

THE BUSINESS ENVIRONMENT

GRADE 10 TERM 1



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SECONDARY TECHNICAL CERTIFICATE

STUDENT LEARNER GUIDE

VOCATIONAL SKILLS FOR BUSINESS

STSBUSS801

GRADE 10

TERM 1: Weeks 1-6 (18 Periods)

TOPIC: THE BUSINESS ENVIRONMENT

Purpose

In this topic you will learn about the world of business. You will find out about what makes a business and why people set up businesses. You will explore local businesses and what is needed for a business to be successful.

Learning Outcomes

On successful completion of this topic and workbook you should be able to:

	Performance Requirements
1.1	Understand a simple definition of business and explore examples of different businesses in the local area.
1.2	Identify why people set up business such as profit, providing a service, other.....
1.3	Describe the different types of business
1.4	Identify the common business stakeholders including owners, workers, other businesses, and the community.
1.5	Describe the importance of enterprise in business and what makes a person enterprising. Identify possible rewards and drawbacks of being enterprising.

In this Topic You will:

- Learn about what is a business.
- Explore the ways to set up a business.
- Understand the qualities of a successful business person.
- Explore the costs and benefits of owning a business.

How to use this Work Book

The information in this work book will help you to learn the knowledge and skills required to gain a basic understanding of the Business Environment.

This is important in running a successful business.

The work book includes topic definitions, information, activities and tasks that will assist your understanding and learning.

Your teacher will guide your learning and assist you in your understanding.

You may also be asked to complete some other activities that your teacher knows will help you to learn.

Symbols Used in this Work Book



Tasks to be completed in class or for homework

Important!

A **Portfolio Task** which **MUST** be completed. Your Portfolio will be assessed

Important!

Evidence Portfolio - Task 1

Topic Vocabulary List – complete this list of key words.

1. Term	2. What this Means	3. Arabic Word
Business		
Business Plan		
Goods		
Services		
Products		
Customers		
Public Sector		
Private Sector		
Franchise		
Profit		
Stakeholder		
Entrepreneur		



1.1

A **business** is an organization that:

- makes goods or products for sale
- buys goods or products and sells them to their customers
- sells services to their customers

A **business** is set up to make goods, provide a service, or sell goods.

The activities of a business are usually carried out in a building or at a site like a factory, shop (store), or office.

For Example: Abdullah's business is on the corner of Muroor Road and Sheik Zayed 1st Street.



There are many types of business. These range from small firms owned and run by just one self employed person, through to large **companies** which employ thousands of staff all over the world.

Businesses exist to provide **goods** or **services**.

Every business requires some money and enough customers to whom it can sell its products or services for a profit.

Businesses are mostly privately owned and administered to earn profit to increase the wealth of their owners. Businesses may also be not-for-profit or owned by the government.

A business owned by many individuals (people) is called a **company**.

Businesses include everything from a small owner-operated company such as a family restaurant, to a multinational conglomerate such as General Electric.

TalkTalk Business



1.0 List five businesses in your local area.

	Business Name	Activity
1		
2		
3		
4		
5		

1.2 Reasons People set up Business

Most businesses exist for one reason.



TO MAKE PROFIT








1.2.1 Businesses: Goods and Services






In order to do this, they will try to sell us goods **or** services.

GOODS / PRODUCTS	SERVICES
<p>Things that you own once you pay for it.</p> 	<p>Things that you pay for but do not keep ownership of.</p> 

Important!

Write the word next to each picture to show if it is a **good/product** or **service**.

1		<hr/>
2		<hr/>
3		<hr/>
4		<hr/>
5		<hr/>

6		<hr/>
7		<hr/>
8		<hr/>
9		<hr/>
10		<hr/>



2.0 Use the list of businesses from **Activity 1.0**.

Write the name of the businesses in the list below. In the second column write if the business activity is to provide a **product** or a **service**.

	Business Name	Product or Service
1		
2		
3		
4		
5		



3.0 Click on the link below. Right click on the heading '**The Purpose of Business**' complete the Good or Service – Drag 'n' Drop activity.

http://www.businessstudiesonline.co.uk/live/index.php?option=com_content&view=article&id=58&Itemid=29

1.2.2 Businesses - Need and Wants

Successful Businesses provide goods or services that the customer needs or wants.

