



Entrepreneurial Studies

Grade **11**

Teachers' Guide

(To be Implemented from 2016)



Department of Commerce
National Institute of Education
Maharagama
Sri Lanka
www.nie.lk



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**Department of Commerce
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National Institute of Education**

Message from the Director General

The first phase of the new competency based curriculum, with an 8 year curriculum cycle was introduced to secondary education in Sri Lanka in 2007 replacing the existing content based education system with the basic objective of developing the national level competencies recommended by the National Education Commission.

The second phase of the curriculum cycle to be introduced to grades 6 and 10 starts in 2015. For this purpose, National Institute of Education has introduced a rationalization process and developed rationalized syllabi for these grades using research based outcomes and various suggestions made by different stakeholders.

In the rationalization process, vertical integration has been used to systematically develop the competency levels in all subjects from fundamentals to advanced levels using the bottom up approach. Horizontal integration is used to minimize overlapping in the subject content and to reduce content overloading in the subjects to produce more student friendly and implementable curricula.

A new format has been introduced to the Teachers' Guide with the aim of providing teachers with the required guidance in the areas of lesson planning, teaching, carrying out activities and measurement and evaluation. These guidelines will help the teachers to be more productive and effective in the classroom.

The new Teachers' Guides provide freedom to the teachers in selecting quality inputs and additional activities to develop the competencies of the students. The new Teachers' Guides are not loaded with subject content that is covered in the recommended textbooks. Therefore, it is essential for the teacher to use the new Teachers' Guides simultaneously with the relevant textbooks prepared by Education Publications Department as reference guides to be more aware of the syllabi.

The basic objectives of the rationalized syllabi and the new format of the teachers' guide and newly developed textbooks are to bring about a shift from the teacher centred education system into a student centred and more activity based, education system in order to develop the competencies and skills of the school leavers and to enable the system to produce suitable human resource to the world of work.

I would like to take this opportunity to thank the members of Academic Affairs Board and Council of National Institute of Education and all the resource persons who have immensely contributed in developing these new teacher guides.

**Prof. Gunapala Nanayakkara
Director General
National Institute of Education**

Message from the Deputy Director General

Education from the past has been constantly changing and forging forward. In recent years, these changes have become quite rapid. Past two decades have witnessed a high surge in teaching methodologies as well as in the use of technological tools and in the field of knowledge creation.

Accordingly, the National Institute of Education is in the process or taking appropriate and timely steps with regard to the education reforms of 2015.

It is with immense pleasure that this Teachers' Guide where the new curriculum has been planned based on a thorough study of the changes that have taken place in the global context adopted in terms of local needs based on a student-centered learning-teaching approach, is presented to you teachers who serve as the pilots of the schools system.

An instructional manual of this nature is provided to you with the confidence that, you will be able to make a greater contribution using this.

There is no doubt whatsoever that this Teachers' Guide will provide substantial support in the classroom teaching-learning process at the same time. Furthermore the teacher will have a better control of the classroom with a constructive approach in selecting modern resource materials and following guide lines given in this book.

I trust that through the careful study of this Teachers Guide provided to you, you will act with commitment in the generation of a greatly creative set of students capable of helping Sri Lanka move socially as well as economically forward.

This Teachers' Guide is the outcome of the expertise and unflagging commitment of a team of subject teachers and academics in the field Education.

While expressing my sincere appreciation of this task performed for the development of the education system, my heartfelt thanks go to all of you who contributed your knowledge and skills in making this document such a landmark in the field.

**M.F.S.P. Jayawardena
Deputy Director General
Faculty of Science and Technology
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Instructions for using the Teachers' Guide

The subject, entrepreneurial studies is a new subject introduced for Grade 10 and 11 at Senior Secondary level of the schools system of Sri Lanka under the curriculum reforms implemented in 2007. The implementation of entrepreneurship education in school can be stated as a global trend in the new millennium. Entrepreneurship skills are quite important and are extremely higher level skills possessed by individuals and these skills can be developed within the individual. Entrepreneurship involves the way people think independently and act accordingly. Therefore there is the possibility of changing the attitudes of individual drastically through entrepreneurship education. Whreby a country enjoys the ability of accepting the contribution of such individuals to gain socioeconomic benefits for the State. Here, the teacher of entrepreneurship education has to play a significant role. One has to move away from the traditional teacher's role and transform the students to a dynamic learning, team when they are provided entrepreneurship education. It is important for teachers to prepare their lessons adopting an exploratory and investigative observational investigative attitude. Activities are proposed in the teacher guide for the learning teaching process in relation to all the competency levels of the syllabus.

It is important to focus on the familiar in the preparation of lessons in order to achieve the expected learning outcomes. In addition to this teachers are expected to use activities and strategies familiar to them without depending solely on the activities proposed here. However, students who study the Entrepreneurial studies subject in grade 10 and 11 are expected to developed a state of mind capable of thinking along entrepreneurial lines.

Entrepreneurship education has been implemented in almost all counties including the European Commission. The publication (March, 2013) published by the European Commission under the title "Entrepreneurship Education : A Guide for Educators has pointed out how to become an effective entrepreneurial teacher and that it is vital that one considers this matter in extreme depth since you are a teacher of Entrepreneurial Education with commitment .

- Entrepreneurship education is more than preparation on how to run a business. It is about how to develop the entrepreneurial attitudes, skills and knowledge which, in short, should enable a student to 'turn ideas into action'
- Teachers cannot teach how to be entrepreneurial without themselves being entrepreneurial
- Entrepreneurial competences require active methods of engaging students to release their creativity and capacity for innovation
- Entrepreneurial competency and skills can be acquired or built only through hands-on, real life learning experiences

- Entrepreneurial skills can be taught across all subjects as well as in the form of a separate subject.
- Entrepreneurship education should focus on ‘intrepeneurs’ as well as entrepreneurs, in light of the fact that most students will use entrepreneurial skills within companies or public institutions.
- To give entrepreneurship education real traction, there is a need to develop learning outcomes related to entrepreneurship and related assessment methods and quality assurance procedures for all levels of education. These should be designed to help teachers progress in the acquisition of entrepreneurial knowledge, skills and attitudes.

In the teaching learning process, it is important to have a thorough knowledge of the content of lessons related to each and every competency in the textbook on entrepreneurial studies. Hence, the learning teaching process should be planned using the textbook along with the Teacher Guide.

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Content of the Syllabus

Introduction

The overall goal of entrepreneurial education is to give students the knowledge, attitudes and skills to behave in an entrepreneurial ambience. The subject, Entrepreneurial Studies was introduced as a new subject for grades 10 and 11 in the senior secondary syllabus when the educational reforms were implemented in the year 2007. The education on entrepreneurship is lifelong education. This is a new trend in the 21st century world. Currently almost all the countries in the European Commission implement the policy decision of providing education in entrepreneurship from the primary education onwards. The countries in the European Commission have taken this step as a measure of facing global challenges of the 21st century.

The Practical and technical subjects which are included in the junior secondary syllabi from grades 6-9 in Sri Lanka is the initial stage of this subject. The students who study these subjects acquire foundation knowledge about entrepreneurship and they get the opportunity to improve their knowledge, skills and attitudes through the subject, entrepreneurial studies when they are in grades 10 and 11. Furthermore, they are provided with the opportunity of studying further on entrepreneurship when they pursue the subject, Business studies for their Advanced Level. Universities too have paved the way for these students when they reach higher education.

This subject which was implemented in the year 2007 has now been modified after making certain changes in order to make it a very interesting subject for students. This was done using the information elicited through surveys conducted on the implementation of this subject in the classroom, and the experience gained in the field. Mainly, the depth of the content of the subject was reduced, the competencies and the sub competencies have been aligned more rationally and the subject content, organized accordingly. The quality of the subject was further developed using feedback from a team of teachers after getting them to teach the new syllabus prepared as above. It is believed that this syllabus is now at the most suitable level for the teaching learning process in grades 10 and 11.

Although the study of entrepreneurship is very useful for individuals and the country, it is a pity, that there are few opportunities for the pursuit of this subject. Therefore, providing students the opportunity of selecting entrepreneurship for study is the responsibility of education authorities , principals and teachers of the education system.

National Goals

The national system of education should assist individuals and groups to achieve major national goals that are relevant to the individual and society.

Over the years major education reports and documents in Sri Lanka have set goals that sought to meet individual and national needs. In the light of the weaknesses manifest in contemporary education structures and processes, the National Education Commission has identified the following set of goals to be achieved through education within the conceptual framework of sustainable human development. The National Education Commission sees the realisation of these goals as its vision for the education system.

- (i) Nation building and the establishment of a Sri Lankan identity through the promotion of national cohesion, national integrity, national unity, harmony, and peace, and recognizing cultural diversity in Sri Lanka's plural society within a concept of respect for human dignity.
- (ii) Recognising and conserving the best elements of the nation's heritage while responding to the challenges of a changing world.
- (iii) Creating and supporting an environment imbued with the norms of social justice and a democratic way of life that promotes respect for human rights, awareness of duties and obligations, and a deep and abiding concern for one another.
- (iv) Promoting the mental and physical well-being of individuals and a sustainable life style based on respect for human values.
- (v) Developing creativity, initiative, critical thinking, responsibility, accountability and other positive elements of a well-integrated and balanced personality.
- (vi) Human resource development by educating for productive work that enhances the quality of life of the individual and the nation and contributes to the economic development of Sri Lanka.
- (vii) Preparing individuals to adapt to and manage change, and to develop capacity to cope with complex and unforeseen situations in a rapidly changing world.
- (viii) Fostering attitudes and skills that will contribute to securing an honorable place in the international community, based on justice, equality and mutual respect.

(Extracted from : National Education Commission report, 2003)

Basic Competencies

The following competencies promoted through the education will help to achieve the above mentioned National Goals.

(i.) Competencies in Communication

This first set of competencies is made up of four subsets - Literacy, Numeracy, Graphics and information communication skills :

Literacy : Carefully listening, Speaking clearly, Reading for comprehension, writing clearly and accurately.

Numeracy : Using numbers to count, calculate, code and to measure, matter, space and time.

Graphics : Making sense of line and form, expressing and recording essential data, instructions and ideas with line, form, colour, two and three-dimensional configurations, graphic symbols and icons

ICT Competencies: Knowledge on computers, and the ability to use the information technology skills at learning or work as well as in the private life

(ii.) Competencies relating to the Personality Development

- Generic skills such as creativity, divergent thinking, initiative, decision making, problem-solving, critical and analytical thinking, team work, inter-personal relationships, discovering and exploring
- Values such as integrity, tolerance and respect for human dignity.
- Cognition

(iii.) Competencies related to the Environment.

This is the second set of competencies related to the Social, Biological and Physical Environments.

Social Environment: Awareness, sensitivity and skills linked to being a member of multi cultural plural society, social relationship, personal conduct, general and national heritage, legal conventions, rights, responsibilities, duties and obligations.

Biological Environment: Awareness, sensitivity and skills linked to the living world, man and the ecosystem, trees, forests, seas, water, air and life - plant, animal and human life.

Physical Environment: Awareness, sensitivity and skills related to space, energy, fuels, matter, materials and their links to human living, food, clothing, shelter, health, comfort, respiration, sleep, relaxation, rest, wastes and excretion, media of communication and transport.

(iv.) Competencies related to Preparation for the world of work

Employment related skills to maximize their potential and to enhance their capacity to contribute to economic development; to discover their vocational interests and aptitudes; to choose a job that suits their abilities and; to engage in a rewarding and sustainable livelihood

(v.)Competencies related to religion and ethics

This fourth set of competencies are laden with values and attitudes. It is essential for individuals to assimilate values, so that they may function in a manner consistent with the ethical, moral and religious modes of conduct, rituals and practices in everyday living, selecting the most appropriate.

(vi.) Competencies in Play and Use of Leisure

Competencies that link up with pleasure, joy, emotions and such human motivations. These find expression in play, sports, athletics and leisure pursuit of many types. These also link up with such values as cooperation, team work, healthy competition in life and work. Included here are such activities that are involved in aesthetics, arts, drama, literature, exploratory research and other creative modes in human living.

(vii.)Competencies related to ‘Learning to learn’.

These competencies flow directly from the nature of a rapidly changing, complex and interdependent and crowded world. Whatever one learns, that learning will need updating and review. This requires that one should be aware of, sensitive and skilful in sustained attention, and be willing to persevere and attend to details that matter in a given situation.

4.0 Objectives

- (1) To provide awareness of the basic concept related to entrepreneurship
- (2) To acquire basic knowledge on the nature of business activities and the Economic and Social importance of business.
- (3) To build the foundation required to study further in the field of entrepreneurship education.
- (4) To be able to act as a successful entrepreneur adopting oneself to the dynamic business environment
- (5) To become a real entrepreneur by developing an interest in entrepreneurship
- (6) To acquire entrepreneurial competencies in order to be able to act successfully in any role in society.
- (7) To acquire a successful approach for involvement in business.
- (8) To become an individual of high performance calibre.
- (9) To become an individual who adds greater value for the economic development of Sri Lanka.
- (10) To become a self - actualized individual who enjoys high economic and social benefits

6.0 Assessment and Evaluation

School level

Entrepreneurship is a more practical, Social Science Subject. It is expected to implement the learning - teaching process of this subject so as to make it student- centered as much as possible. The school should plan a suitable assessments program for this. This assessment should be parallel to the learning - teaching process and it could be done by constructing suitable criteria when creating evaluation tools under the school - based evaluation program. It is expected that assessment and evaluation would measure the expected learning outcomes of the proposed activities in the teacher instructions manual planned for this subject. The following model and structure are expected to be followed when preparing question papers for the year and term tests.

