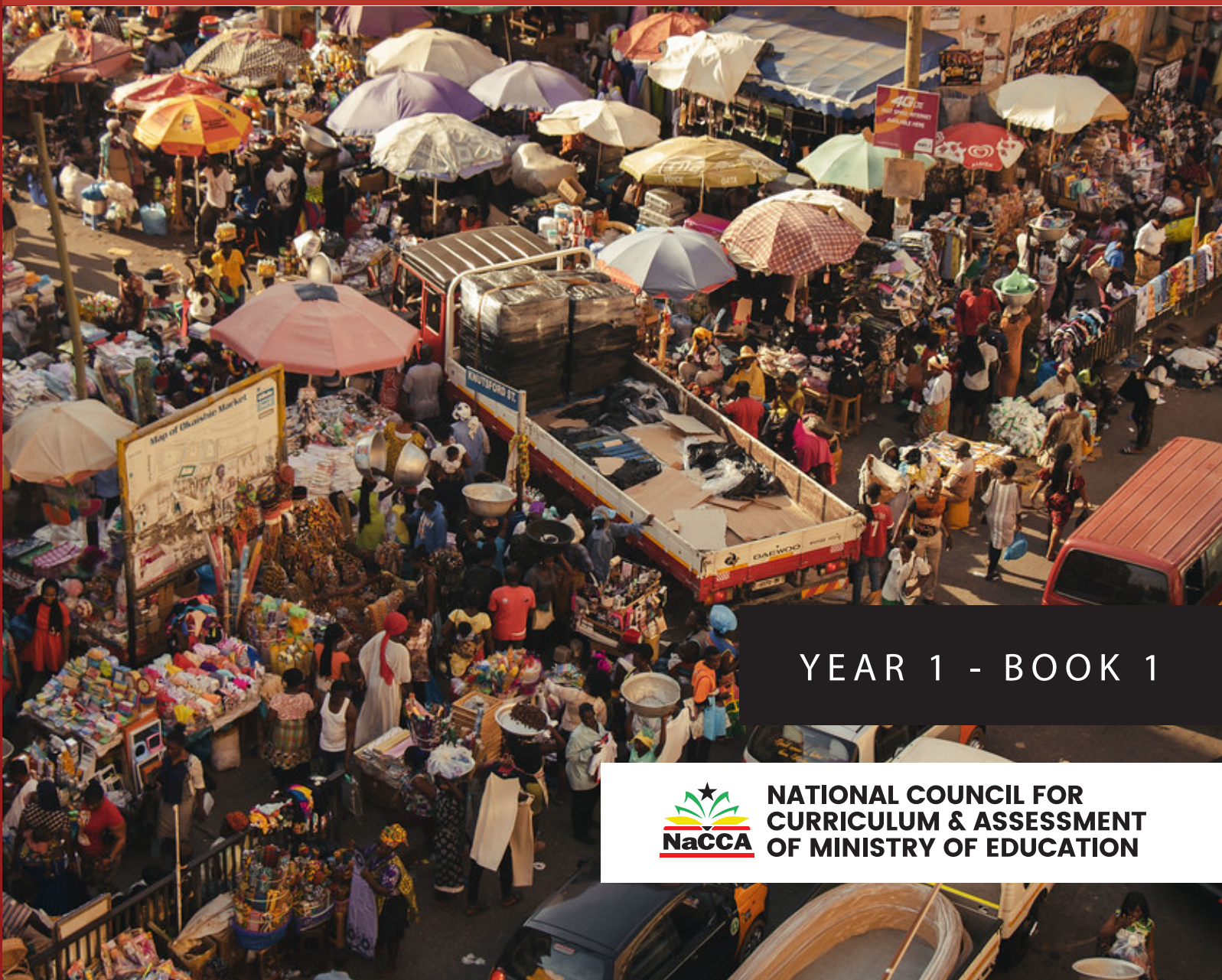




MINISTRY OF EDUCATION

# Business Studies

TEACHER MANUAL



YEAR 1 - BOOK 1



NATIONAL COUNCIL FOR  
CURRICULUM & ASSESSMENT  
OF MINISTRY OF EDUCATION

# MINISTRY OF EDUCATION



REPUBLIC OF GHANA

## Business Studies

### Teacher Manual

Year One - Book One



NATIONAL COUNCIL FOR  
CURRICULUM & ASSESSMENT  
OF MINISTRY OF EDUCATION

## **BUSINESS STUDIES TEACHER MANUAL**

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# INTRODUCTION

The National Council for Curriculum and Assessment (NaCCA) has developed a new Senior High School (SHS), Senior High Technical School (SHTS) and Science, Technology, Engineering and Mathematics (STEM) Curriculum. It aims to ensure that all learners achieve their potential by equipping them with 21st Century skills, competencies, character qualities and shared Ghanaian values. This will prepare learners to live a responsible adult life, further their education and enter the world of work.

This is the first time that Ghana has developed an SHS Curriculum which focuses on national values, attempting to educate a generation of Ghanaian youth who are proud of our country and can contribute effectively to its development.

This Teacher Manual for Business Studies covers all aspects of the content, pedagogy, teaching and learning resources and assessment required to effectively teach Year One of the new curriculum. It contains this information for the first 11 weeks of Year One, with the remaining 13 weeks contained within Book Two. Teachers are therefore to use this Teacher Manual to develop their weekly Learning Plans as required by Ghana Education Service.

Some of the key features of the new curriculum are set out below.

## **Learner-Centred Curriculum**

The SHS, SHTS, and STEM curriculum places the learner at the center of teaching and learning by building on their existing life experiences, knowledge and understanding. Learners are actively involved in the knowledge-creation process, with the teacher acting as a facilitator. This involves using interactive and practical teaching and learning methods, as well as the learner's environment to make learning exciting and relatable. As an example, the new curriculum focuses on Ghanaian culture, Ghanaian history, and Ghanaian geography so that learners first understand their home and surroundings before extending their knowledge globally.

## **Promoting Ghanaian Values**

Shared Ghanaian values have been integrated into the curriculum to ensure that all young people understand what it means to be a responsible Ghanaian citizen. These values include truth, integrity, diversity, equity, self-directed learning, self-confidence, adaptability and resourcefulness, leadership and responsible citizenship.

## **Integrating 21<sup>st</sup> Century Skills and Competencies**

The SHS, SHTS, and STEM curriculum integrates 21st Century skills and competencies. These are:

- **Foundational Knowledge:** Literacy, Numeracy, Scientific Literacy, Information Communication and Digital Literacy, Financial Literacy and Entrepreneurship, Cultural Identity, Civic Literacy and Global Citizenship
- **Competencies:** Critical Thinking and Problem Solving, Innovation and Creativity, Collaboration and Communication
- **Character Qualities:** Discipline and Integrity, Self-Directed Learning, Self-Confidence, Adaptability and Resourcefulness, Leadership and Responsible Citizenship

## **Balanced Approach to Assessment - not just Final External Examinations**

The SHS, SHTS, and STEM curriculum promotes a balanced approach to assessment. It encourages varied and differentiated assessments such as project work, practical demonstration, performance assessment, skills-based assessment, class exercises, portfolios as well as end-of-term examinations and final external assessment examinations. Two levels of assessment are used. These are:

- o Internal Assessment (30%) – Comprises formative (portfolios, performance and project work) and summative (end-of-term examinations) which will be recorded in a school-based transcript.
- o External Assessment (70%) – Comprehensive summative assessment will be conducted by the West African Examinations Council (WAEC) through the WASSCE. The questions posed by WAEC will test critical thinking, communication and problem solving as well as knowledge, understanding and factual recall.

The split of external and internal assessment will remain at 70/30 as is currently the case. However, there will be far greater transparency and quality assurance of the 30% of marks which are school-based. This will be achieved through the introduction of a school-based transcript, setting out all marks which learners achieve from SHS 1 to SHS 3. This transcript will be presented to universities alongside the WASSCE certificate for tertiary admissions.

### **An Inclusive and Responsive Curriculum**

The SHS, SHTS, and STEM curriculum ensures no learner is left behind, and this is achieved through the following:

- Addressing the needs of all learners, including those requiring additional support or with special needs. The SHS, SHTS, and STEM curriculum includes learners with disabilities by adapting teaching and learning materials into accessible formats through technology and other measures to meet the needs of learners with disabilities.
- Incorporating strategies and measures, such as differentiation and adaptative pedagogies ensuring equitable access to resources and opportunities for all learners.
- Challenging traditional gender, cultural, or social stereotypes and encouraging all learners to achieve their true potential.
- Making provision for the needs of gifted and talented learners in schools.

### **Social and Emotional Learning**

Social and emotional learning skills have also been integrated into the curriculum to help learners to develop and acquire skills, attitudes, and knowledge essential for understanding and managing their emotions, building healthy relationships and making responsible decisions.

### **Philosophy and vision for each subject**

Each subject now has its own philosophy and vision, which sets out why the subject is being taught and how it will contribute to national development. The Philosophy and Vision for Business Studies is:

**Philosophy:** Every learner will be equipped with the skills and competencies to apply the basic processes and principles in financial and business management, the economic environment needed to create and manage businesses for economic transformation through the acquisition of critical thinking, creative, innovative, managerial and digital literacy skills, through hands-on and experiential-based learning to succeed in the world of work, adult life for further studies.

**Vision:** A learner equipped with the skills applicable in the creation and management of modern-day businesses, as well as analysing and interpreting financial information in accordance with best practices in the world of work and for further studies.

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# SCOPE AND SEQUENCE

## Business Studies Summary

S/N	STRAND	SUB-STRAND									
			YEAR 1			YEAR 2			YEAR 3		
			CS	LO	LI	CS	LO	LI	CS	LO	LI
1	Business Management	The Nature of Business and Managing Businesses	2	2	12	3	3	5	2	2	4
		Business and Society	1	1	3	1	2	3	1	1	3
		International Business	1	1	2	1	1	1	1	1	2
2	Financial Accounting	Conceptual Framework	1	1	4	1	1	1	1	1	1
		Financial Data Analysis	1	1	4	2	2	2	1	1	2
		Financial Reporting	1	1	1	1	1	2	1	1	1
3	Cost Accounting	Controlling Cost to Improve Organisational Performance	1	1	3	1	1	4	1	1	3
		Determining Cost of Operations for Pricing and Controlling	1	1	3	1	1	2	1	1	1
		Analysing Information for Control and decision making	1	1	3	1	1	2	1	1	2
Total			11	11	35	12	13	22	10	10	19

## Overall Totals (SHS 1 – 3)

Content Standards	33
Learning Outcomes	34
Learning Indicators	76

# SECTION 1: FORMS OF BUSINESS ENTITIES

**Strand:** Business Management

**Sub-Strand:** The Nature of Business and Managing Businesses

**Content Standard:** Demonstrate Understanding and Application of Business and its Various Forms of Ownership

**Learning Outcome:** *Examine the Concept of Business Entities, their Features, Benefits and challenges*

## INTRODUCTION AND SECTION SUMMARY

This section delves into the teaching and learning of the nature of business and its integral role in society. The understanding of the meaning, nature and integral role of business in society serves as a cornerstone for developing a comprehensive understanding of business entities. Throughout this section, teachers should utilise opportunities for learners to connect back to previous learning to further secure previous concepts. At the end of this section, learners are expected to be able to explain the meaning of business and examine its societal functions. Furthermore, learners will gain insights into the meanings, features, benefits and challenges of the following types of business: sole proprietorship, partnership, companies and state-owned enterprises. This section is connected with other subjects such as economics and sociology and teachers should help learners to establish links between business studies and these subjects. Overall, this section equips learners with foundational knowledge and understanding of business and its role in society and the various forms of business entities by employing interactive pedagogical strategies, resources, differentiation and assessment strategies to support learning.

The following weeks are covered in this section:

**Week 1:** The Concept of Business and its Role in Society, Sole Proprietorship and Partnership

**Week 2:** Companies and State-owned Enterprises

## SUMMARY OF PEDAGOGICAL EXEMPLARS

The pedagogical exemplars encompass a multifaceted approach to teaching business concepts. Initiating talk for learning involves engaging learners to talk during lessons as they discuss the concept of business, and this helps to build their communication skills. Collaborative learning encourages learners in mixed-ability and mixed-gender groups to share ideas on various business concepts. The use of case studies as a problem-based learning technique helps to develop analytical, critical thinking and problem-solving skills among learners. This section also makes use of structuring talk for learning pedagogy by showing videos on companies for learners to watch and discuss the types, features, benefits and challenges of companies.

Particular attention should be paid to learners with special education needs, making relevant accommodations to ensure their full participation in all activities. To support teachers in their approach to differentiation, this manual sometime refers to learners as approaching proficiency (AP), proficient (P) or working at a high level of proficiency (HP).

For gifted and talented learners, additional tasks are assigned to them to, for example, perform leadership roles as peer-teachers to guide colleague learners to have a deeper understanding of business concepts.



## **ASSESSMENT SUMMARY**

The assessment strategy for this section ensures a balanced evaluation of recall/reproduction, skills building, strategic reasoning and extended critical thinking abilities of learners. Regular feedback and documentation in the transcript facilitate ongoing improvement and holistic learner development. The assessment strategy employs a tiered approach to gauge learners' comprehension of business concepts with each question being assigned a Depth of Knowledge (DoK) level to support differentiation. Level 1 recall questions, short oral answers, short written essays and discussions offer insights into foundational knowledge. Level 2 skills building questions progress to short essays or oral presentations, evaluating learners' ability to articulate concepts. Level 3 strategic reasoning questions, administered through essay prompts or case studies assess learners' strategic reasoning and deeper understanding of concepts. Teachers should employ a variety of assessment strategies to gather information about individual learner's performance, including scores, feedback and progress over time. The strategy ensures a balanced assessment approach, fostering continuous improvement and holistic learner development.

## WEEK 1

### Learning Indicator(s):

1. *Explain the concept of business and its role in society.*
2. *Outline the features of sole proprietorship and identify its benefits and challenges.*
3. *Examine the features of partnership and identify its benefits and challenges.*

### Theme or Focal Area: **The Concept of Business and Sole Proprietorship**

#### **The Concept of Business**

A business entity can be defined as a legally recognised organisation or structure that is formed to engage in commercial activities and conduct business operations. Business entities are established to conduct business transactions, generate profits and provide goods or services to customers. The common types of business entities are sole proprietorships, partnerships, companies and state-owned enterprises.

#### **Importance of Business Entities in Society**

Business entities play a crucial role in society, providing numerous benefits and contributing to the overall well-being and development of the people. Here are some key reasons why business entities are important to society:

1. **Economic Growth and Job Creation:** Businesses are major drivers of economic growth, creating employment opportunities and stimulating economic activity. They contribute to gross domestic product (GDP) and generate income for individuals and households.
2. **Innovation and Technological Advancement:** Businesses are at the forefront of innovation, driving technological advancements and introducing new products, services and processes. They invest in research and development, which leads to improvements in various sectors and enhances overall productivity.
3. **Wealth Creation and Income Distribution:** Successful businesses generate profits and create wealth. This contributes to income distribution as profits are reinvested, shared with shareholders and distributed to employees as wages or salaries. The wealth created by businesses also generates tax revenue for governments, which can be used for public services, infrastructure development and social welfare programmes.
4. **Consumer Satisfaction and Choice:** Businesses provide a wide range of products and services to meet the diverse needs and preferences of consumers. They strive to improve customer satisfaction by offering quality products, competitive pricing and excellent customer service. Businesses compete with each other, leading to a greater variety of options, giving consumers the freedom to choose based on their preferences.
5. **Social Responsibility and Sustainability:** Many businesses recognise the importance of social responsibility and adopt sustainable practices. They consider the environmental and social impacts of their operations, implement sustainable initiatives and engage in corporate social responsibility activities. By promoting sustainable practices and contributing to social causes, businesses help create a better and more sustainable society.
6. **Infrastructure Development and Investment:** Businesses contribute to the development of infrastructure by investing in facilities, transportation networks and technology. This fosters

economic development, improves connectivity and enhances the overall infrastructure of societies.

