:***

- Nature of the market.
- Nature of the product.
- How the required capital is to be supplied.
- Competition.
- Type of organization.
- Rules and regulations.

- Reasons for the success of the small businesses are given below.

- Political and economic stability.
- Adequate infrastructural facilities.
- Incentives such as tax relief and financial assistance.
- Availability of expanded market.
- Availability of marketing facilities and infrastructural facilities.

- Reasons for the failure of small businesses are given below.

- Deficiency in entrepreneurial skills.
- Drawbacks of management.
- Financial difficulties.
- Inadequate infrastructural facilities.
- Lack of access to new technology.
- Market problems.

**Competency Level 6.5** : Investigation of the incentives available for the success of small scale businesses.

**No. of Periods** : 05

**Learning Outcomes** :

- Lists the actions taken by the government to encourage small businesses.
- Classify the incentives under financial and non-financial incentives given by the government.
- Tabulates the institutions and incentive schemes provided in small businesses.
- Classify the incentives under financial and non-financial incentives received by a selected business.

**Learning-Teaching Process:**

**Approach**

- Exhibit a picture to the class, a mother giving her hand to a child to stand.
- Conduct a discussion pointing out the following facts.
  - It is not necessary to give the hand when the child can walk alone.
  - As some small businessmen cannot survive alone they need various types of support.
  - Businessmen expand their businesses when they acquire the necessary strength.
  - They support national development.

**Proposed Instructions for Learning:**

- The following is a discussion that took place among some entrepreneurs during the tea break of the annual general meeting of the Chamber of Commerce. Pay attention to the statement assigned to your group.

**Dhanawardane** -If I had Rs: 2.5 million to invest in my current business, I could catch the market in the whole province.

**Widulasena** - My question is not that, I have no way of selling the goods produced. If I were able to sell them, then I would be successful.

**Keerthi** - I can't catch the market with my current machinery and methods. If I could install new machines, then I would be able to go to the foreign market too.

**Kalinga** - I think returns are not sufficient for the money invested. Some people do business properly without investing much money. I think I have not invested correctly.

- Study the statement assigned to your group and identify his necessity (problem) and write it down.
- List the local or national institutions or individuals that can fulfil the above need.
- List the services of such institutions.
- Be ready to present your findings creatively to the entire class.

**A guideline for the expansion of subject matter:**

- Government provides various financial incentives to small businesses.

*Examples:*

- Short-term and long-term loans.
- Financial aid.
- Tax relief.
- Refinance facilities.

- Government provides non-financial incentives to small businesses.

*Examples:*

- Expert consultation services.
- Entrepreneurship development programmes.
- Information services.
- Infrastructural facilities.
- Market facilities.
- Institutional facilities.
- Technical assistance

- Various incentives are provided by various institutions to small businesses.

***Examples:***

<b>Institutions</b>	<b>Incentives</b>
<ul style="list-style-type: none"> <li>• Industrial Development Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation services.</li> <li>• Technical services.</li> <li>• Infrastructural facilities.</li> </ul>
<ul style="list-style-type: none"> <li>• Export Development Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing facilities.</li> <li>• Consultation services.</li> </ul>
<ul style="list-style-type: none"> <li>• Sri Lanka Standards Institution.</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation services.</li> </ul>
<ul style="list-style-type: none"> <li>• National Development Bank.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Facilities.</li> </ul>
<ul style="list-style-type: none"> <li>• Institute of Industrial Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Technical services.</li> <li>• Consultation services.</li> </ul>

**Competency Level 6.6** : Enquires about special projects set up for the success of small business

**Number of Periods** : 06

**Learning Outcomes** :

- Provides examples of projects operated for the success of small business
- Briefly explains about the existing projects which provide aid to small business
- Collect information on projects which provide aid to a small selected business

**A Guideline for the creation of awareness about the subject matter:**

**Suwana** - This program is sponsored by the Japanese Bank of International Co-operation and refinancial facilities are provided by National Development Bank. This bank provides loans in order to promote small industries and entrepreneurs. This is known as SMILE (Small and Micro Industries Leader & Entrepreneur promotion project)

**Sahanya** - This loan scheme has been launched to provide loans to the small entrepreneur. DFCC bank and other commercial banks link with the scheme. It is financially sponsored by the Asian Development Bank.

**Skills Development Project**

- These programmes are conducted by the Ministry of Tertiary Education and Training. Successful trainees will be granted loans for which funds will be supplied by the Asia Development Bank.

**Rural Development Programe**

- This is a project by the Hatton National Bank to provide loans for self implementation purposes..

**Sanasa Loan project**

- Loans are provided for agriculture, farming, small industries and commercial activities.
- National Development Trust fund and deposits of the members are employed for this and Sanasa Head Office conducts administrative activities.

**Cooperative Rural Bank Loans**

- Agriculture, Fisheries Trade and Commerce loans are provided by this National Trust fund and member's deposits are utilized and Co-operative Department provides administrative activities

**Samurdhi Development Loan Scheme**

- This scheme has been implemented to provide loans and other services to the Samurdhi recipients through samurdhi societies

- Competency 7.0** : Appreciates the contribution of money by financial institutions for the existence and growth of businesses.
- Competency level 7.1** : Confirms the necessity of money to facilitate transactions
- Number of periods** : 06

**Learning Outcomes** :

- Define money
- Recognizes through study the Evaluation of moneys used in different periods.
- Mentions the need of money for exchange
- Recognizes the main functions of money and explains the importance of those functions, with examples.
- Indicates the characteristics of money
- Describes the types of money used in transactions

**Learning –Teaching Process**

**Approach**

- Present the following characters with the students who are willing to do so.  
Role play - 1- Two characters

- A textile manufacturer and a producer of fruits.
  - Behavior of characters
    - The textile manufacturer approaches the fruit producer
    - Demands fruits for textiles
    - Exchange takes place
    - Both parties leave satisfied

Role play -2- Two characters

- A textile manufacturer and a carpenter
  - Behavior of characters
    - The textile manufacturer meets the carpenter along with his textiles
    - He wants to exchange his textiles for a table
    - But the carpenter needs rice but not the textiles
    - No transactions takes place
    - Both the parties have to leave the place disappointed.

### Role play - 3- Two characters

- The owner of a super market and a customer.
  - Behavior of characters
    - After selecting the goods the customer settled payment giving a currency note
    - The owner keeps the note in a cash box and returns the balance money
    - The customer leaves the place satisfied.

### Role play- 4- Two characters

- The owner at a super market and a customer
  - Behavior of characters
    - The customer handed over an electronic plastic card to the owner for the goods he had purchased
    - Issued receipt after inserting the plastic card into a machine. The signature of the customer is placed on the receipt
    - The customer leaves the place satisfied.
- Carry out a discussion which reflects the following
  - Exchange of goods to goods took place in the first role play
  - There was a reason for the incompleteness of the exchange system in the second performance
  - The transaction was completed by using the legal money in the third play.
  - Transaction was fulfilled by using a credit card as well as a debit card in the fourth performance
  - There were various instruments used to effect the transaction
  - Make students perform this activity after giving them necessary instruction.

### **Proposed guidelines for the learning process**

- The following are some of the instruments used in payments. Concentrate on the type of instruments your group received.
  - Rs. 100/- worth of currency notes
  - Cheques
  - Credit card
- Introduce briefly the instrument which your group has received
- Give the advantages and disadvantages of the instrument which you have chosen to complete the settlement or payment
- List the functions to be performed by the instrument that you have received
- Be prepared to present the acquired knowledge to the whole class in an innovative way.

### **A guide for the clarification of subject matter**

- Money is anything which is acceptable in common in exchange for goods or services
- The evaluation of money could be listed out from the time of the barter system to the present day.
  - Use of commodities : Stones, Shells, bones of animals, tobacco.
  - Use of metal contents: Some metal contents such as gold, Silver were circulated
  - Use of metallic coins: Face value and the material value indicated on the metallic coins
  - Use of notes and coins:  
In order to avoid problems, currency notes and coins were published by the authorized government institution.

#### ***Example:-***

Sri Lanka	- Rupee, Cent
United kingdom	- Sterling pounds, Penny
United states of America	- Dollar, Cent
Countries of the European Community	- Euro, Cent

- Use of Bank money  
Cheques being used through current accounts
- Uses of electronic money  
There is electronic money, special cards were introduced through the development of information and digital technology.  
***Eg.*** Credit card, Debit card, Prepaid card
- Characteristics of good money stated as follows:
  - Acceptability - People should accept commonly
  - Durability - Money needs to be long - lasting
  - Scarcity - The commodity used must have a stable value and be scarce in nature
  - Portability - Money should be easy to handle.
  - Money should be easy to recognize
- Divisibility - The money used has to be capable of being divided into units
- The money used at present can be categorized as follows:
  - **Currency** - Notes and coins issued by an authorized body is called currency. This has to be accepted legally..

- **Bank money:**

This refers to the amount of money which represents the demand deposits or the current account balances maintained at commercial banks. These balances at banks are being used to issue cheques. This has less liquidity when compared to currency but high liquidity than near money.

- **Near Money :**

Though these are lower in liquidity than currency, it is easily and quickly convertible into cash

*Example:*

Savings and fixed deposits in commercial banks, commercial papers, treasury bills

- **Electronic Money (E-Money):**

A type of money being invented as a result of information technology and digital technology which is used nationally and internationally.

*Example:*

- **Debit Card :**

A Bank account is necessary to obtain a debit card and debit card transactions are carried out automatically through an electronic network.

- **Credit card :**

A Bank account is not necessary to obtain a credit card, Goods and services can be bought up to a certain value using a credit card.

- **Prepaid card :**

This card could be obtained by paying money in advance.

- The following are some facilities when using these cards while settling payments

- ATM - Automated Teller Machines
- EFTPOS - Electronic Funds Transfer Point of Sales
- Tele banking - Tele banking facilities
- On line banking - Internet Banking Services

**Competency Level 7.2** : Evaluates the manner in which the system of financial institutions in Sri Lanka contribute to the operation and growth of business.

**Number of periods** : 06

### **Learning Outcomes**

- Classifies financial institutions in Sri Lanka on the basis of the annual report of the Central Bank of Sri Lanka.
- Distinguishes between the types from the given group of financial institutions.
- Reviews the contribution of each financial institution to the functioning of businesses.

### **A guideline for the expansion of subject matter:**

- The following are the classification of financial institutions in Sri Lanka
    - The Central Bank of Sri Lanka
    - Banking Sector
      - Licensed commercial banks
      - Licensed specialized banks
    - Other institutions which accept deposits
      - Registered finance companies
      - Co-operative rural banks
      - Thrift and credit co-operative societies (Sanasa)
    - Other financial institutions
      - Specialized leasing companies
      - Vanik/ Merchant banks
      - Primary dealers
      - Share brokers companies
      - Unit trusts
      - Venture capital companies
      - Credit rating organizations
    - Contractual saving institutions
      - Insurance companies
      - Employees trust fund
      - Employees provident fund
      - Approved private provident fund
      - Government service provident fund
- (According to Central Bank annual report- 2008)

- The financial organizations which accept current account, savings account and other deposits, operate foreign exchange activities and are able to create money are called licensed commercial banks.
- There are large numbers of licensed commercial banks registered under the Central Bank of Sri Lanka. A few banks are owned by the government sector whereas the majority of the banks are owned by the private sector.
- Licensed commercial banks provide various services including acceptance of deposits and lending money.
  - Give more clear information to the students about the various services which make business activities easier.  
(Explanation regarding the services of commercial banks is given in competency levels 7.2 and 7.4 in details)
- Licensed specialized banks can be defined as follows.  
Licensed specialized banks are the financial institutions which have obtained a license from the Central Bank to conduct specialized banking business under the banking act. These banks are not permitted to maintain current accounts or foreign exchange transactions. These are special characteristics of the licensed specialized banks. However, they are authorized to accept savings and time deposits.
- Explain clearly the importance of such services including accepting deposits and lending money to business by the licensed specialized banks
- Suggest examples of licensed specialized banks.
- The following is the description of registered finance companies.
  - A public limited company which is registered under the Financial Companies Act and obtains a license from the Central Bank of Sri Lanka.
- The following functions are performed by finance companies
  - Financing on hire purchase
  - Trading on real estate
  - Provision of leasing facilities
  - Providing short term loans
  - Investing money on government securities, treasury bonds
  - Acceptance of term deposits

- Describe the contribution rendered by the above functions for the performance and the growth of businesses
- Mention a few examples of registered finance companies.
  
