DATE………………………………….CLASS:……………………..

DEEPER LIFE HIGH SCHOOL

SECOND TERM E-LEARNING NOTES

JS 1 (BASIC 7)

SUBJECT: BUSINESS STUDIES

SCHEME OF WORK

WEEK TOPIC

1. Types of occupation: (i) meaning of occupation (ii) Divisions – industrial, commercial and service occupation (iii) factors which affect occupations (iv)Differences between direct and indirect services

Honesty in business: (a) meaning of truthfulness (b) attributes of truthfulness (c) factors that causes people to lie (d) reward for being truthful (e) consequences of not being truthful (f) meaning of fair play (g) attributes of fair play

3. Ethics in Sourcing Chemicals: (i) meaning of ethics (ii) Ethics sourcing chemicals: from licensed chemicals vendors, good handling techniques, good distribution, and proper disposal.

4. Entrepreneurship: (i) meaning of Entrepreneurship, Enterprise, Self-employment (ii) facilities available for self-employment (iii) successful entrepreneurship in your locality, Nigeria, International (iv)importance of entrepreneurship.

5. Forms of business organization: Types of business organization - Sole Trade/sole proprietorship, partnership, limited liability companies, cooperative society, advantages and disadvantages of each forms of business organization

6. Consumer, Market and society: (a) meaning of consumer, market, society. (b) Need for consumer education (c) Importance of consumer education (d) Consequences of lack of consumer education.

6. Need For Monitoring And Control Of Chemicals: (A) Meaning Of Chemicals (B) Chemicals Suitable And Not Suitable For Use (C) Needs For Monitoring And Controlling: Food, Drug, Chemicals.

7. MID-TERM BREAK

8. Introduction to Book-keeping: (a) meaning of Book-keeping (b) Importance of Book-keeping (c) Essentials qualities of Book-keeping (d) common book-keeping practices.

9. Source Documents: (a) meaning of source document (b) uses of source document (c) types of source document, invoice – sales invoice and purchase invoice, receipt for payment made, cash registered tapes, credit note, debit notes, Cheques

10. Journals: meaning of journal, types of journals: general, special journals – sales, purchases, return inward and return outward; Books of original entry.

11-13 Revision and Examination

WEEK 1

Date:………………..

Activity: Revision of first term’s work/ TYPES OF OCCUPATION: – MEANING AND CLASSIFICATION OF OCCUPATION

CONTENT

- MEANING AND FACTORS THAT DETERMINE THE CHOICE OF OCCUPATION

- CLASSIFICATION OF OCCUPATION

MEANING OF OCCUPATION

Occupation is any legitimate activity one engages in order to earn a living. It is a means of livelihood of a person. For example mining, fishing, plumber, mechanic, teaching, trading, law, medicine etc.

FACTORS THAT DETERMINE OCCUPATION

1 Climatic and Weather Condition: Because of climate and weather differences from place to place, people engage themselves in one form of occupation or the other to earn a living.

2. Natural Resources: Natural resources endowment is also a determinant of one’s occupation. The presence of mineral resources in a particular place will attract the presence of miners and also determines the location of different types of industries. The availability of seaports and large bodies of water like ocean which are part of natural resources has accounted for people’s engagement in different activities and occupation.

3. Health Factor: There are some occupations which people who are not physically fit cannot engage in. e.g. Nursing, Teaching etc.

4. Skill and Training: People engaged themselves in occupation in which they have acquired skill and training.

5. Interest and Aptitude: People engaged in occupation they have interest in.

6. Salary and Wages: The salary and wages attached to a particular occupation determines the number of people that will be interested in such occupation

EVALUATION

1. Define Occupation

2. State 3 factors that could determine occupation.

SUB-TOPIC: CLASSIFICATION/DIVISION OF OCCUPATION

CONTENT:

The different occupation in which people engage themselves can be classified into four main division namely; primary or extractive occupation, Industrial or secondary Occupation, Commercial or tertiary Occupation and Service

(a) Primary/Extraction Occupation: This occupation is concerned with the removal of raw materials from air, land or sea for the purpose of being worked upon by the manufacturing and construction industries. For example Agriculture, Mining and Quarrying, Fishing and Forestry etc.

(b) Industrial Occupation: This industrial work includes extraction, manufacturing and construction.

(i) Manufacturing: This form of Industrial occupation involves the process of changing raw materials obtained by workers in the extractive industry into finished goods. Some of the manufacturing industries are:

1. Plastics-making industries which produce plastic plates, spoons, cups etc.
2. Food industries which produce various types of items like flour. Sugar, beverages etc.
3. Textile industries that produce various types of clothing for man.
4. Mechanical engineering industries that produce all types and sizes of machineries such as equipment, industrial engines, mechanical tools etc.
5. Hardware industries that produce metal, major items of military equipment electronic and electrical devices, etc.
6. Cosmetic industries that produce various body creams, pomades, soap, detergent etc.

(ii)Construction: Construction industry is concerned with the process of putting together or assembling of manufactured products into usable forms. Those engaged in construction industries are building contractors, architects, surveyors, bricklayers, plumbers, civil engineers, water engineers etc.

(c) Commercial/tertiary Occupation

This is the occupation which is directly concerned with making the goods produced by the manufacturing companies available to the final consumers. It involves trade i.e. buying and selling; distribution and other activities that facilitate trade, such as banking, advertising, insurance, warehousing, transportation, advertising and communication. In order to complete the process of production, the services of commercial workers are necessary.

(d)Service Occupation/Service Worker: the service workers are those who are not employed to work in industry and commerce, yet they still earn a living. Those in this category are known as service workers. They are referred to as service workers because they render personal and direct services to people who need their services on payment directly or indirectly. Services may be direct or indirect.

(i) Direct Services: These are services rendered personally and directly to those who employed them and who are ready to pay for their service. Those engaged in direct services include tailor, fashion designers, hairdressers, lawyers, private teachers, family doctors etc.

(ii) Indirect Services: These are services rendered to the public and are paid by the government. Indirect service providers are directly not paid by the public. The government pays them from the taxes paid by the public. Those who provide indirect service include the Policeman, Soldiers, Civil servants, Lawmakers, government hospital doctors etc.

EVALUATION

1. The form of occupation that involves extraction, manufacturing and construction industry is termed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Give five examples of Manufacturing Industry

3 Give two differences between direct and indirect services

READING ASSIGNMENT

Business Studies for Junior Secondary School Book 1 produced by Cross River State Government Chapter 6 pages 42-43

WEEKEND ASSIGNMENT

1. What people do for a living is called a/an \_\_\_\_\_\_\_ a occupation b. publishing c. construction d. extraction e. service.
2. One of the following is not one of the main divisions of occupation a. extractive b. manufacturing c. constructive d. commercial e. entrepreneur.
3. The following except one are all extractive occupations. A. agriculture b. oil drilling c. mining d. fishing e. teaching.
4. Any activity that brings the service provider in direct contact with the recipient is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ a. commercial occupation b. direct service c. constructive service e. manufacturing service.
5. The following except one are factors affecting occupation a. skills b. training c. entrepreneur d. climate e. natural endowment.
6. All the following except one provide direct service a. auto mechanic b. commercial bus driver c. family doctor d. carpenter e. police.
7. Manufactured goods include all of the following except\_\_\_\_\_\_\_\_\_\_\_ a. soap b. textbook c. water d. Computer e. milk.
8. The extractive industry is also called the primary industry because\_\_\_\_\_\_\_\_\_\_\_\_\_ a. it involves the extraction of natural resources b. it is a lucrative industry c. It is a risky industry d. it deals with the early stages of production e. none of the above.
9. Assembling of manufactured products into usable forms is the responsibility of ------- industry. (a) Extractive (b) Manufacturing (c) Construction
10. The removal of the raw material from the air, land and sea is the responsibility of -------- industry. (a) Industrial worker (b) Extraction (c) Services

THEORY

1. What do you understand by the term occupation?

2. Name four divisions of occupation.

WEEK 2

TOPIC: HONESTY IN BUSINESS

CONTENT:

* Meaning of truthfulness,
* Attributes of truthfulness, steadfastness and straight forward.
* Factors that causes people to lie
* Rewards for being truthful.
* Consequences of not being truthful.
* Meaning of fair play.
* Attributes of fair play.

