

WEEK 1 PRODUCTION

MEANING OF PRODUCTION: Production can be defined as the conversion of raw material and semi-finished goods into tangible goods to satisfy human wants, examples of such tangible goods include rice, yam, phones, cars, etc. However production is not complete until the goods and services produced gets to the final consumers through distribution, buying and selling activities also known as commerce.

TYPES OF PRODUCTION:

They are classified into four:

- a) Primary Production
- b) Secondary Production
- c) Tertiary Production
- d) Services

(A) PRIMARY PRODUCTION:

Primary production is concerned with the extraction of food crops from the soils; such foods as yams, beans, cassava, cocoa, groundnuts, rubber etc. it also involves the extraction of minerals resources from the soil and seas to be used as raw materials in the manufacturing and constructions industries examples are; crude oil, coal, gold, iron-ore and tin. Farm products which provides food for man and raw materials for further production is referred to as primary production.

Extractive Industry: This is a combination of soil activities whose product comes from soil and nature such as agriculture, fishing, forest and mining product.

Agriculture products crops such as yams, cocoa, beans, etc are used for food while mining products such as coal, crude oil, iron-ore etc are used as raw materials for manufacturing industry.

(B) SECONDARY PRODUCTION:

Secondary production uses the primary production products to produce further goods for consumption. This occurs mainly in the manufacturing and construction industries.

i. THE MANUFACTURING INDUSTRY.

They use products of the extractive industry as raw material or semi finishes goods to produce finished goods.

The raw materials obtained from the extractive industry such as leather, wood, cocoa, crude oil are processed into finished goods e.g a carpenter would obtain wood or timber and process it into doors, tables, chairs, etc.

ii. THE CONSTRUCTION INDUSTRY.

This industry is concerned with the construction of roads, factories, bridges, harbour and airport. It makes use of product from primary production like granite, woods, timber and also product of the manufacturing industry such iron rod, cement, vehicles.

(C) COMMERCE AND PRODUCTION:

Commerce involves buying, selling and distribution of goods and services. Before these take place, goods and services must be

available for the purpose. Production is the process of creating goods and services and making them available to satisfy human want.

(D) TERTIARY PRODUCTION OR COMMERCIAL SERVICES.

The tertiary production is often referred to as commercial services. This is the stage where the goods and services produced at the primary (Extractive industry) and secondary production (manufacturing construction industry) stages are taken to the final consumers. It is the tertiary production stage or commercial activities performed that completes the production process. It is therefore clear that the process of productions is not complete until the production/goods and services get to final consumer.

SERVICES

There are other personal services that directly or indirectly influence production of goods and services and effective distributions of such to the final consumers.

a) DIRECT PERSONAL SERVICES:

These are activities which people perform that do not lead directly to the production of goods and services but facilitate their production and efficient distribution, buying and selling such activities include the services of teacher, accountant, doctors etc.

b) INDIRECTLY SERVICES:

Indirectly services are those activities performed in the economy, which creates conducive environment for the production and

distribution of goods and services. E.g. police, soldier, civil servant and defense.

WEEK 2 . OCCUPATION

Occupation is a business, trade, activity or profession which occupies one's time either permanently or temporarily and through which one earns a living. It can be acquired through training, education or natural endowment (talent). Some occupations do not really require formal education or training but most people in that category acquire proficiency through practice and experience such as farm labour, factory hands, cattle rearing, construction and labour.

BRANCHES OF OCCUPATION

1. PRIMARY OR EXTRACTIVE OCCUPATION

This is the branch of occupation that is concerned with the production or extraction of natural products from the soil. It covers agriculture and extraction of mineral resources. The products of this branch of occupation are either for food or raw materials for the manufacturing industry. Occupation that takes place in stage include: farming, livestock rearing, fishing, mining, quarrying, hunting, etc.