## Sole Proprietorship

Sole Proprietorship is a type of business organisation that is owned, managed and controlled by a single owner. The word “sole” means “only” and “proprietor” refers to “owner”. It is the simplest and most common form of business ownership, particularly for small-scale enterprises. In a sole proprietorship, the business and the owner are considered the same legal entity, and the owner has full control and responsibility over the business's operations and decisions. For example, the provisions vendor, the mobile money vendor, the koko seller and the waakye seller are likely examples of sole proprietors operating businesses in learners' communities.



Figure 1.1: Mobile money vendor



Figure 1.2: Koko seller

## Key features of Sole Proprietorship Businesses

1. **Single Ownership:** In a sole proprietorship, there is a single owner who holds complete ownership of the business. The proprietor has the authority to make all business-related decisions and exercises full control over the operations.
2. **Personal Liability:** One significant characteristic of sole proprietorship is that the owner has unlimited personal liability for the business's debts and obligations. This means that the proprietor's personal assets are at risk if the business incurs any financial liabilities or legal obligations. There is no legal separation between the owner and the business entity in terms of liability.
3. **Simple Legal Structure:** Sole proprietorships are relatively straightforward to establish and operate. Unlike other business structures, such as corporations or partnerships, there are usually fewer legal requirements and formalities involved. However, the sole proprietor is still responsible for complying with applicable laws, regulations and licensing requirements.
4. **Tax Considerations:** In terms of taxes, the income and losses of the sole proprietorship are reported on the owner's personal tax return. The business itself does not file separate tax returns.

The owner is responsible for paying taxes on the business's profits as part of their personal tax obligations.

5. **Financial Aspects:** Sole proprietors typically provide the initial capital to start the business. They may also be personally liable for any business-related debts or obligations. As the sole owner, the proprietor is entitled to all profits generated by the business and assumes full responsibility for any losses incurred.
6. **Cessation of Operations:** In the event of the death or in some cases permanently indisposed, the sole proprietorship business may cease to operate.

### Benefits of Sole Proprietorship:

1. **Ease of Formation:** Sole proprietorships are relatively easy and inexpensive to establish compared to other business structures. There are typically few legal formalities and no extensive paperwork required to start the business.
2. **Full Control:** A sole proprietor has complete control over all aspects of their business. They can make decisions independently and implement their vision without the need for consensus or approval from partners or shareholders.
3. **Flexibility and Quick Decision-Making:** Sole proprietors have the flexibility to make quick decisions and adapt to changing market conditions. This agility allows for swift responses to customer needs, industry trends and competitive forces.
4. **Direct Profits:** A sole owner is entitled to all profits generated by the business. There is no need to share profits with partners or shareholders and this provides the potential for greater financial returns.
5. **Tax Benefits:** Sole proprietorships often enjoy certain tax advantages. Business income and expenses are reported on the proprietor's personal tax return, simplifying the tax filing process. Additionally, sole proprietors can take advantage of certain tax deductions and credits available to small businesses.

### Challenges of Sole Proprietorship:

1. **Unlimited Personal Liability:** The sole proprietor is personally responsible for all debts and obligations of the business. In the event of legal action or financial difficulties, personal assets may be at risk.
2. **Limited Resources:** Sole proprietors may face limitations in terms of financial resources and expertise. Raising capital may be more challenging compared to other business structures, as lenders and investors may be hesitant to provide funds due to the increased personal liability.
3. **Workload and Time Commitment:** Sole proprietors are responsible for managing all aspects of the business, including operations, marketing, finances and administration. This can result in a heavy workload and a significant time commitment, potentially leading to burnout and difficulty achieving work-life balance.
4. **Limited Growth Potential:** Sole proprietorships may face limitations in terms of growth potential. The success of the business may be limited by the owner's time, resources and expertise. Expanding the business or taking on larger projects may be challenging without additional support.
5. **Lack of Continuity:** Sole proprietorships may lack continuity if the owner becomes incapacitated or passes away. The business typically ceases to exist, and any assets or liabilities are handled by the proprietor's estate. This can create uncertainty for clients, suppliers and employees.



6. **Limited Skill Set:** Sole proprietors are responsible for handling all aspects of the business. This requires a diverse skill set in various areas such as marketing, finance, sales and operations. The need to wear multiple hats can be demanding and may require additional learning or outsourcing certain tasks which might be challenging.

### Learning Tasks

1. Discuss the meaning of business and identify the role it plays in society.
2. State the meaning of sole proprietorship and outline its features.
3. Discuss and present orally the benefits and challenges of a sole proprietorship.

### Pedagogical Exemplars

#### Initiating Talk for Learning:

1. Let learners in a whole class discussion write a list of items they buy and the places they buy them from on sticky-pads or pieces of paper. Ask them to exchange their list with a colleague for consideration and make a written or oral presentation to the class.
2. Teachers probe further to let learners draw a link between the places they buy their items and the concept of business.
3. Use the activity to guide learners to discuss the meaning of business and its role in society by exploring and mentioning businesses that operate in their communities. For example, food vendors, provision shops, hospitals, schools, electricity companies, water manufacturing businesses, etc. teacher can employ the use of charts or pictures or videos of these businesses to support learners' understanding of the lesson.
4. Guide learners in pairs, to think carefully and discuss the meaning of these essential terms such as "goods", "services", "entrepreneur" and "profit" in order to build the foundation of the lesson.
5. Teachers should encourage respect and tolerance of diverse views among learners. Address gender-stereotypes related to business ownership.
6. Teachers should move round the class to provide support to learners who struggle to understand concepts (AP). This may be through direct questioning or instruction.
7. Additional support should be given to SEN learners to enable them to participate fully in the lesson

#### Collaborative Learning:

1. Teachers should lead a discussion and ask learners to mention any businesses they know in their community.
2. Guide learners to narrow the businesses which are owned by individuals in the society and use such examples to link to the concept of sole proprietorship. Examples include koko seller, waakye seller, shoe maker, provision store owners
3. Guide learners in pairs to discuss the meaning of sole proprietorship, its features, benefits and challenges and share with the larger class. Those who exhibit a clear or a high level of understanding may be provided with prompt sheets to support the discussion process.
4. Encourage learners to identify businesses owned by females, persons with special needs or persons from disadvantaged backgrounds to dispel myths about who can own a business.
5. Learners should be encouraged to identify males thriving in female-dominated businesses and females thriving in male-dominated businesses.

## Formative Assessment

### DoK Level 1: Reproduction/Recall

1. What is the meaning of business?
2. Identify at least two roles' businesses plays in society
3. Define the term "sole proprietorship" in business and outline at least three of its features.

### DoK Level 2: Skills Building

1. Explain three benefits of a sole proprietorship
2. Describe three challenges of a sole proprietorship
3. Explain the implication of unlimited personal liability on a sole proprietorship business

### DoK Level 3: Strategic Thinking

1. A young entrepreneur in Ghana is passionate about fashion design and wants to start a clothing boutique.
  - a) Analyse three advantages and two disadvantages of establishing the business as a sole proprietorship.
  - b) Discuss four impacts the fashion boutique is likely to have on society.
2. A skilled shoe repairer works in your town, providing valuable services to the local community. Discuss three ways by which their business will significantly impact the lives of their family and members of the community as a whole.

## Theme or Focal Area: Partnership

In the previous lesson, we looked at sole proprietorship as a form of business entity which is owned and managed by one person. In this lesson, we are progressing to look at partnerships which are a form of business owned by between two and twenty people.

## Partnership Business

A partnership is a type of business structure where a minimum of two and a maximum of twenty individuals (partners) agree to share ownership, responsibilities and profits or losses of a business. A partner refers to an individual who shares ownership, responsibility and decision-making authority in a partnership. Partners can be individuals, such as entrepreneurs, professionals, or investors, or they can be other businesses, corporations, or entities. They come together with a mutual intention to collaborate, contribute resources and work collectively to achieve business goals.



Figure 1.3: Partnership model

## Partnership Agreement

A partnership agreement is a legally binding contract or document that outlines the terms and conditions governing the establishment, operation and dissolution of a partnership. It serves as a written agreement between the partners involved in a partnership and provides a framework for their rights, obligations and responsibilities.

A partnership agreement typically includes provisions regarding the following aspects of the partnership:

1. **Contributions and Ownership:** It specifies the capital contributions, assets, or resources that each partner brings into the partnership and outlines the distribution of ownership interests among the partners.
2. **Profit or Loss Sharing:** The agreement outlines how profits and losses will be allocated among the partners, which may be based on ownership percentages or other agreed-upon terms.
3. **Decision-Making and Management:** It details the decision-making process within the partnership, including the authority, roles and responsibilities of each partner. This section may cover topics such as voting rights, management responsibilities and procedures for major decisions.
4. **Partner Withdrawal or Termination:** The agreement includes provisions for partner withdrawal, retirement, or the admission of new partners. It also outlines the process for terminating or dissolving the partnership, including the distribution of assets and liabilities.
5. **Dispute Resolution:** It may establish mechanisms for resolving disputes or conflicts that may arise between partners, such as mediation or arbitration procedures.
6. **Confidentiality and Non-Compete:** The agreement may include provisions to protect the confidentiality of partnership information and establish restrictions on partners' ability to engage in competing activities.
7. **Duration and Amendments:** It specifies the duration of the partnership and outlines procedures for making amendments or modifications to the agreement.

## Features of Partnership

1. **Partnership Agreement:** There is always an agreement between two or more people who intend to run a partnership business. This agreement, which is the partnership deed, outlines the terms that will guide the conduct of members and the operation of the business.
2. **Formation and Membership:** The partnership business is formed by a minimum of two (2) people and a maximum of twenty (20) people.
3. **Ownership and Management:** In a partnership, ownership and management are typically shared among the partners. Each partner contributes capital, labour or both to the business and shares the profits and losses according to the partnership agreement.
4. **Shared of Profits and Losses:** Members in a partnership business share profits as well as losses incurred in the business. In some instances, profits and losses may be shared according to the contributions or status of each member.
5. **Unlimited Liability:** In a general partnership, partners have unlimited personal liability for the debt and obligations of the business. This means that partners' personal assets can be used to settle business debts and legal obligations.

## Benefits of Partnership

1. **Ease of Formation:** Partnerships are easy to form, with fewer formalities and paperwork compared to other business structures like corporations. This simplicity accelerates the start-up process.
2. **Shared Decision Making:** Decision-making is a collaborative process in partnership. This shared responsibility ensures that major business decisions consider the inputs and perspectives of all partners.
3. **Access to Complementary Skills and Knowledge:** Partnerships allow you to tap into diverse expertise. Each partner brings unique skills, experience and perspectives. For example, one partner may excel in sales, while another is a certified accountant or marketing expert.
4. **Less Financial Burden:** Sharing start-up costs and expenses with partners eases the financial strain. Additionally, having multiple partners enhances borrowing capacity, as risk is distributed among them. Banks are more inclined to extend credit to partnerships than sole proprietorships.
5. **Increased Business Opportunities:** Financially strong partners can provide additional funding, opening doors to explore new opportunities. Experienced partners often have valuable industry contacts that benefit the business.
6. **Better Work-Life Balance:** Partners can share the workload and responsibilities, improving work-life balance. Studies show that a balanced work-life leads to increased productivity.

## Challenges of Partnership

1. **Unlimited Liability:** Partners in a general partnership have unlimited personal liability for business debts, risking personal assets.
2. **Conflict of Interest:** Differences in opinions and values among partners can lead to conflicts, impacting the working relationship.
3. **Dependency on Partners:** Partnerships rely heavily on each member and the departure of a partner can disrupt business operations.
4. **Decision-Making Issues:** Achieving consensus on decisions may be challenging, hindering business agility.
5. **Limited Capital and Resources:** Access to external funding may be difficult, limiting the business's growth potential.
6. **Succession Planning Issues:** Withdrawal, retirement, or death of a partner can disrupt the business without proper succession planning.

### Learning Tasks

1. Explain the term “partnership” and give examples.
2. Identify and explain the key features of a partnership business.
3. Evaluate the benefits and challenges of a partnership business.

## Pedagogical exemplars

### Problem-Based and Collaborative Learning:

1. The teacher creates a scenario or case study on a partnership and guides learners in mixed ability and gender groups, to discuss the features, benefits and challenges of partnership business (for

example, the advantages of having classmates in the school). HP learners can be invited to share their group's learning with the class.

2. Learners who require more support (AP), should be provided with a simplified explanation of the features of partnership business.
3. Learners with clear understanding (P), should be given the opportunity to explain features, benefits and challenges of partnership business.
4. Learners with a higher level (HP) of understanding of concepts should be given the opportunity to discuss the features, benefits and challenges of partnership business from a case study.
5. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

## **Formative Assessment**

### **DoK Level 1 Reproduction/Recall**

1. Define the term “partnership” in business.
2. State at least two features of a partnership.
3. Outline at least two benefits of a partnership.

### **DoK Level 2 Skills Building**

Differentiate between a partnership business and partnership agreement.

### **DoK Level 3 Strategic Reasoning**

Two friends in Ghana have been running a successful catering business together for several years. Recently, they have been considering registering their partnership. Evaluate two advantages and two disadvantages of registering their business as a partnership.

### **DoK Level 4 Extended Critical Thinking and Reasoning**

Analyse the impact of a partnership business to society.



## WEEK 2

### Learning Indicator(s):

1. *Elaborate on the features of a company and identify its types, benefits and challenges.*
2. *Describe the features of State-Owned Enterprises (SOEs) and examine their benefits and challenges.*

### Theme or Focal Area (Lesson 1): **Companies**

#### **Company**

A company refers to a legal entity or organisation formed by individuals, known as shareholders or members, to conduct business activities. Incorporation of companies in Ghana is regulated by the Companies Act, 2019 (Act 992) which allows one or more persons to incorporate a company under the Act. Section 7 of the Companies Act 2019 provides four main categories under which companies may be incorporated. These are a company limited by shares, a company limited by guarantee, an unlimited company or an external company. GCB Bank Plc, Nestle Ghana Limited, AngloGold Ashanti Iduapriem Mine, Access Bank (Bank) Plc, Delta Paper Mill Company Limited, DHL Ghana Limited, Enterprise Life Assurance Ltd, GOIL Plc, Fan Milk Plc etc are some examples of companies in Ghana.



**Figure 2.1:** GCB Bank Plc

#### **Features of a Company**

A company typically has the following characteristics:

1. **Legal Entity:** A company is considered a separate legal entity from its owners. It can own assets, enter into contracts, sue or be sued and be held liable for its actions or debts.
2. **Limited Liability:** In certain types of companies, such as corporations or limited liability companies (LLCs), the liability of the shareholders or members is limited to their investment in the company. Their personal assets are generally protected in case the company faces financial difficulties or legal issues.
3. **Shareholders or Members:** A company is owned by its shareholders or members, who contribute capital or other resources to the company in exchange for ownership interests or



shares. The shareholders or members typically have the right to participate in decision-making processes and share in the profits and losses of the company.

4. **Management Structure:** Companies have a management structure that oversees the day-to-day operations and strategic direction of the business. This may include directors, officers, or managers who are responsible for making decisions and managing the company's affairs.
5. **Perpetual Existence:** Unlike partnerships or sole proprietorships, companies have perpetual existence. This means that the company can continue to exist and operate even if there are changes in ownership or there is a departure of shareholders or members.

## Types of Companies

**There are four main types of companies which include:**

1. **Companies Limited by Shares:** A company limited by shares is a company whose members' liability is limited to the amount unpaid on the shares held by each member, if any. When a person is allotted shares in a company, they would be required to provide consideration in the form of cash or some goods or services in exchange for the shares. The consideration provided by shareholders serves as equity capital which is used for the operation of the business and to settle the liabilities of the company as and when they fall due. In the case where a member has fully paid for allotted shares, they will not be required to make any further payments with regard to the liabilities of the company. However, in instances where a member has not provided any consideration at all or has made part payment for allotted shares, they may be called on to pay the unpaid amount to cover the company's liabilities. Companies limited by shares are usually run as profit-making enterprises. Private companies bear the suffix "Limited Company" or the abbreviation "Ltd".
2. **Companies Limited by Guarantee:** For companies limited by guarantee, the members pledge funds for meeting any requirements from creditors in the event of winding up or in the event where there is a shortfall in meeting creditor's obligations. These types of companies are usually operated as non-profit making organisations. A company limited by guarantee bears the suffix "Limited by Guarantee" or the abbreviation "LBG".
3. **Unlimited Companies:** In an unlimited company the members have unlimited personal liability similar to that of a sole proprietor. What this means is that, in the event where the company is unable to meet its liabilities, creditors can attach the personal assets of the members to satisfy whatever debts are outstanding and owed to them. Unlimited companies are usually incorporated with, and allot shares to, shareholders and are usually operated as profit-making entities. Where an unlimited company is set up as a private company, the company's name is suffixed by the abbreviation, "PRUC". If it is set up as a public company, then it has the suffix "PUC".
4. **External Companies:** An external company, also known as an "external corporation" or "foreign company" depending on the jurisdiction, refers to a business entity that is registered and operates in a jurisdiction different from where its primary operations or headquarters are located. These companies often establish a presence in other jurisdictions to expand their market reach, access resources, or take advantage of favorable business conditions. External companies typically need to comply with regulations and legal requirements specific to the jurisdictions in which they operate, which may include registering with local authorities, paying taxes, and adhering to local labour laws. Additionally, they may need to appoint local agents or representatives to facilitate their operations and ensure compliance with local regulations.

