WEEK 1: **<u>OFFICE CORRESPONDENCE</u>**

Office correspondence is any written or electronic communication between a business and the outside world or its staff. Correspondences may come in form of emails, letters, text messages, memos etc.

It is important that every organisation keeps proper records of its correspondence for reference purposes. Letters or mails that come into an Organisation, are called **incoming mails** while those sent out are called **outgoing mails**. All mails received must be treated promptly

The volume of mails received and sent out of an Organisation depends on:

a. Its size
b. The nature of the business

Types of Mails

1. Incoming mails
2. Outgoing mails
3. Internal mails

INCOMING MAILS

These are mails that are received by an Organisation from individuals or other organisations. Usually, in most organisations, the receptionist is responsible for receiving mails either through the post, by hand or electronically. Mails that come by post, are either delivered by a postman or collected from the company's Post Office Box (P.O Box) or Private Mail Bag (PMB). Incoming mails will usually contain the following:

i. Enquiries about the company's activities
ii. New orders for the company's products
iii. Cheques from customers
iv. Invitation to an event
v. Any other information

<u>Treatment of incoming mails</u>

a. Record the details of the mail on the incoming mails register
b. Promptly send the mail to whom it is addressed
c. Follow up on the individual if there is need for a response to the sender

WEEK 2: OUTGOING MAILS

These are mails sent out by an Organisation to outsiders. A company cannot work on its own; it must interact with other businesses in order to achieve its set goals. Hence, from time to time it will send out letters or messages. It is important that these messages are properly communicated to the recipients and get to them promptly.

Treatment of outgoing mails

Outgoing mails will usually be sorted in 3 categories;

i. Those to be sent by hand
ii. Those to be sent by post
iii. Those to be sent electronically

All these mails are to be recorded on the outgoing mail register. Letters sent by hand are to be delivered by the organisation's representative (secretary, driver or messenger). These letters will also be recorded in the organisation's dispatch book, for reference purposes.

Franking Machine

This is a machine used in fixing stamps on envelopes.

A Franking Machine

INTERNAL MAILS

These are mails sent within an organisation. They are used to pass information to staff or from staff to management within an organisation. Internal mails may include; application for leave, letters of promotion, notice of staff meeting etc. Usually, internal mails are sent in the form of Memos (memorandum).

Filing Documents

The letters or mails sent in and out of an organisation must be filed (arranged) properly for future reference purposes. The following are ways in which documents can be filed:

a. **Chronological method**: in this method, files are arranged in order of sequence, i.e the messages that come in last and arranged on top while those that came in earlier are arranged at the bottom.
b. **Electronic filing:** this method uses the computer to store valuable information. Documents are scanned and kept in different folders on the computer for easy retrieval.
c. **Alphabetical filing:** the documents filed are arranged according to the letters of the alphabet, that is a, b, c, d …
d. **Numerical filing:** In this method, every customer/client is given a unique number on his folder, so the folders are arranged in numerical order.
e. **Geographical filing:** mails are filed according to their places of origin or destination
f. **Subject filing:** mails are filed according to topics

Class work

Draw up a Memo, sent from the Executive Director to All Staff of a Munta Ltd; informing the staff of an upcoming training.

WEEK 3: BANKS AND BANKING SERVICES

A bank is a financial institution for the safe keeping of money and other valuables. Banks play an important role in the economy of any Nation.

Types of Banks

There are various types of banks in Nigeria.

1. **Central Bank of Nigeria (CBN)**: It serves as the regulatory body for all banks and financial institutions in Nigeria. It is the bank of the government of Nigeria and carries out financial services on behalf of the government. The CBN is responsible for issuing legal tenders i.e naira

notes (N 10, N 500, N 100 etc) and coins. It is also referred to as the banker of other banks, because other banks keep a portion of their deposits with the CBN.

2. **Commercial banks:** They save and invest money on behalf of their customers as well as give loans to individuals and businesses. They provide additional services to their customers to aid trade. Examples of commercial banks are: UBA, GTB, ECO Bank, Stanbic IBTC bank etc
3. **Micro finance banks**: They provide small and medium scale enterprises with funds needed to start up or grow their businesses. Examples include: E-barclays Micro Finance bank, Fortis Micro Finance Bank etc
4. **Development banks:** these are banks designed to provide medium to long term capital for productive purposes as well as technical support to small businesses.
5. **Mortgage banks:** they are primarily created to provide loans to customers to purchase real estate (houses) especially for private use. E .g; Infinity Trust Mortgage bank, Platinum Trust Mortgage bank, First Generation Mortgage bank. etc

COMMERCIAL BANKING SERVICES

a. The primary purpose of commercial banks is the safe keeping of money and other valuables
b. Provision of loans for businesses and individuals
c. Investing funds for customers , e .g purchase of treasury bills
d. Provision of foreign currencies and traveller's cheques to business men and individuals for foreign transactions. A traveller's cheque is a cheque you buy from the bank which contains a fixed amount and is used when travelling to another country instead of cash.
e. Provision of overdrafts to current account holders. An overdraft is an amount of money which a bank allows a customer to withdraw above his current balance. It is a form of loan. For example: If Dogo has ₦ 25,000 in his current account, but needs ₦ 30,000 urgently, the bank can allow him withdraw ₦ 30,000 (₦ 5,000 above his balance), then pay back within a specified period of time. The ₦ 5,000 is called an overdraft.
   An overdraft is given to a credit worthy customer without any collateral or guarantor.

<u>WEEK 5: BANKING CONTINUED</u>

In order to keep money at a commercial bank, customers must open a bank account. Commercial banks operate 3 (three) kinds of accounts:

i. <u>Savings Account:</u> this account is used by customers to save money. The account holder is entitled to a certain percentage interest. Deposits made to a savings account can be withdrawn at anytime.
ii. <u>Fixed Deposit Account:</u> in this type of account, money is kept for a specific period of time, say three months, six months and above before the customer can withdraw it. Customers are usually given a fixed percentage of interest on the account.
iii. <u>Current Account:</u> this is an account where withdrawals are made at will without prior notice to the bank. Withdrawals are made using a cheque slip. With the arrival of e-

banking facilities, such as ATMs; cards can be used to make withdrawals without visiting the bank

Cheque Book

A cheque is a written order to a bank to pay the person named on the cheque a certain sum of money. The person who issues a cheque is called the drawer. The cheque book is given to current account holders and it contains a number of cheque leaves with the account holder's name printed on it and a serial number assigned to each leave.

Types of Cheques

i. Crossed cheque: it is a cheque that is crossed with two lines on its face. A crossed cheque cannot be presented at the counter for cash; rather the amount is paid into the bearer's account. To make things easier, the drawer can write "pay cash" and sign in between the lines, so it can be cashed over the counter
ii. Open cheque: this is a cheque that does not have lines drawn across its face. This means the bearer can be paid cash at the counter.

Class Work

1. Briefly explain a bank overdraft
2. Mention 4 types of banks in Nigeria
3. Differentiate between an open cheque and a crossed cheque

Dishonoured Cheque

A dishonoured cheque is a cheque which is returned unpaid by the bank due to several reasons. To knowingly issue a cheque when it will be dishonoured is a criminal offence

Reasons for dishonouring a cheque

a. Insufficient money in the account of the drawer.
b. Difference in the amount stated in words and figures
c. The date on the cheque is more than 6 months or the date was wrongly written
d. The bearer of the cheque does not have a valid means of identification. E.g International passport, driver's licence etc
e. The cheque is not signed or the signature on the cheque defers from the specimen signature at the bank

WEEK 6: Modern Banking Methods

a. **Electronic banking (E-banking):** it is the use of electronic devices to carry out banking operations. Customers can transfer money from wherever they are to other parts of the world. Also with a credit/debit card, one can withdraw money from an ATM or pay for a transaction using a POS. E-banking has made transactions faster and easier. Customers no longer need to go to the bank to make withdrawals or transfer funds to others

b. **Automated Teller Machine (ATM):** it is a computerized self-service machine which can be used to perform a variety of banking services. To use the ATM, an individual has to have a credit/debit card from his/her bank and a PIN (Personal Identification Number) in order to use the card on the machine.

c. **POS (Point of Sale):** it is a small machine similar to the ATM. It is handier than the ATM and can be easily moved. It cannot dispense cash but can be used in paying for transactions. To use the POS, an individual must have a credit/debit card and a PIN

d. **Western Union and Money Gram:** this refers to a financial service rendered by bank; to assist people in transferring money from one country to another. E. g: A person in Nigeria can receive money from family or friends in America.

<u>Mid Term Assignment</u>

1. Write briefly on the following:

i. Loans

ii. Bank drafts

iii. Fixed deposit account

2. List 4 services rendered by a commercial bank

WEEK 7: INSURANCE POLICY

Insurance is meant to give us some form of protection against risks and losses. In insurance, the insurance policy is an agreement (contract) between the insurer and the insured (policy holder) and this contract determines the claims the insurer is required to pay.

Types of Insurance Policies

a. **Motor Vehicle Insurance**: It is also known as car insurance. It is insurance for cars, trucks, motorcycles and other road vehicles. It is compulsory for every car owner to take up a motor vehicle insurance policy. It is broadly classified into 2:

I. **Comprehensive Insurance:** It covers damage caused to the insured's car by crash or accident and other insured events such as: fire, theft natural disasters etc. It also covers any damage to a third party or his property.

II. **Third Party Insurance:** It covers the repair costs for vehicles that an insured car hit or damaged. In the event that there's an accident, the insurance company will pay for the damages on the third party's car while the insured will pay for his own repairs

b. **Fire Insurance:** This deals with insurance that protects the insured against fire incidents. It covers the cost of replacing, repairing or reconstructing the property burned.

WEEK 8: <u>INSURANCE CONTINUED</u>

c. **Burglary Insurance:** It provides protection against incidents of theft to one's property (business premises or home)

d. **Marine Insurance:** It is insurance on boats or ships on the high sea. It covers losses against the ship and the content (cargoes) of the ship.

   i. Insurance of the ship: This refers to insurance cover for any damage on the ship while it sails

   ii. Cargo Insurance: This refers to insurance cover on the goods/cargoes being carried on ships (water)

e. **Agriculture Insurance:** It is a new type of insurance policy in Nigeria. It covers losses or damages to crops, poultry, livestock and other agricultural goods in the event of pest invasion, drought etc.

f. **Life Assurance Policy**: It provides protection against losses caused as a result of the insured's death. It provides income for the family of the assured after his death. It is also a means of saving part of one's income. There are two (2) types of life assurance;

<u>WEEK 10: INSURANCE CONTINUED</u>

i. **<u>Whole life policy:</u>** It is an assurance policy taken over the life time of the assured, i.e he pays the premium until his death or over an estimated period of time, e .g till he gets to 100 years or 120 years depending on the insurance agreement. At the death of the assured, his beneficiaries can make claim over the cash value of the policy

ii. **<u>Endowment assurance:</u>** It is also known as "term life policy". The policy provides that the sum paid to the insurance company can be claimed by the assured at the end of an agreed period of time, usually 20 years, 30 years etc. However, the beneficiaries of the assured can claim the amount assured if the assured dies before the expiration of the agreed time.

g. **Health Insurance Policy**: This is a special agreement between an insured and a Health Maintenance Organisation (HMO). It protects the insured from paying the full cost of medical services when they are ill or injured. Like other insurance policies, the insured pays a fee (premium) monthly and the health insurance company agrees to pay a portion of the insured's medical cost.

<u>National Health Insurance Scheme (NHIS)</u>

This is a contributory health insurance scheme set up by the government to provide health care services to its citizens at an affordable rate. Individuals pay premiums monthly to the HMO and when they fall ill, they can go to their preregistered hospitals to get medical services, paying little or nothing.

NHIS covers the following areas:

- Maternity services
- Eye tests and provision of eye glasses
- Consultation fees for doctors and consultants
- Preventive health care (immunization, vaccination etc)

Private Health Insurance Scheme (PHIS)

It is a contributory health insurance scheme managed by private HMOs. It is offered through employers or other organisations; that is the employer pays a part of the premium while the employee pays the other part. They charge higher premiums and cover more medical services compared to the HMOs under the NHIS.

WEEK 11: CUSTOMS AND EXCISE DUTIES

CUSTOMS AND EXCISE DUTIES IN FOREIGN TRADE

Foreign trade refers to buying and selling of goods and services between two or more countries. It is also known as international trade. E. g. trade between Nigeria and Japan or Ghana and USA or Cameroon and Italy, etc. In foreign trade, there are three main divisions:

a. **Import:** This involves bringing goods into a country from another country. E. g: Nigeria imports electronics, cars etc from Japan, China, Germany etc
b. **Export:** This refers to goods produced by one country, which are shipped to another country. E .g: Nigeria exports cocoa, crude oil etc to other nations of the world
c. **Entrepot:** This is the exportation of goods that were previously imported from another country. E. g: Togo imports cars from Germany and exports it to Nigeria and other African countries

The goods manufactured within a country and those imported into a country are usually taxed by the government. The government does this in order to raise revenue for its operations as well as control the flow of goods into the country. These taxes are in form of **excise and customs duties.**

WEEK 12:

Excise Duties: these are taxes or levies on goods manufactured in a country at the point of manufacturing.

Custom Duties: these are taxes imposed on goods transported across international borders. Custom duties are imposed in order to control the flow of goods into a country especially, restricted goods and goods already being manufactured by local industries. For instance, Nigeria has placed high custom (import) duties on products already manufactured in Nigeria, in order to boost sales and production in our local industries

Roles of Customs and Excise Duties

a. Customs and excise duties are a form of government revenue.
b. To protect local and budding industries from international market competition.
c. The government imposes taxes on goods which do not adhere to environmental standards.