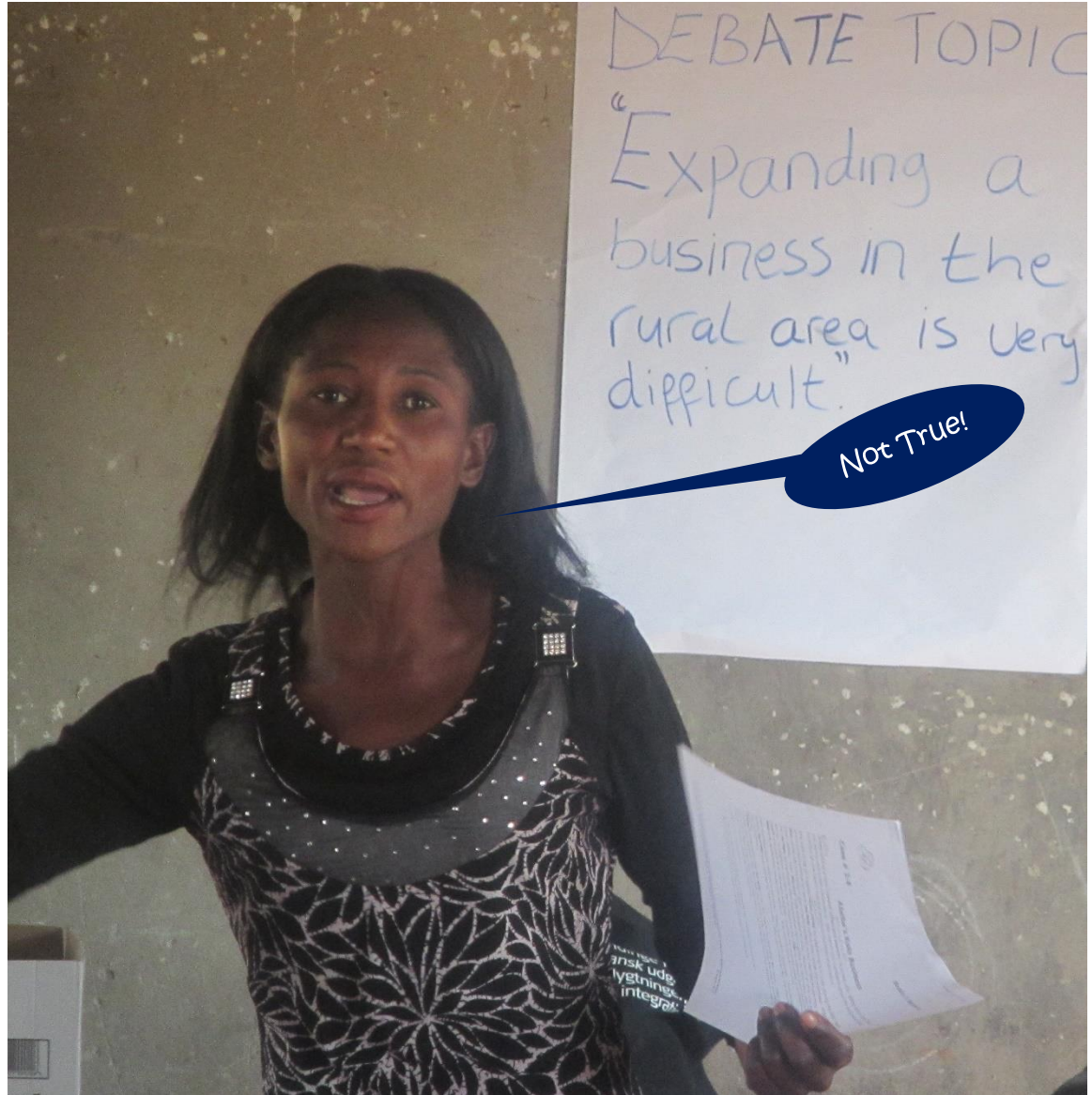


BASIC BUSINESS MANAGEMENT PARTICIPANTS' SIMPLIFIED HANDBOOK



Foreign Affairs, Trade and
Development Canada

Affaires étrangères, Commerce
et Développement Canada



Printed with financial support from EMPOWER Project funded by Global Affairs Canada and Coady International Institute

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Most of the Materials in this Handbook is adapted from training manuals from
Organisation for Women in Self Employment (WISE)

Addis Ababa ETHIOPIA

WISE Trainers' manuals:

- 1) *Basic Business Skills*
- 2) *Enterprise Management Skills I*

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TABLE OF CONTENTS

Introduction to the Handbook	3
How To Use The Handbook	4
1.0. Being A Business Person	5
2.0. Entrepreneur, Entrepreneurship, Enterprise and Enterprising	15
3.0. Business Planning	19
4.0. Market And Marketing.....	31
5.0. Basic Business Management Skills.....	39

INTRODUCTION TO THE HANDBOOK

The handbook has been printed with support from the Women's Leadership for Economic Empowerment and Food Security in Ethiopia, Ghana and Zambia (EMPOWER) project funded by the government of Canada.

The project focuses on reducing poverty and strengthening women's leadership in the three African countries. The partners in the programme are Women for Change (WfC) from Zambia, the organization for Women in Self Employment (WISE) in Ethiopia, the University for Development Studies (UDS) in Ghana working with local NGOs among whom is the Centre for Indigenous Knowledge and Organisational Development (CIKOD) and the Coady International Institute in Canada.

Since its commencement in 2013 the EMPOWER project has focused on women's empowerment as a key to achieving broader goals of economic development and food security. Eventually poverty is reduced as a result of strengthened women's leadership. Underlying the EMPOWER project's implementation has been capacity development at community and organisational levels.

WfC has used Popular Education Methodologies (PEM) and Gender Analysis to strengthen community leadership capacities in its operation districts. Employing this approach, learning gleaned within the EMPOWER partnership have been adopted into training programmes for use in community level capacity buildings. The WISE training manual have been adapted as participants' handbooks after a Training of Trainers (TOT) attended by four WfC staff and associates in Ethiopia followed by a number of community level workshops to test the significance of the course contents to rural communities in WfC operation areas.

This handbook has been produced by WfC and Coady International Institute as part of a series designed to support using popular education activities to build entrepreneurial capacity and business skills of Women, Men and Youths in the rural areas of Zambia, especially in WfC areas of operation.

It draws expertise from many business management initiatives, skills development programmes, self-help groups and organisations who, based on many years of experience of undertaking such work, have shared this training model with the WfC Team.

HOW TO USE THE HANDBOOK

The **Basic Business Management Handbook** is designed to contribute to the economic empowerment of rural communities especially women and girls in WfC operational areas. It hopes to contribute to skills development of communities grappling with the challenges of running businesses by strengthening their basic survival skills to achieve sustainable development and economic growth.

The handbook combines two WISE trainers' manuals – *Basic Business Skills* and *Enterprise Management Skills I* with an inclusion on gender perceptions regarding women's control over finance resources and discussions around doing business in rural Zambia. It is recommended for use by participants that have passed through the two-step trainings facilitated by WfC.

Overall the handbook's objective is to motivate rural based business people especially women to expand their business initiatives into formal establishment for increased household financial security.

The handbook is ideal for participants who have attended the WfC facilitated Business Skills training where the concepts and ideas shared in this handbook are discussed extensively. It is developed to serve as a reference material for the reader to promote adoption of sound business practices for the growth of their businesses.

The sessions and topics in this handbook have been formulated to suit the economic, social and cultural background of the targeted communities. The module offers a 'menu' of activities to choose from and the activities follow a logical order presented in form of Steps.



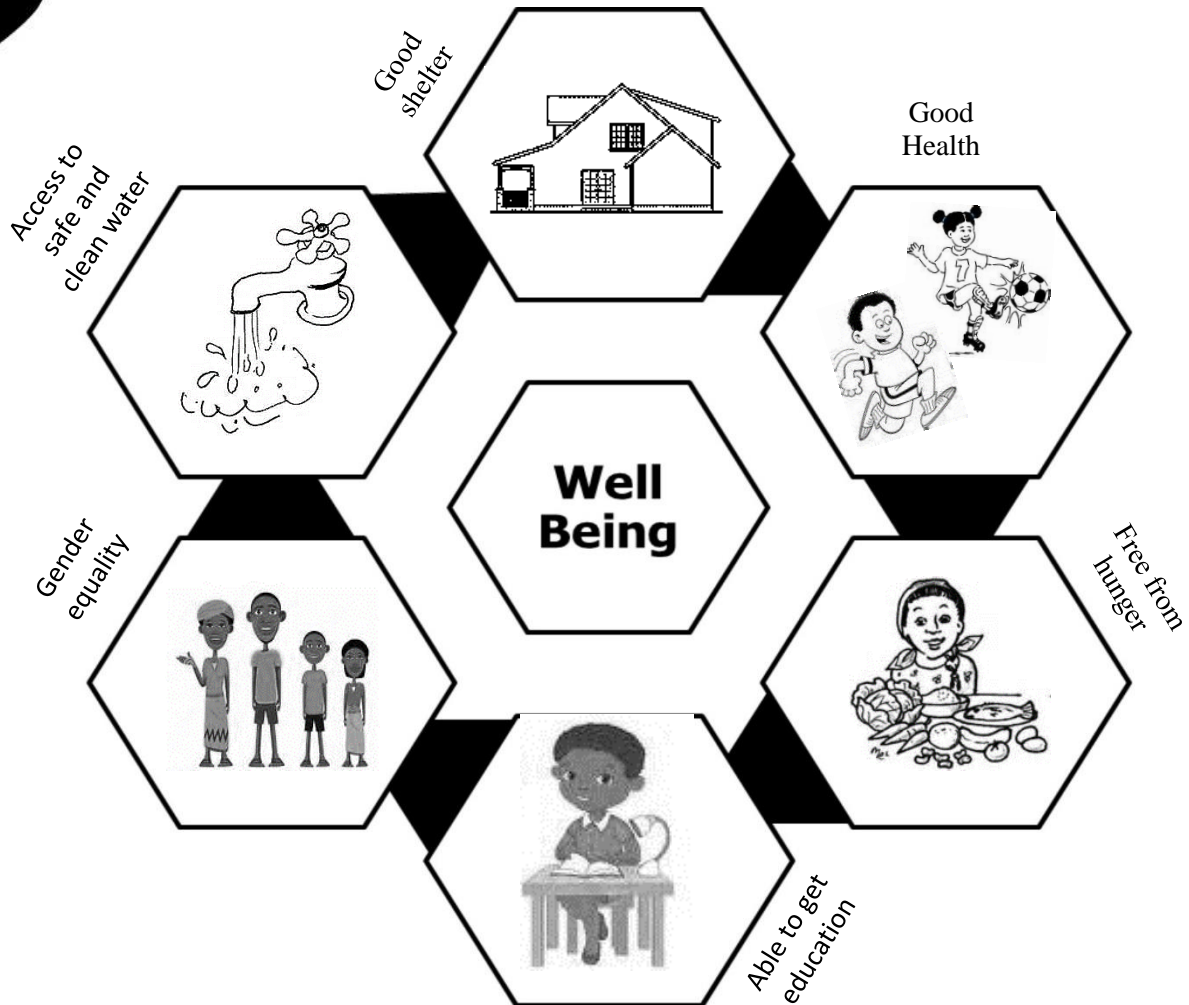
Questions are posed to the reader to help with reflection and absorption of information being discussed. Dear Reader, the questions are not a test! Do not be afraid to respond to them! They are meant to connect the information in the handbook to the situation in your community. The answers suggested may not all apply to your community, which is okay. We know our communities have different experiences depending on the context. That is why your own responses are important to see how your experiences fit with the issue being discussed.