## Benefits of a Company:

1. **Limited Liability:** One of the key benefits of a company, particularly a corporation or limited liability company (LLC), is that it offers limited liability protection to its shareholders or

members. Their personal assets are generally shielded from the company's debts and legal obligations, reducing personal financial risk.

2. **Separate Legal Entity:** A company is a separate legal entity, distinct from its owners. This means that the company can own property, enter into contracts, sue or be sued and carry out business activities in its own name.
3. **Perpetual Existence:** Companies, unlike sole proprietorships or partnerships, have perpetual existence. They can continue to exist and operate even if there are changes in ownership, or there is the departure of shareholders or members, or death of individual owners.
4. **Capital Formation:** Companies have the advantage of raising capital by issuing shares or attracting investments from shareholders or investors. This allows for greater potential to raise funds for expansion, research and development and other business initiatives.
5. **Transferability of Ownership:** In many cases, the ownership interests in a company can be easily transferred or sold, allowing for easier entry or exit of shareholders or members. This provides flexibility and liquidity to the owners.

### Challenges of a Company:

1. **Complex Legal and Regulatory Compliance:** Companies are subject to various legal and regulatory requirements, which can be complex and time-consuming. Compliance with tax laws, reporting obligations, corporate governance standards and other regulations can pose challenges, especially for smaller businesses.
2. **Higher Administrative and Operational Costs:** Companies often have higher administrative and operational costs compared to sole proprietorships or partnerships. They may require professional assistance, such as legal and accounting services to comply with legal obligations and manage corporate affairs effectively.
3. **Double Taxation (for Certain Companies):** Corporations, in particular, may face the challenge of double taxation. Corporate profits are subject to corporate income tax and when dividends are distributed to shareholders, they may be subject to personal income tax as well. This can result in a higher overall tax burden.
4. **Increased Complexity in Decision-Making:** As companies grow, decision-making processes can become more complex. Multiple shareholders or members may have differing interests and reaching consensus on key decisions can be challenging. This can slow down decision-making and hinder agility.
5. **Potential Loss of Control:** Companies with multiple shareholders or members may face the challenge of diluted control. As ownership interests are distributed among various individuals or entities, decision-making authority may be shared, and individual owners may have less control over the company's direction and operations.

### Learning Tasks

1. Explain a company as form of a business entity and identify its features.
2. Explain the types of company under the Company's Act 2019 (Act 992).
3. Present to the class on the benefits and challenges of a company.

## **Pedagogical exemplars**

### **Problem-Based and Collaborative Learning:**

1. Guide learners to review their knowledge on partnership, features, benefits and challenges of partnership business.
2. In mixed-ability and gender groups, teachers guide learners to discuss types, features, benefits and challenges of a company. Those who exhibit clear or a high level of understanding may be provided with prompt sheets to support the discussion process.
3. Learners with low learning ability (AP), should be provided with a simplified explanation of the types and features of company.
4. Learners with clear understanding (P), should be given the opportunity to explain types, features, benefits and challenges of company.
5. Learners with a higher level (HP) of understanding of concepts should be given the opportunity to discuss the types, features, benefits and challenges of company from a case study.
6. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

## **Formative Assessment**

### **DoK Level 1 Reproduction/Recall**

1. What is a company?
2. Identify at least three features of a company.
3. State at least three types of companies.

### **DoK Level 2 Skills Building**

1. Explain at least three types of companies.
2. Analyse at least three benefits and challenges of a company.

### **DoK Level 3 Strategic reasoning questions**

1. Analyse at least three differences between a partnership and a company.
2. A group of investors in Ghana wants to launch a tech start-up aimed at developing mobile applications. They are debating whether to register their business as a partnership or company. Compare and contrast three advantages and three disadvantages of choosing between partnership and company.

### **DoK Level 4 Extended Critical Thinking and Reasoning**

Analyse the impact of a company business on society.

## Theme or Focal Area: **State-owned Enterprises and Sources of Funds for Businesses**

### State-owned Enterprises

A State-Owned Enterprise (SOE), also known as a government-owned corporation or a public sector enterprise, refers to a business entity in which the government or state has a significant ownership stake or control. In a SOE, the government typically owns a majority or 100% of the company's shares or has the authority to appoint key management positions. SOEs can be found in various sectors, including energy, telecommunications, transportation, banking and natural resources. Examples of SOEs in Ghana are Ghana Stock Exchange, ECG, Ghana Water Company, Ghana Post among others.



Figure 2.2: *Ghana Post Office*

### Types of State-Owned Enterprise

State-Owned Enterprises (SOEs) can take various forms based on the sectors in which they operate and the specific objectives of the government. Here are some common types of state-owned enterprises:

1. **Natural Resource Companies:** These SOEs are involved in the exploration, extraction and management of natural resources such as oil, gas, minerals, or forestry. They play a crucial role in countries with significant resource endowments and ensure the responsible and sustainable utilisation of these resources.
2. **Energy Companies:** State-owned energy companies operate in the energy sector, including electricity generation, transmission and distribution. They may also be involved in the exploration, production and distribution of oil, gas and other energy sources.
3. **Transportation Companies:** State-owned transportation enterprises are responsible for operating and managing transportation infrastructure and services, such as railways, airlines, seaports, or national airlines. They ensure the provision of efficient transportation systems and contribute to national connectivity and economic development.
4. **Financial Institutions:** These SOEs include state-owned banks, development banks, or financial institutions that provide banking services, loans, or financial support for developmental projects. They play a role in promoting economic stability, supporting small businesses and driving investment.



5. **Telecommunications Companies:** State-owned telecommunications enterprises provide communication and information services, including fixed-line telephony, mobile services, internet connectivity and data transmission. They contribute to the development of communication infrastructure and promote digital inclusion.
6. **Nationalised Industries:** In certain cases, the government may nationalise industries, taking ownership and control of private companies in sectors deemed critical to national interests, such as defense, aerospace, or strategic manufacturing. These nationalised industries serve strategic and security objectives.
7. **Public Service Providers:** SOEs can be responsible for providing essential public services such as water supply, healthcare, education, housing, or social welfare. They ensure the availability and accessibility of these services to the general public.
8. **Infrastructure Companies:** State-owned infrastructure enterprises are involved in the development, construction and operation of critical infrastructure projects, such as highways, bridges, airports, dams, or power plants. They contribute to national development and promote infrastructure growth.

### Key Features of a State-Owned Enterprise include:

1. **Government Ownership:** The government or state, either at the national or regional level, holds a substantial ownership stake in the company. This ownership may be exercised through a ministry, a holding company, or a sovereign wealth fund.
2. **Government Control:** The government has the authority to exercise control over the SOE's operations and management. This control can be exerted through the appointment of key executives, board members, or regulatory oversight.
3. **Strategic Importance:** SOEs are often established in sectors considered strategic to national interests, security, or development. These enterprises play a critical role in ensuring the availability of essential goods and services or maintaining key infrastructure.
4. **Public Service Provision:** Some SOEs are created to provide public services that are essential for the well-being of citizens. These services can include utilities like water and electricity, healthcare, education, public transportation and postal services.
5. **Government Policy Implementation:** SOEs can be utilised by the government to implement specific policies or achieve economic development objectives. They can be instrumental in driving industrial growth, promoting technology transfer, supporting domestic industries, or advancing innovation.
6. **Financial Support and Oversight:** SOEs may receive financial support, subsidies, or guarantees from the government to fulfill their objectives. Additionally, governments exercise oversight and regulatory control over SOEs to ensure accountability, transparency and compliance with laws and regulations.

The nature and extent of government involvement in SOEs can vary across countries and jurisdictions. Some SOEs operate more autonomously and follow commercial principles, while others may experience greater government influence and intervention in their decision-making processes.

### Benefits of State-Owned Enterprises (SOEs):

1. **Strategic Control:** SOEs allow the government to exercise direct control and influence over key sectors deemed critical to national interests, security, or development. This enables the government to shape policies, ensure long-term planning and align the operations of these enterprises with broader national goals.

2. **Economic Development:** SOEs can play a significant role in driving economic development by investing in infrastructure, fostering domestic industries, promoting innovation and supporting job creation. They can contribute to industrial growth, technological advancement and regional development.
3. **Public Service Provision:** SOEs operating in essential sectors like healthcare, education, utilities, or transportation can ensure the provision of reliable, affordable and accessible services to the public. They prioritise public welfare over profit maximisation and ensure universal access to vital services.
4. **Revenue Generation:** Successful SOEs can generate substantial revenue for the government through dividends, taxes, or royalties. These financial contributions can help fund public programs, social welfare initiatives, infrastructure development and other government priorities.
5. **Stability and Security:** In sectors such as energy or natural resources, SOEs can contribute to stability and security by ensuring a secure supply of essential resources, managing strategic assets and mitigating risks associated with external market fluctuations or geopolitical factors.

### Challenges of State-Owned Enterprises:

1. **Lack of Efficiency and Innovation:** SOEs are sometimes criticised for being less efficient and innovative compared to private enterprises. Bureaucratic processes, political interference and a lack of competition can hamper efficiency, agility and the ability to adapt to changing market dynamics.
2. **Governance and Accountability:** SOEs may face challenges in governance and accountability. Political influence, nepotism, or lack of transparency can affect decision-making processes, leading to suboptimal outcomes. Ensuring proper corporate governance and accountability mechanisms is crucial to address these challenges.
3. **Financial Burden and Subsidisation:** In some cases, SOEs may require significant financial support from the government, leading to fiscal burdens. Subsidies, bailouts, or non-commercial operations can strain public finances, especially when SOEs are not financially viable or suffer from mismanagement.
4. **Inefficient Resource Allocation:** State involvement in certain industries can lead to suboptimal resource allocation as economic decisions may be driven by political considerations rather than market forces. This can result in misallocation of resources, inefficiencies and potential distortions in the economy.
5. **Lack of Competition and Market Distortions:** State monopolies or dominant positions held by SOEs can restrict competition and hinder market dynamics. This can limit innovation, decrease consumer choice and impede the growth of private sector participation in the economy.
6. **Politicisation of Decision-making:** SOEs are susceptible to political influence and decision-making. This can lead to suboptimal decisions driven by political considerations rather than economic or commercial factors. Ensuring the autonomy and independence of SOEs from political interference is vital for their effective operation.

### Sources of Funds Available for Businesses

Different types of business entity have different sources of funding available to them. The type of business entity and nature of business will determine where and how individuals can source funds for their activities.



Sources of funds available to business entities			
SOLE PROPRIETOR	PARTNERSHIP	COMPANIES	SOEs
<ul style="list-style-type: none"> <li>• Personal savings</li> <li>• Loans</li> <li>• Personal assets</li> <li>• Financial support from friends and family</li> <li>• Business profits</li> <li>• Trade credit</li> <li>• Government grants and programmes etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Partner contributions</li> <li>• Loans</li> <li>• Retained earnings</li> <li>• Business income</li> <li>• Trade credit</li> <li>• Interest from investment</li> <li>• Government grants and programmes etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions</li> <li>• Issuing shares</li> <li>• Private placements</li> <li>• Retained earnings</li> <li>• Loans</li> <li>• Bonds</li> <li>• Government grants, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Government funding</li> <li>• Bonds</li> <li>• Retained earnings</li> <li>• Public-Private Partnerships (PPPs)</li> <li>• Asset sales</li> <li>• Grants and donor funding, etc.</li> </ul>

### Learning Tasks

1. Explain a SOE as form of a business entity, give examples of the types of SOE and identity their features.
2. Present to your group or to the class on the benefits and challenges of SOEs.
3. Identify the sources of funds available for businesses.

### Pedagogical exemplars

#### Experiential-Based Learning:

1. Guide learners to review their knowledge on types, features, benefits and challenges of companies.
2. In mixed-ability and gender groups, teacher guides learners to discuss and mention businesses they know that are owned and controlled by the government of Ghana. For example, STC, Ghana Water Company Ltd., State Housing Company, VRA, etc.
3. Use video(s) or display pictures SOEs in Ghana for learners to observe. Teachers should consider how learners with visual impairments will access this material (for example through provision of audio recordings or narration)
4. Teachers should guide learners in pairs to think through and discuss the meaning, features, benefits and challenges of SOEs as observed in the video or pictures displayed.
5. Learners with low learning ability (AP), should be provided with a simplified explanation on the types and features of SOEs.
6. Learners with clear understanding (P), should, through presentations, explain the types, features, benefits and challenges of SOEs.
7. Learners with a higher level (HP) of understanding of concepts, should be given the opportunity to discuss the types, features, benefits and challenges of SOEs from a case study.
8. Lead learners in a whole class discussion to identify the various sources of funding available to businesses. HP learners could be provided with an additional task to consider the suitability of types of funding for different business entities.

9. Teachers should ensure participation of all learners in each group and that learners respect the views of others.

### Formative Assessment

#### DoK Level 1: Reproduction/Recall

1. What is a SOE?
2. State at least three features of SOEs.

#### DoK Level 2: Skills Building

1. Explain at least three types of SOEs.
2. Explain at least three sources of funds available to SOEs.

#### DoK Level 3: Strategic Reasoning

Identify a SOE in Ghana and present an evaluation of its benefits and challenges as a two-page essay

#### DoK Level 4: Extended Critical Thinking

Aspiring entrepreneurs and existing businesses in Ghana have various sources of securing funding to start or grow their ventures. A small-scale agribusiness produces organic vegetables for local markets. To scale up their operations, they require additional funds for equipment, land expansion and marketing efforts.

- a. Analyse at least three different sources of funding available to expand this agribusiness in Ghana.
- c. Recommend the most appropriate funding sources for this venture.

## Section 1 Review

This section is a review of the lessons taught in Weeks 1 and 2. The section introduced learners to the concept of business, ensured learners recognised the integral part businesses play in society, contribution to the economy, providing goods and services and impacting communities. Moving on to exploring sole proprietorship, partnership, companies and state-owned enterprises, learners will have acquired knowledge about the features, benefits and challenges of the various forms of businesses. The pedagogical exemplars used in this section included; initiating talk for learning, collaboration, problem-based learning, structuring talk for learning and experiential learning which helped to meet the varied needs of learners. These strategies enable learners to develop communication, collaboration, critical thinking and problem solving skills. Various assessment strategies such as oral presentation, written short-essays and case studies were structured to cater for all the varied abilities of learners. These assessments were classified under the DoK level 1- 4.

### Additional Reading

1. Companies Act 2019, (Act 992)
2. Any approved Business Management Book by NaCCA

## References

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## SECTION 2: **FUNCTIONS OF MANAGEMENT**

**Strand:** Business Management

**Sub-Strand:** The Nature of Business and Managing Businesses

**Content Standard:** Demonstrate knowledge and understanding of the basic functions of management

**Learning Outcome:** *Explain planning, organising, leading and controlling and analyse their interrelationships within the organisational structure.*

### **INTRODUCTION AND SECTION SUMMARY**

This session dives into the basics of managing a business. It explores how businesses work and the skills needed to make them run well. The main focus is on the four basic functions of planning, organising, leadership and controlling. Throughout this section, teachers should utilise opportunities for learners to connect back to previous learning to further secure previous concepts. By the end of this section, learners should understand the core ideas of business management. This includes knowing how to plan, organise and lead a team. The concepts covered in this session connects with other subjects like economics and sociology. The section also makes uses of variety of pedagogical approaches taking into consideration differentiation adopted to enhance learner's foundational and functional knowledge of the basic functions of management.