Meaning and Characteristics Of Truthfulness.

Honesty is the quality of being truthful and trustworthy. To be honest is to tell the truth at all times even at personal risk to oneself. Honesty in business is also known as ethical behavior in business.

Truthfulness means: making true statement about something or somebody. It is very important for developing trust and building lasting relationships among people both in and outside the business. It helps people to be objective and lead to confidence and trust between/among business associates. A person who is not truthful is said to be dishonest or untruthful.

ATTRIBUTES AND CHARACTERISTICS OF TRUTHFULNESS

1. Consistent behaviour: it is being able to maintain a particular standard that one has been known for. It means one is reliable and can therefore be trusted in all circumstances and by everyone concerned.
2. Steadfastness: This means, the quality of being firm in one’s dealing with people. Those who are steadfast are loyal, they can be depended upon in all situation.
3. Straightforwardness: it is the ability to be honest and frank.
4. Integrity: is the quality of being honest and having strong moral and ethical principles.
5. Other attributes of truthfulness include responsibility, courage and accountability, credibility, objectivity, trustworthiness and sincerity.

FACTORS THAT CAUSES PEOPLE TO LIE

A lie is a false statement deliberately told to be true in order to give a wrong impression about something. People lie:

1. To escape punishment
2. To make gain
3. To get other people’s attention or sympathy or boost one’s ego
4. To make one look more interesting to others by exaggerating, bragging or boasting.
5. To cover up their past
6. To cover up lies
7. To cover up the truth
8. To avoid hurting other people’s feeling
9. Out of ignorance
10. To avoid embarrassment
11. To avoid work or taking part in an assignment
12. To keep secrets
13. To keep themselves safe
14. To keep a friend from trouble

SUB-TOPIC

TOPIC: HONESTY IN BUSINESS (Contd.)

REWARD OF BEING TRUTHFUL

1. Widespread respect from people.
2. A feeing of liberation and self – worth.
3. Peace of mind.
4. Additional responsibility.
5. Happiness.
6. Courage and integrity.

CONSEQUENCES OF NOT BEING TRUTHFUL

1. Misery: A life of lie lead to misery. It leads to discomfort guilt and worthiness in the mind of the person.
2. Damaged reputation: People become unkind to you even when you tell the truth; they find it difficult to believe you.
3. Loss of credibility and respect: Nobody respect a liar no matter your position in the society
4. Loss of peace
5. Withdrawal of responsibility
6. Lack of trust.
7. Breakdown of relationships.

MEANING OF FAIR PLAY

Fair play in business means fair treatment of people without cheating or being dishonest to them. It is keeping to established rules without cheating. In business, there should be fair play. Everyone should be given a chance irrespective of his/her ethnic, social or religious background.

Attributes/Qualities of Fair Play

1. Equity: this is the ability to be fair to all, that is, equal treatment of everyone at all times.
2. Openness: being straightforward and truthful, so that people will easily understand what you do or say.
3. Responsibility: ability to carry out the job given to you properly and not passing it to other when they have theirs to do.
4. Play by the rules: always keep to the rules and regulation of the organization.
5. Admitting when you are wrong: it is always good to admit when you are wrong and apologize. Do not claim to be right when you know that you are wrong.
6. Truthfulness.
7. Reliability.
8. Not being nepotic.
9. Not being patrimonial.
10. Impartiality: not taking sides with one person or group against another.

SIX PILLARS OF CHARACTER

* 1. Trustworthiness
  2. Respect
  3. Responsibility
  4. Fairness
  5. Caring
  6. Citizenship

WEEKEND ASSIGNMENT

1. Explain the meaning of honesty in business
2. List five attributes of truthfulness
3. State four reasons why people lie
4. Identify four rewards for truthfulness
5. Explain five consequence of untruthfulness
6. What is fair play?

Reading Assignment:

Business Studies for Junior Secondary School Book 1 produced by Cross River State Government Chapter 5 pages 26-27

WEEK 3

DATE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ETHICS IN SOURCING CHEMICALS

#### Preview

1. Meaning of Ethics
2. Ethics in sourcing chemicals

* From Licensed Chemical Vendors,
* Good Handling Techniques,
* Good Distribution.
* Proper Disposal.

Full Content

MEANING OF ETHICS:

This is the codes of conduct or standards guiding the operation of a certain profession. They are the values, principles or rules guiding a particular profession. For example, a teacher is not supposed to beg for money from students before passing them.

ETHICS OF SOURCING CHEMICALS:

This is the act of ensuring that chemicals being sourced are created in safe facilities by workers who are treated well and are paid for wages to work legal hours. It implies that the supplier is respecting the environment during the production and manufacturer of chemicals. The ethics in sourcing chemicals are as follow:

1. Licensed chemical vendors: a licensed vendor is someone that has been given a permit to import, buy and sell chemicals. Licensed vendors ensure that they keep strictly to the ethics and rules for trading in chemicals. The master list of licensed vendors can be obtained from the National Agency for Food, Drugs Administration and Control (NAFDAC) and the Standard Organization of Nigeria (SON). The following are reasons for sourcing chemicals from licensed vendors:

I. You are sure that it is a product that is legally permitted for use in Nigeria

ii The source of the chemical is known.

iii. The purity and stability are ensured

1. Good handling techniques: the following ethics guide the handling of chemicals:
2. Have sufficient knowledge, training and education required to handle chemicals.
3. Chemicals must be sealed tightly: they must not be broken or damaged.
4. Appropriate personal protective equipment should be made available for safe use of the chemical or its end product.
5. Indicate the hazard of each chemical
6. Delivery:

The following codes guide the delivery of chemicals:

i. They should be strapped down in the course of delivery

ii Chemicals should not be delivered to a novice.

Iii Chemicals should be properly labeled upon receipt.

iv. Chemical containers shall not be accepted without accompanying labels, material safety data sheets and packaging in accordance with all regulations.