We wish you the best as you go through the handbook and hope that you will find the information useful to help you manage your business successfully!

1.0. BEING A BUSINESS PERSON

1.1. Well-being

What is the meaning of the word **Well-being**?



There are different ways to describe Well-being. The drawing above shows some key areas of our lives that contribute to Well-being. These are the examples explained below but you can also include other descriptions that you feel describe Well-being:

- Being respected as a human being regardless of age, sex, tribe, level of education, religion or any other background.
- Being free from hunger and able to get nutritious food, safe and clean water for self and family.
- Being in good health and able to access good health care.

- Living in a decent house and safe peaceful environment.
- Accessing decent education, knowledge and information.
- Living in a freedom and free from violence
- Continuous level of income that is enough to meet our basic needs

We can see that Well-being is important to all. The pictures above shows some of the characteristics of well-being. You can add other characteristics that show what well-being is for you. One point to note is that well-being conquers poverty in a family or community.

1.2. The Causes of Poverty

? In the absence of Well-being is poverty. What do you see as the causes of poverty in our communities?

Poverty is caused by:

Here are some other causes of poverty. How do you see these causing poverty in your community?

- Poor work culture or laziness,
- Lack of education
- Spending one’s time on unproductive activities which include beer drinking, being unfaithful in marriage or spending of unnecessary stuff some of it very expensive
- Living in an environment which has poor resources such as water, food, housing, electricity and health facilities
- Misuse of the resources such as careless cutting of trees or burning of bushes, destroying water catchment areas or killing wildlife unnecessarily destroys the environment
- Some traditions and cultural practices prevent people from participating in activities that can improve their well-being for example early marriage for girls prevents them getting an opportunity to complete school. This contributes to high poverty levels among women. For this reason creating opportunities that promote well-being for women is important in order to empower women to improve their lives. This is done by promoting gender equality so that women can also participate in the social, political and economic sectors of life at household and community levels.

1.3. Promoting Well-being to Overcome Poverty



What do you need to do to have well-being? You can come up with different proposals of what you need to do to improve well-being in your life, family, community and nation at large. Here are a few proposals to add to yours:

- Work hard in your business
- Utilising knowledge and ideas gained in your life
- To be committed and determined on your vision
- To be focused and disciplined in your business
- To share ideas and information with others and apply the new ideas in your life
- Encourage the equal participation of every person weather women or youth in development projects at family or community level.

The ideas you have proposed and the ones listed above are a good start to well-being. Each of us has a responsibility to work towards bringing about well-being for ourselves, our families and community at large. **List ways in which you can overcome the causes of poverty in your life.**



.....
.....
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How do you see some cultural practices affecting how well one performs in business?



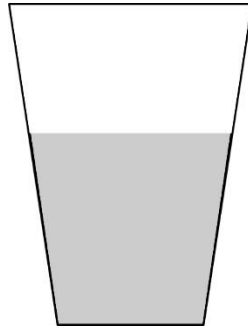
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It is important to note that some people have developed a culture of living on handouts either from NGOs or from relatives who are in employment or doing profitable businesses. This leads to poverty. The training in business management is going to help us come out of this kind of dependency and work to create our own wealth.

1.4. Half Empty or Half Full?

One important way which is required to promote Well-being is having a **positive viewpoint**. Take a good look at the picture of a glass. What do you see?

HALF EMPTY?



OR

HALF FULL?

The answer we give depends on our viewpoint which affects our perception of a situation. It is important for us **not** to focus on the empty space in the glass. When we look at what we lack we use it as an excuse for why we are not able to improve our well-being. All of us whether – young or old, female or male – have some qualities in us that we can use to improve our well-being and the well-being of our family members or the community at large. If we focus on the things we have, we are able to admit that do not have anything but have something good in our lives. These are what fills our lives and which we can use to start bringing about Well-being in our lives.

As we make use of the filled spaces in our glasses (our lives) the glass starts filling up but if we do not use what we have, we end up losing that as well. What we have are called assets.

Think about the assets that you have and list them below:



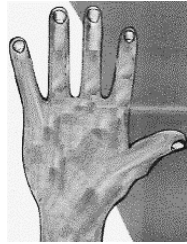
Assets include skills, talent, good health, family members, location of our houses, our own level of commitment or self-confidence, educational background, tools we have around the house, natural resources in our community etc.

Below is how we can describe the different types of assets that we have. The first is a type that is important and is described with some drawings. This is the Personal Asset found within us as human beings:

- Our **Mental** capacity which is our intelligence and knowledge



Our **Heart** which brings out our attitude/psychological being (for management, organising, team work, motivation, confidence)



Our **Hands** which are the skills we have



- **Natural and Infrastructural assets** can be described by could be buildings, land, forests, rivers, market places, roads, electricity, phones etc.
- **Institutional assets** include Groups, Associations, Cooperatives, NGOs, Government departments, Businesses, Schools, Religious Institutions, Health facilities etc.
- Above all the **level of commitment** that we have is very important to motivate us to work towards achieving well-being

We all have assets whether male or female. It is important to focus on our assets (the half full glass). When we focus on the assets that we have we find the courage to build on these assets by looking for opportunities or contributors to our projects rather than begging for handouts. Handouts are not sustainable because no one whether it is government or donors can meet all our needs all the time. We need to be able to do some things ourselves.

? List down the assets that you have in your home and in your community:

Personal assets that I have in myself:

Assets that I have in my home and community:

How can your personal asset make use of the assets in the environment?

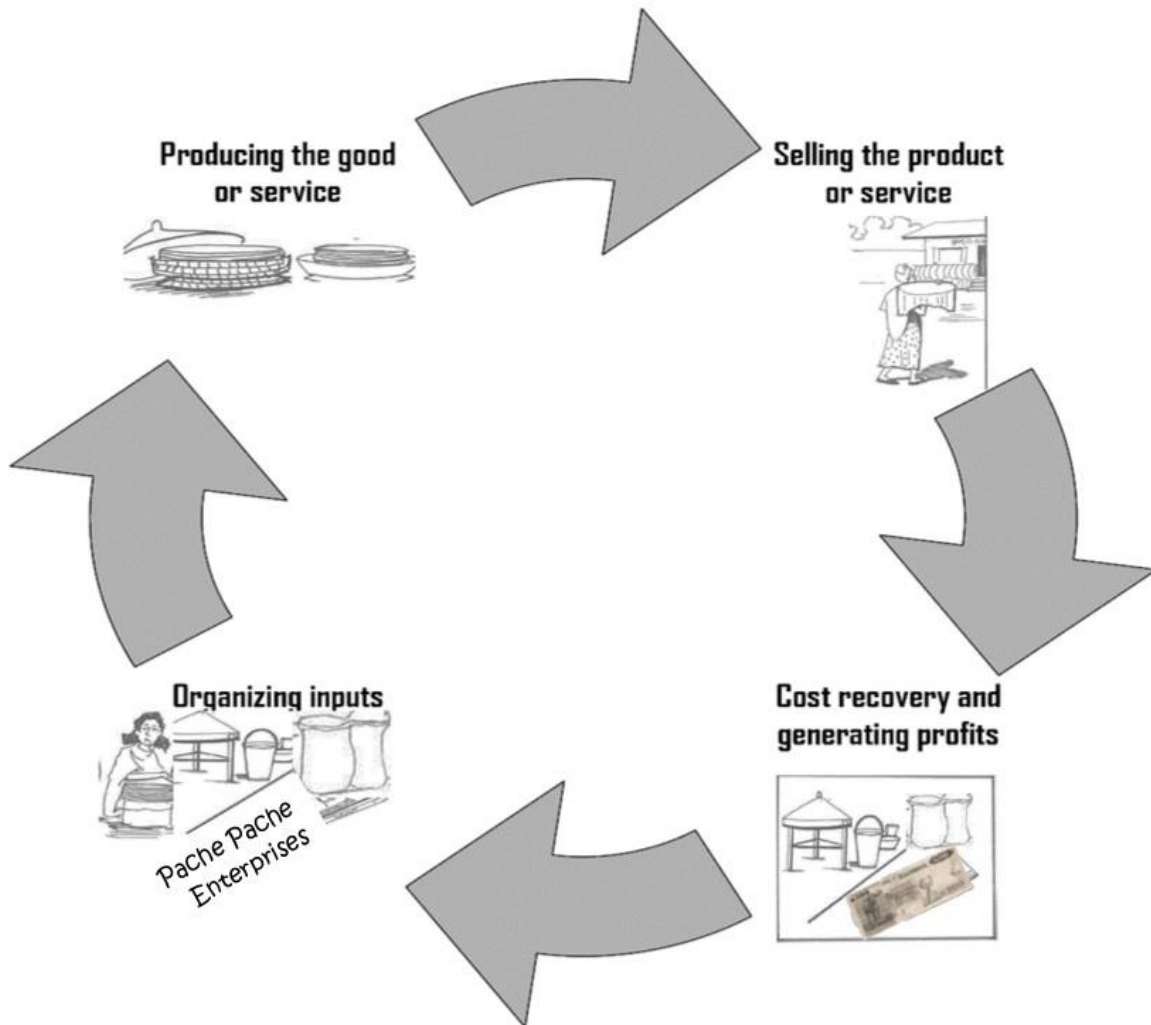
1.5. Improving Oneself as a Businessperson

It is common to find people describe themselves as business people. We call ourselves business people because we sell either products or services to people. This means that in business there are different types of things one can sell.