- The various functions carried out by the cooperative rural banks are as follows:
  - Accepting both deposits of members as well as non- members.
  - Providing pawning facilities
  - Acceptance of different categories of deposits. (Savings and to Fixed deposits )
  - Providing loans to its members for the purpose of agriculture, production, Industries and trade.
  - Disseminate the co-operative life-style among rural people
- Thrift and credit cooperative society (Sanasa) gives a helping hand to business activities
  - Basic objectives of the society is promoting saving habits and providing loans to members. It should obtain a license from the commissioner of cooperatives under the co-operative act. It accepts money as savings and shares from members and provides loans to members.
- Leasing companies could be defined as follows: A special financial institution which provides money for businessmen in order to lease equipment or any other asset and is known as a leasing company. The main income of these leasing companies is the normal rent, received by giving the particular movable assets on lease.
- Advantages gained by a businessman from leasing companies are as follows:
  - Arranging facilities for the use of valuable assets without paying the whole value.
  - Exemption from income tax for the payment of rent on lease.
  - Helps eliminate capital risks as well as losses incurred due to outdated machines.
- Is not shown on the liability side of the balance sheet of the business.
- Earning a high income without investing a large amount of money
- Indicates examples of leasing companies
- A stock brokers company acts as an intermediate person for the purchase or sale of stocks and debentures from incorporated companies

- The following are the commercial services carried out by stock broker companies.
  - Accept sales or purchase orders from investors.
  - Open up an account for investors at the central depository system.
  - Provide necessary advice to invest in shares and debentures.
  - Confirm maximum advantages that could be obtained by the investors by analyzing the sharemarket and by preparing a report on market research.
  - Give approval to listed companies after they have fulfilled the necessary requirements.
  - Help capital formation at the public companies
  - Present examples of share brokers companies.
  - The special financial institutions which are specialized in providing management and consultancy services are called merchant banks. They do not accept deposits.
  - Merchant banks provide various services to businessmen.
    - Preparing project reports
    - Providing consultancy services for finance and marketing
    - Performing underwriting services
    - Providing leasing services
  - Give examples of merchant banks.
  - Introduce unit trustees in the following manner.
    - Unit trusts mobilize resources by selling its units to the investors and invests funds through the stock exchange. Funds are invested in the investment portfolio by professional investment managers. The benefits of the unit trust are distributed among the unit holders.
- There are three parties included in a unit trust.
  - Trustees
  - Fund management companies
  - Unit holders or investors

- Suggest giving examples on unit trusts
- The following are the advantages of investing in a unit trust
  - Risking money in various investments will be minimized through a unit trust.
  - Obtain services from professional managers on investing.
  - **Venture capital companies:** Provide funds to start new business activities, expand present business activities, purchase or take over business activities. In addition to that it provides under writing services and syndicate of credit.
  - Mention examples of venture capital
  - Credit rating organizations provide services to businesses.
- Provision of guidance to investors to identify the features of financial instruments in the finance market. This helps to evaluate the financial strength of creditors and to compare them without difficulty in an international grade as there are common criteria being used for the credit rating.
- Contractual saving institutions also provide services to business.
  - Insurance company
 

These organizations obtain funds by providing various insurance policies. Insurance companies invest in the financial market. Insurance policies are issued to entrepreneurs to cover their various risks.
  - Employees provident fund and pensions schemes
    - These schemes are constituted under labour law. This fund is formed with the contributions from both the parties. The contributed money with benefits would be given to the employees at the time of their retirement.

**Competency level 7.3** : Shows the impact of various deposits and lendings of commercial banks for the development and growth of businesses.

**Number of Periods** : 06

### **Learning Outcome**

- Introduces different types of deposits maintained by commercial banks.
- Shows how different types of deposits are important to a business.
- Categorizes the types of loans issues by commercial banks.
- Tabulates the characteristics of loans issued by commercial banks.

### **A guideline for the expansion of subject matter:**

- Commercial banks maintain the following types of deposits
  - **Current Account (Demand deposit)**  
A type of account where there is no interest on the balance and transactions are done by issuing cheques. Overdraft facilities and telermachine facilities are also available
  - **Savings account**  
The purposes of introducing the type of account is to promote the saving habit among the people by providing on interest on the balance. Cash can be withdrawn and de posited at anytime.  
Transactions via Telermachine is also available.
  - **Fixed Deposit**  
A deposit for a specific period of time and with a fixed interest rate. A High interest rate is paid on this deposit.
- Facilities rendered to businessmen through the current account
  - Payment can be made through cheques.
  - Remittance facilities
  - Overdraft facilities
  - Statement of accounts
  - Standing order facilities
- The types of loan facilities in commercial banks.
  - Over draft
  - Loans

- An overdraft is a facility given by a bank to a customer issuing a cheque above the balance available in the current account.
- Overdraft can be categorized as temporary overdraft, permanent overdraft
- A bank loan is an amount of money given by the bank to be paid on a specific interest. It is given on certain conditions.
  
- Loans can be categorized as bank loans, business loans and consumer loans.
- A business loan is one which is given for commercial purposes on short, medium or long term and consumer loans are given for the purchase of long term fixed assets and sudden expenses.

**Competency level 7.4** : Shows the impact of other services provided by commercial banks on a business operation.

**Number of Time Periods** : 06

**Learning Outcomes** :

- Lists the other services rendered by commercial banks.
- Explains types of services rendered by commercial banks separately.
- Shows how they influence business activities
- Finds out the other services offered by a selected commercial bank and lists them

**A guideline for the expansion of subject matter:**

- The following are some of the services rendered by commercial banks.
- Leasing services
- **Issuing letters of credit (LC)**  
It is a document issued by the importers bank and sent to the exporters bank on behalf of the importer agreeing to pay the value.
- **Issuing of travellers cheque**
- Issued in different values in commonly accepted currency. A certain amount is charged by the financial institutions. It benefits local and foreign travellers because of convenience and security.
- **Safety lockers**
- They are lockers provided for the safekeeping of personal gold, Jewellery, Gems, Deeds etc.
- **Purchase and sale of foreign currency**
- Under foreign exchange regulations a commercial bank can buy and sell foreign exchange
- **Agent services**
- A bank can provide agent services to a customer on particular occasions
- **Automated banking service** : The advantages to the bank and to the customers through automated banking service are given below.

<b>Bank</b>	<b>Customer</b>
<ul style="list-style-type: none"> <li>• Reduce cost</li> <li>• Reduce congestion</li> <li>• Increasing accuracy</li> <li>• Ability to reduce working staff</li> <li>• Increasing profits by expanding services</li> </ul>	<ul style="list-style-type: none"> <li>• Transaction can be done 24 hours</li> <li>• Save time</li> <li>• Easy to pay bills</li> <li>• Can receive information on transactions</li> <li>• Ability to transfer money from one account to another</li> </ul>

- **Credit card**

Credit card is issued by banks or authorized institutions on a set amount of credit limit for the purchase of goods and services.

*Eg:* Visa card, master card, American expresses card.

- **Telebanking**

A Customer can transact business via telephone without going to a bank

- **Online banking**

Can obtain services of the bank via internet, using the password and secret PIN numbers and reaching to the webside of the bank. They are also known as internet banking, network banking, home banking

- **Pawning**

Money can be obtained by pawning jewellery. This is one of the services rendered by commercial bank

- **Money transfer activities**

Deposit the due money in account holders account rendered by other parties.

Explain the services that commercial banks render from time to time.

**Competency level 7.5** : Shows how transactions can be facilitated through the use of cheques.

**Number of Periods** : 06

**Learning Outcomes** :

- Defines cheque
- Explains the main components of a cheque by studying the presented one
- Names the parties involved in cheques and explains them
- Categories cheques
- Explains the difference between order cheques and bearer cheques
- Presents the important factors that have to be taken into consideration when writing a cheque.
- Introduces crossing a cheque and explains its necessity.
- Classifies crossing types by studying specimens.
- Explains how general crossing and special crossing can be effected.
- Introduces cheque endorsement
- When a cheque will be dishonored?
- Introduces dishonoring cheques clarifies relevant circumstances.

**A guideline for the expansion of subject matter:**

- A cheque can be defined as a written order made by a current account holder (Drawer) to a bank. (Drawee)
- The main features of a cheque
  - Date
  - Name of bank and branch
  - The name of payee
  - The term “Or bearer”
  - The amount of money in words and figures.
  - The term “Pay”
  - Signature of account holder
  - Magnetic recognition strip (Cheque no: Bank no, Branch no, and Account no.)
- The different parties involved in a cheque
  - Current account holder (drawer)
  - Payee
  - Drawee/ Bank



- An endorsement is where you write your name on the back of the cheque as it appears on the face of the cheque. The endorsement will be made in the following instances
  - When it is deposited in the bank
  - When a cheque is transferred to another person
  - Non - crossed cheques - encased over the counter
- When a bank refuses payment for a cheque it is called dishonoring
- The reasons for dishonoring a cheque
  - Stop payment
  - The death of the account holder and the bank has been informed.
  - Insolvency/ bankruptcy
  - Court order
  - Wrongly written
  - Insufficient funds

**Competency level 7.6** : Shows how transactions can be facilitated through the use of electronic money

**Number of Periods** : 05

### **Learning outcomes**

- Explains electronic money
- Explains the different types of electronic money in use.
- Explains the features of the electronic card and the parties involved
- Lists the advantages and disadvantages of using electronic money.
- Tabulates the special features of different types of electronic money

### **A guideline for the expansion of subject matter:**

- Electronic money can be introduced as the plastic card used in transactions known as credit card or debit card.
- A credit card can be identified as a facility given by an authorized institution or Commercial bank with a certain credit limit which could be used for the purchase of goods or services
- A debit card can be used to take money from the ATM or to use the money in the account to pay for the purchase of goods and services.
- The parties involved in electronic money transactions
  - Card holder
  - Issuing bank
  - Merchant or seller
  - Credit card association
- Features on the face of the credit card are as follows.
  - Bank logo or crest - Brand logo
  - Hologram - Date of expiry
  - Card number - Name of card holder

- Features at the back of a credit card
  - Magnetic strip            -    Issuing institution
  - Signature strip            -    Name and condition
  - Card security code        -    Customer service hotline
  
- Advantages to the credit card holder
  - Convenient
  - No interested for a period of time
  - Can be used for foreign transactions
  - Can withdraw money from ATM up to the limited amount
  - The risk of carrying cash reduced
  - Earn bonus points and discounts
  
- Disadvantages of the credit card are given bellow
  - Bearing a cost
  - High interest for late payment
  - Cannot be used in some shops
  - Fraud can occur
  - Tends to encourage unnecessary consumption
  
- The advantages to the businessmen are given bellow
  - Ensure payment settlement
  - High Sales and high profits
  - Easy transaction
  - Free advertisement
  
- Disadvantages to the businessmen are given bellow
  - Need to pay a commission to the bank
  - Need to set up a special machine

- The advantages of the debit card to the customer
  - Settlement of transactions through bank account
  - It is a record of the transaction
  - Receives a discount
  - Greater acceptance and reliability than a cheque
  - Can use at an ATM to get money
  - Reduces risk of carrying money
  
- Disadvantage of a debit card to the customer
  - Need to bear expenses
  - Problems in technology will create transaction difficulties
  - The risk of using the PIN number by some one else.
  - Cannot be used if it exceeds the account balance

**Competency level 7.7** : Examines the role of the Central Bank of Sri Lanka  
**Number of Periods** : 05

**Learning Outcome**

- c Introduces the Central Bank of Sri Lanka
- Explains the goals of the Central Bank
- Lists the functions of the Central Bank
- Explains the role of the Central Bank by studying information
- Investigates the impact of the functions of the Central Bank on businesses

**A guideline for the expansion of subject matter:**

- The Central Bank is the central institution that implements the financial policy of Sri Lanka as an agent of the government. It was established under the Financial Act No. 58 of 1949 on 28th August 1950.
- Organizational activities are carried out by the Monetary Board consisting of five members namely, governor of the central bank, the secretary to the Ministry of Finance and three appointed members.
- The Central Bank functions to achieve two main goals
  - Stabilizing price and economy
  - Stabilizing the financial system
- As the stability of the value of the money is called the price stability it leads to a higher employment level, and sustainable development.
- The withstanding capacity of the economy is the stability of the financial system and it creates a desirable situation for both depositors and investors.
  