There are two question papers as Entrepreneurial studies paper I and II for which answers should be provided within 3 hours.

For Grade 10

- Paper - I** - A Question paper consisting 25 multiple choice questions covering up to competency 4. Marks $25 \times 2 = 50$
- Paper - II** - Consisting 6 structured questions covering up to competency 4. Students should answer 5 questions. Marks $10 \times 5 = 50$

For Grade 11

- Paper - I** - A Question paper consisting 40 objective type questions (multiple and short answers) covering the whole syllabus. 40 Marks
- Paper - II** - 7 Questions consisting structured essay type questions covering the whole syllabus. Student should answer only 5 questions. 12 marks each. 60 marks for 5 questions.
- Total time allocated for question paper I and II is 3 hours. Total marks 100

It is proposed to construct questions based on cases in every possible instance when preparing structured questions for the second paper. All the questions in the question paper are expected to be constructed in order to achieve expected learning outcomes.

National level

At the end of Grade 11 National Level written Examination will be conducted by the Department of Examination.

Proposed competencies, Competency levels, Content, learning outcomes and No. of periods - Grade 11

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
5. Prepares plans to set up a business.			45
5.1 Reveals the necessity of a business plan in setting up a business.	<ul style="list-style-type: none"> • Business plan <ul style="list-style-type: none"> • Introduction • Benefits • Components of a business plan 	<ul style="list-style-type: none"> • Introduces business plan • Discusses the necessity of business plan when starting a business • Describes the elements of a business plan. 	03
5.2 Prepares a sales estimate for the products	<ul style="list-style-type: none"> • Sales estimate <ul style="list-style-type: none"> • Introduction • Information related to the sales estimates • Information related to the market • Marketing strategies for the proposed business • Sales forecast • Sales income and sales expenditure • Marketing fixed assets. 	<ul style="list-style-type: none"> • Presents information related to the market required to prepare a sales estimate • Explains marketing strategies with examples • Prepares a sales estimate based on the given information related to the market. 	09

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
5.3 Prepares the production cost estimate taking into consideration forecast sales	<ul style="list-style-type: none"> • Production cost estimate <ul style="list-style-type: none"> • Introduction • Inputs required for the production <ul style="list-style-type: none"> • Fixed assets • Raw material • Labour • Production cost <ul style="list-style-type: none"> • Raw material cost • Labour cost • Production overhead cost • Unit cost 	<ul style="list-style-type: none"> • Explains the resources required for a production with examples • Calculates the value of inputs required for proposed production • Calculates the unit cost after estimating the total production cost of proposed production. 	09
5.4 Prepares the estimate related to the administrative activities of a proposed business	<ul style="list-style-type: none"> • Estimate related to administrative activities <ul style="list-style-type: none"> • Introduction • Administrative positions and functions • Wages and salaries of employees • Other administrative expenses • Administrative fixed assets. 	<ul style="list-style-type: none"> • Presents examples for the positions and functions related to the positions included in the administrative plan of a proposed business. • Calculates expenses related to administrative functions of a proposed business. • Prepares an estimate of administrative expenses for a proposed business. 	06

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
5.5 Prepares the preoperational expenses estimate of the financial plan.	<ul style="list-style-type: none"> • Financial estimate <ul style="list-style-type: none"> • Introduction • Preoperational activities and expenses of a business <ul style="list-style-type: none"> • Introduction • Market survey • Development of the place • Searching for material and equipment • Registration • Others 	<ul style="list-style-type: none"> • Presents examples of preoperational activities of a proposed business. • Calculates expected preoperational expenses of a proposed business. • Prepares an estimate of preoperational expenses of a given business. 	03
5.6 Prepares the investment estimate considering the total expenses required to set up the proposed business	<ul style="list-style-type: none"> • Total investment estimate <ul style="list-style-type: none"> • Introduction • Fixed assets • Total preoperational expenses • Amount of cash required in hand for day to day activities. 	<ul style="list-style-type: none"> • Presents, with examples the items included in a total investment estimate of a proposed business. • Forecasts expenses required to maintain day to day activities of a proposed business. • Prepares a total investment estimate for a given business. 	06

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
5.7 Prepares a statement including expected cash inflows and cash outflows.	<ul style="list-style-type: none"> • Cash inflows and cash outflows <ul style="list-style-type: none"> • Introduction • Expected cash inflows • Expected cash outflows 	<ul style="list-style-type: none"> • Presents examples of cash inflows of a proposed business • Presents examples of cash outflows of proposed business. • Prepares a statement including cash inflows and cash outflows of a given business. 	03
5.8 Calculates the outcome of business activities taking into consideration the expected expenses and income.	<ul style="list-style-type: none"> • Calculating the outcome of a business <ul style="list-style-type: none"> • Introduction • Total income • Total expenses • Expected profit 	<ul style="list-style-type: none"> • Presents, with examples, items required to calculate the outcome of a business for a specific period. • Presents, with values, the items required to calculate the outcome of a given business. • Calculates the outcome of a given business for a given period. 	06

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
6. Inquires about types of organizations suitable to commence business.			24
6.1 Studies types of business organizations.	<ul style="list-style-type: none"> • Types of business organizations <ul style="list-style-type: none"> • Introduction • Categorizing according to objective • Categorizing according to ownership 	<ul style="list-style-type: none"> • Explains business organizations with examples • Presents examples after categorizing business organizations according to the objectives • Categorizes business organizations according to ownership 	03
6.2 Inquires about sole proprietorship business organizations	<ul style="list-style-type: none"> • Sole proprietorship business <ul style="list-style-type: none"> • Introduction • Basic features • Inception • Benefits & limitations 	<ul style="list-style-type: none"> • Presents examples of basic features of sole proprietorship businesses • Explains the inception procedure of sole proprietorship businesses • Presents benefits and limitations of sole proprietorship businesses 	06
6.3 Inquires about partnership business organizations	<ul style="list-style-type: none"> • Partnership business <ul style="list-style-type: none"> • Introduction • Basic features • Inception • Benefits & limitations 	<ul style="list-style-type: none"> • Presents examples of basic features of partnership businesses • Explains the inception procedure of a partnership business • Presents benefits and limitations of partnership businesses. 	06

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
6.4 Inquires about incorporated companies	<ul style="list-style-type: none"> • Incorporated companies <ul style="list-style-type: none"> • Introduction • Basic features • Private limited companies • Inception • Benefits and limitations 	<ul style="list-style-type: none"> • Presents examples of basic features of an incorporated company' • Explains the inception procedure of private limited companies. • Presents benefits and limitations of a private limited company 	06
6.5 Inquires about franchise business	<ul style="list-style-type: none"> • Franchise businesses <ul style="list-style-type: none"> • Introduction • Basic features • Inception • Benefits and limitations 	<ul style="list-style-type: none"> • Explains basic features of a franchise business • Presents the inception procedure of franchise businesses • Presents benefits and limitations of a franchise business 	03

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
7. Explores the prevailing opportunities for the emergence of an entrepreneurial culture in Sri Lanka.			21
7.1 Explores the prevailing opportunities and limitations in relation to the creation of an entrepreneurial culture in Sri Lanka.	<ul style="list-style-type: none"> • Opportunities for creation of an entrepreneurial culture in Sri Lanka. <ul style="list-style-type: none"> • Introduction to the entrepreneurial culture • Necessity for the creation an entrepreneurial culture • Social and economic factors favorable to the creation of an entrepreneurial culture. <ul style="list-style-type: none"> • Economy and politics in the country. • Incentives given by the government and the other institutions 	<ul style="list-style-type: none"> • Presents reasons for the necessity of an entrepreneurial culture in Sri Lanka. • Presents examples of the economic and social factors influencing the creation of an entrepreneurial culture in Sri Lanka. • Explains the factors hindering the emergence of an entrepreneurial culture in Sri Lanka 	06

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
7.2 Examines the importance of the role played by women in the creation of an entrepreneurial environment in Sri Lanka.	<ul style="list-style-type: none"> • Continuing family business • Ability to obtain resources • Support from the big businesses • Role models • Support from various parties • Social factors acting against the creation of interest in entrepreneurship. <ul style="list-style-type: none"> • Women's role as an entrepreneur <ul style="list-style-type: none"> • Introduction • Necessity of women volunteering to do business and the opportunities available for this • Strengths of women as entrepreneurs • Barriers to women to do business 	<ul style="list-style-type: none"> • Proves the necessity of women volunteering to do business • Discusses the strengths of women to play an entrepreneurial role. • Presents examples of the limitations existing in Sri Lankan society regarding women getting involved in business. 	06

Competency and Competency Level	Subject content	Learning outcomes	No. of Periods
7.3 Shows interest in contributing towards building up of a good entrepreneurial culture while conforming to social responsibilities and ethics.	<ul style="list-style-type: none"> • Social responsibilities and ethics of business <ul style="list-style-type: none"> • Introduction • Interested parties in business • Necessity of following social responsibility and ethics of business 	<ul style="list-style-type: none"> • Clarifies own idea about social responsibilities and ethics of business • Explains, with examples, the parties to whom businesses are bonded by social responsibility • Discusses the necessity of following social responsibility and business ethics 	03
7.4 Exhibits interest in searching for institutions and programs working towards promoting new business start ups.	<ul style="list-style-type: none"> • Available incentives and institutions for new business start ups <ul style="list-style-type: none"> • Introduction and necessity • Types of incentives <ul style="list-style-type: none"> • Financial • Non financial • Institutions providing incentives <ul style="list-style-type: none"> • Financial incentives • Non financial incentives 	<ul style="list-style-type: none"> • Discusses the necessity of providing incentives to new business start ups. • Provides examples of financial and nonfinancial incentives available for Sri Lankan entrepreneurs • Presents examples of institutions providing financial and non financial incentives to Sri Lanka entrepreneurs 	<p>06</p> <p>90</p>

Competency 5	: Prepares plans to start a business
Competency Level 5.1	: Reveals the necessity of a business plan to start a business.
No. of Periods	: 03

Learning Outcomes :

After completion of this lesson students will be able to

- Introduce a business plan
- Discuss the necessity of a business plan when starting a business
- Describe the elements of a business plan

Instructions for Lesson Planning :

Get a sound understanding of the subject content in the syllabus of the subject relevant for this competency level and the subject matter in the relevant pupil text. Then pay attention to the instructions given below.

- When you set the scene in the first lesson which is relevant to this competency level, present the housing plan included in annex 5.1.1
- Brain storm the students by inquiring about the necessity of the interior parts of the house in the ground plan which should be prepared before building a house and the necessity of such a plan.
- Emphasize to the students that the business plan should be prepared to activate the business ideas of the entrepreneur by converting it to make a real business.
- Make the students aware of the necessity and the advantages of a business plan when introducing the business plan and starting a business, soon after the above activity.
- Explain briefly about the basic elements below that the business plan comprises
 - Executive summary
 - Market analysis
 - Marketing Plan
 - Production cost estimate
 - Administrative estimate
 - Financial estimate
- Get the students involved in the task of exploration with the help of the instructions in annex 5.1.2 and the Chief Guest's speech included in the annex 5.1.3.
- Provide the students with suitable assessments using the objective or structured essay type questions for the learning-teaching process of this competency level.