1. Storage:

Chemicals also have rules guiding their storage as follows:

1. Secure storage areas against unauthorized removal of chemicals by others.
2. Protect the environment by restricting emission from stored chemicals
3. Create two separate exits for storage areas.
4. Maintain clear access to and from the storage areas.
5. Do not store chemicals in aisles or stairwells, on desks or laboratory benches, on floors or in hallways.
6. Use approved storage cabinets for flammable chemicals.
7. Use an appropriate “Acid Cabinet” for any acid solution. Nitric acid needs to be isolated.
8. Do not use standard refrigerators to store flammable chemicals.
9. Label storage areas with a general hazard symbol to identify hazardous chemicals and indicate correct fire fighting procedures.
10. Check chemical containers periodically for rust, corrosion and leakage etc.
11. Good distribution of chemicals:

The following rules guide the good distribution of chemicals:

1. A licensed vendor shall not purchase from or sell chemicals to any other unauthorized vendor by NAFDAC.
2. All sales transactions in chemicals should be accompanied by the certificate of analysis of the chemical.
3. Chemicals should be sold only in their original containers.
4. Chemical vendors shall submit the list of their distributors to NAFDAC for monitoring purpose.
5. Proper disposal of chemicals:
6. Make disposal options a part of all laboratory instructions for the workers.
7. Name of individual responsible for supervising the process of making the waste and their signature must be on the container.
8. Place all laboratory waste in properly labeled container which should contain the date and type of waste.
9. Place the waste containers in a secure location until the containers can be removed to the central storage area.
10. For drain disposal, any substance from a laboratory should be flushed with at least 100 times its own volume of tap water.

EVALUATION:

OBJECTIVES:

1. Ethics refer to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ a. values of the school b. values and rule of a school c. values, rules and behavior that govern people e. none of the above.
2. All chemicals sold in Nigeria must be registered with\_\_\_\_\_\_\_\_\_\_\_ a. NBTE b. NABTEB c. NAFDAC d. NAFCON e. House of Assembly.
3. All except one are ethics guiding the sourcing of chemicals a. you must obtain a listing certificate issued by NAFDAC b. all chemicals vendors should be properly sited c. there must be a key personnel referred to a s a technical officer in a chemical company e. you must obtain a certificate issued by NESREA.
4. In handling chemical, you should not do one of the followings a. Assess the hazards of the chemical b. Have sufficient knowledge to recognize the request of others for non-essential chemicals. c. Provide proper and adequate storage facilities for the chemical d. always taste the chemical before using them.
5. One of these is a way of storing chemicals a. Use standard refrigerators to store flammable chemicals b. Secure storage areas against unauthorized removal of chemicals by others c. Protect the environment by restricting emission from stored chemicals d. Create two separate exits for storage areas.
6. Proper disposal of chemical includes all expect a. Make disposal options a part of all laboratory instructions for the workers. b. Dispose the powdered waste chemicals into the tin air. C. For each chemical waste produced, instruct the workers as to the appropriate disposal. D. Place all laboratory waste in properly labeled container which should contain the date and type of waste.

ESSAY

1. State two ethics guiding sourcing of chemicals.
2. Explain the meaning of ethics
3. Mention techniques of handling chemicals.
4. Mention four (4) rules guiding the good distribution of chemicals.

WEEK 4

Date:……………………………

Topic: ENTREPRENEURSHIP

CONTENT (I) meaning of entrepreneurship, enterprise, self-employment

ENTREPRENEURSHIP

Entrepreneurship is from the French verb ‘entrepreneur’, which means ‘to undertake’. Entrepreneurship is the process of starting a business or other organization for the purpose of making profit. The entrepreneur develops a business models, acquires the human and other required resources, and is fully responsible for its success or failure. It is defined as an individual who organizes or operates a business or businesses.

ENTERPRISE

Enterprise refers to economic and business, nonprofit and government agencies responsible for production and distribution of goods and services. It can also be defined as effort made by people to achieve something. For example people have the initiative to start project to face challenges and to take risk in order to achieve their goals.

SELF- EMPLOYMENT

Self-employment is the act of generating one’s income directly from customers, clients or other organization as opposed to being an employee of a business or person. Self-employed people generally find their own work rather than being provided with work by an employer.

There are encouragements from the government to people to become self-employed rather than seeking for white collar job.

FACILITIES AVAILABLE FOR SELF EMPLOYMENT

The following facilities are available for self-employed people;

1. Tax facilities and subsidies
2. Micro credit facilities is available to start-up business in need of loan
3. Social facilities e.g. Social amenities, security
4. Educational facilities; in schools and colleges, (NDE) National Directorate of Employment.
5. Natural environment: land, soil, air, weather, animals, plants and geographical conditions.

SUCCESSFUL ENTERPRENEURS: An entrepreneur is an individual who organizes or operates a business or businesses. He has the ability to lead a business in a positive direction by proper planning, to adapt to changing environment and understand their strengths and weaknesses. The entrepreneur is commonly seen as an innovator-a generator of new ideas and business processes. Management skill and strong team building abilities are often perceived as essentials leadership attributes of successful entrepreneurs.

The following are the successful entrepreneurs:

INTERNATIONAL ENTREPRENEURS

|  |  |  |
| --- | --- | --- |
| S/NO. | NAME | COMPANY COUNDED |
| 1. | Bill Gates | Microsoft. |
| 2. | Richard Branson | Virgin Atlantic. |
| 3. | Steve Jobs | Apple Computers |
| 4. | Michael dell | Dell Computers |
| 5. | Oprah Winfrey | Oprah Winfrey Network |
| 6. | Amancio Ortega | Inditex Group |
| 7. | Liliane Bettencourt | L’Oreal |

NATIONAL ENTREPRENEURS

|  |  |  |
| --- | --- | --- |
| S/NO. | NAME | COMPANY FOUNDED |
| 1. | Abdulsamad Rabiu | BUA Group |
| 2. | A.C.Okafor | Chicason Group |
| 3. | Aliko Dangote | The Dangote Group |
| 4. | Folorunsho Akakija | Famfa Oil LImited |
| 5. | Jim Ovia | Visafone. |
| 6. | Mike Adenuga ` | Globacom |

LOCAL ENTREPRENEURS

These entrepreneurs include:

1. Shop owners dealing in provisions and cosmetics
2. Local butchers.
3. Spare part dealers.
4. Kerosene sellers.
5. Restaurant owners.
6. Welders.
7. Fashion designers.
8. Business centre owners.
9. Hair dressers etc.

IMPORTANCE OR FUNCTIONS OF THE ENTREPRENEURSHIP

1. Entrepreneurship create job opportunities: He hires people to work with him
2. Entrepreneurship cause economic growth: By creating wealth to the people
3. They provide new and best product at low prices
4. They provide strength to small businesses: most of the time, entrepreneurs prefer to invest their money in small businesses.
5. Entrepreneurship pay taxes: tax paid by Entrepreneurs further contributes to state income.
6. Entrepreneurship creates demand for products which in turn create job for other business i.e. buying raw materials will in turn more jobs.
7. Entrepreneurship introduces new technologies in the market: they create new products and provide new services.
8. Entrepreneurship stimulates the economy by instilling confidence in people.
9. Entrepreneurship contributes positively to the growth of G.D.P.