- ?** What product or service are you selling? _____
- What other product or service would you like to sell? _____

We can say that a business is an activity where an individual identifies opportunities, organises inputs to respond to opportunities, introduces a product or service and generates profits. We can demonstrate this meaning with the illustration below:

BASIC BUSINESS CYCLE



1.6. Gender and Business Development

Look back to the list of personal assets that you listed. We may say that to some extent, our sex has influenced the kind of personal assets that we have identified. What I may see as my personal assets as a woman may be different from what I may see as a man.

? How does a woman or a man’s position in society, in relation to **responsibilities**, **workload** and **decision making** promote or hinder their capacity to engage in business?

Status in Society	Woman	Man
Responsibilities	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
Workload	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
Decision making	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •

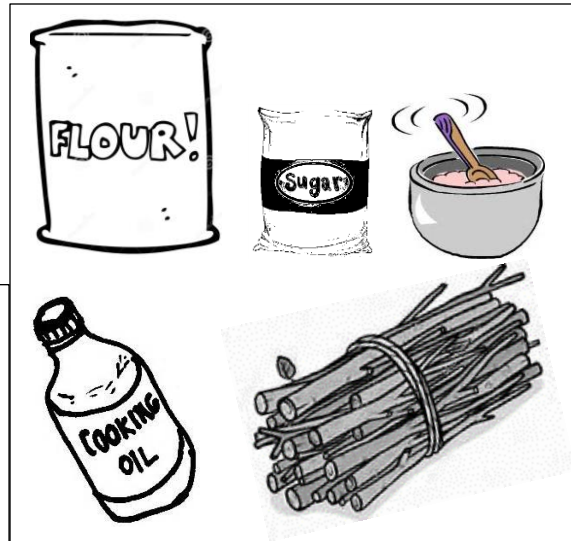
The exercise above focused attention on looking at three positions that women and men hold in society. From your responses, you may notice that the type of businesses we choose may be influenced by our sex. In some cases, people may say that doing business is not for women.

GENDER EQUALITY BETWEEN WOMEN AND MEN IN BUSINESS LEADS TO WELL-BEING



Doing business is a skill that every person can learn whether they are male or female. Everyone should be given opportunity to engage in a business of their choice. This Handbook aims to build skills of every person, whether female or male to help us run successful businesses that will improve well-being in our lives, our families and community at large. Therefore, it is important to promote gender equality so that women can participate fully in all the development programmes of their society.

The diagram of the basic business cycle above can be explained by using an example of a business that sells fritters. For this business the first thing is to organise the following inputs – brazier, charcoal, flour, labour cost and cooking utensils.



The next stage will be the production of the product (fritters)



Once the product is made, it is ready for sell



If the customers are satisfied, they will continue supporting the business which will result in the recovery of costs and generating of profits



Every business follows the business cycle. However, it is important that the business is successful. Building a successful business is like building a good home. A good home is one that stands on strong pillars, is supportive to everyone in the family and provides for every family member's well-being. In the same way a successful business should improve well-being by removing a person from poverty.

If your business becomes more successful, list some things you would be able to do for yourself and family.



1.3. The Business Environment

Making a distinction between family and business

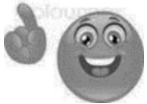
Christabel Napwa lives in Ntasa, Kapiri-Mposhi. She bakes buns which she supplies the school near her home. The school tuckshop signed a contract with her to deliver six trays of buns every day. They buns are sold to the pupils and teachers during break time. Christabel gives the tuckshop a commission for each bun sold. Since she is the only supplier, she makes very good sales from her business. She is happy with the business because she gets to collect money every day when the tuckshop closes. If there are any leftover buns from the day's sale, she lends them out to the neighbours to pay at the month end. Her oldest son is in charge of collecting the money from the tuckshop. He normally brings less money than expected and his mother never holds him accountable for the shortfall. His young siblings all demand for pocket money before going to school and when they knock off from school they each want some money to buy snacks as well since their elder brother spends the money without his mother's permission. Her husband also expects her to give him some money to go and have a drink at the local tavern. Because of this, Christabel does not realise any profit from her business and at times asks for money from her husband to help keep her in business.



1. What problem does Christabel have?

2. How should Christabel manage the money she is making in her business?

3. What do you think will happen to Christabel's business?



Summary of Learning

- We need to focus our lives to have well-being whether we are male or female
- It is important that we focus on the assets we have rather than what we do not have – half full and not half empty glass
- Every business goes through a business cycle – organising, producing, selling and generating profit.
- Gender equality in business leads to well-being. Gender equality needs to be included at all levels of business development so that the perspectives and needs of both women and men are considered.
- It is important to separate family expenditures from business expenditures

2.1. Entrepreneur and Entrepreneurship

An **entrepreneur** is a person who:

- Observes the environment,
- Identifies opportunities in the business,
- Gathers the necessary resources,
- Implements the activity and
- Receives financial rewards.



Based on the above description, would you describe yourself as an entrepreneur?

What aspects that describe an entrepreneur above apply to you? Which ones would you want to strengthen?

2.2. Characteristics of an Entrepreneur

As you work at becoming a successful **entrepreneur** make an effort to develop the following characteristics:

- ✓ **Energy** seen by how hard working you are.
- ✓ **Task-oriented** which improves one's efficiency and effectiveness to enable completing tasks in good time. When you focus on results it helps you concentrate on whatever you set your mind to do.
- ✓ **Strong desire to achieve** is a good motivator to work hard and remain positive even when the business is facing challenges.
- ✓ **Empathy** enables the entrepreneur to relate well with the customers and meet their needs.
- ✓ **Resourcefulness** gives an entrepreneur the capacity to be able to identify, mobilise and effectively utilise resources needed for undertaking a venture. This builds one's leadership skills so that they provide the guidance needed to manage a business.

- ✓ **Planner** another necessary skill which reminds you to always write down your ideas. This helps clarify the situation and permit correct decision regarding what needs to be done.
- ✓ **Risk taker** which is done when proper research has been done on a propped venture. This ensures that the business person achieves the desired results and receives the expected rewards from the business.
- ✓ **Innovator** applies new ideas to help improve the business and make it stand out against other businesses of a similar nature. An entrepreneur thinks of new of doing things to accommodate whatever new situations or challenges that come up.
- ✓ **Skills** are important in terms of knowledge, attitudes and practical skills that can be used when realising a business. Challenge oneself to learn new things and to apply them in the business.
- ✓ **Independent** means freedom from dependence on others. A successful entrepreneur makes their own decisions and are not easily swerved or discouraged by others.
- ✓ **Networking** is important because one is able to obtain information and learn from feedback they receive from others.
- ✓ **Goal – oriented** focused on getting. It is important to make realistic and achievable goals specific to the business; and able to be done within a set timeframe.


When an entrepreneur lives up to these characteristics, they are able to demonstrate entrepreneurship skills. An **entrepreneurship** is an organisational and management approach that enables persons to respond to change and solve problems in whatever situation they may find themselves. It involves the use of economic resources (money and equipment).

2.3. Enterprise and Enterprising


In order to operate a successful entrepreneurship, one needs to have a successful **enterprise**. An enterprise **is a venture that provides solutions to a problem and rewards the person(s) who established it.**

There are different types of enterprises which are classified as:

- | | |
|----------------------------|---------------------------------------|
| * private or public; | * small or large; |
| * formal or informal; | * business or social; |
| * individual or community; | * manufacturing or service; |
| * local or foreign; | * consumer goods or industrial goods. |


 Identify the types of enterprises that are found in your community.
What type of enterprise is your business? _____

One key point to note about the differences in the types of enterprises lies in the rewards they provide to those who establish them. An enterprise that is of a business nature **is a venture that provides goods or services to the community and profits as rewards to the owner(s).**

-  1. For you to say that the venture or project you are doing is a **Business Enterprise**, you need to show that you make a profit from it. How much profit are you currently making from your business enterprise?
2. What contributions does your business make to the well-being of the community?

2.4. Being Enterprising

The amount of profit you realise from a business enterprise determines how **enterprising** one's business is. Being enterprising involves identifying an **idea**, translating it into **planned** and satisfactorily **implemented activity** and getting **rewards**.

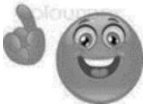
 1. Can you say that your business enterprise is enterprising?
.....