The following weeks are covered in this section:

**Week 3:** Management in business and planning as a basic function of management

**Week 4:** Organising as a basic function of management

**Week 5:** Leadership as a basic function of management

**Week 6:** Controlling as a basic functions of management

### **SUMMARY OF PEDAGOGICAL EXEMPLARS**

The pedagogical exemplars for business management education employ diverse teaching strategies to cultivate a comprehensive understanding among learners. Initiating Talk for Learning and Collaborative Learning encourages mixed-ability group discussions to discuss the basic functions of management such as planning, organising, controlling and leadership, emphasising respect for diverse opinions. Collaborative Learning engages groups in discussions and presentations on planning, fostering varied perspectives. Experiential-Based Learning incorporates visual aids and office visits for practical exposure, enhancing observational and real-world learning. Case studies and role-play deepen insights into leadership styles and decision-making, promoting critical analysis. Group work on controlling processes encourages collaborative exploration. Learners are expected to define management, understand planning, comprehend organising, evaluate leadership and explore controlling. Gifted learners are challenged with advanced analyses, leadership roles and deeper explorations of planning, organising and controlling tools. Overall, the exemplars aim to equip learners with the foundational knowledge and functional skills the basic functions of management. Particular attention should be paid to learners with special education needs, making relevant accommodations to ensure their full participation in all activities. To support teachers in their approach to differentiation, this manual sometime refers to learners as approaching proficiency (AP), proficient (P) or working at a high level of proficiency (HP).

## **ASSESSMENT SUMMARY**

The assessment plan for business management encompasses a variety of levels and skills to comprehensively evaluate learners' understanding. The section covers all levels of assessment ranging from DoK Level 1 – DoK Level 4. Assessments include Level 1 recall questions, gauging foundational knowledge on terms, definitions and concepts. These can be administered through quizzes or short written responses. Level 2 skills-building questions elevate the assessment by requiring learners to analyse and evaluate concepts, showcasing a deeper understanding. These questions could be presented in assignments or discussions. Level 3 assessments consolidate learning, examining both recall and skills application. They include examining planning, controlling, leadership and evaluating organisational structures. Level 4 assessments also involve analysing leadership styles and the importance of effective leadership, demonstrating a holistic grasp of managerial principles. It is essential to record performance levels in transcripts, providing a comprehensive overview of each learner's progress and proficiency in business management concepts. The assessment strategy aligns with a progressive learning journey, ensuring a well-rounded evaluation of knowledge acquisition and application.

## WEEK 3

### Learning Indicator(s):

1. *Explain management in business.*
2. *Explain planning, its tools, processes, benefits and limitations.*

### Theme or Focal Area: **The Concept of Management, Definition of Planning and its Tools**

Lesson 1 for this week is the concept of 'Management in Business'. It will also cover the meaning of planning and the tools used by organisations in planning.

#### Definition of Management

Management refers to the process of planning, organising, directing and controlling resources to achieve organisational goals and objectives. It involves coordinating and overseeing various activities, tasks and people within an organisation to ensure efficient and effective operations. Management plays a crucial role in ensuring the efficient and effective use of resources, such as human capital, financial assets, technology and materials, to achieve desired outcomes.

The four basic functions of management are;

1. Planning
2. Organising
3. Leadership
4. Controlling.

#### Definition of Planning

Planning is a fundamental function of management in business that involves setting goals, defining objectives and determining the actions and strategies necessary to achieve them. It is the process of envisioning the desired future state and developing a roadmap to reach that state. Planning serves as a foundation for effective decision-making, resource allocation and organisational performance.

#### Tools of Planning

There are several tools and techniques available to support the planning process. These tools help managers and organisations analyse information, make informed decisions and develop effective plans. Here are some commonly used tools for planning:

1. **Budgeting:** It is the process of allocating resources, typically financial, to specific activities based on organisational priorities and objectives. They help organisations to set financial goals, control spending and allocate resources efficiently to achieve organisational goals and objectives.
2. **Scheduling:** It is the systematic planning of time to achieve specific objectives. It involves creating timelines, assigning tasks to team members and coordinating activities to meet deadlines.
3. **Forecasting:** It involves the application of mathematical rules to analyse a series of past data with the aim of predicting future values. The process is crucial for businesses to anticipate trends, market demands and potential challenges.



4. **Gantt Charts:** Gantt charts are visual tools that display tasks or activities in a timeline format. They show the start and end dates of tasks, their durations and the dependencies between them. Gantt charts help in scheduling and tracking project activities, managing resources and identifying potential bottlenecks or delays.
5. **Decision Trees:** Decision trees are graphical representations of decision-making processes. They use branching diagrams to depict various possible options and outcomes at each decision point. Decision trees help in analysing complex decisions, weighing alternative courses of action and assessing the potential risks and rewards associated with different choices.

These are just a few examples of planning tools that can be used in business. The choice of tools depends on the specific needs, context and complexity of the planning process.

### Learning Tasks

1. Discuss, and make presentations, on the meaning of planning and its tools.
2. Explain the processes involved in planning.
3. Elaborate on the benefits and limitations of planning.

### Pedagogical Exemplars

#### Initiating Talk for Learning and Collaborative Learning:

1. Ask learners to individually mention some of the things they do to manage and achieve their learning goals. For instance, schedules for their studies, group work, going for preps, visiting the library, etc.
2. Teachers should use examples of learner's personal management styles to guide them to understand management in business. Concept maps may be used to help organise learner's examples and connections.
3. Guide learners in mixed-ability and mixed-gender groups to discuss the meaning of planning as a basic function of management. HP learners can be invited to share their group's definitions and justifications with the whole class.
4. Guide learners to work in mixed ability and gender groups to identify some of the tools they have been using to plan their daily activities and guide them to link it to the tools of planning in organisations.
5. Teachers move around the room to target learners who may need more support. These may be through direct questioning or instructions. Those who exhibit clear or a high level of understanding may be provided with prompt sheets to support the discussion process.
6. Learners with low learning ability (AP), should be provided with a simplified explanation on management and planning.
7. Learners with clear understanding (P), should be made to explain management, planning and the tools for planning.
8. Learners with high level (HP) of understanding of concepts, should be made to discuss management, planning and the tools for planning.
9. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

## Formative Assessment

### DoK Level 1: Reproduction/Recall

1. Define the term “management” in business.
2. Outline at least two tools for planning in organisations.

### DoK Level 2: Skills Building

1. Explain at least three tools for planning in an organisation.
2. Differentiate between management and planning in business

### DoK Level 3: Strategic Thinking

Analyse at least three tools used for planning in an organisation

### Dok Level 4: Extended Critical Thinking and Reasoning

Select any planning tool of your choice and explain how it can be implemented to plan in an organisation.

## Theme or Focal Area: **The processes, benefits and limitations of planning**

In the first lesson of the week, learners were introduced to the definition of management in business, planning and the tools used in planning. In this second lesson for Week 3, learners will be taught the processes, benefits and limitations of planning as a progression from their previous studies.

## The Planning Process

The planning process in management involves a series of steps that organisations follow to develop effective plans and achieve their goals. While the exact steps may vary depending on the organisation and the nature of the planning effort, the following is a generalised overview of the planning process:

1. **Establishing Objectives:** Defining specific, measurable, attainable, relevant and time-bound goals that provide direction for the organisation.
2. **Analysing the Environment:** Conducting a thorough assessment of internal and external factors that affect the operations of the organisation.
3. **Identifying Alternatives:** Generating various strategies aligned with objectives through brainstorming and consultation with stakeholders.
4. **Evaluating Alternatives:** Assessing feasibility, risks, rewards and alignment with objectives using tools like cost-benefit analysis and scenario planning.
5. **Selecting a Course of Action:** Choosing preferred options based on evaluation results, organisational priorities and available resources.
6. **Developing the Plan:** Creating a detailed, actionable plan outlining actions, timelines, resource allocations and responsibilities, including contingency plans.
7. **Implementing the Plan:** Putting the plan into action by allocating resources, assigning responsibilities and executing activities with effective coordination.
8. **Evaluating and Reviewing:** Regularly monitoring progress, measuring achievements against objectives and reviewing effectiveness to inform continuous improvement and future planning efforts.

It's important to note that the plans may need to be adjusted and revised based on changing circumstances, new information, or shifts in organisational priorities. Continuous monitoring and feedback loops help ensure that plans remain relevant and effective.

Planning, as a management process, offers several benefits to organisations. However, it also has some limitations. Let's explore both the benefits and limitations of planning:

### Benefits of Planning

1. **Goal Setting:** Planning starts with establishing clear and specific goals for the organisation, departments, or projects. These goals provide a sense of direction, focus efforts and serve as benchmarks for measuring progress and success. Goal setting ensures that everyone working on the project, department or in the organisation is aligned towards common objectives.
2. **Decision-making:** Planning supports decision-making by providing a structured framework to evaluate alternatives, assess risks and make informed choices. It helps managers consider various factors, gather information and weigh different options before committing resources. Effective planning reduces uncertainty and enhances decision-making accuracy.
3. **Resource Allocation:** Planning involves assessing resource requirements and allocating them effectively. This includes human resources, financial resources, materials and technology. By understanding resource needs in advance, planning enables efficient allocation, minimises waste and optimises resource utilisation.
4. **Coordination and Collaboration:** Planning facilitates coordination and collaboration within and across departments. It helps align the efforts of individuals and teams towards common goals, promotes effective communication and ensures a cohesive approach to work. Planning also facilitates the integration of different functions and activities, enhancing overall organisational performance.
5. **Risk Management:** Planning helps identify potential risks and develop strategies to mitigate them. By considering potential challenges and uncertainties in advance, planning allows organisations to anticipate and prepare for potential disruptions. It enables proactive risk management and helps minimise negative impacts on operations and outcomes.
6. **Performance Measurement:** Planning provides a basis for performance measurement and evaluation. By setting clear goals and objectives, planning enables the monitoring and assessment of progress towards those goals. It helps identify areas of improvement, measure achievements and make necessary adjustments to stay on track.

Overall, planning as a form of management in business provides a structured approach to achieve desired outcomes. It enhances decision-making, resource allocation, coordination and risk management. Effective planning supports organisational success by providing a roadmap for action and ensuring that efforts are directed towards the achievement of goals.

### Limitations of Planning

1. **Time and Effort Consuming:** Planning requires time, effort and resources to gather information, analyse data and develop detailed plans. Organisations need to strike a balance between planning activities and the actual execution of plans to ensure effectiveness.
2. **Uncertainty and Change:** The business environment is dynamic and plans may become outdated due to unforeseen circumstances or changes in market conditions. Organisations need to be flexible and adaptable to adjust their plans accordingly to adapt to changing circumstances.
3. **Incomplete Information:** Planning relies on the availability and accuracy of information. However, in some cases, relevant data may be incomplete, unavailable, or subject to biases. This can impact the quality and effectiveness of the planning process.
4. **False Sense of Security:** Planning does not guarantee success. Organisations may develop well-thought-out plans, but external factors beyond their control can still impact outcomes. Relying solely on planning without agility and responsiveness can create a false sense of security.

5. **Resistance to Change:** Some individuals or departments within an organisation may resist planning initiatives due to concerns about changes in roles, responsibilities, or existing processes. This resistance can hinder effective implementation and alignment.

### Learning Tasks

1. Outline the steps involved in the planning process.
2. Analyse the benefits of planning to an organisation
3. Evaluate the limitations of planning in an organisation

### Pedagogical Exemplars

#### Initiating Talk for Learning and Collaborative Learning:

1. Teachers guide learners to review their knowledge on management, planning and the tools for planning.
2. Put learners in mixed-ability and mixed-gender groups to discuss the processes involved in planning their weekly activities.
3. Guide learners with the use of flow charts to illustrate the processes of planning in discussion with the whole class.
4. Guide learners in mixed-ability and mixed-gender groups to discuss the benefits and limitations of planning.
5. Teachers move around the room to target learners who may need more support. These may be through direct questioning or instructions. Those who exhibit clear or a high level of understanding may be provided with prompt sheets to support the discussion process.
6. Learners with low learning ability (AP), should be provided with a simplified explanation on the processes in planning.
7. Learners with clear understanding (P), should be made to explain the processes, benefits and limitations in planning.
8. Learners with high level (HP) of understanding of concepts, should be made to discuss the processes, benefits and limitations in planning and present to the larger class.
9. Ensure participation of all learners in each group and learners respect the views of other learners.

### Formative Assessment

#### DoK Level 1: Reproduction/Recall

1. Outline the processes of planning in organisations.
2. List at least two benefits and two limitations of planning.

#### Dok Level 2: Skills Building

1. Create a flow chart to illustrate the processes of planning of an organisation.
2. Explain at least three benefits and three limitations of planning in an organisation.

#### Dok Level 3: Strategic Thinking

Analyse at least four benefits and four limitations of planning

**Dok Level 4: Extended Critical Thinking and Reasoning**

Justify the use of planning and its impact on the success of an organisation. Learners may deliver their answer as a presentation or short essay.

## WEEK 4

### Learning Indicator(s):

1. *Explain the concept of organising, its principles and organisational structures*
2. *Differentiate between centralisation and decentralisation and examine their advantages and disadvantages.*

### Theme or Focal Area: **The meaning of organising, its principles and organisational structures**

In Week 3, learners were taken through planning as a basic function of management and in this week for the first lesson, learners will progress to study organising, its principles and organisational structures.

### Definition of Organising

Organising refers to the process of structuring, arranging and coordinating resources, activities and people within an organisation to achieve its goals effectively and efficiently. It involves creating a framework that defines roles, responsibilities and relationships and establishes a logical flow of work. Organising aims to optimise the allocation of resources, facilitate communication and collaboration and promote the smooth functioning of the organisation.

### The Principles of Organising

The following principles provide managers with guidelines for organising tasks, people and resources in a way that promotes effectiveness, efficiency and productivity.

1. **Principle of Specialisation:** This principle emphasises the division of labour and specialisation of tasks. It suggests that work should be divided into specific tasks and assigned to individuals or groups based on their skills, knowledge and expertise. Specialisation allows individuals to develop expertise in their areas, leading to increased efficiency and productivity.
2. **Principle of Departmentalisation:** Departmentalisation involves grouping similar activities or functions into departments or units. This principle recognises that organising work based on functions, products, geography, or customers can facilitate coordination and effective management of resources. The choice of departmentalisation depends on the organisation's goals, size and complexity.
3. **Principle of Span of Control:** The principle of span of control refers to the number of employees that a manager can effectively supervise and manage. It suggests that a manager's span of control should be balanced to ensure effective supervision, communication and decision-making. A narrow span of control means fewer employees per manager, allowing for closer supervision, while a wider span of control means more employees per manager, promoting greater autonomy and decentralisation.
4. **Principle of Unity of Command:** The principle of unity of command states that each employee should have a single supervisor or manager to whom they directly report. This principle helps avoid confusion, conflicting instructions and divided loyalty. It ensures clear lines of authority, accountability and responsibility within the organisation.
5. **Principle of Coordination:** Coordination is a crucial principle of organising. It involves integrating and harmonising the activities of different individuals, departments, or units towards common goals. Effective coordination ensures that tasks are performed in a synchronised manner, promotes collaboration and minimises conflicts or duplication of efforts. It requires



establishing communication channels, sharing information and aligning activities to achieve organisational objectives.

6. **Principle of Flexibility:** The principle of flexibility recognises that organisations need to adapt to changes in the internal and external environment. It suggests that organisation should allow for flexibility and responsiveness to emerging opportunities, challenges and market dynamics. Flexible structures, processes and roles enable organisations to adjust quickly and effectively to evolving circumstances.
7. **Principle of Scalar Chain:** The principle of scalar chain emphasises the hierarchical structure and the flow of authority and communication within an organisation. It suggests that there should be a clear and unbroken line of authority from top management to lower-level employees. This principle ensures effective communication, proper decision-making and timely execution of tasks.
8. **Principle of Balance:** The principle of balance suggests that organising should strike a balance between centralisation and decentralisation, standardisation and autonomy and specialisation and generalisation. It recognises that an optimal balance between these factors can enhance efficiency, flexibility and adaptability within the organisation.