2. SECONDARY OCCUPATION

This branch of Occupation is divided into two namely manufacturing and construction industry

(a) Manufacturing Industry: This branch of occupation specializes in the conversion of raw materials into finished goods such as conversion of crude oil into petrol, kerosene etc. The occupations involved in manufacturing are as much as the products they

produce example includes; pharmacy, publishing, shoe making, petroleum engineering, chemical engineering, mechanical engineering etc

- (b) Construction Occupation: This is the branch of occupation that specializes in the construction and building of houses, roads, bridges, railways, airports, seaports etc. This includes the civil engineering, architecture, quantity surveying, carpentry, bricklaying and other site workers.

3. COMMERCIAL OR TERTIARY OCCUPATION

This branch of occupation directly deals with making the products or goods produced by the manufacturers available to the final consumers. It involves trade and aids to trade. The occupations involved in this area are driving, arts and designing, whole selling, retailing, banking, insurance, communication, advertising etc.

4. SERVICES OCCUPATION

These are workers that are not employed in manufacturing, construction or tertiary industry. They provide services that creates conducive environment for carrying out other occupations. It is broadly divided into two namely direct and indirect occupations.

- (a) Direct Service Occupation: This branch of occupation renders personal and direct services to those who employ them and are ready to pay them for the services they render. Occupations involved in direct service production include teachers, domestic servants, lawyers, doctors, musicians, hairdressers etc.

- (b) Indirect Service Occupation: These are workers whose services are not for direct consumption by the public but they provide conducive environment for carrying out necessary productive

activities. They are not paid directly by the public but the Government pays them through taxes paid by the public. Occupations under the indirect service occupation include policemen, soldiers, state security, civil servants, lawmakers etc.

FACTORS THAT AFFECT OCCUPATIONS

The urge to earn a living is the major reason why people go into various an occupations. However, the following factors affect occupations.

- (a) Education
- (b) Training
- (c) The level of security
- (d) Social status and prestige
- (e) Talents
- (f) Special skills.

WEEK 3. FACTORS THAT AFFECT OCCUPATION:

- (A) EDUCATION:** With education, a person can go into non-specialized occupations like civil services, business, trading etc.

Also note that it takes special education to function in fields such as engineering, medical practice, pharmacy, architecture, etc.

- (B) TRAINING:** Training is the process of preparing people for a particular job or a process of preparing people to be more effective and efficient in doing their job. E.g Sports, Music, e.t.c

- (C) THE LEVEL OF SECURITY AND SECURITY OF TENURE**

The level of security in a country to a large extent, affects the occupation in that country. If there is no security of life and properties, people will not like to go into any occupation. For example, the risk to life and properties in the north east of Nigeria as a result of boko-haram activities is fast threatening the performance of any commercial activity in that area.

(D) SOCIAL STATUS AND PRESTIGE:

Some occupations enhance the social status and prestige of those who are in the occupation. Such occupation includes the legal profession, medical profession, architecture, accountancy, engineering etc. some people go into the occupation as a way to uplift their social status and prestige.

(E) TALENT / SPECIAL SKILLS

This are rare God-given ability to excel in doing something, for example, the literary work is a product of talent, music, film acting, etc. while talents expressed in physical ability such as in sports are known as special skills. Some with special skills like footballers. E.g Mikel Obi, Ronaldo, Messi, etc.

ASSIGNMENT

1. List five direct service occupations.
2. List four factors that affect the choice of occupation and explain any three of them.

FACTORS OF PRODUCTION

Factors of Production are the basic resources or agents used for producing goods and services.

The factors of production are land, labour, capital, entrepreneur.

1. **LAND:** - This refers to the resources provided by nature to aid the production of goods and services. It is a free gift of nature to aid production. Examples include farmland, rivers, seas and the fishes in them, forestry minerals, climatic conditions etc. The reward for land is rent.

FEATURES OF LAND

The following are the main features of land

- i. The supply of land is fixed and limited
- ii. Land is a gift and therefore has no cost of production.
- iii. Land is completely immobile.
- iv. The value of land varies from one location to another.
- v. Land is subject to the law of diminishing returns.

IMPORTANCE OF LAND

- i. Land is a major factor in agricultural production.
- ii. Manufacturing Industries perform their activities on land.
- iii. The construction industry requires land for its operations.
- iv. The tertiary industries/commercial services perform its operation on land.
- v. Important resources are obtained from land.

2. **LABOUR:** - This is the mental or physical efforts of man directed towards the production of goods and services. This factor of production is vital in the production of goods and services by rendering human efforts. Examples of labour include the works of farmers, carpenters, teachers, bankers, labourer etc. The reward for labour is wages and salaries.

FEATURES OF LABOUR

- i. As a factor of production, labour cannot be easily increased in number and quality.
- ii. Because of family or friendship ties, labour is immobile.
- iii. Labour cannot be stored away as you can keep a land for future use.

IMPORTANCE OF LABOUR

- i. Labour has to give consent before it is employed.
 - ii. Labour cannot remain dormant for long.
 - iii. Labour has control over itself unlike other factors of production.
 - iv. It has a dual effect on production. That is, it produces and also consumes the product.
3. CAPITAL: - This is the stock of goods or wealth produced and set aside for further production of goods. It could be in form of machines, tools, factory buildings, hoes etc. The reward for capital is rent.

CHARACTERISTICS OF CAPITAL

- i. It is the only factor of production created through past production process.
- ii. It is a product of self-denial on the part of the producer.
- iii. It can be used as a determinant of economic development.

IMPORTANCE OF CAPITAL

- i. It is required in any production activity.
 - ii. The amount and quality of capital input determines the quality and quantity of output.
 - iii. Inadequate capital poverty in an economy.
4. ENTREPRENEUR: - This is the factor of production that combines and controls the other factors of production. He decides what to produce, how to produce and for whom to produce and bears the risk of any decision he takes.

FUNCTIONS OF ENTREPRENEUR

- i. He decides what to produce, how to produce and for whom to produce.
- ii. He determines the quantity and quality of production.
- iii. He bears the risk of any loss.
- iv. He provides the required capital for the business.
- v. He manages the human and material resources.

FEATURES OF AN ENTREPRENEUR

- i. He is someone that takes his own decision to produce or not.
- ii. He is not employed by anyone.
- iii. He takes all the profits and bears all the losses alone.

WEEK 5: ETHICS IN SOURCING CHEMICALS

MEANING OF ETHICS:

Ethics is a set of principles that guide people in deciding what is right and what is wrong. It is a set of principles and beliefs that guide people's way of behavior in their various calling, every profession or business has its own ethics which guides the practice of the profession or business.

Therefore, ethics in chemical business can be defined as a set of principles or beliefs that guides people's (under, manufacturer) behaviour in handling chemicals and chemical products.

ETHICS OF SOURCING CHEMICALS:

The nature of chemicals requires that people who deal in it must have a level of truthfulness and integrity. Chemicals are good substance that can make us live a good life if well applied. E.g, it can be used as detergent, toilet soap, preservatives etc. it is equally a bad substance

that can destroy plants and human lives, hence the need for ethics in sourcing for it.

Ethical sourcing means ensuring that the products being sourced are made in safe facilities by workers who are treated well and paid fair wages to work legal hours.

ETHICS OF SOURCING CHEMICALS FROM LICENSED CHEMICAL VENDORS.

- i. Vendors should not supply fake and adulterated chemicals.
- ii. Chemicals should be sourced through licensed vendors with high integrity.
- iii. Vendors should supply chemicals in compliance with local laws, regulations and industrial standards.
- iv. No Manufacturer or vendor should engage in the production or supply of chemicals that can be used to destroy life or property, i.e. chemicals of mass destructions.

GOOD HANDLING AND STORAGE TECHNIQUES FOR CHEMICALS

The following are the set of guidelines for handling chemicals and chemicals products as per international policies.