- The Central Bank is involved in the following functions to achieve its goals;
  - Maintaining financial policy
  - Maintaining exchange rate policy
  - Management of official foreign exchange deposits.
  - Issuing and distributing currency
  - Supervision of banks and non banking institutions
  - Functioning as the financial agent, banker and economic advisor of the government
  - Providing money transferring and settling facilities to commercial banks and primary dealers who maintain accounts with the Central Bank.

- The following services are provided as an institutional agent in addition to above functions
  - Government debit management
  - Foreign currency control
  - Function as primary institution to implement small scale financing schemes and rural development loan schemes
  - Management of employee's trust fund
  - Explain how the Central Bank supports the success of business.

- Competency**                **8.0**    : Confirms the necessity of insurance
- Competency Level**    **8.1**    : Examines the importance of insurance that supports the existences of business.
- Number of periods**        : 08

**Learning outcomes**                :

- Explains risks
- Lists all risks which a business would face
- Defines insurance
- Classifies insurance as insurable risks and non- insurable risks.
- Explains insurable risks with examples.
- Describes non- insurable risks with example.
- Proves the necessity of insurance for the existences of businesses.
- Describes insurance policy.
- Introduces parties involved in insurance policies.
- Describes the requirements essential for insurance

**Learning - Teaching process:**

**Approach**

**Proposed instructions for Learning:**

- Features included in insurance are the person who desires to obtain cover by paying the premium periodically and the organization which agrees to compensate the insured for any losses or damages, specified in the agreement.
- Insurance is based on the pooling of funds where policy holders pay a premium into a pool. The pool of money so created is then used to be pay compensation to those who make claims.
- In insurance, risk is defined as a monetarily estimated damage.
- The risks may be divided into insurable risks and non- insurable risks.

• Features of insurable risks are given bellow

- Predictability
- Causality
- Unconnectedness
- Verifiability

Reasons for the risks could be examined on the basis of place, time and value.

- Examples of non- insurable risks are given below.
  - Business risks emerge due to natural reasons as expiry periods, depreciation etc.
  - Risks are decided on an individual's incapacibilities, where he or she fails her examination, or loses someone's love.
  - Business risks occur due to incorrect decisions taken by the management.
- Necessity of insurance can be explained as followings.
  - The investors are encouraged to insure against business risks.
  - A financial compensation could be obtained to safeguard those who lose their lives under tragic circumstances or are disabled due to illness.
  - A Substantial proportion of the nations savings is channelled through insurance companies to the capital market, where it is invested in a wide range of enterprises.
  - Marine insurance helps the progress of international trade.
  - The contract between insurer and the insuree is called an insurance agreement. It is a written agreement between the insurer and the insuree which is arrived at after the insurer's acceptance of the application.
- Parties involved in insurance agreements are, listed bellow
  - **1<sup>st</sup> party (Insuree)** : A person who is covered against possible losses incurred; he is entitled to receive compensation.
  - **2<sup>nd</sup> party (Insurer)**: The institution or the organization that undertakes to compensate for risks.
  - **3<sup>rd</sup> party** : All parties other than those who are involved in the insurance agreement
- The essential requirements for an insurance agreement, are given bellow
  - There should be an intension of forming a legal relationship.
  - Suggestion
  - Legalization or legality
  - Acceptance
  - Capabilities of creating a legal agreement between the two parties.
- An insurance policy is a document, which is issued by an insurance company to the insuree, for the insurance agreement obtained on life or on any property.

**Competency Level 8.2** : Investigates the principles of insurance that help practical use of insurance

**Number of periods** : 05

**Learning outcomes :**

- Explains insurable interests with examples
- Explains necessity of utmost good faith in an insurance agreement
- Explains the indemnity principle
- Explains the necessity of contribution
- Explains the importance of subrogation
- Introduces and explains the importance of proximate cause.
- Points out participating of each organization in compensating for the losses of high valued assets which are insured in many insurance companies.
- Appreciates importance of insurance principles on insurance

**Learning - Teaching process**

**Approach**

- Exhibit a picture of a large tree to the class.
- Ask student's opinion of the picture
- Organize the discussion reflecting the following matters.
  - A tree's life time, and strength depends on the roots.
  - A tree's life time will be reduced when the root is damaged.
  - Participation of insurance principles contributes in the life time of the insurance industry.
- Group the students suitably and make them engaged in the activity giving the proposed instructions.

**Guidelines for learning**

- The following are the statements reflected by an insurance company. Concentrate on the group of statements given to your groups

**Statement 01**

- Sahan can't insure his only brother as who is older and his only blood relative.
- Ranjan couldn't receive the insurance claim since, she had hidden her illness at the time she was taking her insurance policy

**Statement 02**

- Only Rs. 200,000/- was paid to compensate for Raja's motor vehicle though it was insured for Rs. 1500000.
- Ananthan was able to receive a compensation of Rs. 100,000 from four, insurance companies for the loss of Rs.100,000 though he has insured his factory with four insurance companies for each Rs. 500,000.

- **Statement 03**

- You should hand over the damaged parts of the lorry to the insurance company before claiming loss.
- A business was destroyed by theft and burglary and it had obtained fire insurance for the business. But compensation couldn't be given for the losses incurred.
- Identify the subject matter, which you received for your group and make a group discussion based on that subject matter.
- Elaborate on the information included in the subject matter.
- If you were the insured of the group present four opinions.
- Present the decisions of the group which it values as an insurer regarding the above events.
- Be prepared to present the exhibit with creative ideas to the whole class.

**A guideline for the expansion of subject matter:**

- Must follow certain insurance principles to run the insurance business.
- The following are the principles of insurance.
  - Insurable interest
  - Utmost good faith
  - Indemnity
  - Contribution
  - Subrogation
  - Proximate cause
- Insurance companies permit you to insure against a risk only if you have an insurable interest in that event, that is to say if the event does occur, you must suffer some kind of loss or some kind of liability.

**Example :** According to insurable interest a wife can insure her husband and a husband can insure his wife when applying for life assurance. An owner of property has the insurable interest to insure his own property.

- The person who insures must disclose all the details of the objects (Property, Life etc.) to the insurer and this is known as utmost good faith.
- The principle of indemnity means, to restore the insured to the position to compensate for the loss.

- If a property is insured with a number of insurance companies, all companies will jointly pay compensation, each contributing a share in proportion to the value for which it was insured. This is known as the principle of contribution.
- Subrogation is a sub principle of indemnity and this implies that when an insuree who accepts the compensation payment made for exact damage by the insurance company, he or she does not have any further right over the things insured. Any money raised through the sale of the asset belongs to the insurance company, not the policy holder.
- Sub principle of proximate cause implies that the root cause of the event known as proximate cause, and this must be covered by the policy for a claim to be valid. That is unmentioned risks cannot be covered by the insurance agreement.
- Insurable interest utmost good faith, and proximate cause are the basic insurance principles that only apply to life assurance.
- Principle of indemnity, subrogation and contribution are the basic principles which are not applicable to life assurance.

**Competency Level 8.3** : Investigates various types of insurance policies which cover various risks of business.

**Number of periods** : 05

**Learning outcomes** :

- Lists the categories of insurance policies available for business organizations.
- Explains the risks which are covered by the following insurance policies.
  - Life assurance policy
  - Fire insurance policy
  - Theft and burglary insurance
  - Natural disasters insurance
  - Marine insurance
  - Motor vehicle insurance
  - Employer liability insurance/ Compensation insurance
  - Goods in transit insurance
  - Cash in transit insurance
  - Public liability insurance
  
- Verifies the difference between life assurance and other insurances
- Differentiates between the risks which could and could not be arise under fire insurance
- Explains in brief, the available motor vehicle insurance policies
- Describes the available marine insurance policies

**Learning - Teaching process:**

**Approach**

- Exhibit a picture including the following scenes in the class.
  - A scene of a building on fire
  - A scene of two motor vehicles, which have crashed into each other.
  - A scene of a vessel partly sinking in the sea
  - A scene of theft or burglary in a house.
- Ask the opinions of the students regarding the matters which were shown in those pictures
- Ask students to suggest any actions which could be taken for the above mentioned matters
- Organize a discussion to reflect the following matters.
  - There are different types of risks in the business
  - The above mentioned risks could be covered by a range of insurance policies

- **Guidance for learning**

- Concentrate on the information related to the following three parts, which is accepted by society and also by the part given for your group.
  - **Ananthi**
    - She is a clerk and mother of three children below 10 years of age. She lost her husband. She has her husband's house in his name and some other property in hand.
  - **Kumar**
    - He is a furniture manufacturer and has a number of showrooms. His factory is near the Kelani Ganga. He distributes his products in two lorries which he owns. He distributes to traders all over the country.
  - **Nayeem**
    - He is a owner of several tea as well as rubber estates. He has two tea factories of his own . He usually goes to pay salaries to his employees of his estates as well as to his factories. He also exports his own products .
- Study the life the character your group is dealing with and try to ascertain the following.
  - Write separately the risks faced by the member mentioned in your information.
  - Mention the types of insurance agreements which could be received from the insurance organizations to claim against the above risks.
  - Be prepared to present your findings creatively

**A guideline for the expansion of subject matter:**

- The objective of life assurance is providing assurance against unexpected losses, such as death, disability and is a very important means of saving for old age.
- The benefit of life insurance is providing financial benefits to the dependents of the policy holder or providing compensation to the insuree in the event of death or bad injury caused by any events.
- Life assurance is to compensate only during a specified period. Insurance premium, interest and bonuses could be gained by the insuree if he lives and in the event of death of a policy holder, the insured value could be got by the dependents or the person who is mentioned in the agreement.

- Fire insurance policies provide cover against any damage to insuree's property or losses arising from fire
- Under fire insurance policy can cover certain against certain additional risks on payment of an additional premium. They are:
  - Riots/ Rivalries/ strikes
  - Explosions
  - Electro damage.
  - Earthquakes
  - Floods, droughts, cyclones
  - Plane crash ( aviation)
  - Losses incurred by disorder or quarrels
- Theft and burglary insurance policy (Can be obtained to) provide cover against the loss of goods through burglary, housebreaking
- Natural accidents policy provides cover against the losses from Tsunami, drought, cyclone etc.
- Marine insurance policy covers the loss of both ships (hull) and the cargo or merchandise carried by the vessel.
- Marine insurance is categorized into two sections. They are hull insurance and cargo insurance.
- The marine insurance policy is provided, as policy for all risks, policy for complete damage, port risk policy.
- Hull insurance policy could be subdivided into time policy, valued policy open cover policy.
- Motor vehicle insurance policy covers owners, passengers, injuries to third parties on public roads plus damage to the insuree's vehicle.
- Under motor vehicle insurance policies available following
  - Full insurance (Comprehensive policy)
  - Third party, fire and theft insurance
  - Minimum third party insurance
- Full insurance covers damage to the insuree's vehicle passengers, injuries to third parties and damage to property of the third party
- Third party fire and theft covers damage to other people's property from theft of vehicle and for fire damage, caused by riots or a rivalries.

- Minimum third party covers only injuries to third parties and property and it is a minimum legal requirement. This is compulsory under the law of the country.
- All employers are required by law to insure their liability to compensate their employees against disease or injury arising from their employment.
- Goods on transit insurance covers the goods in transit from the time of loading and until they are unloaded and while transporting on land and by sea.
- Transit cash insurance policy covers the loss of money while being taken from one place to another.
- Product liability covers damage which may occur in consuming products by the consumers.