Needs are things that we truly can't be without, such as:

- * Nutritious food
- * A place to live
- * A warm winter coat
- * A good pair of shoes
- * Transportation



Wants are things you'd like to have, but if you don't, you'll still survive (in fact, you'll be just fine). Like:

- * Designer jeans
- * Toys
- * Candy
- * Video games
- * A quad bike





ACTIVITY

4.0 Click on the website link below. Read the slides about **needs** and **wants**. Complete the 'Click and Drag' activity.

<http://www.wisc-online.com/Objects/ViewObject.aspx?ID=ABM3302>

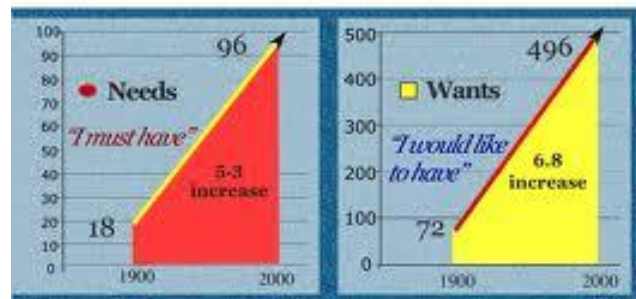


ACTIVITY

5.0 Click on the link below. Right click on the heading '**The Purpose of Business**' complete the Need or Want – Drag 'n' Drop activity.

http://www.businessstudiesonline.co.uk/live/index.php?option=com_content&view=article&id=58&Itemid=29

Needs vs. Wants



"At the beginning of this century, the average American had 72 wants and considered 18 of them important. By the end of the century, the average American had 496 wants and considered 96 of them as genuine necessities for happiness." (Miller)

1.2.3 Other Reasons for Business

Sometimes a business will sell goods and services for other reasons than to make a profit.

They might:

- 1 Sell the goods or services at **Cost Price**.

This means that the good or service is sold for the same price that the business paid to make or provide it.



- 2 Sell the goods and services **Below Cost Price**.

This means that the good or service is sold for less than the business paid to make or provide it.



- 2 Give Them Away for **Free**.

This means that the good or service is provided free of charge to the customer.



1.2.4 Business Ownership

People can own businesses two main ways:

- Buy a business that is already set up. The business is already providing goods or services and the owner wants to sell.
- Set up their own business.

With the right planning, effort and a little bit of luck, starting up a business can be a success.

A successful business owner has a *Plan* for the business.



Business Plan

A business plan is a document that helps the business owner to reach their business goals.

A business plan provides:

- a description of the business
- a description of the market in which it operates
- the objectives of the business
- a strategy to achieve those objectives.

Below are 10 great reasons for owning a business.

1	You are your own boss.	If you own a business, you have the freedom to do things your way.
2	You get to do what you are interested in.	You can turn a hobby or interest into a profitable business.
3	Your business, your deadlines.	Working in a job when the employer profits for is not fun. Business owners get to set and meet their own deadlines. Meeting your own targets can be a huge motivation to work hard and drive the business forward.
4	Get creative.	Business owners have the freedom to develop their business in any way they choose.
5	It is not that hard to do.	Over the past few years, many organizations, such as the Khalifa Fund, have been introduced that make it easier for Emirates to set up their own business.
6	It can be very profitable.	If you run your business well, the rewards can be huge. You will get most of the profits yourself.
7	Variety.	A business owner's work is busy, and varied. Owning your own business means every day is different.
8	You can have a second career.	Business owners can stay as an employee while running their own business.
9	Lifestyle.	Business owners can decide the hours they work. This is called work-life balance.
10	The big dream really can become reality	Business owners may feel that starting up a small business will not lead to anything more than having their own desk and taking on a few extra staff. However, it is possible to make it really big. The dream of being the next Richard Branson, could really happen.



ACTIVITY

4.0 Click on the links below. Watch the videos about people saying why they set up their own business.

<http://www.youtube.com/watch?v=C8IH2IGn9-g>

<http://www.youtube.com/watch?v=80uYmRNRJ3Y&feature=relmfu>

Think about a business you would like to own. Discuss your ideas with a classmate.



Complete the task below.



The name of my business is:

It is located:

My products or service is: _____

I started my business because: _____

1.3 Business Ownership

1.3.1 Background

A **small business**, is a business with a small number of employees and low volume of sales. Small businesses have around twenty workers.