EVALUATION

1. Define the following terms (i) entrepreneurship (ii) self-employment (iii) enterprise

2. Give three facilities available for self-employment.

3. State any FIVE (5) importance of entrepreneurship.

WEEKEND ASSIGNMENT

1. Which of the following gives the meaning of entrepreneurship? A. innovation in business b. introduction of new products and services into the market c. an undertaking d. the art of organizing and owning a business taking with it all the financial risks with the hope of making a profit. E. the act and art of making profit.
2. An entrepreneur is\_\_\_\_\_\_\_\_\_\_ a. a person who is able to think of a business b. a person who is able to see opportunities c. a person who has confidence and courage to take up a business d. a person who identified and grabs an opportunity to make money e. a person who sees an opportunity that does not yet exist.
3. The act or art of organizing by taking financial risks in order to make a profit is called\_\_\_\_\_\_\_\_\_\_\_ a. enterprise b. entrance c. entrepreneur d. entrepreneur e. enterprising.
4. Any individual who operates a business or service as a sole owner is \_\_\_\_\_\_\_\_\_\_ a. multi-employed b. self-employed c. digi-employed d. compu-employed e. all of the above.
5. All except one are the reasons why entrepreneurship is important a. it provides employment for a lot of people. B. it provides self opportunity for people c. it is a challenging opportunity for people d. it does not contribute towards research and development. E. it creates wealth for nations and individuals.
6. An \_\_\_\_\_\_\_\_\_\_\_\_ is a person who is able to think or see opportunities that others don’t see. A. Enterprise b. entrepreneur c entity d. entreport e entrepreneurship.
7. All but one of the following is the characteristics of an entrepreneur.a. determination b. dishonesty c commitment d. resourcefulness e creativity.
8. If you want to be self-employed, you have to be\_\_\_\_\_\_\_\_\_\_\_\_\_ a. start off by thinking of a new idea for a business b run 50 kilometres a day c. go around gossiping with people d. engage in fights in fights in your neghbourhood e. all of the above.
9. All but one of the following is the challenges of being self-employed. A there is a risk of failure b you have to put in a lot of your time c. you might experience a lot of stress. D. customers might not like your products. e you make it big immediately.
10. Entrepreneurship is about all but one of the following. a financial risks b innovation c making profits d travelling abroad e new products.

THEORY

1. Name any three successful entrepreneurs each in your (i) locality (ii) country (iii) international

WEEK 5

Date:………………………….

FORMS OF BUSINESS ORGANIZATION

CONTENT: 1. Types of Business Organisations

2. Advantages and Disadvantages of each of the Business Organisation

Forms or types of business ownership

The four forms of business ownership are:

* Sole proprietorship;
* Partnership;
* Co-operative societies and
* Private and public limited liability companies.

Ownership refers to the individual or organization that brings together the factors of production.

Sub-Topic 1: Meaning of Sole Trade

Meaning: Sole Trade is a business owned by one person. The size of the business may be large or small but it is important to note that it is owned by one man. Examples are restaurants supermarkets, Filing Station, Schools etc. The owner of the business is called a sole trader or a sole proprietor. Another name for sole trade is sole proprietorship.

Advantages and Disadvantages of Sole Trade

Advantages of Sole Trade:

1. It is easy to start.
2. The sole proprietor has a close contact with his customers and attends to them personally.
3. He takes all decisions affecting his business alone.
4. It requires small capital to establish.
5. It can fit any environment.

Disadvantages of Sole Trade:

1. The provision of capital and ability is limited.
2. The business ends when a sole trader dies.
3. He suffers and bears risks alone.
4. If business fails, he may have to sell his personal property to pay the debt.
5. Higher unit cost of goods when compared with large business operators

Evaluation:

1. State at least three advantages of Sole Trade

2. Identify at least three disadvantages of Sole Trade.

Reading Assignment:

Business Studies for Junior Secondary School Book 1 produced by Cross River State Chapter 7 pages 38-39

Partnership

CONTENT: 1. Meaning of Partnership

2. Advantages and Disadvantage of Partnership

Sub-Topic 1: Meaning of Partnership

Meaning of Partnership: A Partnership is a business owned and managed by two or more persons who become partners by written agreement. The partnership act of 1890 and the companies Act of 1958 state that the maximum number of people who can form a Partnership is restricted to 20 persons while the minimum should be 2 persons. These partners share the profit or losses and the responsibilities of their business. Those in law and accounting professions are prohibited under the Companies Act of 1968 from forming partnerships.

Types of Partnership: There are various types of partnerships as stated below:

(a) Ordinary Partnership: This is a partnership in which all members are held liable for the debts of the business.

(b) Limited Partnership: This is a partnership with limited liability in that members will not be asked to contribute more money than the one used to start the business in case the business fails. For Partnership to become limited, it must be registered with the Registrar of Companies otherwise it will be treated as ordinary partnership.

(c) Active and Sleeping Partners: Partners who take part in running the business are active partners while those who do not take part in the running of the business are sleeping partners.

(d) Quasi or Nominal Partners: A nominal partner is a partner only in name. he contributes no capital and his name is only brought in to earn respectability and to bring goodwill to the business.

Advantages of Partnership:

(i) It has more capital than sole trading

ii Partners have different ability and talents therefore, each partner specializes in an aspect of business which he is best suited.

(iii) Partners meet to discuss matters relating to the firm.

(iv) There is usually more commitment to work.

(v) Profits are shared only by partners.

Disadvantages of Partnership:

(i) Partners have unlimited liability for debts in case of business failure.

(ii) If one partner takes a wrong decision, it affects other partners.

(iii) Disagreement among partners causes confusion in the business.

(iv) Partnership comes to an end with the death or resignation of a partner.

(v) Decision is slower than with a sole proprietorship.

Evaluation

Objectives:

1. All except one are forms of business. a. co-operative society b. partnership c. Nigerian Labour Congress d. public/private company e. sole proprietorship
2. A business organization established, owned and financed by one person is called\_\_\_\_\_\_\_\_\_\_\_\_ a. co-operative society b. partnership c. labour company d. public/private company e. sole proprietorship
3. The relationship that exists when two or more people contribute their skill, money and money’s worth to start a business is called a. sole proprietorship b. partnership c. labour company d. public/private company e. cooperative society.
4. All except one are the disadvantages of partnership. a. partners may not contribute equally .b. a partner may be dormant. C. there is diversity of talents d. disagreement between partners may affect profit. E. death of one or more active partners may end the business.
5. Another name of a business enterprise is called a/an a. production manager b. supervisor c. entrepreneur d. coordinator
6. Another name for sole proprietorship is \_\_\_\_\_\_\_\_\_\_\_\_\_- a. one-man business b. two-man business c. three-man business. D. four-man business.
7. The written agreement of partnership is called a. partnership agreement b. partnership formation c. partnership name d. partnership deed.
8. The minimum and maximum numbers of a partnership are between \_\_\_\_\_ members a. 1 and 5 b. 2 and 10 c. 2 and 20 d. 3 and 30.

Essay

1. What is Sole Proprietorship?

2. Mention all the sources of capital of sole trade.

3. What is Partnership?

4. Outline two advantages and two disadvantages of Partnership

5. Define Partnership.

6. Explain the following types of partnership: (a) ordinary Partnership (b) Quasi Partnership.

Reading Assignment:

Business Studies for Junior Secondary School Book 1 produced by Cross River State Government Chapter 7 pages 39-41

Cooperative Societies

Meaning of Cooperative Societies

A cooperative Society exists when groups of workers, individuals, organizations, farmers or communities pull their resources together towards a common goal. The main purpose of the cooperative society is to:

(i) Sell goods and services to members at a cheap rate.

(ii) To do business together for profit purpose and share the profits among the members.

Types of Cooperative Society:

The common types of cooperative societies are:

(a) Producers Cooperative

(b) Consumers Cooperative

(a) Producers Cooperative:

Producers form a common association in order to sell their products in a uniform price instead of selling individually, e.g. producers of yam, garri, cocoa etc may form a cooperative society for the selling of their products.

(b) Consumers Cooperative:

In consumers’ cooperative, the members are consumers who contribute funds and buy goods in large quantities from the producers and sell in retail prices to members at a reduced and cheaper rate.