2. How did you identify the idea to start this business enterprise?
.....

3. What plans did you come up with to help you implement your business venture?
.....

4. What challenges does your business enterprise solve in your community?
.....

5. What rewards do you get from your business enterprise? Have the rewards improved over time? Explain your response?
-



Summary of Learning

- As we live up to being entrepreneurs, we need to ensure that we operate the business according to the characteristics of an entrepreneur.
- It is important that we strive to make our business into business enterprises and not non-business enterprises.

The difference between **Business Enterprises and Non-Business Enterprises:**

Business Enterprises	Non-Business Enterprises
Profits are a primary motive	Meets a defined human need
Demand driven	People may or may not want product/service
Products/services are sold in a market	Market situation need not be present
Products/services paid for in full	Products/services may not be paid in full

3.0. BUSINESS PLANNING

3.1. Identifying Types of Businesses in our Community



Take time to reflect on this question: You have been offered a loan of K10,000 to start a business. Identify one business enterprise you propose to start. Why have you chosen this venture and what challenges will it solve in your community?

3.2. Changing Problems to Business Opportunities



To come up with a profitable venture think about problems or shortages that are in your community. List them all down.

How would you go about solving these problems or shortages?

When people solve problems or meet needs of their society to gain money and make profit they sometimes face challenges and lose money. The important thing is to persevere and maintain a positive attitude. Opportunities can be found in challenging situations or places where there is a shortage. The important thing is for an enterprising person to follow the following steps **————> Creating, Planning and Acting.**

3.3. Generating Ideas for Business



What is involved in creating a business?

Take a good look at your family members. List what each family member needs to survive:

Go through the list you have come up with. From the list you have come up with, it is easy to pick out a number of businesses that you can come up with to meet these needs.



Make a list of businesses that can meet the needs listed above

It is important to be enterprising when generating a business idea. How can you be enterprising?

Below are some things you need to guide you to be a good entrepreneur:

- ✓ Identify gaps in the market
 - ✓ Know how you will finance the business
 - ✓ Know how you will manage the business
 - ✓ Be prepared to take risks or bear the uncertainties that may arise; and
 - ✓ Be innovative in order to win against the competitors.

It is also important to understand the business opportunities in our community by analysing how resources flow in, flow out and flow within the community. If a lot of resources are flowing out of the community, it means there is no economic well-being while resources flowing in and within is a good indicator of community well-being. This can be demonstrated by a tool called Leaky Bucket:



It is important to avoid business enterprises that are harmful to people or the environment at large. Make another list of businesses but this time list businesses that can harm a person or destroy family or community relations and well-being.

It needs to be emphasized that when generating a business idea, it is important to screen the business choices before taking them forward. Another way in which the choice of businesses are harmful is when they destroy one’s self-respect and dignity; and do harm to the environment.



How would the harmful businesses you have shared above destroy a person’s self-respect and dignity?

.....
.....
.....
.....



Take a look at your community. Which businesses do you see around that are harmful to people or community well-being? How are they harmful?

.....
.....
.....
.....

It important to ensure that the business a person is involved in does not harm the well-being of society. In your list of harmful businesses you may have mentioned businesses such as the sale of illicit substances or unsafe products that put the health of people at risk namely risk of contracting diseases that harm the body or result in mental illness or businesses that destroy our environment.

3.4. Reviewing one’s Current Business Activities



1. What is my product or service? Is my product or service harmful to others?

.....

2. Who are my customers? Ingratiated

.....

3. What are my costs and my earnings?

.....

4. What other activities do I do?

5. What problems do I have in my business?

6. What opportunities can I see to improve my business?



1. Consider the business you are involved in and think about whether it is good or harmful to people and the environment.

2. Think back to the time when you started the business. Why did you decide on that business?

3. What steps did you take to start the business?

3.5. Business Planning and its Importance



What is planning?



Ian Makuki's Problem

Ian Makuki lives in Mumba village in Mumbwa. Ian is a talented artist. He makes great drawings and is able to draw a person exactly how they look. He decided to use his skill to make money offering to do drawings for people in his village. He decided to make drawings on plain paper and posted the drawings in all the public places in his village. Under each drawing, he put his details for people who wanted to have a drawing of themselves done to get in touch with him. That was a year ago. Since that time no one has approached him to have a drawing done.

1. What was Ian's problem?

2. What do you think Ian should have done?

Think about a big business that you know of, for example Lafarge, Coca Cola or BATA Shoe company do you think they have always been big businesses with branches in all the towns of Zambia; the towns of other countries in Africa and other parts of the world? **Obviously not!** They started as small businesses but now they have spread to the whole world providing products to people in a lot of countries. A lot of people work for these companies and are able to support their families because of working for these companies. The government of countries where these companies operate are also earning money from the taxes from these companies.



What do you think made it possible for the owners of these companies to grow to such big companies?

One of the important characteristic that people running successful businesses have in common is that they are planners. Planning is important because it helps a person know what type of business they will start, where they want to take that business; how much and when the business will bring profits.

Business planning helps an entrepreneur present their ideas in a logical form and gives a complete description of how the business a person is planning to start will operate. What this means is that before the business starts,

- ✓ You know what objectives the business will achieve.
- ✓ You are clear on how the objectives will be achieved.
- ✓ You know exactly the resources that will be required to achieve the objectives of the business.
- ✓ You know the strengths and weaknesses of the business and are clear how you will deal with the weaknesses and benefit from the strengths.

The period of the plan is dependent on the type of business and what the business owner hopes to achieve. It is important to note that the plan can be reviewed as the business grows and as in some cases lasts even beyond the life of the person who started the business. The business ventures mentioned earlier, Coca Cola and BATA, are one such example of businesses that have outlived the lives of the owners. For this reason, business planning is an important process to help plan for growth, monitor performance and direction of the business.

Steps in Simple Business Planning

There are simple steps to follow when planning to start or expand a business. Each step has questions that can help you be clear if the business idea is good. Take a look at the steps below and make sure you answer each question that has been asked at each step. It is important for us to keep these steps in mind for us to run successful businesses.

a) My Product/Service

- ? What product /service shall I sell?
- ? Shall I expand my existing business or shall I start a new one?
- ? What are the shortages in the area?
- ? What are my strengths, my skills and my comparative advantages?



b) My customers

- ? Who will be my customers?
- ? What is their buying habit?
- ? Where do they live?
- ? How often and when do they buy?
- ? What will be the size of their total purchase? (How much/many can I sell?)
- ? What is the opinion of my customers about my product/service?
- ? What is their capacity?

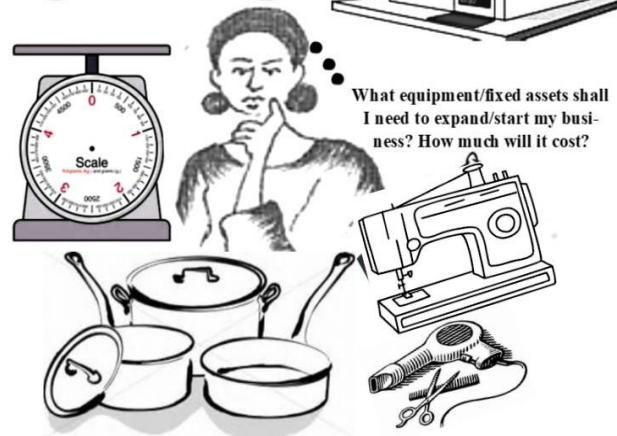
c) Equipment and their Cost

- ? What equipment will I need?
- ? How much will they cost me?
- ? Where can I find them?



d) Supplies and running costs

- ? What are the supplies (raw materials) I need?
- ? How much do they cost me?
- ? How much will I need for electricity, fuel, transportation, promotion, rent and other costs?
- ? How much should I fix as my own labour cost?



e) My profit

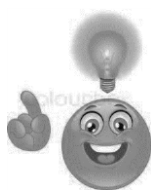
- ? How much profit will I be able to gain?
- ? By how much should I sell?
- ? What are my competitors' prices?
- ? What profit margin should I have?
- ? Will I be able to earn sufficient profit to lead a decent life?
- ? If I lower my price or raise it, will I be able to make the expected profit?
- ? Will the profit be sustainable?
- ? What does my sale and cost plan show?



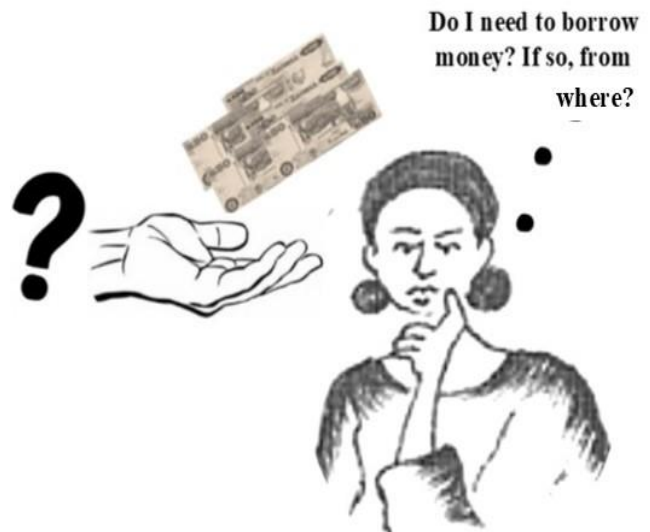
e) Working Capital

- ? How am I going to cover the costs estimated?
- ? How much of it can I cover by myself?
- ? How much should or can I borrow and from where?
- ? When should I borrow?
- ? What does my cash flow plan show?

How you respond to these questions is the turning point. It is important to be honest and objective in your responses. If you are not sure of your own responses to some questions, it is better to consult your family, friends or experienced entrepreneurs.



If possibly observe how successful entrepreneurs run their business or read books written on the business you want to start or even attend a training to strengthen areas where your responses are weak.



