OYO STATE LECTURE NOTES

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ECONOMICS SCHEME FOR SS 1

WEEK 1 (FIRST TERM)

Definition of Economics:

Alfred Marshal: Economics is defined as ‘A study of mankind in the ordinary business of life.
John Stuart Mill: Economics is defined as the practical Science of production and distribution of wealth’.
Adam Smith: Economics is defined as an inquiry into the nature and causes of wealth of nations.
Professor Lord C. Robbins: Economics is defined as the Science which studies human behaviour as a relationship between ends and scare means which have alternative uses. This is the most acceptable definition of economics.

NATURE AND SCOPE OF ECONOMICS

ECONIMICS AS A SOCIAL SCIENC E

Economics belongs to the group of social Science subjects such as Sociology, Geography, Psychology, Government, Philosophy etc. Economics is concerned with human behaviour, particularly how people achieve their wants. How man interacts with people in the process of buying and selling.

Economics as a Science:
Economics is regarded as a Science but not as natural science like Physics, Chemistry, and Biology. Economics is regarded as a science because it makes use og scientific instruments in analysing and interpreting data.

SCOPE OF ECONOMICS
Economics is concerned with production, consumption, distribution, and exchange.

WEEK 2

BASIC CONCEPT OF ECONOMICS

Wants: Want is defined as human wants, desire or need. Human wants are numerous compared to limited resources at hand.

Resources: These are things/items that are used to meet/get human needs e.g. time, money, etc.

Scarcity: Scarcity is defined as the limited supply of resources which are used for the satisfaction of human wants

Scale of Preference: Scale of preference is the list of human wants in the order of priority or relative importance

KUNLE'S SCALE OF PREFERENCE

S/N	ITEMS NEEDED	PRICE (₦)
1	School bag	1,500
2	School sandal	1,000
3	10 Exercise books	1,000
4	Economics textbook	2,000

Choice: Choice can be defined as a system of selecting or choosing one item out of a number of alternatives.

Opportunity Cost: Opportunity is the alternative forgone. Opportunity cost is also known as real or true cost.

IMPORTANCE OF OPPORTUNITY COST

i. Opportunity cost leads to wise choice

ii. Efficient use of scarce resources

iii. It leads to rational decision

iv. It is useful in preparation of budget

WEEK 3

BASIC ECONOMICS TOOLS

Table: A table is a systematic and orderly arrangement of information or facts usually in rows and columns for presentation which make it easier for better understanding

Characteristics of a table

i. A table must be very simple
ii. It must be easy to understand
iii. A table must have a title or heading
iv. It must be numbered if they are many
v. The purpose of constructing the table must be stated

Importance of table

i. A table helps to summarised the data presentation
ii. It assist in an orderly arrangement of data
iii. A table helps to understand data
iv. It eases in comparism of different classes of data.

Graphs: Graph is defined as a diagram that shows relationship between two or more variables e.g line graph, pie chart, bar graph etc.

FEATURES OF GRAPH

i. Graph must have a title or heading
ii. Graph must have or possess appropriate scale
iii. Graph must be labelled properly for better understanding
iv. The unit of measurement must be indicated
v. The X and Y axes of the graph (where applicable) must carry different variables

IMPORTANCE OF GRAPH

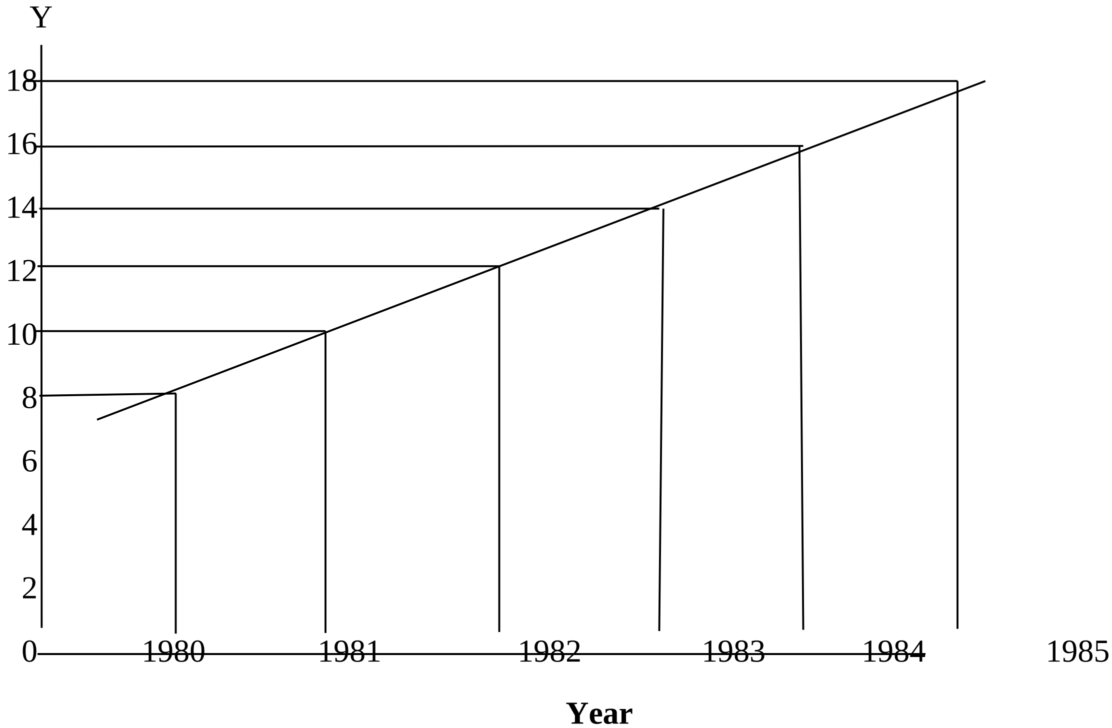
1. Graphs help to show relationship between two variables.
2. It helps to interprete value of variables.
3. Graph provides basis for comparing variables provided in thetable 4. It makes it possible for changes in variables on quantities to be expressed