- (A) Fire extinguishers should be provided in the storage or warehouses for chemicals.
- (B) Appropriate personal protective equipment and clothing should be available for use of the staff of the storage or warehouse for chemicals.
- (C) Only qualified trained personal should carry out immediate cleanup in case of spills and leaks of chemicals.
- (D) There should be no eating or bringing of food inside the storage area for chemicals and other hazardous substance.

- (E) All boxes containing chemicals and other hazardous substance should be kept closed during storage or when not in use and at the warehouse or stores meant for such.

PROPER DISPOSAL TECHNIQUES OF CHEMICALS

The following are the technique for disposing chemicals.

- i. Recycling or re-use or return of un-used factory sealed and labeled chemicals container which have not expired
- ii. Chemicals can be disposed by open-air burning system and under supervision of a responsible officer.
- iii. Chemical can be disposed through the land fill system. Burying of chemical at the site approved by the government for the disposal of chemicals.
- iv. Use evaporation method of disposal if it is small quantities of volatile organic solvent.

ASSIGNMENT

- a. Define ethics.
- b. List three methods of handling chemical and chemical products

WEEK 7 ENTREPRENEURSHIP

MEANING OF ENTREPRENEURSHIP

Entrepreneurship is the process of creating, developing and actualizing ideas through the establishment of business enterprises that provides the needs of people.

MEANING OF ENTERPRISES

An enterprise is a business, set up by an individual, group of individuals or even the Government for providing goods and services for a purpose. An enterprise may be (i) Private enterprise (ii) public enterprise or (iii) voluntary agency enterprises.

MEANING OF SELF EMPLOYMENT

A self-employed person generally finds his own work rather than being provided with work by an employer. He earns income from a trade or a business enterprise he operates.

FACILITIES AVAILABLE FOR SELF EMPLOYMENT

Facilities are amenities or resources available for self-employment in Nigeria.

These facilities include the following:

- (i) Loan Facilities
- (ii) Training Facilities
- (iii) Government created industrial parks in different areas for self-employment.
- (iv) Free trade processing zones are other sets of facilities available to the self-employed.
- (v) An infrastructural facility usually made available to self-employment by the government includes roads, water and electricity.

WEEK 8: PUBLIC ENTERPRISES

Public enterprises are companies owned and financed by government to provide essential services to the people. Board of directors is

eminent but government policies are considered when making decisions. Public enterprises, such as universities, schools, hospitals, water boards are established to provide services to the societies and not necessarily to make profit. Whenever profits are made, they are paid into the government treasury.

Examples of public enterprises include:

1. The Power Holding Company of Nigeria (PHCN)
2. The Nigerian Railway Corporation (NRC)
3. The Nigerian Television Authority (NTA)
4. Nigerian National Petroleum Corporation (NNPC)
5. The Water Corporation
6. Nigeria Postal Service (NIPOST)

SOURCES OF CAPITAL

1. Loans and overdrafts from banks
2. Credit facilities from their suppliers
3. Grants or loans from foreign organisations
4. Government grants from tax payers money

ADVANTAGES OF PUBLIC ENTERPRISE

- i. Government provides their capital at little or no interest rate
- ii. They help in the control of monopolies
- iii. They provide essential services without the profit motive
- iv. They raise the living standard of people by producing essential goods and services at low price.

DISADVANTAGES OF PUBLIC ENTERPRISE

- i. They are sometimes inefficient due to lack of competition

- ii. Efficient management of public enterprise is usually affected by government interference.
- iii. The management of Public enterprises is usually inexperienced and inefficient due to the adopted civil service system of management
- iv. They are in some cases a breeding ground for fraud, nepotism, corruption etc.

WEEK 9: SOLE PROPRIETORSHIP

Sole proprietorship can be defined as a business organisation established, owned, financed and controlled by one person with the aim of making profit.