If you are satisfied with the responses then you will be able to decide if it is possible to do the business, and you may proceed to the next step. **Otherwise, think of another business!**

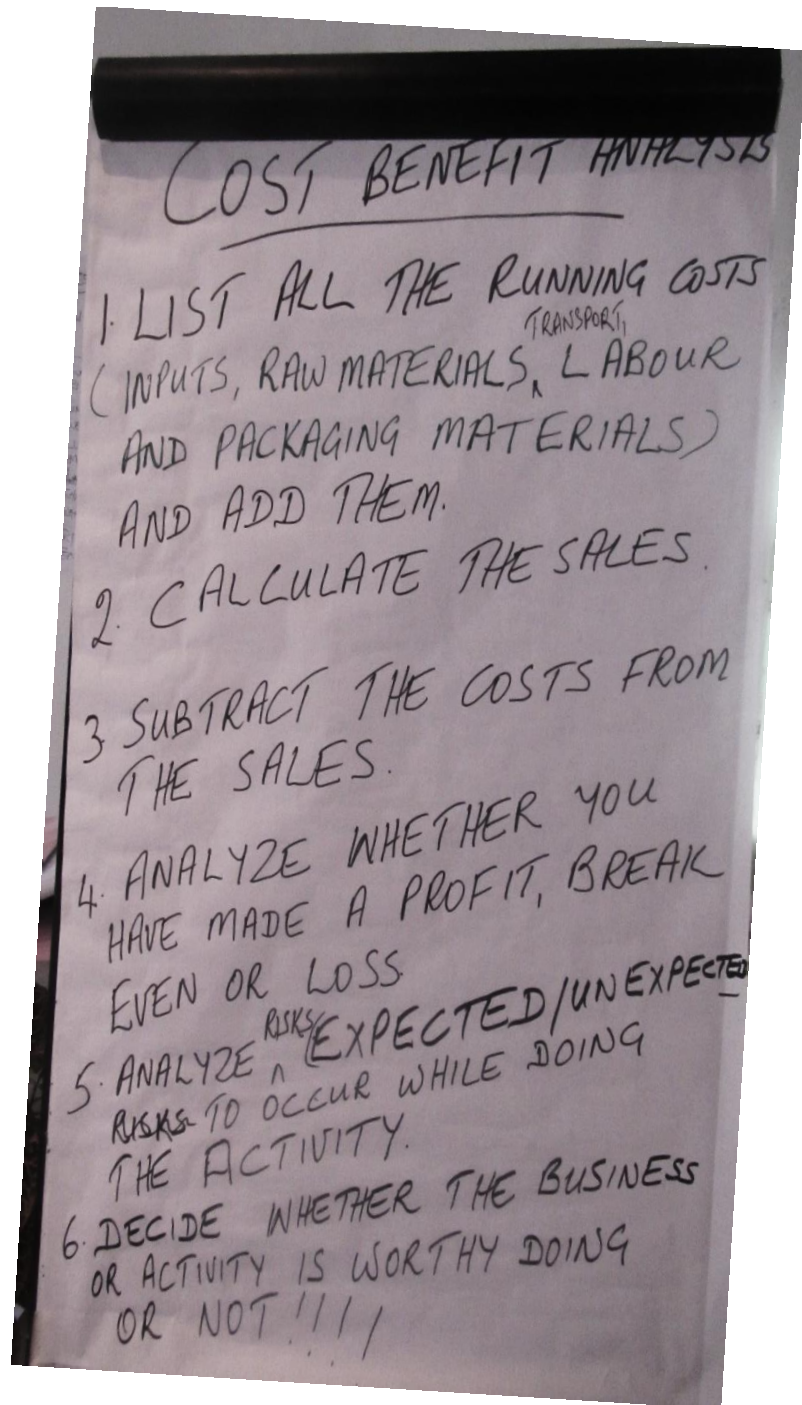
Cost Benefit Analysis

The best way to find out how good a business activity will be is to do a Cost Benefit Analysis. The flip chart given here summarises the items that would need to be costed and included in the analysis so that you get a calculated response that will state whether the business will be profitable or not. This is done by listing all the running costs required to do the business. You also need to list the risks that may affect your business since they would have an effect on the product or service you will be selling.

The total running cost is then subtracted from the total sales. The difference you get is the net profit.

Let us take a look at an exercise that was done by participants during a training workshop in Chongwe. They did a cost benefit analysis of maize grown on 1 hectare of land in one farming season.

Before doing the exercise, participants had said the maize business that season was good because of the bumper harvest farmers were going to get from the business. However, a cost benefit analysis showed that even though there was bumper harvest, the maize farmers were not going to make a good profit from the sales.



COST BENEFIT ANALYSIS OF MAIZE BUSINESS

No.	ITEM	QTY	UNIT COST (K)	TOTAL COST (K)
SALES INCOME				
1	Maize	30*50kg	60	1,800.00
COST OF PRODUCTION				
2	Seed	4*20kg	125	500.00
3	Fertilizer “D”	4*50kg	300	1,200.00
4	Fertiliser “Urea”	4*50kg	285	1,140.00
5	1 st Weed Killer	4 bottles	85	340.00
6	Ploughing	1 ha	lumpsum	600.00
7	Planting	1 ha	lumpsum	200.00
8	Spraying	1 ha	lumpsum	40.00
9	2 nd Weed Killer	4 bottles	85	340.00
10	Spraying	1 ha	lumpsum	40.00
11	Harvest	1 ha	lumpsum	400.00
12	Transport	5 Ox Carts	40	200.00
13	Shelling	40*50kg	3	120.00
14	Empty bags	40	2.50	100.00
15	Labour (Loaders)	30	1	30.00
16	Transport	30	5	150.00
TOTAL RUNNING COST				5,400.00
(TOTAL SALES: K1,800) – (TOTAL RUNNING COST: K5,400) = (3,600.00)				

RISKS:

- Drought
- Armyworms
- Flash floods
- Unexpected price changes
- Poor health
- Field invaded by unsupervised cattle



1. Why do you think doing a cost benefit analysis of a business idea is important?

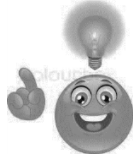
2. How would knowing the risks that may affect your business help you plan your business?

3. Suggest ways in which the maize farmers can minimise the loss from their sale of maize?

The example of the Maize business above shows an analysis of the product that is produced once in a year. Some other businesses are done on a daily basis. Therefore, income is recorded almost on a daily basis. At the same time, there are some expenses that are recorded on a daily basis to support the running of the business. These are called **Running Costs**. Let us take a look at the *Salaula* shop Patricia Siyanga wants to open at the town market in Mumbwa. Since the business will be operating throughout the year, Patricia can make a monthly estimate of what she will be making from the business for a period of time to see how much she can make from the business in that time.

Monthly Sales and Cost Plan for *Salaula* Business

No.	Description	May	June	July
Sales income				
1	Sale of used ladies' clothes	6,750.00	5,250.00	7,000.00
Cost of production				
2	Cost of materials (purchase value of used clothes)	5,100.00	3,650.00	5,250.00
3	Gross Profit (No.1- No.2)	1,650.00	1,600.00	1,750.00
Running Costs				
4	Labour Cost (own salary)	875.00	875.00	875.00
5	Rent, water, electricity	175.00	175.00	175.00
6	Market fees	50.00	50.00	50.00
7	Interest payment to the Savings Group	25.80	25.80	25.80
8	Packaging	50.00	50.00	50.00
9	Transport (Mumba village to Mumbwa Market)	75.00	75.00	75.00
10	Total running costs (No.4+No.5 + No.6+ No.7+No.8+No9)	1,375.80	1,375.80	1,375.80
11	Net profit (No.3-No.10)	274.20	224.20	374.20



- **Cost of Production** is the direct cost of the business spent on buying materials. In Patricia's case it is what she pays for the used clothes for sale.
- **Gross Profit** is obtained by deducting the cost of materials (amount paid to buy the used clothes) from the sales income, that is amount received by selling the used clothes.
- **Running costs** include other costs that Patricia paid for when doing the business. If a business has fixed assets, their purchase cost is part of the cost of production. However, even though they are a one-off purchase they can be calculated under running costs by including the depreciation cost of the item.
- It is important to remember to include the cost of labour under running costs especially when the owner of the business and their family are the ones providing the labour. Remember the story of Christabel Napwa, she was not able to control how much to give family members because she did not put herself on a salary.
- **Net Profit** is the actual profit that a business realises after all the costs are deducted. You can make plans to either expand the business or invest in another business with this profit. It is important to make wise decisions with the profits made from one's business.



1. Do a cost benefit analysis of the business you are doing/want to start? Make sure to use realistic costs to get a clear picture of the cost benefits.
2. What risks will affect your identified business?
3. From your analysis, do you see the business you want to start as profitable? If not, list the steps you would take to avoid the risks you have identified from destroying that business?



Summary Of Learning

- Business opportunities exist for people who are enterprising. To develop a good business, it is important to follow the following steps – **Creating, Planning and Acting**.
- A cost benefit analysis helps to know whether a business will be profitable or not.
- The net profit can be secured/expanded or invested in another business to diversify sources of income.

4.0. MARKET AND MARKETING



3.1. List the things you see in the picture below:

From the answers that you have shared you can tell that the place is a market. Characteristics that define a market are:

- **Place:** it is place where exchange and transaction takes place.
- **Buyers:** it has people who want to buy products or services.
- **Sellers:** it has people who are selling products or services.
- **Products/Services:** it has goods being sold
- **Money:** which is a used to make transactions

As you can see from the picture above, there are many people selling goods and services at the market. Some sellers may even be selling the same product! In a market the seller needs to be proactive to make sure people are attracted to buy what they are selling.



A successful business depends on the amount of products/services sold.