Examples of small business include:

- small supermarkets (convenience stores)
- small shops (such as a bakery or delicatessen)
- hairdressers
- lawyers
- accountants
- restaurants
- small-scale manufacturing
- online business, such as web design and programming



Big business has 250 or more employees. Big businesses are often located in many countries.



Organizations that fall into the category of "big business" include

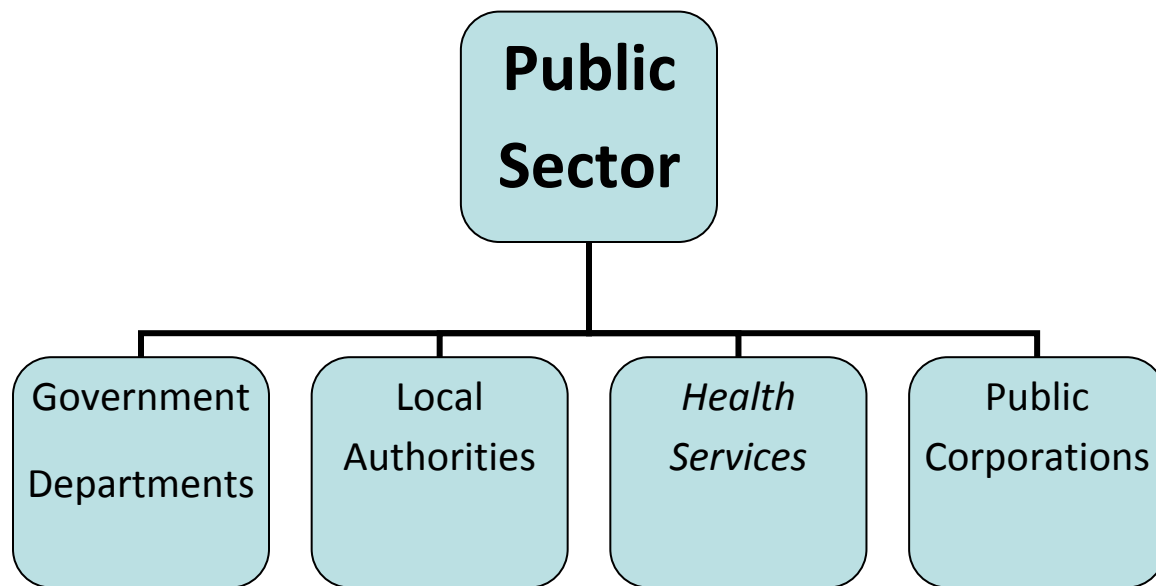
- ExxonMobil
- Carrefour
- Google
- Microsoft
- General Electric
- General Motors
- HSBC

1.3.2 Types of business Ownership

There are two sectors of Business.

1 Public Sector

Organizations that are owned and controlled by the government.



Ministry of Health
United Arab Emirates



Examples of Public Sector Business

Public Sector Business			
Government Departments	Local Authorities	Health Services	Public Corporations
Deal with national issues including: <ul style="list-style-type: none"> <input type="checkbox"/> Education <input type="checkbox"/> The Police <input type="checkbox"/> Military/Defence 	Provide services for the local area: <ul style="list-style-type: none"> <input type="checkbox"/> Schools <input type="checkbox"/> Rubbish <input type="checkbox"/> Libraries 	Deliver health care: <ul style="list-style-type: none"> <input type="checkbox"/> Hospitals <input type="checkbox"/> Clinics <input type="checkbox"/> Ambulance 	Government owned businesses: <ul style="list-style-type: none"> <input type="checkbox"/> TDIC <input type="checkbox"/> ALDAR