Applying these principles helps create a well-structured organisation that can effectively pursue its goals and achieve desired outcomes.

## Organisational Structures

Organisational structures refer to how an organisation is arranged and structured to define roles, responsibilities, authority relationships and communication channels. There are several common types of organisational structures, including:

1. **Functional Structure:** In a functional structure, the organisation is divided into departments based on specific functions such as marketing, finance, operations, human resources and so on. This structure allows for specialisation and expertise within each functional area.
2. **Divisional Structure:** A divisional structure is used when an organisation operates in multiple product lines, geographic regions, or customer segments. It involves grouping activities and resources based on divisions, each responsible for a specific product line, region, or customer group. Each division operates relatively autonomously with its own functional departments, allowing for focused attention on specific areas.
3. **Matrix Structure:** The matrix structure is a combination of functional and divisional structures. It involves creating dual lines of authority, where employees report to both functional managers and project or divisional managers. This structure is commonly used in project-based organisations or organisations that require cross-functional collaboration. It allows for flexibility and efficient resource allocation.
4. **Flat Structure:** A flat structure is characterised by a minimal number of hierarchical levels. In this structure, there are fewer layers of management and decision-making authority is decentralised. It promotes open communication, quick decision-making and a more collaborative work environment. Flat structures are often found in small organisations or startups.
5. **Hierarchical Structure:** A hierarchical structure is a traditional organisational structure with multiple levels of management and clear lines of authority. Decision-making authority flows from top to bottom, with each level of management overseeing and directing the level below. This structure provides a clear chain of command and a well-defined reporting structure.
6. **Network Structure:** A network structure is a flexible and decentralised form of organising where the organisation relies heavily on external partnerships, alliances and outsourcing. It involves connecting various entities, such as suppliers, distributors, contractors and collaborators, to

achieve specific goals or deliver products/services. The network structure allows organisations to leverage external expertise and resources while maintaining a lean internal structure.

7. **Team-based Structure:** A team-based structure focuses on organising work around self-managing teams or cross-functional teams. Each team is responsible for a specific project or goal and has decision-making authority within its scope. This structure fosters collaboration, innovation and employee empowerment.

### Learning Tasks

1. Explain organising as a basic function of management.
2. Outline the principles of organising.
3. Explain the types of organisational structures using charts.

## Pedagogical Exemplars

### Initiating Talk for Learning:

1. Guide learners to review their knowledge on processes, benefits and limitations in planning.
2. Teachers should guide learners in mixed-ability and mixed-gender groups and engage them in a brief discussion about their experiences with organising things in their daily activities. For example, you could ask questions like: Have you ever been involved in organising an event, like a party, a trip or a school project? What strategies did you use to organise your responsibilities and how effective did that work to achieve your goals?
3. Link the discussion to the context of organising in the organisational settings and guide learners to discuss the meaning and principles of organising as a basic function of management. Teachers should provide scaffolding for those learners who may need more support to make conceptual links.

### Experiential Learning:

#### Exemplar 1

1. Teachers should use visual aids such as diagrams, organograms or organisational charts or infographics to discuss the various types of organisational structures. Teachers should ensure that visual aids are designed, or can be adapted, to be suitable for all learners.
2. Guide learners to explain the reporting lines that exist in organograms so that learners can gain functional knowledge of the structure of organisations.
3. Teachers should provide support for learners who struggle to understand the charts or organograms (AP). Those learners who grasp concepts quickly (P/HP) could be set a stretch task to analyse the organograms and make meaningful conclusions.

#### Exemplar 2

1. Teachers present a short case study or scenario, for example on how the principles of organising are used, to the class. In mixed-ability and mixed-gender groups, learners should analyse the examples used and whether other principles of organising would be effective. It and design an organisational structure and analyse the principles of organising. Learners with a clear, or high level of understanding (P/HP) could support the discussion process. Each group should be invited to share their discussions with the whole class.
2. Learners with low learning ability (AP), should be provided with a simplified explanation on meaning and principles of organising.

3. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

### **Formative Assessment**

#### **DoK Level 1: Reproduction/Recall**

1. What is organising in relation to management?
2. State at least two principles and two types of organisational structures.

#### **Dok Level 2: Skills Building**

1. Use a concept map to illustrate at least three principles of organising.
2. Differentiate between a matrix organisational structure and a flat organisational structure.

#### **Dok Level 3: Strategic Thinking**

Explain why an organisation will be classified as having a network structure. Support your explanation with specific examples.

### **Theme or Focal Area: Centralisation and Decentralisation their advantages and disadvantages.**

#### **Meaning of Centralisation**

Centralisation refers to the concentration of authority, decision-making, and control at the upper levels of management within an organisation. In a centralised structure, top-level managers retain most of the decision-making power, and lower-level employees have limited autonomy and authority.

#### **Advantages of Centralisation:**

1. **Consistency and Uniformity:** Centralisation allows for consistent decision-making and implementation of policies and procedures across the organisation. It ensures that activities and operations are aligned with the organisation's overall goals and strategies.
2. **Efficient Resource Allocation:** Centralisation enables the central authority to have better control and coordination over resources, including finances, personnel, and equipment. It can lead to more efficient allocation and utilisation of resources, avoiding duplication and wastage.
3. **Clear Decision-Making:** Centralisation provides a clear chain of command and decision-making hierarchy. It simplifies decision-making processes as higher-level managers have the authority to make key decisions, reducing confusion and ambiguity.
4. **Stronger Oversight and Control:** With centralisation, top-level managers have greater control and oversight over the organisation's operations. They can monitor performance, ensure compliance, and address issues more effectively.
5. **Specialised Expertise:** Centralisation allows for the concentration of specialised expertise at the central level. It ensures that important decisions are made by experienced and knowledgeable individuals who have a broader view of the organisation.

#### **Disadvantages of Centralisation:**

1. **Slow Decision-making:** Centralisation can result in slower decision-making processes as all decisions need to go through a limited number of decision-makers at the top. This can lead to delays in responding to market changes or customer needs.

2. **Limited Employee Empowerment:** In a centralised structure, lower-level employees may have limited decision-making authority and autonomy. This can hinder employee empowerment, motivation, and creativity, as they may feel disengaged or undervalued.
3. **Lack of Local Context:** Centralisation may overlook or ignore the specific needs, preferences, and nuances of local units or departments. Decisions made at the central level may not fully consider the local market conditions, customer demands, or operational realities.
4. **Communication Challenges:** Effective communication becomes crucial in a centralised structure to ensure that information flows efficiently from the top down and vice versa. Communication breakdowns or delays can hinder organisational responsiveness and coordination.
5. **Overdependence on Top Management:** In a centralised structure, there is a heavy reliance on top-level managers for decision-making and problem-solving. This can create a bottleneck and increase the workload and stress on these individuals.

It's important to note that the advantages and disadvantages of centralisation can vary depending on the organisation's size, industry, culture, and strategic goals. Organisations need to carefully assess their specific needs and circumstances to determine the appropriate degree of centralisation that best aligns with their objectives and fosters optimal organisational performance.

### Meaning of Decentralisation:

Decentralisation involves the distribution of authority, decision-making power, and responsibility throughout various levels and units of an organisation. It allows for decision-making to be dispersed to different levels or locations within the organisation.

### Advantages of Decentralisation:

1. **Faster Decision-making:** Decentralisation allows decision-making authority to be dispersed throughout the organisation, enabling quicker response times to emerging opportunities or challenges. Lower-level managers and employees have the authority to make decisions without waiting for approvals from higher levels of management.
2. **Localised Knowledge and Expertise:** Decentralisation taps into the knowledge and expertise of employees at various levels and locations within the organisation. Local units or departments often possess valuable insights into local market conditions, customer preferences, and operational realities, enabling more informed decision-making.
3. **Improved Employee Empowerment and Motivation:** Decentralisation empowers lower-level managers and employees by granting them decision-making authority and autonomy. This empowerment fosters a sense of ownership, motivation, and job satisfaction, as employees feel trusted and valued within their roles.
4. **Flexibility and Adaptability:** Decentralised organisations are better positioned to adapt to changing circumstances and market conditions. Local units or departments can make independent decisions and adjustments based on their specific needs and circumstances, allowing for greater flexibility and responsiveness.
5. **Enhanced Innovation and Creativity:** Decentralisation encourages innovation and creativity within the organisation. Lower-level managers and employees are closer to the day-to-day operations and customer interactions, providing them with first hand insights that can lead to the development of innovative solutions and new ideas.

## Disadvantages of Decentralisation:

1. **Potential Lack of Consistency and Coordination:** Decentralisation may result in inconsistencies across different units or departments in terms of policies, procedures, and practices. Coordination challenges can arise if there is insufficient communication and alignment among decentralised units, leading to duplication of efforts or conflicting decisions.
2. **Potential for Duplication of Resources:** In decentralised organisations, there is a risk of duplication of resources or activities. Without proper coordination and oversight, different units or departments may independently invest in similar resources or undertake redundant tasks, resulting in inefficiencies.
3. **Loss of Centralised Control:** Decentralisation involves a loss of centralised control and oversight over certain decisions and activities. This loss of control can create challenges for top-level management in terms of maintaining consistency, ensuring compliance, and managing organisational risks.
4. **Need for Skilled and Empowered Managers:** Successful decentralisation requires capable and empowered managers at lower levels who can effectively handle decision-making authority. Managers need to possess the necessary skills, knowledge, and leadership capabilities to make informed decisions and drive the performance of their respective units.
5. **Potential for Ineffective Communication:** Decentralisation increases the need for effective communication channels and systems to ensure that information flows smoothly throughout the organisation. Inadequate communication can lead to misunderstandings, lack of alignment, and reduced organisational effectiveness.

Organisations should carefully evaluate the advantages and disadvantages of decentralisation based on their specific context, organisational culture, and strategic goals. The degree of decentralisation should be determined to strike the right balance between local autonomy and centralised coordination, fostering optimal organisational performance.

### Learning Tasks

1. Differentiate between centralisation and decentralisation.
2. Analyse the advantages and disadvantages of centralisation.
3. Analyse the advantages and disadvantages of decentralisation.

## Pedagogical Exemplars

### Group Work:

1. Teachers should use charts to link the concept of centralisation and decentralisation. Engage learners in the discussion to establish the differences between centralisation and decentralisation. Learners with low learning ability (AP), should be provided with a simplified explanation on the meaning of centralisation and decentralization.
2. Guide learners to discuss in their respective groups the advantages and disadvantages of centralisation and decentralisation. Learners with clear or higher level understanding (P/HP), could explain the meaning, advantages and disadvantages of centralisation and decentralization within their groups.
3. At the end of the lesson, encourage students to reflect on what they have learnt and prompt them to think about situations where they might encounter centralisation or decentralisation and how they would approach them.

- Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

### **Experiential learning**

- Teachers to present a case study on the issue of centralisation within government services in Ghana. The debate between centralisation and decentralisation in government services is a critical issue with implications for governance efficiency, local empowerment, and service delivery. Ghana has undergone significant administrative reforms in recent years, aiming to improve governance effectiveness and promote local development. Teachers should scaffold the introduction of this activity with simplified definitions of centralisation and decentralisation for AP learners.
- In mixed ability and gender groups, learners to discuss the challenges of both centralisation and decentralisation in this system. HP learners can be invited to share their groups' discussions with the wider class.
- Teacher to move around groups to identify learners who need more support (AP).
- Teachers should ensure the participation of all learners in each group and that learners respect the views of other learners.

### **Formative Assessment**

#### **DoK Level 1: Reproduction/Recall**

- What is centralisation?
- Define decentralisation.
- List at least two advantages and two disadvantages of both centralisation and decentralisation

#### **Dok Level 2: Skills Building**

Differentiate between centralisation and decentralisation.

#### **Dok Level 3: Strategic Thinking**

- Explain centralisation and analyse at least three of its advantages and disadvantages.
- Explain decentralisation and analyse at least three of its advantages and disadvantages.

#### **Dok Level 4: Extended Thinking and Reasoning**

- To what extent does decentralisation contribute to organisational efficiency?
- In the context of healthcare service delivery in Ghana, analyse:
  - three advantages and two disadvantages of centralisation.
  - three advantages and two disadvantages of decentralisation.



## WEEK 5

**Learning Indicator:** *Explain leadership, its various forms, sources of power in leadership and the importance of effective leadership.*

### Theme or Focal Area: **The Meaning of Leading and the Various Forms of Leadership**

In Week 4, learners studied organising, its principles and organisational structures. The week also delved into the concepts of centralisation and decentralisation and their advantages and disadvantages. In Week 5, learners will cover leading as a function of management, forms/styles and sources of power in leadership and the importance of effective leadership

### **The Meaning of Leading**

Leading, as a form of management, refers to the ability to guide, inspire and influence others towards achieving common goals and objectives. It involves skills, behaviors and qualities that enable individuals to effectively lead and direct a team, department, or organisation.

### **Forms or Styles of Leadership**

There are several forms or styles of leadership, each characterised by different approaches, behaviors and emphasis. The main forms of leadership include:

1. **Autocratic Leadership:** In this form of leadership, the leader holds full authority and makes decisions without seeking input or involvement from team members. The leader has complete control over the decision-making process and often provides specific instructions and closely supervises tasks.
2. **Democratic Leadership:** Also known as participative leadership, this style involves involving team members in the decision-making process. The leader encourages input, suggestions and ideas from team members and takes their perspectives into account when making decisions. This style promotes collaboration, engagement and shared ownership.
3. **Transformational Leadership:** Transformational leaders inspire and motivate their team members to achieve exceptional performance and personal growth. They create a compelling vision, communicate it effectively and empower their team members to reach their full potential. Transformational leaders are often charismatic, innovative and capable of inspiring others to go beyond their own self-interests.
4. **Transactional Leadership:** Transactional leaders focus on setting clear expectations, providing rewards and reprimands based on performance and ensuring that tasks are completed according to established standards. They operate within existing structures and use contingent rewards and corrective actions to motivate and manage their team members.
5. **Servant Leadership:** Servant leaders prioritise the needs and well-being of their team members. They lead by serving others and supporting their growth and development. They actively listen, empathise and provide guidance and support to help individuals succeed.
6. **Laissez-Faire Leadership:** Laissez-faire leaders adopt a hands-off approach, providing minimal guidance or direction to their team members. They delegate decision-making authority and responsibilities to the team, allowing them to work independently and make their own choices. This style requires a high level of trust and self-motivation among team members.
7. **Charismatic Leadership:** Charismatic leaders possess a magnetic personality and inspire others through their charm, confidence and persuasive communication. They have a compelling

vision and the ability to rally others around it, often using their personal charisma to motivate and influence.

It's important to note that leaders may exhibit a combination of different leadership styles based on the situation, organisational context and personal preferences. Effective leaders are often flexible and adaptable, employing different styles as needed to achieve the best outcomes for their teams and organisations.

### Learning Tasks

1. Explain leading as a function of management
2. Describe the various forms/styles of leadership

### Pedagogical Exemplars

#### Experiential Learning (The use of role-play):

1. Teachers to create a short story on leadership for learners to role-play in class for discussion.
2. Guide learners to use role play in the class to explain the meaning of leadership and various leadership styles. Teachers should model an example as they introduce the activity.
3. In mixed-ability and mixed-gender groupings, assign leadership styles to groups to role-play. Different roles can be assigned within these groups based on whether a learner is approaching proficiency (AP), proficient (P) or highly proficient (HP).
4. Groups should perform their role plays to the class to prompt discussion and check understanding and interpretation of the assigned leadership style.
5. Teachers should guide learners to reflect by identifying key points in the lesson.
6. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

### Formative Assessment

#### DoK Level 1: Reproduction/Recall

1. Define the term 'leading' as a function of management.
2. State at least three forms of leadership.

#### Dok Level 2: Skills Building

Explain leadership and at least three of its types.

#### Dok Level 3: Strategic Thinking

In your view, which two types of leadership styles are more effective for achieving organisational goals? Justify your answers.

## Theme or Focal Area: **The Sources of Power in Leadership and the Importance of Effective Leadership**

In Lesson 1 of the week, learners were introduced to leadership as a basic function of management which covered the meaning of leadership and the various forms/styles of leadership. In this lesson, learners are going progress from their previous learning to study the sources of power in leadership and the importance of effective leadership.

