



# GENERAL BUSINESS EDUCATION

## Grade 12 Student Textbook

**Author:**

Bantie Workie (MSc)

**Editor:**

Worku Mekonnen (Ph.D)

**Reviewed by:**

Helen Alemayehu

Fikadu Girma

Abraham Worke



FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA  
MINISTRY OF EDUCATION

KURAZ INTERNATIONAL  
PUBLISHER



## **Acknowledgements**

The redesign, printing and distribution of this student textbook has been funded through the General Education Quality Improvement Project (GEQIP) which aims to improve the quality of education for Grades 1–12 students in government schools throughout Ethiopia.

The Federal Democratic Republic of Ethiopia received funding for GEQIP through credit/financing from the International Development Association (IDA), the Fast Track Initiative Catalytic Fund (FTICF) and other development partners – Finland, Italian Development Cooperation, the Netherlands and UK aid from the Department for International Development (DFID).

The Ministry of Education wishes to thank the many individuals, groups and other bodies involved – directly and indirectly – in publishing the textbook and accompanying teacher guide.

Every effort has been made to trace the copyright holders of the images and we apologise in advance for any unintentional omission. We would be pleased to insert the appropriate acknowledgement in any subsequent edition of this publication.

© Federal Democratic Republic of Ethiopia, Ministry of Education  
First edition, 2003 (E.C.)  
ISBN 978-99944-2-092-6

Developed, printed and distributed for the Federal Democratic Republic of Ethiopia, Ministry of Education by:

Al Ghurair Printing and Publishing House CO. (LLC)  
PO Box 5613  
Dubai  
U.A.E.

In collaboration with  
Kuraz International Publisher P.L.C  
P.O. Box 100767  
Addis Ababa  
Ethiopia

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means (including electronic, mechanical photocopying, recording or otherwise) either prior written permission of the copyright owner or a licence permitting restricted copying in Ethiopia by the Federal Democratic Republic of Ethiopia, Federal Negarit Gazeta, Proclamation No. 410/2004 Copyright and Neighbouring Rights Protection Proclamation, 10<sup>th</sup> year, No. 55, Addis Ababa, 19 July 2004.

### Disclaimer

Every effort has been made to trace the copyright owners of material used in this document. We apologise in advance for any unintentional omissions. We would be pleased to insert the appropriate acknowledgement in any future edition.

# Table of Contents

	Page
<b>UNIT 1: MARKETING</b> .....	<b>1</b>
1.1 What is Marketing? .....	2
1.2 What is Market? .....	3
1.3 Major Marketing Functions .....	4
1.4 Marketing Mix- Overview .....	6
<b>UNIT 2: COMMUNICATION</b> .....	<b>43</b>
2.1 Definition of Communication and Business Communication .....	43
2.2 Methods of Communication .....	48
2.3 Effective Formats of Business Messages .....	51
2.4 Business Report Writing and Business Reports .....	58
2.5 Other Common Reports and their Headings .....	60
2.6 Writing Your Curriculum Vitae (Cv) .....	61
2.7 Preparing for an Interview .....	62
<b>UNIT 3: TRADE</b> .....	<b>69</b>
3.1 Definition of Trade .....	69
3.2 Foreign Trade .....	75
<b>UNIT 4: BUSINESS RECORDS KEEPING AND FINANCIAL REPORTS</b> .....	<b>97</b>
4.1 What is Accounting? .....	97
4.2 Importance of Accounting .....	98
4.3 The Beginning Balance Sheet .....	102
4.4 Recording the Opening Entry .....	107
4.5 Posting the Opening Entry .....	110
4.6 Business Transaction .....	116
4.7 Income and Expense Accounts .....	117
4.8 The Six-Column work Sheet .....	119
4.9 The Financial Statements .....	123
4.10 The Petty Cash Fund .....	129
Glossary .....	135