Line Graph: Line graph is a line used for data where emphasis is on continuous change. It is used to connect the highest and the lowest point of a group of data. Line graph could be straight or curve

Example: Cocoa production by Oyo State from 1980 to 1985

YEAR	COCOA PRODUCTION (TONNES)
1980	8
1981	10
1982	12
1983	14
1984	16
1985	18

Graph showing cocoa production in tonnes in Oyo State from 1980 to 1985



Pie Chart: A pie chart is a single circle any convenient size which is divided into sector in which sector is proportional to the quantity it represents. It can be measured either in percentage and in degree.

Bar Chart: Bar chart is a graph made up of bars o rectangle which are of equal width and whose lengths are proportional to the quantities they represent.

TYPES OF BAR CHART

i. Simple bar chart

ii. Component bar chart

iii. Multiple bar chart

Pictograms: Pictogram or pictographs is a chart in which pictures or drawing of objects are used to represent items in a given data

Histogram: Histogram is a graphical representation of frequency distribution.

WEEK 4

Measures of central tendency: It is the statistical information that gives the middle or centre or average of a set of data

Measures of central tendency are:

i) Arithmetic means (ii) Median (iii) Mode

The arithmetic mean: It is the average of a series of figures or values

$$\text{Arithmetic mean} = \bar{X}\ \frac{\sum fx}{n}$$

But in case of mean of group data

$$= \bar{X}\ \frac{\sum fixi}{\sum fi}$$

The median: The median is defined as the middle value when figures are arranged in an order of magnitude

The mode: The mode can be defined as the most frequently occurring number in a set of numbers or data.

Example: The scores obtained by 10 students in a test are: 6,8,4,7,3,5,6,9,6,5.

Using the Above scores; Calculate;

(a) The mean score (b) the median and (c) The modal score

(a) Mean ($\cancel{x}$) = $\dfrac{\textbf{Sum of all the scores}}{\textbf{Number of scores (No of students of wrote the test)}}$

$$\frac{6+8+4+7+3+5+6+9+6+5}{10}$$

$= \underline{59}$

10

=5.9

(b) Median = Arrange the scores in ascending or descending order and locate the one(s) in the middle.

= 3,4,5,5,(6,(6),6,7,8,9

Median= $\frac{6+6}{2}$ = 6

(c) The Mode = The score obtained by most student

= 6

WEEK 5

DEMAND

Demand can be defined as the quantity of a commodity that a buyer is willing to buy at a given prices at a particular time.

Demand schedule: It is a table that shows the relationship between prices and the corresponding quantities of that commodity that is demanded.

TYPES OF DEMAND SCHEDULE

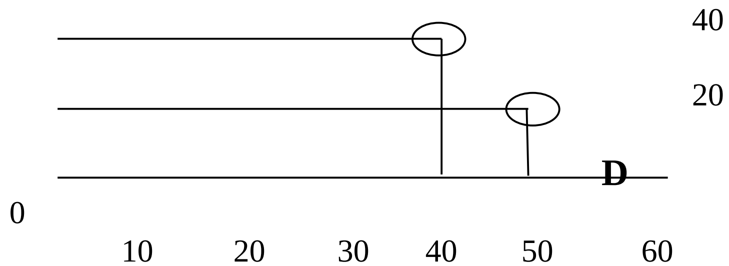
i. Individual demand schedule
ii. Market demand schedule

Example of demand schedule:

Mr kunle's demand schedule for tins of milk per week

Price per tin (₦)	Quantity demanded no of tins (**Q**)
100	10
80	20
60	30
40	40
20	50

Demand curve: demand curve is a graph showing the relationship between the price and the quantity of a commodity demanded.



NOTE: A normal demand curve has a negative slope. That is it slopes, downward from left to right.
Laws of Demand: It states that, all things being equal, the higer the price of commodity, the lower the quantity demanded and vice versa.