SOURCES OF CAPITAL

The sole proprietor makes up his capital through the following ways

- (a) Money from his personal savings
- (b) Loans from banks
- (c) Credit facilities from wholesalers and other distributors
- (d) Borrowing from friends and family

ADVANTAGES OF SOLE PROPRIETORSHIP FORM OF BUSINESS

- (a) It requires small capital to establish
- (b) A sole proprietor makes all decisions, hence decisions are quickly made
- (c) A sole proprietor attends personally with the customers in order to have closer relationship with them.
- (d) The sole proprietor alone takes all the profit of the business
- (e) The books of accounts of a sole proprietor are kept privately.

DISADVANTAGES OF SOLE PROPRIETORSHIP FORM OF BUSINESS

- (a) The capital is usually limited since in most cases, he depends on personal financial resources
- (b) The death of the sole proprietor may lead to the end of the business
- (c) He bears the risk of any loss or eventuality in the business
- (d) He works for longer hours and has no time for rest because he's afraid to lose his customers.
- (e) Usually, the unit of cost of goods they sell is higher than large business operators.

ASSIGNMENT

1. What is partnership?
2. Give two advantages and one disadvantage it has over a sole proprietor.
3. List the two types of partnership business.

WEEK 10: PARTNERSHIP

Partnership can be defined as what exists when two or more persons contribute their skills, money or money's worth in order to establish, own and manage a business organisation with the aim of making profit.

TYPES OF PARTNERSHIP

1. Ordinary partnership
2. Limited partnership
3. Sleeping partners

SOURCES OF CAPITAL IN PARTNERSHIP BUSINESS

- (a) Loans from known private individuals

- (b) Contribution by individual members
- (c) Loan and overdraft from the bank
- (d) Credit purchase from companies or individuals

PARTNERSHIP DEEDS

The formation of a partnership business is always supported by a legal document called the DEED of partnership. Below are its contents:

- i. The nature, type and location of the business
- ii. The contribution of each partner
- iii. How to admit new members
- iv. Ratio in which profit and losses are to be shared
- v. Duties of each partner
- vi. How to end the partnership when the need arises.

ADVANTAGES OF PARTNERSHIP

- i. More capital is available for partnership business
- ii. The combination of individual members' talents and ideas will make for better management
- iii. It allows for division of labour and specialization
- iv. Partnership business makes bigger profits
- v. Their book of accounts are not made public

DISADVANTAGES OF PARTNERSHIP

- i. The liability of individual members is unlimited
- ii. Partner's disagreement and quarrels can lead to the end of a partnership

- iii. Death or withdrawal of a member can lead to the end of partnership
- iv. Any action and contract, taken or entered into by any partner is binding on other partners.

WEEK 10: LIMITED LIABILITY COMPANY

A limited liability company can be defined as a legal entity created through state approval and treated as separate from its owners.

TYPES OF LIMITED LIABILITY COMPANY

There are two types of Limited Liability Company namely

1. Private Limited Liability Company
2. Public Limited Liability Company

PRIVATE LIMITED LIABILITY COMPANY

A private limited liability company is a company which is registered as such and bears a name which could be family name or any other name but with the word “limited”, e.g Oju transport limited, Mamadu and sons limited etc. It is usually formed with a minimum of 2 shareholders and a maximum of 50 shareholders and it is registered with the corporate affairs commission.

FEATURES OF PRIVATE LIMITED LIABILITY COMPANY

5. It can be formed by at least 2 persons and not more than 50 persons
6. For it to become a corporate legal person, it must be registered with the corporate affairs commission.
7. A private limited company uses Ltd after its name
8. No shareholder can transfer his/her shares to another person without the consent of other shareholders.
9. A private limited liability company's shares cannot be bought or sold on the stock exchange market.

SOURCES OF CAPITAL

The private limited liability company raises capital through the following

1. Sales of new shares to its members
2. Retained profit
3. Members' contribution which are turned into shares
4. Loans and overdrafts from banks
5. Loans from private individual investors

ADVANTAGES

The advantages are:

- i. It can raise more capital than the sole trader and the partnership form of business.
- ii. The death or withdrawal of a shareholder cannot lead to the death of the company
- iii. They do not need to make annual reports of their accounts to the corporate affairs commission
- iv. Profit and loss of the business is shared among many shareholders according to the number of shares they own.
- v. All shareholders enjoy limited liability privileges

DISADVANTAGES

- i. Their shares cannot be bought or sold on the stock exchange market
- ii. Its formation is more expensive in terms of legal requirement

- iii. Since ownership is always separated from management of the company, any misunderstanding between the two may affect the performance of the company
- iv. Members cannot transfer their shares without the permission of other shareholders.

WEEK 12: PUBLIC LIMITED LIABILITY COMPANY

A public limited liability company is a company in which contribution to the capital is open to the generality of the public including foreigners and nationals. By law, Nigerians must own at least 60 percent of the capital of any public limited liability company. Foreign citizen can contribute a maximum of 40 percent to the share capital of the company. Examples of public limited liability company includes; the UAC of Nigeria Plc, Unilever Plc and First Bank of Nigeria Plc.

It is usually run by a body known as the board of directors. The boards of director are elected by the shareholders from among themselves. They are charged with the responsibility of employing professionals to carry out the day to day management of the company.

FEATURES OF PUBLIC LIMITED LIABILITY COMPANY

1. It can be formed by a minimum of seven persons (shareholders) and there is no limit to the number of shareholders.
2. The word public does not mean it belongs to the government. It simply means every member of the public is free to buy and sell shares.

3. A shareholder can sell his shares at without seeking consent from other shareholders.
4. The name is always followed by the acronym “PLC”. This is to distinguish it from other companies. E.g Lever-Brothers plc, Oando oil plc.

SOURCES OF CAPITAL

1. Debentures
2. Credit facilities from suppliers
3. Retained profits
4. Values of new shares sold to the public
5. Bank loan and overdrafts

ADVANTAGES

- i. It can easily attract loans from the banks.
- ii. The death of a shareholder cannot lead to the death of the company
- iii. Shareholders are free to transfer their shares by selling
- iv. It can sell shares to the public to raise capital
- v. All shareholders enjoy limited liability privileges
- vi. Because it is large in size, it can engage in large scale production

DISADVANTAGES

- i. Rigorous registration process.
- ii. There is no secret about the operation of the business.
- iii. Individual shareholders have no control over the business.
- iv. It is a large concern and as a result it is difficult to establish.

WEEK 12: CO-OPERATIVE SOCIETIES

A co-operative society can be defined as an association of individuals with common interests who come together to promote the welfare of its members. It is a unique form of business that aims not to make profit for itself but for its members. In Nigeria, it is formed when people come together to form a union or society. The main aim of such society is to distribute goods to members at a cheaper rate.

It is usually run by a body known as the board of directors. This board of directors are elected by the shareholders from among themselves. The board of directors are charged with the responsibility of employing professionals to carry out the day to day management of the company.

CHARACTERISTICS OF CO-OPERATIVE SOCIETIES

1. Membership is opened to anyone who shares common interest.
2. A member can only own one share in the society.
3. It promotes education and other social activities among their members.
4. Management of the society is by the elected members of the society.
5. Profits are shared on the basis of the value of sales, purchases or loans taken by each member.

ADVANTAGES

- i. It provides and sells consumer goods at low prices.
- ii. They give loans to their members at very low interest rates.
- iii. It help members to market their farm produce at the market price.
- iv. It encourages members to form saving habit.
- v. There is democracy in its control

DISADVANTAGES

- i. There is not always adequate capital to run the business.
- ii. Management committee sometimes misuse the society's money.
- iii. The members elected to manage the society may have little or no experience.
- iv. Misunderstandings between members and management may affect the running of the business.