### **Sources of Power in Leadership**

In leadership, power refers to the ability to influence others and achieve desired outcomes. There are various sources of power that leaders can leverage to effectively lead and influence their team members. These sources of power include:

1. **Legitimate Power:** Legitimate power is derived from the leader's formal position or authority within the organisation. It is based on the hierarchical structure and the rights and responsibilities associated with the leader's role. Team members are expected to comply with the leader's directives and decisions because of the legitimate authority vested in them.
2. **Expert Power:** Expert power is derived from the leader's knowledge, skills and expertise in a particular area. When leaders possess specialised knowledge or expertise, they gain influence and respect from their team members. Others recognise and value their expertise and are more likely to follow their guidance and suggestions.
3. **Referent Power:** Referent power is based on the personal characteristics and charisma of the leader. It stems from the admiration, respect and trust that others have for the leader. Leaders with strong referent power are seen as role models and inspire others through their personality, behavior and values.
4. **Reward Power:** Reward power is based on the leader's ability to provide rewards or incentives to their team members such as promotions, salary increases, bonuses, or recognition. Leaders who have control over rewards can motivate their team members by offering incentives for desired performance or behavior.
5. **Coercive Power:** Coercive power is based on the leader's ability to impose sanctions or negative consequences for non-compliance or poor performance. Leaders with coercive power have the authority to take disciplinary actions, withhold rewards, or use other forms of punishment. This power source relies on fear or the perceived negative consequences of not complying with the leader's directives.
6. **Informational Power:** Informational power is derived from the leader's access to and control over valuable information. Leaders who have unique or critical information can influence others by selectively sharing or withholding information. They are seen as important sources of knowledge and insights and their input is sought after in decision-making processes.

Leaders need to understand the sources of power available to them and how they can effectively use them to lead and influence others. A combination of different sources of power used appropriately and ethically can help leaders build strong relationships, motivate their team members and achieve organisational goals.

### **Importance of Effective Leadership**

Effective leadership plays a crucial role in the success and growth of organisations. Here are some key reasons why effective leadership is important:

1. **Goal Achievement:** Effective leaders provide a clear vision and direction for an organisation. They set strategic goals, communicate them to the team and align everyone's efforts towards

achieving them. Through effective leadership, teams stay focused, motivated and committed to accomplishing shared objectives.

2. **Employee Engagement and Motivation:** Leaders who are skilled at engaging and motivating their team members create a positive work environment. They inspire and empower employees, making them feel valued, appreciated and connected to the organisation's purpose. Engaged and motivated employees are more likely to contribute their best efforts, leading to higher productivity and job satisfaction.
3. **Talent Development and Retention:** Effective leaders understand the importance of developing their team members' skills and abilities. They provide guidance, support and opportunities for growth, fostering a culture of continuous learning. Such leadership encourages talented individuals to stay with an organisation, as they feel supported in their professional development.
4. **Decision-making and Problem-solving:** Effective leaders possess strong decision-making skills, considering various perspectives and analysing available information. They encourage collaboration and seek input from team members, leading to more informed and effective decision-making.
5. **Building and Managing Relationships:** Effective leaders excel in communication, active listening and building trust. They create an inclusive and supportive work culture, fostering teamwork, collaboration and effective collaboration to build strong relationships with colleagues, partners and stakeholders.
6. **Change Management:** Leadership is crucial for navigating and managing change. Leaders help employees embrace and adapt to change, communicate the need for change and address any concerns or resistance that may arise. They provide guidance and support to ensure a smooth transition and successful implementation of new initiatives.
7. **Organisational Culture and Values:** Effective leaders embody and promote the desired culture and values, creating a positive and ethical work environment that attracts and retains top talent.
8. **Innovation and Creativity:** Effective leaders encourage and foster innovation within an organisation. They create a culture that supports experimentation, risk-taking and the generation of new ideas. By promoting an environment that values innovation, leaders drive continuous improvement and help organisations stay competitive.

### Learning Tasks

1. Identify and explain the sources of power in leadership
2. Analyse the importance of effective leadership

### Pedagogical Exemplars

#### Peer Editing:

1. Teachers should guide learners to discuss the sources of power in leadership and the importance of effective leadership.
2. In mixed ability and gender groups, let learners write their points on a paper or flip chart.
3. Teachers should move round the various groups to support learners with difficulties in completing the task (AP). For example, through instruction or questioning.
4. Let learners exchange their work with colleagues for review and feedback. Learners with a clear (P) or higher level of understanding (HP) could lead the feedback discussion. Learners should be encouraged to give and receive feedback in a respectful and considerate manner.

5. Open a plenary discussion and encourage each group to present their ideas on the sources of power and importance of effective leadership.
6. Teachers should guide learners to reflect by identifying key points in the lesson.
7. Ensure participation of all learners in each group and that learners respect the views of other learners.

### **Formative Assessment**

#### **DoK Level 1: Reproduction/Recall**

1. List at least two sources of power in leadership.
2. Outline at least three reasons why effective leadership is important.

#### **Dok Level 2: Skills Building**

1. Differentiate between leadership and power.
2. Explain at least three reasons why effective leadership is important.

#### **Dok Level 3: Strategic Thinking**

Examine at least four reasons why effective leadership is important in an organisation. Support your views with specific examples.

#### **DoK Level 4: Extended Critical Thinking and Reasoning**

Give examples of how you could utilise different sources of power as an effective leader.

## WEEK 6

**Learning Indicator:** *Explain controlling, its processes, tools and importance.*

### Theme or Focal Area: **Controlling and its Processes**

The first lesson this week focuses on the meaning of controlling and the processes involved in controlling.

### Definition of Controlling

Controlling involves monitoring, evaluating and regulating organisational activities to ensure they align with established plans and objectives. It involves comparing actual performance with planned objectives, identifying any deviations or variances and taking corrective actions when necessary. The primary purpose of controlling is to ensure that organisational resources are effectively utilised and that the organisation is on track to achieve its desired outcomes.

### The Process of Controlling Typically Involves the Following Steps:

1. **Establishing Standards:** Controlling begins with setting clear and measurable standards or benchmarks against which performance can be evaluated. These standards can include quantitative targets, quality specifications, timelines, cost limits, or any other relevant criteria that reflect the desired outcomes.
2. **Measurement and Monitoring:** Once the standards are established, the next step is to collect relevant data and information to assess actual performance. This can involve monitoring key performance indicators (KPIs), conducting inspections, using feedback mechanisms, analysing financial statements, or utilising other tools and techniques to gather performance-related data.
3. **Comparing Actual Performance with Standards:** The collected data is then compared with the established standards to identify any deviations or variations. This comparison helps determine whether the organisation is meeting, exceeding, or falling short of its desired targets. It provides insights into the effectiveness and efficiency of organisational processes.
4. **Analysing Deviations:** When discrepancies between actual performance and standards are identified, the next step is to analyse the causes and reasons behind those deviations. This analysis helps in understanding the root causes, identifying areas for improvement and determining the appropriate corrective actions.
5. **Taking Corrective Actions:** Based on the analysis of deviations, corrective actions are implemented to address any issues or problems. These actions can involve adjusting processes, realigning resources, providing additional training, revising plans, or making other necessary changes to bring performance back in line with the established standards.
6. **Feedback and Evaluation:** Controlling also involves providing feedback to individuals and teams regarding their performance. This feedback can be in the form of performance appraisals, performance reviews, or regular communication channels. It helps employees understand their strengths and areas for improvement, align their efforts with organisational goals and motivate them to enhance their performance.

### Learning Tasks

1. Explain the term 'controlling' as a function of management
2. Describe the sequential steps involved in the controlling process.



## Pedagogical Exemplars

### The use of Case Studies:

1. Teachers provide learners with case studies or real-life examples of organisations implementing control processes. Learners should be organised in mixed ability and gender groups for this activity.

For example: A manufacturing company in Ghana is facing many challenges revolving around quality control and production efficiency. Despite its efforts to maintain high standards, the company encounters recurring issues such as inconsistent product quality, delays in production schedules and inefficiencies in resource utilisation. These challenges not only undermine customer satisfaction and market competitiveness but also strain internal operations and profitability. The company recognises the urgent need to address these issues to safeguard its reputation, optimise operational performance and sustain long-term growth in Ghana's competitive manufacturing landscape.

The company's management is seeking to implement a control process to monitor production processes geared towards enhancing the overall performance of the organisation.

2. Guide learners, through the use of an example, to analyse how control measures are applied to ensure goals are achieved and performance was maintained.
3. Guide learners, through the use of an example, to identify the key components of the control process from the case study or real-life example of organisation implementing control processes. Those learners who exhibit a high level of understanding (HP) may be provided with prompt sheets to support the discussion process.
4. Teachers should scaffold content to support AP learners for example by providing a simplified explanation on the meaning of controlling.
5. Learners with clear understanding (P), could be encouraged to explain the term controlling and its processes to their peers.
6. Guide learners to make a presentation of their work to the larger class.
7. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

## Formative Assessment

### DoK Level 1: Reproduction/Recall

1. Define the term 'controlling' as a function of management.
2. Outline the processes involved in controlling in an organisation

### Dok Level 2: Skills Building

Discuss the processes involved in controlling.

### Dok Level 3: Strategic Thinking

Analyse the steps involved in the control process and their significance in organisational management.

Explore how each step contributes to achieving organisational objectives and ensuring operational effectiveness.

### DoK Level 4: Extended Critical Thinking and Reasoning

Evaluate the three potential impacts of implementing an effective control process in a manufacturing company.

## Theme or Focal Area: **The Tools and Importance of Controlling**

Lesson 1 for this week focused on the meaning of controlling and the steps involved in controlling. This second lesson of the week builds on this and covers the teaching and learning of the tools and importance of controlling

### **Tools of Controlling**

The commonly used tools and techniques to aid in the controlling process are listed below:

1. **Key Performance Indicators (KPIs):** KPIs are quantitative or qualitative measures that help track and evaluate performance against specific goals or targets. They provide a clear and measurable way to assess progress and identify areas that require attention or improvement. Examples of KPIs include sales revenue, customer satisfaction ratings, employee productivity, or project completion rates.
2. **Performance Dashboards:** Performance dashboards are visual representations of key performance metrics and indicators. They provide a concise and real-time snapshot of performance data, allowing managers to quickly assess the status and trends of various aspects of the organisation. Dashboards can be customised to display relevant KPIs and enable effective decision-making.
3. **Management Information Systems (MIS):** MIS involves the use of technology and software systems to collect, process and present relevant data and information for decision-making and control purposes. These systems provide timely and accurate reports, analyses and forecasts, helping managers monitor performance, identify trends and make informed decisions.
4. **Budgets:** Budgets are financial plans that outline expected revenues, expenses and resource allocations over a specified period. They serve as control tools by comparing actual financial performance with the planned budget. Variances between the actual and budgeted figures can indicate deviations and help in identifying areas where corrective actions are required.
5. **Performance Appraisals:** Performance appraisals are systematic evaluations of individual or team performance. They provide feedback on performance against predetermined objectives, identify strengths and areas for improvement and guide development and reward decisions. Performance appraisals help in aligning individual efforts with organisational goals and promoting accountability.
6. **Quality Control Tools:** Quality control tools, such as Pareto charts, control charts, or cause-and-effect diagrams, are used to monitor and improve product or service quality. These tools enable managers to identify quality issues, track performance trends, analyse root causes and implement corrective measures to maintain or enhance quality standards.
7. **Audits:** Audits involve independent assessments of processes, systems, or financial records to ensure compliance, accuracy and efficiency. Internal or external auditors review and evaluate controls, procedures and financial statements to identify any non-compliance, irregularities, or inefficiencies. Audit findings help in taking corrective actions and improving control mechanisms.

These tools provide managers with the necessary information and insights to monitor performance, detect deviations and take corrective actions. The selection of appropriate control tools depends on the nature of the organisation, its goals and the specific areas that require monitoring and control.

## Importance of Controlling

Controlling, as a form of management, plays a crucial role in the success and effectiveness of an organisation. Here are some key reasons why controlling is important:

1. **Goal Achievement:** Controlling helps ensure that organisational goals and objectives are achieved. By monitoring performance, comparing it with planned targets and taking corrective actions, controlling keeps the organisation on track and helps align activities with desired outcomes.
2. **Performance Evaluation:** Controlling provides a mechanism for evaluating performance at various levels of the organisation. It allows managers to assess how well individuals, teams and departments are performing in relation to predetermined standards and benchmarks. Performance evaluation helps identify areas of strength and areas that require improvement.
3. **Resource Utilisation:** Controlling helps optimise resource allocation and utilisation. By monitoring resource usage and costs, controlling helps identify inefficiencies, waste, or excessive resource consumption. It enables managers to take corrective actions, reallocate resources and ensure that resources are utilised effectively and efficiently.
4. **Problem Identification and Corrective Action:** Controlling helps in identifying problems, deviations, or gaps in performance. It provides feedback on areas where actual performance deviates from planned targets or standards.

**This feedback enables managers to take timely corrective actions, address issues and prevent them from escalating into larger problems.**

5. **Decision-making:** Controlling provides managers with the necessary information and data to make informed decisions. By monitoring and evaluating performance, controlling provides insights into the effectiveness and efficiency of various processes, projects, or initiatives. This information helps managers in making strategic decisions, allocating resources and adjusting plans as needed.
6. **Continuous Improvement:** Controlling is closely linked to the concept of continuous improvement. By monitoring performance, identifying areas for improvement and taking corrective actions, controlling contributes to ongoing process enhancement and organisational learning. It facilitates a culture of continuous improvement and helps organisations adapt to changing market conditions and challenges.
7. **Accountability and Compliance:** Controlling promotes accountability within the organisation. It ensures that individuals and teams are held responsible for their performance and outcomes. Controlling also helps ensure compliance with regulations, policies and procedures, reducing the risk of legal and ethical violations.
8. **Communication and Feedback:** Controlling involves regular communication and feedback on performance. It provides an opportunity for managers to provide constructive feedback, recognise achievements and guide employees towards better performance. Effective communication through controlling promotes transparency, clarity and alignment within the organisation.

### Learning Tasks

1. Explain the tools used for controlling in organisations
2. Evaluate the importance of controlling in organisations

## Pedagogical Exemplars

### Hands-On Exercises:

Teachers should design hands-on exercises that allow learners in small mixed-ability and mixed-gender groups to practice using each control tool.

At the start of the exercise, teachers should model an example.

1. **Budgeting Exercise:** Let learners analyse a sample budget report and identify where it indicates controls are required.
2. **Performance Dashboard Exercise:** Let learners analyse a sample performance dashboard containing key performance indicators (KPIs) and metrics and identify trends or areas for improvement.

Encourage learners in the exercise so as to enable them gain foundational knowledge and functional understanding of the various tools used in controlling. Teachers should move between groups to identify learners who may need more support (AP). These may be through direct questioning or instructions. HP learners could be set an stretch task for example, to identify where further control tools could be used.

Teachers should facilitate a class discussion with each group presenting their findings with the opportunity for peers to ask questions.

### Group work/collaborative learning:

1. Teachers to introduce the concept of the importance of control.
2. In mixed-ability and mixed-gender groupings, learners should be guided to discuss the importance of controlling in organisations.
3. The teacher should move around the classroom to identify learners who may need more support, and those who are demonstrating higher levels of knowledge.
4. Guide learners to make a presentation of their work to the larger class. Those learners who exhibit clear (P) or a high level (HP) of understanding may be provided with prompt sheets to support the discussion process
5. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

## Formative Assessment

### DoK Level 1: Reproduction/Recall

State at least three reasons why controlling is important to an organisation.

### Dok Level 2: Skills Building

Explain at least three reasons why controlling is important to an organisation.

### Dok Level 3: Strategic Thinking

Examine at least four tools used in controlling.

### DoK Level 4: Extended Critical Thinking and Reasoning

How can an organisation use budgets and performance dashboards as control tools to achieve its goals?

