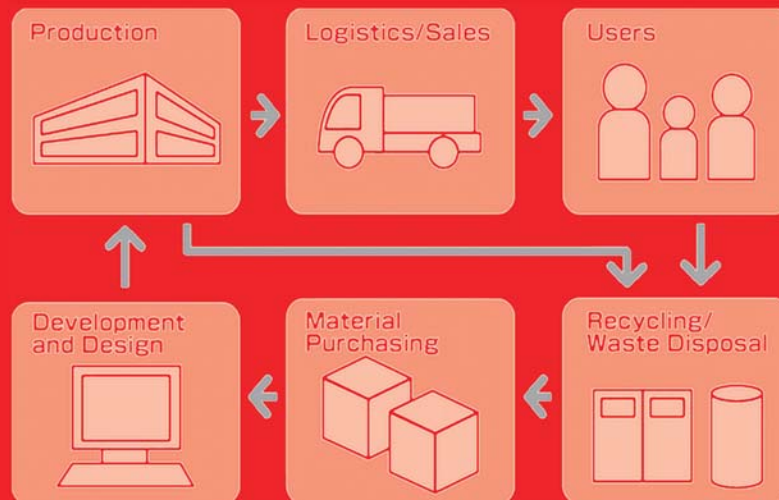




# GENERAL BUSINESS EDUCATION

## Teacher Guide Grade 11



FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA  
MINISTRY OF EDUCATION

# **GENERAL BUSINESS**

## **Grade 11**

### **Teacher Guide**

**Author, Editors and Reviewers:**

Worku Mekonnen (Ph.D)

Julie Baker (BA)

Banti Workie (MSc)

**Reviewed by:**

Helen Alemayehu

Fikadu Girma

Abraham Worke



**AL GHURAIR**  
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## Foreword

Education and development are closely related endeavours. This is the main reason why it is said that education is the key instrument in Ethiopia's development. The fast and globalised world we now live in requires new knowledge, skills, attitudes and values on the part of each individual. It is with this objective that the curriculum, which is a reflection of a country's education system, must be responsive to changing conditions.

It is more than fifteen years since Ethiopia launched and implemented the *Education and Training Policy*. Since then our country has made remarkable progress in terms of access, equity and relevance. Vigorous efforts also have been made, and continue to be made, to improve the quality of education.

To continue this progress, the Ministry of Education has developed a Framework for Curriculum Development. The Framework covers all pre-primary, primary, general secondary and preparatory subjects and grades. It aims to reinforce the basic tenets and principles outlined in the *Education and Training Policy*, and provides guidance on the preparation of all subsequent curriculum materials – including this teacher guide and the student textbooks that come with it – to be based on active-learning methods and a competency-based approach.

Publication of a new Framework and revised textbooks and teacher guides are not the sole solution to improving the quality of education in any country. Continued improvement calls for the efforts of all stakeholders. The teacher's role must become more flexible ranging from lecturer to motivator, guide and facilitator. To assist this, teachers have been given, and will continue to receive, training on the strategies suggested in the Framework and in this teacher guide.

Teachers are urged read this guide carefully and to support their students by putting into action the strategies and activities suggested in it. The guide includes possible answers for the review questions at the end of each unit in the student textbook, but these answers should not bar the students from looking for alternative answers. What is required is that the students are able to come up with, and explain knowledgeably, their own possible answers to the questions in the textbook.

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## INTRODUCTION

Before an attempt is made to offer a course any teacher must take into consideration the points mentioned below.

- a) The content of the subject matter to be covered during the session.
- b) The order in which the content will be covered (i.e.) from known to unknown, from simple to complex etc.
- c) Why that particular content in that session is to be covered (i.e) the objective of the content must be defined in advance.
- d) How it is to be offered? The method to be adopted must be selected in advance
- e) To what grade level is the content offered?
- f) What instructional materials are to be used?

General business education is offered primarily to foster an understanding of the business as an economic institution or as a segment in the economic system of a country. The teacher must be aware that this understanding on the part of the students results in the development of problem solving skill and competency.

In their attempt to foster understanding some teachers resort to lecture method by presenting facts either in isolation or in whole when they offer general business

education. One may argue that since the subject matter is intangible and social in nature, rather than individual, and since it does not lend itself to obtaining tangible learned outcomes as in mathematics or computer technology, presenting the subject matter by way of explaining is correct. This limits the understanding of the student to comprehension and comprehension represents the lowest level of understanding. If the understanding of the learners is limited to comprehension the students know what is being communicated and can make use of the learned material without relating it to other materials. This result in, not only to fragmentation of knowledge but the understanding of the students will be limited to cramming isolated facts.

Facts can be learned either in isolation or as part of the whole. According to Gestalt theory “learning is the product of arranging parts into one whole.” If facts are learned in isolation they will not have any practical use. General business education includes a considerable amount of facts. Students need these backgrounds of facts as a basis for developing understanding, problem solving, and other competencies.

General business has the objective of developing economic understandings. To achieve this lofty goal the

teacher has to ask the following questions and seek their answers.

- i. How does the student learn?
- ii. How do I, the instructor, help the student develop this economic understanding?
- iii. What is the nature of the subject matter?
- iv. What are the methods that ought to be adopted to help the student develop the intended economic understanding?
- v. What are the educational resources that are helpful in helping the student develop economic understanding?

Let us try to provide answer or answers to the questions raised one by one.

**i. How does the student learn?**

To answer this question let us again ask another question. What is learning? Learning is defined as developing a new attitude, skill and knowledge. Learning takes place all the time. We learn things just walking down the streets, watching TV, conversing with other people, or just observing what is going on around us. Thus instruction/learning process involves the selection, arrangement, and delivery of information in an appropriate environment and the way the student interacts with the information.



Learning affects the cognitive, socio-affective and psychomotor forces in the individual student. In effect, the student is not an empty bucket where the instructor fills him. He/she is naturally endowed with the potential to learn. The student is of course endowed with cognitive, socio-affective and psychomotor forces that are yet to be developed. Schools are built to cater for the overall development of the student's ability until such time that his/her reasoning skill, communication skill, performance skill, interest, attitude, adjustment, appreciation have reached to a level that enable him/her to become a responsible member of the society. In partnership with the instructor, the student is able to develop new attitude, skill and knowledge. It should be noted that it is as result of the interaction of the student with the subject matter, the methods adopted and the instructional materials used that he/she is able to gain learning experiences mentioned above. The focal point of the Ministry of Education, the schools, the school administration and the instructor is the student. These parties jointly with the student work for the development of that "something potential and latent". If the student has not learned or demonstrated behavioral change, it will simply be waste energy and time.

## **Learning Theory**

Hereunder some principles based on theories of learning are provided. There are instrumental in guiding the instructor facilitate the learning situation. The teacher must heed these points whenever he/she attempts to create a conducive environment for learning.

1. In any given situation a student is most likely to react in a manner similar to that experience which he has found satisfying in an earlier similar experience. As an instructor of General Business, you have to note that the best planning is that which is concerned with experience at which your students can succeed.
2. Experiences that they are expected to gain and materials to be learned must be at the maturity level of your students. Students are not ready for tasks that are beyond their ability for which they have an inadequate knowledge or back ground of experience. You the instructor must provide a variety of learning activities at differing levels of difficulty
3. Rewards are much more effective than punishment or threat. A learner becomes motivated to proceed to the next step in his/her learning experience. Praise of work done is one of

the most valuable forms of rewards in learning and one of the easiest to use.

4. Learning is most effective when the material being studied is meaningful. Information is most meaningful when it is useful, and is most useful when applied immediately after it has been learned. General business students must be able to see how the course content may be used in their everyday living.
5. Human behavior is essentially goal seeking, so learning has its maximum value when it is purposeful or aimed at specific goals. Goals should not be so low that they call for little effort nor so high that they cannot be reached.
6. Active participation is superior to passive reception. Learning that results from worthy, purposeful, pupil activity is more effective than that which comes from listening to others or watching them work.
7. Material that has been learned will be retained better and longer if it is repeated or reviewed. Material when it is first learned is quickly forgotten. Reviews that come shortly after material is learned not only slow down the forgetting process but also fix the learned experience. Fortunately, information can be

relearned in much less time than was required to learn it the first time. If it is reviewed frequently at increasingly longer intervals, it may be remembered almost indefinitely. So, you, the instructor must provide periodic reviews for your students.

8. Learning is not restricted to planned objectives. You must encourage all class members to contribute to class activities, accept everyone's efforts, and lead students to do the same.
9. Learning is enhanced when there is stimulation without coercion. Authoritarian leadership causes group members to depend heavily on the leader among the group. Excessive direction leads to conformity and suffocates initiative, self confidence, and creativity. Permissiveness in discipline on your part stimulates curiosity and originality.

**ii. How do I, the instructor, help the student develop this economic understanding?**

The answer to this question has to be seen from different angles. Some teachers worry about the subject they teach instead of worrying for the student they are teaching. Your role is that of a facilitator in the learning process. You are a causer of learning. You ought to de-emphasize teaching but emphasize learning because

a school is a place to learn. The learning of the student must be ensured. Remember that if the student has not learned you have not taught. Your role, other than the ones mentioned above, consists of:

- Analyzing your student,
- Setting objectives,
- Selecting methods instructional media and materials,
- Utilizing media and materials
- Requiring the participation of your students
- Evaluating and revising every procedure in the learning process

### **iii. What is the nature of the subject matter?**

There are three types of subjects based on the objectives they are used to achieve. Some subject matters are used to build psychomotor skills: A psychomotor skill is performed through the medium of physical action. When one learns keyboarding the objective is of developing his/her psychomotor skill. There on the other hand subjects that develops the thinking ability of the student because they develop the cognitive ability of the learner. General business education is one of the subject matters that serve the latter purpose. The third type of subject matter is that which combines both features of psychomotor and cognitive learning. Learning bookkeeping can be

achieved by combining psychomotor and cognitive learning. Knowing this fact enable the instructor to play his/her role effectively.

**iv. What are the methods that ought to be adopted to help the student develop the intended economic understanding?**

Methods are the procedures of instruction that are selected to help learners achieve the objectives or to internalize the content or message. The general business education teacher must employ a wide variety of methods in his/her teaching, for variety is important in methods as it is in learning.

A method which is well adapted to one subject may not be well adapted to another subject. It will be up to the teacher to select a method well adapted to a subject and to a phase of learning in one lesson. Some of the factors that enter into the selection of a specific teaching method for a particular lesson are the needs of the students, the nature of the topic being studied, the type of method employed previously, and the past experience of the class members. Some methods that lend themselves to teaching general business have been chosen for discussion:

1. Class discussion
2. Question and answer
3. Role-playing
4. Interview

5. Field trip
6. Committee work
7. Study guides
8. Panels and debates
9. Oral and written reports

### **1. CLASS DISCUSSION**

The very nature of general business calls for socialization among pupils, and class discussion provides a natural give-and-take in a social situation. It may be employed before students have read about the topic at or after it has been assigned and studied. The topics and ideas to be discussed may be supplied by the students, by the teacher, or by both.

Decision making is perhaps the highest level of discussion and gives both individuals and groups experience in reaching conclusions. Factual evidence should be sought as well as opinions. The teacher should be careful to see that some type of summary or interpretation is a part of class discussion. E.g Name and describe the different types of businesses that are commonly found in your locality. Explain the difference between production of goods in a factory and other production methods? These and other questions can be a starting point.

## **2. QUESTIONING**

Questioning lies at the heart of all good general business teaching. You can begin a lesson presentation with a question that is so pointed that it will instantly stimulate student attention and interest. The question should point toward the goal you wish to achieve by the end of the lesson. Students are interested in their opinion and interest. Little teaching or learning takes place until the students begin to ask questions. Are your questions thought provoking? Are your questions prepared in advance with purposeful meaning? E.g. why must a manufacturing company establish a production system?

Teachers should accept all students responses offered, being careful not to reject those that are incorrect. For example if a teacher rejects a student's responses continually, he/she may stop trying to answer questions. Students sometimes ask questions that require special handling by the teacher. Some questions may not pertain to topic being studied or the teacher may not know the answer to a student's question. In both instances the teacher needs to exercise judgment in deciding how to arrange the question. It may be better in some situations to answer questions or it may better to postpone answering them. When a student's question does not pertain to the topic under consideration it is important that the teacher



guard against being detracted by the subject. You can evade the topic by saying “we will discuss this point some other times.”