Advantages of Cooperative Society:

1. Members have equal rights and votes.
2. Prices are lower as they buy in bulk.
3. Benefits of repayment of capital to any member who withdraws.
4. Profits are shared in proportion to contribution.
5. Members are allowed to pay back debts in installments.

Disadvantages of Cooperative Society:

1. Election of unqualified committee members may lead to poor management of society’s fund.
2. Calculation of dividends to members is always a problem.
3. Non-members may be reluctant to engage in marketing activities with the cooperative.
4. Decision making process is longer compared to sole proprietorship.
5. Lack of proper planning and ignorance may affect the success of the cooperative society.

Evaluation:

1. What do you understand by the term Cooperative Society?

2. Mention three advantages of Cooperative society.

Reading Assignment:

Business Studies for Junior Secondary School Book 1 produced by Cross River State Chapter 7 pages 42-43.

Weekend Assignment:

Objectives:

1. What is the maximum of number of persons that can be admitted into the society? (a) No maximum (b) 20 (c) 30

2. Cooperative Society is managed by (a) Board of Directors (b) Committee of management (c) shareholders

3. The common types of cooperative societies are

(a) Sole Proprietorship and partnership (b) Young and old cooperative (c) Producer and Consumer Cooperative

4. In cooperative Society every members have equal rights and votes. True/False

5. The main purpose of cooperative society is to (a)buy goods for everybody (b) provide essentials services at cheaper rate (c) sell goods and services to members at a cheap rate.

6. --------------- type of business organization is democratic in nature (a) sole proprietorship (b) partnership (c) cooperative society.

Limited Liability Company (Public Limited Liability Company)

Limited Liability Company:

A Limited Liability Company is a company in which the responsibility or liability of members for debts of the company is limited to the capital they have contributed or agreed to contribute. The private properties of members are excluded, and all that members lose if the company fails is the money they have contributed. It is formed and registered under the law known as the Company Act. When a company is formed and registered with the Registrar of Companies, it is said to be incorporated.

There are two types of Limited Liability Company namely, Private and Public Companies.

Public Limited Liability Company:

A Public Limited Liability Company is a business unit that carries on business to make profit for its owners. Examples are Nigerian bottling company Ltd., Total Nigeria Limited, First Bank of Plc. It is owned by Shareholders and managed and control by Board of management.

Advantages of Public Limited Liability Company

1. It can raise money from the public through issuing of shares and debentures. This enhances the company expansion.
2. It is a legal entity because it can sue and can be sued.
3. The company’s properties are different from that of its owners.
4. It enjoys continuity because it has perpetual life. The company can only be wounded voluntarily or on the order of a law court.
5. Share holders cannot lose more than the value of their shares. This is because the company enjoys limited liability.

Disadvantages of Public Limited Liability Company:

1. Shareholders have little say in the running of the company

2. It does not enjoy privacy. It annual account must be published in the Newspaper for the public to see.

3. It suffers from double taxation. The net profit of the company is taxed and the dividends of the shareholders are also taxed.

EVALUATION

1. What is a limited liability company?

2. State 3 advantages of public limited liability company

READING ASSIGNMENT

Business studies for junior secondary schools, new edition book 1 by O. A. Lawal Chapter 5 pages 23-24

Limited Liability Company (Private Limited Liability Company)

CONTENT

1. Private Limited Liability Company (Meaning)

2. Advantages, Disadvantages and Comparison between Public and Private companies

Meaning of Private Limited Liability Company:

A private limited liability company is a profitable making business with few shareholders and no open market for its shares. Examples of private limited liability company are Newswatch Communication Ltd., Ekene Dili Chukwu Transport service Ltd., JIMBAZ Construction Company Ltd. etc.

Advantages of Private Limited Liability Company

(i) They enjoy privacy.

(ii) Their annual report and accounts are not required by law to be published, except for taxation.

(iii) Management and control is less complex than in public limited company. Its management structure is simple.

Disadvantages of Private Limited Liability Company

(i) Shares cannot be issued to the public.

(ii) Capacity to raise external finance to expand business is limited.

(iii) Transfer of shares to others is made difficult.

Comparison between the Private and Public Limited Liability Companies.

|  |  |  |
| --- | --- | --- |
| S/N | PUBLIC LIMITED COMPANY | PRIVATE LIMITED COMPANY |
| 1. | Minimum number of members is seven and has no maximum | Minimum number of members is two while the maximum is fifty. |
| 2. | Shares are offered to the public. | Shares may not be offered to the public. |
| 3. | Shares are easily transferable. | Shares are not transferable. |
| 4. | Account is publish to the public | Account is published for the information of Registrar of companies. |

PUBLIC ENTERPRISES.

Public enterprises are companies owned by government. These are formed through Acts of parliament (in a civilian government) or by Decree or Edict (in a military government) which also states what their powers are.

Some examples of public enterprise or public corporations are: Nigerian Railway Corporation, Nigerian Ports Authority, Stat Water Corporations and Nigerian National petroleum Corporation (NNPC).

EVALUATION

1. Define Private Limited Liability Company

2. State the comparison between the public and private companies.

3. Outline the 4 advantages and the 4 disadvantages of Private companies.

READING ASSIGNMENT

Business studies for junior secondary schools, new edition book 1 by O. A. Lawal chapter 5 pages 24-25

WEEKEND ASSIGNMENT

1. The maximum number of members in a private limited liability company (a) 50 (b) 100 (c) 10 (d)40
2. A company in which contribution to the capital is open to all is a \_\_\_\_\_\_\_\_\_ (a) private enterprise (b) partnership (c) public enterprise (d) cooperative society (e) public limited liability company.
3. The following are disadvantages of private limited liability company except (a) not listed in the stock exchange (b) cannot sell shares (c) management structure is simple.
4. The minimum number of owners needed to form a public limited company is (a) seven (b) two (c) fifty (d) eight.
5. Which of this can sell shares to the public (a) Sole proprietor (b) Private Limited company (c) Public limited company
6. The maximum number of owners a public Limited liability company is (a) twenty (b) two (c) no maximum.(d) one
7. Public Limited Liability Company is owned by ------------------ (a) government (b) politicians (c) Shareholders (d)members
8. The major source of capital for Public Limited Liability Company is (a) selling of shares (b) personal savings (c) partnership contribution (d) loan
9. Public enterprise is owned by \_\_\_\_\_\_\_\_\_ (a) the management of the company (b) the government (c) the ministry (d) all of the above (e) none of the above.
10. Which of the following is not a disadvantage of the cooperative society? (a) Members have equal rights. (b) capital is limited to the ability of members to pay (c) membership is by contribution (d) there could be poor management of society’s fund (e) there is lack of proper planning.

THEORY

1. State 3 advantages of private limited liability company

2. Enumerate 3 disadvantages of private limited liability company

WEEK 6.

Date:………………..

TOPIC: CONSUMER MARKET AND SOCIETY

CONTENT

* Meaning of Consumer, Market and Society.
* Need for consumer education
* Importance of consumer education
* Consequences of lack of consumer education

Meaning of consumer: A consumer can be defined as any person or corporate individual that purchases a product for immediate personal use. A consumer is an end user of a product.

Meaning of market: This can be defined as any arrangement (personal or impersonal, formal or informal) which facilitate the exchange of goods and services for money. Market is where buyers and sellers come together to exchange goods and services for payment.

Meaning of society: is the collection of people living together in a more or less ordered community. It is an organization or club formed for a particular purpose or activities. It is also a situation of being in the company of other people.