## Section 2 Review

In this section, learners were introduced to the concept of management and its four basic functions. Initiating with discussions on the essence of management in business, they progressed to dissect the four basic functions of management encompassing planning, organising, leading, and controlling. In order to achieve the learning outcomes for the section, various appropriate pedagogies such as case studies, initiating talk for learning, role-play, peer-editing, hands-on exercises, group work, etc. were employed to meet the varied learning needs of learners. The differentiation approach, embracing mixed-ability groups and experiential-based learning, ensured inclusivity and catered to diverse learning needs. By the close of this section, learners are expected to have acquired a robust understanding of management in business and its four basic functions. The assessment strategies, blending recall, skills-building, strategic thinking and extended thinking questions, fostered a comprehensive evaluation learner's foundational knowledge and functional understanding of management and its basic functions including planning, organising, leading and controlling. This comprehensive assessment ensures that learners emerge equipped with a holistic grasp of business management fundamentals, laying the groundwork for continued academic and practical success in subsequent learning.

### Additional Reading

Any approved Business Management Book by NaCCA can be used as a further reading material

### References

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3. Drury, C. M. (2013). *Management and cost accounting*. Springer.

## SECTION 3: BUSINESS ENVIRONMENT

**Strand:** Business Management

**Sub-Strand:** Business and Society

**Content Standard:** Demonstrate knowledge and understanding of the business environment

**Learning Outcome:** *Analyse the impact of the internal and external factors on the business environment*

### INTRODUCTION AND SECTION SUMMARY

This section explores the internal and external factors affecting the operations or performance of businesses and delves into the teaching and learning of corporate social responsibility, taking into consideration appropriate pedagogies, resources, assessment strategies and differentiation. Teachers are expected to guide learners in examining these factors using the SWOT framework. In Week 7 of this section, learners are required to identify strengths, weaknesses, opportunities, and threats of businesses and apply the SWOT tool to analyse the internal and external business environment. In Week 8, learners are expected to learn about Corporate Social Responsibility (CSR), thereby exposing learners to businesses' ethical and sustainable practices and their impact on society and the environment as whole. Learners are therefore expected to grasp CSR's benefits and challenges and also gain an understanding of its role in enhancing corporate reputation. Throughout this section, teachers should utilise opportunities for learners to connect back to previous learning to further secure previous concepts. By the end of this section, learners will have acquired the skills necessary to analyse the internal and external business environment through SWOT analysis, identifying critical factors influencing business performance. Additionally, learners will comprehend CSR's significance, benefits, and challenges, as well as its role in fostering ethical business practices, stakeholder trust, and societal well-being.

The following weeks are covered in this section:

**Week 7:** The Internal and External Business Environment

**Week 8:** Corporate Social Responsibility

### SUMMARY OF PEDAGOGICAL EXEMPLARS

In this section, teachers are encouraged to employ various appropriate pedagogical strategies to facilitate the effective teaching and learning of the Business Environment and Corporate Social Responsibility (CSR). The use of Initiating Talk for Learning employed in this section will serve as a valuable method to stimulate critical thinking and collaborative discussion. Again, through brainstorming sessions in group tasks, learners will be able to analyse internal and external environmental factors affecting businesses, thereby fostering a deeper understanding of the business environment. In order to meet the varied needs of learners, case studies are also employed in the section to help learners analyse real-life cases on the business environment and corporate social responsible initiatives undertaken by businesses.

Case studies deepen learners understanding of the concepts as well as building their critical thinking and problem-solving skills. Particular attention should be paid to learners with special education needs, making relevant accommodations to ensure their full participation in all activities. The varied



pedagogical strategies adopted in the section are tailored towards meeting the learning needs of the approaching proficiency (AP), the proficient (P) and the highly proficient (HP) learners.

### **ASSESSMENT SUMMARY**

In the assessment phase, various questions are employed to evaluate learners' foundational knowledge and functional understanding of business environment and corporate social responsibility. DoK Level 1 and 2 questions are deployed to assess learner's ability to recall/reproduce and explain fundamental concepts, such as the "internal" and "external business environment" and "corporate social responsibility." These questions are administered in written or verbal formats to assess verbal communication skills and depth of understanding. DoK Level 3: Strategic questions assess learners' critical thinking skills by prompting them to establish differences or explore concepts further. For example, learners differentiating between components of SWOT analysis helps them to think critically, analyse information, and draw conclusions based on their understanding. DoK Level 4: Extended critical thinking questions take assessment to a deeper level by requiring learners to create or apply knowledge. For instance, tasking learners to apply SWOT tool to analyse the internal and external environment of a company. This encourages synthesis of information, creative thinking, and application of knowledge to real-world scenarios. During assessment, clear instructions, sufficient time allocation, and constructive feedback are essential. Teachers should record learners' responses and observations in the transcript to track progress and inform instructional decisions effectively.

## WEEK 7

**Learning Indicator:** *Analyse the internal and external environment of business using SWOT*

### Theme or Focal Area (Lesson 1): **Internal Environment of Business**

The focal area for the entire week is internal and external environment of business. However, for Lesson 1, teachers are required to teach the internal environment of business, and the use of the Strength and Weakness component of the SWOT tool to analyse the internal environment of business. Lesson 2 will focus on the external environment of business.

### Internal Business Environment

The internal business environment refers to all the factors and conditions that exist within the organisation itself that influences or affects its performance or operations. These are factors over which the organisation has a certain degree of control and can directly influence. They include: organisational culture, management structure, human resources, financial resources, physical resources, internal processes, products/services, brand reputation, etc.

**SWOT Analysis:** SWOT stands for Strengths, Weaknesses, Opportunities and Threats. It is a strategic planning tool commonly used to analyse the internal and external environment of business that can impact positively or negatively on the operations of the business or organisation.



The first two components of SWOT, Strength and Weakness, is used for analysing the internal environment of business whiles the last two components, Opportunities and Threats, is used to analyse the external environment of business.

Business Environment	SWOT Analysis	
Internal Business Environment	<ul style="list-style-type: none"> <li>Strengths</li> <li>Weaknesses</li> </ul>	<i>Strengths and Weaknesses of SWOT are used to analyse the internal environment of business</i>
External Business Environment	<ul style="list-style-type: none"> <li>Opportunities</li> <li>Threats</li> </ul>	<i>Opportunities and Threats of SWOT are used to analyse the external environment of business</i>

## Analysing the internal business environment using SWOT

Analysing the internal business environment is crucial for any organisation to make informed strategic decisions. The use Strengths and Weaknesses of SWOT to analyse the internal environment of business is described below:

1. **Strengths:** These are the internal factors that give the organisation a competitive advantage over others. These could include resources, capabilities, expertise, brand reputation, unique products/services, efficient processes, etc., of the organisation. It can be applied by identifying this inherent strength of the business, assess what advantage the business has over competitors in the market and consider the resources and capabilities that give the business competitive edge.
2. **Weaknesses:** These are the internal factors that put the organisation at a disadvantage compared to its competitors. Weaknesses might include outdated technology, lack of skilled personnel, high employee turnover, poor financial management, or inefficient production processes. A business can analyse its internal factors that hinder its operations and strategise to improve on these areas that pose challenge to achieving the business objectives

### Learning Tasks

1. Explain the internal environment of business
2. Analyse the internal environment of business using SWOT

## Pedagogical Exemplars

### Initiating Talk for Learning (whole class discussion):

1. Introduce the lesson by asking learners to mention the internal factors that affect the performance of their school. For instance, teachers, colleagues, laboratories, common market, water supply, etc.
2. Use the activity to guide learners in mentioning examples of internal environment of businesses.
3. Help learners to use the examples to explain the internal business environment.

### The use of Case Study:

1. In mixed-ability and mixed-gender groupings, let learners study and analyse a case study on the internal environment of a business.
2. Guide learners, by modelling an example, to use the SWOT tool to analyse the internal environment of a business.
3. Learners should present their work for a whole class discussion. Allocate dedicated time for each group, especially the (AP) learners to collaborate and prepare a presentation of their SWOT analysis findings and insights, utilising digital tools for effective communication.
4. Prompt (H) and (HP) learners to engage in critical analysis, fostering the development of their critical thinking and problem-solving abilities within the context of SWOT analysis.
5. Allow flexibility for learners with different learning abilities to present their SWOT analysis findings in their preferred format.
6. Provide additional support and resources for learners with special educational needs or who require additional support to facilitate their comprehension of the SWOT analysis process.

## Formative Assessment

### DoK Level 1: Reproduction/Recall

1. State the components of SWOT as a tool for analysing the business environment.
2. Identify the components of SWOT that is used to analyse the internal environment of business.

### Dok Level 2: Skills Building

Explain the internal environment of business and give examples.

### Dok Level 3: Strategic Thinking

Explain how SWOT can be applied to analyse the internal business environment of a company.

### Dok Level 4: Extended Critical Thinking and Reasoning

Evaluate the strengths and weaknesses of an organisation in order to assess its internal business environment.

## Theme or Focal Area: External Environment of Business

In the previous lesson, learners were introduced to the concept of SWOT and how it can be applied to analyse the internal business environment. In this lesson, learners will progress to learn the external environment of business and the application of SWOT analysis to analyse the external business environment.

## External Business Environment

The external business environment refers to factors and conditions outside the organisation's control that can significantly impact its performance and decision-making. These factors are beyond the immediate influence of the organisation but must be considered and adapted to appropriately. They include: Market Conditions, Economic Conditions, Political and Legal Factors, Technological Advancements, Social and Cultural Trends, Demographic Factors, Environmental Factors, Global Factors, etc.

1. **Opportunities:** These are external factors that could benefit the organisation if utilised properly. Opportunities may arise from market trends, changes in customer preferences, emerging technologies, or favourable government policies. Evaluate these external factors that could benefit the business, identify untapped markets or new customer segments and explore potential partnerships, collaborations or strategic alliances that could create growth opportunities.
2. **Threats:** These are external factors that may negatively impact the organisation. Threats could come from competition, economic downturns, legal and regulatory changes, natural disasters, or disruptive technologies. Assess the external factors that could pose risk or challenges to the business as well as potential obstacles that could hinder the business's success and take appropriate steps to mitigate them in order to achieve the business goals and objectives.

An organisation after analysing their environment uses these four elements/components of SWOT, can develop strategies to leverage strengths, address weaknesses, capitalise on opportunities, and mitigate threats.

SWOT analysis helps businesses make informed decisions, prioritise actions, and formulate strategic plans to navigate the business environment effectively. It is important to regularly revisit and update the SWOT analysis to stay responsive to changes in the business environment.

**Learning Tasks**

1. Explain the external environment of business
2. Analyse the external environment of business using SWOT

**Pedagogical Exemplars****Structuring Talk for Learning:**

1. Teachers should link to learner's previous knowledge on internal business environment and use that to transition to the concept of external business environment.
2. Show videos or pictures on the influences of the external environment on the operations of business and guide learners individually or in mixed-ability and mixed-gender groups to write their observations and present to the class. In classes where persons with visual impairments are present, necessary arrangements should be made to ensure they can access activities (for example through the provision of audio description).
3. Teachers should help learners to develop an inclusive approach to discussion, and respect differences in opinion and outlook amongst their peers.

**The use of Case Study:**

1. Teachers should present a comprehensive case study illustrating companies or businesses facing various external challenges.
2. Ensure the case study provides ample material for SWOT analysis, catering to different learning needs (AP), (P) and (HP) within the groups.
3. Learners should work in mixed ability and gender groups. Guide the groups in utilising the SWOT (Strengths, Weaknesses, Opportunities, Threats) tool to conduct a comprehensive analysis of the external environment of the business in the case study.
4. Prompt (H) and (HP) learners to engage in critical analysis, fostering the development of their critical thinking and problem-solving abilities within the context of SWOT analysis.
5. Allocate dedicated time for each group especially the AP learners to collaborate and prepare a presentation of their SWOT analysis findings and insights, utilising digital tools for effective communication.
6. Allow flexibility for learners with different learning abilities to present their SWOT analysis findings in their preferred format.
7. Provide additional support and resources for learners with special educational needs, or who require additional support to facilitate their comprehension of the SWOT analysis process.
8. Encourage active participation, constructive feedback, and open dialogue within and across groups to enrich the learning experience.

**Formative Assessment****DoK Level 1: Reproduction/Recall**

1. State the components of SWOT as a tool for analysing the business environment.
2. Identify the components of SWOT that are used to analyse the external environment of business.

**Dok Level 2: Skills Building**

1. Explain the external environment of business.
2. Differentiate between the internal and external environment of business with examples.

**Dok Level 3: Strategic Thinking**

Explain SWOT as a tool for analysing the business environment of a company.

**Dok Level 4: Extended Critical Thinking and Reasoning**

Carry out a SWOT analysis for a chosen organisation and explain how this can be used to support business decisions.



## WEEK 8

**Learning Indicator:** *Explain Corporate Social Responsibility (CSR) and discuss its benefits and challenges*

### Theme or Focal Area: **Corporate Social Responsibility (CSR)**

#### **Corporate Social Responsibility (CSR)**

Corporate Social Responsibility (CSR) is a concept that refers to a business's commitment to operating in a socially and environmentally responsible manner while also contributing positively to the community and society at large. It goes beyond the traditional focus on maximising profits and shareholder value, aiming to strike a balance between economic success, ethical conduct and social and environmental considerations.

The concept of CSR has evolved over time, driven by increased awareness of global issues, changing consumer expectations and the recognition that businesses have a significant role to play in addressing societal and environmental challenges. CSR is not just about charitable donations or one-off initiatives; rather, it encompasses a long-term commitment to sustainable business practices and making a positive difference in the world.

#### **Examples of CSR Activities/Initiatives**

The specific activities involved in CSR can vary depending on the company's industry, size and geographical location. Some examples of CSR activities or initiatives include:

##### **1. Environmental Initiatives:**

- a. Implementing sustainable practices to reduce energy consumption and minimise the company's carbon footprint.
- b. Adopting recycling and waste reduction programs.
- c. Supporting renewable energy projects or investing in clean technologies.
- d. Participating in reforestation or conservation efforts.

##### **2. Community Engagement and Philanthropy:**

- a. Supporting local community development projects, such as building schools, clinics, or community centers.
- b. Donating to charitable organisations and social causes aligned with the company's values and goals.
- c. Sponsoring events or initiatives that benefit the local community.

##### **3. Employee Volunteering and Engagement:**

- a. Encouraging employees to volunteer their time and skills for charitable activities and community service.
- b. Offering paid volunteer leave or organising company-wide volunteer events.
- c. Supporting employee-driven charitable fundraising efforts.

##### **4. Ethical Labour Practices:**

- a. Ensuring fair wages and safe working conditions for employees.
- b. Implementing policies that promote diversity and inclusion within the workforce.

**5. Social and Educational Initiatives:**

- a. Supporting education programs and scholarships for underprivileged students.
- b. Providing training and skills development opportunities for disadvantaged individuals.
- c. Offering internships and job opportunities for young people in the community.

**6. Health and Safety Initiatives:**

- a. Promoting employee health and wellness programs.
- b. Supporting healthcare initiatives in the community.

**7. Stakeholder Engagement and Transparency:**

- a. Engaging with stakeholders, including customers, investors, employees and local communities, to understand their concerns and expectations.
- b. Being transparent about CSR initiatives and progress through regular reporting and communication.

**Benefits and Challenges of Corporate Social Responsibility**

CSR can offer numerous benefits to businesses, society and the environment. However, it also comes with various challenges that companies must navigate to implement CSR effectively. Let's explore the benefits and challenges of CSR:

**Benefits of Corporate Social Responsibility**

- 1. Enhanced Reputation and Brand Image:** Companies that actively engage in CSR activities often build a positive reputation, and improve their public perception.
- 2. Increased Customer Loyalty:** CSR initiatives resonate with socially conscious consumers, leading to increased customer loyalty and preference for products or services associated with responsible practices.
- 3. Attraction and Retention of Talent:** CSR can be a powerful tool for attracting and retaining talented employees who seek purpose-driven and socially responsible work environments.
- 4. Risk Mitigation:** By proactively addressing social and environmental issues, companies can reduce the risk of potential controversies, legal disputes and reputational damage.
- 5. Cost Savings:** Implementing sustainable practices can lead to cost savings in areas such as energy consumption, waste management and resource efficiency.
- 6. Competitive Advantage:** Demonstrating a commitment to CSR can differentiate a company from its competitors, providing a competitive edge in the market.
- 7. Stakeholder Engagement:** CSR fosters stronger relationships with various stakeholders, including employees, customers, investors, suppliers and local communities.
- 8. Innovation and Adaptation:** Embracing CSR can drive innovation by encouraging companies to find creative solutions to social and environmental challenges.

