THIRD TERM

SUBJECT: BUSINESS STUDIES

CLASS: BASIC 7

CONSUMER, MARKET AND SOCIETY

CONSUMER

A consumer is any person who purchases goods and services for his/ her personal use. A consumer is the final link in the chain of distribution. A consumer is so-called because the product he/she buys is consumed either as food or as a means of living.

MARKET

Market is a place or an arrangement where buyers and sellers meet to exchange goods and services.

SOCIETY

Society can be defined as a group of people living together in a community or a particular place. The society is made up of sellers and consumers of goods and services.

Consumer Education

Consumer education is a process of providing consumers with information that will help them to make best decision when purchasing goods and services.

Need for consumer education

Consumers need education for the following:-

1. To have good information on products and services.
2. To have good knowledge of their right.
3. To have good knowledge of their roles in the economic development of their society.

Importance of consumer Education

1. Understanding of right and responsibilities: - consumer education helps the consumers to understand their rights and responsibilities while buying goods and services.
2. Choice advantage: - consumer education exposes consumers to different products. This enables them to make comparisons before making decision on which product to buy.
3. Quality control: - when consumers are properly educated, producers are made to produce quality products.
4. Resource Management: - it also helps consumers to spend their money on products that would give them the needed value of cheaper prices.

Consequences of lack of consumer education

1. Bad purchase
2. Price exploitation
3. Waste of resources
4. Poor standard of living.

NEED FOR MONITORING AND CONTROL OF CHEMICAL

Chemicals are substances produce through a process involving chemistry. Chemicals could be liquid, solid semi-solid or gaseous. They are obtained from so many sources including animal and plant sources

 Monitoring can be defined as keeping a person in check or on guard to ensure that he/she is complying with rules and regulations.

Chemicals can be grouped into suitable and non-suitable chemicals

 Suitable Chemicals

A chemical is considered to be suitable when its use does not bring any bad effect on health or pose danger to lives and property. Examples are flavoring spices, food preservatives etc

Characteristics of Suitable Chemicals

1. It is safe
2. It is harmless
3. It can be inhaled or ingested
4. It is non-toxic
5. It is non-corrosive
6. It is non-flammable

Non-Suitable Chemicals

A chemical is said to be unsuitable(hazardous) for use when its use leads to adverse effect to lives, property and the environment. Examples are caustic acids, ammonia, cyanide etc

Characteristics of Non-suitable Chemicals

1. It is toxic
2. it is corrosive
3. It is flammable
4. It is dangerous
5. It is destructive to lives and the environment
6. It can cause irritation

Need for monitoring and controlling the use of chemicals

1. To ensure proper and safe use
2. To ensure proper disposal of chemical waste
3. To prevent adverse effect on human lives and properties
4. To prevent adverse effect on the environment.
5. To ensure proper storage and transportation

Ways of controlling chemicals

1. Personal protective equipment such as gloves, eye protection, respirators and other protective clothing should be used.
2. Where possible, less toxic chemicals should be used
3. Places where chemicals are used must be isolated and enclosed
4. Method for reduction of dust generation and other particles should be adopted during production process.

Effects of lack of monitoring of chemicals

1. Environmental pollution
2. Production of substandard products
3. Misuse and improper distribution of chemicals
4. Harm to health of human and wildlife.

INTRODUCTON TO BOOK KEEPING

Book keeping is the act of keeping proper records of business financial transactions. Most people don’t know the art of keeping business financial record hence they buy anyhow and sell anyhow. The main objective of setting up a business is to make profit; hence the trader will have to compare what he has realized in monetary terms with what he invested in the business.

Importance of book keeping

1. It enables businesses and individuals to determine their profitability level.
2. It is a means by which the finances of a business can be controlled.
3. It helps to show details of income and expenditure for both individuals and businesses
4. It helps to show details of business liabilities and assets as well as growth of working capital.
5. It enables individuals and businesses to spend prudently
6. It enables individuals and businesses to make good investment decisions.

Qualities of a book keeper

1. He/she must always be tolerant
2. He/she must always appear neat and attractive
3. He/she must be honest and truthful in all his dealing
4. He/she must be trustworthy
5. He/she must possess accounting skills.
6. He/she must be patient and king while performing his accounting role

Common book keeping practices

1. Reconciling bank account
2. Paying bills accurately and on time
3. Taking physical count of inventory and comparing with records.
4. Setting up a record system that will help to keep track of all book keeping information.
5. Balancing and recording sales and cash receipts on daily basis

Book Keeping Ethics

1. Transparency
2. Accountability
3. Accuracy
4. Probity

SOURCE DOCUMENT

Source document can be defined as the document in which original business transactions are first recorded before been transferred into subsidiary books of account.

Types of Source Document

1. Invoice: an invoice is a business document prepared when goods are sold to a customer. An invoice therefore, is a document issued by the seller to the buyer showing the description of the goods purchased; the quantity and price, total amount paid, outstanding balance if any, name, address, signature of buyer and seller, date of the transaction etc
2. Receipts: a receipt is a written document issued by the seller to the buyer to acknowledge the receipt of money or valuable received. The date and details of the transaction as well as the receipt number must be stated on the document.
3. Vouchers: vouchers are source document used for obtaining authorization for all payments whether in cash or cheque. The voucher provides evidence of the recorded transaction.
4. Debit note: this is prepared whenever the seller has undercharged the buyer of goods on what was previously recorded on an invoice.
5. Credit note: this is issued when a buyer returns goods purchased to the seller when the product is faulty, overcharged or not supplied according to specification
6. Cheque: a cheque is a written order made by the customer to a banker to pay on demand a stated sum of money to a named person. It is usually used by current account customers.
7. Cash register tape: this is a machine for quick, easy and accurate recording of cash transactions. It is mostly used in supermarkets and large departmental stores.

JOURNAL

A journal is the first book in which transactions of a business is recorded. Each record in a journal is called an entry. A journal that is used to record only one type of entry is called a special journal. This journal can be kept to keep only records of purchases made by a company. However, a joint journal can be used for both sales and purchases. This is known as general ledger. A journal is called the book of original entry because its entries are transferred to a second book. There must be written document to support every entry made in a journal.

General journal- is a book that records all transactions both sales and purchases which do not pass through a book of original prime entry. The general journal is a form of diary for book keeping and it shows the following items:

1. The date
2. The name of account to be debited and amount
3. The name of the account to be credited and the amount
4. A description of the transaction

Advantages of Journals

1. Its main purpose is to provide a convenient record of transactions in a chronological order
2. It reduces risk of omission
3. The explanations of the entries are made known by the journal
4. It helps in detecting errors and irregularities.

Special Journals (Day book)

In order to keep the general ledger free from unnecessary details, separate journals are kept for credit transactions concerning sales and purchases. These special journals are described in details;

1. Purchase Journal: it is also called the purchases day book or the bought journal. Its purpose is to provide a record of all goods a business has purchased for resale. Its information is obtained from the invoice. It is used to record mainly credit purchases.
2. Returned Outward Journal: this is also known as the purchases returns book. Sometimes, part of the goods purchased by a business may be damaged, or below standard. When this occurs, the goods are returned to the supplier/ seller. The seller or supplier will issue a credit note of which entry the purchaser enters into the purchases returns book or the returns outward journal.
3. Sales Journal: the sales journal is used to record all sales made as part of the trading operation of a business and is usually totaled up periodically and posted to the credit side of the sales account.
4. Returns Inward Journal: this is also known as the sales returns journal. It is usually kept by a supplier of a product returned. When a buyer finds any product bought to be damaged or below standard, the item can be returned to the seller. The seller then records it in the returns inward journal or sales returns journal and then issues the buyer a credit note.

DOUBLE ENTRY BOOK KEEPING

Double entry is system of book keeping in which transactions are recorded in both the debit and the credit sides of the ledger at the same time. A very basic rule in book keeping is that the debit(receiving) entry in an account must have a corresponding credit(giving) entry in another account. The sum of the debit side must always be equal to that of the credit side. If they are not equal, it is up to the book keeper to cross the records to find out where there is a mistake and make corrections.