Key Terms

Basic concepts

- Business plan and its basics elements.
- Executing summary
- Market Analysis
- Marketing Plan
- Production cost estimation
- Administrative estimation
- Financial estimation

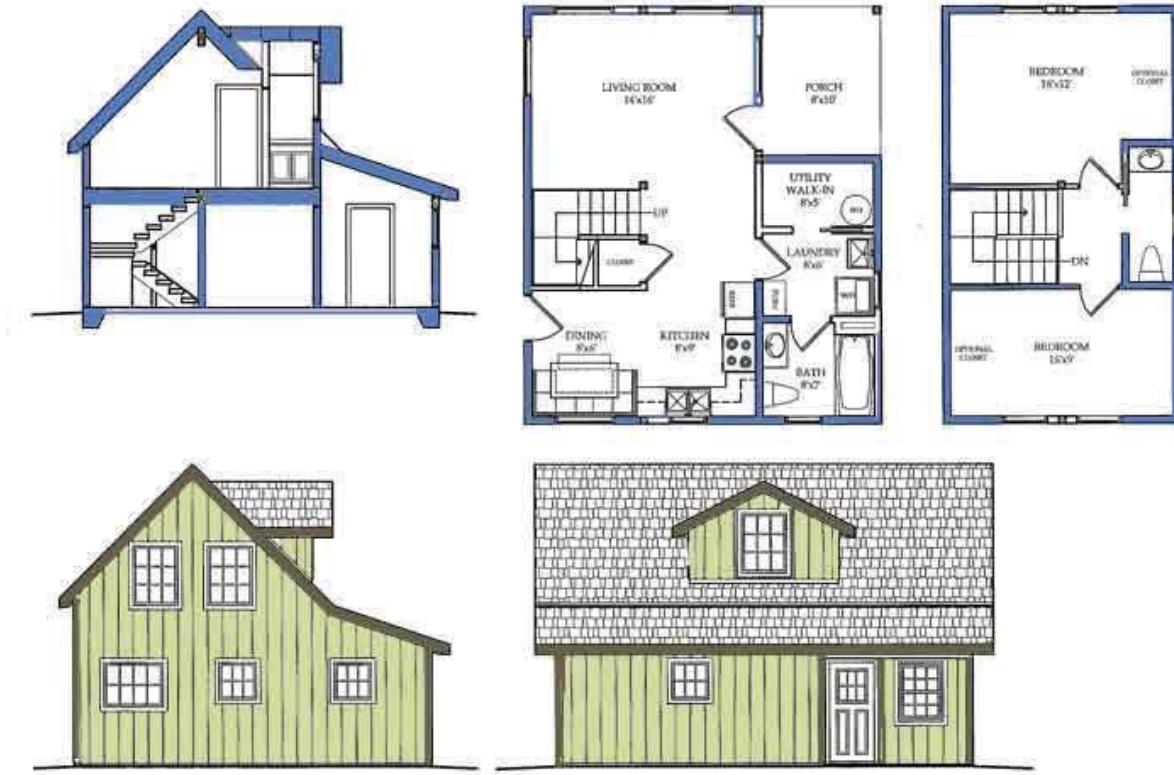
Quality inputs

- Grade 11 Pupil text book.
- A copy of the Housing Plan in annex 5.1.1.
- Copies of annex 5.1.2 and 5.1.3

Criteria for assessment and evaluation

- Describes the business plan.
- Shows the advantages of a business plan.
- Names the basic elements of a business plan and describes same.

Housing Plan



Instructions for the team exploration

- The Chief Guest's speech that you have got should be studied well.
- The importance of the business plan mentioned in that speech should be highlighted.
- Should there be other material in the speech, you feel, you need further explanation, mention them.
- Explain what the words and phrases printed in bold in that speech, mean.
- Explain the meaning of the words printed in bold.
- Write down further information about a business plan.
- Get ready to present your findings in a suitable manner, to the entire class.

The Chief Guest's Speech

An extract of the speech of a bank manager who participated as the chief guest in a programme organised by the Commerce Society of the school is given below.

The main function of Banks is facilitating financial transactions. Most of those who come to us to obtain loans do not possess a plan of their business. We provide loans after making a thorough study of the business plan and evaluating it. For what purpose is a loan required through the plan? How are such loans invested in the business? What is the investment made by the businessman on his business? During which periods is the loan required? How is the loan settled, from the earnings of the business, while the business is going on? needs to be considered. Actually, it is not only for the purpose of obtaining a loan that the business plan is required. Is the business set up, successful? Are there sufficient earnings in relation to the amount invested? Similarly, good confidence regarding one's business is built in the businessman. Where the bank is concerned it makes a follow-up study to investigate whether the business is being carried out according to the business plan, and whether further assistance of the bank is required for that purpose. A Business Plan is a good picture of the prospective business. Similarly, a road-map of the business showing how well it progresses is required. You know that a plan is prepared before constructing a building. In the same way, a written plan has to be drawn before starting a business. Similarly a road-map of the business showing how well it progresses is required. You know that a plan is prepared before constructing a building. In the same way a written plan has to be drawn before starting a business. When preparing a business plan, **the business to be set up should be introduced** and described. A **market analysis** showing businesses that pose competition to one's own business, the market share they have acquired, one's own market share, their business strategies, one's own business strategies etc. Next a **market plan** should be prepared giving, the quantum of goods or services expected to be marketed, a month or year, giving the sales price per unit, giving sales costs per month or year, giving the sales prices per unit, giving sales costs per month or year as well as production plan should be prepared showing expected sales including its production cost. Also an **administration estimate** should be included considering what it would cost to administer the business. Subsequently, a **statement of income**, taking into consideration the anticipated expenses and income, should be included in the Business Plan. Finally details regarding the **businessman, name of the Business**, the total loan expected, the return on the investment should be shown as a summary of investment earnings. Not only at the commencement of a business, a Business Plan is useful when it becomes necessary even to obtain necessary, loans in order to update an on going business. It is possible that most people setting up a business, will not possess knowledge of how to prepare a Business Plan, but there are professional organizations that prepare Business Plans and provide necessary advisory services. The services of such organizations can be obtained.

Competency 5 : Prepares plans to start a business.

Competency Level 5.2 : Prepares a sales estimate for the products.

No. of Periods : 09

Learning Outcomes:

- Presents information related to the market required to prepare a sales estimate
- Explains marketing strategies with examples
- Prepares sales estimate based on the given information related to the market.

Proposed instructions for the learning-teaching process :

Acquire good understanding of the subject content of the syllabus of the subject relevant to this competency level and the subject matter in the relevant pupil text book. Then pay attention to the instructions given below.

- Present the song "Issan Maguran, Loku Waligowwan....." and elicit the facts related to business included in that song when it is handled in the approach under this competency level. Otherwise it can be presented under the above mentioned literal concepts that can be elicited from a well known poem/verse or a speech
 - ★ Product
 - ★ Market
 - ★ Consumer
 - ★ Price, Market area
 - ★ Strategies used to increase sales
- Having introduced sales estimates, educate the students on the information in it.
- Explain that entrepreneurs should carry out a market review in order to gather the necessary information so as to prepare a sales estimate.
- Get the students involved in the group exploration task in 5.2.1 using the instruction for exploration provided to them and discover the basic concept relevant to this competency level.
- It is necessary that students are made to prepare a sales estimate under this competency level. In order to get them to do an exercise for this purpose, provide them with the instruction sheet in Annex 5.2.2 and the Business Sales Estimate on "Photo Toys" in Annex 5.2.3 and get them involved in the task.
- Instruct the students to study sales estimate of the "Soft Toys" business and prepare a sales estimate for their own product.
- In the learning-teaching process of this competency level use objective as well as structured essay type questions and evaluate students.

Examples :

- Prepare a list of sales expenditure to be included in the preparation a sales estimate.
- Mention the steps that can be taken by the sales staff of the small scale businessmen for the sales promotion of the product.

- Present the strategies that are activated to increase the sales of the business which are activated in your area mentioned below.

Eg. • Property sales
• Local fruit selling business
• Tuition classes
• Bakery products

Basic Concepts

- Market
- Product
- Competitiveness
- Sales Strategies (Product, Price, Place, Promotion)
- Sales forecast
- Sales income
- Sales expenditure
- Sales fixed assets

Quality inputs

- Grade 11 Pupil text book.
- Instruction sheet for team exploration in annex 5.2.1
- Instruction sheet for team exploration in annex 5.2.2
- Sales estimate of the 'Soft Toys' business in annex 5.2.3

Criteria for assessment and evaluation

- Sales estimate is prepared for a proposed business.
- Suitable sales strategies are decided on for the given products.
- Required information is presented for the preparation of a sales estimate.

Annex 5.2.1

Instructions for team exploration

Focuss the attention of your team on the topic given.

A Wedding Ceremony

Through a group discussion, decide on the business situation that can be created, based on the topic and write out that situation.

- Choose a business opportunity that can be decided to suit a business from such business opportunities.
- Name and introduce the goods or services expected to be provided according to that particular business opportunity.
- Explain the expected crowd (group of consumers) who are to be provided that good or service.
(Eg. Age limit, Income, Male/Female, Employment)
- Explain how that crowd is distributed geographically. (City limit, Divisionally)
- Explain the pattern of purchase of your goods or services by your customers (Constantly/daily/occasionally/rarely).
- From where or from whom do the customers at present get the goods or services that are expected to be provided?
- To what proportion of these customers do you expect to supply your goods or services (per day/per week/per month)
- How do you get your customers to purchase your good or service?
- What are the methods that you can adopt to attract your customer to your goods or service.
- Be prepared for a creative presentation of your findings to the whole class.

Annex 5.2.2

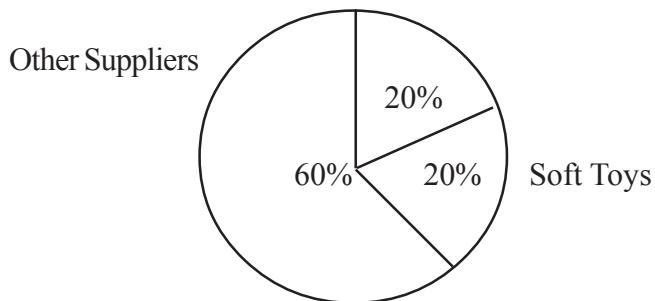
Instructions for team exploration

- Focuss your attention on the topic you have got from among the topics below.
 - ★ School bag
 - ★ Greeting cards
- Study the incident related to the "Soft Toys" business well.
- Lead a group discussion to prepare a sales estimate related to your topic to highlight the following points
 - ★ Product
 - ★ Targetted group customers
 - ★ Targetted market area
 - ★ Competitors, The percentage of their Market share
 - ★ Sales strategies of competitors

- ★ Own sales strategies
- ★ Expected monthly or annual quantum of sales and value
- ★ Expected monthly or annual sales turnover
- ★ Expected monthly or annual sale expenditure
- Express the facts highlighted through the discussion under the above headings
- Be prepared to make a presentation of your findings to the whole class.

Annex 5.2.3

- Sales estimate of the Proposed "Soft Toys" Business
- | | | |
|---|---|---|
| • Production | : | Fancy Pandas |
| • Targetted Customers | : | Women and children who are fond of pets. |
| • Market | : | People who request Fancy Pandas in the Kegalle District |
| • Geographical Area | : | The proposed geographical area of Kegalle District. |
| • Competitors and their
Market Share | : | Sunny toys - 20%
Soft Toys - 20%
Other Suppliers- 60% |



- **Market Strategies**

	Competitors	Soft Toys
Product	Pandas made of cloth and cotton	Fancy Pandas made of cloth and cotton.
Price	A price in addition to a profit Margin based on the cost of production	Low cost approximately close to the cost of competitor's Wholesale price of a unit is Rs. 300/=
Location/ Distribution	Through Retail (dealers) shops and publicity vehicles, weekly fairs	Retail fancy goods dealers distribute to the customers.
Promotion	Giving sales discounts Advertisements / cut outs	Display Pandas in shop fronts Display of digital printed banners

Sales Plan

- **Amount of Sales Unit**

Product	Units of Monthly Sales	Units of Annual Sales
Pandas made of Cotton	3000	36,000

- **Sales Turn Over**

Product	Units of Monthly Sales	Sales Price of a unit	Total Turn over - Rs	
			Monthly	Annually
Pandas made of Cotton	3000	Rs. 300/=	900,000	10,800,000

Sales Cost (Cost of Sales and Distribution)

Item	Monthly Expenditure	Annual Expenditure
Expenses on distribution	12,000	144,000
Expenses on Propaganda	15,000	180,000
Fuel	5,000	60,000
Depreciation of three Wheeler	4,000	48,000
Total	36,000	435,000

Competency 5	: Prepares plans to start a business
Competency Level 5.3	: Prepares the production cost estimate taking into consideration forecast sales
No. of Periods	: 09

Learning Outcomes :

- Explains the resources required for a production, with examples.
- Calculates the value of inputs required for proposed production.
- Calculates the unit cost after estimating the total production cost of the proposed production.

Instructions for Lesson Planning :

Acquires a sound understanding of the subject content in the syllabus relevant to this competency level and the subject matter in the pupil text related to it. Then focuss your attention on the instructions given below.

- When approaching the first lesson under this competency, level acquire several numbers of easily accessible materials for the students.

Example : ★ Pieces of paper
 ★ Straws, lids
 ★ Demy paper
 ★ Paper Serviettes
 ★ Paper plates
 ★ Cardboard
 ★ Used plastic pen shafts

- Assign the task and engage the students to create something using the given items, with instructions
- Lead a discussion about the item and the expenses needed for the production relevant to the creations of the students, mentioned below.
 - Raw material and the cost of raw material.
 - Labour and the cost of labour.
 - In-put out-put relationship.
 - Fixed assets
 - Other expenditure on the production (air, light)
 - Cost of production.
- Paper hat making game is proposed to give further experience about the concepts relevant to the estimation of the production cost.
- The instruction for making paper hats are included in 5.3.1 and the teacher should get sound understanding about the game.
- Stress further about the concepts relevant to production by engaging the students in the proposed game.

- Otherwise production game in annex 5.3.2 can be used.
- Engage the students in a team exploration included in annex 5.3.3 and the incident regarding Priyantha Furniture included in annex 5.3.4, after the game.
- Given below is an estimate of expense prepared, based on the information in the operations plan in relation to "Priyantha Furniture Manufacturers".