Factors affecting demand:

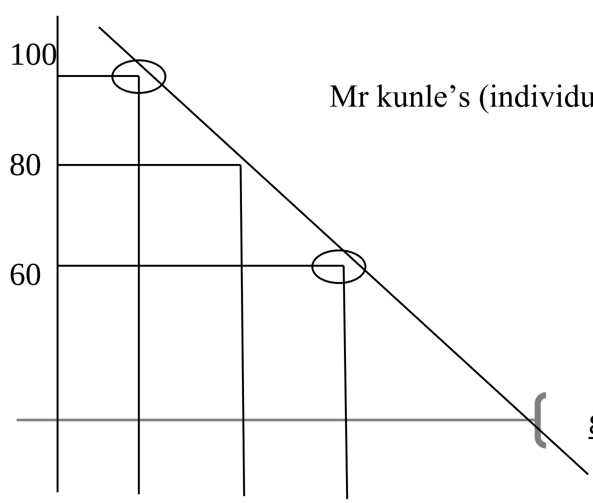
i.	Price of the commodity
ii.	The price of other commodities – (a) Substitutes (b) Complements
iii.	Income of the consumer
iv.	Population
v.	Changes in taste of consumer
vi.	Period of festival
vii.	Taxation
viii.	Expectation of change in price
ix.	Weathers and climate

WEEK 6

SUPPLY

Supply can be defined as the quantity of a commodity that a producer or seller is willing to sell at a given price at a particular time.
Supply Schedule: Supply schedule is a table that shows the quantities of a commodity supplied for sale at given prices.

TYPES OF SUPPLY SCHEDULE



Mr kunle's (individual) demand curve.

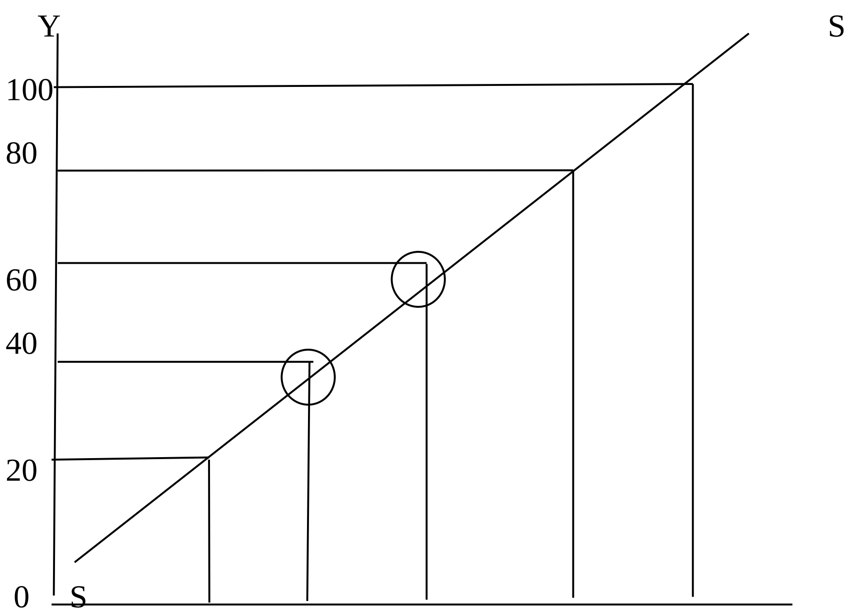
Individual supply schedule
Market supply schedule

Example of individual supply schedule
A farmer's supply schedule for bags of rice

Price per bag (₦)	**Quantity supplied bag of Rice**
100	50
80	40
60	30
40	20
20	10

Supply Curve: This is a graph that shows the relationship between price and quantity of commodity supplied for sale

A farmer (Individual) supply curve



10 20 30 40 50

Quantity Supplied bags of Rice

NOTE: A normal supply curve has a positive slop. That is it slopes downwards from right to left or upwards from left to right.

THE LAW OF SUPPLY: It states that, all things being equal, the higher the price of a commodity, the greater the quantity supplied and vice versa.

FACTORS DETERMINING SUPPLY

i. Price of the commodity
ii. Level of technology
iii. Cost of Production iv. Government policy
v. Weather
vi. Taxation
vii. Price of other commodities

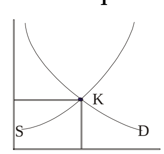
WEEK 7

PRICE MECHANICSM

DETERMINANT OF EQUILIBRIUM PRICE

Price mechanism refers to the determination of market price through the interactive forces of demand and supply.