DR CR

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The double entry system

The double entry system divided the page into two halves as shown above. The left side of the page is called the debit side while the right side of the page is called the credit side. Every business that is established must have assets, liabilities and capital.

Assets are anything of value owned by a business. Liability is the amount owed by a business to others. Capital is the total investment in a business. As a result, an account is opened for every asset owned by a business and every liability owed by a business. Each account has a separate title and page given to it.

Carried down(c/d): this is a term used to describe the balance at the end of the month to show that the amount has to be carried down to another month.

Brought down(b/d): this means that the balance of the previous month is brought down as opening cash balance at the beginning of a new month.

Types of account

Accounts are either describe as personal or impersonal account.

1. Personal accounts are the account in which transaction with persons or other business and organizations re recorded. It consists of records of debtors (those owing the company) and creditors (those the company is owing)
2. Impersonal account refers to account in which property such as machinery and building (real account) are recorded. It is also referred to as revenue and expenses (nominal account)

Expenses are items that have been paid for in the cause of the business from the money of the company in order to yield revenue. A separate account therefore is always opened for every type of expenses. Examples of expenses are: rent, wages and salaries, telephone, electricity, postage, stationery, insurance, motor expenses etc.

LEDGER

The ledger is the principle book of account where transactions that were written somewhere before are finally and permanently transferred to. It contains individual account, property(asset) account of the business and also income and expenses account. That is, it is the book that contains permanent records of all the transaction of a business in a classified and summarized manner. It is the most important and fundamental book of account tin which transactions are recorded using the principle of double entry.

Types of Ledger

1. Purchases ledger: also known as creditors’ ledger contains details of goods bought on credit from the supplier. It is used to record only goods bought on credit.
2. Sales ledger: also known as debtors’ ledger. It contains details of goods sold on credit.
3. General ledger: this is also called the nominal ledger. It contains accounts of credit suppliers and credit customers.

Classification of ledger

Ledger account is usually classified into two broad categories:

1. Personal ledger: this contains accounts of those having business transaction with the firm.
2. Impersonal ledger: contains accounts of tangible assets such as motor vehicle and nominal account such as sales account, expenses account and intangible assets such as goodwill.

Items on a ledger

1. Date
2. Particulars
3. Folio
4. Amount

How to rule a ledger

A thick or double line divided the ledger into two equal halves

DR CR

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| --- | --- | --- | --- | --- | --- | --- | --- |
| date | particulars | folio | amount | date | particulars | folio | amount |

1. Debit(dr): left hand side of the ledger
2. Credit (cr): right hand side of the ledger

INTRODUCTION TO KEYBOARDING

Keyboarding is the act of typing information into a computer through the use of a keyboard. A keyboard is an input device that has a set of keys, usually arranged in tiers for operating a computer. It consists of numbers , letters and special signs and symbols.

Importance of keyboarding

1. It helps an individual develop a good communication skill.
2. It helps in the mental development of an individual.
3. It increases individual productivity and consequently increases business turnover
4. It reduces the risk of wrong data entry which can cause serious problem for a business
5. It enables a worker to complete task faster

Correct sitting posture for keyboarding

Correct sitting posture refers to how to sit at a computer. Back pain, neck pain, knee pain and tingling of the hands and finger can be the consequences of wrong sitting posture. The following steps can be taken to maintain a correct sitting posture.

1. Push your hips as far back as they can go in the chair
2. Ensure that your feet are flat on the floor, one foot ahead of the other
3. Relax your shoulder
4. Position the keyboard directly in front of your body.
5. The elbows should be in a slightly open position
6. Ensure that your wrists and hands are straight
7. Ensure that only the tips of your fingers touch the keys keep your eyes on the manuscript and not on the keyboard

PARTS OF A COMPUTER KEYBOARD

A computer keyboard is a typewriter-styled device that uses an arrangement of buttons or keys to act as mechanical levers or electronic switches.

A keyboard normally has characters that are engraved or printed on the keys and each press of a key normally corresponds to a single written symbol. However, to produce certain symbol may require pressing and holding several keys simultaneously or in sequence. Most keyboard keys produce letters, numbers or characters while other keys or simultaneously key presses can produce action or execute certain computer commands. A standard keyboard has keys has letters of the English alphabets (a, b, c….z) , numbers (0, 1, 2, …….9), symbols (/, +, -, <, >, …..) and punctuation marks (, . ‘ ; “?.....) and function keys. Besides there are cursor keys, function keys and special keys.