Estimate of the Production Cost		
	Rs.	Rs.
Materials		
Timber 1000 feet	15 000	
Nails 2 Kg	500	
Paint 2 L	1 500	
Other materials	2 500	19 500
Labour		
Carpenters 01	22 000	
Helpers 02 x 10000	20 000	42 000
Other Expenditure relevant to the production		
Factory electricity	1 000	
Factory rental	4 000	
Maintenance and repairs of machinery	2 000	
Factory cleaning	500	
Machinery waste	1 000	8 500
Total Production Cost		70 000

$$\text{Cost of a unit} = \frac{\text{Total production cost}}{\text{Amount of produced units}} = \frac{70000}{200} = \text{Rs. } 350/-$$

- Give suitable assessments to the students using objective structural essay type questions relevant to this competency level in the learning teaching process.

Example: • This is the expected information for the sole business of selling packets of rice & curry for the daily mid-day meal.

		Rs.
Samba Rice	- 08 Kg (1 Kg = Rs 75/-)	600.00
Vegetables	-	800.00
Fish	- 03Kg (1Kg = Rs. 400/-)	1200.00
Other items	-	1000.00
Coconuts	- 05 (each costs Rs. 50/-)	250.00
Fuel	-	500.00
Wages / charges of the cook -		500.00

- Calculate total production cost and the cost per unit.

Basic concepts

- Input / output / relationship
- Fixed assets
- Other expenditure on production
- Production cost
- Unit cost

Quality Inputs

- Grade 11 - Pupil Text
- Materials needed for the approach to the proposed activities
- 5.3.2 Group exploration instruction sheet
- 5.3.3 Copies of the Incident of the Priyantha Furniture.

Criteria for assessment and evaluation

- Presents the required information to prepare an estimate of the production cost.
- Calculates the Production units cost considering the amount of the production units and the total production cost.
- Prepares an estimate of production cost from the given information.

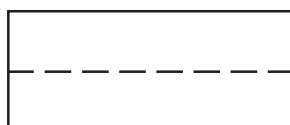
Annex 5.3.1

Instructions to play the hat making business game.

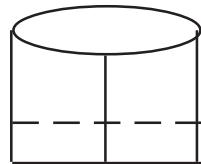
- Involve two or more groups of students in production.
- Assign a place in the classroom for the activities mentioned below.
 - Bank for banking activities.
 - A place to supply raw materials and purchase of finished goods.
- Engage two volunteer students from each group in the activities below in the above mentioned places.
Teacher can get involved in this activity if the number of students is inadequate.
 - Selling raw materials to each group at the place supplying raw materials and purchasing finished goods and purchasing the hats produced by each group, the quality and maintaining reports about them.

Common Instructions for the Hat Making Game

- Each group gets 3 chances in the game.
- Each group gets a loan limit of Rs 200/- the loan and interest should be paid to the Bank at the end of the three rounds. Interest on the loan for the total period is 10%.
- A unit of material can be bought at Rs. 40/=
- Selling hats - Maximum price of a quality hat is Rs. 80/=
If the quality is low it can be sold at Rs. 60/=
- Take 3 minutes for each round of the competition.
- Provide 100 cut units of $\frac{1}{4}$ paper of 25 used A4 sheet to the supplies section of raw materials.
- A Finance Report should be maintained by each group for each occasion that the group plays the game.
- Provide sufficient models of money for banking action or written money on the pieces of paper for Rs.5/=, 10/=, 50/= to the Bank.
- In the issue and purchase of raw materials, receipts should be issued by that section and the relevant transaction should be done through the bank.
- Before launching the competition give 5 minutes to supply raw materials, 2 minutes to plan the business activities 2 minutes to make the hats and 2 minutes to sell the finished product.
 - Cash report should be prepared by each production team.
 - Produce a hat according to the manner mentioned below and demonstrate how to check the quality to the class.
- Use 1/4 portion of an A4 photocopy paper as a unit of raw material.
- In the paper used as a unit of raw materials mark 1/3 of the portion and fold that part.



- Place the folded hem outside by forming the paper round joining each without loosening



- Strike the side of the folded hem of the hat on the surface of the table to check the quality to confirm that it does not get unstuck.
- After modeling, divide the class into small groups.
- Give a rehearsal by providing 5 units of raw materials to the groups to make a hat and check their quality.

Note

- To play this game generally, there should be a minimum of two members in each team.
- While playing the game maintaining a cash report, maintaining, an inventory.
- Encourage students on maintaining proper reports.

Annex 5.3.

Production Game (An option for the Hat Making Game)

- Divide the class into two or more small groups.
- Select only 4 materials that can be obtained from your area.
- Supply other materials needed in common for the production game.
(*Example : Glue, Pair of scissors etc.*) Keep these materials aside to be accessible according to the need of a group.
- A set of materials to be given an each group.
(It is not necessary that equal amounts of materials should be provided).

Example of Proposed Materials

- Pieces of cloth, Pieces of thread, rope.
- Coir dust, kinds of natural fibre.
- Coconut leaves, grass such kinds of leaves/Grass like leaves.
- Straw, Saw dust, clay
- Paper, News paper
- Sacks, Polysack bags, waste packing materials
- Things that can be bought at the market such as beads, reels of thread baby ribbon, cutting tissue etc.,

Conduct this activity competitively among the groups by letting them select suitable material for each group and using them. If necessary, inform the students that a winning group will be selected. Assign the task and engage in the group activity.

Annex 5.3.3

Instructions for group exploration

- Study the case of Priyantha Furniture Manufacturers' business well.
- Focus attention on the expenses given below, relevant to the production.
 - Expenses on materials.
 - Expenses on labour.
 - Other expenses (not relevant to materials and labour)
- Lead a discussion to clarify the kinds of expenses
- Identify values of the expenses included in the Priyantha Furniture manufacturer's case.
- Mentioning the expenses on materials, labour and others calculate the total production cost.
- Mention the production cost of a chair.
- Be prepared to present your findings to the class in a suitable manner.

Annex 5.3.4

'Priyanthe Furniture Manufacturers'

Priyantha who followed a carpentry course at the Vocational Training Institute decided to start his own business under the name of "Priyantha Furniture Manufacturers" using that knowledge. According to the market survey the information related to his own manufacturing activities were found.

- Goods proposed to be produced - Desks and chairs for the Montessori.
- Market forecast (Monthly) - 200 Chairs
- Number of chairs to be produced - 200 Chairs
- Required materials and cost (monthly)
 - Timber - Rs. 15,000 (Rs. 15/= per feet by 1000 feet)
 - Nails - Rs. 500 (1Kg Rs. 250/=)
 - Paint - Rs. 1,500 (1Litr of Paint Rs. 750/=)
 - Carpenter's salary - Rs. 20,000
 - Helper's salary - Rs. 10,000
 - Factory rental - Rs. 4,000
 - Factory electricity bill - Rs. 1,000
 - Maintenance and renovation - Rs. 2,000
 - Expenses for factory cleaning - Rs. 500
 - Depreciatory expenses on machines and other instruments - Rs. 1,000
 - Other materials - Rs. 2,500
- One carpenter and two helpers work
- Value of the machines and the other instruments - Rs. 60,000

Competency 5	: Prepares plans on starting a business
Competency Level 5.4	: Prepares the estimate related to the administrative activities of a proposed business.
No. of Periods	: 06

Learning Outcomes:

- Presents examples of the positions and functions related to the positions included in the administrative plan of a proposed business.
- Calculates expenses related to administrative functions of a proposed business.
- Prepares an estimate of administrative expenses for a proposed business.

Instructions for lesson planning :

- Acquire sound understanding of the subject content of the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focus attention on the instructions given below.
- Engage in a brain storming exercise by inquiring from the students about the designations in their school and the duties relevant to those designations by taking their school as an example in the first approach to the lesson under this competency level.
- Then display the school organization structure and the designations in the school through a flow chart. Otherwise make arrangements for the students to go to the school office and observe on their own.
- Based on the activity above, educate the students on the designations in a business and also about the duties, payment for individuals who bear these designations and other expences related to running the office.
- Then present the designations relevant to "Sumudu Footwear" business, the duties involved as well as the estimate of administrative expenses below.
- Engage the students in the task by providing the instruction sheet for group exploration included in annex 5.4.1, and the case included in annex 5.4.2.

Proprietor - Sumudu Samaranayaka. He takes all decisions about the whole business. Chief, implements the entire management and the supervisory activities.

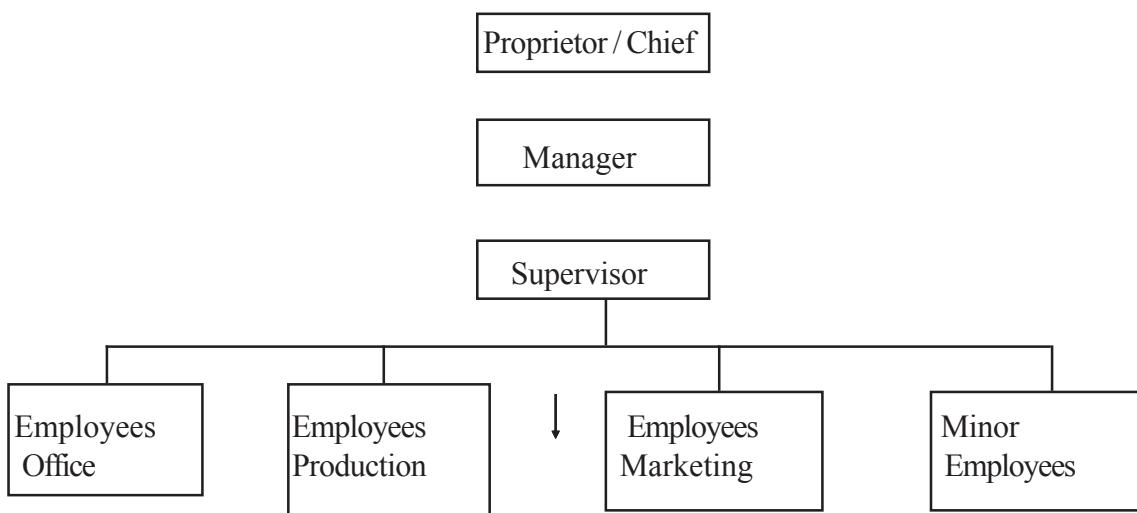
Manager - Activates the aims of the business and directs employees in the achievement thereof.

Supervisor - Inspects and Instructs employees on activities related to footwear production and Marketing.

Employees - ★ Operating machines
★ Attending to different roles in footwear production
★ Packing footwear and labelling
★ Recording transactions, maintenance of records
★ Sales assistant

Minor Employees - ★ Cleaning activities, assistant services assigned by the manager and the supervisor

The Organizational Structure of the Sumudu Footwear Business can be shown as follows.



Administrative expenses estimate, given below.

Administrative Expenses	Value (Monthly) Rs.
Stationary	200
Office Electricity	500
Refreshments	500
Office employees' salaries	25,000
Telephone charges	700
Renewal of licences	1,750
Depreciation of office instruments	300
Total administrative expenses	28,950

n.b. - Salaries of the employees in marketing and productions are included in the marketing and production plans and salaries of the Manager and the Supervisor are presented under the indirect wages to be considered.

Basic Concepts

- Designations and Tasks
- Salary and wages of employees
- Administrative expenses

Quality inputs

- Grade 11 Pupil text book.

Criteria for assessment and evaluation

- Indicates examples of designations in an organisation and the duties and responsibilities relevant to such designations.
- Prepares an estimate including the expenses relevant to administrative activities based on the information given.
- Presents the items required to estimate the administrative expenses.

Designations	Duties / Responsibilities
1. Owner/Chief	<ul style="list-style-type: none">• Take decision on objectives.
2. Managers	<ul style="list-style-type: none">• Implement objectives and take action to achieve them.
3. Supervisor	<ul style="list-style-type: none">• Supervising employees in production and sales.
4. Employees	<ul style="list-style-type: none">• Involved in activities on production, packaging and labelling.
5. Minor Employees	<ul style="list-style-type: none">• Record keeping transactions and documents maintaining• Helping in sales• Performing activities assigned by managers and helping other employees.

For a month, proposed administrative expenses on stationary is Rs. 200, Office electricity bill is Rs. 500, Employees salary is Rs. 25000, Refreshment is Rs. 500, Telephone bill is Rs. 700, License renewal fee is Rs. 1750, Depreciation on office equipment Rs. 300 is expected.

Annex 5.4.1

Instructions for Group Exploration

- Focus your attention on the field that your group has got out of the business fields mentioned below.
 - Goods providing businesses
 - Services providing businesses
- Study well the case related to the Sumudu Footwear that you are provided.
- After the group discussion present the information related to your business mentioned below.
 - Name of your business.
 - The designations you are identified by, relevant to the business activities.
 - Nature of the duties and responsibilities involved.
 - The educational and other qualifications you think are required for such designations.
 - The organizational plan indicating the designations identified.
 - Be prepared to present your findings to the whole class.

Annex 5.4.2

Sumudu Footwear

Sumudu Samaranayaka who worked in the footwear organization, decided to start his own footwear business and expects to register it as 'Sumudu Footwear'. Proposed several designations and the duties and responsibilities and several expences related to that are planned accordingly as mentioned below in the proposed Footwear Organization.