**Example:** Various kinds of food and beverages may harm consumers and businessman could be covered against such harm.

**Competency Level 8.4** : Finds out the parties in the insurance market who contribute to the existence of insurance businesses.

**Number of periods** : 05

**Learning outcomes** :

- Explains the consistency of the insurance market.
- Appreciates the role of the Sri Lanka insurance board.
- Lists the insurance institutions of Sri Lanka.
- Finds the contributions made by insurance brokers and insurance agents for the development of the insurance industry
- Explains reinsurance.
- Describes underwriters

**A guideline for the expansion of subject matter:**

- The insurance market in Sri Lanka consists of Sri Lanka Insurance Board, Insurance companies, Insurance brokers and Insurance agents.
- The function of the Sri Lanka insurance board is established for the development of the insurance industry, responsibility of supervising and organize them in a systematic way.
- The functions of the Sri Lanka Insurance board are given below.
  - Registration of insurance companies
  - Registration of insurance brokers
  - Cancellation of insurance companies
  - Determine the limitation of funds that could be invested
  - Consultation services rendered to the government in relation to organizing and developing the insurance industry.
  - Implementation of government policies and programs regarding insurance
  - Implementing CESS tax for the development of insurances activities in business.
- Insurance companies mean companies established with the object of establishing insurance service to business activities and registered under the Act. No. 43 of 2003
- The insurance broker's job is playing a role as middlemen to the insurer and the insuree regarding insurance and reinsurance and to obtain the possible policy for the client. Insurance brokers are registered and they expect brokerage or commission for the job they do.
- A person whose aim is to receive commodation for the function he renders.

- The insurance companies that undertake the liability of the insured have an insurable interest over the subject matter insured or an insurance company will take part of risk insured with another companies called reinsurance.
- The advantages of reinsurance is that it covers the heavy liability by spreading the risk in order to reduce the commitments made by the insurer to an average amount.
- The following are the benefits received by the insurer in re- insurance.
- By reinsurance the liability of the insurance companies can be spread among many companies and by that the premium that is charges by each insurance company can be maintained at a low level.
- There is a stable existence and firmness, to claim coverage if damage occurs to a large property that had been insured.

**Competency 9.0** : Shows the necessity of using transportation effectively for the success of business activities.

**Competency Level 9.1** : Compares the advantages and limitations of various methods of transportation that can be used for the success of business activities.

**No of periods** : 05

**Learning Outcomes :**

- Introduces transportation as a necessary service for the success of business activities.
- Explains the elements of a transport system and presents examples of each of these elements.
- Presents various methods of transport and compares advantages and limitations of each of them.
- Shows the importance of transportation and presents recommendations to make it efficient.

**Learning -Teaching process :**

**Approach**

- Ask the students to mention the means that can be used to go to Jaffna from Colombo.
- Engage in a discussion pointing out the following facts.
  - Various methods of transport such as by bus, van, motor car, train, plane, ship, boat etc., can be used to go to Jaffna from Colombo.
  - As such the following methods are used for transportation.
    - Highway transport.
    - Railway transport
    - Airway transport
    - Waterway transport
- Group the students in a suitable way, give them the following proposed instructions for learning and get them engage in the activity.

**Proposed Instructions for Learning:**

- Four methods of transport are mentioned below. Pay attention to the transport method given to your group.
  - Highway transport
  - Railway transport
  - Airway transport
  - Waterway transport

- Briefly introduce the topic.
- Identify through a group discussion what routes are used in relation to the topic.
- Prepare a list of vehicles running on those routes.
- Indicate separately, the power that can be used to run those vehicles.
- Bring out, through a group discussion, the places where these vehicles stop.
- Clarify how method of transport is important to each of the following parties.
  - Individuals
  - Businessmen
- Clarify in what situations your transport method is most suitable for transportation.
- Bring out the advantages and limitations of the relevant transport method through a group discussion.
- Present your recommendations to make that transport method efficient.
- Prepare to present what you have disclosed to the whole class in a creative way.

**A guideline for the expansion of subject matter:**

- Transport plays an important role as an auxiliary (support) service in fulfilling needs and want of business enterprises and individuals.
- Transportation is not just a mode only. It is also a system made up of some elements with a balanced development.
- These elements of the transport system can be explained as follows:
  - Way :- Different means used for transportation.  
*Eg:* Highways, railways, waterways, airways, pipelines
  - Mode :- Vehicles running on various ways  
*Eg:* Motor vehicles, carts, bicycles, passenger trains, goods trains, boats, ships, helicopters, air planes.
  - Power :- The energy used to drive the vehicles used in each mode.  
*Eg:* Natural power such as man power, animal power, wind, sunlight and coal, mineral oil, electricity, gas.
  - Terminal :- The places where the modes of transport use to stop the vehicles.  
*Eg:* Bus stand, railway station, airport, harbour
- Some advantages of the highway transport method are mentioned below:
  - Ability to select a mode according to the needs
  - Island wide availability
  - Ability to use highways whenever necessary.
  - Mostly the same mode of transport can be used until the end of the journey.
  - A speedy method for short distance journeys.

- Some limitations of the highway transport method are mentioned below.
  - Difficulty in transporting large stocks at the same time.
  - Difficulty in maintaining highways.
  - Delays and a greater number of accidents.
  - Interruptions due to bad weather conditions.
  
- Some advantages of railway transport method are mentioned below.
  - Ability to transport a large stock and a large number of passengers at the same time.
  - Greater security than highway transport.
  - Ability to use compartments according to the nature of the goods.
  - Charges are moderate compared to other transport methods.
  - Ability to get various facilities such as canteens, sleeping births, observation rooms etc.
  
- The following are some of the limitations of railway transport.
  - Non-availability of island wide railway lines.
  - Inability to get the service whenever the necessity arises.
  - Due to the inability of using the same method up to the end of the journey, other transport methods have to be used.
  - Delays due to non performance of signal lights, weak conditions of railway lines etc.
  
- Some advantages and limitations of waterway transport are mentioned below.
 

Advantages:

  - Facilitates international trade.
  - Ability to transport large quantities.
  - Ability to select vessels according to the nature of goods.

Limitations:

  - Limited availability
  - More time consuming
  
- Some advantages and limitations of airway transport method are mentioned below.
 

Advantages:

  - High speed.
  - Suitable for perishable goods.
  - No costs for maintaining airways

- Limitations:
  - Not suitable to transport huge and very heavy goods.
  - High transport cost.
  - Greater tendency for accidents.
  - Non availability of service when needed.
  
- Discuss the importance of transportation to businessmen as well as to consumers.

**Competency Level 9.2** : Selects an effective mode of transport after examining the characteristics of a transport system

**No of periods** : 05

**Learning Outcome** :

- Investigates the factors to be considered when selecting a mode of transport.
- Selects a suitable transport method/ mode by studying the factors that should be considered when selecting a transport method/mode
- Explains the features of an efficient method of transport
- Presents proposals for an efficient transport method
- Explains the documents used in transportation of goods or passengers.
- Points out the new trends in transport
- Forecasts the future of transport
- Lines up various methods and modes of transport available for the transportation of goods and passengers.

**Learning - Teaching process:**

**Approach**

- Question the students on the way mineral oil (Petroleum) reaches their area
- Engage in a discussion pointing out the following facts
  - The area receives mineral oil by transporting them in special bowzers used particularly for that purpose.
  - That is a mode running on highways and railway lines.
  - That mode is very secure and also runs on the routes through which all the areas in Sri Lanka can be reached
  - The factors such as capacity and security are taken into consideration when selecting this mode to transport mineral oil
- Group the students in a suitable way, give them the following proposed instructions for learning and get them to engage in the activity

**Proposed Instructions for Learning:**

- The following are four instances where transport services, have to be used. Pay attention to the instance assigned to your group
  - Taking a patient from Anuradhapura hospital to Colombo National Hospital
  - Bringing natural flowers from a flower garden in Bandarawela to a flower shop in Colombo city.
  - Transporting a huge bulk of rice from Colombo to Kankasanturai
  - Transporting curd from Hambantota to a shop in Badulla town.

- Point out through a group discussion all the transport methods (Ways) that can be used for the relevant task
- List all the modes that can be used for the task relevant to you out of the modes that are running on each route.
- Decide through a group discussion the most suitable route and the mode for your task and the relevant mode for it.
- List the facts that your group considered in selecting that route and the mode.
- Identify the documents used when transporting goods or passengers on the route you selected
- Show the new trends of that route and the mode of transport
- Get ready to present your finding creatively to the whole class

**A guideline for the expansion of subject matter:**

- It is possible to list the facts that should be taken into consideration, when selecting a suitable transport method as follows
  - Nature of the goods
  - Distance
  - Speed
  - Safety
  - Cost
  - Capacity
  - Availability
  - Standards and international norms
- The following are the documents used in relation to transports methods

<b>Transport method</b>	<b>Documents used</b>
Highway transport	
• Transport of goods	: Goods delivery note
• Transport of passengers	: Ticket, season ticket Pass for free travel
Waterway transport	
• Transport of goods	: Bill of lading
• Transport of passengers	: Ship entry ticket
Airway transport	
• Transport of goods	: Airway bill
• Transport of passengers	: Air ticket

### Railway transport

- Transport of goods : Consignment note
  - Transport of passengers : Ticket/ Season ticket/  
railway warrant
- 
- New trends are also developing in the transport field and the following are some examples for them.
    - Transport through tunnels (subways)
    - Construction of flyovers
    - Construction of highways
    - Use of cable cars
    - Use of electric trains

**Competency**                    **10.0** : Confirms the necessity of using communication effectively for the success of business

**Competency Level**    **10.1** : Verifies the factors which enhance the effectiveness of a communication process

**No of periods**                    : 05

**Learning Outcome**                    :

- Clarifies communication
- Shows the importance of communication for business activities
- Clarifies the importance of communication for social activities
- Presents the communication process in a diagram
- Explains the elements of a communication process
- Prepares a list of characteristics of effective communication
- Prepares a message suitable for the circumstance paying attention to the facts that should be taken into consideration when preparing a message

**Learning - Teaching process:**

**Engagement:**

- Call the first student of the first row of the classroom and give him some message. Instruct him to pass that message to the student who sits next to him. Ask the students to pass the message until it comes to the last student. Get the last student to write the message on the board.
- Inquire whether the last student got the same message that the first student received. Ask the students to give reasons for the difference in the message.
- Conduct a discussion to find the reasons for the difference if it is different from the original message.
  - Failure to give the message clearly by the person who gave the message.
  - Failure to listen clearly to the message by the person who received the message
  - Message not being clear
  - Inability to understand the words in the message
- Messages should be exchanged accurately in order to maintain the effectiveness of communication
- Group the students in a suitable way and give them the proposed instructions for learning and get them involved in the activity.

### **Proposed Instructions for Learning:**

- The following are some instances where communication should take place. Pay attention to the instance assigned to your group.
  - Informing the relevant divisional heads that the principal will be having a meeting of all the divisional heads after school hours.
  - An employee of an institution who got ill suddenly informing the institution that he is unable to report to work
  - An institution informing all their islandwide branches of their decision on a special holiday.
- Identity through a group discussion, the sender and the receiver of the message assigned to your group
- Prepare the message that should be sent by the sender by discussing within the group
- Propose how that message can be sent
- Show in a diagram the process of sending the message you prepared from the sender to the receiver
- Line up the facts you paid attention to when preparing the message with your group
- Show how communication is important for the following tasks
  - For business activities
  - For social activities
- Get ready to present your findings creatively to the whole class

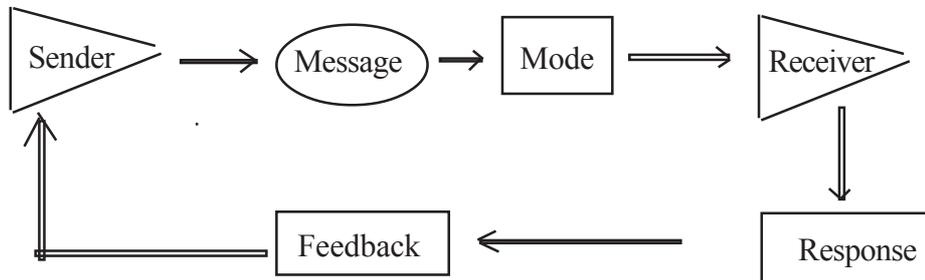
### **A guideline for the expansion of subject matter:**

- Communication can be analyzed as sending information from one party to another party or many parties, receiving information, understanding information and distributing them
- Communication is important for business activities in the following ways.