Refer to the second step in business planning. It is very important to be clear on the answers to who your customers are, where they will come from and if they can afford to pay your price. This will save you a lot of losses and problems in your business. For this reason, responses to the second step of business planning will require you to be clear on how you hope to attract the customers to your product/service. This is called **marketing**. Marketing is about identifying the needs and wants of customers and satisfying them at a profit

Patrick Phiri's Grocery

Patrick Phiri lives in Chizarila village in Petauke. He is married with two children. After a good profit from his cotton sale, the family decided to start a small shop. Patrick was not so sure about opening a shop. He saw the difficulty their neighbour Janet Banda was having with her shop. She made very few sales. Not many people entered her shop. Mostly they bought goods from Petauke town. When Patrick asked neighbours why they did not go to Janet's shop they complained that essential goods were not available there, or else were priced too high. In addition, the shop was not kept open regularly and some of the goods were of low quality. When asked if these challenges were dealt with they would be interested to buy from a shop located in Chizarila, all the people said they would be happy as it was expensive to travel to town every time they wanted goods. Patrick promised to open a shop that would supply the needs of the village at an affordable price. He also obtained advice from nearby shopkeepers about the challenges and benefits of operating a shop. After considering all this information, Patrick selected a site for the shop, purchased stock and started doing business. The new shop attracted many customers. Janet was very surprised. She wondered what Patrick's secrets was.



1. What are the reasons for fewer customers in Janet's shop?

2. Where did Patrick get the information to help him start his business?

3. How did Patrick use the information he received?

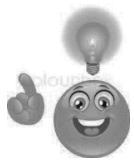
One thing we can learn from Patrick Phiri is that he took the interest to find out who his customers would be and what they wanted. He studied the market to understand what people in his community would be interested in buying by studying how other businesses were performing, asking people about what they wanted and listening to what they wanted what they said about the products he was planning to supply. This is called market study. A market study is important because it helps a business person collect information on:

- What products/services to sell
- Who the potential customers are
- What time and number of times customers will buy the product/service
- What will be the price of the product/service
- Who are the competitors
- What is the price of the competitors

The market study information can be used to develop a Marketing Plan which will guide you on how to attract people to your business. Marketing involves:

- Selecting a business idea that is based on customers' needs.
- Getting the attention of potential buyers.
- Letting customers know about the product/service.
- Making the product/service available at the right place.
- Making the product/service available at the right time.
- Making the product/service attractive to the buyer.
- Making the product/service more attractive or different than similar products.
- Setting the right price for people to afford but still be able to make a profit from it.

A good marketing plan does not only end at attracting people to your product/service but also makes sure you satisfy customer needs.

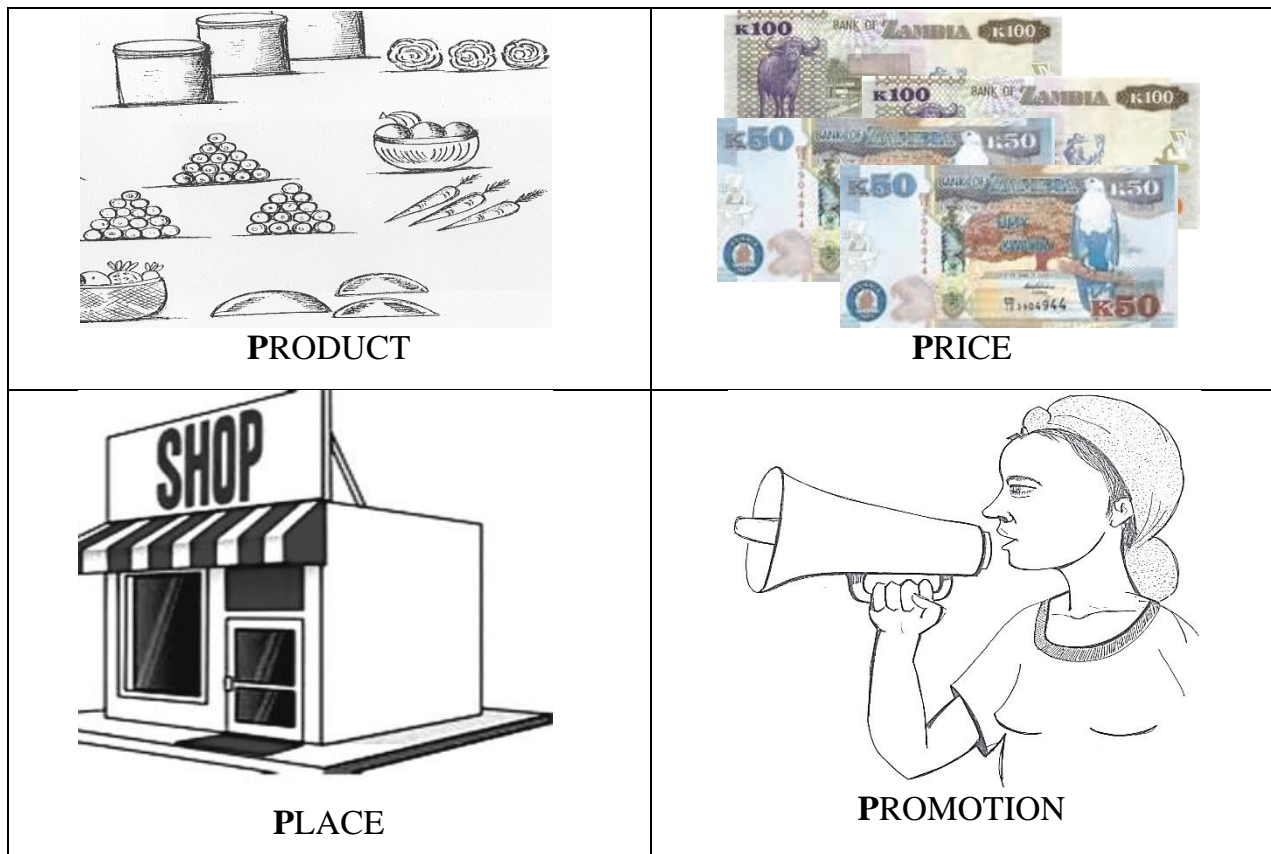


Customers are the most important factor for any business. If they are not provided with what they want, at the price they are willing to pay and treated with respect, they will buy from somewhere else. Satisfied customer means larger sales and greater profit.

The 4 Ps

There are four parts that can help us understand what is involved in marketing. The parts make up the elements of marketing and are called the **4 Ps**. Study the notes for each of the **Ps** and respond to them according to the business you want to start or are already doing. The responses will help you market your product/service effectively.

The 4 Ps



Some Ideas on the Elements of the 4 Ps of Marketing

PRODUCT: Presenting Products/Services that are demanded

- Think of the line of business (products or services) you want to engage in.

- Undertake a market study/research to identify the products or services that customers demand, the volume of the demand, the time they want them and why they demand them.
- Have a good understanding of whether similar products/services are available in the market, how they are produced, their price, whether or not consumers like the products/services.
- If you are the producer of the products, focus on where to find quality raw materials.
- If you are a retailer, you have to know where to find quality products for a better price.
- You have to know how much of a particular product you have to produce or purchase.
- Improve the quality of the product on a regular basis.
- Improve product packaging methods.
- Adapt a beautiful and effective packaging practice.
- Make your products/services unique.
- Keep your products neat.

PLACE: Reaching customers with your Products/Services

- Study who would sell the products/services better. Study if it is beneficial to directly sell the products to the customers or sell to retailers or make wholesale distribution. Which one is legal and profitable?
- Estimate the cost of transporting your products to your customers.
- Assess the benefits of collaboration with business operators who are engaged in a similar business.
- Select the best method of distributing your products: house-to-house, at market places, in shops, location, etc.
- Assess different ways of storing your products and the costs involved.

PRICE: Charging the appropriate price for your Products/Services

- Calculating carefully your costs of doing the business.
- Estimating how much profit you should make.
- Analyse your competitor's prices.
- Considering special offer prices (Holiday sales, Retail sales, Promotional sales, discounts for high-volume sales)

- Linking price with product quality.
- Linking price with mode of payment, e.g. higher price for credit sales.
- Setting prices low enough to attract customers and high enough to give your business a profit.
- Trying to cut costs if your customers are not willing to pay higher than your costs. If you cannot cut your costs, decide to change your product or service.

PROMOTION: Attracting customers to buy from you

- Choosing ways of informing customers about your products/services. This can include attractive signs, satisfied customers, business cards, fliers, etc.
- Choosing techniques of attracting customers which includes displaying products in attractive ways, displaying pricing information, displaying the benefits of the products/services, conveying the uniqueness of your products/services.
- “Satisfied customers are the best promoters”. Word of mouth. Ensuring to have satisfied customers through quality products, good services, good handling, smiling face, nice treatment, being honest and trustworthy, listening to their comments.
- Dressing, neatness and manner of salespersons.
- If you run a shop – good displaying – well organized, well lit, clean and fresh looking. Putting your goods in groups, making your shelves look full, showing the front of the packages, showing prices clearly, putting goods where they can be seen easily, putting goods at the customer’s eye level.
- Letting customers try your products, e.g. tasting, giving free trial gifts.
- Selling products that go together.
- Giving demonstrations
- Knowing your customers and their needs. Some are always in a hurry, some like certain attributes, etc.
- Using advertising methods if you can afford the price.



To help you practice the lessons learnt under the **4Ps**, do a practical exercise by conducting a study tour of businesses in your community. Observe the marketing practices of the business owners or their workers.

1. What do you see to be the strong and weak points of the businesses you are visiting.

2. What are the factors that contribute to one's buying decision?

3. Ask the business people what problems they have in marketing their products or services.

4. Make a checklist of things to observe in the businesses that you will be visiting. Give a tick√ if the item on the list is good and an × if it is not good.

Standard of Measurement	Mark	
	√	×
1. How are items displayed and arranged?		
2. How are the sales people dressed?		
3. How the sales people are handling customers?		
4. Standard of cleanliness (surrounding and inside)?		
5. How is the packaging and quality of the products?		
6. Display area, good visibility, attractiveness		
7. Are Prices of goods displayed?		
8. How is the location of the market/shop?		
9. Is the message about the products (if any), given by the sales person or displayed?		
10. Is there any Promotion done of any product?		
TOTAL (out of 10)		



Using the guidelines from the **4Ps**, give recommendations on how the businesses can improve in the areas where they scored an ×.

