

Unit 4

First Part

1. Indicate the formula for company equity and indicate an example of assets, rights and liabilities.

Business equity = Assets + Rights - Liabilities

An asset is any element necessary for the development of business activity: goods

Rights are, in general, amounts of money pending collection: an invoice

liabilities are amounts of money still to be paid: taxes

2. Distinguish between Current Assets and Non-current Liabilities.

Current assets: It is made up of those elements that are in constant rotation and that are renewed several times in the same financial period, is mainly composed by inventories, realizable and cash.

Non-Current liabilities: It is made up of those debts with a repayment term greater than one year.

3. Comment two examples of expenses and two examples of income of a company.

Expenses: Purchase of merchandise. Provision of goods that constitute the usual activity of the company and Banking services. Expenses for bank commissions.

Income: Sales of merchandise: Income derived from the sale of the goods that constitute the normal activity of the company, and Another financial income: Interest on bank accounts in favour of the company.

4. Explain what an ordinary financial situation means and which is the meaning of Working Capital.

Ordinary financial situation: Total Assets of the company are greater than Liabilities. Furthermore, Current Assets are greater than current liabilities, It is said that in this case the company has a Working Capital, The Working Capital is the difference between Current Assets and Current Liabilities. the company has sufficient short-term resources to deal with its short term debts

Second Part

5. Comment two examples of internal financing within the company's own financing.

Self-funding is made up of the resources generated by the company itself, that have its origin in the commercial activity of de company.

Reserves. Reserves are profits obtained by the company, that have not been distributed among their owners.

Amortization. Any permanent asset, tangible or intangible, that becomes part of the structure of the activity of a company suffers as a result of the passage of time, a depreciation or loss of value.

6. Explain the difference between a loan and a credit.

The main difference between a loan and a credit is that a loan is a set amount of money that must be repaid over a specified period of time, while a credit provides the borrower with access to funds as needed, up to a certain limit.

7. Comment the difference between an expense and an investment and point out two examples of each of them.

Expense: cost incurred in the course of doing business: workers' salaries and stocks

Investment: purchase made with the expectation of generating a future return: machinery and tools

8. Define what the break-even point is and indicate its formula

Is the amount of goods or services that a company has to sell in order to cover its costs. Since this amount of goods or services the profit is positive.

Break-even point = Total Fixed Costs / (Price per Unit - Variable Cost per Unit)

Third Part

9. Define what the PIT is and what types of returns are taxed.

Personal Income Tax is a personal tax that is levied on the revenues that the person obtains throughout a financial year

10. Distinguish between simplified direct estimation and objective estimation in personal income tax

Simplified Direct Estimation: a simpler and quicker method for calculating personal income tax liability, but it does not take into account the various factors that can affect an individual's tax liability.

Objective Estimation: a more comprehensive method that provides a more accurate calculation of personal income tax liability.

11. Define what is Corporate Tax and who pays it.

Corporate tax: a tax that is applied on the net profit that companies obtain from their activity.

Revenues obtained by the company during the year is taxed.

Paid by the subject with legal personality.

12. Indicate the three VAT percentages that exist and distinguish between input VAT and output VAT.

Vat percentages:

Super-reduced VAT of 4%: applies to basic needs such as basic food, paper publications, medicines, prosthetics, internal implants and vehicles for people with disabilities.

Reduced VAT of 10%: applies to food and goods for agricultural, forestry or livestock use, veterinary drugs, water, purchase of housing and garages, housing reforms, passenger transport, sports services, social assistance, fairs and congresses.

General VAT of 21%: applied to all other goods and services that are not included in the two previous categories

Input VAT: When a company buys from its suppliers, it must pay the VAT charged by its supplier

Output VAT: When the company sells its products, it charges its customers the corresponding VAT

Fourth Part

13. Comment on what a delivery note is and point out three characteristics of this document.

Delivery note: is the commercial document that certifies the delivery of an order. At the time of delivery, the recipient of the merchandise must sign it to certify that a purchase has been correctly received. Its use is not mandatory, but it is recommended because it proves the correct delivery and receipt of an order.

Characteristics: Document code or number. Details of the buyer and seller. Product description.

14. Define what an invoice is and point out three important characteristics of this document

Invoice: a commercial document that records the information related to the acquisition of a good or the contracting of a professional service and the amount thereof. It is mandatory to issue an invoice for the deliveries of goods and services that are made in the development of the commercial activity, as well as to keep a copy of it.

Characteristics: Amount of VAT, The VAT percentage, Total amount to receive.

15. Explain what a check is and two types of check that you know

Check: a document used as a mean of payment by which a person orders a bank to pay a certain amount of money to another person or company, Unlike a bill of Exchange or promissory note, you

don't have to wait for any expiration date to collect it.

Bearer cheque or check: Anyone who presents this type of check has the right to cash it.

Check to pay into account: the money cannot be withdrawn in cash, but must be deposited into a bank account

16. Define what a bill of exchange is and indicate who the drawer, the drawee and the payee are.

Bill of exchange: a document that contains a payment order. Several people intervene:

Drawee: the person to whom the payment order is addressed

Drawer: the person who issues the bill of exchange

Payee or Holder: the person who has to collect the bill of exchange. Usually it is the bank.

Unit 5

17. Explain two criteria for classifying the types of markets that you know.

1) According to the volume:

-Wholesale markets: with a high volume of sales.

- Retail markets: low sales volume.

2) According to transactions on services or goods:

- Goods market: merchandise and articles are acquired and traded.

- Service market: refers to contracts.

18. Comment three variables that are used to segment a market and describe a type of marketing strategy that you know

Geographic: countries, regions, cities or postal codes.

Demographic: gender, age, income, education, profession, social class, religion or nationality.

Physiographic: lifestyle and personality.

Differentiated marketing strategy. Companies design different marketing actions, each one aimed to a specific segment of the population. It is one of the most advantageous strategies, since there are different groups of consumers. It involves more expenses as different sales methods have to be designed for each group.

19. Within the levels of a product, define what is basic product, expected product and increased product. Comment a phase of the product life cycle that you know.

Basic product: The main and intrinsic characteristics of the product. It is normal or the most basic for what the product serves.

Expected product: It is one that is made from the basic product and covers the conditions and characteristics expected by the consumer. It involves aspects such as quality, brand, design, packaging, style

Increased product: planned from the basic and expected product, where the characteristics of the product are amplified

20. Comment two pricing methods that you know.

Pricing based on margins: The price is set by margins or percentages on the total cost. This system ignores competitors' prices, current demand, and the value that consumers assign to the product, in addition to the perceived value

Pricing method: target price: This system is also calculated on the cost. By analysing the Break-even point we can know the amount of product that we have to sell at a certain price to cover all the fixed and variable costs related to the manufacture and sale of products.

21. Comment two types of distribution channels

Short or level 1 channels: There is only one intermediary. This intermediary, no matter what size it is, is a retailer

Long channel or level 2: When there are at least 2 intermediaries, a wholesaler or warehouseman and a retailer

22. Define advertising and sales promotion. Give two examples of sales promotion.

Advertising: It is the best known communication tool. It is about presenting and promoting an idea or a service to achieve the desired end and that can be very varied, can be given in various media and formats, is generally long-term

Sales Promotion: are incentives that are given to the consumer at the time of purchase, to stimulate quick or large purchases of a particular product. The most important advantages are: its immediate effect, flexibility since there are many promotion techniques, allows high personalization or segmentation, offers an increase in value. Examples:

Amount of free product: 20% more in each pot. It is very effective.

Successive purchase discount: "second unit at half price".

Unit 6

23. Comment two functions of the management of a company

Planning: consists of establishing and reaching workers, the future objectives of the company and deciding which are the best ways to achieve them.

Control: it is about checking that the company is taking the planned measures and that they are indeed the most appropriate. This function must allow the resolution of errors through the introduction of corrective measures in case the company does not approach the established objectives.

24. Draw an example of a vertical organization chart



25. Explain how recruitment is carried out in the company to cover a job position. Comment an example of employment contracts that can be made in a company.

This can be done inside the company or go abroad to find candidates. Depending on the position and the company, this process includes the previous analysis of the candidates, the performance of psychotechnical tests, professional practical tests and personal or group interviews. Decision-making on the candidate to be selected will be carried out by the head of the department where the candidate will work together with the head of human resources.

Example: The trial period is part of the employment contract, it is included within it. Workers must be registered in the Social Security System before starting work

26. Describe what the company pays to Social Security for hiring a worker, for common contingencies, unemployment and professional training. Comment how a self-employed contribute to the Social Security system from 2023.

Common Contingencies = 23.6%

Unemployment = 5.50%

Professional Contingencies = 2%

Self-employed: Since January 2019 there is only one type of contribution for everyone, which is the one that applies to the chosen contribution base. Currently this type of contribution for the self-employed is 30,6%. This percentage would be divided into:

- 28,3% for common contingencies
- 1,3% for professional contingencies
- 0,9% due to cessation of activity
- 0,1% for professional training

Thus, the self-employed quota is a percentage of the contribution base that has a minimum and a maximum, and within them you can choose the base you want.

27. Comment two agents related to the work activity that are obliged in terms of occupational risk prevention.

Employers are obliged to assess possible risks, try to avoid them, applying safety and hygiene regulations in their companies

Workers must ensure their own health and safety and that of third parties. Therefore, they must properly use machines, tools and dangerous substances, use the means of prevention and protection according to the instructions. They must also inform their superiors of situations that may pose risks to their health or safety.

28. Define a leadership style in a company and comment on two examples of actions that can be taken to motivate workers.

Democratic: make subordinates participate in decision making.

Delegate authority and responsibility: make the worker participate in the decisions that concern her work.

Facilitate the training and personal development of workers.