Competency 5	: Prepares plans on starting a business.
Competency Level 5.5	: Prepares the preoperational expenses estimate of the financial plan.
No. of Periods	: 03

Learning Outcomes :

- Presents examples of preoperational activities of a proposed business.
- Calculates expected pre-operating express of a proposed business.
- Prepares an estimate of pre-operating expenses of a given business.

Instructions for lesson planning :

Acquire sound understanding of the subject content of the syllabus and about the subject matter related to the pupil text relevant to this competency level Then focus attention on the instructions given below.

Another part in the composition of a business plan is the financial estimate. Through this , financial requirements of the business, how such requirements are met and the expected operational result of the business activities are shown, Included here are per - operational investment, working capital, total, investment, cash flow and income declaration in the financial estimate (please note that in future, the preparation of the estimate will be carried out under each competency level).

- Engage the students in a brain storming session by presenting the question below, in the first approach to the lesson under this competency level.
"What are the duties and the expenses incurred before building a house?"
- Write the student reactions on the chalk board
- Explain, through necessary examples, when inquiring about the duties and also the expenses to be borne before commencing a business.
- Make the student understand that the duties and expenses to be borne, when commencing business changes depending on the size and the nature of the prospective business to be set up, Present examples of these.

- Clarify first, that the financial estimate is the main part of a business and the leading pre expences estimate is also a part of that section.
- Engage in the task by giving the instructions sheet for group exploration included in annex 5.5.1. and the case included in annex 5.5.2.
- Instruct the students to identify the duties and related expenses before operation, by studying the given case , well.Clarify first, that the financial estimate is the main part of a business and the leading pre expences estimate is also a part of that section.

Make suitable assessments using objective and struchturedd essay type questions in the learning teaching process for this competency level.

- Example**
- Explain pre operational expenses based on the examples.
 - Imagine a prospective business that you expect to commence in the future.
 - (a) Name of that business
 - (b) Prepare a list of duties relevant, before commencing that business and also the expences to be met for the purpose.

Basic concepts

- Financial Estimate
- Pre operational expences

Quality inputs

- Grade 11 Pupil text book.
- Group exploration instruction sheet in annex 5.5.1.
- Copies of the case included in annex 5.5.2.

Criteria for assessment and evaluation

- Names the tasks that should be carried out before commencing a business based on the information on the given business.
- Shows the importance of identifying the tasks that should be carried out before commencing a business.
- Prepares an estimate of the pre operational expenses based on the information given.

Annex 5.5.1

Instructions for group exploration

- Lead a discussion by studying well the relevant case of the "Ruban" business to identify the required pre operational expenses (the expenses to be incurred before commencement) of the business.

- Focuss attention on the topic given to your group out of the topics below.
 - * Goods producing business
 - * Services providing business

- Decide on a suitable business to be commenced relevant to your topic.
- Introduce, by naming that business.
- Write the tasks to be carried out before commencing the business.
- Identify the expenses to be borne on these tasks.
- Prepare a list of these expenses.
- Calculate the total pre operational expenses required to commence the business.
- Be prepared to present your findings creatively to the whole class.

Annex 5.5.2

Ruban Petrol and Diesel Engineering

Ruban, who had successfully completed an Electrical Engineering course decided to set up his own business taking into consideration his own attachment, abilities and business trends. His business expectation was the provision of all motor electrical services and all repair activities. He has already collected information regarding the necessary machinery and equipment for this purpose. He also already possesses a building and the block of land it is build on worth Rs.500,000/=. All arrangements have been made for the commencement of the business as well as about the expenses to be borne in that regard. Such information is as follows.

Market survey	Rs. 10,000
Business registration	Rs. 1,000
Obtaining an Environment Licence	Rs. 600
Preparation of business plan	Rs 12,000
Getting Electricity supply	Rs 15,000
Getting water supply	Rs 10,000
Preparation of the place by clearing the land	Rs 20,000
Search for machinery and other equipment	Rs 2,000
Expenses on the business opening ceremony	Rs 8,000

Competency 5 : Prepares plans to start a business.
Competency Level 5.6 : Prepares the investment estimate considering the total expenses required to start the proposed business.

No. of Periods : 06

Learning Outcomes:

- Presents, with examples, the items included in a total investment estimate of a proposed business.
- Forecasts expenses required to maintain day to day activities of a proposed business.
- Prepares total investment estimates of a given business.

Instructions for lesson planning :

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focus attention on the instructions given below.

- Engage the students in the task by presenting the case mentioned below, in the approach to the first lesson at this competency level.
- Imagine that a public fair was decided to be held to raise funds to purchase books for your library. Three groups of your class are assigned the task of commencing a business mentioned below.
 1. Icecream sales outlet.
 2. Breakfast, lunch packets, sales outlet.
 3. Cool drinks sales outlet.
- Instruct the students to list the required goods and equipment for each business above and also an estimate of the money required.
- Taking the information provided by the students into consideration, provide them with information on fixed assets and about funds necessary for the maintenance of day to day affairs.
- Since the students have already learned about fixed assets and pre operational expenses, place great emphasis on operations capital when explaining these to them.
- Explain that the total estimate of investment of a business plan is made up of items such as fixed assets, pre-operational expenses and cash for the maintenance of day to day activities. In this regard, point out, that pre operational expenses and working capital has to borne by the owner, normally.

- One objective in the preparation of the business plan is that, since a loan has to be taken from the bank, the capital invested by the owner as well as the amount expected from the bank has to be shown in the investment estimate.
- Explain that the fixed assets included in estimates related to sales, products and administration are considered as fixed assets when preparing a business plan, are fixed assets.
- In order to provide the students with the ability to prepare the total investment estimate for a business plan, provide them with the instructions for group exploration in Annex 5.6.1 and the incident in Annex 5.6.2 for them to use when involved in the activity.
- Present the entire investment estimate according to the business "Charith Communications" as follows and involve the students in the activity.

Provide suitable assessments to students using objective and structured essay type questions in the learning-teaching process for this competency level.

Example : Prepare a list of fixed assets by naming a specific business, supposed to be required to commence that business.

- Select the relevant item for the day to day expenses included in a total investment estimate from the list given below.
- | | |
|--------------------------------|-------------|
| 1. Purchase of Furniture | Rs. 100,000 |
| 2. Payment of electricity bill | Rs. 6,000 |
| 3. Electronic Scales | Rs. 150,000 |
| 4. Cash sales | Rs. 25,000 |
| 5. Loan interests | Rs. 12,000 |

Basic concept

- Total investment
- Cash in hand for day today activities (Working capital)

Quality Inputs

- Grade 11 pupil text.
- Copies of instructions sheet for group exploration in annex 5.6.1.
- A copy of the case in annex 5.6.2.
- Instructions for planning lessons.

Criteria for assessment and evaluation

- Provides examples of fixed assets of a business.
- Prepares an estimate of the total investment from the given information on a business.
- Provide examples of the required expenses for the day to day activities of a business.

Total Investment Estimate

Item	Available assets of the owner at present Rs.	Proposed owners Investment Rs.	Proposed as loans Rs.	Total Investment Rs.
Fixed assets				
Land	200,000			200,000
Buildings	100,000			100,000
Machinery		100,000	50,000	150,000
Furniture		25,000		25,000
Other Equipment		50,000		50,000
Total Fixed assets	300,000	175,000	50,000	525,000
Pre operational investment	-	-	-	-
Market survey	-	15,000	-	1,500
Business Registration	-	1,500	-	15,000
Preparation of business plan		10,000	-	10,000
Expenses on launch of business		8,500		8,500
		35,000		35,000
Working capital estimate cash for daily activities				
		48,000		48,000
Total Investment	300,000	258,000	50,000	608,000

Instruction for exploration**Let's prepare a total investment estimate**

- Study the relevant case of the "Chirath Communication" business well and identify the required fixed assets and pre operational expenses for that business.
- Focus attention on the topic your group has got from the topics given below.
 - Manufacturing Business.
 - Service Providing Business
- Decide on a suitable business you would commence, relevant to the topic you have got. Name and introduce that business.
- Identify the fixed assets required to start the business and the expenses that you have to meet before commencing the business.
- Decide on the fixed assets and the expenses that should be met before commencing, and also the cash in hand that should be spent on leading day today activities (Working capital).
- Prepare a document mentioning the fixed assets required to commence the business, the preoperational expenses and the amount of the working capital.
- Prepare an estimate of the total investment mentioning the cash you contributed for the proposed items of the fixed capital, required for your business and the loan expected from the bank. Make use of the format given below.

	Proprietor's investment Rs	Prospective loan Rs	Total Investment Rs
Fixed Assets
Pre operational Expenses
Working Capital

Annex 5.6.2

Chirath Communication

Rohitha who worked in a foreign country, decided to set up and run a business of his own using his savings. He decided to commence that business by getting registered under the name "Charith Communication" according to the information based on the Market Survey. His expectation is to supply telephones and accessories for telephone repairing, telephone call service, reload service, duplo copies, binding etc. He has already prepared for marketing, operation and human resources and he wants to prepare a financial plan. The total investment estimate is a part of the financial plan. The information mentioned below is supplied for its preparation.

Required Fixed Assets

	Rs.
• Land	20,000
• Buildings	100,000
• Machinery and Equipment	150,000
• Furniture	25,000
• Other Equipment	50,000

Pre Operational Expenses

	Rs.
• Market survey	15,000
• Registration	1,500
• Preparation of a business plan	10,000
• Relevant expenses to set up the business	8,500

While expecting to obtain a bank loan of Rs. 50,000/- as the fixed capital to set up the business, it is expected to utilize that money for machinery and equipment. He already possesses a building and land worth Rs. 300,000. While it has been estimated that an amount of Rs 180,000/= was required for the acquisition of other fixed assets and for pre operational costs. This is expected to be met out of Rohitha's savings. He states that Rs. 48,000/- had to be obtained to run the business for two weeks.

Competency 5	: Prepares plans to start a business.
Competency Level 5.7	: Prepare a statement including expected cash inflows and cash outflows.
No. of Periods	: 03

Learning Outcomes:

- Present examples of cash inflows of a proposed business.
- Present examples of cash outflows of the proposed business.
- Prepare a statement including cash inflows and cash outflows of a given business.

Instructions for lesson planning :

Acquire a sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focuss attention on the instructions given below.

- Under this competency level first, carry out a brain storming session in order to approach the lesson by taking a business (a hotel, book and stationery store) familiar to the students as an example, and inquire from them the means by which money flows into these businesses and the manner in which cash flows out of the business?
- Present the incident of 'Rins Salon' below in a business plan and prepare a document on how cash flows into the business and cash flows out of the business.
- Pinsiri who expects to commence a salon intends to register it as Pins Salon. He anticipates that he would have 15 individuals coming in for hair cuts and 10 individuals for shaves. He also decides to charge Rs. 125/- for a hair cut and Rs. 75/- for a shave. He estimates that he would incur Rs. 1800/- per month on electricity, Rs. 6000/- on the water bill and Rs. 6000/- as rent on the premises. He also thought that other expenses would come to about Rs.100/- a day. He also plans to keep the business closed 5 days a month.
- Subsequently, provide students with an adequate number of copies of the group explanation instruction sheet in Annex 5.7.1 and Annex 5.7.2 on "Tharanga Tour Services".
- Arrange for the students to carry out a case study of "Tharanga Tour Services" and get them involved in the assignment.

- The estimate of the Inward cash flow and outward cash flow of "Tharanga Tour Services" can be presented as below.

Item	Rs.	Rs.
Inward cash flow		
Owner's inputs	800,000	
Sale of services	550,000	
Bank loan (receipt of)	500,000	
Total inward cash flow		1,850,000
Outward cash flow		
Payments on stationery	10,000	
Purchase of vehicles	1,000,000	
Vehicle service charges	50,000	
Vehicle maintenance expenses	40,000	
Employee, salary payments	120,000	
Payment of interest on loans	50,000	
Payment of other expenses	25,000	
Market survey expenses	12,000	
Total outward cash flow		1,307,000
Total cash difference		543,000

- In the course of the learning-teaching process of this competency level, use questions of the objective and structured type to assess students appropriately and award them marks.

Example :

Expected information on the "Nanasa" book shop for 2015 is as follows.

- Purchase of books on cash Rs. 40,000
 - Purchase of books on credit Rs. 25,000
 - Employees salary and wages Rs. 6,000
 - Payment of transport charges Rs. 4,000
 - Payment On electricity bill Rs. 12,000
 - Purchase of wooden shelves Rs. 10,000
 - From sale of books and stationary Rs. 125,000
 - Prepare estimate of expected inward cash flow and outward cash flow.

Key concept terms

- Inward cash flow
 - Outward cash flow

Quality inputs

- Grade 11 Text book.
- Group exploration instruction sheet 5.7.1.
- Copies of Annex 5.7.2 on 'Thranga Tours' incident.

Criteria for assessment and evaluation

- Names items containing documents and Inward cash flow and Outward cash flow. Prepares an estimate of inward cash flow and outward cash flow of a business given.
- Calculates net cash difference taking inward flow and outward flow of cash into consideration.

Annex 5.7.1

Instruction for group exploration

"Cash out and in"

- Study well the reading material on "Tharanga Tour Services" business.
- Get your group to focus attention on the topics below.
 - Inward flow of cash to the business.
 - Outward flow of cash from business.
- Highlight the items relevant to your topic from "Tharanga Tours" service.
- Calculate the net cash balance taking inward cashflow and outward cash flow into consideration.
- Get ready to present your findings using a suitable model.

Annex 5.7.2

"Tharanga Tour Services"

Kumar Dissanayaka has thought of setting up 'Tharanga Tour Services'. He intends to commence a transport service while involved in another business activity as a preliminary step. Expected information in this regard.

Since the capital of Rs. 800 000/- invested by the owner is inadequate he plans to take a bank loan of Rs. 500,000/- at 10% interest. He anticipates an income of Rs. 550,000/- per annum through provision of services on cash and Rs.150,000/- through provision of service, on credit. He plans to purchase a vehicle worth Rs. 2,000,000/- paying Rs. 1,000,000/- as down payment and to pay the balance later. While the office stationery costs Rs. 12,500/- he makes a down payment of Rs. 10,000/- and plans to pay the balance later. He plans to bear Rs. 40,000/- for the maintenance of the vehicle, Rs. 120,000/- as employees' salaries and annual depreciation of 20% on vehicle. He feels that he will have to spend Rs. 25,000/- as other expenses and Rs. 12,000/- on a market survey.

Competency 5	: Prepares plans to start a business.
Competency Level 5.8	: Calculates the outcome of business activities taking into consideration the expected expenses and income.
No. of Periods	: 06

Learning Outcomes:

- Presents with examples the items required to calculate the outcome of a business for a specific period.
- Presents with values the items required to calculate the outcome of a given business.
- Calculates the outcome of a given business for a given period.

Instructions for lesson planning :

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focus attention on the instructions given below.

- When approaching the first lesson with regard to this competency level, present the incident in annex 5.8.1 on the "King - coconut business of Jeevanthe" to the class and get them to calculate the profits per day taking the income and expenditure into account.
- Consequently, provide a correct concept of income and expenditure, to the students. In this regard, provide students with adequate understanding of items to be taken into consideration in the preparation of the statement of income of a business.
- Explain that the total cost comprises the items in the production cost and non-production cost.
- Inform the students that when estimating net profit for the business plan while the total turnover of the business, and the total cost should be taken into consideration that, in this regard, it should, comprise items like total production cost and total non production cost.
- Take the incident of "Ratna Business" in annex 5.8.2 into consideration.
- Show the students that in estimating net profit based on the information on the Ratna Business, that it could be done as below.

Estimated Statement of Income

		Rs.	Rs.
Sales income			150 000
Less Total production cost			
Raw materials cost	75 000		
Labour cost	20 000		
Other cost	15 000		(110 000)
			40 000
Less Total non production cost			
Sales and distribution cost	3 000		
Administration expenses	2 000		
Financial expenditure (interest on loan)	5 000		
Struct off pre-operation expenses	3 000		(13 000)
Net profit			27 000

- After the activity above, provide the incident on 'Praneetha Business' and involve them in the exploration in 5.8.3.
- In the learning teaching process related to this competency level, subject the students to evaluation using formative and structured essay type questions.

Example: Information on the future period of "Sumudu, Communication Institute is as follows.

	Rs.
Income from provision of services	60 000
Stationary	20 000
Employee salaries	15 000
Electricity	2 000
Loan interest	10 000
Advertising expenses	500
Striking off pre operations expenses	500

Based on the information on "Sumudu Business" estimate the net profits and present.

Basic Concepts

- Business outcome
- Income
- Expences
- Expected profit

Quality inputs

- Grade 11 Text book.
- Copies of annex 5.8.1 on the incident of "Jeewantha King Coconut Business".
- Require number of copies of annex 5.8.2 on the incident of 'Ratna Business'.
- Copies of instructions for group exploration in Annex 5.8.3.
- Copies of the incident in Annex 5.8.4 on Praneeta Business.

Criteria for assessment and evaluation

- Presents operations information used for the estimation of a business result.
- Prepares an estimated income statement of a business plan, taking the given information into consideration.
- Presents reasons for the increase or decrease of the income of a business.

Annex 5.8.1

"Jeevantha's King Coconut Business"

The most reliable and quality drink available in the whole world is King-Coconut water, Jeevantha who realized that there was a good market for King-coconuts in the presents day market, purchased bunches of King-coconuts from the King-coconut plantations in his neighbourhood and took them to the weekly fair for sale. Below is information on a single day's sale.

- | | |
|--------------------------------------|-----------|
| • Purchase price of a King-coconut | Rs. 10/- |
| • Number of nuts purchased | 500 nuts |
| • Sales price of a king coconut | Rs. 20/- |
| • Transport cost | Rs. 700/- |
| • Fair - rental | Rs. 200/- |
| • Labour costs to clean up the place | Rs. 100/- |

Annex 5.8.2

"Ratna Business"

Ratnaweera who runs a brassware and door lock business decided to prepare a Business Plan in order to improve his business. For this purpose he consulted an advisor on the subject entrepreneurship and according to his instructions, it became necessary to prepare an estimate of the net profit of the business. For this purpose he was able to gather the information below.

Item	Value Rs.
• Sales income	150 000
• Raw material cost	
Brass	70 000
Chemicals	2 000
Other	3 000
	75 000
• Labour cost	
Trained worker salary	12 000
Untrained worker salary	8 000
• Other indirect costs	15 000
• Sales and distribution expenses	3 000
• Administration expenses	2 000
• Financial expenses	5 000
• Pre-operations expenses	3 000

Since production is in terms of orders, there are no leftovers.

Annex 5.8.3

"Instructions for Group Exploration "

Let us reconcile expenses and income

- Study the incident in annex 5.8.4 on "Praneeth Business"
- Name the products proposed to be marketed by that business.
- Taking that business into consideration, discover the information below relevant to the products of that business.
 - Amount of products expected to be sold in the course of a month'
 - Directly applied for the production of that quantity.
 - Expenses on material
 - Costs of labour
 - Other types of expenses and labour not directly involved in the production of that quantity.
 - Sales and distribution expenses.
 - Administative expenses
 - Financial expenses
- Total sales income earned a month through the sale of goods.
- Calculate the profit for a month, taking sales income and all expenses into consideration.
- Get ready to present your findings creatively, to the whole class.

Praneeth Business

Annex 5.8.4

Vineetha who became aware of the current trend for people to take cooked food home, decided to start a business marketing cooked food. Since her grandmother also carried on a hopper business, that experience too was acquired by Vineetha. On making inquiries regarding the related market she was able to elicit the information below.

	String hoppers	Hoppers	Egg Hoppers
Amount that can be sold a day	3000	500	50
Sales price per item	Rs. 2.50	Rs. 10	Rs. 30
		10Kg	

Amount of flour required per day	30Kg
Price of material required per day	
Rice flour	Rs. 75/=
Price of eggs	Rs. 12/=
Price of a coconut	Rs. 50/= (10 Coconuts required)

Other expenses

Services of two helpers required per day at Rs. 1000/- each.

Fuel expense Rs. 5000/- (Per day)

Other expense Rs. 600/- (Per day)

Rent on premises Rs. 15000/- (Per month)

Water bill Rs. 800/- (Per month)

Electricity bill Rs. 1800/- (Per month)

Interest on Bank loan Rs. 1200 (Per month) on proposed bank loan.

For printed banners of business Rs. 1500/-

Expenses of equipment. Rs. 20,000 (Subject 20% annual depreciation)

Setting apart Rs. 2000/= a day as the contribution of the owners to the business.

Competency 6	: Inquires about suitable types of organizations to start business.
Competency Level 6.1	: Studies types of business organizations.
No. of Periods	: 03

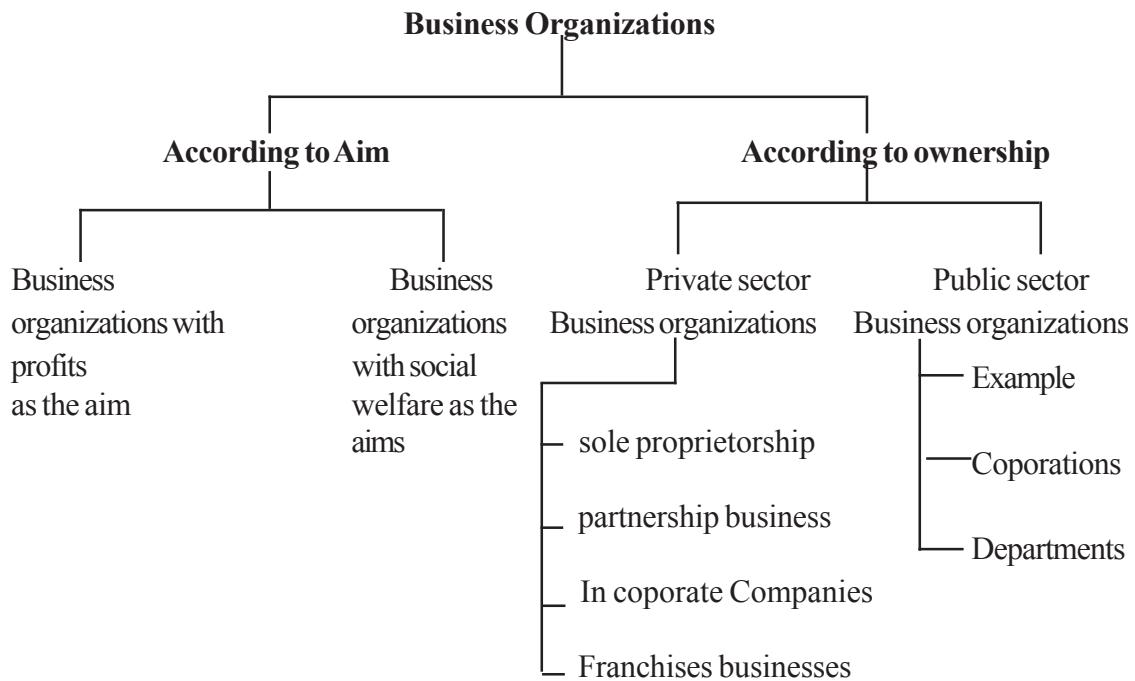
Learning Outcomes:

- Explains business organizations with examples.
- Presents examples after categorizing business organizations according to the objectives.
- Categorizes business organizations according to ownership.

Instructions for lesson planning :

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focus attention on the instructions given below.

- To commence the first lesson, relevant to the competency level, take for instance, the school and explain about organizations. Then present examples of the state sector and the private sector organizations that exist in your area.
- Accordingly an organization can be defined as a group or team working together to achieve a common objective.
- In order to categorize and explain business organizations use the following flow chart.



- Give examples of businesses operative under each category given in the above flow-chart.
- Only a simple introduction is expected as further discussion about private sector business organizations will be made in the future.
- Public sector business organizations will not be discussed at this level.
- Use multiple choice questions and structured essay type questions as assignments in the teaching-learning process under this competency level.

Examples

- Classify business organizations according to aims & ownership.
- Give three examples of each organization that has profit aims and organization that have public welfare aims.

Basic concepts

- Business organizations
- Profit oriented organizations
- Social welfare oriented organizations
- Franchise business
- Sole-proprietorship
- Partnership Business
- Incorporated companies

Quality Inputs :

- Text Book (Grade 11)
- A Flow chart of classification of businesses

Criteria for assessment and evaluation

- Introduces business organizations
- Classifies business organizations
- Gives examples of business organizations

Competency 6	: Inquires about suitable types of organizations to start a business.
Competency Level 6.2	: Inquires about sole proprietorship business organizations
No. of Periods	: 06

Learning Outcomes

- Present examples of basic features of sole proprietorship businesses.
- Explains the inception procedure of sole proprietorship businesses.
- Presents benefits and limitations of sole proprietorship businesses.

Instructions for lesson planning

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focus attention on the instructions given below.

- In accessing the first lesson, under this competency level the students can be asked of any businesses, they are familiar with. Their reactions can be written out on the blackboard. Make use of this information to identify sole ownership and present it to them.
- Then explain to them, that the business run under sole ownership and management will strictly be only sole ownership business organizations. Make students aware that plenty of such business organizations exist and that they could be started and run freely.
- In order to provide students with some understanding of sole proprietorship business and their advantages and disadvantages, provide student groups with the instruction sheet in annex 6.2.1 as well as the exploration in Annex 6.2.2 regarding an incident and involve them in the task.
- After the presentations of students, explain to them the basic characteristics of sole proprietorship and their advantages as well as their disadvantages.
- Use multiple choice questions and essay type questions as assignments in the teaching-learning process under this competency level.

Example :

1. What main characteristics of sole proprietorship business do the statements below correspond to?
 - i. Institution of legal proceedings in the name of the owner.
 - ii. Commit one's own properties to settle external credit.
 - iii. Business comes to a standstill due to the death of the proprietor.
2. Imagine that you are going to start a business. If it is a sole proprietorship business write 3 advantages and disadvantages of such a business to you.

Basic concepts

- Liability
- Legal entity
- Ownership
- Provision of capital
- Continuity
- Registration
- Management

Quality Inputs :

- Grade 11 Text Book.