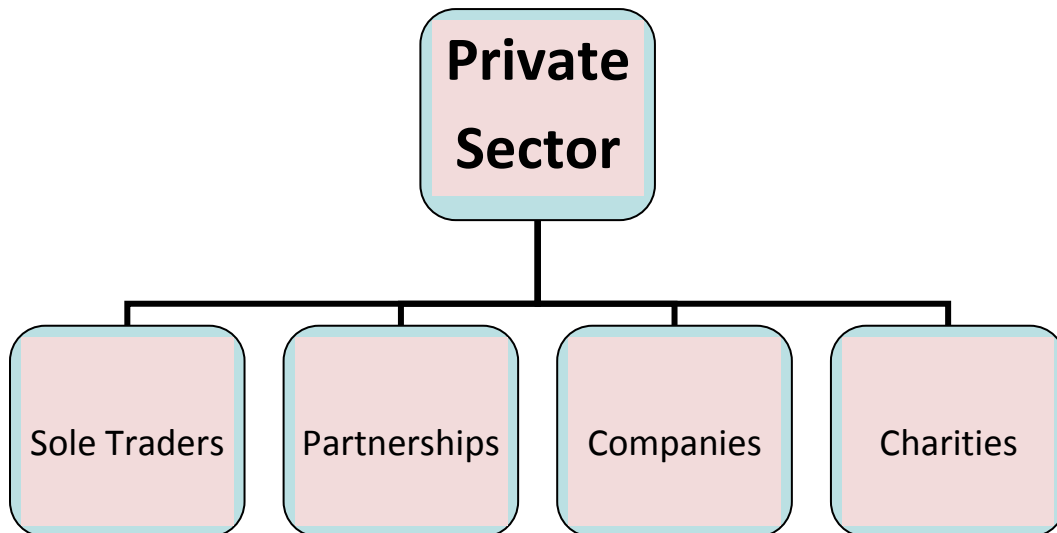


Ministry of Health
United Arab Emirates



2 Private Sector

Organizations owned and controlled by individuals.



Examples of Private Sector Business

Private Sector Business			
Sole Trader	Partnerships	Companies	Charities
<p>Business is owned and controlled by <u>one</u> person.</p> <ul style="list-style-type: none"> • Small shops • Hairdresser 	<p>Two or more people own the business and share the costs and profits.</p> <ul style="list-style-type: none"> • Accountants • Real Estate Agency 	<p>A business owned by many individuals or other businesses.</p>	<p>Business that is not set up to make profits, but aims to raise money for a good cause.</p> <ul style="list-style-type: none"> • Red Crescent







Important!

Franchises are a popular way to own a business. Answer the following:

A Franchise Business is

A famous franchise business is : _____

The product or service of the following franchises.

Business	Product/Service
	<hr/>
	<hr/>
	<hr/>
	<hr/>

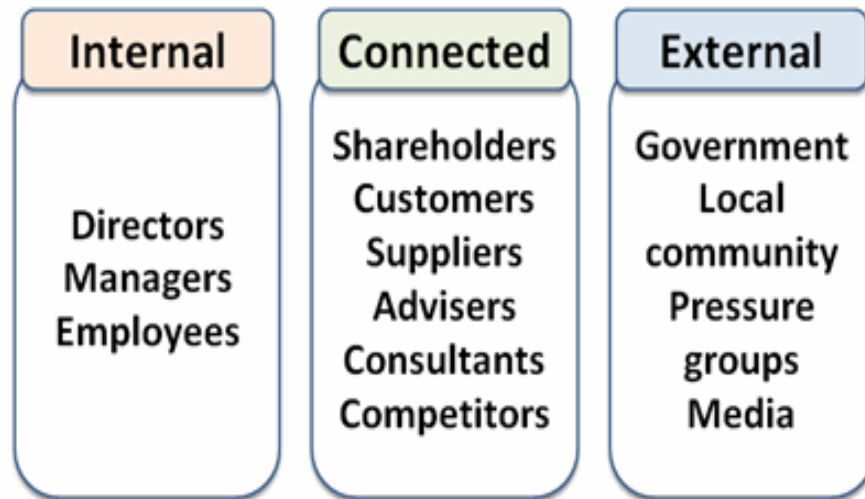
1.4 Business Stakeholders

1.4.1 What is a Stakeholder

A person or group that is affected by, or has an interest in, a business is called a stakeholder.

The activities of the business will help or harm the stakeholder.

Most businesses have a lot of stakeholder groups. They include:



1.4.2 Who are Stakeholders

Stakeholder groups vary both in terms of their **interest** in the business activities and also their **power to influence business decisions**.

Here is a useful summary:

Stakeholder	Main Interests
Shareholders	Profit growth, Share price growth, dividends
Directors and managers	Salary ,share options, job satisfaction, status
Employees	Salaries & wages, job security, job satisfaction & motivation
Suppliers	Long term contracts, prompt payment, growth of purchasing
Community	Environment, local jobs, local impact
Government	Operate legally, tax receipts, jobs



Stakeholder Cycle



ACTIVITY

5.0 The picture below shows the Stakeholders for PFIZER, a health business. Write the names of the stakeholder groups in the Table below. The first one is done for you.