Meaning of consumer education: consumer education is a process by which consumers get the necessary enlightenment that will help them to make best decisions when purchasing goods and services. It is the preparation of an individual through skills, concepts and understanding that are required for everyday living to achieve maximum satisfaction and utilization of its resources. It is also defined as education given to the consumers about various consumer goods and services, covering price, what the consumers can expect and standard trade practice.

Need for consumer education

1. To develop an awareness of the difference between real and perceived needs.
2. The need to reduce high price
3. To make sure that high quality of goods are sold to consumers
4. To make sure that there is a constant supply of goods
5. To make sure that there is no false advertisement claim
6. To make sure that goods have accurate measures and weights before selling
7. To protect consumer against dangerous and harmful goods
8. For dispute resolution office
9. The education program should provide for coordination between federal, state and local agencies involved in regulating that aspect of the market
10. Distribute the message throughout the market place, including the use of public service announcements.

Importance of consumer education

The education program should include ongoing coordination with media, consumer advocates and trade organizations to amplify and

1. It helps consumers to make wise buying decision
2. To provide the public with information it needs on products and services
3. It helps consumers understand their right and become active participant in buying process
4. To ensure that company are held accountable by governing agencies and the consumers who use their products and services.
5. It gives consumers control over their purchases
6. It motivates consumers to provide feedback that can be used to improve the quality of products and services.

Consequences of lack of consumers’ education

1. Lack of coordination
2. They can be cheated in the area of price, brand and labeling
3. Wrong choice and consumption of product
4. Goods that are of low quality can be sold to the consumers.
5. Consumers may not be able to get maximum satisfaction from the use of products.

ESSAY TYPE

1. What do you understand by the word market?
2. Define consumer education
3. List four relevance of consumer’s education
4. Name two consequences of lack of consumer education.

OBJECTIVE TYPE

1. Which of the following explain the meaning of consumer? (a) as any person or corporate individual that purchases a product for immediate personal use (b) it is the preparation of an individual through skills, concepts and understanding that are required for everyday living to achieve maximum satisfaction and utilization of its resources.(c) as any arrangement either personal or impersonal, former or informer which facilitate with the exchange of goods and services whereby buyer and sell are contact with one another and agree on price.
2. All are the need for consumers education except (a)peaceful resolution of office(b) It helps consumers to make wise buying decision (c)To provide the public with information it needs on products and services
3. All the following explain the meaning of market except (a) as any person or corporate individual that purchases a product for immediate personal use (b) it is the preparation of an individual through skills, concepts and understanding that are required for everyday living to achieve maximum satisfaction and utilization of its resources.(c) as any arrangement either personal or impersonal, former or informer which facilitate with the exchange of goods and
4. services whereby buyer and sell are contact with one another and agree on price
5. Which of the following is the consequence of lack of consumers’ education? (a) It gives consumers control over their purchases (b) inability to coordinate (c) To provide the public with information it needs on products and services
6. The education program should provide for coordination between federal, state and local agencies involved in regulating that aspect of the market is known as (a) need for consumer education (b) consumers education (c) relevance of consumer

SUB-TOPIC II: NEED FOR MONITORING AND CONTROL OF CHEMICALS

#### Preview

* Meaning of chemicals
* Chemicals suitable for use and not suitable for use
* Need for monitoring and controlling: food, drugs, and chemicals.

Full Content

MEANING OF A CHEMICAL:

Chemicals are compounds or substances that are artificially prepared or purified. Chemicals are substances used in chemistry or produced by a chemical reaction or process. Chemicals can be solid, liquid or gas. Examples are ice, gold, petrol, water, salt, cooking gas etc. They can be grouped into suitable and unsuitable chemicals.

CHEMICALS SUITABLE FOR USE AND NOT SUITABLE FOR USE

Suitable chemicals: A chemical is considered to be suitable when its use does not bring any bad (or negative) effect on health or pose danger to lives and properties. Examples are flavourings, spices and preservatives for foods.

Unsuitable chemicals: a chemical is said to be unsuitable when its use leads to adverse effects on lives, property and environment. Examples are caustic acids, ammonia, cyanide etc.

|  |  |  |
| --- | --- | --- |
| S/NO | SUITABLE CHEMICALS | UNSUITABLE CHEMICALS |
| 1. | Safe | dangerous |
| 2. | Harmless | harmful |
| 3. | Cane be inhaled and ingested | Destructive to life and the environment |
| 4. | Non-toxic | toxic |
| 5. | Non –irritant | irritant |
| 6. | Non-corrosive | corrosive |
| 7. | Non-radioactive,non-flammable | Radioative, flammable. |

THE NEED FOR MONITORING AND CONTROLLING: FOOD, DRUGS, CHEMICALS

Monitoring means keeping a person in check or on guard so as to ensure that he or she is complying with rules and regulations. NAFDAC monitors, controls and regulates the importation, exportation, manufacture, advertisement, distribution, sale and use of foods, drugs and chemicals. This is to:

1. Ensure compliance with standard specifications designated and approved by the council.
2. Enable appropriate investigation into the production premises and raw materials
3. Establish relevant quality assurance system
4. Monitor the utilization of controlled chemical substances.
5. Ensure that handlers of chemical are kitted with safety gadgets.
6. Scrutinize the disposal records of chemicals.

Ways of controlling chemical

1. Places where chemicals are used must be isolated.
2. Where possible, less toxic chemical should be used.
3. Methods for reduction of generation of dusts or other particles should be adopted during production process.
4. Workers should use good laboratory work practices and follow production instructions.
5. Labels on chemical containers must not be removed.
6. All chemicals must be kept away from the reach of children.

Effects of Lack of Monitoring of Chemicals.

1. Harm to health of humans and wildlife.
2. Production of substandard products
3. Environmental pollution.
4. Misuse and improper distribution of chemicals.

EVALUATION:

OBJECTIVES:

1. Keeping a person in check or on their guard to ensure that they are complying with rules and regulations is known as\_\_\_\_\_\_\_\_\_\_ a. acknowledging b. knowing c. monitoring d. showing off e. partnership
2. .................... is a compound or substance that is artificially prepared a. Reaction b. Chemical reaction c. Chemical d. All of the above.
3. Maintaining chemical safety requires care in .................. and ............... of chemicals a. Mixing and using b. Storing and disposing c. Ordering and mixing d. Producing and disposing.
4. A chemical can be a \_\_\_\_\_\_\_\_\_-- a. liquid b. solid c. gas d. solid, liquid or gas e. juice.
5. All but one is characteristics of chemicals not suitable for use. A. dangerous b. toxic c. irritant d. safe e. corrosive.
6. All but one is the need for NAFDAC to monitor and control foods, drugs and chemicals. A. establishment of relevant quality assurance system b. ensuring that advertisements in the print and electronic media are not abused c. monitoring the utilization of controlled chemical substances de. Ensuring diversion of chemicals for illicit usage e. scrutinizing the disposal records of chemicals

THEORY

1. What are chemicals?
2. State the difference between chemicals suitable for use and chemicals not suitable for use.
3. Mention five ways of controlling chemicals.
4. List two effects of lack of control of chemicals.

WEEK 7: MID-TERM BREAK

WEEK 8

Date:……………………….

Topic: Introduction to Book Keeping

CONTENT: 1. Meaning, Concepts of Book keeping

* Importance and Parties interested in Book keeping
* Essential qualities of book keeper.
* Common book keeper practices.

