



3055 BA SANGAM COLLEGE

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WORKSHEET 10

School : Ba Sangam College

Name- _____

Subject: Home Economics

Year 13

Strand	The Family & Home Management
Sub- strand	13.1.2 Resources
Content Learning Outcome	Examine in detail appropriate means of managing income and analyse effectiveness of other saving methods.

ENTERPRISE EDUCATION

'Starting a small business'

1. **Six basic skills:** planning, buying, producing, selling, tracking and managing.
2. Costs of starting a small business.
3. Making a business plan. Start with a basic plan.

Managing a Small Business

Six Basic Skills

The success of a small business could depend a lot on how well one performs these six skills.

Six Basic Skills for Business	
Skill 1 #Planning	<ul style="list-style-type: none"> • Planning ahead will help one to use limited resources-time, money, materials-to one's best advantage • How are you going to achieve you goals? Be realistic and specific: whose going to do what, by when? <ul style="list-style-type: none"> • Think ahead of your business budget. How much money do you need, when do you need it, how will you use it? • Consider what hope to get in return for the money you spend. This is called your return on investment or RO • Ask yourself some basic questions: → What products or services will I provide → Who will be my customers? → How will my products and services meet my customers' needs? • As you gather the answers to these and related questions start putting your plan down on paper.
Skill 2 #Buying	<ul style="list-style-type: none"> • All small business owners are involved in buying, also called purchasing • Profit is the difference between how much you spend and how much your customers pay you, so save money where ever you can. Being a smart buyer

	<p>will help your business become profitable.</p> <ul style="list-style-type: none"> • To be a better buyer, think of your spending in categories-you'll see how you're spending you money, which will help you make better business decisions. • If money is tight, you'll be able to quickly spot where you might use it to grow your business. This is called reinvesting. • Being a skillful buyer also means you'll get the quality you need in the things you buy-and avoid wasting your time. • Finally, being a buyer means you'll have the goods and services you need when you need them. Timing is important in business.
Skill 3 #Producing	<ul style="list-style-type: none"> • 'Producing' means providing products and services for others to buy. Manufacturers call this the production process. Service businesses might call it the service delivery process. • Improving your production can improve your profitability. If you can figure out how to save money by delivering your product or service more quickly or inexpensively, you can increase the amount of money you make. If you can deliver products or services of higher quality, you'll probably make more sales.
Skill 4 #Selling	<ul style="list-style-type: none"> • In order to sell, understand your customers: what they want, how and when they want it, and what price they're willing to pay. • Customers must have a need for what you're offering. They must know that business exists and be interested in buying from you. They must believe that your products or service will meet their need. Finally, they must feel comfortable that the price you're asking is reasonable and affordable for them. • Also, consider your payment policies. Depending on what you're selling, you need to decide not only how much you will charge, but the timing you require for payment. For example, some businesses charge 50% when the order is placed, and 50% on delivery. • You also need to decide whether to extend credit to customers, in what amount, and for what length of time.
Skill 5 #Tracking	<ul style="list-style-type: none"> • 'Tracking' refers to the skill of keeping good business records • You could lose money if you don't keep track of the money in your business, and what you buy, produce, and sell. • Keeping track is also important for filing out your tax forms accurately. <ul style="list-style-type: none"> • Keep you money records accurate and up- to- date. Track your deposits, withdrawals, and current balances; how much cash you'll have on hand • Keep your business and personal records separate so you can clearly see how your business is performing. • Track information about your sales efforts, your customers, and your product or service delivery process <ul style="list-style-type: none"> • By tracking useful information, you can make smarter decisions to improve the efficiency, sales, and profitability of your business.
Skill 6 #Managing	<ul style="list-style-type: none"> • Managing means having a vision of what you want your business to become, and constantly adapting to change in order to guide it toward those

	<p>goals.</p> <ul style="list-style-type: none"> • If you have employees, managing also means being the leader of a team that is critical to your success. • Most experienced business owners consider their employees to be their company's most valuable resource. They represent your business to your customers, your suppliers, and to the public. They must believe in your business and commit themselves to doing good work in order for your business to succeed. • For most businesses, employees are also their largest expense-so they can't afford to have people who are not productive.(Remember that the total cost of employees includes not just their salaries, but also benefits, payroll taxes, and the time and expense involved in managing them) • Be a better manager by working for or listening to experienced managers who have learned from their own mistakes and successes.
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ACTIVITY

1. Discuss why one needs to know about money management. **(2 marks)**

2. Discuss the importance of consumer education. **(2 marks)**

3. Discuss the need to have an insurance policy. **(2 marks)**

4. Discuss how you would use your FNPf contributions on retirement and why. **(2 marks)**

5. Discuss enterprising activities that students may aspire to venture into later in life. **(2 marks)**