To avoid the difficulties that you observed in some of the businesses visited in your tour, below is a format you can use to develop a simple marketing plan. Make sure to follow the suggestions below on how you can use the plan to improve your marketing.

1. Make an action plan for your business for up to a 6-month period.
2. Consider all components of the **4 Ps** of marketing.

3. Be realistic. Only write down what you think is possible to do.
4. Try to solve the most urgent problems first.
5. Check regularly that you follow your action plan. It is a good idea to check every week.
6. You can put your action plan on the wall so it is easy to see and check.
7. It is okay to keep a flexible marketing plan. You may review it every month and change to meet the needs of the customers if possible.
8. Refer to the Basic Business Management Handbook to remind you on the principles that can help you run a successful business.
9. Act on all the action points you have committed on the plan.

Marketing Plan

Name: _____

Type of business: _____

No.	What is the problem?	How can you solve the problem?	Who will solve the problem?	When will you solve the problem?
1.				
2.				
3.				



Summary Of Learning

- Every business sells its product/service at a market. A market is a **place** where **sellers** exchange their products/services to the **buyers** for money (or an agreed form of trade)
- Market study provides information on who are the customers for a product/service a person wants to sell.
- Customers are the most important factor for any business. Satisfied customer means larger sales and greater profit.
- Market study helps to develop an effective marketing plan which is an important step in developing a good business plan.
- Effective marketing not only gets you customers for your product/service but also ensures a satisfied and happy customer.

5.0. BASIC BUSINESS MANAGEMENT SKILLS

4.1. Think about activities that you do in your house to help manage the affairs of the home.

1. Write down the objectives for one of the activities that you have thought about?



2. List the resources that are needed to complete the activity you have identified.

3. Write the different tasks performed to get the activity listed above completed.

Here are the responses Ruth Masua from Nangoma Village in Mumbwa gave to the questions:

1. One of the activities that are done at home is cooking supper for the family. The objective for this activity is to keep the family well-fed and healthy so that they do not get weak or suffer from malnutrition and become sickly.
2. The resources needed to prepare supper are a cooking space, cooking utensils, charcoal, brazier, money to buy mealie meal, relish, cooking oil, salt, tomatoes, onions and other ingredients
3. Tasks that are performed to get supper prepared include buying the required food stuffs, cleaning all the utensils, cleaning the cooking space, lighting the fire, cooking *nshima* and relish as well as making sure all the family members especially the children are home at the time the meal is ready to be served.

The different activities you shared in the exercise and the ones Ruth has shared can be described as household management. Management is the best use of human, financial, material and time resources. The person doing management is called a **Manager**. The functions of a Manager is planning, organising, coordinating and controlling.



We are Managers of resources in our care. Time is normally the worst managed resource. It is important to manage our resources effectively.



To know how well you manage the resource of time, do an activity profile of one week in your life – from the time you wake up to the time you go to sleep, list the amount of hours you spend on activities that you do including the amount of time spent to rest and time spent on engage in leisure activities. Against each activity, state whether it is **Productive** or **Unproductive**. Remember that there should be time for self-care as well!

Judith Mulabi

Judith Mulabi is a young woman who lives in Rufunsa. She is married and has three children, a boy and two girls. Her husband works as a driver for a local transporter. Since his salary was not enough to cover the family's expenses, Judith opened a *Kanthemba* shop outside her home. She used to stock her small shop with different types of groceries. Since her husband went to town every day, it was easy to ask him to buy the goods required for the shop without having to go to town herself. This made it possible for her to keep the shop open. Since it was near her home, she was able to attend to house chores and still be on hand to attend to her clients.

When Judith's oldest child started Grade 1, his father would drop him at the school in the morning to give Judith time to attend to early morning clients. The child would return home with other children so Judith did not need to worry about leaving her shop.

Whenever Judith leaves home for various reasons, she calls her mother who lives within the same village to come and look after the shop. Judith is very careful with how she uses the money from the business. She supplements her household food expenses with the vegetables she grows in the garden behind their house. Her husband had helped dig a shallow well from where she draws water for the garden. Judith is able to sell surplus vegetables at her *Kanthemba*.

The family also keeps chickens and goats and has a maize field. This has meant that Judith's family has enough food for the whole year without worrying about spending the money they make from the business on buying food. Judith keeps herself busy. While waiting for customers, she makes fritters to sell at the shop. Judith always says, '*Time is money*'.

Judith hopes to open a bigger shop at the local market and employ a salesperson to assist her and give her time to attend to her family.



Answer the following questions:

1. What are the objectives of Judith?

2. What are the Judith's resources?

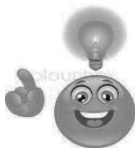
3. What does Judith do to make best use of resources listed below?

Human Resource

Financial Resources

Material Resource

Time Resource



Each person is blessed with resources and has a responsibility to be a good manager of their resources. We can use the resources that we have to improve our well-being at personal, family and community levels.

In the same way that we do different activities to manage the affairs of our homes, we need do different activities to manage the affairs of our business. The Handbook has taken us through different activities we need to do for us to manage successful businesses. The different activities start from the act of generating the business idea, the planning steps we carry out including the market survey and marketing of the product – all these actions are part of business management. It is important to build our skills in these activities to help us become good managers of our business.

The important part of doing businesses is to generate income. The reasons why we want to increase our income can vary from person to person. But one thing we can all agree on is that we want to make more money for our family. Since the money we make from our

business is meant for the family, we need to understand how the resource of money is used in our families for us to effectively manage the money that comes from our business.



Turn back to the stories shared with you from Christabel Napwa and Judith Mulabi. Both women have businesses. One makes good profit from her business while the other one is struggling to keep her business running. What do you think is the difference between the two women in how they are running their businesses?

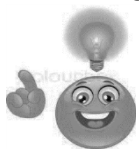
It is clear to see that Judith is running her business much better than Christabel. To help Christabel improve her business, we can advise her and her family to work at improving how they are managing the resource of money. The first step to do that is for Christabel and her family to understand how their household is put together financially:

Step 1. Money-In: Christabel's family should list down the different ways in which money comes in their household

Step 2. Money-Within: Christabel's family should list down the different ways in which money can circulate within the household.

Step 3. Money-Out: Christabel's family should list down the different ways in which they lose money.

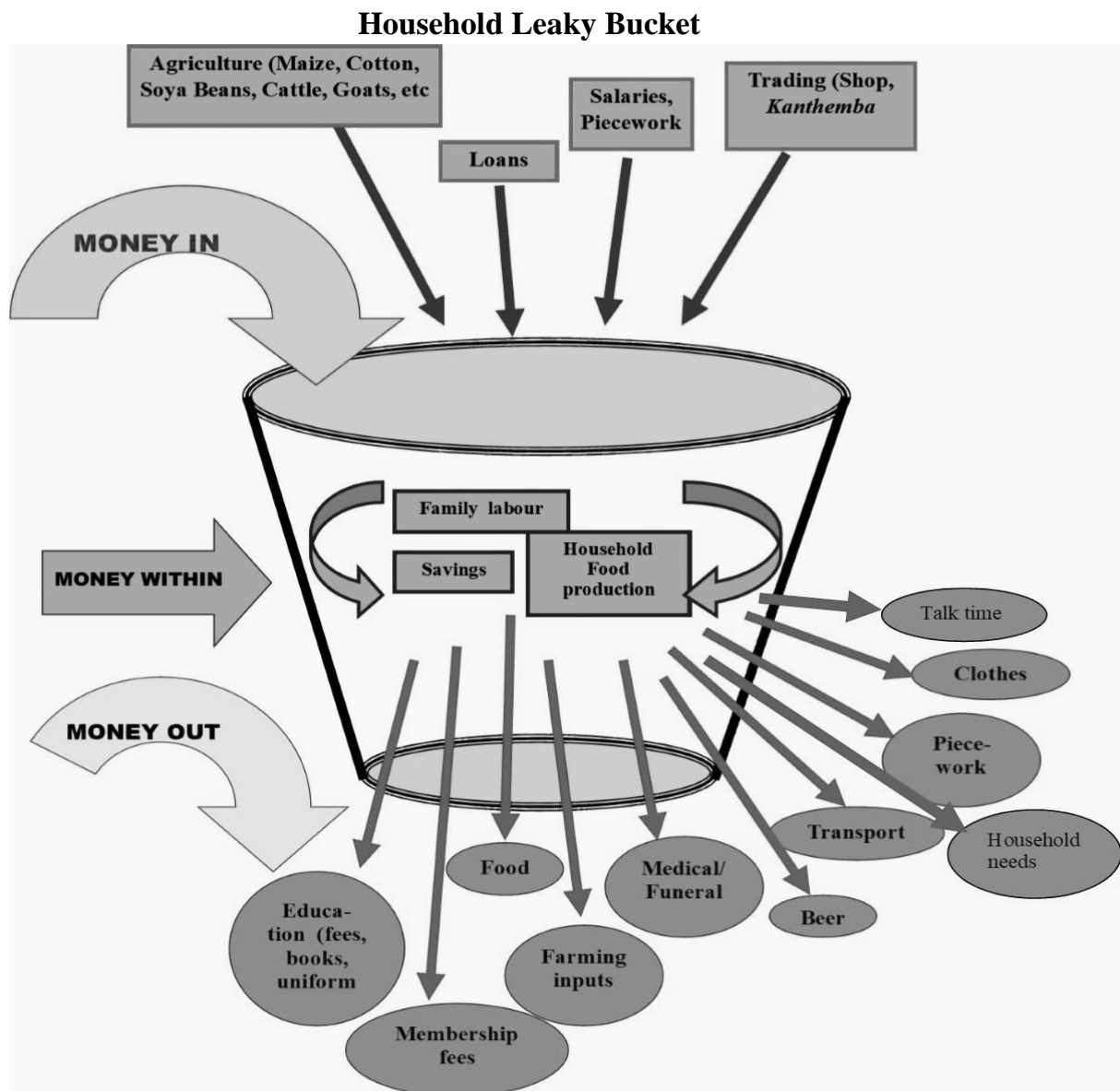
The three steps above are called **economic flows**. Money coming in the home is the income the family makes from different goods or services they supply to other people for example, salary, payment for doing piecework, money received when you sell a product or service. Money going out is the payments made in exchange for products or services to use at home for example household consumption such as food, clothes and furniture; when making an investment such as inputs during farming season, goods to sell, paying people hired to do work for you, transport etc. It is important that the money being spent in this way should be thought of as leakage. The more dependent a household is on outside support to survive, the more leaks it has. Money circulating within can include finances that are put into savings. This can be done by family members doing some things for themselves instead of paying others to do the work for example, instead of buying food you produce your own such as growing maize, groundnuts, keeping poultry, goats or pigs.