#### ***Examples***

- To exchange ideas between relevant parties in business transactions
- To maintain employer-employee relationship
- To promote marketing activities
- To manage human and physical resources well

- The communication process can be shown in a diagram as follows



- The following are the elements of a communication process

- Sender
- Message
- Mode
- Receiver
- Response
- Feedback

- Characteristics of effective communication can be listed as follows

- Accuracy
- Conciseness
- Completeness
- Clarity
- Courtesy
- Concreteness
- Consideration
- Cost effectiveness
- Speed

- The following facts should be taken into consideration when preparing a message

- |                         |                                      |
|-------------------------|--------------------------------------|
| • Nature of the message | • Ability for receiver to understand |
| • Completeness          | • Conciseness                        |
| • Accuracy              | • Concreteness                       |
| • Courtesy              |                                      |

**Competency Level 10.2** : Selects effective communication services by investigating various methods of communication

**No of periods** : 05

**Learning Outcome** :

- Introduces communication methods
- Shows each method of communication and presents examples of each method
- Clarifies modern electronic communication methods separately
- Lists the internal and external communication methods that are used in a business institution
- Clarifies barriers to effective communication and proposes strategies to overcome them
- Compares advantages and disadvantages in each communication method.

**Learning - Teaching process:**

**Approach :**

- Ask the students to mention the communication methods that are used by the principal in school to address the assembly, to inform the change of periods, to inform parents of the progress of students.
- Conduct a discussion pointing out the following facts
  - The principal is using verbal communication to address the assembly
  - Signals are needed to inform about the changes in periods
  - Written communication is used to inform parents about the progress of students
  - All these are methods of communication
  - Business institutions also use written, verbal and signal communication.
  - Group the students in a suitable way, give them the following proposed instructions for learning and get them engaged in the activity

**Proposed instructions for Learning:**

- The following are some of the pictures that show communication methods. Pay attention to the communication method assigned to your group.



A telephone conversation



A notice board



Traffic lights

- Try to clarify the communication method assigned to your group
- Give as many examples as possible of instances where communication takes place using that method
- Divide them as internal and external communication methods
- Clarify separately each electronic communication method relevant to the communication method assigned to your group
- Line up separately the advantages and limitations of using the communication method assigned to your group
- Show the obstacles that which may occur when using that communication method Practically
- Present your proposals to minimize these barriers
- Prepare to present your findings creatively to the whole class

**A guideline for the expansion of subject matter:**

- The following methods are used for communication
  - Verbal method
  - Written method
  - Signals and symbols
- The following are examples of the ways communication takes place through different methods of communication

Verbal	Internal	Eg. Interviews, Conferences, Meetings, Intercom
	External	Eg. Telephone, Mobile phone, loud speakers
Written	Internal	Eg. Memo,,Announcement, Notice board
	External	Eg., Letters, news papers, Magazines, Banner, Poster, Fax message
Signals and Signs	Internal	Eg :. Bell, Electric bell, Road signs
	External	Eg., Symbols of packages, Emergency alarm, Railway and highway signals.

- The external and internal communication methods that a business institution uses can be listed as follows.
- Internal
  - Notice board
  - Meetings
  - Intercom
  - Circulars
  - Letters
  - Memos
  - Reports
- External
  - Telephones
  - External letters
  - External notices
  - Posters
  - Banners
  - Gazettes
  - News papers
  - Television
  - E-mail
  - Fax
- Some of the modern electronic communication methods can be explained as follows
- **Internet**  
A computer network which covers a wide range or a computer network established internationally. Here the information inserted from different places can be obtained using personal computers
- **Electronic mail**  
The exchange of messages from a computer to a computer through the internet is called electronic mail. Notes and long documents too can be sent through electronic mail by typing the e-mail number of the receiver of the message using a modem or a terminal connected to a personal computer.

### **Intranet**

A creation of wide relationships inside a firm through Internet based on web technology and internet standards. Based on the internet this institutional network facilitates one to approach the data which are in the business institute.

### **Voice mail**

According to this work system, the message given by the sender verbally over the phone is reflected through networks and stores in a disk or records it in order to obtain same later.

### **Fax machines**

This is a type of electronic equipment which can quickly send documents including letters and pictures through an ordinary telephone system. In the fax system, the fax machine which sends the message reflects photo copies of relevant documents through digital technology to the fax machine which receives it.

### **Intercom**

A personal telephone network prepared in the institution by using a telephone network in order to exchange information within the institution

- There are barriers such as the following to effective communication
  - Lack of knowledge of the use of new technological methods
  - External barriers involved in the use of communicating tools
  - Using out dated communicating methods
  - Barriers along the path of communication flow
  - Weakness of communication plans
  - Language problems, knowledge, attitudes etc.
- Steps should be taken to overcome the barriers to communication
- There are advantages and limitations in communication

### **Written communication - Advantages**

- Ability to present information with greater details
- Ability to prove that information was communicated and received
- Ability to communicate data, notes, tables etc., easily

### **Written communication - Limitations**

- Problems in understanding information
- Difficulty in communicating information when reading ability is weak
- Information getting distorted when communicating

### **Verbal communication - Advantages**

- Ability to present a problem with more details after discussing it.
- Meeting both the sender and the receiver
- Ability to present information more quickly and confidentially.

### **Verbal communication - Limitations**

- Arising out of language problems
- Problems of exchanging information with parties who are verbally weak
- Inability to prove that information was communicated

### **Communication with signals and symbols - Advantages.**

- Ability to present information briefly and clearly.
- Higher level of accuracy of information.
- Ability to understand information easily.

### **Communication with signals and symbols - Limitations.**

- Problems in exchanging information with parties who have problems and weaknesses in eye sight.
- Barriers involved in communicating information through distortion of signals and symbols.
- Difficulty in understanding certain signals and symbols.

**Competency 11.0** : Looks into the contribution of trade in distributing products.

**Competency level 11.1** : Examines retail trade considering different types of trade.

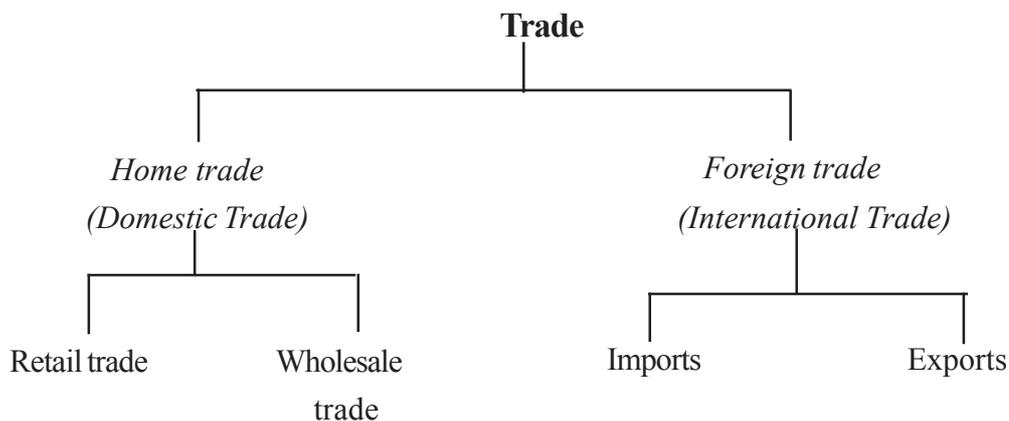
**No. of periods** : 06

**Learning outcome** :

- Introduces trade
- Differentiates trade
- Investigates retail trade
- Evaluates the services of retail trader
- Explains different ways of the distribution process
- Introduces trade intermediaries and investigates their role.

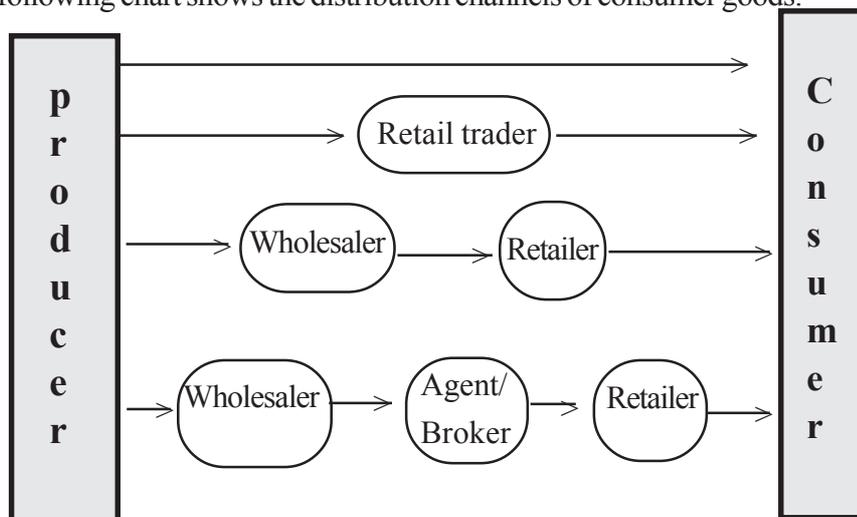
**A guideline for the expansion of subject matter:**

- The process of exchanging goods and services between a buyer and a seller is known as trade.
- Trade takes place based on major activities of buying and selling
- What happens in trade is that the ownership of the product transfers from one party to another
- The different types of trade can be shown by a flow chart as follows



- Domestic trade means trading within the boundaries of a country.
- Domestic trade is twofold as follows.
  - Retail trade
  - Wholesale trade

- Retail trade means selling goods and services for final consumption
- Retail traders render a great service to the following parties
  - To the producer
  - To the wholesale trader
  - To the consumer
- The following are some services provided to the producer
  - Providing information needed by the producer
  - Supporting the promotion of goods by displaying, posters, banners, cutouts and distributing samples etc.
- The following are some services provided to the wholesaler
  - Buying different types of goods from the wholesaler and storing them.
  - Supplying important information to the wholesaler
- The following are some of the information provided to the consumer
  - Supplying the goods demanded by the consumer in the required quantity and required time
  - Introducing the goods to the consumer.
  - Supplying goods on credit to the consumer
  - Explaining how the goods are used.
- Many intermediaries are connected when distributing goods from the producer to the consumer.
- The following chart shows the distribution channels of consumer goods.