### **3. ROLE-PLAYING**

Role-playing is acting out in front of the class, situations that show factual information, opinions, ideas, or principles. It represents an attempt to place oneself in the position of others in order to feel or think as they do. Role-playing may be formal or informal, spontaneous or preplanned. When dramatic kits are employed to cover important factual data of considerable scope, or major principle basic to decision making a script should be prepared. The script might be teacher- prepared or written by students.

Examples of few role-playing possibilities are:

- A contract entered into with a door to door salesman
- Job interview

### **4. INTERVIEWS**

There are times in general business classes when students can gather first-hand information by asking questions their parents, relatives who work in businesses, their neighbors, or those with whom they do business. The interview provides a means whereby every student can become part of the class activity. It also creates the opportunity for students to extend their

experiences beyond the four walls of the classroom and into the community.

Some of the topics where interviews would be helpful are:

- Production process in a manufacturing company.
- Pricing the goods and services produced.
- Budgeting and financing a business.
- Insurance.

## **5. THE FIELD TRIP**

A well organized field trip can be an interesting educational experience, for there is no lasting experience that can compare with seeing things in a natural setting for oneself. The field trip creates an excellent means of utilizing the business community as a laboratory to supplement classroom experiences. Such excursions are important for building group morale, motivating interest, socializing students, broadening observations and experiencing group planning.

*Some suggestions to successful field trip are:*

- a. Make the trip yourself (the instructor) before deciding on it as a class activity.

- b. Select a trip that relates directly to the topic being studied and that supplement the text discussion.
- c. Plan the trip with your host company so that both of you understand each other's objectives and are in complete agreement as to what is to be seen and done.
- d. Discuss with the class beforehand content information, desirable behavior, dress, and safety precautions.
- e. Decide the date and the trip with the school principal.
- f. Arrange for a seminar at the place to be visited before the tour begins.
- g. Divide the group into teams of manageable size.
- h. If the school has a rule that parents' permission must be obtained, be sure to comply with this requirement.

## **6. COMMITTEE WORK**

Socialization among students is an inherent phase of teaching general business classes. Skill in group processes will be used by students throughout their lives: at work, in clubs, in civic and religious activities and as members of unions or professional associations.

Some of the requisites for effective committee to work are:

- a. a subtopic or problem that lends itself to the small-group process.
- b. allocation of class time for committees to work.
- c. teacher guidance and coordination.
- d. availability of adequate supplementary reference materials.
- e. flexible furniture and space that enhance group activities.
- f. group chairmen who do not dominate the discussion but rather see that all members of the groups have the opportunity to participate.
- g. understanding on the part of class members of the purposes of committees and positive attitudes towards the group process.

Some suggestions that will aid teachers to assure successful committee activities are to:

- a. Hold orientation sessions on how to work in small groups before attempting committee work.
- b. Have periodic assessments of committee progress.
- c. Prepare schedules for completing assignments

- d. Make sure that committees are small enough to work well together---3 to 5 members.
- e. Have an understanding of policies pertaining to work procedures—leaving the room to go to the library, care of material housed in the classroom, etc.
- f. Vary the method of determining group chairmen—teacher appointed, chosen by the class as a whole, selected by the committee member.
- g. Work some with individual committees on a rotating basis---also with chairmen, with secretaries, and any members who need help.
- h. Aid committees with locating and evaluating material, organizing their findings, and testing their conclusions.
- i. Coach class members on successful and interesting ways of binging committee reports through interaction among panel members, the use of props, visuals, and duplicated sheets covering detailed information.

## **7. STUDY GUIDES**

A study guide is a combination of outlines, questions, and vocabulary terms to aid students as they read a part of the text-book or a supplementary booklet. Its contributions lie in focusing attention on important

items—ideas, terms, definitions or summary statements and in giving specificity to one’s study. The study guide forces the student to look for something instead of just reading with little or no concentration on what is being read.

## **8. PANELS AND DEBATES**

Most people have had some experience with panel presentation---some have been good, and some, not so good. The panel is another way of permitting a small group to work together as a unit and communicate their ideas to others. The most effective panels are those where there is some give-and-take among the panel members rather than where each member “recites” in turn, without interruption. Interruptions are necessary even though they may be every minor, such as merely asking a question, for they break the routine and help hold the attention of those listening. It helps make the presentation truly a panel discussion

As a general rule, after the panel members have completed their formal presentation, the floor is open for questions and further discussion from the other class members.

*Some of the values of using panels are to:*

- a. Motivate interest and stimulate pupil discussion.

- b. Encourage and sponsor leadership development.
- c. Provide opportunities for the more reserved student to participate “up front”.
- d. Give variety and change of pace to committee reports.
- e. Provoke thinking and give depth to learning.

The debate is more formal than the panel discussion. And whereas the panel might not require a great deal of prior preparation the debate does. In addition to formal presentation the debate normally allows for one or more rebuttal presentations on each side. Like the panel presentation it should be followed by discussion of other class members, for this broadens and sharpens their interest in the debate proceedings.

## **9. ORAL AND WRITTEN REPORTS**

Whereas panel and debates represent group activities, the report, either oral or written, is an individual project. It encourages students to develop initiative and sharpen their research skills. Reports force students to go beyond the textbook in their reading. They cause students to bring together and integrate several skills, such as reading, thinking, organization, and communication.

Naturally, those students with limited previous experience in preparing reports will need assistance

until they master the technique. Some teachers prepare brief manuals in which they show illustrative examples for headings, subheads, outlining, footnotes, bibliographies, etc. it is a good practice to have students who bring oral reports to submit a brief outline and summary in writing for the teacher's future reference.

**v. What are the educational resources that are helpful in helping the student develop economic understanding?**

The purpose of instructional media and materials are to facilitate learning. The instructor has to use instructional media and materials either readymade if they are available or prepare homemade ones to shorten his/her presentation. The instructional media used in class could be those which stimulate eyesight, hearing, touch, smell or taste. We have to bear in mind that one instructional media well adapted to one subject or phase of learning cannot be well adapted to another subject or phase of learning. It is up to the instructor to select instructional media and materials that are best suited to the subject matter and phase of learning. For example, a microscope has no conceivable place in general business. For general business the appropriate instructional media are charts, posters, CD ROMs (encyclopedia 2005), field



trip, motion pictures, video and other host of instructional media that are not mentioned on this page.

### **In text questions**

In text questions are designated by question marks (?) in the student's text book. The purpose of in-text question is to direct the students to new concepts. In text questions may assess the background of the students to elicit the new concepts based on the background of the students. In- text questions are a check point to direct the students to new lesson. Let the students attempt the in-text question before learning the new concepts.

### **Activities**

Each of the activities are designed in such away that the concept "business enterprise" is related to the business activities around the surroundings of the students. Though the answers for each of the activities may be given based on the practical experience of the students, hints for answering the activities are given as a starting point to gear the answer of the students.

### **Pre-requisite questions**

1. The following are some suggestions to perform pre-instruction assessment.

- i. Assess whether or not students have the prerequisite knowledge and skill to be successful through different approaches.
  - ii. Make your teaching strategies motivating.
  - iii. Plan how you form groups and how to give marks
  - iv. Create interest on students to learn cache lesson
2. The following are some of the strategies you may use to assess during instruction.
- i. manage the classroom properly.
  - ii. check that students are understand the lesson.  
You may use varying methods such as oral questions, stimulate class discussion, asking students to do their work on the board, etc.
  - iii. identify which students need extra help, and which ones should be let alone.
  - iv. ask about type of questions according to the students ability, help slow learners and give additional exercise for fast learners.
  - v. Monitor how class works and group discussions are conducted.
3. The following are post instruction assessment
- i. document the students' mark.
  - ii. check whether competencies are achieved.
  - iii. Revise some of the lessons.
  - iv. Decide how to treat the next lesson.

# UNIT 1

## THE NATURE OF BUSINESS

Number of Periods: 19

Unit Outcomes:

After learning the unit the students will be able to;

- define business and business enterprises.
- distinguish between human wants and needs.
- state the importance of business enterprises.
- list the different kinds of business enterprises, and identify the function of each kind of business.
- state the impact of business environment on the business enterprise.
- relate business activities to real life situation.

### Unit Overview

The unit is divided into four lessons: Definition of business, Importance of Business Enterprises, Kinds of Business Enterprises and Business Environment are treated as separate lessons. It begins by defining business enterprises. Based on the definition, every business 1) satisfies needs and wants 2) provides goods and services 3) intends to make profit. The discussions are based on the students' background and are related to business activities in the

students' localities. For the first lesson which identifies the nature of business use 5 periods.

The second lesson presents the importance of business enterprises. They are: 1) Agents of exchange 2) Source of income 3) Agents of socio - cultural interaction 4) Agents of technological advancement and 5) source of employment. Each of these concepts is treated separately. Examples for each of the concepts are given based on practical business situations. For the second lesson, use 5 periods.

Lesson three presents the kinds of businesses. In this section businesses are classified by type: Production, Distribution and Service. The basis of the classification is the functions performed by business enterprises. For the third lesson, use 4 periods.

The last part of this unit deals with the various kinds of business environments that govern the activities of business enterprises. These environments are grouped into five. They are: 1) Economic environment 2) Legal environment 3) Socio-cultural environment 4) Physical environment and 5) Technological environment. Each of the environments and their impacts on business activities are discussed separately. The in text questions, activities and review questions included in the unit can be used to evaluate your students. For the last lesson, use 5 periods.

**A. Planning ahead**

The subject is based on the objective reality of Ethiopia. Accordingly, you need to list down some business enterprises around your locality. Classify them by the function that they are performing. Collect some pictures of business enterprises that you may not find around your locality so that you may use the pictures to relate the concepts to practical reality.

**B. Hints for teaching**

Before you start to define business enterprise, ask students to define what business means. Based on the answers given you may test the background of your students. Use common business enterprise that students know to use as a base to define business enterprise. Once the students have grasped the concepts of business based on the reality of their surroundings; you can expand the concept by citing different examples.

**Activity 1.** Request the students to identify manufacturing enterprise in your locality and report on the producer goods it uses. The students might give list of business enterprises such bakery, agricultural products processing firms, soap manufactures etc. Carpenters, repairpersons, hairdressers, farmers, shoemakers etc are some of the examples of producers. The activity asks to list the producer goods the manufacturing firms' uses. Raw materials, component materials, component parts, capital items and supplies could be an example. Iron ore, cements, tires, machinery and greasing oils respectively are some of the examples for

items described above. Remember that the examples have to be based on the locally produced and observed goods.

In explaining their classifications the students might identify those that are used as prime inputs and consumed in the operations. List all their answers in the designated chalk board and then identify the producer goods based on their nature and relate to the concepts discussed in this unit.

**Activity 2.** Requests to define business enterprises, distinguish between goods and services, naming some 5 profit making enterprises in your locality, describing services with their special features and stating what makes services different from goods. You ought to give assignments on these activities. The difference between goods and services are discussed in the students' textbook. The second activity lets the students name 5 profit making enterprises. Ask each student to name out the profit making organizations. List down the organizations and let them classify the organizations according to their natures. Let them classify whether the organizations are producing goods or services. Finally identify what makes different services from goods based on the examples given by the students.

**Activity 3.** In order to carry out the first activity and to show that business serves as an agent of exchange, you can refer to the students' textbook. The distinction between monetary transaction and barter transaction are also given in the textbook. Things that people buy on daily or regular

basis take the form of monetary transactions. Items such as food, soft drinks, and shoes are exchangeable with money. In some areas, sheep or goats can be exchanged for hand woven clothes. This may be one of the barter transactions found in some regions.

**Activity 4.** To answer question no.4, you can simply cite the names of your colleagues in your school. The income tax collected from each of the individuals can be listed as follows. By using the formula table their incomes can be computed as the following.

	<b>Total income</b>	<b>Tax schemes</b>	<b>Income tax</b>
Ato Bruck Worku	2,500	$(2500.00 \times 25\%) - 235.00$ $= 390.00$	Birr 390.00
W/o Himanot Teshome	950	$(950.00 \times 15\%) - 47.50$ $= 47.50$	Birr 95.00
Ato Balcha Duffera	480	$(480 \times 10\%) - 15.00$ $= 33.00$	Birr 33.00
W/o Birkiti Tesfu	560	$(560.00 \times 10\%) - 15.00$ $= 41.00$	Birr 41.00
W/t Amina Hassen	800	$(800 \times 15\%) - 47.50$ $= 72.50$	Birr = 72.50

To answer the second part of activity number two, you may list retailers and wholesalers in your locality. Then identify the type of taxes paid by the retailers and wholesalers.