Criteria for assessment and evaluation

- Introduces sole-proprietorship business.
- Expresses the basic characteristics of a sole proprietor business.
- States the advantages and disadvantages normally inherent in a sole-proprietor businesses.

Annex 6.2.1

Instructions for group exploration :

The following discussion took place between a Journalist and Janith who was chosen the best in the best young entrepreneur competition.

- Journalist - What has been described so far, is about the path you had been traversing from the inception of the business. I would like to know about the registration of your business?
- Janith - Well, at first, I had not registered it. But later I did so under different circumstances. The need for registration was felt. So I got it registered at the Provincial Secretariat as my own business under the name of "Janith Advertising".
- Journalist - How did you manage to provide yourself with the business capital?
- Janith - Well, the money that I had borrowed from my parents, bank loans and also with the money I had invested in the business formed my capital.
- Journalist - This is a business run all by yourself. How do you feel about it?
- Janith - I'm the boss of my business. All affairs of the business are done subject to my sanction. The liabilities such as bank loans received and different payments have to be paid off. I have been doing it in proper order.
- Journalist - Suppose, some unexpected problem occurs what would be your plan?
- Janith - Yes, such a danger is there, therefore I have been already training a member of my family in the field of my business affairs.
- Journalist - What have you got to say about the future of your business affairs?
- Janith - I need the business to be further extended. Everything is to be done like that there is no rest. Even the bankers do not like us who run our own business. Also it is difficult to pay salaries if more employees are recruited. However I shall be improving my business.

Competency 6	: Inquires about suitable types of organizations to start business.
Competency Level 6.3	: Inquires about partnership business organization.
No. of Periods	: 06

Learning Outcomes :

- Present examples of basic features of partnership businesses.
- Explains the inception procedure of a partnership business.
- Presents benefits and limitations of a partnership businesses.

Instructions for lesson planning :

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focuss attention on the instructions given below.

When starting the lesson, relevant to this competency level remind the students of the song,
Raigamayanani - Gampolayanani
Laba Labannata - Padu Nowannata
Weladhamak Karamuda Api Denna
and explain to them about the nature of that business organization or else you may present a song or verse you know about a job done jointly or together.

- Business conducted by two or more than two persons for profit is called a partnership.
- To give students some education about the main characteristics of the partnership business get them to exercise and do activities on the group exploration provide copies of the Instructory chart in Annex 6.3.1 with the Incident in Annex 6.3.2 to the students.
- Giving emphasis to the students' revelation, present the advantages and disadvantages of a partnership business and its main characteristics.
- Give the students multiple choice questions and structural essay type questions in the teaching learning process under this competency level.

Example

State 2 characteristics of good and bad of partnership business in comparison with to the sole-proprietorship business.

Basic concepts

- Registration
- Ownership
- Liability
- Legal Entity
- Continuity
- Providing the capital
- Management

Quality Inputs :

- Text Book Grade 11
- Annexe 6.3.1 - Instructions for Group Exploration
- Annexe 6.3.2 - Case of the beauty saloon "Mali Manali"

Criteria for assessment and evaluation

- Compare the basic characteristics of a partnership with sole proprietorship business.
- Present the basic characteristics of a partnership.
- Show advantages and disadvantages of a partnership business centre.

Instructions for group exploration :

- Get the students to study the report on "Mali Manali" and make the following facts clear.
- The benefits derived by Amali by getting Nimali to join her business.
- Their strength with regard of running the business.
- By what means have they provided the capital for the business.
- To which category of business organization does this business fall? Give reasons.
- Your views on registration of this business.
- Your views on the future of this business organization.
- What assumptions do you make of the future success of this business.
- Present your explanation to the class.

Beauty Saloon "Mali Manali"

After pursuing her A/L studies, Amali started a beauty salon business as a self employment venture. After some time, her friend Nimali who had done a beauty-culture course joined her business. As a result of the co-operation togetherness and sheer dedication of the two their business grew in success day by day. They were running their business without any disputes.

Having seen the steady increase of the number of customers who sought their services they applied for a loan in order to develop their business still further. For the purpose the business was to be registered and the loan was obtained in Nimali's name. They purchased a van with their business money and the vehicle was registered in Amali's name.

They did not receive salaries for their services, but as they agreed they shared the profits of the business without any problem, after deducting all the other expenses. Suddenly Nimali fell ill and was kept away from active partnership in the business affairs for some time.

Amali could not settle the bank loans received during the time of her protracted illness. It came to Amali paying out of her private money to settle the loan. However they expected to further the progress of their business by recruiting some more employees.

Competency 6	: Inquires about suitable types of organizations to start business.
Competency Level 6.4	: Inquires about incorporated companies.
No. of Periods	: 06

Learning Outcomes:

- Present examples of basic features of an incorporated company.
- Explain the inception of private limited companies.
- Present benefits and limitations of a private limited company.

Instructions for lesson planning :

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focus attention on the instructions given below.

- When you are setting the scene by using the competency level, write down the names of the two companies on the black board. Then orally get the names of other companies from students and write them on the board.
- Using the above information lead a discussion about limited companies. Explain that it is easy to identify such a business by the name of the company because the (Pvt.) part is in the name of the company.
- Explain about a limited liability company under act 2007 No. 7. Support your statement by using the following facts.
 1. Limited liability
 2. Legal entity
 3. Continuity of the company ongoing concern.

Though there are various companies of this specific level we are only concerned about (Pvt.) limited companies.

- Next give the following task sheets of dialogues to the students and get them to engage in the activity.
 Annexes - 6.4.1
 Annexes - 6.4.2

- By using the completed task sheets of the students discuss the advantages and the disadvantages of (Pvt.) Companies.
- Give them multiple type questions and structured essay type questions in the teaching-learning process under this competency level.

Example :-

- Name the characteristics of a Private Limited company.
- Compare and contrast the differences between a private limited company with sole proprietorship business and partnership business under the following points.
 - Registration
 - Ownership
 - Liability
 - Legal entity
 - Continuity
 - Means of providing capital

Basic concepts

- Registration
- Ownership
- Liability
- Legal entity
- Continuity
- Providing capital
- Management
- Private Companies

Quality Inputs

- Grade 11 pupil text.
- Instructions for group exploration in annexe 6.4.1
- Copies of dialog in annexe 6.4.2

Criteria for assessment and evaluation

- Introduce an incorporated company
- Compare the differences between a partnership business and a private limited company.
- Discuss the advantages and the limitations of private limited companies.

Annex 6.4.2

Instructions for group explorations

After studying the dialogue between Kumara and the Business Advisor present the information under the following areas.

1. The types of organization basis for the dialogue.
2. Special characteristics of that organization.
3. The difference in the characteristics of this organization from the other organizations about which you have learned.
4. The suitability or unsuitability of this organization to do business.
5. Registration of the organization.

Dialog

Anenexe 6.4.2

The government has decided to activate a project for providing loans and tax facilities, under concessional terms to the small and medium range entrepreneurs who have registered themselves as a company.

Kumar Siriwardana's business which has been registered as a sole proprietership required to be registerd as a company. He sought the assistance of a business councellor for consultation.

The following dialogue is a part of the conversation Kumara (K) had with the Business Councillor. (B.C.)

K - Mine is not much of a big business nevertheless, could it be registered as a Company?

B/C - The size of your business does not arise in the matter of registering it as a company. Even one can register himself as a company. But there is a procedure that should be followed when a company is registered.

K - Earlier I registered it at the Provincial Secretariat office. Can the company also be registered at the very same office?

B/C - There is a separate office called "registration of companies" for that purpose.

K - What is the differences between the business, I have now, and that company?

B.C. - There are a lot of differences.

The company is treated as a different individual entity before the law. Therefore, different things can be done in the name of the company. Loans can be obtained in the name of the company accounts can be opened.

Even legal proceeding can be instituted in the companies's name and also the company can be entrusted with external responsibilities for the business affairs. The company if required, can make other persons contribute to increase the capital. The business builds a good image. Even though the ownership of the business changes, the company can be opened without any change unlike other business organizations. There are some statutory obligations that need to be fulfilled when managing these.

- K - If so what do I do to register it as a company.
- B.C. - Go to the "Registrar of Companies Office" and hand over the following documents.
 1. Article of Association of the Company.
 2. A declaration stating with that to the best of your knowledge the names of the company is not identical with any other company.
 3. Statement of prospective directors on their willingness to function as directors.
 4. Statement of the secretary on his willingness to function as Secretary

These are the documents that should be duly completed and handed over. Even I can do this job or otherwise, you can get it done through internet. Subsequent to registration you will be issued a certificate of registration of the company. Then you can proceed to consider it as a company.

Competency 6 : Inquires about suitable types of organizations to start business.

Competency Level 6.5 : Inquires about franchise business.

No. of Periods : 03

Learning Outcomes:

- Explain basic features of a franchise business.
- Present the inception procedure of franchise businesses
- Present benefits and limitations of a franchise business.

Proposed instructions for the learning-teaching process :

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focuss attention on the instructions given below.

- Get some good examples that you know well about Franchise business when starting this competency level.
- Franchise means a business that uses the names, logo and trading of an existing successful business. This is an agreement between Franchisor and Franchisee. According this the businessman can continue to run a franchise business. Franchise business system is becoming popular in modern times.

For instance, imagine that there is a sweet shop named Mihiri. Any entrepreneur can start a business using this name 'Mihiri' in another place with the consent and agreement of the owner of sweet shop.

- Explain basic characteristics; way of startup, merits and demerits of franchise business.
- Give suitable assignments to students using multiple choice questions and structured essay types questions in the teaching-learning process under this competency level.
 - Explain Franchise system.
 - Point out the advantages and disadvantages of franchise business

Basic concepts

- Franchise business.
- Franchisor
- Franchisee

Quality Inputs :

- Grade 11 Text Book

Criteria for assessment and evaluation

- State the special characteristics of Franchise business.
- Advantages and disadvantages of Franchise.
- Describe Franchise businesses with examples.

Competency 7	: Explores the prevailing opportunities for the emergence of an entrepreneurial culture in Sri Lanka.
Competency Level 7.1	: Explores the prevailing opportunities and limitations in relation to the creation of an entrepreneurial culture in Sri Lanka.
No. of Periods	: 06

Learning Outcomes :

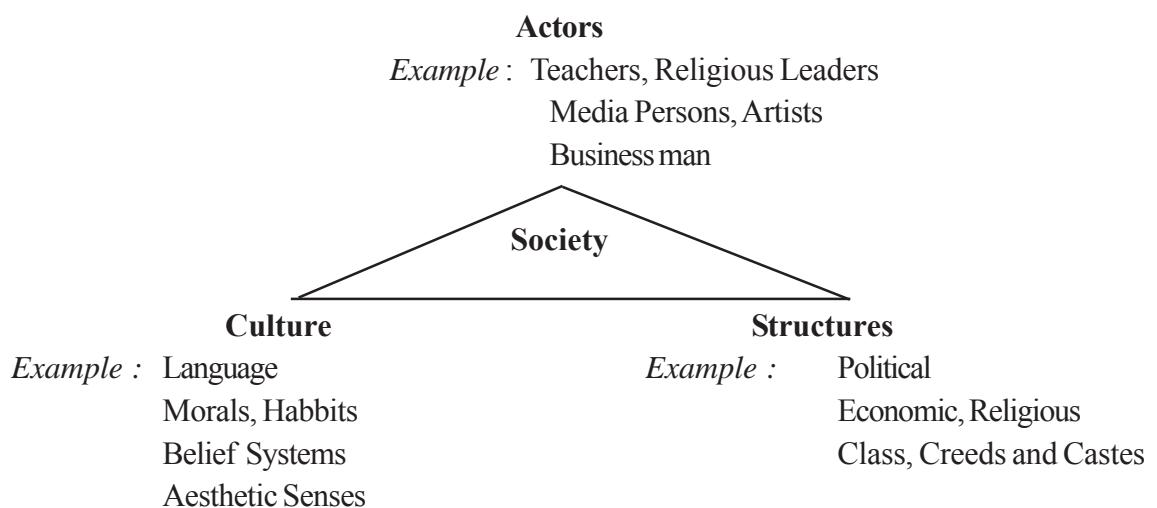
- Presents reasons for the necessity of an entrepreneurial culture in Sri Lanka.
- Presents examples of the economic and social factors influencing the creation of an entrepreneurial culture Sri Lanka.
- Explains the factors hindering the emergence of an entrepreneurial culture in Sri Lanka.

Proposed instructions for the learning-teaching process :

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focuss attention on the instructions given below.

When approaching the first lesson under this competency level pose the questions below to the students and involve then in a brain storming exercise.

- What is meant by culture.
- What are the characteristics evident in a culture.
- Then explain about "The entrepreneurial culture".
- Culture is defined as a compositions of norms values and beliefs that are shared by a particular community.
- Society consists of its culture, its activities and its structure. It can be presented as follows.



The culture in which men are nurtured generally influences their thinking, likes dislikes and habits. The culture remains as the power behind in moulding people's concepts.

Whether you do your own business as your means of livelihood or you do a wage earning job, culture has an influence in the decision one has taken.