Meaning of Book Keeping:

Book-keeping may be defined as the art of recording business transactions in a systematic manner so that the books of account will reveal at any time the financial position of the business to the owner and other stakeholders in the business

Importance of Book Keeping:

Every business organization keeps daily records of their financial transactions. Therefore, the importance of bookkeeping becomes necessary for the following reasons:

* 1. It is for easy reference of business financial records.
  2. It shows an accurate standing position of business in relation to its customers i.e. what is owed and what is owed by the firm
  3. It reveals profits and losses position to the company through trading, profit and loss account.
  4. It provides information to members of the public who are interested in the business through the balance sheet.
  5. Auditors use the books to issue their audit reports.
  6. The records kept help in management decision-making.
  7. The records project the image of the business to the public.
  8. It is a means by which finances of a business can be controlled.

ESSENTIAL QUALITIES OF BOOK-KEEPING OR A BOOK-KEEPER

1. He or she must be m truthful and honest
2. False entries should not be made into the book
3. He or she must be hardworking, punctual to work and must show interest in the job
4. He or she must be able to keep records
5. He or she must have a legible handwriting
6. He or she must have retentive memory
7. He or she must be trustworthy.
8. A book keeper must always appear neat and attractive.

COMMON BOOK-KEEPING PRACTICES

1. A single line ruled beneath an amount by the bookkeeper is an indication that a remainder or a total will follow
2. The use of ruler when drawing single or double rulings make for neat accounting work.
3. The Naira and Kobo signs are usually written on top and not in a ruled column.
4. Two zeros are written in the kobo column when an amount to be written does not have the aspect. The kobo column must not be left blank. It should be filled with two zeros
5. When a bookkeeper applies a double ruling across an amount column, this indicates that the work above has been completed and accurate.

BOOK-KEEPING ETHICS

* Accountability
* Probity
* Transparency
* Objectivity
* Fairness

Evaluation:

1. State five importance of Book-keeping.

2. Explain the term book-keeping

3. State five qualities of book keeper

# WEEK 9

Date:…………………………..

Topic: Source Documents and Journals

PREVIEW: 1.Meaning and Importance of Source Document

2. Types of Source Document

Meaning of Source Document

Source Document may be defined as original documents on which monetary transactions are recorded, which provide necessary information for the preparation of books of original entry. It can also be defined as original documents on which information is recorded about business transactions.

Transactions are the major feature of any business. The business transactions take place when goods and services are transferred from one person to another. There are two types of transaction namely cash and credit transaction. Cash transaction means that money is paid immediately the transaction occurs. Credit transaction means that payment for what is bought or sold is made at a later date.

Importance of Source Document:

1. To originate data for accounting records.

2. They act as working evidence or as a proof of occurrence of such transactions.

3. They enable various books of accounts to be opened.

4. They serve as a source of information.

Evaluation:

1. Explain the types of transaction

2. State three importance of source document.

Sub-Topic 2: Types of Source Document

Types of Source Documents:

The major types of Source documents are:

(a) Invoice: This document is usually issued by the seller to the buyer immediately goods are dispatch or services rendered on credit. It shows the date of sale, description of goods bought or sold, quantity, unit price, total cost.

(b) Receipt: This document serves as an evidence of payment for goods bought or sold and services rendered. Receipts are given or received whenever cash is paid or collected for goods bought or sold or services rendered. It shows the following particulars:

(i) The reason for payment

(ii) The amount of money received

(iii) The person who made the payment and to whom the payment was made to.

(iv) The date of payment

(c) Cheque: A cheque is defined as a written order or instruction made upon a bank to pay a specific sum of money to a named person at a specific date. A cheque is a source document used as a means of receipts and payments instead of the physical cash.

Parties to a cheque

There are three parties to a cheque namely – the drawer, the drawee and the payee

* The drawer is the owner of the account who issues out or draws the cheque.
* The drawee is the bank to which instruction is given to pay.
* The payee is the person to whom the money will be paid.

(d) Debit Note: This is sent by the seller to the buyer when there is an undercharge in the original invoice. A debit note can also be sent when there is an omission or return of goods.

(e) Credit Note: This is normally printed in red to distinguish it from an invoice. It is used when an invoice is overcharged, that is when the buyer is wrongly overcharged or goods are returned by the buyer. It is also called a credit memo.

(f) Petty Cash Voucher: This is a written authorization to pay small amounts in cash. Usually the Petty cashier fills out the voucher and ensures that the person requesting the cash signs it. The petty cashier then disburses the money and files the voucher in the petty cash container.

g. Cash register tape: A cash register tape is a machine for quick and accurate recording. This helps when recording volume of transaction. The machine automatically prints receipt on the tape for the customers each time a sale is made.

EVALUATION:

1. All except one are source documents. A. invoice b. debit note c. receipt d. delivery note e. credit note.
2. An invoice contains all the items listed below except one. a. names and addresses of the buyer and seller b. quality of goods c. date of sales d. description, quantity and unit price of goods e. terms on which the goods are sold.
3. A document that is written out by the seller for goods returned is a \_\_\_\_\_\_\_\_\_ a. purchase note b. purchase return c. debit return d. credit note e. debit note.
4. The burden of \_\_\_\_\_\_\_\_\_\_\_ has been erased with the introduction of cash register machines. a. accounting b. business c. book-keeping d. calculation e. all of the above.
5. The two types of transaction are ------------ and ------------ a. cash and credit b. payment and credit c. credit and debit d. cash and bank e. credit note and debit note.

Essay:

1. Explain the term invoice

2. Differentiate between Credit note and Debit note

2. Differentiate between Receipt and Invoice

# WEEK 10

JOURNALS

Journal is a document which contains the daily records of business transactions. Each record in a journal is called an entry. The journal is called a book of original entry because its entries are transferred to a second book.

Format of a Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | Folio | Invoice No. | Amount |
|  |  |  |  |  |

Types of Journal

We have two major divisions of Journals: General Journal and Special Journal

General Journal: this is a book that records all transactions (both sales and purchases). It is also used to correct errors made in the books of account. It is used when no special journal exists. It can also be called The Journal.

Format of a General Journal

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Particulars | Folio | Invoice No. | Dr.` | Cr. |
|  |  |  |  |  |  |

Special Journal: it is used to record only one type of entry. Types of Special Journals are listed below:

1. Purchases Journal
2. Sales Journal
3. Return Inward Journal
4. Return Outward Journal

In order to keep the general ledger free from unnecessary details, separate journals are kept for credit transactions concerning sales and purchases.

Let’s take each of them one after the other.

Purchase Day Book or Purchases Journal

Purchase Day Book: This is also known as the bought Journal. It is used to record all daily particulars of goods bought for resale on credit. It is maintained exclusively for credit purchases of goods meant for resale. Entries are made in the purchase journal from the purchase invoices issued by the sellers.

PREPARATION OF PURCHASE JOURNAL

Debit purchase account with the total amount of purchases for the period. Credit the individual seller’s (creditor) account with the net amount.