**Competency level 11.2** : Selects retail shops suitable to satisfy needs considering the upliftment of home trade

**No. of periods** : 05

**Learning outcomes** :

- Reveals the bases of classifying retail stores
- Classifies retail stores
- Presents the features of each type of retail store
- Reveals new trends in retail trade
- Forecasts the future of retail trade

**Learning - Teaching process**

**Approach**

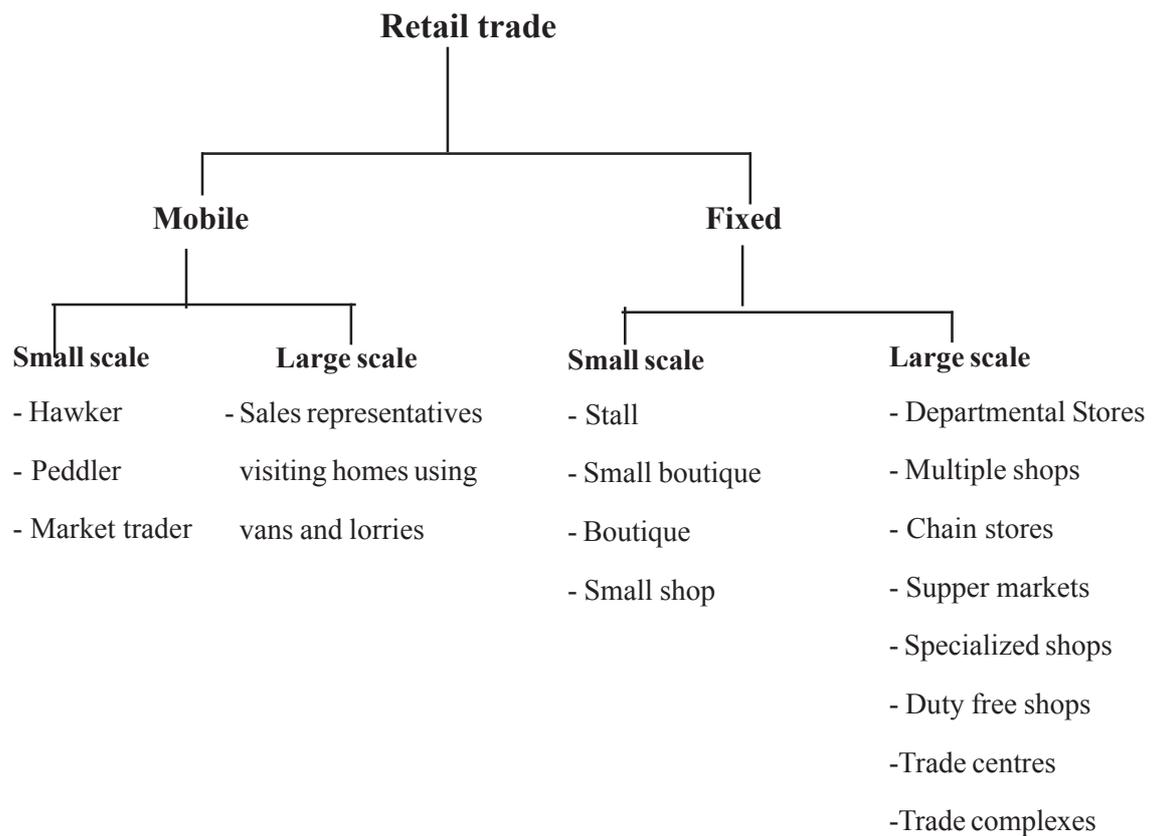
- Show the class pictures of different kinds of food, clothes and electrical items
- Ask questions such as whom and where the consumers obtain those goods from
- Engage in a discussion pointing out the following facts
  - Consumer needs are fulfilled by different retail stores
  - Some goods and services are brought to the consumer by the trader
  - Consumer goes to the traders to get certain things
- Group the students in a suitable way, give them the following proposed instructions for learning and get them to engage in the activity

**Proposed instructions for learning.**

- The following are some of the businessmen or institutions engaged in retail trade
  - Vegetable cart
  - Motor vehicle which sells computers
  - Jayalalitha grocery
  - Milano super city
- Reveal the following facts taking into consideration the trader or the business assigned to your group.
  - Write down if there are any other traders or businesses which are similar to the business assigned to you.
  - Group the characteristics common to all these traders or businesses
  - Show the new trends of the businesses assigned to you.
  - Prepare to present what you have disclosed to the whole class in a creative way.

**A guideline to expand the subject matter**

- According to the manager they operate retail traders can be basically classified as follows
  - Mobile retailers
  - Fixed retailers
- Different kinds of retail traders can be shown in the following flow chart.



- Mobile trade is the sale of goods going from place to place and fixed trade is selling goods in one place.
- Mobile trade and fixed trade can be classified as small scale and large scale.
- The person who sells different kinds of ornamental items on a small scale using bicycles and carts is called a hawker
- When vegetables, fruits etc are sold on small scale in a small place prepared to keep the goods, it is called a stall
- When different types of goods are sold under one ownership in one building with separate sections for each type, they are called departmental stores.

- When there are branches of stores all over the country to sell the products of one producer, they are called Multiple stores.
  
- When goods are sold with an agreement to sell only one producer's goods they are called chain stores.  
*(Explain briefly the other stores included in the above diagram)*
  
- The following are some of the new trends in present retail trade.
  - Using modern management techniques.
  - Maintaining relatively large scale retail stores.
  - Getting required quantity of stock just in time (JIT) without stocking large stocks.
  - Computerised price index.
  - Payments through credit cards.
  - Maintaining relationship networks with customers.

**Competency level 11.3** : Examines wholesale trade

**No. of periods** : 06

**Learning outcomes** :

- Clarifies wholesale trade
- Explains the characteristics of wholesale trade.
- Clarifies separately the services provided by the wholesale trader to the producer and to the retail trader.
- Introduces agents and explains their role.
- Mentions the advantages and limitations of the use of intermediaries in trade.

**A guideline for the expansion of subject matter:**

- Wholesale trade can be defined as purchasing products for resale or other business purposes.
- The following characteristics can be seen in wholesale trade.
  - Purchasing goods with the intention of resale
  - Selling goods in bulk
  - Giving trade discounts
  - Storing goods in bulk
  - Involvement in promotion of goods
  - Conducting market research
  - Transporting stocks
- The wholesale trader provides multiple services to the following parties
  - To the producer
  - To the retail trader
- Services provided to the producer

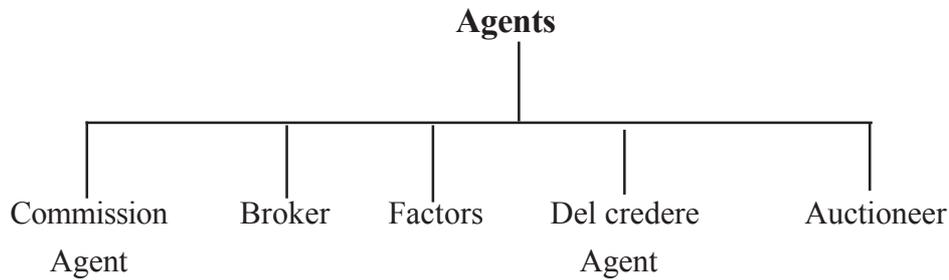
**Examples:**

  - Purchasing goods in bulk
  - Providing information about the market
- Services provided to the retail trader

**Examples:**

  - Supplying goods in bulk
  - Providing financial facilities
  - Delivering goods to the retail store
- The agent is a person who is engaged in some activity with the authority of a certain principal

- Agents can be categorized according to the services provided by them as follows



- A commission agent is the agent who purchases or sells goods according to his discretion in favour of his principals. He does all these things on behalf of his principal and gets a commission on them.
- A broker is the person who arranges to meet the buyer and the seller relevant to a transaction, facilitates the transaction and obtains brokerage from both parties.
- A factor is the agent who purchases or sells goods on behalf of the principal using his personal name in all those transactions
- A del credere agent takes the full responsibility for collecting all the money from the relevant debtors if a credit sale has been done on behalf of the principal. He gets del credere commission in addition to normal commission.
- An auctioneer sells his principal's goods to the buyers who bid the highest prices orally and openly for the relevant items. He co-ordinates these activities too. He gets auction fees for all these activities.
- A retail trader, wholesale trader and the agent play the role of intermediaries in trade.

- The following are some of the advantages and disadvantages of using intermediaries

#### **Advantages**

- Facilitates distribution of goods
- Facilitates introduction of goods
- Facilitates producer's function
- Relevant parties can obtain market information easily.

#### **Disadvantages**

- Possibility to cause an unnecessary scarcity of goods in the market.
- Possibility of prices of goods rising.

**Competency level 11.4** : Examines international trade with benefits and barriers related to it.

**No. of periods** : 06

**Learning outcomes** :

- Clarifies international trade
- Explains basic factors of international trade.
- Clarifies different types of international trade.
- Clarifies different types of international trade separately.
- Evaluates the benefits of international trade
- Defines free trade
- Classifies barriers to free trade as tariffs and non- tariffs and classifies them.

**A guideline to expand the subject matter :**

- When one country trades with another country or countries, it is called international trade.
- International trade is based on the following factors.
  - Indirect production
  - A surplus or deficit of production
  - Cost of production
  - Globalization
  - Changes in preferences
  - Promotion of goods
  - Less trade barriers
- When a country buys goods from a foreign country, it is called import. The relevant country has to pay foreign exchange for this transaction.
- When a country sends goods to a foreign country or countries, it is called export. The relevant country receives foreign exchange from this transaction.
- When the goods imported from foreign countries are exported after processing or not processing inside the harbor, it is called entreport and when the imported goods are brought into the country and exported again after changing them or not making any change to them, it is called re-exports.
- A country can achieve many benefits by being involved in international trade.
  - Ability to export surplus production
  - Ability to import products which cannot be produced.

- Ability to earn foreign exchange.
  - Improvements in international trade relationships.
  - Improvements in new technology and management competencies.
  - Paving way to new international markets
  - Improvements in international co-operation .
  - Ability to consume more goods.
- 
- When different parties can independently import and export goods without any barriers, it is called free trade.
  - The barriers to free trade can be classified as tariffs and non-tariffs.
  - Imposing of tariffs for international trade is a barrier to free trade.
- 
- There are non tariff factors too which act as barriers to free trade.

***Examples :***

- Import limitations/ quota
- Export limitations/ quota
- Export/ Import bans
- Trade agreements
- Rigid exchange policies

**Competency level 11.5** : Exhibits readiness to enter into international trade examining import and export procedures.

**No. of periods** : 06

**Learning outcomes** :

- Explains import and export procedure.
- Clarifies the documents and methods used in import and export trade.
- Clarifies separately the payment methods used in foreign trade

**A guideline for the expansion of subject matter:**

- Import and export trade transactions are generally done through both the direct method and the indent method
- Goods are obtained by sending orders direct to a foreign manufacturer or his agent under the direct method.
- Goods are obtained through an agent under the indent method.
- There is no difference between the direct method and the indent method with regard to the import and export procedure and the documents used.
  
- Steps related to import procedure can be shown as follows,
  - Obtaining details of foreign suppliers.
  - Sending a price inquiry
  - Making a suitable decision about importing goods after receiving a price quotation.
  - Obtaining an import permit if necessary, for the goods to be imported.
  - forwarding the indent to the foreign exporter.
  - Making arrangements to pay the exporter.
  - Obtaining the goods after they arrive at the port.
  
- Export procedure can be shown as follows.
  - Registering as an exporter
  - Finding of foreign buyers
  - Obtaining export permits if necessary
  - Sending a price quotation in response to the price inquiry received from the importer
  - Receiving the indent
  - Reserving space for the shipment and getting the necessary documents ready
  - Packing the goods in a suitable way for shipment
  - Insuring the goods to be exported
  - Obtaining the bill of lading after handing over the shipment
  - Making arrangements to obtain the money

- Documents used in import and export trade are as follows
  - Import/ Export permits (licences)
 

These licences are issued by the department of the controller of Import and Export. The Controller of Import and export publishes the goods for which permits should be obtained.
  - Indent
 

This is the order sent by the importer to the foreign supplier. The details of the goods required by the importer, price, relevant information on the shipment are included in it.
  - Bill of lading
 

This is issued by the captain of the ship or his agent to the exporter on behalf of the shipping company. It is certified and promised through this document that the shipment is undertaken and will be delivered to the port on the relevant country.
  - Invoice
 

Details of the goods which are exported, prices, conditions with regard to payments and rejections and the route are included in this document.
  - Certificate of origin
 

This document is issued by a recognized chamber of commerce or a government institution certifying that the shipment is a production of the exporting country.
  - Letter of credit
 

This document sent in order to pay money for the goods sent to the importer by an exporter. Generally the importer's bank issues letters of credit on his demand.
  - Import entry
 

This document should be forwarded to the customs by the importer or his agent in order to claim ownership of goods which have arrived at the harbour for him.
  - Export entry
 

This document is forwarded to the customs of the exporting country by an exporter giving all the details of the goods he intends to export.

- Insurance certificate

When exporting a stock of goods, the importer or exporter obtains an insurance certificate for the stocks to be exported. This insurance certificate is obtained by the importer or exporter according to the sales contract.

- Wharf receipt

- After handing over the goods to the customs, the customs issues this certificate to the exporter maintaining that the goods are undertaken.

- Letter of indemnity

When a situation has arisen to issue a 'Foul' bill of lading, the exporter gives this letter to the captain of the ship, to inform the captain that he will undertake all the future risks with regard to breakages or damage of the goods. This is done in order to get a 'clean' bill of lading. When the shipment is in good condition, a clean bill of lading is issued. When there are breakages or damage of certain goods or in the whole stock, the foul bill of lading is issued mentioning that the goods are broken or damaged.

- Sanitary certificate

Certain government institutions of this country issue this document assuring the suitability for consumption of certain agricultural products which are exported from this country to other countries. This is issued on the request of the importing country.

- Warehouse licences

This is a document issued by the authorities of warehouses after storing goods in bonded warehouses.

- The methods used to make payments in foreign trade can be clarified as follows.

- Bank drafts
- Letter of credit
- Electronic payment methods
- Foreign mails and telex transfers

- Bank Draft

This can be used to send money to a person in a far away place of the same country or in a foreign country. When a person pays the relevant amount and the due charges to his bank and instructs his bank to pay the money according to his instructions to the person named by him, then the sender's bank issues this document to the receiver's bank or the agent bank requesting that the money be paid accordingly.

- Electronic payment methods

The present methods of paying money quickly through the internet connections are included here.

*Eg:* Credit cards

- Direct credit transfers

Credit transfers are done among own accounts through electronic media such as automatic teller machines, telephones, internet or by giving instructions to own banks through written standing orders.

- Foreign mails and telex transfers

This is an order given by a bank through telephone or cable system to the foreign bank or an agent bank of that particular bank requesting a certain amount of money be paid to a foreign creditor on behalf of that bank. Telegram system is used for this. If the messages are sent through a telex machine as mentioned above, then it is called a telex transfer. If a fax machine is used to send the message, then it is called a fax transfer.

**Competency level 11.6** : Investigates how the performance of trade blocs and international organizations contribute to the upliftment of foreign trade.

**No of periods** : 06

**Learning outcome** :

- Introduces trade blocs with examples.
- Investigates how international organizations contribute to the upliftment of foreign trade.
- Studies trade agreements and organizations established from time to time.
- Analyses the impact of trade agreements on foreign trade.
- Investigates trends in foreign trade.

**A guideline for the expansion of subject matter:**

- A free trade zone formed by some countries through an agreement on taxes, customs duty and trade, can be called a trade bloc.
- Many trade blocs are operating globally at present.
- The following are some examples for trade blocs.
  - European Union
  - ASEAN (Association of South East Asian Nations)
  - SAARC (South Asian Association for Regional Co-operation)
  - NAFTA (North American Free Trade Agreement)
- Various factors act against the upliftment of foreign trade.
- The following are major factors among them.
  - Natural barriers
    - Eg:* Language differences
    - Cultural differences
  - Artificial barriers
    - Eg:* Customs duty
    - Import quotas
    - Import bans
    - Exchange controls
    - Customs rules and regulations

- Nations have formed various organizations to minimize the unfavorable impact of these barriers on foreign trade and to uplift it.
- The following are some examples of those organizations.
  - World Trade Organization (WTO)
  - International Bank for Rehabilitation and Development - World Bank (IBRD)
  - International Monetary Fund (IMF)
  - G8 Group.
- A trade agreement can be simply explained as a compact between two or more countries to exchange commodities during a certain period.
- When two countries sign an agreement and exchange a certain amount of commodities during a certain period, they are called Bilateral Trade Agreements and when more than two countries get together and agree to exchange commodities, they are called Multi lateral Trade Agreements.
- There are advantages of trade agreements such as getting a fixed market, protection from price fluctuations and development of international co-operation.
- At present, several countries get into agreements in order to take necessary action to protect their economies.
- Presently, some new trends can be seen in foreign trade and the following are some of them.
  - Expansion of foreign trade through e-commerce.
  - Use of electronic payment methods.
  - Establishment of trade blocs and trade partnerships.

**Competency level 11.7** : Points out the contribution of electronic commerce to the upliftment of trade

**No of periods** : 05

**Learning outcome** :

- Defines electronic trade.
- Explains the procedures of electronic trade.
- Examines the advantages and limitations of electronic trade.
- Clarifies separately the means of electronic trade.

**A guideline for the expansion of subject matter:**

- E-Commerce /E-Trade is the process of buying and selling goods creating market space between buyers and sellers through the internet.
  
- E-Trade may operate according to the following procedure.
  - Buyers and sellers meet through the internet.
  - Organize trade transactions.
  - Activities of buying and selling goods take place.
  - Settle payments related to the transaction.
  
- The businessmen, customers and the society benefit from e-trade.
- Benefits to the businessman.
  - Accelerates the transaction.
  - Market expansion.
  - Minimization of transaction cost.
  
- Benefits to the customer.
  - Greater opportunities to select goods.
  - Ability to obtain what is ordered speedily.
  - Comparatively low price levels of goods.
  
- Benefits to the society.
  - Higher standard of living.
  - Opportunities to consume new goods.
  - Possibility to co-ordinate trade transactions by connecting with different parties.

- Limitations of e- trade.
  - Difficulties in using the relevant instruments.
  - Barriers to expansion.
  - Problems related to security in use.
  
- E-Trade operates in different ways.
  - Business to Business (B 2 B)  
Transactions between businesses through the internet.
  
  - Business to customer (B 2 C)  
Selling goods to the customer by the business through the internet.
  
  - Customer to Customer (C 2 C)  
A customer sells goods direct to another customer through the internet.
  
  - Government to Citizen (G 2 C)
  
- Discuss the changes taking place from time to time with regard to e-commerce.

# **SCHOOL BASED ASSESSMENT**

## **Introduction- School Based Assessment**

Learning–Teaching and Evaluation are three major components of the process of Education. It is a fact that teachers should know that evaluation is used to assess the progress of learning – teaching process. Moreover, teachers should know that these components influence mutually and develop each other. According to formative assessment (continuous assessment) fundamentals; it should be done while teaching or it is an ongoing process. Formative assessment can be done at the beginning, in the middle, at the end and at any instance of the learning teaching process.

Teachers who expect to assess the progress of learning of the students should use an organized plan. School Based Assessment (SBA) process is not a mere examination method or a testing method. This programme is known as the method of intervening to develop learning in students and teaching of teachers. Furthermore, this process can be used to maximize the student’s capacities by identifying their strengths and weaknesses closely.

When implementing SBA programmes, students are directed to the exploratory process through Learning Teaching activities and it is expected that teachers should be with the students facilitating, directing and observing the task they are engaged in.

At this juncture students should be assessed continuously and the teacher should confirm whether the skills of the students get developed up to the expected level by assessing continuously. The learning teaching process should not only provide proper experiences to the students but also check whether the students have acquired them properly. For this, to happen proper guidance should be given.

Teachers who are engaged in evaluation (assessment) would be able to supply guidance in two ways. They are commonly known as feed-back and feed- forward. The Teacher’s role should be providing Feedback to avoid learning difficulties when the students’ weaknesses and inabilities are revealed and provide feed-forward when the abilities and the strengths are identified, to develop such strong skills of the students.

Student should be able to identify what objectives have been achieved to which level, leads to Success of the Learning Teaching process. Teachers are expected to judge the competency levels students have reached through evaluation and they should communicate information about student progress to parents and other relevant sectors. The best method that can be used to assess is the SBA that provides the opportunity to assess student continuously.

Teachers who have got the above objective in mind will use effective learning, Teaching, evaluation methods to make the Teaching process and learning process effective. Following are the types of evaluation tools student and, teachers can use. These types were introduced to teachers by the Department of Examination and National Institute of Education with the new reforms. Therefore, we expect that the teachers in the system know about them well

Types of assessment tools:

- |                              |                          |
|------------------------------|--------------------------|
| 01. Assignments              | 02. Projects             |
| 03. Survey                   | 04. Exploration          |
| 05. Observation              | 06. Exhibitions          |
| 07. Field trips              | 08. Short written        |
| 09. Structured essays        | 10. Open book test       |
| 11. Creative activities      | 12. Listening Tests      |
| 13. Practical work           | 14. Speech               |
| 15. Self creation            | 16. Group work           |
| 17. Concept maps             | 18. Double entry journal |
| 19. Wall papers              | 20. Quizzes              |
| 21. Question and answer book | 22. Debates              |
| 23. Panel discussions        | 24. Seminars             |
| 25. Impromptu speeches       | 26. Role-plays           |

Teachers are not expected to use the above mentioned activities for all the units and for all the subjects. Teachers should be able to pick and choose the suitable type for the relevant units and for the relevant subjects to assess the progress of the students appropriately. The types of assessment tools are mentioned in Teacher's Instructional Manuals.

If the teachers try to avoid administering the relevant assessment tools in their classes there will be lapses in exhibiting the growth of academic abilities, affective factors and psycho- motor skills in the students

## Learning - Teaching Evaluation Plans

- (1)Event of evaluation : First term, Plan 01
- (2)Competency levels covered : 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7
- (3)Subject content related to the plan :
  - Define business
  - Evolution of business
  - Criteria used to classify business and classification of business
  - Contribution of business to the economy
  - Process of business
  - Classification of products
  - Parties interested in business
- (4)Nature of plan : Oral test
- (5)Objectives of the plan :
  - Improves the ability of speech
  - Minimizes stage fright
  - Analyses business related concepts
  - Presents ways to classify business
  - Lines up evolution of business
  - Analyses parties interested in business
- (6)Instructions on implementation of plan :
  - Inform the students at the beginning of competency level 1.1 itself that they will be evaluated orally (speech) at the end of competency level 1.7
  - Inform students about the evaluation criteria.
  - Give all the students a number of topics similar to the number of students in the class from the following topics on the last date of each competency level.

*Examples :*

  - Business, needs and wants goods and services.
  - Markets, business classification criteria.

- Business classification according to ownership, business classification according to objectives.
- Inputs and outputs, classification of goods
- Classification of services
- Direct production and indirect production
- Barter system, money, business support services.
- Electronic business  
(If topics are not sufficient give other topics relevant to the competency)
- Give only a number of topics to match the number of students in the class.
- Tell the students to get ready to speak for two minutes on each topic.
- Give the specific date on which the oral evaluation will be made.
- On the day of the evaluation, five minutes before they start to speak make arrangements for students to randomly select the specific topic assigned to each student.
- Give marks according to the criteria while the students is speaking

- Instructions to students :
  - Follow the instructions given by the teacher
  - Prepare for all the topics given to you by the teacher. But, note that you have to speak on one topic only.
  - On the day of the evaluation, give a two minute talk to the class on the randomly selected topic.

(7)Evaluation criteria :

- Presentation of facts related to the topic.
- Use of time given.
- Presentation of adequate subject matter.
- Voice control and body language when necessary.
- Compliance to the ethics and procedures that should be followed at the beginning and end of the speech.

- (8)Marks range :
- Very good 04
  - Good 03
  - Satisfactory 02
  - Should develop 01

## Learning - Teaching Evaluation Plans

- (1) Event of evaluation : First term, Plan 02
- (2) Competency levels covered : 4.1, 4.2, 4.3, 4.4, 4.5, 4.6
- (3) Subject content related to the plan :
  - The manner in which the government influences businesses.
  - The contribution of government to businesses.
  - Objectives of a government
  - Government's fiscal policies
  - Government's financial policies
  - Consumer protection
  - Institutions operating for consumer protection
- (4) Nature of the plan :
  - Debate
- (5) Objectives of the plan:
  - Presents facts creatively and rationally.
  - Develops speaking ability
  - Lines up the objectives of a government.
  - Shows how the businesses contribute to the achievement of the objectives of the government.
  - Clarifies how the government influences business
  - Shows the importance of mutual / relationship between the government and businesses.
- (6) Instructions to implement the plan :
  - Inform the students at the beginning of competency level 4.1, that they should participate in a debate

Instructions to teachers : 
  - at the end of competency level 4.6
  - Divide the students in the class into two groups.
  - Give the following topic to the two groups at the beginning of competency level 4.1 and ask them to prepare for a debate.  
“The government should mediate with regard to business. The government should not mediate.”

- At the end of each competency level, instruct the students to relate the subject matter relevant to it to the debate.
- Inform the students that the debate should be held through two specific periods and also inform them about the evaluation criteria.
- Give marks to students on the basis of the relative criteria while the debate is going on.

- Instructions to Students :
- Do the activities according to the instructions and guidance given by the teacher.
  - Collect information related to your topic.
  - Take decisions on appointing the group leader, time given to each member, number of opportunities etc., after discussing with the teacher.
  - Work as a team to win
  - Be conscious about how marks are awarded.

- (7)Evaluation criteria :
- Presenting facts related to the topic and presenting the facts in an organized way.
  - Presenting ideas creatively and rationally.
  - Body language and time management.
  - Challenging the arguments of the opposite team.
  - Working as a team and acting with enthusiasm.

- (8)Marks range :
- Very good            04
  - Good                    03
  - Satisfactory        02
  - Should develop    01

## Learning - Teaching Evaluation Plans

- (1) Event of evaluation : Second term, Plan 03
- (2) Competency Levels Covered : 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8
- (3) Subject content related to the plan :
  - Classification of business organizations in terms of ownership.
  - Specific features of private sector business organizations.
  - Registrations of private sector business organizations.
- (4) Nature of the plans :
  - Creating puzzles
- (5) Objectives of the plan :
  - Classifies business organizations in terms of ownership.
  - Lines up features of private sector business organizations based on different criteria.
  - Explains the registration procedure of private sector business organizations.
  - Constructs questions which have specific answers.
- (6) Instructions to implements the plan instructions to teachers :
  - Inform the students to at the beginning of the competency level 5.1 that they have co-create a puzzle at the end of competency level 5.8.
  - Inform students about the evaluation criteria.
  - Divide students in to four groups.
  - Distribute the four topics, single - owner businesses, partnerships, Incorporated companies, Co- operatives, among the student groups randomly.

- Tell each group to create a crossword puzzle on the relevant topic according to the following conditions.
  - There should be 10 terms down and 10 terms across.
  - Can prepare the square net according to the direction.
  - Puzzle terms should be directly related to the topic assigned to the group.
- Examine the terms of the puzzle and the puzzle of all the groups one week before the Puzzle is to be submitted.
- Get each group to present their puzzles on a specified date (in two periods)
- Get the other groups to complete the puzzle. (Hold it as a competition).
- Give marks using evaluation criteria to each group which presents the puzzle.

Instructions to

- Do the activities according to the instructions and guidance given by the teacher
- All the students of the group should create at least one term of the puzzle.
- Show them to the teacher on the date informed by him and do the necessary adjustment.
- Construct puzzle creatively.

(7) Evaluation Criteria :

- Solution of the puzzle should relate to the topic.
- The puzzle should be structured as to achieve the objectives.
- Following the teacher's instructions and finishing the activity within the given time period.
- Including the specified number of terms.
- Creativity

(8) Marks range

- Very good      04
- Good            03
- Satisfactory    02
- Should develop 01

## Learning - Teaching Evaluation Plans

- (1) Event of evaluation : Second term, Plan 04
- (2) Competency Levels Covered : 6.1, 6.2, 6.3, 6.4, 6.5, 6.6
- (3) Subject content related to the plan :
  - Defining entrepreneurship, importance and benefits.
  - Partnership between economic development and entrepreneurship.
  - Entrepreneur and entrepreneurial background.
  - Entrepreneurial competencies and ways to improve competencies.
  - Features of small businesses and the reasons for their importance to Sri Lanka.
  - Project providing supports/ aid to small businesses.
- (4) Nature of the plan :
  - Exploration
- (5) Objective of the plan :
  - Prepares a suitable questionnaire to collect information under the headings given.
    - Collects information through exploration.
    - Creates reports using the data collected.
    - Defines entrepreneurship
    - Investigates the importance and benefits of entrepreneurship
    - Collects information on entrepreneurial competencies.
    - Shows how entrepreneurial competencies can be improved.
- (6) Instructions to implement the plan instructions to teachers. :
  - informs the students at the beginning of competency level 6.1 that they have to submit a report on an entrepreneur at the end of competency level 6.6
  - Inform students about the evaluation criteria.

- Instruct students to prepare a questionnaire which will help them collect the following information by meeting an entrepreneur of their area.
  - Nature of business activities
  - His family business activities
  - His family background
  - Reasons for selecting the enterprise
  - How it started
  - Initial capital
  - Parties supported
  - Nature of the business at the beginning
  - Challenges faced
  - Present situation
  - Present capital
  - Whether loans are taken  
(It so how they are taken)
  - Nature of the business
  - Parties supporting the business
  - Social acceptance
  - Future acceptance
- Check the questionnaire prepared by the student on a date fixed early and gives instructions for necessary changes.
- Inform the student to collect information by discussing with the selected entrepreneur outside school hours.
- Get the student to prepare the report during the periods arranged earlier using the collected data.
- Tell them to give a suitable topic for it.
- Give marks on related criteria.

Instructions for

- students :
- Act according to the instructions and guidance given by the teacher.
  - Select an entrepreneur from the area to conduct an interview.
  - Prepare a questionnaire so as to get necessary information from him according to the guidances instructions given by the teachers.

- Meet the entrepreneur on a previously fixed date and collect the necessary information.
- Get ready to write a report using the information collected.
- Write the report about the entrepreneur and hand it over to the teacher on the date fixed by him/her.
- Note that the preparation of the questionnaire, collection of information and writing of the report should be done personally.

(7) Evaluation Criteria :

- Preparation of the questionnaire according to the objectives.
- Collection of data and their relatedness.
- Working independently
- Finding within the given time period
- Preparing a creative report.

(8) Marks range

- |   |                  |    |
|---|------------------|----|
| : | • Very good      | 04 |
|   | • Good           | 03 |
|   | • Satisfactory   | 02 |
|   | • Should develop | 01 |

## Learning - Teaching Evaluation Plans

- (1)Event of evaluation : Second term, Plan 05
- (2)Competency Levels Covered : 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7
- (3)Subject content related to the plan :
  - Introduction of money
  - Financial system of Sri Lanka
  - Types of deposits in commercial banks.
  - Other services of commercial banks
  - Cheques, services of commercial banks
  - Objectives and the role of the Central Bank of Sri Lanka.
- (4)Nature of the plan :
  - Questioning program
- (5)Objective of the plan :
  - Creates questions with specific answers.
    - Prepares topical questions related to money and financial institutions.
    - Adds new knowledge
    - Acts with team spirit
- (6)Instructions to implement the plan instructions to teachers. :
  - Informs the students at the beginning of the plan instructions to competency level 7.1 that questioning programs will be conducted at the end of competency level 7.7
  - Inform the students about the evaluation criteria.
  - Divide the students in the class into two groups
  - Get the students to construct equations including relevant subject matter at the end of each competency level.
  - Check the questions and answers written by the students and provide feedback.
  - Inform the students that both groups should prepare 20 questions each with specific answers, for the questioning program.

- Take necessary steps to avoid presenting similar questions by both groups. Tell them that each group should prepare more than 20 questions for this.
- Tell that every member of the group should prepare at least question.
- Get the students to prepare questions so as to measure the subject matter by using sources such as bank report.
- Conduct the questioning program between the two groups on a specific date fixed previously ( in two periods)
- Get the students to give appropriate marks for correct answers and ask their to record the marks.
- Give marks to students according to the criteria while the questioning program is going on

Instructions for students

- Act according to the instructions and guidance given by the teacher.
- Show the prepared questions to the teacher from time to time and get them corrected.
- Ask the prepare questions as much as possible including relevant subject matter.
- Inform all the members of the group about the specific answers for these questions'
- Try to get maximum marks in order to win.

(7)Evaluation Criteria :

- Questions should be correctly prepared relating to the subject matters.
- Specific answers for the questions should be written.
- Should have performed the relevant task on the specific date.
- Following the teacher's instructions and participate
- Working as a team with cooperation

(8)Marks range :

- Very good 04
- Good 03
- Satisfactory 02
- Should develop 01

**Competency 9.0** : Shows the necessity of using transportation effectively for the success of business activities.

**Competency Level 9.1** : Compares the advantages and limitation of various methods of transportation that can be used for the success of business activities.

**No of periods** : 05

**Learning Outcomes** :

- Introduces transportation as a necessary service for the success of business activities.
- Explains the elements of a transport system and presents examples for each of these elements.
- Presents various methods of transport and compares relative advantages and limitation so of each of them.
- Shows the importance of transportation and presents recommendations to make it efficient.

**Learning and teaching process :**

**Engagement:**

- Ask the students to mention the ways that can be used to go to Jaffna from Colombo.
- Engage in a conversation mention the following facts.
- Various methods of transport such as by bus, van, motor car, train, plane, ship, boat etc., can be used to go to Jaffna from Colombo.
- As such following methods are used for transportation.
  - Highway transport.
  - Railway transport
  - Airway transport
  - Waterway transport
- Group the students in a suitable way, give them the following proposed instructions for learning and get them to engage in the activity.

**Proposed instructions for learning:**

- Four methods of transport are mentioned below. Pay your attention to the transport method given to your group.
  - Highway transport
  - Railway transport
  - Airway transport
  - Waterway transport

- Briefly introduce the topic.
- Identify through a group discussion what ways are used in relation to the topic.
- Prepare a list of vehicles running on those ways.
- Indicate separately the power that can be used to run those vehicles.
- Bring out through a group discussion the places where vehicles are stopped.
- Clarify the way in which that transport method is important to each of the following parties.
  - Individuals
  - Businessmen
- Clarify at what instances your transport method is most suitable for transportation.
- Bring out the advantages and limitations of the relevant transport method through a group discussion.
- Present your recommendations to make that transport method efficient.
- Prepare to present what you have disclosed to the whole class in a creative way.

**A guideline to expand the subject matters:**

- Transport plays an important role as an auxiliary (support) service in fulfilling needs and want of business enterprises and individuals.
- Transportation is not just a mode only. But it is a system made up of some elements with a balanced development.
- Those elements of the transport system can be explained as follows:
  - Way :- Different ways used for transportation.  
*Eg:* Highways, railways, waterways, airways, pipelines
  - Mode :- Vehicles running on various ways  
*Eg:* Motor vehicles, carts, bicycles, passenger trains, goods trains, boats, ships, helicopters, air planes.
  - Power :- The strength used to drive the vehicles used in each mode.  
*Eg:* Natural power such as man power, animal power, wind, sunlight and coal, mineral oil, electricity, gas.
  - Terminal :- The places where the modes of transport use to stop the vehicles.  
*Eg:* Bus stand, railway station, airport, harbour
- Some advantages of highway transport method are mentioned below:
  - Ability to select a mode according to the need/availability
  - Ability to use highways whenever necessary.
  - Mostly the same mode of transport can be used until the end of the journey.
  - A speedy method for short distance journeys.

- Some limitations of highway transport method are mentioned below.
  - Difficulty in transporting large stocks at the sometime.
  - Difficulty in maintaining highways.
  - Delays and more accidents.
  - Interruptions due to bad weather conditions.
  
- Some advantages of railway transport method are mentioned below.
  - Ability to transport a large stock and a large number of passengers at the same time.
  - More security than highway transport.
  - Ability to use compartments according to the nature of the goods.
  - Charges are cheaper compares to other transport methods.
  - Ability to get various facilities such as canteens, sleeping births, observation rooms etc.
  
- Following are some of the limitations of railway transport.
  - Non-availably of slandered railway lines.
  - Inability to get the service when ever the necessity arises.
  - Due to the inability of using the same method up to the end of the journey, other transport methods have to be used.
  - Delays due to non performance of signal lights, weak conditions of railway lines etc.
  
- Some advantages and limitations of waterway transport are mentioned below.
 

Advantages:

  - Facilitates international trade.
  - Ability to transport large stocks.
  - Ability to select vessels according to the nature of the goods.

Limitations:

  - Not getting the shipping service very often
  - More time consuming
  
- Some advantages and limitations of airway transport method are mentioned below.
 

Advantages:

  - High speed.
  - Suitable for perishable goods.
  - No incurring of cost for the maintenance of airways.

Limitations:

- Not suitable to transport huge very large heavy goods.
  - High transport cost.
  - More tendency for accidents.
  - Non availability of service when needed.
- 
- Discuss the importance of transportation to businessmen as well as consumers.