**Activity 5.** Asks to identify the difference between extractive, analytical, fabrication, synthetic and assembly processes that are discussed in the textbook. Motivate students to generate their own examples. The second activity is based on practical observation of production enterprises. Let them classify the enterprises based on the processes described and let them write a report on the activity of each enterprise.

**Activity 6.** This activity is aimed to show the impact of economic environment on business operations. The first activity is aimed at showing the change in the prices of goods consumed by students or their families as the result of the increase in the price of petroleum products. For example as the result of the increase in the price of petroleum products, transportation costs increases. The answer for question number 2 is given in the textbook.

**Activity 7.** These activities are based on the concept of cultural environment. The cultural values that might be observed by business enterprises are: Respect for elders, marriage, helping the disabled people etc. Examples of core and secondary beliefs are stated on page 46 and 47 of the textbook. You are expected to identify that core and secondary beliefs are based on the cultural reality of your locality. Let the students also generate more examples on the same subject.

### **Assessment**

You can use any of the following in order to assess the understanding of the students.

- Asking oral question to repeat the definition of business and the basic concepts indicated in the definition.



- During instruction, use real business examples to help students how they are relating business activity in the daily life.
- Ask students to report the different types of business enterprises and their functions.
- Give exercises such as class work or homework and check the solutions.

### **Review Questions**

This part is designed to evaluate your students' progress. Make your students answer each of the questions. You are expected to collect the answers of the students to investigate how far the students grasped the concepts. If you find that some students are unable to respond some of the questions, make a quick review of the concepts.

### **Answers for the review questions**

#### **Part I Multiple Choice Answer**

- |      |      |      |      |       |
|------|------|------|------|-------|
| 1. d | 2. a | 3. b | 4. d | 5. c  |
| 6. b | 7. c | 8. d | 9. c | 10. B |

#### **Part II. Define Item**

The key term are defined in the students support the definition with prepared business experiences.

#### **Part III. Short Answer Item**

This part is aimed to assess the student's reasoning ability. As it is expected that they would have various answers, summaris etheir answers and make them to debate on the varied questions that they provided.

# UNIT 2

## TYPE AND FORMS OF BUSINESS OWNERSHIP

Number of periods:13

Unit Outcomes:

After learning this unit the students will be able to;

- list the three common forms of business ownership.
- define each form of ownership.
- explain the advantages and disadvantages of each type of ownership.
- provide a rationale for the choice of ownership.
- make a distinction among the different forms of business ownership.
- identify and explain other alternative forms of business ownership.

### Unit Overview

Organizations can be formed for profit and non-profit purposes. Such classifications can be used to differentiate by purposes. In terms of size organizations can be classified as small, medium or large. From the ownership point of view organizations can be owned by one, two or many people. Unit two classifies organizations based on the ownership form. Accordingly there are three common forms of

organizations. They are: Sole Proprietorships, General partnerships and Corporations. The advantages and disadvantages pertaining to each form of ownerships are discussed in this unit. Each form of ownerships is taken as separate lessons.

The second section discusses the six less common forms of business ownership. These less common forms of ownerships as listed in the textbook are:

- Limited partnership
- Joint Ventures
- Joint stock companies
- Cooperative
- Franchise
- Licensing

The third section describes the major factors to be considered in choosing a form of ownership. Nature of business, the financial effects of operations, the attitude of owners are factors that govern the choice of ownership forms. These three factors are taken as one lesson of the unit.

In text questions, activities relating to each of the topics are designed to further explore the points discussed, and also as a check point for your discussions.

Lesson 2.1 Common Forms of Business Ownership:

2.1.1 Proprietorship

Number of period: 2

Outcomes of the lesson:

After learning this lesson, the students will be able to:

- **list the main features and describe the advantages and disadvantages of a sole proprietorship.**

Lesson one discusses the common forms of business ownerships namely sole proprietorships, partnerships and corporations. The advantages and disadvantage relating to each form of ownerships are discussed in this lesson.

**Planning ahead**

List some of the businesses enterprises located around your locality. Classify them based on their legal form of ownerships. Identify legal requirements for establishing business in the form sole proprietorship. You may contact concerned local bureau to investigate the legal requirements on how to start business enterprise in the form of proprietorship. To supplement your discussion, you can use the section of Commercial Code of Ethiopia pertaining to the formation of proprietorships.

**Hints for teaching**

Before you will start to discuss on the points included in the textbook, write the lists of business organizations that you obtained from your locality on the designated chalkboard. Classify the business in their ownerships forms. This could be a starting point for your further discussions. Make

emphasis on the basis of classifying business organizations in the ownership form. Define the sole proprietorship as given in the students' textbook. Relate the concept of sole proprietorship to the concept of property rights. Let the students appreciate the instances where individuals had full control of certain property. Based on the basic concept of rights to the property, identify the advantages of sole proprietorship given in the textbook. Give examples for each of the advantages listed. Remember each of the advantages listed as discussed in relation to other forms of business organizations. Bring to the class attention the instance whereby individuals will totally lose the property that is owned by them as a result of the loss incurred by business operations. Based on such instances let your students identify the disadvantages running businesses in the form of sole proprietorship. Explain the disadvantages listed in the students' textbook. Support with relevant examples for each of the disadvantages shown in the textbook.

### **Activities**

There are two activities given in the textbook in relation to the form of owning business by single individual.

**Activity 1.** The first activity is on the definition of sole proprietorship and to list five businesses organized as sole proprietorships in your locality. The definition of the sole proprietorship given in the textbook could be a starting point to answer this activity. Retail shops, which are owned by one individual in your localities, could be examples of sole

proprietorship. As the objective of this activity is to enable students identify the concept of sole proprietorship and relate the meaning of sole proprietorship to the business organization in their locality, let them give possible lists depending on their observations.

**Activity 2.** The second activities are designed in order to make students list the advantages and disadvantages of sole proprietorships and also letting them to give examples on the advantages and disadvantages cited. The advantages and the disadvantages of sole proprietorship are dealt in the students' textbook. As a hint to answer the activities, lesser legal requirements are required to form sole proprietorships this could be an example on ease of formation of sole proprietorships. For the remaining advantages and disadvantages of sole proprietorships make your students exhaustively list their own examples.

Lesson 2.1.2: Forms of Business Ownerships: Partnership

Number of periods: 2

Outcomes of the lesson:

After learning this lesson the students will be able to:

- **list the main features and describe the advantages and disadvantages of a partnership.**
- **make distinction between sole proprietorship and partnerships.**

**Planning ahead**

Identify few business enterprises organized in the form of partnerships in your locality. If possible find article of partnerships. Generate examples based on your observations of business practice on the advantages and disadvantages of owing such form of business organizations. This would make the subject more interesting.

**Hints for teaching**

Make revision on the major points that you identified in past lesson, which is proprietorships. Then, define partnership. Let the students compare proprietorships with partnerships based on your definition of partnership. You can relate the concept of partnership to the instance where individuals get married and start living together. Such practical examples can simplify the concepts. Generate more examples on the business forms owned in the form of partnership. Let the students also develop their own examples. Discuss the advantages and disadvantages of partnerships identified in the textbook with appropriate examples related to this concept. Remember that if you are only listing with no appropriate examples, the students will learn to memorize the listing without much understanding the concepts. To give simple examples, let the students compare the instances whereby individuals living together are disagreeing and agreeing.

When there is an agreement in between them, they can share common ideas, what they own can be used for the

betterment of their living and each can contribute in many aspects than when individuals are living alone. Expand the concept by taking the instance where by individuals had no agreement between them and try to live together, identify possible outcomes as a result of conflicts between individuals sharing the same house. Relate such instances to the advantages and disadvantages of partnerships. Further expand the advantages and disadvantages of partnerships by comparing where one person (proprietor) owns a business. If you had an access to article of partnerships post the articles on bulletin boards so that student would have an access to the articles. Such procedures might help you to relate the concepts discussed in the article of partnership to the practical reality of business activities.

### **Activities**

There are four questions included in this lesson. As one of the purposes of the activities is to make checkpoints for your discussions; you are expected to make quick review on some of the concepts depending on the answer of the students. The first question is requesting the students to identify the nature of partnership. The definition and explanation for each of the partnership is given in the students' textbook. You are expected to give examples for the concepts based on business practices in your localities. The articles of partnerships as described in the textbook are agreements that state formal relationships between the partners. If you had an access to such formal agreements between partners



discuss the points based on the contracts. The advantages and disadvantages of partnerships are listed in the textbook. More than the lists cited the possible examples that will be listed by the students would clarify the points. So try to make your students support the discussions with relevant examples on each of the concepts cited in the textbook relating to the advantages and disadvantages of partnerships.

**Lesson 2.1.3: Forms of Business Ownership: Corporation**

Number of periods: 2

Outcomes of the lesson

After learning this lesson the students will be able:

- **list the main features of corporation and describe the advantages and disadvantages of corporation.**
- **make distinctions between sole proprietorships, partnerships and corporations.**

**Planning ahead**

Make list of business enterprises that are owned by many individuals. The listing could be based on business enterprises in your localities or known business enterprises in the country such as private banks and etc. The lists can be used as a starting point for your discussion. Refer to newspapers such as Ethiopian Herald on articles relating to the announcement of the formation of certain business enterprises established in the form of corporation. Prepare a teaching aid that describes sole proprietorship, partnership

and corporation. If possible find a specimen of stock certificates.

### **Hints for teaching**

Before you will start teaching the concept of corporation, list the main features of sole proprietorships, partnership on designated chalkboard. Revise each of the concepts. Call on specific students to participate in the discussion. Then define corporation. Relate the concepts of corporation to the proprietorships and partnerships. To make it more interesting let your students' debate on the best suitable forms of business ownerships to run businesses. After students' debates, identify on how corporations will be formed. Relate such concepts to business activities that are observed in your localities. If such corporate organizations are not available in your localities, articles in the newspaper such as Ethiopian Herald relating to the formation of corporate organization can be used for your illustrations. The illustrations used in the textbook can be used as a major reference on how corporations will be formed. To discuss on how corporations will be managed, primarily prepare a teaching materials from available local resources. The material could be illustrated the instance whereby a group of individuals forming the corporation. Then relate the individuals and name them out they are shareholders. Put in the same drawing the instance whereby many persons elect few individuals. Then, relate these illustrations to the concept of board of directors. Based on the concepts used in the textbook develop the instances in which the activity of

corporations are governed by the board of directors. You can make the concepts more interesting by relating to the local elections processes and then emphasis the difference is that the corporations are formed for making profits.

To discuss the advantages and disadvantages of corporations you are expected to relate to the sole proprietorship and partnerships. The discussion should be by comparing corporations from the others. Remember that suitable examples are clarifying the concepts. So you are expected to give example on each of the advantages and disadvantages of the corporations.

### **Activities**

There are five questions included in the lesson 2.3. The first question is asking who the incorporates are. To answer the question you can use the concept identified in the textbook as a starting point for your discussion. Relate the concept to your own observations on how corporations are formed. The definition of the articles of incorporation is given in the textbook. Explain that articles of incorporations are a formal means, which explains the relationships between the members of the corporations. If possible find the articles of corporations so that you can make it more practical the concepts identified in the textbook. Limited liability can be explained by taking the instance where one only lose the amount that he/she invested in the corporations and compare this practice in the instance where one can totally lose his/her property as the result of losses incurred by

business activities. Relate the discussion to the concept of unlimited liability. The advantages and disadvantages of owning business in the form of corporation are explained in textbook.

Remember that listing only the advantages and disadvantages of corporations as listed in the textbook is not enough to answer this question. Make your students to generate examples for each of the advantages and disadvantages shown in the textbook.

### Lesson 2.2: Less Common Forms of Business Ownership

Number of periods: 4

Outcomes of the lesson:

After learning this lesson the students will be able:

- **to identify and explain five other alternative forms of business ownership.**

As shown in the textbook, there are other five forms of business ownerships namely: Limited Partnerships, Joint Ventures, Joint Stock Company, Cooperative and Franchise. These forms of business ownership are treated as other forms because they are not common forms of business ownership. Some of them are sharing the advantages and disadvantages of partnerships. For example joint venture is a partnership but it differs from the ordinary partnerships in the duration of time as described in the textbook.

