SUBJECT: BUSINESS STUDIES

CLASS: JSS 3

FIRST TERM

OFFICE PROCEDURE

Office procedure can Be defined as the sequence or steps expected be to taken While performing an activity or activities in an office. Every organization should have an office manual which contains;

What task should be done?

How should it be done?

When should it be done?

Where should it be done?

Who should carry the task?

IMPORTANCE OF OFFICE PROCEDURE

1. It makes the flow of work easy.
2. It reduces general cost of operation including overhead expenses
3. It makes it possible for new members of staffs to indulge in effective training
4. It helps to reduce the level of productivity
5. It allows for better co-ordination of activities between offices and between different departments of an organization.

PROCEDURE FOR PREPARING BILLS INVOICE AND RECIEPT

Bill is a document issued by a person who renders services to cover the cost of services provided to his customers. Bills are associated with provision of services. EXAMPLES; PHCN gives out bills to electricity consumers at the end of every month. Other organization that issue bills to their consumers include HOTELS, NITEL,NIPOST ETC

Information contained in bills are:

1. Name and address of the customer
2. Description of the services provided
3. Billing period for which service is provided
4. Rate of charges per item of services
5. Total charge for billing period
6. Value Added Tax
7. Total payment due now
8. Name and signature of the payee
9. Date of payment

INVOICE

Invoices are document raised in respect of buying and selling of goods. It contains details of goods sold to the customer.

The invoice contains the following

1. Description of goods
2. The quality and price of each time
3. The total amount to be paid
4. Rate of discount allowed
5. The rate of VAT and total amount to be paid
6. Terms of payment
7. Name and signature of the receiver and date

Bills and invoice must be signed to ensure that they have been accepted for payment.

RECEIPT

A receipt is a legal proof of payment .it is a document issued by a seller to the buyer in respect to the money paid for purchases. For a receipt to be valid or legal, it must be properly signed and stamped by the company issuing it.

OFFICE PROCEDURE AND THE USE OF COMPUTER

Modern machine used for preparing bills invoices and receipt are as follows ;

-THE CASH REGISTER: this is an electronic device that is use to record financial transaction with the ability to print a tape that can serve as a receipt. It is commonly used in super market, hotels etc

-The computer as an electronic device can be use to build a template of an invoice which can be developed on a new document by adding the necessary content of an invoice .

However , there are two other basic machine used for preparing bills and invoice though they are gradually fading out:

\*THE TYPE WRITER

\*ADDING MACHINE

PROCEDURE FOR MAKING PAYMENT

When a bill or an invoice is prepared, the customer is expected to decide on the method of payment of the bill. This method of payment includes:

1. Cash
2. Bank transfer
3. Cheque
4. Bank draft
5. E-banking payment method
6. Cash: the cash method is still one of the major means of setting bill in Nigeria. It involves the use of coins and bank notes. Cash is the most used when the amount involved is small.
7. Bank transfer: this involves the acceptance of cash from a customer with the intention of crediting the amount into another customer with the use of a teller. Bank transfer can also be done without the use of physical cash. It involves the movement of cash from one account to the other.
8. Cheque: a cheque is a written order to a bank to pay a specified amount to a bearer. There are two types of cheques; open chque and cross cheque
9. Bank Draft : is a cheque drawn by bank on itself. It is a secured form of payment, that is, it cannot be returned.
10. E-banking payment method: electronic banking services provides opportunities to make payment in so many simple ways without handling cash or cheque. Examples
11. Automated Teller machine: this is a computerized self service device which allows the holder of an appropriate debit card and personal identification number [PIN]to withdraw money from his account to make payment or do account to account transfer.
12. Point of sale (POS): A point of sale machine is an electronic device that is used to process cash payment at retail location. It is commonly used in restaurants, supermarket E.T.C

IMPREST ACCOUNT (balance and restoration)

Imprest is an amount of money that is set aside to take care of minor expenses. It is usually made available to a petty cashier minor. Expenses can be incurred between certain periods agreed upon between the main cashier and petty cashier. The fund set aside for this purpose is used within the specified period. The amount left after the end of a period is called the IMPREST ACCOUNT. At the end of the period ,the petty cashier collect the amount spent and make up to the balance left to the original amount , this is called re-imbursement.

STORE RECORD

A store is a place where items are kept for future use. The items could be raw materials, semi-finished goods or finished good. A store is also known as a ware house.

Store record is a document that shows detailed account of all items of goods, raw materials, semi-finished and finished goods which are available in the store.