We shall identify the various parts of a keyboard and state their uses as follows:

1. Letter keys: they are used to type texts into the computer.
2. Number keys: they are used to type numbers into the computer
3. Spare bar: is the longest key on the keyboard. It is used to put space between character or words while typing
4. Enter key: when the enter keys is pressed, it moves the cursor to the next line.
5. Caps lock key: when this key is pressed, the caps lock key indicator glows to show that the caps lock key is on. It is used to type words in capital letter.
6. Shift key: the shift key shows a shift or change in case. When a shift key is pressed along with a letter key, it shows the letter in upper case but when the shift key and a number key is pressed simultaneously, the screen displays the symbol above that number.
7. Backspace: it is used to erase one character to the left of the cursor.
8. Delete key: it is used to ease one character to the right of the cursor.
9. Cursor key: the cursor key consists of four arrow keys. The left arrow key moves a single character to the left, the right arrow key moves a single arrow to the right, the up arrow key moves one line up while the down arrow key moves one line down.

Other keys are:

Home keys: used to move to the beginning of a line

End key: used to move to the end of a line.

Control(ctrl)key: used with other keys to produce certain command.

Keyboard rows

The keyboard contains four major rows of the key. They are:

1. Top row
2. Upper row
3. home row
4. Nottem or Bottom row
5. Top row: this is the row that consists of numerical keys (1234567890) and keys with the special signs such as ( !@#$%)
6. Upper row: the upper row consists of keys found above the home row keys. They include QWERT keys for the left hand and YUIOP for the right hand.
7. Home row: the keys on the home row are ASDFJKL;
8. Nottem or bottom row: the nottem row contains the keys that can be found below the home row keys. They include ZXCVBNM, comma, full stop and forward slash.

Divisions of the keyboard

The keyboard can be divided into two parts; the left hand side and the right hand side.

1. Left hand side: this side of the keyboard shows the numbers and letters that are expected to be typed with the fingers on the left hand. These keys includes: 12345QWERTYASDFGZXCVB
2. Right hand side: this side of the keyboard shows the numbers and letters that are expected to be typed with the fingers on the right hand
3. These keys includes 67890YUIOPJKL;NM,./

Correct finger position

Before typing, the fingers are expected to be placed on the home keys. The fingers on the left hand should be on ASDF while the fingers on the right hand should be on JKL;. The thumbs should either be in the air or touch the space bar key slightly.

Similarity between the typewriter and computer keyboard

1. Both keyboards serve as input device.
2. Both keys have the keys for alphabet, number, symbol and special characters.
3. The movement of finger on both keys are similar.
4. Both have special keys for special function.
5. Both keys are pressed by the finger when typing.
6. The arrangement of both keys are the same

Care of the Computer

1. Keep your work area clean
2. Keep liquid away from your computer in order to avert accidental spill over the computer.
3. Keep food away from the computer
4. Dust your computer with a clean soft duster
5. Turn off all programs properly if the computer is not in use.
6. Do not expose your computer to rapid temperature changes.
7. Use your computer in an air conditioned environment.

Items used to care for the computer

1. Dust cover
2. Brush
3. Soft duster
4. Methylated spirit

RECEPTION OFFICE

The reception office is the front office of an organization where all visitors to the organization are received. It is attractively furnished and designed to make anyone visiting an organization comfortable especially while waiting to see a member of the organization.

The reception office is usually located near the main entrance of the building.

A receptionist is a person employed to received and assist people visiting a particular organization.

Qualities of a receptionist

1. A good receptionist should have a good and pleasant appearance
2. He/she must be receptive.
3. He/she must be computer literate
4. He/she must have a good sense of judgment
5. He/she must have self control.
6. He/she must have good telephone manner
7. He/she must be tactful
8. He/she must not deliberately give wrong information.

Duties of a Receptionist

1. Receiving and assisting visitors
2. Handling telephone calls
3. Recording names of visitors