### **Planning ahead**

Prepare the list of limited partnerships, cooperatives, joint ventures etc. if they are available in your locality. If no such forms of ownerships are available in your localities; prepare a list of widely known forms of businesses organized as limited partnership, joint venture, joint stock company, cooperative and franchise. For example fuel stations like Total, Mobil are example of franchise businesses. Building contractors joined their resources for short period of time for definite undertakings such as constructing dams are examples of joint ventures. Generate more examples by preparing some of the possible project that would cease to operate after the completion of the project to give more examples on joint ventures. You can include the list of *keble* shops, producer cooperative to give examples for cooperatives.

### **Hints for teaching**

As the lesson follows the common forms of business, revise the major points relating to the three common forms of ownerships identified earlier. Emphasize on the difference between common and other forms of business ownership. Identify why they are named other forms of business ownership. Define each of the forms of ownership and support with the examples that have listed when you are planning to teach. For example, define joint venture and identify how it will differ from general partnerships. Then name one joint venture available in your locality. Building

contractors formed by two individuals to construct a dam could be used in this instance. In current business activities in Ethiopia, you hardly found a business organized in the form of Joint Stock Company. Refer some of the books that are listed in the bibliography of the textbook to supplement your discussion on joint stock companies. Cooperatives and Franchise are widely known in the country. Relate each of your discussion based on businesses located in your locality. Open discussion on advantages of running cooperatives and franchise. For example getting product at cheaper price could be one of the advantages of forming cooperative. In other case franchise business would let the owner trade with the products of reputable enterprises so individuals could start their own business within short period of time. Let your students list the major advantages and disadvantages of cooperatives and franchise based on their observation. Kebele shops are examples of cooperative. Fuel distributing enterprises such as NOC, Total, Oilibya, and Mobil are examples of franchise businesses. Remember that the more examples you generate, the more you are letting your students to understand the concepts. Hence, you are expected to generate more examples. After completing the lesson on other forms of business ownership, list all forms of business ownership identified in your discussion. Call on your students to identify the major points discussed in the unit relating to all forms of business ownerships. This would help you to assess how far your students grasped the concepts discussed in the unit. Finally

summarize the major difference by writing in a tabular form to distinguish all the forms of business ownerships discussed in the unit.

### **Activities**

There are four question organized in this lesson. Like other activities, these activities are used as a checkpoint for your discussion. The first activity requests to list other forms of business ownership. As it is identified in the textbook, the other forms of business ownerships are limited liability, joint venture, joint stock company, cooperative and franchise. The difference between general partnership and limited partnership is given in the textbook. The major difference between them lies on extent of responsibility for the liability of the business. In the case of general partnerships, the partners are fully liable for the debt of the business. However, in limited partnerships some of the partners are liable and the remaining partners will lose only what they invested in the business. For example if two individuals formed a limited partnership; one member would be fully liable for the debt of business and the second partner will lose only what he/she invested in a business not his/her personal property. As the fourth question tries to investigate the difference between joint venture and joint stock Company; their major difference is shown in the textbook. Try to clarify the concepts by citing more examples. Examples of cooperatives could be credit association, producer cooperatives, *kebele* shops etc. Try to name out

cooperatives that are available in your locality to answer this question.

Lesson 2.3: Choice of ownership form

Number of periods: 3

Unit Outcomes of the lesson;

**After learning this lesson the students will be able to:**

- **identify factors that affect choice of ownership form.**

In this lesson the major factors that affect choices of ownership forms are discussed. The major factors as shown in the textbook are nature of business, the financial effects on operations and the attitudes of owners.

### **Planning ahead**

If you had an access to business enterprises formed in the form of proprietorships, partnerships and corporations make contact with these organizations and identify some points on the choice of ownership forms. Invite a businessperson in your locality whom you think that can share his/her business running experience for the students. Let them clearly distinguish the different forms of ownership based on their practical experience. They should address such questions like why they are choosing their own businesses. Remember that the experience that businesspersons discuss with students could more valuable and even students can gain more knowledge from their experiences than what is included in the textbook.



### **Hints for teaching**

List the main characteristics of proprietorship, partnership and corporation in a tabular form on the chalkboard. Call on your students to give examples on advantages and disadvantages of the three forms of ownerships as explained in the earlier discussion. Such experiences would help you to interrelate the past concepts discussed with the new one. Ask your students which form of business enterprises is suitable in the instances where individuals need to form large business with limited capital. Relate this discussion to the first and second factors affecting the choice of ownership that are the nature of the business and financial effects of operation. Give examples relating to the instance whereby individuals need to form large businesses and cannot afford to do it. He/she can pull capital from different individuals and explain that corporations can possibly be suitable for such businesses. Discuss the remaining forms of business organization in terms of size and capital. The more individuals aspire to form large businesses with limited capital, the more they are tending to invite others to join them.

Describe an instance where individuals want to fully control the activities of businesses. Relate this instance to the third factor affecting the choice of ownership, which is an attitude of the owners. Illustrate that, proprietorship are more suitable needing to control fully the activities of businesses. When individuals need to share ownership of businesses

with two or more individuals' partnerships could be suitable. Expand the concept by bringing the instances where individuals need to work with many persons. Let the students say that corporations could be suitable in such instances. Expand the illustrations by citing more examples.

**Activity**

Activity relating to the form of choice of ownership is asking to list the three factors that influence the choice of business ownership form. The three factors that affect the choice of ownership forms are the nature of business, financial effects of operations and attitude of owners. Let your students generate examples for each of the concepts identified.

**Assessment**

Based on the minimum learning competencies that are expected from the students at the end each sub-unit, use different assessment techniques to get feedback about their understanding of each lesson.

***Give them exercises on:***

- listing of the advantages and disadvantages of each forms of business
- mentioning how a corporation is formed and managed.
- identifying joint venture and joint stock company.

### **Review Questions**

The prime aim of the review questions is to assess how far the students grasped the concepts discussed in this unit. You are expected to give an assignment on this part and allocate certain marks for each of the questions. Since the review questions included in the textbook is more subjective type; you are advised to construct objective type questions to balance your evaluation procedures. Hint to answer the review questions are shown as follows:

1. The first question is asking to list the common kinds of business ownership. The common kinds of business ownership as discussed in the textbook are sole proprietorship, partnership and corporation. The answer should be supported with relevant example.
2. The three major factors that affect the choice of business ownership are: The nature of business, the financial effects on operations and the attitude of the owners. Let your students generate their own examples for each of the concepts identified.
3. The five more alternative forms of business ownership as described in the textbook are: limited partnership, joint venture, joint stock company, cooperative and franchise. Let you students elaborate each of the other forms of ownerships based on their practical observation in their locality.
4. To define sole proprietorship, partnerships and corporation refer to you textbook. For quick reference purposes use the definition given in the glossary of the

students textbook. Add with the relevant examples to supplement the discussions.

5. To answer question No. 5, 6 and 7 use the table shown in the summery section of the students' textbook. Expand the concepts relating to the observation of business practices in your locality.
6. The difference between unlimited liability and limited liability is that limited liability means owners are not responsible for the debt of the business except to the extent that they have invested money in the corporation. In the case of unlimited liability owners are fully responsible for the debt of the business; they even be forced to sell their personal property to pay the debt of the business if the business became bankrupted. Among the three common forms of ownerships; proprietorships and partnerships had unlimited liability whereas corporation had limited liability.
7. Partnerships can be superior as compared to proprietorships because more capital can be obtained when two or more individuals join their financial resources together and the business would have more business operational activities since different individuals had different skills of operating business.
8. Limited partnerships are different from general partnerships because in the case of limited partnership one or more partners are granted limited liability, with at least one partner with unlimited limited. Such

provisions would not exist in the case of general partnerships.

9. Joint ventures are different from general partnerships because joint venture is formed for short period of time for certain business undertakings but general partnerships are formed for indefinite period of time.
10. Small producers will form cooperative to gain competitive advantage of large size market place.
11. Franchise is a licensing arrangement that permits an individual to own his or her business while benefiting from the use of the trademark, know-how and reputation of an established firm. All fuel distributing firms such as Shell, Mobil etc are examples of franchise. The head office is the *franchisor* and the fuel-distributing agents or outlets in different localities are *franchisee*.

### **Case studies**

As you know the purpose of the case studies is to relate the concepts identified in the textbook to the practices of businesses enterprises. Also case studies can enrich the knowledge of the students by bringing practical business activities for the class uses. Hence you are expected to design more case studies to enrich the knowledge of your students. In order to tackle the case studies given in the textbook primarily let your student form a group.

The group size can vary depending on the number of students available in your class. Let each of the group write specific report relating to the answer of the case studies.

Allocate certain marks so that the group will be motivated to answer the questions. Hint on how to answer the case studies is illustrated as follows: The first case question is requesting to answer the advantage and disadvantages of partnerships, answer for this question is given in the textbook. The discussion should be made in relation to restaurant businesses. To answer question No. 2 and No. 3 of the case studies refer to the disadvantages of the partnership. The last section is on how to form a corporation. This part could be answered based on the concept discussed in the textbook relating to the formation of corporation.

**Answers for the Review Questions**

**Part I Multiple Choice Answer**

1. a          2. d          3. c          4. d          5. b

# UNIT 3

## FINANCING BUSINESS ORGANIZATIONS

Number of Periods: 17

Unit outcomes:

After learning this unit the students will be able to:

- define money and its importance.
- identify the source of capital for investment.
- describe the role and functions of financial institutions.
- examine the financial and investment policies of Ethiopia.

### Unit Overview

Finance plays a key role in the activities of business organizations. Without finance, no business organization would operate. This unit deals with the financing of business organizations.

The unit has five major lessons. The first topic deals with money and its importance. The second topic identifies the source of capital for investment. Capital for investment purposes can be obtained either from the owner's contributions or by borrowing. Contributions from the owner(s) referred to as equity financing can take different forms. In the case of proprietorship, the owners could obtain

a fund through personal contributions. Partnerships usually obtain such funds by joining their capital. Corporations sell stocks or shares to gain equity financing. Debt financing could be obtained by borrowing from individuals or from organized institutions, like credit associations and banks. The different sources for equity and debt financing are dwelt in the second lesson.

The third lesson describes the role and functions of financial institutions. The banking system, brief history of banking in Ethiopia, risk and insurance, the practice of insurance in Ethiopia are dealt in this lesson.

The final part of this unit discusses investment policies in Ethiopia. The current investment policies are discussed based on the proclamations pertaining to investment policies in Ethiopia. Activities designed under each of the lessons and review questions can be used for evaluations. In addition the teacher can construct teacher made test consisting of a test to evaluate the students.

### Lesson 3.1: Money and its Importance

Number of periods: 1

Outcomes of the lesson:

After learning this lesson the students will be able to:

- **define money and its importance.**

This lesson investigates the use of money for business organizations and individuals. Functions, characteristics and forms of money in Ethiopia are discussed in this lesson.



There is one activity under the sub-topic. The activity is designed to relate the concepts discussed to the practical reality of business organizations.

**Planning ahead**

You need to find specimen of bank checks, birr notes and other Ethiopian coins if available to make the topic more interesting and practical. Discuss with the banking institutions in your locality and invite guest speakers. This would supplement the concepts discussed in the textbook, as the individuals can give first hand information related to the banking activities.

**Hints for teaching**

Before you discuss the concepts described in the textbook, ask students to list the reasons why they need money. Their answers could be interesting and varied. This could be a starting point for your discussions and helps you to motivate your students. In order to teach the functions of money, take a particular business institution in your surroundings. Discuss each of the concepts cited in relation to the activities of the business described. For example, to discuss the concept of the standard of value, you can cite the property of the business enterprise described in monetary terms, such as the value of merchandise owned by the enterprise in birr. For example, you can state in this form: Two quintals of sugar = 900 birr. i.e. each worth 450 birr.

To discuss the characteristics of money, take a 100 birr note as an example. The birr note described is acceptable all over

Ethiopia; it is also divisible in further units. For example, it can be divided in 2 'fifty' birr notes, 10 of 'ten' birr notes, 20 of 'five' birr notes and 100 of 'one' birr notes. Other concepts such as durability, portability, divisibility and homogeneity can be discussed in the same manner by taking the same example of 100 birr notes. For instance, 100 birr note could last for long time and this implies that it is durable. One can carry the birr note easily, which illustrates the concept of portability. Things used as monetary unit are divisible because they are measuring the value of goods and services. In reality, the 100 birr notes owned by different individuals are homogeneous in a sense that they had the same color, weights, length etc.

**Activity 1.** The aim of this activity is to let students discuss on the function of money. Students might give such answers like business enterprises expand their activities by using money, Students buy school uniforms with money, parents make their livelihood by earning money from different sources etc. Make your students list all possible answers for the questions based on their observations.