Types of record

1. Stock record card
2. Stock requisition card/form
3. Delivery note /gate pass

Stock record card: this is a document that shows detailed information about the quantity of goods supplied or required in the store room with date. It must carry the vouchers number, name of the supplier, quantity of goods issued, the requisition and the stock balance. Stock refers to the supply of goods or products available for sale or distribution.

Stock requisition form /card: this is a document that is used to make a request for a material needed by an organization for production. It is used to control and regulate the use of stock items in the organization. It contains the following

1. Name of the department making the request
2. Name of the person making the request
3. Date of request
4. Description of the goods
5. Quantity required
6. Signature of the receiver
7. Unit of goods issued
8. Quantity issued by the store
9. Name of the storekeeper
10. Signature of the storekeeper

Delivery note/gate pass: a gate pass is a document that contains the details of the items that are being moved from the store. The security department uses gate pass to check the authorized quantity of goods issued by the store, description of goods and the authenticity of the person who signed it. Four copies are usually prepared and distributed as follows:

 a. The original copy is kept by the receiver

b. The second copy is kept in the store

c. The third copy is the gate pass

d. The last copy is retained in the book

STOCK TAKING

Stock taking is the physical checking or counting of goods in the store and comparing them with book figure. This is done daily, periodically or at the end of each financial year. Stock taking is also called inventory.

Basic method of stock taking

There are two(2) basic method of stock taking

1. Periodic stock taking: in periodic stock taking physical counting of all the stock is done once at the end of a given period. It may be done monthly or yearly. It may take hours, days, weeks or more. During this exercise, stocks are usually not issued out until it is completed.

2. Perpetual stock taking: in perpetual inventory physical counting of stock is done each day and the result is checked against the book figure. This method is commonly used in super market and pharmaceutical stores whose stock can easily be pilfered.

Importance of stock taking

1. It enables the company to know the quantity of a particular commodity in stock at any time
2. It makes it possible to know the rate of used of a particular item and possibly control irregular use
3. Regular stock taking prevent damaged stock and in some cases prevent theft and fraud in the store
4. Stock taking makes it possible for an organized stock list.

BIN CARD

The bin card is prepared and kept by the store keeper. The store keeper is responsible for the storage of stock item in the store. The quantity stock is shown on the bin card which shows receipt, issue and balance left on a particular day at a glance. The bin card is checked on a daily basis.

PROCUREMENT

Procurement is the process of sourcing and purchasing goods and services from an external source, like a third party, vendor or supplier.

Procedure for procurement

* Identify the goods and services your organization needs
* Submit a purchase request
* Assess and select your vendors
* Negotiate price and terms
* Create and purchase order
* Wait for your order to arrive
* Inspect and receive your goods
* Conduct three way matching
* If all look good, approve the invoice and arrange payment
* Consider record keeping

OFFICE EQUIPMENT

Office equipment constitutes essential parts of office activities. An office is not complete without the necessary equipment for the office workers.

Office equipment can be defined as various machines ,tools and other devices used to facilitate the performance of office jobs

Types of office equipment

The following are the list of different office equipment used for the effective performance of various office duties:

* Photocopier
* Intercom
* Typewriter
* Telephone
* Calculator
* Perforator
* Duplicating machine
* Computer
* Laminating machine
* Dictating machine
* Franking machine
* Stapler
* Printer
* Scanner
* Counting machine
* Shredding machine
* Filing cabinet

Others are;

 Stamp pad, call bell, office clips, office pins, staple pins, masking tape, ruler, pen, furniture E.T.C

Importance of office equipment

1. Office equipment makes various jobs to be accurate
2. Office equipment helps to improve the quality of various office jobs
3. It makes various office jobs to be uniform and good in appearance
4. It facilitates and simplifies the performance of various office jobs
5. It improves speed of performance of jobs

USES OF DIFFERENT OFFICE EQUIPMENT

Photocopier: this is also known as photocopying machine. It is used to produce exact copies of the original. It is a modern day technology that is highly improved as it can enlarge and reduce documents.

Computer: this is an electronic device that is used to accept, access and process data in order to give the required information

Filing cabinet: this is used in the office for storing business document. It can be wooden or metal. In the office, files on several matters are arranged for the purpose of getting information when necessary. Files are in an orderly manner in the cabinet as follows.

1. Alphabetically
2. Numerically
3. Chronologically
4. Geographically
5. Subject filing

Duplicating machine: this is the office device which enables office workers to produce several copies of a document to be produced from the stencil. The stencil is a specially coated sheet of paper that is used to type documents for reproduction on the duplicating machine.

Type writing machine: it is used to reproduce hard written documents and letters. type written jobs are very neat and clear in appearance. There are two types of typewriter; electric and manual type writer.

Perforating machine: also known as punch or perforator. It is used to make holes in letters or other documents.

Laminating machine: this is the machine used in the office to provide protective covering for the documents like certificates, and other important document to prevent tearing and other forms of destruction.

Scanning machine also known as scanner. This is used to capture images and document for computer display.

Franking machine: this is the machine used to make printed marks or stamps on documents to show that postage has been paid. It is operated under license by the general post office.

Telephone: this is the piece of office equipment used for sending verbal message or information from one office or person or organization to another

Dictating machine: this is an electronic device capable of recording dictations instructions and minutes of a meeting

Stapling machine: also known as a stapler. It makes use of stapling pin. when the under part of the machine is depressed the pins are released to hold the document firmly together as one piece.

Fax machine: this is the office equipment used for sending the exact copy of a typed or hand written document from one office to another anywhere around the world

Advantages of using different office equipment

1. It guaranties uniformity on your work and neatness
2. It enables information dissemination
3. It makes work easier
4. It makes work accurate
5. It helps to reduce the cost of labour

Disadvantages of using different office equipment

1. If they are not properly operated, error can occur
2. Some office equipment can only be used for specialized jobs
3. Office work can be disrupted where there is power failure
4. Break down of equipment can delay office jobs

Care of office equipment

1. Regular services and maintenance by expert are required
2. The employee assigned to operate office equipment should follow the user’s guide
3. Office equipment should be covered when not in use to prevent dust.
4. The moveable parts of the machine must be cleaned with methylated spirit example type writer

ADVERTISING

Advertising is a process through which the potential consumer gets to know about goods and services that are available in the market and possibly the prices and qualities of the goods and services. It is a means of creating awareness about the availability of goods available for sale. Advertising a product means introducing it to potential consumers pointing out its quality and special characteristics.

Objectives of advertising

1. To introduce new product to potential buyers
2. To increase sales of the product.
3. To introduce to consumers the new uses of an existing product.
4. To maintain or increase the market share of product among its competitors.
5. To inform consumers of improved product.

Types of advertising

1. Informative advertising
2. Persuasive advertising
3. Competitive advertising
4. Direct advertising
5. Indirect advertising

1. Informative advertising: it is also known as consumer education. It is designed to let the public know what goods and services that are available in the market and to educate the consumer on the qualities and uses of the product being advertised. Example: food is ready

2. Persuasive advertising: aim at inducing or persuading people to buy one product rather than some other ones using sweet word and unusually pictorial illustration to convince people. It is also use to keep a name of a product in the mind of consumers. Example: buy two get one free.

3. Competitive advertising: this type of adverting is designed to convince or persuade more customers to buy a product at the expense of other products to enable the advertiser to increase market share of a product. This method is commonly used to advertise product that has many substitutes. Example; batteries, detergent, beverages etc. the aim of this type of advertising is to break through a monopoly eg: Duracell batteries lasts ten times longer.

Direct advertising: this types of advertising focuses its appeal to a particular segment of consumers. Example: ladies wears sold here

Indirect advertising: this type of advertising focuses its attention to the general public. Example; clean water sold here

Functions of advertising in business

1. It increases the volume of sales
2. It is used to challenge competition
3. It is used to attract investors
4. It is used to inform the public of the location where products can be purchased
5. It is used to inform consumers about a modification on the packaging of a product
6. It is used to educate consumers
7. It is used to create awareness about an improvement in existing product or service.
8. It is used to expand the market of existing products
9. It increases employment opportunities
10. It enables consumers to compare qualities and price of different product performing similar function.

Advertising Media

Advertising media is the medium or channels by which goods and services are advertised. These includes;

* Radio
* Television
* Magazine
* Yearbooks
* Journals
* Billboards/ motion boards
* Handbills/ posters
* Exhibitions and trade fares
* Car stickers
* Sales vans
* Cinema
* Internet
* Free samples
* Window displays
* Catalogue

Radio- this is the most universal means of advertising because radio adverts reaches more people than other media. Radio is found in almost every home, even places where there is no electricity. Advert on radios are called audio advertising.

Television: in television advert, it is possible to hear the information and see the advertised product. This is called audio-visual advertising. It is mostly used to advertise products that need demonstration.

The print media: this is the means of passing information to the public through print such as newspaper, journals, handbills etc

Newspaper: this is a widely used means of advertising products and services in Nigeria. Some newspapers in Nigeria include;

* The guardian
* Daily Trust
* Vanguard
* Tribune
* The Sun

Magazines/ journals: these are very useful means of advertising products and services. They are periodicals, that is, they are published either weekly, monthly annually or bi-annually. They include;

* News watch
* Tell magazine
* Business digest

Handbills, posters and car stickers: handbills are leaflets that are handy which contains information about the product being advertised they are distributed house to house, shop to shop etc. posters are bigger advertisement notices that are placed on walls of houses, fences, shops, and every strategic positions where people can read them. Car stickers are printed bills placed on screen and inner body of vehicles to advertise the existence of new products and services

Exhibitions and trade fares: these are events where manufacturers and seller display their product for buyers to see and buy. It usually take place once a year during which manufacturers and sellers advertise their product to the visitors to the trade fare.

Sales van: these are motor van on which loud speakers are mounted and used to advertise product.

Cinema: this is a place where products are displayed in between film shows at a fee.

Internet: this is the latest medium of advertising in Nigeria. What organizations do is to build a website through which products and services are advertised

Window Display: this is a form of advertising in which products are neatly and carefully arranged and displayed on window shelves in a shop behind transparent glasses to attract customers to buy at impulse.

Free Samples: this is the type of advertising in which company distribute samples of its products to people in the market, street and public to taste them in other to use and be convinced of their qualities.

Catalogue: this is a booklet which contains a list of items of a product of a company or firm. It is usually sent to customers or buyers to choose from different products

Advertising Jingle

An advertising jingle is a short song or tune used by organizations or sellers to advertise their products and services. Jingles usually contain slogans that usually get the attention of the listeners. They are usually played on radio, television etc.

TRANSPORTATION

Transportation can be defined as the movement of people , goods and services from one place to another.

Importance of transportation

1. It improves our standard of living by making it possible for us to enjoy goods made in other countries.
2. It enables workers to get to their destination faster and with comparative ease.
3. It promotes trade expansion.
4. It provides employment opportunities
5. An efficient transportation system extends the manufacturers market
6. It aids easy movement of goods

Types of transportation

1. Land
2. Air
3. Water
4. Pipeline
* Transportation by land: it is the movement of people, animals, and goods from one place to another on land. It can be divided into two categories: Rail Transportation and road transportation
* Rail transportation: this is a form of transportation that involves the movement of people and goods through the use of train. A train moves along a set of two parallel steel rails known as the railway.

Advantages of rail transportation

1. It is cheaper
2. It is a good means of carrying bulky goods
3. It doesn’t have frequent accident

Disadvantages

1. The movement of train is usually restricted to certain areas
2. It cannot provide door to door services
3. The maintenance cost is usually high.

Road transportation: this is a form of transportation that involves the movement of people, goods from one place to another on road. Channels for road transportation; bus, cars, trucks, lorries, vans etc.

Advantages

1. It can provide door to door services.
2. It is always available
3. It is quick for shorter distances

Disadvantages

1. It is usually affected by traffic congestion
2. It can be affected by weather conditions
3. It is prone to frequent accidents
4. it creates pollution

Transportation by air: this is a form of transportation that involves the movement of people and goods by air. Means of air transportation include;

1. Airplane
2. Jets
3. Cargo plane
4. helicopter

Advantages of air transportation

1. It is fast
2. It is a safe means of carrying cargo
3. It is suitable for carrying perishable goods
4. It is not usually prone to accident unlike road transportation

Disadvantages

1. It is expenses
2. It is sometimes affected by weather condition
3. Accidents are usually very fatal

Transportation by water: this involves the movement of people and goods on water. Means of water transportation include;

1. Boat
2. Ferries
3. Ship
4. Canoe
5. Submarine

Advantages of water transportation

1. It is highly suitable for carrying bulky goods
2. It is cheap
3. It is used for carrying heavy containers

Disadvantages

1. It is slow
2. It can be affected by weather
3. It is risky
4. It is prone to sea piracy

Pipeline Transportation

This is a method of transporting liquid and gaseous product over a long distance through pipes. Pipes are usually made of steel or plastic tubes buried underground.

Advantages of pipeline transportation

1. Maintenance cost is low
2. It is a safe means of carrying toxic materials
3. It is dependable

Disadvantages

1. It can be damaged as a result of road repairs
2. It is only suitable for gas and liquid
3. It is prone to regular attacks
4. The construction of pipeline involves huge sums of money.

COMMUNICATION

Communication can be defined as the transferring or dissemination of information or messages from one person who is the sender to another known as the receiver. It is illustrated thus:

Sender----->message/information----->receiver

Methods of communication

1. Written communication: this is the method of sending messages and information which can be handwritten or typed from one person to another. They can be in the form of letters, memorandum, newsletter, fax etc
2. Oral communication: also known as verbal communication which means sending messages verbally that is by word of mouth. Medium of oral communication include;
* Telephone
* Radio
* Television
* Face to face
* Internet (World Wide Web)

Other methods of communication include;

* Pictures
* Charts
* Illustration
* Diagrams

 Importance of communication

1. It provides an avenue for products and services to be advertised
2. It links the chain of distribution
3. It enables business owners to obtain accurate market information
4. It provides useful facilities to control and direct an aircraft in flight
5. It enables business organization to operate efficiently and effectively.
6. It encourages free flow of goods from the manufacture to the point of need.

Communication Agencies

The following are some of the communication agencies in Nigeria

1. Nigeria postal service (NIPOST): services offered to the public;
* Ordinary letters
* Registered letters
* Express letters
* Parcel etc
1. Nigeria telecommunication (NITEL): services offered;
* Telephone services (eg local calls, trunk calls, international calls, emergency calls etc)
* Telegram services
* Telex services
* Fax services
* Courier services

 Traditional means of communication

* Town criers
* Blast of local guns
* Palm frond
* Setting fire on bushes
* Wooden/metal gong etc

SETTING SIMPLE BUSINESS GOALS

Simple business goals are the objectives or goals which are expected to be achieved as a business grows. Business goals are part of the planning process. They are set before the business commence operation.

Setting simple business goals

The following are guideline that must be followed while setting simple business goals;

1. Set performance goal
2. Be specific while setting goals
3. Be realistic in setting goals
4. Do not aim for what will be difficult to achieve
5. Think of your goals over and over again
6. Carry out SWOT analysis of the business

 SWOT analysis of a business

SWOT analysis is a method of determining the Strength, Weakness, Opportunity and Threat of a business. SWOT analysis helps the business owner in setting achievable goals and having competitive advantage over the competitors in the market.

SWOT means;

S- Strength of the business

W- Weaknesses of a business

O- Opportunities which a business has

T- Threat that face a business

Strength of a business

The following are the strength of a business;

1. Enough capital to run the business
2. High quality product or service
3. Low price of product or service
4. High demand and sales
5. High profit generation
6. Efficient and productive workers
7. Effective management
8. Packaging of product
9. Goodwill
10. Effective strategies

Weaknesses of a business

There are many weaknesses which a business has that may undermine its ability to expand and succeed. They include;

1. Inadequate capital
2. Low productivity
3. Low sales
4. Constant loses
5. High cost of production
6. Low quality of product and service
7. Inability to create effective strategies
8. Inability to effectively manage the business

Opportunities of a business

1. High quality control
2. Few producers of a product or service
3. Reduced cost of production
4. Favorable government policies

Threat of a business

There are many threats that a business might face which can be internal or external

Internal threat

Internal threats are those factors within the business that prevent the business from achieving its goals. They include;

1. Lack of co-operation
2. Lack of motivation
3. Constant strike by workers

External threats

External threats are factors outside the business that may prevent the business from achieving its goals. They include;

1. Scarcity of raw material
2. Constant power failure
3. Increase in the price of raw material
4. Constant attacks by robbers
5. Aggressive competition by competitors
6. Unfavorable government policies

Internal threats can easily be controlled by the business while external threats are not easily controlled by the business

Simple Business Goals

The following are some simple business goals;

1. Maximizing profit
2. High demand
3. High sales
4. Low cost
5. Large production
6. Efficiency of labour
7. Quality product and service
8. Efficient use of resources
9. Maintaining safe environment
10. Social responsibility

SIMPLE SINGLE BUSINESS PLAN

A business plan is a document that shows how a new business is going to achieve its goal, hence it is a fundamental statement of goals of a business, why they are attainable and the plans set aside to achieve them. Usually a business plan should be prepared to cover a period of 3 to 5 years. A business plan is like a road map that controls the direction of a business

Characteristics of a business plan

A good business plan must be ;

1. Clear: the statement made in a business plan must show clearly what is to be achieved.
2. Measurable: it must show how the business will flow over a period of time(month or year)
3. Time bound: a business plan must state how long it will take to achieve the set goal.
4. Reasonable: the goals set must be reasonable
5. Written down: a business plan is a record that must be referred to. It must therefore be in written form.

The procedure for drawing up a business plan

1. Introduction/ background: this contains products and services, name, logo, vision mission and goals.
2. Market research: find out what consumers want, pricing strategies and competitors in the market
3. Marketing: creating awareness of goods and services to the consumers through advertisement
4. Production: methods to be followed when producing, supplying information, quality control standard.
5. Management/organization: show number of people to be employed and their responsibilities
6. Finances: estimated amount of money needed to start up the business, the sources and what it is to be spent on.
7. Action plan: what are your production targets? How do you plan to reach them?