Example

Enter these transactions in the purchase journal of Oke & sons for the month of June 2000, and post this to the ledger, June 15 Ekpe & Co.: Invoice No. 102

15 Dozens of Eraser at 250k a dozen

30 Rulers at 50k each

40 Writing pad at 10k each

200 Envelopes at 15k per 25

Invoice subject to 10% trade discount

June 16 Bought from Ayi Effiom Bookshop invoice No. 37

10 Reams of foolscap at N350 per ream

6 Dozen Exercise books at N12 a dozen

21 B. Allegro, invoice No. ACP 134 N6,500

Subject to 20% trade discount

Oke & Sons

Purchases Journal for the month of June, 2000

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | Invoice | Folio | Detail | Total |
| June 5 | EKPE & Co. | 102 | L8 | N | N |
|  | 15 dozen erasers @ 25k a dozen  30 rulers @ 50ok each  40 writing pads @ 10k each  200 envelopes @ 15k per 24  Less 10% trade discount |  |  | 37.50  15.00  4.00  120.00  176.50  17.65 | 158.85 |
| June 10 | Ayi Effiom Bookshop  10 reams of foolscap @ N350 a ream  6 dozen exercise books @ N120 a dozen | 37 | L9 | 3,500.00  720.00 | 4,220.00 |
| June 21 | B. Alogbo  Purchase of goods  Less 20% trade discount | ACP 134 | L10 | 6,500.00  1,300.00 | 5,200.00 |
| June 30 | Purchase Accounts | Dr | L12 |  | 9,578.85 |

SALES JOURNAL: This is one of the books of original entry. It is used to record daily sales of goods on credit. The recording of transactions into sales journals is the same as purchase journal except in posting to the ledger. In the ledger, debtors (customers) personal accounts are debited and sales accounts credited in the general ledger with the total amount of credits sales for the period.

Example

Aneke venture is a dealer is cloth materials. Enter the transaction below in his sales day book.

November 2, 2000 Sold to Ibete $ Sons and issued invoice No. 163

200 Meters of Nylon material at N150 a meter

180 Meters of Silk material at N120 a meter

160 Meters of Travara material at N170 a meter

Invoice is subject to 5% trade discount

iNovember 18, 2000 Sold to Ada & Sons invoice No. 46

7 Nylon shirts at N550 each

11 Singlets at N140 each

2 Dozens handkerchiefs at N115 each

Anieke Venture

Sales Day Book for the Month

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | Invoice | Folio | Detail | Total |
| Nov. 2 | IBETE & SONS | 102 | L8 | N | N |
|  | 200 meters of Nylon @ N150 a meter  180 meters of silk @ N120 a meter  180 meters of Travara @ N1790 a meter  Less 10% trade discount |  |  | 30,000  21,600  27,200  78,800  3,940 | 74,860 |
| Nov. 18 | ADA & SONS  7 Nylon shirts @N550 each  11 Singlets @ N140 each  2 Dozens Handkerchiefs @ N15 | 45 | L4 | 3,850  1,540  360 | 5,750 |
|  | Sales Accounts | Cr |  |  | 80,610 |

EVALUATION

1. What do you understand by the term Purchase day book and Sales day book?

2. What is the purpose of each journal?

Sub-Topic 2: Returns Outward Day Book and Returns Inward Day Book:

Returns Outward Day Book:

This day book is also called Returns outward Journal or purchases return book. It is used for recording all goods returned to the sellers and allowances granted by them. Entries are made from the credits notes received from the seller. The total amount of the returns and allowances for a period are credited to the returns outwards account in one figure in the ledger while individual items are debited to the personal accounts sellers in the purchase ledger.

Example:

The following returns were made to sellers on the dates shown. Record them in the returns outwards journal.

Oct. 5 Returned 1 carbon of biscuit at N250 to B. Ekpe, Credit Note No. 02/13

Oct. 6 Returned to R. Igwe Note No. 02/44 N500

Oct. 8 Received a note from Obongha & Sons on goods returned, Note No.27 N450

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Supplier/Seller | Note No. | Folio | Amount |
| Oct. 5  6  8  8 | B. Ekpe  R. Igwe  Obongha & Sons  Returns Outwards A/C CR | 02/13  02/24  27 | 7  8  29 | N250  N500  N450  N1,200 |

Returns Inward Day Book:

This is also known as sales return book or Returns inward Journal. It is used for recording the particulars of all goods returned by customers and the allowance granted to them. The source document for returns inwards journals is the credit note prepared by the seller who is accepting the goods returned.

Example

The following returns were made by Ibete & Co customer on the date specified. Record the transactions into the returns inwards journal.

Feb.10 Eko & Sons, Note No. 17 N100

Feb.12 Upla Enterprises Note No. 18 N280

Feb.16 Ethothi Ventures Note No. 20 N350

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Name of Customer | Note No. | Folio | Amount |
| Feb. 10  Feb. 12  Feb. 16  Feb. 16 | Eko & Sons  Upla Enterprises  Ethothi Venture  Retuns Inward A/C DR | 17  18  20 | 3  7  10 | N100  N280  N350  N730 |

EVALUATION

1. Explain the term Return Outward Day Book

2. What is the purpose of Returns Inward Journal?

READING ASSIGNMENT

Business Studies for Junior Secondary School Book 2 produced by Cross River State Government Chapter 12 pages 62-67

WEEKEND ASSIGNMENT

1. From the following particulars, prepare purchases day book of Eteng & Co.

Jan. 5 Bought goods from Arikpo and Sons

3 Cartons of Biscuit at N450 a carton

2 cartons of Jumbo matches at N350 a carton

The invoice is subject to 5% discount

Jan. 8 Received invoice No. 11 from Abuo Enterprises.

4 dozens of 40 leaves exercise books at N600 a dozen

100 erasers at 5 for N2

20 rulers at N4 each

2. Credit sales were made to the under mentioned customers. Record the transaction in the sales journals.

April 5 Okoro Enterprises, invoice No. 02/8 N1,020

April 7 Otan & Co., invoice No. 02/12 N2,500

April 9 Ogbodin, A.A. invoice No. 02/16 N1,350

April 10 Agbo & Sons, invoice No. 02/20 N3,150

April 15 Peterson invoice No. 02/21 N1,235

3. A Credit note was received from Onete Ukam by E. Ina. Below is the credit note No. 102:

1 Carton of biscuit at N350 N350

25 Empty cases returned at N15 each N375

N725

You are required to prepare returns outward journal

4. Record the following transactions into the returns inward journal

June 6 O. Etim, Note No. 41 275

June 8 A. O. Aduquo, Note No. 43 330

June 9 Onda Enterprises, Note No. 44 250

June 11 Owal & Sons, Note No. 46 315

Evaluation:

1. Information for the Purchases Journal is obtained from the \_\_\_\_\_\_\_\_\_\_a. invoice b. receipt c. debit note d. credit note e. purchase order.
2. Which of the following books acts as a book of original entry only? A. journal b. cash book c. petty cash book d. purchases ledger e. general ledger.
3. The other name for the Purchases Journal is \_\_\_\_\_\_\_\_\_\_ a. general day book. B. returns inwards book c. purchases day book d. sales day book e. returns outwards book.
4. Information for the purchases journal is also in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_a. receipt b. invoice c. cash register d. credit note e. debit note.
5. Entries in the sales day book are gathered from\_\_\_\_\_\_\_\_\_\_ a. duplicate invoices of all items sold b. duplicate receipts of all items sold c. duplicate invoices of all items purchased d. duplicate receipt of all items purchased e. duplicate pro forma invoices.
6. The document issued to the buyer after making entries into the Returns Inward Journal is called a/an\_\_\_\_\_\_\_\_\_ a. invoice b. order receipt c. cash receipt d. waybill e. credit note.

Essay

1. Define the term cheque.

2. State three types of source document

Reading Assignment:

Business Studies for Junior Secondary School Book 1 produced by Cross River State Government, Chapter 8 & 9 pages47-54

WEEK 11–13 Revision and Examination.