### Lesson 3.2: Source of capital for investment

Number of periods: 2

Outcomes of the lesson:

After learning this lesson the students will be able to:

- **identify the source of capital for investment.**

Lesson 3.2 presents the possible sources of capital for investment. This part is organized in three sub-topics.

Owner's capital, debt financing and the concepts of bonds and stocks. Since the concepts of bonds and stocks are much related to corporations, they are treated as separate sub-topics. There are three questions under activity 2 in relation to each of the sub-topics.

### **Planning ahead**

You need to list credit associations and banks available in your locality. Try to contact corporations in your locality (if available). Find the specimen of stocks. If no corporations are available in your locality, find the picture of corporate stocks. Assess the concept of Government bonds (“yegimja bet sened”) as this concept helps you for your further discussions. You can find it from daily newspapers.

### **Hint for teaching**

Define the concept of equity and debt financing. Discuss the advantages and disadvantages of each of the financing methods described. Discuss the concept of equity financing in relation to different forms of business organizations. Explain also the ways equity financing is obtained for proprietorships, partnerships and corporations. Identify how each will secure equity financing. Relate these concepts by taking practical business examples in your locality. You can even cite distant business organizations, which are widely known all over the country. Discuss the concept of debt financing by taking practical case whereby individuals start and expand their operations by borrowing from credit associations and banks. Make it practical and simplify the

concept by taking practical students' experience where by student X can own a book by borrowing money from his/her friend. Give more examples by citing different business settings in your locality. Discuss the concepts of bonds and stocks in relation to the corporations. Show them the pictures of stocks and bonds included in the students' textbook.

**Activity 1.** There is one activity with two questions identified to enrich the concepts discussed. Hints to answer the activities are as follows:

**Activity 2.** To answer questions organized under question no. 1 make the students form a group consisting of 5 to 10 members. The group size can vary depending on the class size. Let each of the groups writes the historical backgrounds of two-business enterprise in the groups' locality. You must check and summarize on the group's report for class use. The advantages and disadvantages of securing funds through loan and equity are briefly discussed in the student's textbook. Supplement the activity with more practical examples.

The second activity is aimed on organizing an educational visit to the finance bureau. This is meant because finance offices are available all over the country. Do not limit yourself to only the finance offices; banks are also major sources of such information. Individuals from finance offices and bank could give more explanations on the concept of treasury bills.

### Lesson 3.3. Bonds and Stocks

Number of Periods: 4

Unit Outcomes of the lesson:

After learning this lesson the students will be able:

- **To distinguish between bonds and stocks.**
- **Identify the importance and uses of bonds and stocks.**

This lesson is designed to introduce students with the uses of bonds and stocks. It explores how business activities are supplemented by the transactions that would take place as the result of the uses of bonds and stocks. In modern business activities funds can be raised through the transaction of bonds and stocks. This takes place the raising funds by borrowing and equity financing which takes the form of bonds and equities or stocks.

#### **Planning ahead**

Collect stocks and bonds that are available from business enterprises that are operating in your locality. You approach private banks at your vicinity or finance bureaus. If you do not have such access use photocopies of bonds and stocks available in books. You may assign students to bring or photocopy of the bonds from books or internet sources if available at your locality.

#### **Hints for teaching**

Preliminary define bonds and stocks. Cite examples on the uses on bonds and stocks. Generate examples on the uses

of bonds and stocks. Show them the pictures of bonds and stocks. Provide practical example of business enterprises that are raising their funds through the use of bonds and stocks. Discuss the how government raise funds through the use yegebjebt send (government bond). Discuss the advantage of using such instruments. Compare bonds and stocks as the last illustration for your discussion. Let the students debate on the advantage and disadvantage of bonds and stocks.

#### Lesson 3.4: Banking systems

Number of periods: 3

Outcomes of the lesson:

After learning this lesson the students will be able:

- **to describe the role of bank in economic activities.**

This lesson is designed to explore the various services performed by the banking institutions. The three major functions of banks namely: Accepting and safe guarding deposits, transfer money through the use of checks and making loans to individuals are discussed in this lesson. Attempts are made to briefly discuss the history of banking in Ethiopia.

#### **Planning ahead**

Collect different bank forms such as saving vouchers, withdrawal form and others from nearby banks. Classify the forms, which are related to the discussions made in the textbook. Invite a guest speaker from banks available in

your locality by writing a letter of invitation. Give specific topics as discussed in the textbook. Let the speaker also identify the establishment of banks in your locality.

### **Hints for teaching**

List down the advantages and disadvantages of keeping money in the pocket of individuals and at home. Define the banking system and relate the concepts to the advantages and disadvantages listed. Give more numerical examples on how to calculate interest to supplement the textbook illustrations. After discussing the purpose of banks on keeping and safeguarding money, let the students identify more functions of banks. Based on the students' responses, discuss the other functions of banks as discussed in the textbook. Show them a check. Identify how the banks transfer money-using checks. It is good if all the students have an access to the checks. Then add your discussion on the uses of checks by giving more examples. In order to discuss credit management, relate the concepts to the personal qualities of the borrower for granting a credit. Let the students' list all personal qualities required of the borrower for granting a credit. Based on the qualities listed, identify the 5 C's discussed in the textbook. Relate the concepts based on the examples drawn from the students. Expand by taking the practice of different business organizations. The topic on brief history of banking in Ethiopia explains how banks started in Ethiopia. Expand the concept. You can use the suggested reference books for more information. To make the topic more interesting discusses how and when the banks started in your locality.

**Activity**

There are seven groups of activities designed to explore the concepts of banking system. The aims of the activities are to logically relate the concepts discussed to the practical activities of banking institutions. Hints to investigate the activities are described as follows:

**Activity 3.** The major services rendered by banks are discussed in the students' textbook. You must relate the concepts to the services that will be offered by banks in your locality. For example on top of the concepts discussed, some organizations make payment of salaries to their employees through banks. The second activities are on how to calculate the interest. The calculation is based on simple interest; you can expand the concept even by taking compound interest. Answer for the activity on calculating the interest is as follows:

$$I = P \times R \times T$$

$$\text{a) } 20,000 \times 5\% \times 3 \frac{1}{2} \text{ years} = 3500.00$$

$$\text{b) } 13,200 \times 6\% \times 5 \text{ years} = 3960.00$$

$$\text{c) } 500 \times 5\frac{1}{2} \times 3 \frac{1}{2} \text{ years} = 96.25$$

As the third activity leads students to make educational visit to nearby banks, organize the visit with banks available in your locality. As starting point for your discussion find a bankbook and read the rules and regulations of the bank. The procedures required to open a saving account are briefly identified on the front and back pages.

**Activity 4.** Question no.1 is meant to discuss the development of banking in Ethiopia. Brief explanations are



given in the students' textbook. Give assignments on this activity so that the students investigate more historical development of banking in Ethiopia. You may find more information on this topic in the suggested reference book. As the aim of the second activity is to explore the role of the National Bank, the role is given in the students' textbook. Invite the guest speaker to discuss the role of the national bank of Ethiopia. Summarize the discussion and present it for the class use.

### Lesson 3.5: Risks and Insurance

Number of periods: 2

Outcomes of the lesson:

After this lesson the students will be able to:

- **to identify the role insurance in facilitating business activities.**
- **to describe the different ways of managing risks.**

This topic presents the concept of risk and insurance. There is always a risk in operating a business. However; a competent businessperson reduces and if possible avoids the consequences of risks. The different types of risks are discussed in this section. One way of avoiding the consequences of risk is buying insurance policies. The different types of insurance policies and how the insurance companies will operate are presented in this topic. The concepts are based on the insurance practices in Ethiopia. To relate the concept of insurance to Ethiopian realities; the

concept of *Idir*, *Mehaber* and *Ekub* are briefly discussed. You are expected to elaborate more on these concepts.

### **Planning ahead**

You need to identify possible risks that may encounter business organizations in your locality. Listing of the risks can be used as a starting point for your further discussions. If insurance companies are available in your locality, approach individuals from such institutions; invite an employee as a guest speaker. Give topics included in the textbook for advance preparation.

### **Hints for teaching**

Start the discussion by asking students the possible risks that each individual encounters. Let the students identify how individuals avoid such risks. Then, give definition of risk cited in the students' textbook. Relate the concept to the practical reality of business enterprises. You are expected to give more examples on the concept of risks. Risk management is a main concept for the discussion that you will make on insurance. Elaborate the point by taking specific business enterprises in your locality. Let the students compare the importance of insurance and other ways of risk management. Then, discuss the different types of insurance policies available and the principles of insurance.

**Activity 5.** This activity is meant to test whether the students have grasped the concepts of insurance policies discussed in the textbook. You are expected to give an

assignment on this activity. Collect and check the assignment. If you find that the majority of the class are unable to respond properly, deal with the concept of insurance policies again until the students feel comfortable with the ideas.

### **Lesson 3.6. Classification of Insurance**

Number of periods: 3

Outcomes of the lesson:

After this lesson the students will be able to:

- **identify the different types of insurance policies.**

The purpose of this lesson is to show different classification of insurance policies. Insurance can be classified on the nature of their coverage. The broad classification of insurance is given on the text book. Some are meant to cover damage that may incur on property and others are for life.

### **Planning ahead**

Refer different books on type of insurance policies. Discuss with insurance organizations available at your vicinity (if any). Invite a guest speaker from Insurance companies. Let the students be informed before hand the call for the guest speaker on insurance policies. Let two students prepare an invitation speech before the arrival of the guest speaker. If not use additional reference books shown in the bibliography section to discuss the concept of different insurance policies.

**Hints for teaching**

Let the guest speaker discuss the types of insurance policies. Let the speaker share how intersperses benefit from being insurance. Invite the speaker to share his/her own practical insurance policies. If such person is not available at your vicinity just use the resources available from books and magazines to discuss the different types of insurance policies discussed on the text book.

**Lesson 3.7. Practices of Insurance in Ethiopia**

Number of periods: 2

Outcomes of the lesson:

After learning this lesson the students will be able to

- gain knowledge on how the Ethiopian people insure their activities in its traditional way.

**Planning ahead**

Collect information the types of idir or mehaber that are existing in the students surroundings. Assign before hand the students to bring the types of idir or mehaber that their families are practicing. Classify idir and mehaber based on their nature. Write down how such practices help the society. Compare those traditional practices with modern banks and insurance practices that they already discussed in their previous lesson.

**Hints for teaching.**

Call specific students to identify the difference between idir and mehaber. Invite the rest of the class to discuss on the

advantage and disadvantage of idir and mehaber. Then identify idir and mehaber and compare with the modern practice of banking and insurance policies. Assign them to write a short note on the uses of idir and mehber.

### Lesson 3.8: Investment Policies in Ethiopia

Number of periods: 2

Outcomes of the lesson:

After learning this lesson the students will be able to:

- **examine the financial and investment policies in Ethiopia.**
- **appreciate the investment practice in Ethiopia.**

The purpose of this lesson is to introduce to students the investment practices in Ethiopia. The discussion is based on the data available from Ethiopian Investment Authority. Proclamation numbers referring to the Investment practices in Ethiopia are identified. Since changes could be made in relation to investment policies, you must be alert of such changes. All your discussion must be based on current policies and proclamations.

### Planning ahead

You need to gather different Nigarit Gazettes on investment practice in Ethiopia. Find also investment guidelines in Ethiopia. Duplicate a copy of investment guidelines, as you will use it for the purpose of class discussion. You can use

the proclamation number cited in the Bibliography of the textbook as starting point for your discussion.

### **Hints for teaching**

In order to discuss the concepts of investment, identify different business enterprises established as the result of current investment policy in Ethiopia. Define domestic and foreign investor in relations to the owners of the enterprises. Cite the proclamation number defining domestic and foreign investors. As one of the aims of the course is to make students participate in the business activities, emphasize the fact that one can invest in business activities with little capital available. You must make your students appreciate as much possible the role of investment. Generate more examples. Make emphasis on how investment would help a country in terms of increasing wealth, improving life standards and solving unemployment problems.

### **Activities**

There are four groups of activities organized under this topic. Each is aimed at giving practical experiences for the students.

**Activity 6.** The first activity differentiates between domestic and foreign investors. The students should be able to generate examples for each of the points listed in the students' textbook relating to domestic and foreign investors.

The second question enables students to appreciate investment opportunities in their localities. Let them list investment opportunities requiring smaller and larger capitals based on the investment policy. Try to make the students aware of the fact that one does not necessarily need huge capital for investment purposes.

The last question is meant to explore investment areas reserved for domestic and foreign investors. The areas are explained in the textbook. Distinguish between star designated and non- star designated hotels. Star designated hotels are those hotels meeting international standards. Let the students' debate on the advantages and disadvantages of attracting foreign investors. Let them also discuss from the economic and cultural point of views.

### **Assessment**

Use **Activity 1** to assess the background of the students. You should give homework, class works and assignments. Make sure that you assess each student by checking their exercise books.

Use **Activity 6** for homework or different assignment and then check their works and answers.

### **Review Questions**

The purpose of the review questions is to assess how far the students have grasped the concepts discussed in unit three. As the first review question is requiring students to define the key terms, let them define and explain them. Each key

term has to be supported by examples drawn from practical experience of the students. For example defining the concept of money as shown in the students' textbook may not be enough to define the first key term. The students have to be able to elaborate and give examples on different forms of money. All key terms need to be identified in this manner. Allocate certain points for each of assessments made. If you feel that the majority of students are not able to explain and generate examples, go over again until the students properly grasp the concepts. Each of the remaining questions can be discussed in relation to business practice in their surroundings. Review questions have to be answered in written form. Discuss each of the review questions as compared to the answers of the students. Assign certain percentage of marks in order to motivate students so that they regularly do their assignments and read relevant materials before the classroom interaction.

### **Answers for the Review Questions**

#### **Part I Answers for Multiple Choice Questions**

1. c
2. b
3. b
4. c
5. c
6. d
7. b
8. c



# UNIT 4

## PRODUCTION

Number of periods: 19

Unit outcomes:

At the end of this unit, the students will be able to:

- define production.
- describe production function.
- explain the factors of production.
- explain variable and fixed costs of production.
- describe the use of considering different location of facilities.

### Unit Overview

People have endless needs and wants. To satisfy these needs and wants goods and services will be produced. For a given level of production inputs are required. This unit deals with production, production functions, factors of production, costs of production and location and facilities for production process. The unit is organized in four lessons. The first lesson defines production. The second lesson deals with factors of production. The third section describes costs of production. The last lesson on this unit presents the location of facilities for production process. In selecting a location, due consideration must be given to the availability of markets, resources, utilities and site availability. Each of the points identified are discussed in the last lesson.

**Lesson 4.1: Definition of Production**

Number of periods: 4

Outcomes of the lesson:

At the end of this lesson, the students will be able to:

- **define production.**
- **describe production function.**

In order to satisfy the needs and wants, people produces goods and services. This part of the unit defines production.

**Planning Ahead**

As the concept described in this lesson much relates to economics, refer to economics textbook or reference in economics to supplement the definition given in the students' textbook. Generate specific business enterprises' production process. For example you can cite bakery as an example to illustrate the production process. Find pictures, flow charts to show different manufacturing setting to illustrate further the production process. Generate different examples on inputs and outputs. For example cotton could be an input to produce cloth, which is output. Try to identify different situation how production process improved as the result of technological improvement. Start from business practices around your localities. For example simple inventions of hand tools increases the production of products.

**Hints for teaching**

As your students might already be familiar with the concept of production, let them define production so that you can

easily assess their background. Then define production based on the textbook illustrations. Support with relevant examples. Expand the point by taking the situation on why people produce certain products. Give such illustration of traditional ways of production process and modern ways of production processes. Emphasis production does not mean only creating material objects. Show them services will also produced. Explain the difference of service production and goods production as illustrated in the textbook. Using the hypothetical illustration of W/o Konjit Degu's production of cakes, expand the definition of production. Let students also generate examples on production. Illustrate the different satisfactions that individuals gain as the result of production activities. Relate this illustration to the concept of utility. Illustrate each of the utilities described in the textbook with relevant examples. For example tailors could be an example for utility of form. Means of transportation like buses are examples for place utility. Small retailers located in many places are examples of time utility. Advertising agencies could be used as an example for utility of possession. Using the lists that you organized to show inputs and outputs illustrate the concepts identified on the production functions. Identify the development of technology on different production process to discuss the point described under the technological improvement.

**Activities**

There are two groups of activities included in this lesson. In the first activity three questions are included to check students' progress on concepts discussed relating to the definition of production. To answer the first question, any activity, which helps people to satisfy needs and wants, is called production. As the second activity asks on how people add utility to a given material, the answer for the question is given in the students' textbook. Use the activities of tailors, transportation firms, retailers and advertising agencies to give example for the utility of form, place, time and possession respectively to answer question no.3.

The second activities included in this lesson relate to production function and technological improvements. The first and second questions are asking to define inputs and outputs with relevant examples. The definition of inputs and outputs are given in the students' textbook. Raw materials such as iron ore, vegetables, and cotton can be cited as an example for inputs. Human labor, manufacturing tools and equipments are also examples of inputs. Finished products like shoes, books, and bread are all possible examples for outputs. The three categories of production and the definition of production function are also given in the students' textbook. The definition for technological improvement is also given in the textbook. To give examples for technological improvement you can site such instance where a specific producer improved the productivity of his/her firm by using new and improved means of production. Use local examples to discuss the technological improvements.

## Lesson 4.2: Factors of Production

Number of periods: 5

Outcomes of the lesson:3

At the end of this lesson, the students will be able to:

- **explain factors of production.**

This lesson presents the four factors of production required to produce a given production processes. Somebody must undertake the initiatives to produce a given production apart from the three factors of productions namely, natural resources, labor and capital. Hence, entrepreneurship is treated as the fourth factors of production in this lesson.

### **Planning Ahead**

List examples of natural resources in your locality. Classify labour as skilled, semiskilled and unskilled. Relate the production activities in which the three categories will be used effectively. Provide examples of capital based on the definition given in the textbook. Name some of the entrepreneurs found in your locality. Describe their characters depending on your observations.

### **Hints for teaching**

Primarily list the factors of productions as discussed in the students' textbook. Define each of the factors of productions. Support your discussion with relevant examples drawn from your locality. Then make students to list out the factors of production based on their observation. Use the list of entrepreneurs that are organized to discuss the

characteristics of entrepreneurships discussed in the textbook. Even use nationally and internationally known entrepreneurs to give more examples on the concept of entrepreneurships.

### **Activity**

Nine questions are included in this lesson as a checkpoint for the discussion made on the lesson. The first question is attempting to identify the sources of resources used in production. The sources of production as described in the textbook are natural resources, labour and capital. The factors of production as described in the textbook are also natural resources, labour, capital and entrepreneurship. These are the major categories because production could not be taken place without these factors. Entrepreneurship is added as one of the factors of production because someone must organize the resources to produce a given product. Entrepreneurs are playing such a role in the production process. Labour is the second factor of production as described in the textbook. Natural resources and capital alone cannot produce a given product. There must be an input of human being, which could be mental or physical. In order to make bread, raw materials such as wheat and baking powder are not enough. There must be mental or physical effort of human being. This important ingredient or factor of production is labour. The return for land in the present Ethiopian practice is called lease. Entrepreneurs are the fourth factor of production. As described earlier, entrepreneurs are individuals who organize and take

initiative to manage and operate the activities of businesses. Natural resources, labour and capital alone do not produce anything. There must be an individual who organizes these resources together to make product out them. Entrepreneurs shoulder these responsibilities and initiatives. As the last activity demands to list down entrepreneurs around your localities, list those individuals, which could be possible examples for the students. Let your students name out entrepreneurs in your locality. The return of entrepreneurs, as the result of operating and managing business activities is known as profit. Successful entrepreneurs enjoy profit and the risk of operating the business.

#### Lesson 4.3: Cost of Production

Number of periods: 5

Outcomes of the lesson:

After learning this lesson, the students will be able to:

- **identify the costs of production.**

To produce a given products, producers incur costs. Whether the production takes place at a lesser or higher degree, there will be cost associated in the production processes. Lesson 4-3 explores the various costs associated in production processes. Costs can be classified as long or short run depending on their time frame. Resources that will be used in short time and long time will be examined in this section.

### **Planning ahead**

As the concepts included in this lesson is much more related to Economics; you are expected to refer economics textbook. Identify business enterprises in your locality and list down possible costs associated in their production processes. List out also resources that these firms use in their production processes.

### **Hints for teaching**

As a starting point for your discussion, define costs of production. Support your discussion by citing as an example costs that associated to produce specific goods or services. Classify costs that will incur immediately as the result of business activities and which had a long time effect. Based on your illustrations define short term and long term costs. Relate the concept of variable and fixed to the time frames that you cited before. Supplement your discussion with more examples. Equipment and machinery are examples of fixed costs. Resources that will be consumed immediately such as raw materials and labour could be used as an example for variable costs.

### **Activities**

There are four questions relating to this lesson. The first activity is asking to describe short run costs, which are related to change of resources of a firm. Raw materials and labour can generally be considered as costs, which are related to change of the resources of a firm. In the short run the firm can change only variable resources as explained in



the textbook. In the long run a firm can change its entire resources because a firm had enough time to buy and replace the existing products with a new one. The explanation for fixed and variable resources is briefly given in the students' textbook. Explanation for variable and fixed costs also describe in the textbook. Examples that you generate relating to each of the concepts will clarify more the concepts. The total cost for a given product when the output is zero equals its fixed costs. Because fixed costs do not vary depending on the level of production. The average cost will be obtained by dividing the total cost by the output of the production.

#### Lesson 4.4: Location of Facilities for Production Processes

Number of periods: 5

Outcomes of the lesson:

After completing this lesson the students will be able to:

- **describe the use of considering different location for production processes.**

Lesson 4.4 presents factors that should be considered to make location decisions. Major factors that affect choice of location are the availability of markets, resources, utilities and sites. All these factors are discussed in this lesson.

#### Forward planning

Identify some the major cities in Ethiopia with high concentration of business activities. Write down the reasons for choosing such location. For example availability of

market could be one reason. Prepare a chart that describes the factors which affects choices of location.

### **Hints for teaching**

Before you are going to identify factors that affect choice of location as discussed in the students' textbook, make emphasis on why individuals' choice specific sites to locate their enterprises. Invite your students to identify some of the factors affecting location decisions. Expand your discussions by taking different business activities. Identify how different types of business are affected by different location. Take as an example factors that are related to manufacturing plant. Compare with service establishments. Finally identify the point discussed in the textbook.

### **Activities**

Four questions are included in this activity. The first question is asking to identify the major factors that should be considered in choosing location. The major factors as identified in the textbook are the availability of markets, resources, utilities and site. The second question is requesting to identify how the distances from markets influence location of facilities. The distance will be related to the nearness to market identified in the textbook. Since there must be individuals who are going to consume the products of the producers, nearness to market directly affects location decisions. Enterprises located where their goods could be sold easily would be at the advantageous positions. The last question is demanding to explain how

utilities affect the choice of location of facilities. Utilities like electric power, water supply, sewerage system, telecommunication systems had a direct impact on the activity of enterprises since such enterprises uses them as an input for their production processes. Enterprises located in major cities like Addis Ababa had location advantages as compared to enterprises located in distant areas.

### **Assessment**

Use review questions and **Activity 3** to assess the background of students. You should also give homework, class work and assess students by checking their exercise books.

It is better to use performance assessment such as engaging students in debate on activities, assignments and homework individually or in groups.

### **4.5 Review Questions**

As the purpose of the review question is to explore how far the students grasped the concepts discussed in the unit; you are expected to let your students give due attention for the questions by allocating certain percentage of marks for each of the questions included in the review question part. Hints on answering the review questions are shown as follows:

1. The difference between fixed inputs and variable inputs are described in the students' textbook. Let your students support the concept discussed in the textbook with relevant examples.

2. The definition of production activity is given in the textbook. The illustration relating to W/o Konjit Degu referring to production of cake can be used as a base for your discussion. Expand the discussion by taking different production settings.
3. As Hewan points it, the activities of production would result in the creation of wealth. The material possession such as building, automobiles are created as the result of production activities, which we commonly call wealth for the individuals or nations.
4. The definition of cost of production and examples of natural resources, labour, capital and entrepreneurship are included in the students' textbook. Answer question number 4 and 5 with relevant examples from your locality.
5. As described in the statements shown under question number 6 Abebe was missing the two important factors of production. Ojulu is correct in sense that on the top the two factors or production cited by Abebe, labour and entrepreneurship is required to produce a given type of product. Hence the four factors of production are Natural resources, Labour, Capital and entrepreneurship.
6. The definition for each of the concepts identified under question number seven is discussed in the textbook. Mathematical illustrations for each of the concepts can be drawn based on tabular illustration relating to the cost of production included in the textbook.

7. The factors that affect the choice of location for the facilities as shown in the textbook are nearness to market, resources, utilities and site. Relate the answer of the students starting from specific location choice in their locality.
8. The definition for each of the utilities described under question number 9 is given in the students' textbook. Tailors could be an example for utility of form, since they are working on changing shapes of clothes. Transportation firms are examples of utility of place since they are working on moving goods from places to places. Retailers available nearby your home areas are examples of utility of time since they are making readily available the products at the point of consumption. Advertising agencies working in the newspaper and radios are all examples for utility of possession since they are creating public awareness.
9. To answer question number 10, take any business activities around your locality. For example you can cite a shoe manufacturer. Then relate how transportation firms make it available for consumers. Expand more how retailer or shoe sellers sell it for immediate consumption. Also cite the role media in create demand for the product.
10. As question no. 11 relates much to the production process in your locality, you can site example like the process that bakery would take to produce a bread.

Described all inputs required to bake bread. Lists all the inputs as a production function.

11. The last question requesting your students to visit producers around your locality. Let your students write a report on their visit.

### Short problem

Answer for the short problem included in this unit is as follows:

Units of output	Fixed cost	Variable cost	Total cost	Average cost
0	500	-	500	Infinitive
1	500	25	525	525
10	500	250	750	75
100	500	2500	3000	30
200	500	5000	5500	27.5
300	500	7500	8000	26.7
400	500	10,000	10,500	26.25
500	500	12,500	13,000	26
600	500	15,000	15,500	25.8
700	500	17,500	18,000	25.7

## 1. Answers for the Review Questions

### Part I Multiple Choice Answer

1. d                      2. A                      3. d                      4. d                      5. c

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### **Introduction**

Students at second cycle secondary education have already decided the broad stream of learning - social science/natural science – in which their future area of study to be.

The purposes of second cycle secondary education are enabling learners choose subjects/areas of training to be attended in higher education within the framework of their respective preparatory stream, and preparing students for the world of work. In pursuit of these purposes students of social science stream at preparatory (11 and 12) level are expected to study one of the specialized fields of social sciences, language, business & management, and law faculties.

General business, as one of the offered subjects in social science stream of preparatory education, aims at providing learners with necessary foundations of knowledge, attitudes, and skills to manage future higher education academic carrier and world of work.

This is possible by:-

- discerning nature of business, and forms of business ownership to learners;
- enabling learners understand financial business organization, production, marketing

communication, trade and business record keeping;

- facilitating conditions to create citizens who have the attitude of informed appreciation and understanding business as means of interdependence among people;
- fostering certain skills like business recording, planning and reporting business activities.

The provision of quality education has become the first line issue at present time of Ethiopia. Assessment and other feedback reports demanded the improvement of curriculum materials. Besides, the curriculum revision made at lower levels subsequently demanded revision of curriculum at this level.

In addressing these issues the current grades 11 and 12 general business curriculum is founded on outcome based learning which is defined in the new curriculum framework and in line to the international standards. Thus, the present curriculum is organized in such a way that it is suitable to realize active learning methods and equate learner's performance with the specified competencies.



*General Business: Grade 11*

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To enable users of this curriculum document understand it fully, it is made to contain:

- Profile of general business student at the end of grade 12 which reflects the contribution of attending general business lesson in bringing the desired general profile of learners at the end of second cycle secondary education.
- Minimum learning competencies for general business education of grades 11 and 12.
- Content flow chart of the cycle.
- Grade level learning outcomes of each grade (11 and 12) and
- The respective grade syllabuses.

The competencies and content flow charts are organized around eight themes – the nature of business, forms of business ownership, financing business organization, production, marketing, communication, trade, and business record keeping. Using these themes, the syllabuses of each of grade (11 and 12) have been arranged in units.

Thirty-four weeks are allotted in a year to cover the lesson of each grade with four periods per week.

**Unit 1 : Nature of business (19 periods)**

**Unit learning outcomes**

At the end of this unit students will be able to:

- Differentiate business & business enterprises
- Examine the kinds & importance of business
- Understand the impact of business environment on business

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> <li>▪ Define business and business enterprise</li> <li>▪ Distinguish between human wants and needs</li> <li>▪ Identify goods and services</li> <li>▪ Indicate producer goods and consumer goods</li> <li>▪ State different characteristics of services</li> <li>▪ Describe objective of business</li> </ul>	<p>Nature of Business</p> <p><b>1.1 What is business</b></p> <p>1.1.1 Socio economic activity</p> <p>1.1.2 Needs and wants</p> <ul style="list-style-type: none"> <li>▪ Needs</li> <li>▪ Wants</li> </ul> <p>1.1.3 Goods and services</p> <p>1.1.3.1 Goods</p> <ul style="list-style-type: none"> <li>▪ Types of goods                             <ul style="list-style-type: none"> <li>○ Producer goods</li> <li>○ Consumer goods</li> </ul> </li> </ul> <p>1.1.3.2 Services</p> <p>1.1.4 Business intends to make private profit</p>	<ul style="list-style-type: none"> <li>• Let students define business and assist them further define sub-terminologies that is used to define business.</li> <li>• Let students distinguish between human needs and wants.</li> <li>• Assist students to differentiate goods and services</li> <li>• Let students discuss on types of goods</li> <li>• Let students discuss the characteristics of services</li> <li>• Assists students to realize how profit motivates business owners</li> <li>• Assists students to understand important business functions besides making profit</li> </ul>

*General Business: Grade 11*

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> <li>▪ State the importance of business enterprises</li> <li>▪ Compare bartering &amp; monetary transaction</li> <li>▪ State sources of income</li> <li>▪ Recognize involvement of socio</li> <li>▪ Identify types of taxes</li> <li>▪ Culture intersection</li> <li>▪ Express business role for technological advancement</li> </ul>	<p><b>1.2 Importance of business enterprises</b></p> <p>1.2.1 Agents of exchange</p> <p>1.2.2 Source of income,</p> <p>1.2.3 types of taxes</p> <p>1.2.4 Agents of socio-cultural interaction</p> <p>1.2.5 Agents of technological advancement</p>	<ul style="list-style-type: none"> <li>• Let students discuss on the different types of taxes</li> </ul>
<ul style="list-style-type: none"> <li>▪ Explain the importance of business enterprise for sources of employment</li> </ul>	<p>1.2.6 Source of employment</p>	
<ul style="list-style-type: none"> <li>▪ List the different kinds of business enterprises</li> <li>▪ Identify the functions of each kind of business</li> <li>▪ Relate business activities to real life situation</li> <li>▪ Initiated to take part in some of the business activities</li> </ul>	<p><b>1.3 Kinds of business enterprises</b></p> <p>1.3.1 Production enterprises</p> <ul style="list-style-type: none"> <li>• Trends in production enterprises</li> </ul> <p>1.3.2 Distribution enterprises</p> <p>1.3.2.1 Intermediaries</p> <ul style="list-style-type: none"> <li>• Retailers</li> </ul>	<ul style="list-style-type: none"> <li>• Let students classify business enterprises that they know in three kinds</li> <li>• Let students define production enterprises and discuss different production processes</li> <li>• Motivate students to differentiate types of intermediaries and their role in distribution activities.</li> </ul>

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<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> <li>▪ Differentiate types of intermediaries</li> <li>▪ Draw distribution channel</li> <li>▪ State modes of transportation</li> <li>▪ Explain types of service enterprise</li> </ul>	<ul style="list-style-type: none"> <li>• Whole salers</li> <li>• Agents</li> <li>• Brokers</li> <li>• Distribution channels</li> <li>1.3.2.2 Physical Distribution</li> <li>1.3.3 Service enterprises                             <ul style="list-style-type: none"> <li>• Business service</li> <li>• Personal service</li> <li>• Repair service</li> <li>• Entertainment and recreational services</li> <li>• Hotels</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Assist students to discuss different modes of transportation</li> <li>• Let students discuss about different types of business services</li> </ul>
<ul style="list-style-type: none"> <li>▪ State the impact of business environment on the business enterprise</li> <li>▪ Differentiate internal &amp; external business environment</li> <li>▪ Recognize the influence of economic environment on businesses</li> <li>▪ Express the effect of legal environment on business</li> <li>▪ Identify application of business</li> </ul>	<p><b>1.4 Business environment</b></p> <p>1.4.1 Internal environment</p> <p>1.4.2 External environment</p> <p>1.4.2.1 Economic environment</p> <ul style="list-style-type: none"> <li>• Global economy</li> <li>• Business cycle</li> <li>• The economic system</li> </ul> <p>1.4.2.2 Legal environment</p> <ul style="list-style-type: none"> <li>• Business law</li> <li>• Law of contract</li> </ul>	<ul style="list-style-type: none"> <li>• Let students discuss the impact of business environments: Internal and external environments</li> <li>• Help students to list different types of economic environment and to show business cycle effect by drawing picture.</li> <li>• Let students discuss different types of business law and their effect on business activity.</li> </ul>

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<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p>law</p> <ul style="list-style-type: none"> <li>▪ Analyze impacts of the society on business environment</li> <li>▪ Explain people’s view in relation with business environment</li> <li>▪ State raw materials influence on business organization</li> <li>▪ Indicate dependency of business organizations on energy supply</li> <li>▪ Mention contribution of business organization for environmental pollution</li> <li>▪ Analyze technological environment related to business</li> <li>▪ Identify innovation steps</li> </ul>	<ul style="list-style-type: none"> <li>• Law of sales</li> <li>• Law of agency</li> <li>• Law of negotiable instruments</li> <li>• Law of warranties and product liability</li> <li>• The law of trade marks, copyrights and patents</li> <li>• The law of bankruptcy</li> </ul> <p>1.4.2.3 Socio-cultural environment</p> <ul style="list-style-type: none"> <li>▪ Cultural values and beliefs</li> <li>▪ People’s view</li> </ul> <p>1.4.2.4 Physical environment</p> <ul style="list-style-type: none"> <li>▪ Raw materials</li> <li>▪ Energy supply</li> <li>▪ Pollution</li> </ul> <p>1.4.2.5 Technological environment</p>	<ul style="list-style-type: none"> <li>• Assist students to discuss on the effect of cultural values and people’s view on business.</li> <li>• Brainstorming: ask students to recall from their geography lesson about physical environment and ask them how its application affects business environment.</li> <li>• Ask students to form their own group and to present some idea about technology and its effect on business</li> </ul>

## **ASSESSMENT**

Students' performance has to be assessed continuously over the whole unit. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly.

Thus:-

A student at a minimum requirement level should be able to define business and business enterprise, distinguish between human wants and needs, state the importance of business enterprises, list the different kinds of business enterprise, identify the functions of each kind of business, relate business activities to real life situations, initiated to take part in some of the business activities, state the impact of business environment on the business enterprise and identify types of taxes.

In addition, a student working above the minimum requirement level and considered as higher achiever should be able to compare bartering and monetary transaction, express business role for technological advancement, differentiate types of intermediates, recognize the influence of economic environment on business, analyze impacts of the society on business environment, indicate dependency of business organization on energy supply, and analyze technology. Students who fulfil the higher achievers competencies also need a special support to continue & achieve more

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**Unit 2: Type and forms of business organization (13 periods)**

**Unit learning outcomes:** At the end of this lesson students will be able to:-

- Distinguish between common and less common form of business ownership
- Understand the various forms of business ownership

Period allotted 13 periods

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> <li>▪ Identify common forms of business ownership with their advantage and disadvantage</li> <li>▪ Describe formation &amp; operation of partnership</li> <li>▪ Explain the nature of corporation</li> <li>▪ Verify management of corporation</li> <li>▪ Realize types of share companies those exist in Ethiopia.</li> </ul>	<p><b>2.1 Common forms of business ownership</b></p> <ul style="list-style-type: none"> <li>• Sole proprietorship</li> <li>• Partnership                             <ul style="list-style-type: none"> <li>- Formation and operation of partnership</li> </ul> </li> <li>• Corporation                             <ul style="list-style-type: none"> <li>- Management of corporation</li> <li>- Share companies in Ethiopia</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Let students discuss the three common forms of business ownership with their advantages and disadvantages.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Identify and explain less forms of business ownership</li> <li>▪ Recognize the nature of limited partnership</li> <li>▪ State the nature of joint venture</li> </ul>	<p><b>2.2 Less common forms of business ownership</b></p> <p>2.2.1 Limited partnership</p> <ul style="list-style-type: none"> <li>• Nature of limited partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Help students to mention less common forms of business ownership and recognize their unique nature.</li> <li>• Present cases showing how these</li> </ul>

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<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> <li>▪ Explain joint stock company</li> <li>▪ Recognize cooperative organizations contribution</li> <li>▪ State what licensing is</li> </ul>	2.2.2 Joint venture 2.2.3 Joint stock company 2.2.4 Cooperative 2.2.5 Franchise 2.2.6 Licensing	happen in making business
<ul style="list-style-type: none"> <li>▪ State the limiting factors of choice of ownership</li> <li>▪ Explain how the nature of business affects the choice of ownership</li> <li>▪ Explain the financial effect on choice of ownership</li> <li>▪ Explain how owners' attitude affects ownership formation</li> </ul>	<b>2.3 Factors that affect choice of ownership</b>  2.3.1 Nature of the business  2.3.2 Financial effects on operation  2.3.3 Attitude of owners	<ul style="list-style-type: none"> <li>• Arrange the class in groups to discuss about one of the ownership formation and how the choice can be affected and to present their idea.</li> </ul>



## **ASSESSNEMENT**

Students' performance has to be assessed continuously over the whole unit. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly.

