

FUNTAJ SCHOOL

SECOND TERM: E – LEARNING NOTES

YEAR 8

SUBJECT: BUSINESS STUDIES

SCHEME OF WORK

WEEK TOPIC

1. Revision of First Term's work
2. Bank service: commercial bank – services provided by commercial banks, Ethical issue in banking
3. Insurance: definition of insurance, insurance services, types of insurance policy – vehicle, fire, burglary, marine, Life insurance, pension, health, etc and benefits of insurance
4. Book keeping – Ledger Entries: ledger, meaning of ledger, items on a ledger – date, particulars, folio, Discount – amount, how to record cash receive payments = discount received, discount allowed and contra entries
5. Book keeping – petty cash book: meaning of petty cash book, preparation of petty cash book, imp rest system – petty cash, refinement and reimbursement.
6. Cash Book; Meaning of cash book, types of cash book – single column cash book, two/double column cash book, items on a column cash – cash column, bank column and discount column, preparation of cash book – cash column, bank column and discount column, preparation of cash book.
7. Pitman shorthand(vowel placement): Vowels: Placement(first second and third), Types (eeou), word drills.
8. Pitman shorthand(Third group of consonants and vowel): Consonants and Vowels – Third group of consonants (k, g m, n, ng, l , w, y), first place Vowels(ah, oo, aw), Third place(e, l, oo, oo)
9. Pitman shorthand (consonant R & H): Consonant Vowels – The fourth(last group of consonants (R & H), Forems or R & H – Upward, Downward, Diphthongs and triphone – meaning , shorthand outlines and signs.
10. Revision
11. Examination

WEEK 1: Revision of last term's work

WEEK 2

Bank and Their Services

Preview

1. Bank service: commercial banks
2. Functions/Services provided by commercial banks,
3. Ethical issues in banking

Full Content

Banks are public limited liability companies that are in the business of providing financial services to consumers and businesses. They receive, transfer, pay, exchange, lend, invest and safeguard money for people or companies.

COMMERCIAL BANKS

A commercial bank is a financial institution that renders financial services to customers. It performs a number of functions which are listed below:

FUNCTIONS OF COMMERCIAL BANKS/SERVICES PROVIDED BY

1. Accepting deposits from depositors/customers
2. Keeping money and valuables in safety for customers
3. Assisting customers with loan and overdraft to start or expand their business
4. Giving financial/investment advice to customers
5. Trading in foreign currency and giving traveler's cheque to customers travelling abroad.
6. Assisting customers to transfer money from one country to another
7. Acting as a trustee or guarantor on behalf of their customers.

Let's take a closer look into each of the functions.

FUNCTIONS/SERVICES OF COMMERCIAL BANKS

1. **Acceptance of Deposit:** By accepting deposits from borrowers and then lending the money to borrowers, banks encourage the flow of money to productive use and investment. This in turn allows the economy to grow.

2. **Keeping Valuables in Safety for Customers:** Commercial banks help in safe-keeping valuables such as jewelries, company's share certificates, etc and thereby prevent such from being stolen or damaged.
3. **Assisting Customers with Loans:** This effort provide ready fund to those who want to engage in business but lack the fund to go into such businesses.
4. **Giving Financial Advice to Customers:** This helps prevent taking risk that could affect customers financially.

ETHICAL ISSUES IN BANKING

1. **Banks** should keep all financial matters of individuals confidential.
2. **Bank** officials must keep customer's account accurate.
3. **Officials** of bank must avoid stealing from the bank.
4. Bank clerks must not steal from customers.
5. Banks must follow government regulation.
6. Bank should not give false report to the government.
7. There should be no cover up of customers' financial crime.
8. All documents related to criminal activities must be made available to the appropriate government agencies when demanded.

WEEK 3

INSURANCE

[Preview](#)

1. Insurance: definition of insurance.
2. Insurance services.
3. Types of insurance policy – vehicle, fire, burglary, marine, Life insurance, pension, health, etc
4. Benefits of insurance

[Full Content](#)

Meaning of insurance: insurance is the protection against the loss of property and life. With regard to property, insurance covers practically everything an individual or business owns

(building, vehicles and even clothes). Insurance can be taken out on practically anything for which risk is associated.

Insurance is usually undertaken when a person enters into an agreement with an insurance company by paying an amount of money called the **Premium**. The company is known as the **Insurer**. The person who pays the premium is the **insured**.

SERVICES PROVIDED BY INSURANCE COMPANIES

1. It provides compensation for losses incurred by individuals and businesses
2. It minimizes losses and risks by spreading it through the creation of a common fund to which many contribute in order to make good the losses of a few.
3. It aids business survival and help them to quickly recover economically from natural or man-made disaster.
4. To help families whose breadwinners may die accidentally while at work
5. Provide sources of fund in case of health break down.
6. Provide continuous funds for those who have retired.

TYPES OF INSURANCE

1. **Vehicle insurance:** This form of insurance can be taken by any person or business that owns a car. Once an individual has taken out such an insurance, that person is covered against a specific loss.

FORMS OF VEHICLE INSURANCE COVERAGE

- Third party insurance: This policy allows a driver whose car is hit by another car to file a claim against other who is wrong and who holds this type of policy. In other words, the insurance company insures the person which the policy holder may accidentally hit. It provides protection against liability caused by a car accident.
 - Comprehensive Insurance: This policy covers the loss incurred by the individual who took out the policy and the person he accidentally hit. The policy holder can also recover a certain percentage, as high as 80% of the cost of the car, if it is stolen, washed away by flood or damaged by a fallen tree.
2. **Fire insurance:** is a coverage against fire hazards which may consume business premises or personal property. In recent years, there have been numerous fire hazards in public buildings. The Republic building in Lagos state, the Cocoa House in Ibadan, the Pay Office in Abuja and NNPC office complex in Lagos and some examples of high rise buildings destroyed by fire in Nigeria. The losses associated with this buildings would have been enormous but for the fact that the owner of this building had insured them

against fire hazards. At the occurrence of such fires, the insurance company would pay a sum agreed at the time of insurance.

3. **Burglary or Theft insurance:** This type of policy covers loss of, or damage to property in the event of burglary or theft. Items that are insured under this class of insurance stock, plant and machinery, household effects, office equipment, etc
4. **Marine/Sea Insurance:** This is one of the oldest types of insurance. Cover provided by a marine insurance policy is limited to dangers on water, that is, it covers loss of, or damage to ships, and the cargo carried by them.
5. **Life Assurance:** Life assurance serves a dual purpose. It is a means of reducing the financial burden of a family which the bread winner may bring. It is also a method of saving.

Life assurance is always for a specific period of time during which the assured continues to pay his or her premiums. The payment of such premium may be yearly, quarterly or monthly.

In the event of the assured's death, the insurance company pays out the sum assured by the policy.

Types of Life Assurance

- Whole life assurance: This policy ensures the payment of the amount of money due at the death of the assured.
- Endowment assurance: This policy is taken up for a specific period, e.g. twenty years.

BENEFITS OF INSURANCE

- Protects capital assets against such risks as fire, theft, accidents.
- Enables the policy holder to form the habit of saving regularly
- Helps the assured to obtain loan for some future business or other projects. For example, in certain circumstances, life assurance can be used as a security for loan.
- Provides cash (an income benefit) for the dependants of the policy holder in the event of death.
- Ensures that worries and embarrassment that might make an individual unhappy and removed, since he is certain that any loss or damaged suffered by him will be made good by the insurance company.

EVALUATION

Objectives:

1. Which of the following is the purpose of insurance? (a) to make profit (b) to make good the loss suffered (c) to collect premium (d) to avoid loss
2. One of the insurance policy is not for motor vehicle (a) third party (b) marine (c) comprehensive (d) theft
3. All the risk stated below are not insurable except (a) storm (b) earthquake (c) gambling (d) thefts
4. What is the sum of money paid by the insured to the insurance company called? (a) discount (b) commission (c) premium (d) dividend

Theory:

1. What is insurance?
2. Why is insurance important to the businessman or individual taking out a policy?
3. What are the benefits of insurance

WEEK 4

Topic: Book Keeping - Ledger Entries

PREVIEW

1. Book keeping – Ledger Entries: ledger, meaning of ledger,
2. Items on a ledger – date, particulars, folio, Discount – amount,
3. How to record cash received/payments: discount received, discount allowed and contra entries

Full Content

Meaning of Ledger:

A ledger is the principal book of account where all accounting entries are recorded. It usually has numbered pages to enable it to be easily identified from other book of account. Each page is called a **Folio**, and the number in it is called **Folio number**. A Ledger is drawn as follows:

ITEMS ON A LEDGER/LEDGER ENTRIES

DEBIT (DR)

CREDIT (CR)

DATE	PARTICULARS	FOLIO	AMOUNT		DATE	PARTICULARS	FOLIO	AMOUNT	
			N	K				N	K
	Entries on the left side are					Entries on the right side are			

	DEBIT ENTRIES				CREDIT ENTRIES		
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1. Date: this column is for recording the day, month and year the transaction took place
2. Particulars: this column explains the type of transaction that took place, e. g sales, purchase and name of individual that is involved in the transaction
3. Folio: this column is used in entering the page number of the journal from which from which the posting to the ledger account is made
4. Discount: this column is for entering the discount received for proper reconciliation when cost is being calculated.
5. Amount: this column is used to record the actual monetary value in Naira and Kobo.

HOW TO RECORD CASH RECEIVED/PAYMENT

EXAMPLE: If Mr. Hassan made the following transactions, they will be posted in a three – column cash book:

March 1. Cash at hand	200
Cash in bank	2,000
1. Withdrawal of office cash	300
2 Customer R. Adelai settle his account of N200 by cash and was allowed 5% discount	
4 Paid wages by cheque	700
5 Receive cheque from R.Winla	1,160
5 Allowed him discount	0
5 Purchase of goods less 5% discount (Discount received) by cash	400
6 Paid T. Chike by cheque	280
Discount received	20
6 Bought packaging materials for cash	20
7 Cash sales	3,000
7 Paid into bank	2,800
What was the balance brought down on 7 th Mar,2005?	