The advantage of producing your own food is that you can sell the surplus and increase the amount of money coming-in the household!

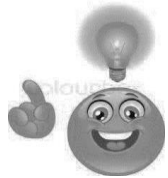
Analysing the way finances flow in a household has been adapted from a tool called **Leaky Bucket**. The Leaky Bucket is a tool that is used to help a community analyse how strong their economy is. A community is a local structure that is linked to other bigger structures

such as the District, which is also linked to the Province, followed by a link to the Country, and finally other countries in the World. The community is made up of families which makes the smallest link in the chain. From this explanation, we see that a family is linked to the rest of the world. If you take a look around your house you will see that some of the things in your home come from other countries – from the clothes and shoes we wear to the phones or solar lamps as well as the tools and utensils. This is why it is said. **“No Person is an Island.”** We are all connected through the flow of income, goods and services. In all these chains there is receiving and spending of money. To know how financially strong the structure such as a family, community, district, province or country is can be seen by how it manages the flow of its money. Take a look at the diagram of the Leaky Bucket representing a household:



The leaky bucket above shows an example of some activities that we find in most of our homes. You are encouraged to add other activities that affect your family. One thing that you will agree with is that the Money-out activities are more than the Money-in.

For a successful entrepreneur, this shows that a household cannot be managed without paying for goods and services. This means that a family is a source of income (Money in) and an receiver of the expenditure (Money-out) who can help to keep the economy vibrant.



Families (or people) are an important component of an economy providing labour, acting as suppliers and source of income, they are the principle source of reproduction, care and education of the community's labour force.

For a household that is hoping to increase its income, a household that has a lot of 'leaks' at the level of Money-out is worrying especially if the money going out is more than the money coming in. Our friend Christabel's family has such a leaky bucket.

? How can we help Christabel and her family reverse the flow of the money in their household?

In addition to the suggestions you may have, we need to remind Christabel on the need to increase the Money-within. The important point to remember is that Money-within is a strong indicator of economic strength. It shows that there is some focus in reducing the leaking out of the money that comes in. When the money going out stays within, there is an opportunity to focus that resource on expanding our businesses. At a higher level such as a community, it can be a good indicator that the community has a lot of community activities which has seen families able to find most of the products and services within their community. If it is a country level, this would mean a country is able to sustain a good level of economy.

? Take a look at your household and the community in which you live.

1. What are the linkages of your family and community to the district, province, country and world?
2. What are some of the ways you can increase the Money-in and diversify the sources of income in your family and in community?
3. How can a family reduce the loss of the resource to improve its local income?
4. How can a community better use its existing resources and businesses to produce more output and therefore more jobs and income?

4.2. Business Record Keeping

This Chapter has focused attention on helping us understand why it is important to manage our businesses effectively and provided some suggestions on activities you can do to help manage a business effectively. We have seen that management is part of our lives – from the way we look after our households to the way we participate in the economic life of our communities, districts, provinces, country and the world at large. When properly used management can help us run successful businesses. To support the effective management of our businesses, it is important that we keep records of the activities we are doing in the business.

Record keeping is writing down how much money **comes in** and how much money is **goes out**.

Benefits of Record Keeping

- It helps you know if the business is performing well by helping you know if the business is making profits or not.
- For you to know how much you can price your product.
- To help you know when you will be able to buy new equipment.
- To keep track of what you are owed. In case of death the record can help track debtors or show evidence on who is owed money.
- To be sure what money belongs to the business. In this way you are able to control the cash that you have and avoid careless spending.
- When a business is growing, it is important to keep records to provide evidence of receiving or paying out money.
- It also helps in remembering credits owed to suppliers or credit owed by customers. In case of dispute that ends up in Court, the record can be used as evidence.
- A good record can help you decide whether to expand the business if it is doing very well. If it is not doing well, it can help you check your marketing plan and improve it or decide to close the business completely.
- You avoid people stealing from you if you have a good record of the items you have in your businesses.
- It helps you to separate home and business expenses.
- A well maintained record can be shown to Tax Officers so that they know the profits your business is making.



Record keeping is an organised way to manage your business.

On the other hand, if you do not keep any records or keep poor records:

- You will not know if you are making profits or loss. If you are not sure about the income in your business you will not know how much money needs to be separated to be used as capital in the business.
- In cases where you have employed people to help run your business, you will not know if they are stealing money from you or not.
- Your business will not grow since you will not know if you need to take steps to market your business or even expand the business.
- At times you may require to borrow funds to support your business but if you do not have a good record, no credit provider will loan you money.

Simple Record Keeping

Below are examples of how to keep record of a business. The first Table shows how to record sales and the second how to record credits owed by customers and what you as a business person owes the supplier. The examples show how a business person that is keeping broiler Chickens would keep a record of their business.

At the end of 2017, K1,000 was the balance remaining from the sale of Chickens during the Christmas period. Therefore, at the start of January, the opening balance is K1,000. During the month of January, the chickens are sold as recorded in the Cash Book. 2 bags of chicken are bought to the add to the supply that was bought in December. The money that the business receives is recorded under the column Money In while the money paid out is recorded under the column Money Out. The last column shows the balance remaining after each sale or purchase. Note that the cost of the Chickens given out on credit is indicated under the Money Out column since the buyer has not yet brought the money. The record of the person owing money can be recorded as well indicating when the credit will be paid. The next Table shows

1. Cash Book

Date	Description	Money In	Money Out	Balance
01/01/2018	Opening Balance	K1,000		
	Sold 10 Chickens @ K45 each	K450		K1,450
15/01/2018	Bought 2 bags of feed @K60 each		K120	K1,330
27/01/2018	Sold 15 Chickens @K45 each	K675		K2,005
31/01/2018	Gave out 2 Chickens on credit @K50 each		K100	K1,905
	TOTAL			K1,905

2. Credit Sales and Purchase Book

Date	Customer/ Supplier	Item Bought/Sold	Quantity	Credit Sales	Credit Purchase	Due Date	Remarks
01/01/2018	Frank Mainga	Chickens	02	K100		15/01/2018	Sign...
15/01/2018	Ross Feed	Starter	4*50Kg		K240	31/01/2018	Sign...
15/01/2018	Stephen Lupenga	Sawdust	2 bags		K50	27/01/2018	Sign...
31/01/2018	Memory Moonga	Chickens	05	K250		10/02/2018	Sign...
	TOTAL			350	290		



1. Record Rudice Nachilima's cash transaction in the Cash Book

Rudice Nachilima's *Salaula* Shop

Rudice Nachilima owns a shop selling *Salaula*. Her cash transactions during the period 1st January to 31st January 2018 was as follows:

January 1: Had K3,500 cash at hand. During the day, she sold 10 cotton skirts for K900; 5 Jean skirts for K250 and 1 dress for K150. She paid K450 for a ballo she had borrowed from her supplier. On the same day, she received K1,200 for the clothes she sold during the Christmas period in December.

January 11: Rudice paid K200 for her grand daughters' school fees.

January 12: Rudice sold 2 dresses and 3 Jean skirts for K600 on credit to her neighbours.

January 14: Judice's husband gave her K2,000 from the sale of the family Cow sold in Chongwe to invest in her business. During the day, her sales totalled K4,500

January 15: Rudice bought a mobile phone for K600 to use in her business

January 26: Rudice sold clothes worth K6,000. The creditors paid K600 for the clothes.

January 27: Rudice sold dresses and skirts for K1,500. She only worked half day since it was a Saturday.



2. Record Benson Mwelwa's transactions in the Credit and Purchase Book

Benson Mwelwa's Bakery

Benson Mwelwa owns a Bakery at Chibwe turnoff where he sells Bread at K7. His customers are community members, restaurant and *tunthamba* owners. The following is his transaction for the first week of January:

- **3 community members have contracted Benson to supply 2 loaves of bread per day. The customers pay for the bread every Saturday,**
- **Benson orders 2*50Kg bags of flour from a supplier in Kabwe at K320 every day. The supplier provides the flour every day from Monday to Saturday. Benson pays the supplier every Monday morning.**
- **Since Benson has no vehicle, he has hired a transporter Christopher Kaleenga to deliver the flour from the supplier at a cost of K10 per bag. He pays Christopher every week on Monday for the week's delivery**



Summary of Learning

- Management is the best use of human, financial, material and time resources.
- The functions of a Manager is planning, organising, coordinating and controlling.
- We can use the resources that we have to improve our well-being at personal, family and community levels.
- **Money-In:** is the money comes in the household or community
- **Money-Within:** is the money which circulate within the household or community.
- **Money-Out:** are the different ways in which we lose money.
- Record keeping is writing down how much money **comes in** and how much money is **goes out**. It is important to keep good records to help businesses succeed.
- Two simple record keeping tools is the Cash Sale Book and the Credit Sales and Purchase Books



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