A student at a minimum requirement level will be able to identify common forms of business ownerships, define each forms of business ownership, distinguish among the three major forms of business ownership, explain the advantages and disadvantages of the three business ownership forms, identify and explain three other alternative forms or less common business ownership, state the limiting factors of choices of business ownership and state what licensing is.

In addition, a student working above the minimum requirement level and considered as higher achiever should be able to verify management of corporation, realize types of share companies those exist in Ethiopia, recognize cooperative organizations contribution, explain how owners attitude affects ownership formation. Students who fulfil the higher achievers competencies also need a special support to continue and achiever more.

**Unit 3: Financing Business Organizations** (17 periods)

**Unit learning outcomes:-**

At the end of this unit students will be able to:-

- Determine money and its importance for business investment
- Explain the role and function of financial institutions in business
- Recognize investment policies of Ethiopia

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> <li>▪ Define money and its importance</li> <li>▪ State functions of money</li> <li>▪ Differentiate characteristics of money</li> <li>▪ List forms of money that used up in Ethiopia</li> <li>▪ Distinguish inflation and deflation</li> <li>▪ Identify the source of capital for investment</li> <li>▪ List types of bonds</li> <li>▪ Distinguish between common stock &amp; preferred stock</li> </ul>	<p><b>3.1 Money and its importance</b></p> <p>3.1.1 Functions of money 3.1.2 Characteristics of money 3.1.3 Forms of money in Ethiopia 3.1.4 Money supply</p> <p><b>3.2 Source of capital for investment</b></p> <p>3.2.1 Equity financing 3.2.2 Debt financing 3.3 Bonds &amp; stocks 3.3.1 Bonds 3.3.2 Treasury bill in Ethiopia &amp; its importance 3.3.3 Stocks or shares</p>	<ul style="list-style-type: none"> <li>• Help students to express their ideas about money.</li> <li>• Assist students to exchange their ideas about functions and characteristics of money and to list them down.</li> <li>• Brainstorming: Ask students what investment mean: to give answer from the information what they have from media or any sources.</li> <li>• Help to discuss about sources of investment</li> <li>• Assist students discuss about bonds, stocks and their different nature</li> <li>• Motivate students to express their idea about bank and banks service, the linkage between banks and business</li> </ul>

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<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> <li>▪ Discuss the role of national bank &amp; commercial bank</li> <li>▪ Explain the condition of treasury bill in Ethiopia &amp; its importance</li> <li>▪ Explain the procedure associated with:               <ul style="list-style-type: none"> <li>• Granting loan</li> <li>• Accepting deposit</li> <li>• Saving account &amp;</li> <li>• Current account</li> </ul> </li> </ul>	3.4 Banking system 3.4.1 Banks accept deposit and safeguard money 3.4.2 Banks transfer money payment made by check 3.4.3 Banks make credit to individuals, business & government	<ul style="list-style-type: none"> <li>• Discuss the cases on treasury bill in Ethiopian context.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Define risk</li> <li>▪ List down the types of risk</li> <li>▪ Define insurance</li> <li>▪ List down the types of insurance</li> <li>▪ Determine the progress of insurance</li> <li>▪ Explain the impact of HIV/AIDS on insurance companies</li> </ul>	<b>3.5 Risk and insurance</b> 3.5.1 Risk 3.5.1.1 Types of risk 3.5.1.2 Risk managements 3.5.2 Insurance 3.5.2.1 Principles of insurance <b>3.6 HIV/AIDS and Insurance</b> 3.6.1 Impacts of HIV/AIDS on insurance companies <b>3.7 The practice of insurance in Ethiopia</b>	<ul style="list-style-type: none"> <li>• Let students discuss about the concept of risk</li> <li>• Brainstorming: ask students to mention some points how insurance companies work and about their services</li> <li>• Motivate learners to list types of risks and differentiate them. Then, discuss insurance activities in relation to risks.</li> <li>• Write classification of risk and ask students to express their idea about each of them.</li> </ul>

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<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"><li>▪ Examine the financial and investment policies in Ethiopia</li></ul>	<p><b>3.8 Investment polices in Ethiopia</b></p> <p>3.8.1 Domestic investors</p> <p>3.8.2 Foreign investors</p> <p>3.8.3 Areas of investment</p>	<ul style="list-style-type: none"><li>• Let students discuss impacts of HIV/AIDS on insurance companies.</li><li>• Let students explain their idea about insurance in Ethiopia’s case.</li><li>• Let students discuss about investment policies of Ethiopia on domestic and foreign investors.</li><li>• Arrange students in groups to list down areas of investment and to assign them for foreign domestic or government.</li></ul>

## **ASSESSMENT**

Students' performance has to be assessed continuously over the whole unit. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly.

Thus:-

A student at a minimum level will be able to define money and its importance, identify the source of capital for investment, list types of bonds, distinguish between common stock and preferred stock, discuss the role National Bank and Commercial Bank, explain the procedure associated with: granting loan, accepting deposits, saving account and current account, define to continue and achieve more.

risk, list down the types of risk, define insurance, list down the types of insurance, explain the impact of HIV/AIDS on insurance companies and explain the financial and investment policies in Ethiopia.

In addition, a student working above the minimum requirement level and considered as higher achiever should be able to distinguish inflation and deflation, determine the progress of insurance, differentiate equity financing and debt financing, understand the bonds and stocks certificate source of capital, analyse the relation between risk and insurance, compare and contrast each kinds of insurance policies. Students who fulfil the higher achievers competencies also need a special support.

**Unit 4 :- Production**

**Unit learning outcomes:-** (19 periods)

At the end of this unit students will be able to:-

- Recognize the concept of production and its function
- Differentiate factors of production and their role for business
- Appreciate the role of entrepreneurs on business activity
- Calculate cost of production

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> <li>▪ Define production</li> <li>▪ Describe production function</li> <li>▪ Explain the four factors of production</li> <li>▪ Describe entrepreneur and entrepreneurship</li> <li>▪ Verify entrepreneurial traits</li> <li>▪ Explain motivation factors for starting business</li> </ul>	<p><b>4.1 Definition of production</b></p> <p><b>4.2 Production function</b></p> <p><b>4.3 Factors of production</b></p> <p>4.3.1 Land</p> <p>4.3.2 Labour</p> <p>4.3.3 Capital</p> <p>4.3.4 Entrepreneurship</p> <p>4.3.4.1 Definition of entrepreneur and entrepreneurship</p> <p>4.3.4.2 Entrepreneurial traits</p> <p>4.3.4.3 Motivation for starting business</p> <p>4.3.4.4 Success factors for entrepreneurs</p>	<ul style="list-style-type: none"> <li>• Brainstorming: ask students to recall production from their previous portion.</li> <li>• Arrange students in groups and make list function and factors of production.</li> <li>• Ask students to express their ideas about entrepreneur and entrepreneur-ship.</li> <li>• Remind learners about entrepreneurs and motivate them to work in groups. Then, guide them to list down motivating factors of entrepreneurs that leads to success and kinds of entrepreneurs</li> </ul>

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<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> <li>▪ Verify success factors for entrepreneurs</li> <li>▪ Identify kinds of entrepreneurs</li>   <li>▪ Explain production/operation management</li> <li>▪ Identify production cost</li>   <li>▪ Describe the use of considering different location of facilities for production process</li> </ul>	<p>4.3.4.5 Kinds of entrepreneurs</p> <p><b>4.4 Production/operation management</b></p> <p><b>4.5 Cost of production</b></p> <p>4.5.1 Direct cost</p> <p>4.5.2 Manufacturing overhead cost</p> <p><b>4.6 Location of facilities for production process</b></p> <p>4.6.1 Availability of market</p> <p>4.6.2 Availability of resource</p> <p>4.6.3 Availability of utilities</p> <p>4.6.4 Availability of site</p>	<ul style="list-style-type: none"> <li>• Arrange the class in groups so that learners can express their ideas about production management.</li> <li>• Help students to list different types of costs and their differences.</li> <li>• Assist learners to calculate total cost, average cost, and marginal cost.</li> <li>• Let students discuss location of facilities for production process and how their availability affects production process.</li> </ul>

### **ASSESSMENT**

Students' performance has to be assessed continuously over the whole unit. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides the teacher has to recognize the level of performance of each student and provide assistance accordingly.

Thus:-

In addition, a student working above the minimum requirement level and considered as higher achiever should be able to understand the difference between production and production function, state the fundamental difference between entrepreneur and entrepreneurship, differentiate managers and

A student at a minimum requirement level will be able to define production, describe production function, explain the four factors of production, determine entrepreneur and entrepreneurial, identify production cost, describe the use of considering different location of facilities for production process, explain and achieve more production/operation management and explain the condition & importance of treasury bill in Ethiopia. entrepreneurs roles, verify success factors for entrepreneurs, and understand the distinction between direct cost and manufacturing cost. Student who fulfil the higher achievers competencies also need a special support to continue.

### **Participants**

Asfawossen Assefa:- Yekatit 23 Prep. S. School – Addis Ababa Education Bureau

Nitsuh Kassaye:- Menelik II Prep. S. School - Addis Ababa Education Bureau

### **Coordinator**

Abraham Embaye:- General Education Curriculum Framework Development  
Department (MOE)



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Minimum Learning Competencies(MLC) for Grade 11

<b>Theme</b>	<b>Competencies</b>
Nature of Business	<ul style="list-style-type: none"><li>• Define business and business enterprises</li><li>• Distinguish between human wants and needs</li><li>• State the importance of business enterprises</li><li>• List the different kinds of business enterprises</li><li>• Identify the functions of each kind of business</li><li>• Relate business activities to real life situation</li><li>• Initiated to take part in some of the business activities</li><li>• State the impact of business environment on the business enterprise</li></ul>
Forms of Business ownership	<ul style="list-style-type: none"><li>• Identify common forms of business ownership</li><li>• Define each forms of business ownership</li><li>• Make distinction among the three major forms of business ownership</li><li>• Explain the advantages and disadvantages of the three business ownership form</li><li>• Identify five other alternative forms or less common business ownership</li><li>• State the limiting factors of choices of business ownership</li></ul>
Financing Business Organization	<ul style="list-style-type: none"><li>• Define money and its importance</li><li>• Identify the source of capital for investment</li><li>• List types of bonds</li><li>• Distinguish between common stock and preferred stock</li><li>• Discuss the role of National Bank and Commercial Bank</li><li>• Explain the procedure associated with:</li></ul>

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	<ul style="list-style-type: none"><li>- Granting loan</li><li>- Accepting deposits</li><li>- Saving account</li><li>- Current account</li><li>• Define risk</li><li>• List down the types of risks</li><li>• Define insurance</li><li>• List down the types of insurances</li><li>• Explain the impact of HIV/AIDS on insurance companies</li><li>• Examine the financial and investment policies in Ethiopia</li></ul>
Production	<ul style="list-style-type: none"><li>• Define production</li><li>• Describe production function</li><li>• Explain the four factors of production</li><li>• Determine entrepreneur and entrepreneurial</li><li>• Identify production cost</li><li>• Describe the use of considering different location of facilities for production process</li><li>• Explain production/operation management</li></ul>

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