Business		Stakeholder
1		Colleagues
2		
3		
4		
5		
6		
7		
8		

For stakeholders to have power and influence, **their desire to exert influence** must be combined with their **ability to exert influence** on the business. The power a stakeholder can exert will reflect the extent to which:

- The stakeholder can disrupt the business' plans
- The stakeholder causes uncertainty in the plans
- The business needs and relies on the stakeholder

1.5 Owning a Business

Owning a business is the dream of many people.



"I have always wanted to have a business of my own. Something I would really enjoy doing. Be my own boss."

Is this you??

What Makes a Good Business Person?

Anyone!

All you need is a great idea, and a way to promote it.



Entrepreneurs thrive on the challenge of creating their own big breaks and can make money out of solving problems and selling their ideas.

What do you need?

A problem, and a unique way of solving the problem. You will need a lot of determination and belief in your idea.

Financial support to get your problem off the ground is also important.

If you can convince others to believe in your idea they might be able to help you out with some money to get started.



How do you find that great idea?

Finding that great idea can sometimes be as simple as thinking of something you love and then thinking of something that would make it even better. Or you can look around to see what products or services that customers will buy.



b s l p

You are now well on your way to being an entrepreneur!

The next step is to keep an eye on the latest trends and do a little bit of research in your field.



It is great to talk to people such as friends.

The most important thing you need to do now is keep focused and don't give up!





ACTIVITY

6.0 Work in groups of 3-5. Brainstorm ideas for setting up a business. Write the 3 you like best in the space below.



1. _____

2. _____

3. _____

Write one thing that your group thinks would help them to be successful business owners.



1.5.1 How to Be a Successful Business Owner

Lots of people dream to own a business. But, they do not know how to set up a business.



Steps to setting up a Business

Step One: Get Advice

At the start of setting up your business, you will need a lawyer and an accountant.



Lawyers help with information about the rules setting up for a business.



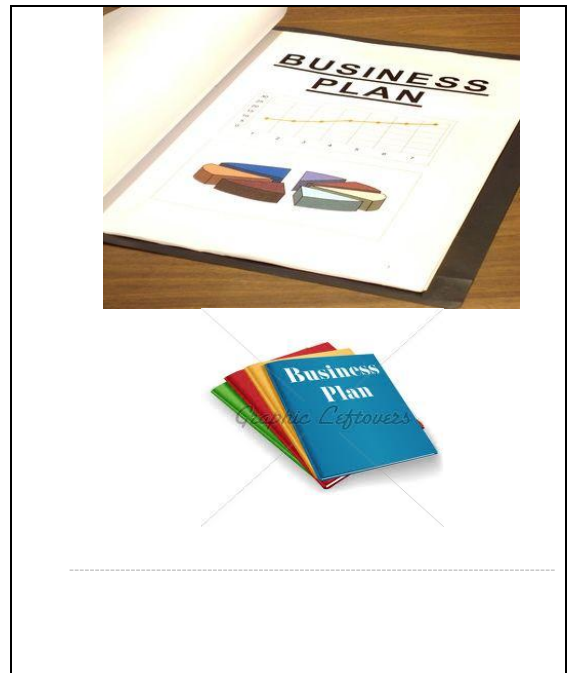
Accountants help you plan the money (finance) you will need.

Step Two: Make a Business Plan

A Business Plan will help you know what your business' main purpose or goal will be. The plan that shows

- how you will get to your goal
- how much money you will need
- your equipment costs
- hiring employees
- renting office space

All of these cost estimates should be included in your Business Plan.



Step Three: Get Money (Finance)

- How much start-up money will you need?
- Do you have savings you can use?
- Do you have friends or business associates who might want to invest in your business?
- Do you need a bank loan?



Step Four: Find a Location for your Business

Depending on your business, location may be very important. If you need to be visible to the public, then you'll have to think long and hard about where you should set up shop.