Equilibrium price is the price at which the quantity demanded is equal to the



PRICE D s quantity

of commodity supplied. Determinants are:

Price ⇨ Forces of demand and Supply P

NOTE: K= Equilibrium Point 0 Q QUANTITY

OP=Equilibrium Price

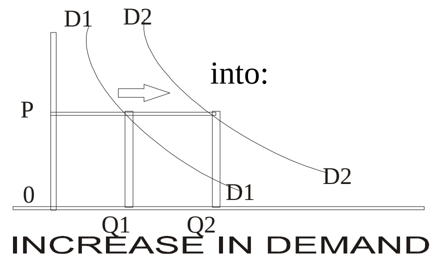
OQ=Equilibrium Quantity

Change in demand

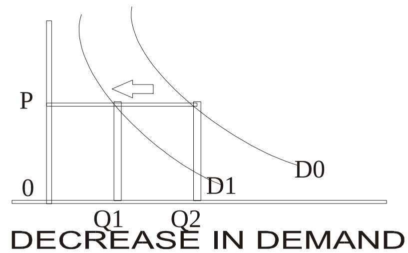
Charge in demand occurs as a result of other factors of affecting demand except price and there is shift in demand curve to the new position. D1 D2

Change in demand is grouped into:

⇨ Increase in demand
⇨ Decrease in demand



INCREASE IN DEMAND



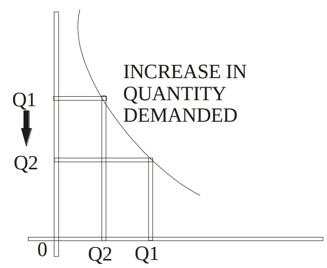
DECREASE IN DEMAND

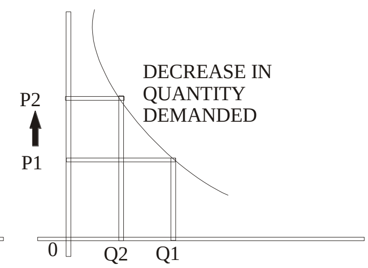
<u>Change in quality demand</u>

Change in quality demanded occurs as a result of changes in the price of the commodity with a movement or shift in demand curve.

Change in quality demanded is grouped into:

⇨ **Increase in the quantity demanded**
⇨ **Decrease in the quantity demanded**



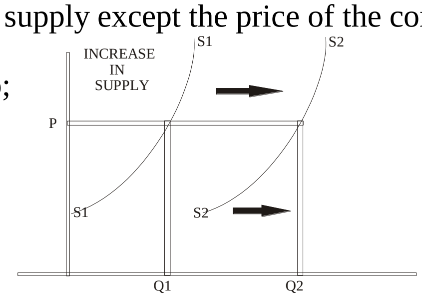


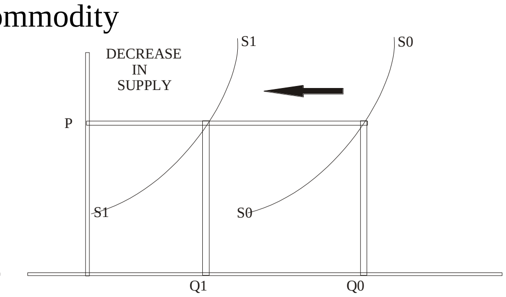
Change in supply

Change in supply means change in the supply curve to an entirely new position which occurs as a result of other factors affecting supply except the price of the commodity

Change in supply is grouped into;

Increase in supply
Decrease in supply





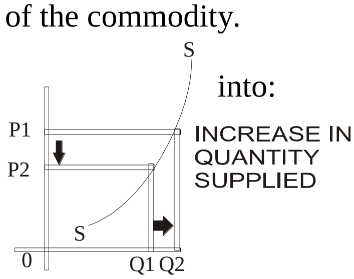
⇨
⇨

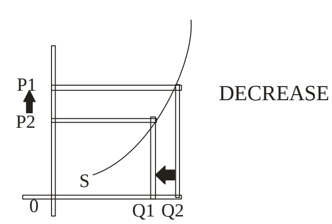
Change in quantity supplied

A change in quantity supplied is the shift movement from one point to another on a supply curve which cause as a result of the change in the price of the commodity.

Change in quantity supplied is grouped s into:

⇨ **Increase in the quantity supplied**
⇨ **Decrease in the quantity supplied**
IN QUANTITY SUPPLIED





WEEK 8

PRODUCTION

Production can be defined as the creation of utility. Utility is the ability of a commodity to satisfy human wants

TYPES OF PRODUCTION

i) **Direct Production**: This type of production involves producers produce directly for the family/household consumption.
ii) **Indirect production**: It involves production of goods and services purposely for commercial purposes.

SUB-GROUPS OF INDIRECT PRODUCTION

i) **Primary production**: It involves extraction of raw materials from the land, air or sea e.g farming, fishing, mining, lumbering etc. ii) **Secondary production**: It is the transforming of raw materials produced by the primary production into semi-finished or into finished goods e.g manufacturing through which goods like clothes, cars, television sets etc. are produced. iii) **Tertiary production**: This stage involves with the provision of services to the people e.g teaching, entertaining, soliciting/advocating, health/medical, seculity/policing etc.

FACTORS OF PRODUCTION

There are four factors of production, namely: Land, Labour, Capital and Entrepreneur.

a) **Land:** It is gift of nature, which includes the earth surface and everything there in. The reward of land is rent. It includes farm land, vegetation, air, mineral resources
b) **Labour**: Labour is all human efforts both physical and mental directed towards production of goods and services. The reward of labour is wages. types of labour are: Skilled and unskilled labour
c) **Capital**: Capital is defined as an asset or wealth used in production and the reward of capital is interest
d) **Entrepreneur**: An entrepreneurer can be defined as the coordinator of other factors of production in order to produce goods and services. The reward of an entrepreneurer is profit

TYPES OF CAPITAL ARE:

- Fixed capital
- Circulating capital
- Current capital
- Social capital

WEEK 9

DIVISION OF LABOUR

Division of labour can be defined as the breaking down of production processes into stages in which each stages is undertaking by individuals or group of individuals.

SPECIALIZATION: Specialization is defined as the concentration of the productive country in a given aspect of production of goods and services

SCALE OF PRODUCTION: Scale of production can be result defined as the expansion of the volume of productive capacity, which result in the increase in output with the decrease in its cost of production per unit of output.

(a. Internal Economies of Scale

(b. External Economies of Scale

Advantages of Division of Labour

(a. Increase in productivity/Output

(b. It makes the use of machines much more easier

(c. It saves time

(d. Less fatigue

(e. It reduces the unit cost of output

(f. It increases specialization

(g. It increases the skill of worker

Disadvantages of Division of Labour

(a. Monotony of work

(b. Loss of craftsmanship

(c. It increases the risk of unemployment

SS 1 2ND TERM WEEK

1

REVISION OF LAST TERM'S WORK WEEK

2

DEFINITION OF ECONOMIC SYSTEM

Economic system is an arrangement for managing the relatively scarce resources in a particular place at a particular time.

TYPES OF ECONOMIC SYSTEM

Capitalism or free market economy
Socialism or centrally planned economic system Mixed economy

CAPITALISM: This is an economic system in which the means of production (economic resources) are controlled or managed by private individuals.

Features of Capitalism:

- Private ownership of properties
- Existence of competition
- Free market enterprise
- Individual satisfaction
- Profits maximization

SOCIALISM: Socialism is an economic system in which the means of production (i.e. the economic resources) are controlled by the state. ***Features of Socialism***

- State ownership of production
- Joint decision-making
- Non-market economy
- Absence of economic rivalry
- Freedom of choice

MIXED ECONOMY: This is an economic system where the measn of production are owned and controlled by both private individuals and the governments.

Feature of mixed economy:

- Participation
- Joint decision making
- Freedom of choice
- Economic freedom
- Fair competition

WEEK 3

BASIC ECEONOMICS PROBLEMS OF SOCIETY

What to produce?

This is related to production. Decision would have to be made about what kinds of goods and services to be produced and in what quantities. The major emphasis here is how to use the available scarce resources to produce only the goods that will be needed by various consumers.

How to produce?

After the decision on what to produce, is the question ‘’how to produce’’. This deals with the method that would be adopted in the production, it could be capital intensive or Labour intensive. Capital intensive method of production is the system of using more of machines (e.g. tractors) and less of human efforts (worked). Labout intensive method is the act of using some workers tho use hoes and cutlasses and less of modern tools.

For whom to produce?

The resources will be diverted to what the consumers will demand for or what they want to pay for, and arrangement will be made for its distribution

Efficiency of resources use?

It is a fact that resources are scarce and as a result all the available resources should be used without allowing anyone to lie idle. It is therefore important that resources be put to their best use.

WEEK 4

DEFINITION OF FIRMS AND INDUSTRY

FIRM:

A Firm is the basic unit within which factors of production are organised for the purpose of producing wealth.

INDUSTRY:

An industry is a group of firms producing similar products for the same market

Types and basic features of business enterprise

- Sole proprietorship
- Partnership
- Private Limited Company
- Public limited Company
- Public Corporation
- Co-operative Societies

BASIC FEATURES OF BUSINESS ENTERPRISES

1. Features of Sole proprietorship

- Owned by one person
- Unlimited liability
- Capital provided by the proprietor ➢ Profit maximization motive ➢ Not a seperate legal entity.

2. Features of Partnership

- Owned by two to ten/twenty persons.
- Unlimited liability
- Capital provided from partners contribution
- No board of directors
- Profit maximization motives

3. Features of Private Limited Liability Company

- Minimum of 2 (two) owners and maximum of 50 (Fifty)
- It is a separate legal entity
- Limited liability
- Profit maximization
- Cannot raise capital from members of the public and does not advertise shares to the public.

4. Features of Public limited Liability Company

- Minimum of Seven (7) and no maximum number of owners

- It is a separate legal entity
- Limited Liability
- Owned by Shareholders
- Can raise capital from members of the public by selling shares

5. Feature of Public Corporation

- Owned by Government
- Financed with tax payer's money
- It renders essential services
- Legal entity
- Enjoyment of mono ploly
- Profit maximization is not the ultimate motive but can make profit.

6. Features of Cooperative Societieps

- Minimum of two (2) persons to a large member
- Profits or losses are shared on the basis of patronage
- Not necessarily formed to make profits but to promote the economic activities
- Capital is raised through shares and loans ➢ Principles of democracy is applied in voting right.

PROBLEMS CONFRONTING BUSINESS ENTERPRISES IN NIGERIA

- Inadequate capital
- Shortage of raw materials
- Problem of import licence
- Low patronage
- Low level of Technology
- Political instability
- Location problem

WEEK 5

PRIVATE AND PUBLIC COMPANY

Private Company: It is also known as Private Limited liability Company. It is defined as one which by it articles, restricts the right to transfer its shares, limits the member of its shareholders from two (2) to Fifty (50)

Public Company: It is also known as Public liability company. It is defined as one which by its articles, allowes the public to subscribe to its shares, must have a minimum of seven (7) persons but no maximum member is prescribed

Distinction between Private and Public Enterprises

S/N	***Limited Liability Company***	***Public Enterprises***
1	Owned by individual	Owned by Government
2	Capital is provided by Private and individuals	Capital is provided by Government
3	Profit maximization objectives	Provision of Social Services
4	Owners bear the losses suffered by private enterprises	Tax payers bear losses suffered by public enterprises
5	Require small amount of capital to set up	Require huge amount of capital to set up
6	Controlled by the owners of directors appointed by owners	Controlled by the board of directors appointed by the Government

QUOTED COMPANIES

Quoted Companies are companies whose shares can be traded on the floor of the stock exchange market e.g. Zenith Bank PLC.

UNQUOTED COMPANIES

These are the Companies whose shares cannot be traded on the floor of the stock market Definition and distinction of shares, debentures, and bond.

Shares: A share can be defined as the individual portion of the Company's capital owned by shareholders – it is the unit of capital of a firns, the reward of a shareholder is called dividend.

Debentures: A debenture may be defined as a bond, acknowledging a fixed rate of interest.

Bond: A bond is a debt investment in which an investor loans money to an entity (typically Corporate or Governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate

Distinction of shares, debentures and Bond

S/N	SHARES	DEBENTURE	BOND
i	It is not a loan	It is a loan	It is a loan
ii	Holder is one of the owner (Shareholder)	Holder is a creditor	Debtor
iii	Holder receives dividend	Holder receive interest	Pay interest
iv	A share is a unit of capital	A debenture is a certificate of indebtedness	A Document
v	Dividend is credited to	Interest is credited to	Promising pay back
	appropriation account	profit and loss account	

WEEK 6

DEFINITION OF POPULATION

Population is the total number of people living in a geographical areas at a particular time

Determinants of Population

3 major determinants of population are:

- Birth rate (Fertility Rate)
- Death rate (Mortality Rate)
- Migration

Implications of Population

Disadvantages of large Population (over population)

Pressure on natural resources
Increase in crime rate
Insufficient Foods
Unemployment/ underemployment
High cost of living
Environmental Pollution.

Advantages of large Population (Increasing Population)

Increase in working population
Expansion of Local market
Rapid urbanization
Attraction of investors
Attraction of foreign Aids
Diversity of skills and talent

THORIES OF POPULATION

A. Malthusian Theory: Rev. Thomas Robert Malthus (1766) in essay titled; ‘’Essay on population 1798’’ says:

Population will grow at geometrical progression
Food production will grow at an arithmetical progression
If the growth of the population is not checked, poverty, starvation, famine, plague, epidemics and drought.
High infant mortality are prevalent

B. DEMOGRAHPHIC TRANSITION THEORY

This theory provides historical insight into the population problems of developing countries. It examined three (3) identical stages of population history thus:

Slow population growth (Pre-transition Stage)
Rapidly growing population (Transition Stage)
Slow growing population (Post-transition Stage)

WEEK 7

POPULATION DISTRIBUTION

The population of a country are classified into: Sex, Age, Geographical and Occupational Distributions

Sex distribution: It shows how many ways Males and Females are in a country at a particular time

- Age Distribution: This is the breakdown of the population of a country at a particular time into age groups
- Geographical Distribution: This is the breakdown of the population of a country at a particular time into geographical areas.
- Occupational Distribution: This shows the different activities engaged in by men an d women to earn their living

Population census is the official head count of people living in a geographical area at a time

Importance of census

- Forecast future economic needs
- Determination of standard of living
- Determines the level of unemployment
- Formulation of economic policies
- Distribution of resources
- Provision of social amenities
- Determination of Population size

Problems of Census

- Finance inadequacy
- Illiteracy and ignorance
- Shortage of trained and experienced officials
- Improper planning
- Inaccessibility of remote area
- Inadequate means of transportation
- Religious/ Traditional belief

Rural-Urban Migration: This is the movement of people from rural areas to urban centres e.g. from village to city

WEEK 8

CONCEPT OF LABOUR FORCE

Labour: Labour refers to all human effort be it, mental or manual, skilled or unskilled, Scientific or artistic that is used in the productive process usually for a reward

Labour Market: Is a an arrangement by which wages and conditions of employment are negotiated and determined

Working Population: refers to those people who are allowed by law or qualified or within the age bracket, to work and offer themselves for employment.

Efficiency of Labour: Refers to the quality of output in the form of a product or service in the production of which labour is an output. If labour is efficient, the quality of products and services will be high. Factors affecting the efficiency of labour in include:

Mobility of Labour: Refers to the to the movement of labour from one occupation, work place or geographical area to another.

The mobility of labour tis classified into:

(a) **Geographical mobility of labour:** This is the case with which a worker moves from one geographical area to another. For example a teacher in Oyo State who moves to Lagos State but still works as a teacher.

(b) **Occupational mobility of Labour:** This is th case with which a worker moves from one job to another. For example a driver who becomes a gateman.

WEEK 9
LABOUR FORCE

FACTORS AFFECTING THE SIZE OF LABOUR FORCE

- The size of the population
- The attitude of people to work
- Age composition of population
- Sex composition of population
- The official school leaving age
- The age of retirement /the member of those who retire before retirement age.

Supply of Labour: This is the total number of people available for employment in a country. It is the quality of human effort available in a country for productive purposes.

Demand for Labour: This is the quantity of human effort required by entrepreneurs for carrying out production.

WEEK 10

GENERAL OVERVIEW OF THE NIGERIAN ECONOMY AND ITS ECONOMIC POTENTIALS

The Nigerian economy is one of the most endowed economies in Africa with a total of over150 million people of which almost 70% live below poverty lines.

Nigerian economy is over dependent on the petroleum sector, and Nigeria is one of the largest producers of petroleum products in the world.

Nigeria has a verse area of land with a number of unexplored natural resources of economic potentials.

The industrial sector witnessed a lot of attempt to be developed after 1990 but to no avail

The economy is grouped under the:

- ❖ Primary Sector – Extractive
- ❖ Secondary Sector - Manufacturing
- ❖ Tertiary Sector – Services.

WEEK 11

REVISION AND EXAMINATION

WEEK 12

MARKING AND RECORDING

SSS 1 3RD TERM WEEK

1

REVISION OF LAST TERM'S WORK WEEK

2

COMPONENTS OF AGRICULTURE REFERS TO BRANCHES OF AGRIC:

Crop Production: It involves the growing of both cash crops and food crops

Livestock: This involve the rearing of animals e.g cattle, poultry, sheep, goats, pigs, horses etc.

Forestry: This deal with the growing of trees

Fishing: It involves breeding and catching of fishes from the rivers for human consumption.

SYSYTEMS OF AGRICULTURE, CULTIVATION AND METHODS.

(a) Peasant farming is farming on small scale It is also known as subsistence farming which is aimed at producing to meet their own needs for survival

(b) Plantation Farming: Planting of a single crop or tree on a large piece of land e.g. Cocoa plantation

(c) Mechanized or Commercial Farming: It involve the extensive use of modern equipments e.g tractors, planters on a large pieve of land mainly for sale.

(d) Co-operative farming: This is a farming system mainly practiced by producers co-operative society.

PROBLEMS OF AGRICULTURE

1. Land Tenure System
2. Poor Storage Facilities
3. Use of Primitive tools.
4. Lack of social amenities in the rural areas
5. Illiteracy among farmers
6. Poor access to loan facilities

WEEK 3

IMPORTANCE OF AGRICULTURE TO THE NIGERIA ECONOMY

- Provision of food
- Sources of raw materials
- Provision of employment
- Sources of income
- Market for industrial products
- Foreign exchange earnings

ACTIVITIES OF THE MARKETING BOARDS IN NIGERIA

West African Marketing boards originated from West African produce control board (WAPCB), with the following activities

- Buying of farm produce
- Grading of farm produce
- Fixing of prices
- Regulation of production
- Marketing of farm produce
- Financial assistance to farmers
- Crops collection and evacuation

WEEK 4

COMPONENT OF THE NIGERIA MINING INDUSTRY,

Nigeria mining Industry is directly related to the primary sector of the economy, i.e associated with land

Mineral, Types, Uses and Location

There are numerous types of natural resources (mineral) in different parts of Nigeria, which include, Gold, Sand, bitumen, marble, Granite, Clay, limestone, Coal, iron ore Tin and Columbite lead and Zinc.

Uses of Minerals

- Foreign exchange earring
- Provision of market
- High standard of living
- Attraction of Foreign investors
- It generates income
- Raw materials for industries

Location of some of the material are:

- Coal – Found in large quantity in Enugu and Okaba (Benue State)
- Iron - Found in Itakpe (Kogi State) and Aladja (Delta State)
- Tin and Columbite: Found near Jos (Pleateau State)
- Limestone: - Found in Ewekoro and Shagamu (Ogun State) etc

WEEK 5

MEANING OF FINANCIAL INSTITUTIONS

Financial Institution: Refers to institution that deals primarily with money

Segments of Financial institutions (Money and Capital market)

The Money Market: - Is a financial market made up of institutions which provide short term finance for investment, to borrowers, (individuals, institutions and Government) for periods from a few months to two (2) years

The Capital market: - Is made up of financial institutions which deal in long term financing. The capital market provides medium and long term loans for investment for more than two (2) years

WEEK 6

MONEY

DEFINITION AND HISTORICAL DEVELOPMENT OF MONEY

Definition :- Money is an item or commodity which is generally acceptable in a community in payment for goods and services or for the settlement of debts.

Historical development: - Before the advent of money, man adopted trade by barter as a means of trade abd doing business. The problem of trade by barter paved way for the introduction of money as a means of exchange.

Trade by barter involves direct exchange of goods for goods, goods for services or service for service without the use of money. ***Problems of Trade by Barter***

(a. Double Coincidence of Want

(b. Difficulty of Storing Wealth

(c. Problem of deferred payment

(d. Indivisibility

(e. Problem of exchange rate determination.

Functions of Money

- Medium of exchange
- Measure of value
- Standard for deferred payment
- Unit of account
- Store of value

Types of Money

- Coins
- Commodity Money
- Bank notes
- Token Money
- Bank Notes
- Legal tender ❖ Credit Cards
- Value Cards

- ❖ Automated Teller machine etc

Characteristics of Money

- ❖ Acceptability ❖ Portability
- ❖ Homogeneity
- ❖ Relatively scare
- ❖ Divisibility

WEEK 7

CHANNEL AND PROCESS OF DISTRIBUTION

Definition of Distributive trade: - Distributive trade or chain of distribution refers to the stages or channels through which finished goods are moved from the manufacturers or producers to the final consumers

The diagram below represent the chain of distribution

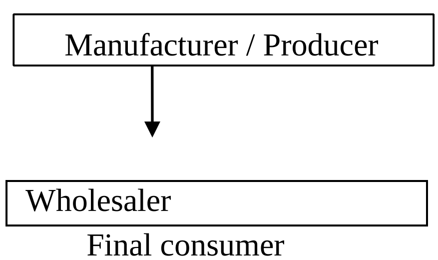
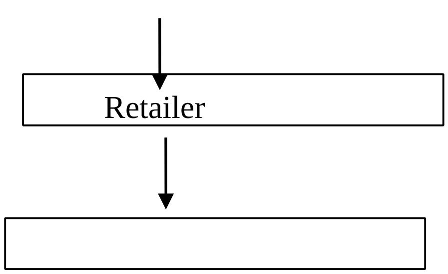


Fig. 1.3.1: Chain of Distribution.

The Diagram above can also put you through even if the diagram is horizontally striated

Process of distribution: - The process of distribution of goods involves all human and physical means which aid the smooth transfer of such goods from the manufacturer to the final consumers ***The following are the agents of distribution namely***:

- ❖ Middlemen (wholesaler and Retailer)
- ❖ Transportation
- ❖ Advertisement



- Warehousing

WEEK 8

ROLES OF RETAILERS IN PRODUCT DISTRIBUTION

He sells in small quantities to the consumers

- Stock variety of goods
- Advice the consumer
- Ensure door-to – door services
- He grants credit facilities to consumer

ROLES OF WHOLESALERS IN PRODUCT DISTRIBUTION

- He buy goods large quantities from the manufacturer an sells in small quantities to the retailers
- He provides warehouses for the storing of goods
- He advise both the manufacturer and the retailer
- He give credit facilities to the retailer
- He makes money available for the manufacturer

ROLES OF COOPERATIVE IN PRODUCT DISTRIBUTION

- They offer credit facilities to consumers
- They bring goods nearer to the consumers
- They sell essential goods at affordable prices
- Helping in stabilizing prices of goods
- They help in fighting hoarding

ROLES OF GOVERNMENT AGENCIES IN PRODUCT DISTRIBUTION

- Provision of transport system
- Provision of storage facilities
- Control of prices
- Prevention of artificial scarcity
- Establishment of communication system

PROBLEMS OF DISTRIBUTION

- Inadequate infrastructural facilities
- Hoarding and speculation
- Packaging problems
- Long chain of distribution
- Inadequate information

WEEK 9

SOURCES OF FUNDS FOR BUSINESS

There are different sources of funds available for businesses depending on whether it is private or public business enterprise

The common sources of funds for business enterprise

Borrowing for small business and sales of securities for public enterprise

- Ploughing back of profit
- Hire purchase
- Trade credit
- Insurance trusts

Basic Instrument for business financing

The following have been identified as the basic instrument for business financial; especially large business units:

- Shares
- Debenture
- Bonds

WEEK 10

SHARES

A share could be defined as a unit of ownership of a business concern **Types of Shares**

- Ordinary shares (common stock)
- Preference share (Preference stock)

Debentures : - A debenture is a loan capital or corporate bond **Types of debenture**

- Mortgaged debentures
- Floating debentures

Bond: **-** A bond is a debt investment in which an investor loans money to an entity which borrows the funds for a defined period of time at a variable or fixed interest rate

PROBLEMS OF BUSINESS FINANCE IN NIGERIA

Obstacles placed by banks on the ways of business units that want to obtain loans by way of outrageous collateral securities
Misuse of inherited capital

Economic recession that has contributed in reducing Government grants to public corporations

Low productivities which have contributed in reducing the profits of business unit Inability

to plough back profits made in business

WEEK 11

REVISION AND EXAMINATION

WEEK 12

MARKING AND RECORDING