- Example :**
- Doing a wage - earning job is held in high esteem in the existing cultural pattern in Sri Lanka.
 - A certain culture consists of a number of sub-cultures.

- Example :**
- The entrepreneurial culture too is a sub culture. The entrepreneurs of a certain culture have their own acceptances, beliefs, values concepts, norms and maintenance of relationships etc.

This lesson, explains with reason, the necessity of creation of an entrepreneurial culture in Sri Lanka.

Examples :

- Strong downward tendency in the supply of Jobs.
 - Existence of an educated labour-force.
 - The higher percentage of unemployed among the educated than among the uneducated younger generation.
 - The necessity of bringing Sri Lanka to a higher level of growth of its economy.
 - Prevalence of an appropriate economic and political environment
 - Availability of resources.
 - Job creators should be generated to create more jobs.
 - Necessity of the existence and maintenance of social coexistence
-
- A lesson can be utilized to provide some knowledge about the economic and social factors in Sri Lanka which stand as rival forces against the establishment of an entrepreneurial culture.
 - Accordingly, pay attention to the social & economic factors described in the syllabus under this competency level.
 - Then, plan a lesson to provide some understanding about some unfavourable social factors that prevent people from taking part in entrepreneurial activities.

Raise the question as to why people are not interested in business in the class. Lead a discussion and get their views about the question so as to highlight the necessity of the subject matter.

Example :

- Involvement in a wage - earning job is held in higher esteem by Sri Lankan society.
- Reluctance to take responsibilities and risks.
- Failure of Education to provide encouragement in this regard.
- Inadequencies in governmental encouragement.
- Lack of recognition of businessmen by society.
- Dependent mentality of people.

Evaluate the students appropriately during the learning teaching process using essay type as well as structured questions.

- Explain the existence of characteristics in a culture.
- Give 4 reasons as to why an entrepreneurial culture is necessary in Sri Lanka.
- Society consists of 4 main sections. Give these 4 sections with examples.

Basic concepts

- Entrepreneurial culture.
- Economic and social factors.

Quality Inputs :

- Grade 11 Text Book

Assessment and evaluation criteria

- Present reasons as to why entrepreneurship culture is necessary for Sri Lanka?
- Present examples of some factors that obstruct establishment of an entrepreneurial culture in Sri Lanka.
- Present proposals regarding how factors opposing the establishment of an entrepreneurial culture in Sri Lanka can be avoided.

Competency 7	: Explores the prevailing opportunities for the emergence of an entrepreneurial culture in Sri Lanka.
Competency Level 7.2	: Examines the importance of the role played by women in the creation of an entrepreneurial environment in Sri Lanka.
No. of Periods	: 06

Learning Outcomes :

- Emphasizes the necessity of women becoming entrepreneurs.
- Discusses the strengths of women to play an entrepreneurial role.
- Presents examples of the limitations existing in Sri Lankan society regarding women getting involved in business.

Proposed instructions for the learning-teaching process :

As you commence the first lesson relevant to this competency level. Call upon two students volunteers to come forward and draw the pictures of a man and a woman on the blackboard.

Then inquire about the inherent characteristics that distinguish women and men from each other. Explain that the women's intrinsic characteristics do influence the entrepreneurial role she plays. Let them provide some information about the business-women who could be regarded as a women entrepreneurs and introduce female entrepreneurship

- At the beginning of this lesson, as a preparatory activity, direct the students to gather information about women entrepreneurs. This will help the student to acquire some real experience about women entrepreneurs.

- Examples :*
1. Informations about women entrepreneurs from newspaper/magazines.
 2. Internet browsing for live - information about women entrepreneurs.
 3. Women entrepreneurs about whom student know.

- Give them a chance to introduce to the class all information derived from the above channels.
- If possible invite a women entrepreneur you know very well to visit your classroom as a 'Success Woman'. Let students listen to her "Success Story".
- Give her pre-information for her to emphasize the following, in her talk in the following manner.
- What made her take to the business field?

- Strength and Obstacles she encounterd on her business path and how she overcame them.
- What useful experience students can get from her.
- On the basis of this information gathered through whatever channels above enlighten them on women's entrepreneurial role.

Here it is quite important that contribution of women entrepreneurs is highlighted in the creation of an entrepreneurial culture in Sri Lanka.

If a woman entrepreneur is taken as a successful personality the students could be set to do an activity (exercises) on the basis of her speech. For the above purpose direct students to present information about the following.

- The nature of her entrepreneurship
 - What made her to take to business.
 - Her education and training.
 - Family background.
 - (Future) Vision.
 - Obstacles she encountered and how she has overcome them.
 - Her strengths that contributed to making her business profitable.
 - Useful experiences you derived from her speech.
- The necessity of woman volunteering to participate in business and it is necessary that subject matter regarding the availability of opportunities for same be presented.

Examples of necessities

- A majority of the population being women.
- Prevalence of unemployment among women.
- Existence of business which require women participation.
- Tendency for women to receive higher education.

Examples of opportunities

- Existence of a high demand for the services of women in the economy and services of women being necessary.
- Availability of plenty of small business opportunities.
- Introduction of special incentive-schemes.
- Social acceptance, good attitude and changes coming into being.
- Endowment of family business.

The strengths, woman has in her as an entrepreneur, the limitations and challenges she encounters in doing business. The student needs to be made aware of the above.

Examples of strengths women posses

- Economic
 - Use time effectively
 - Self discipline
 - Truthfulness / Reliability
-
- Examples of limitations and challenges for women in the field of business.
 - Male - domination
 - Being - Stereotyped
 - Family Responsibilities
 - Negative societal attitudes regarding women taking to certain types of business.
 - Give students essay type structural questions in the teaching-learning process under this competency level.

Examples :

- Give reasons for the necessity of entrepreneurs to an Economy like that of Sri Lanka.
- The stance of some people who are not much in favour of women doing businesses. State your views regarding this.

Basic concepts

- Women entrepreneurship
- Limitations and strengths

Quality Inputs :

- Grade 11 Text Book

Assessment and evaluation criteria

- Give examples of businesses which women engage mostly in.
- Women's participation is appreciated in moulding a business culture.
- Give limitations that women in the field of business face.

Competency 7	: Explores the prevailing opportunities for the emergence of an entrepreneurial culture in Sri Lanka.
Competency Level 7.3	: Shows interest in contributing towards building up of a good entrepreneurial culture while following social responsibilities and ethics.
No. of Periods	: 03

Learning Outcomes

- Clarifies own idea about social responsibilities and ethics of business.
- Explains with examples the parties to whom businesses are bonded by social responsibility.
- Discusses the necessity of following social responsibility and business ethics.

Proposed instructions for the learning-teaching process

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focus attention on the instructions given below.

- Give each of the topics below to the group of students and get their responses.
 1. Responsibilities of parents to their children.
 2. Responsibilities to parents by their children.
 3. Responsibilities of teachers towards students.
 4. Responsibilities of students towards teachers.
- Pupils' responses are marked on the board.
(08 minutes adequate for this)

Then, having presented the question as to what responsibilities entrepreneurs have towards society, elicit students' views.

Give the group of students the case of "Rock Scene Hotel" in annex 7.3.1. Give them time to study it and await their answers to the questions below.

- According to this case study what benefits does society enjoy because of this businessman's attitude?
- Who are the parties that fulfill the duties of this businessman well.
- What are his responsibilities?
- What good examples can be derived from this businessman as to what should be done and endured?

- This incident mentions the parties involved in the business and who the parties involved in are?
- Can you tell what good returns a businessman will derive from his good behaviour?
- Have the group explorations presented to the entire class.
- Benefits derived through the observance of social responsibilities and ethics by businessmen.

Example :

- A very good image is created about the business.
- Enhances one's reliability among those who do transactions.
- Enhancement of the willpower of workers resulting in an increases in their loyalty to the business.
- The business receives security
- In the learning teaching process under this competency provide appropriate evaluation to students using structured and easy typed questions.

Example :

- What do you mean by entrepreneurs obligations towards society.
- Show why it is necessary for businessmen to fulfil their social responsibilities.

Basic concept

- Business - social responsibilities
- Business - ethics
- Parties interested in business

Quality Inputs :

- Grade 11 Text Book
- 7.3.1. necessary copies of the incident "Rock Scene Hotel".

Assessment and evaluation indication

- Explains concepts of social responsibilities and ethics.
- Give instances of the parties interested in business. Give reasons for such interest in them.
- Mentions as to what good returns a businessman expects through conformity to ethics and social responsibilities.

Annex 7.3.1

Rock Scene Hotel

The Russell's family business is a small tea Kiosk they are plying by the side of the Kandy-Mahiyangana Road. One reason for customers visits here is the small brook that is following beside this place.

The speciality of this small eating house is that it has been noticed that from the very beginning, it served tea with Kithul Juggery, Fresh Cow-milk also that one can consumer king coconut water, toffees, hoppers and many kinds of short eats hot.

Many private vehicles as well as lorries passing by stop here and commuters refresh themselves with tea at this kiosk. Russell helps his father in his business when he has his school vacation. After his fathers sudden death, Russell engaged himself full-time with his mother in this business. By the time, Russell became a young person he had got the business considerably developed. He extended his small eating house into a two storeyed building. The ground floor was reserved for drinking tea while the upper floor served food day and night. He often purchased clean and fresh stuff to prepare food and the food also was made in the very hotel under the most hygienic conditions. The waste materials from the hotel was converted into bio-gas in order to generate power. The hotel was kept very clean and tidy while the hotel employees were trained to provide their services with courtesy and friendliness. He took great care to see that his workers got their salaries and incentives, uniforms and food in time. Dues to all hotel suppliers were settled in time the records of tax payments and other financial transactions of the hotel are maintained properly. Customers assert the reasonable prices of food in his hotel. The area near the brook where the hotel stands is maintained in picturesque surroundings, so that the numerous passers by could rest and refresh themselves at this place.

Russell thinks most about his commitments rather then his own personal gains. It's evident that the future of Russell who is still in his youth is bright.

Competency 7	: Explores the prevailing opportunities for the emergence of an entrepreneurial culture in Sri Lanka.
Competency Level 7.4	: Exhibits interest in searching for institutions and programs working.
No. of Periods	: 06

Learning Outcomes:

- Discuss the necessity of providing incentives to new business start up.
- Provide examples of financial and non financial incentives available to Sri Lankan entrepreneurs.
- Present examples of institutions providing financial and non financial incentives to Sri Lankan entrepreneurs.

Proposed instructions for the learning-teaching process :

Acquire sound understanding of the subject content in the syllabus and about the subject matter related to the pupil text relevant to this competency level. Then focus attention on the instructions given below.

- When approaching the first lesson under this competency level direct the question regarding the needs of an entrepreneur when setting up a business and involve the students in a brain storming session.
- Having taken into consideration the information given by the students, conduct a discussion about the various incentives provided to the entrepreneur and also about organizations providing such incentives.
- Clarify as to why those who initiate businesses need government incentives.
 - Provide the opportunity for individuals to develop a desire in them for involvement in business.
 - Provide the opportunity for individuals to transform their business ideas into businesses.
 - Providing business people and successful access.
 - Maintaining good relationships with beginners of business.
 - Inculcating self-confidence and optimistic attitudes in those running businesses.

- Clarify and classify government incentives as below.

Incentives				
Financial Incentives		Non Financial Incentives		
Commercial Bank loan facilities	Loan facility from other banks	Counselling Services	Technical Services	Marketing Facilities
<ul style="list-style-type: none"> Make students aware of the need for meeting the financial facilities. <ul style="list-style-type: none"> Purchase of mechanical equipment Purchase of office equipment For construction purposes Extension of business Export of goods Give examples of non-financial incentives <ul style="list-style-type: none"> Training of entrepreneurs Training of employees Marketing training Legal services Quality control Packaging of goods Implementation of business planning Providing business Advisory services Provide information about organizations that provide financial and non financial incentives. 				

Organization that provide financial incentives.

Example :

- All local commercial banks
- Financial institutions other than non commercial banks.
- D.F.C.C. Bank
- Provincial Development Bank

- Non financial incentives Institutions
 - Industrial Development Board
 - Export Development Board
 - Small Industries Development Unit
 - Department of Youth Affairs and Skills
 - Sri Lanka professional development authority
 - Sri Lanka business development authority
 - National business development authority
 - National Planning centre
 - Industrial technical institute
 - National Arts council
 - Sri Lanka Handicraft Industrial Board
 - Small Industries Department
- In the learning-teaching process under this competency level the assistance of resource persons may be sought.
- A specialist officer on this matter has been deployed at every provincial secretarial division. His assistance, if required may be sought.
- Give them structured questions in the teaching learning process under this competency level.

Examples :

- State five reasons as to why encouragement is necessary for those who start a business
- Give 2 examples of each financial and non financial encouragements available to those who start a business.

Basic concepts

- The Boost for business
- Financial and non financial boosts
- Boosting organizations or institutions

Quality Inputs

- Text Book - Grade 11

Assessment and evaluation Indicators

- Show the necessity of encouraging those who start new businesses.
- Give instances of financial and non financial assistance to entrepreneurs in Sri Lanka.
- Name organizations in Sri Lanka which give financial and non financial assistance to entrepreneurs.