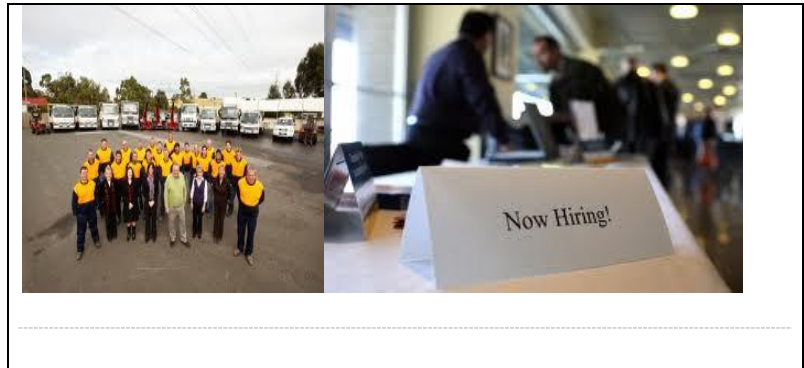
You will also need to get a phone, get the utilities turned on, install your furniture and equipment, and get a sign or two that shouts "Hey look! We're here!"



Step Five: Hire Employees/Workers

You may not need to do this step if you're a one-person operation.

It depends on your business.



Step Six: Promote Your Business

Decide how you will let people know you exist, what you can do for them, and why they should come to you instead of someone else.

Common forms of advertising are:

- TV and radio commercials
- newspaper ads
- flyers
- coupons that appear in booklets distributed by local companies.



1.5.2 Qualities of top business leaders

1. Leadership Skills

You should be able to inspire your team to perform at their best.



2. Unafraid to Take Risks

A great business leader has an entrepreneurial spirit and is not afraid to take risks.

3. Competitive Spirit

The desire to do better than similar organizations can be important to your success.



4. A Good Intellect

A successful business leader has a good mind and is clever at making decisions about the business.

5. Ability to Take the Initiative

You need to be able to think of new ways to improve your business and act on the ideas.



6. Communication Skills

Business leaders must be able to communicate effectively in writing and speaking.

7. Ambition

The most successful business leaders have big goals and do whatever it takes to achieve those goals.

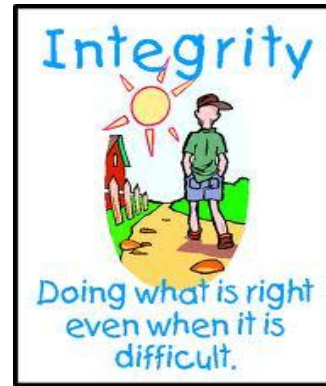


8. A Reliable Nature

Great business leaders can be counted on to get the job done.

9. Personal and Professional Integrity

A successful business person conducts him or herself in a respectable manner and always acts fairly and responsibly.



10. Likeability

Great business leaders are respected. Workers and customers like them.



1.5.2 Famous Entrepreneurs

Important!

Below are pictures of two famous entrepreneurs. What is their name?
What is their business activity?



Name: _____

Business Activity:



Name: _____

Business Activity:



References

<http://www.businessstudiesonline.co.uk/live/>

<http://www.bized.co.uk/compact/index.htm>

<http://www.startups.co.uk/10-reasons-to-start-a-business.html>

<http://www.bbc.co.uk/schools/gcsebitesize/>

<http://www.wisc-online.com/Objects/ViewObject.aspx?ID=ABM3302>

<http://tutor2u.net/business/strategy/stakeholders-introduction.html>

<http://www.startups.co.uk/10-reasons-to-start-a-business.html>

Google Images: <http://www.google.com.au/imghp?hl=en&tab=ii>

STUDENT Evaluation

Student Name:	Evaluation for the period: Term 1 2012-2013
Student Number:	
Business Teacher:	Department: Business. STS_Grade 10.....

BUSINESS ELEMENTS

• Mid- term assessment	Weight in unit 10%	Marks=
• Business Environment	Weight in unit 15%	Marks=
• Business Project	Weight in unit 30%	Marks=
• Business Communication	Weight in unit 15%	Marks=

EMPLOYABILITY SKILLS

- Communication - Gathering, conveying & receiving verbal & written information. Listening & understanding workplace instructions.
- Team work - Working with colleagues & teachers to produce workplace documents
- Planning & organizing – Planning own work schedule to ensure tasks are completed on time
- Self –Management – Behaving in ways that contribute to an effective & safe working environment. Identifying own roles & responsibilities
- Learning – Listening to ideas & opinions of others

STUDENT COMMENT *I certify the work presented is my own.*

-
-
-

TEACHER EVALUATION

-
-
-

STUDENT SIGNATURE	TEACHER SIGNATURE
Name: Date:	Name: Date: