



SYLLABUS

BUSINESS PRACTICE

PURPOSE

The main aim of the subject is to give students a broad general knowledge of the business world. It is also intended to act, as a foundation for studies for other subjects in the IAC diploma and for this reason should be studied as one of the first subjects to be studied.

The subject will be examined mainly on the basis of recall of facts, definition of key terms, practical application of the facts and simply case studies. Individual topics will not be examined in any great depth. Only short answers will be required.

OBJECTIVES

On completion of this course the candidate should have a basic understanding of basic business terminology, how a business runs, the business environment and business activities.

RECOMMENDED TEXTBOOK

Business Management – an Introduction by F Eksteen: Nasou. 1994

SYLLABUS

1. BASIC CONCEPTS 30%

- 1.1 Enterprise
- 1.2 Entrepreneur
- 1.3 Types of production units
- 1.4 Return on investment
- 1.5 Efficiency and effectiveness
- 1.6 Productivity
- 1.7 Goals or objectives of the enterprise
- 1.8 Policy, procedure and rules
- 1.9 Factors of production
- 1.10 Public and private sectors
- 1.11 Division of labour
- 1.12 Goods and services
- 1.13 Retailers and wholesalers
- 1.14 Manufacturers
- 1.15 Agents
- 1.16 Business environment
- 1.17 Informal businesses and informal sector
- 1.18 Business ethics
- 1.19 Costs
- 1.20 Profits

2. ESTABLISHMENT OF ENTERPRISES: 25%

- 2.1 Forms of ownership
 - 2.1.1 Sole proprietorship
 - 2.1.2 Partnership
 - 2.1.3 Companies – private and public
 - 2.1.4 Close corporations
 - 2.1.5 Co-operative undertakings
 - 2.1.6 Public undertakings
 - 2.1.7 Franchising
- 2.2 Type of enterprise – primary/secondary/tertiary
- 2.3 Establishing/developing/acquiring a business
- 2.4 Location factors
- 2.5 Scale of enterprises and establishments
 - 2.5.1 Combination – merger, consolidation, integration
 - 2.5.2 Mass production and its advantages and disadvantages
 - 2.5.3 Small scale production
 - 2.5.4 Small business
 - 2.5.5 Informal sector

3. FUNCTIONS WITHIN THE ENTERPRISE: 25%

- 3.1 Management
- 3.2 Production
- 3.3 Personnel/Human Resources
- 3.4 Purchasing
- 3.5 Marketing
 - 3.5.1 Buying and selling – documents related to it
 - 3.5.2 Channels of marketing
 - 3.5.3 Advertising and personal sales
 - 3.5.4 Marketing concept
- 3.6 Administrative functions
 - 3.6.1 Characteristics of efficient and effective administration
 - 3.6.2 Credit control (clerical procedures)
 - 3.6.3 Stock control
 - 3.6.4 Cash control
 - 3.6.5 Pricing, mark-ups and discounts
 - 3.6.6 Elementary computer concepts
 - 3.6.7 Business premises – types, ownership and tenancy
 - 3.6.8 Security of business premises
 - 3.6.9 Records
- 3.7 Financial functions
 - 3.7.1 The scope and purpose of financial management
 - 3.7.2 Capital requirements
 - 3.7.3 Factors determining capital requirements of the new enterprise and of the going concern
 - 3.7.4 Forms of financing
 - 3.7.4.1 Long term
 - 3.7.4.1.1 ordinary shares
 - 3.7.4.1.2 preference shares
 - 3.7.4.1.3 debentures
 - 3.7.4.1.4 leasing and lease-back
 - 3.7.4.2 Short-term
 - 3.7.4.2.1 short-term loans
 - 3.7.4.2.2 supplier's credit
 - 3.7.4.2.3 buyer's credit
 - 3.7.4.2.4 factoring
 - 3.7.4.2.5 bank overdraft

- 3.7.5 Banking services to businesses
- 3.7.6 Stock exchange – terms, advantages of listing, functions
- 3.7.7 Means of payment – legal tender, bank draft, traveller’s cheques credit cards, cheques, bills of exchange and promissory notes.
- 3.7.8 Credit principles
- 3.7.9 Insurance – concept, most important kinds used in business.
- 3.7.10 Life assurance - types
- 3.8 Public relations
 - 3.8.1 Definitions
 - 3.8.2 Role, function and objectives of public relations
 - 3.8.3 Responsibility of the function towards the organisation’s image and corporate identity.

4. EMPLOYERS AND EMPLOYEES: 10%

- 4.1 Types of employees
- 4.2 Types of remuneration
- 4.3 Deductions from remuneration
- 4.4 Employer and employee expectations
- 4.5 Functions of Trade Unions and other staff representation.

5. TAXATION: 10%

- 5.1 Purposes
- 5.2 Types
- 5.3 Collection methods
- 5.4 Customs and Excise duties
- 5.5 Property taxes

The weights are approximations only and must be seen to be flexible.

EXAMINATION

A three-hour examination paper counting 100marks, is written in either May or October each year. Students must answer any two of the three questions asked, each consisting of sub-sections totaling 50marks per question.

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