**Challenges of Corporate Social Responsibility:**

- 1. Balancing Objectives:** Companies face the challenge of balancing the pursuit of profit with their commitment to social and environmental responsibility. Striking the right balance can be complex.
- 2. Resource Constraints:** Implementing CSR initiatives may require significant financial and time investments, particularly for smaller businesses with limited resources.
- 3. Measuring Impact:** Assessing the tangible impact of CSR initiatives can be challenging, making it difficult to quantify the return on investment (ROI) in some cases.

4. **Stakeholder Expectations:** Meeting the diverse expectations of various stakeholders can be demanding, as different groups may prioritise different social and environmental issues.
5. **Greenwashing Concerns:** Some companies may engage in greenwashing, where they exaggerate or falsely promote their CSR efforts without genuine commitment or meaningful impact.
6. **Complexity of Global Operations:** For multinational corporations, navigating CSR in diverse markets with varying regulations and cultural contexts can be complex.
7. **Time Horizon:** Some CSR initiatives may have long-term social and environmental benefits but might not provide immediate financial returns, creating short-term pressure on investors.
8. **Accountability and Transparency:** Companies must ensure transparency in their CSR reporting and actions to avoid accusations of insincerity or unethical behavior.

In summary, to successfully address these challenges and reap the benefits of CSR, companies must integrate CSR into their core business strategy, be committed to genuine impact and engage in open dialogue with stakeholders. Collaborating with experts, NGOs and other organisations can also help companies address specific social and environmental issues effectively. Ultimately, the long-term sustainability and positive societal impact achieved through CSR make it a valuable aspect of modern business practices.

### Learning Tasks

1. Explain the concept of CSR.
2. Analyse the benefits of CSR to businesses.
3. Analyse the challenges of CSR to businesses.

## Pedagogical Exemplars

### The use of Case Study:

1. Begin the lesson by presenting learners with a detailed case study showcasing companies or businesses implementing CSR initiatives across various sectors and industries.
2. Learners should be organised in mixed ability and mixed gender groups and encouraged to engage in critical analysis of the case study, fostering the development of their critical thinking and problem-solving abilities.
3. Teachers should facilitate open discussions to explore the essence of CSR, its foundational principles and the driving forces motivating businesses to participate in CSR endeavours.  
This approach nurtures an understanding of CSR's significance and its impact on corporate practices and societal well-being
4. Prompt learners to critically assess the challenges inherent in implementing CSR initiatives, considering their implications for both companies and society at large.
5. Allocate dedicated time for each group to collaborate and prepare a presentation of their analysis and insights.
6. Provide access to relevant resources and facilitate discussions to ensure all group members actively contribute to the analysis.
7. Allow flexibility for AP learners to present their ideas through handwritten notes or oral presentations, while encouraging learners with high levels of understanding (HP) to utilise advanced digital means for their presentations.

8. Provide additional support and resources for learners with special educational needs (SEN) or those who require additional support, such as simplified explanations and visual aids, to facilitate their comprehension of CSR concepts and case study materials.
9. Facilitate peer feedback sessions following each group presentation, allowing learners to provide constructive criticism and suggestions for improvement. Learners with clear (P) or high levels (HP) of understanding could lead the feedback.
10. Encourage groups to incorporate feedback received from colleagues to refine their presentations and deepen their understanding of CSR concepts.
11. Conclude the session with a collective reflection on the case study analysis and group presentations.

### Formative Assessment

#### DoK Level 1: Reproduction/Recall

1. Define 'corporate social responsibility' (CSR)
2. List at least four examples of CSR

#### Dok Level 2: Skills Building

Explain corporate social responsibility and give at least three examples.

#### Dok Level 3: Strategic Thinking

Define corporate social responsibility and explain its significance for businesses and society

#### Dok Level 4: Extended Critical Thinking and Reasoning

1. Evaluate two ways in which corporate social responsibility initiatives have contributed to environmental sustainability and employee welfare in Ghana.
2. Research online or other means and investigate the relationship between corporate social responsibility and financial performances of organisations.

## Section 3 Review

The review gives a summary of the key lessons taught in Weeks 7 and 8 of this section and evaluates the learning outcomes achieved, with consideration for differentiation strategies utilised. Throughout these weeks, learners explored the internal and external factors influencing business operations, mastering the SWOT analysis framework for strategic decision-making. They also delved into Corporate Social Responsibility (CSR), understanding its benefits, challenges, and practical applications in fostering ethical business practices. Through collaborative discussions, real-world examples, and experiential learning opportunities like field trips, learners gained practical insights into the complexities of the business environment and CSR practices. Through differentiation, learners received tailored support to meet individual learning needs, with gifted learners challenged through additional tasks such as in-depth case studies. By the section's end, each learner should possess a solid understanding of how to analyse the business environment using SWOT, grasp the significance of CSR, and be able to apply strategic thinking skills to real-world scenarios, preparing them for informed decision-making in dynamic business contexts.

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## SECTION 4: INTERNATIONAL BUSINESS AND MULTINATIONAL CORPORATIONS

Strand: **Business Management**

**Sub-Strand:** Business and Society

**Content Standard:** Demonstrate knowledge and understanding of international business

**Learning Outcome:** *Explain international business*

### INTRODUCTION AND SECTION SUMMARY

This section provides learners with comprehensive understanding of international business, its importance in the global economy, and the role of multinational corporations in countries across the world. Also, learners will be able to describe the key features of international business and analyse its impact on various stakeholders. Learners will gain knowledge and understanding of multinational corporations, their features and importance. By mastering these concepts, learners will be equipped with the foundational knowledge of the global business landscape. Foster an inclusive learning environment by promoting respect and tolerance among learners, encouraging active listening and constructive feedback. Throughout this section, teachers should utilise opportunities for learners to connect back to previous learning to further secure previous concepts. This section of International Business intersects with various other disciplines such as Economics, Political Science, and Sociology. Understanding the principles of international business provides a holistic perspective on how economic, political, and social factors influence global trade and commerce. The section further incorporates interactive Gender Equality and Social Inclusion (GESI) responsive pedagogies, differentiation and assessment strategies geared towards meeting the various learning needs of learners.

This section covers Week 9 only.

**Week 9:** International Business

### SUMMARY OF PEDAGOGICAL EXEMPLARS

Effective teaching of international business concepts necessitates active student engagement and collaborative learning methods. Teachers should therefore employ varied instructional techniques to cater to diverse learning styles and abilities. Collaborative learning, such as think-pair-share, encourages peer interaction and deepens understanding through shared perspectives. Project-based learning, involving analysis of multinational corporations, immerses students in real-world scenarios, stimulating critical inquiry and presentation skills. To accommodate diverse needs, differentiation strategies like mixed-ability groupings allow for collaborative learning experiences. For gifted and talented students, additional challenges should be provided to extend their learning and foster intellectual growth. This may include exploring advanced topics related to international business, conducting in-depth research on specific multinational corporations, or engaging in complex problem-solving activities. By nurturing the talents of gifted students and encouraging independent inquiry, educators can create inclusive learning environments that promote excellence and achievement for all learners.

Particular attention should be paid to learners with special education needs, making relevant accommodations to ensure their full participation in all activities. To support teachers in their approach



to differentiation, this manual sometime refers to learners as approaching proficiency (AP), proficient (P) or working at a high level of proficiency (HP).

## **ASSESSMENT SUMMARY**

To effectively evaluate students' grasp of international business concepts, a diverse array of assessment strategies are employed, ranging from fundamental recall queries to more complex critical thinking exercises. Teachers may employ direct recall questions to ascertain students' basic understanding of the concept of international business. Again, skills-building questions are utilised to reinforce comprehension and practical application of the subject matter. Extended critical thinking questions, particularly those prompting evaluation, can provide deeper insights into students' comprehension levels. These questions should challenge students to analyse and justify the importance of international business, supported by specific examples. Strategic reasoning tasks offer another avenue for assessment, focusing on students' ability to apply critical thinking within a strategic context. Finally, extended critical thinking questions that prompt creation offer opportunities for students to develop their perspectives independently. Students should be encouraged to construct their explanations of the importance of international business, supported by relevant examples. In the transcript, teachers should document students' responses to each assessment task alongside any pertinent feedback or observations regarding their understanding and application of international business concepts.

## WEEK 9

### Learning Indicator(s):

1. *Describe international business and analyse its importance*
2. *Explain multinational corporations, their features and importance*

### Theme or Focal Area: **International Business, its Features and Importance**

Lesson 1 in Week 9, introduces learners to the concept of international business, its features and importance.

### **International Business**

International business refers to commercial activities and transactions that take place between companies and individuals located in different countries. It involves the exchange of goods, services, technology, capital and information across national borders, with the primary aim of expanding business operations beyond the domestic market.

### **Application of Concept and Examples**

Examples of international business activities include exporting goods to foreign markets, establishing subsidiaries or joint ventures in other countries, engaging in foreign direct investment and engaging in cross-border mergers and acquisitions.

Globalisation and advances in technology means that international business has become increasingly common for companies seeking to expand their market presence, access new resources and take advantage of global opportunities. It requires companies to adapt to diverse economic, political and cultural environments, making strategic decisions that consider the complexities of the international marketplace.

### **Key Features of International Business**

1. **Cross-border Transactions:** International business involves buying, selling, or exchanging goods and services between parties in different countries.
2. **Global Market Expansion:** Companies engaged in international business seek to enter and operate in foreign markets to tap into new customer bases and increase their revenue streams.
3. **Currency Exchange:** International business transactions often require dealing with different currencies and managing exchange rate fluctuations.
4. **Cross-Cultural Understanding:** Companies operating internationally must navigate cultural differences in language, customs and business practices to facilitate effective communication and business relationships.
5. **Adherence to International Laws and Regulations:** Businesses must comply with laws and regulations in both their home country and the foreign markets they operate in.
6. **Risk Management:** International business operations come with various risks, including political instability, economic fluctuations and trade barriers, which companies need to mitigate.

## Importance of International Business

- 1. Profitability and Growth:** International expansion opens up opportunities for revenue growth and increased profitability. Businesses that successfully navigate international markets can achieve higher returns on investment and expand their business operations over time.
- 2. Competitive Advantage:** Engaging in international business can provide businesses with a competitive advantage by offering unique products or services, leveraging economies of scale, or accessing new technologies or distribution channels not available domestically.
- 3. Market Expansion:** International business allows companies to tap into new markets beyond their domestic borders. By selling products or services in other countries, businesses can reach a larger customer base and increase their sales potential.
- 4. Diversification and Risk Reduction:** Operating in multiple countries diversifies a company's revenue streams and reduces its dependence on any single market. This can help mitigate risks associated with economic downturns, political instability, or changes in consumer preferences in specific regions.
- 5. Access to Resources and Talent:** International business enables companies to access valuable resources such as raw materials, labour, technology, and expertise that may be scarce or more cost-effective in other countries. This can enhance production efficiency and innovation capabilities.
- 6. Cultural Exchange and Understanding:** International business fosters cultural exchange and understanding by bringing people from different backgrounds and cultures together. This promotes cross-cultural communication, cooperation, and mutual respect, which are essential in today's interconnected world.

### Learning Tasks

1. Explain international business.
2. Evaluate the key features of international business.
3. Analyse the importance of international business.

## Pedagogical Exemplars

### Collaborative and Digital Learning:

1. Teachers to introduce the use of internet based activities and research to understand the features of international business. Teachers should model the use of digital tools and platforms that learners will be using through this activity.
2. Put learners in mixed-ability and mixed-gender groups, to explore multimedia resources such as videos, articles and infographics related to international business, its features and importance. In classes where persons with visual impairments are present, necessary arrangements should be made to ensure they can access activities (for example through the provision of audio description).
3. Teachers should move around the room to provide guidance and support to all groups especially SEN learners and those approaching proficiency (AP), for example through direct questioning or instruction to ensure equitable access to information and addressing any technical challenges.
4. Groups should be tasked with deciding on how to present their findings to the whole class, orally as a written exercise or poster, or through a presentation.

5. Learners with clear understanding (P), should be given the opportunity to type half a page of word document covering meaning of international business and examples from their locality.
6. Encourage learners with high level (HP) proficiency in ICT to utilise digital tools such as PowerPoint or online collaboration platforms to create visually engaging presentations to be presented to the whole class.
7. Foster an inclusive learning environment by promoting respect and tolerance among learners, encouraging active listening and constructive feedback.

## **Formative Assessment**

### **DoK Level 1: Reproduction/Recall**

1. What is international business?
2. Outline three key features of international business.
3. State at least three reasons why international business is important.

### **Dok Level 2: Skills Building**

1. Explain three reasons why international business is important.
2. Explain three key features of international business.

### **Dok Level 3: Strategic Thinking**

Explain international business and evaluate four reasons for its importance.

### **Dok Level 4: Extended Critical Thinking and Reasoning**

A well-established electronics manufacturing company based in Kumasi, Ghana specialises in producing a wide range of electronic products, including smartphones, tablets, televisions and home appliances. With a strong reputation in the domestic market and a desire to continue their growth, they are considering venturing into international markets to expand their reach and increase profitability.

Present two potential challenges or risks that might be associated with this company's expansion into international markets.

## Theme or Focal Area (Lesson 2): **Multinational Corporation, its Features and Importance**

Learners were introduced to the concept of international business in the previous lesson for this week. In Lesson 2, learners are to be taught about multinational corporations, their features and importance.

### **Multinational Corporation**

A multinational corporation (MNC), also known as a multinational enterprise (MNE) or transnational corporation (TNC), is a large company that operates and conducts business in multiple countries. These corporations have a significant presence in more than one country and they engage in various business activities, such as production, sales, marketing and research on a global scale.

### **Key Features of Multinational Corporations**

Multinational corporations (MNCs) have several distinct features that set them apart from domestic companies. These features contribute to their global reach and influence in the international business landscape. Here are the key features of multinational corporations:

1. **Global Presence:** MNCs operate in multiple countries, with subsidiaries, affiliates, or branches in various regions around the world. They have a significant physical presence and business operations in these countries.
2. **Diverse Markets:** MNCs serve diverse markets, reaching customers in different countries with their products or services. They tailor their offerings to suit local preferences and adapt to the unique characteristics of each market.
3. **Cross-Border Trade and Investment:** MNCs engage in cross-border trade, importing and exporting goods and services between their home country and other countries. Additionally, they make substantial foreign direct investments (FDI) to establish and expand their operations in foreign markets.
4. **Transfer of Resources and Technology:** MNCs transfer capital, technology, managerial expertise and other resources between their headquarters and foreign subsidiaries. This facilitates knowledge sharing and the integration of best practices across different locations.
5. **Complex Organisational Structure:** MNCs often have complex organisational structures. They may have a parent company at the top, overseeing various subsidiaries or divisions operating in different countries or regions.
6. **Global Workforce:** MNCs employ a diverse and multinational workforce. Their employees come from different countries, bringing a broad range of skills, knowledge and cultural perspectives to the organisation.
7. **Economies of Scale:** MNCs leverage their global operations to achieve economies of scale in production and distribution. This allows them to reduce costs and offer competitive prices in different markets.
8. **Brand Recognition:** Many multinational corporations have strong global brand recognition. Their products and services are well-known and trusted by consumers in various countries, providing a competitive advantage.
9. **Ability to Influence Policies:** Due to their size and economic significance, MNCs have the potential to influence government policies and regulations in the countries where they operate.
10. **Risk Diversification:** MNCs diversify their operations across multiple countries, reducing their exposure to risks in any single market. This risk diversification strategy helps them mitigate potential economic and political uncertainties.

- 11. Innovation and Research:** MNCs often invest in research and development (R&D) activities in various countries to drive innovation and stay competitive in the global market.
- 12. Global Supply Chains:** MNCs often establish intricate global supply chains, sourcing components and raw materials from different countries to optimise production efficiency and cost-effectiveness.

Overall, these features enable multinational corporations to extend their operations worldwide, leverage resources, capitalise on market opportunities and contribute significantly to the global economy.

### Importance of Multinational Corporation to Ghana

The relevance of multinational corporations (MNCs) to Ghana cannot be overstated, as they play a crucial role in shaping the country's economy and development. Here are some key aspects that highlight the relevance of MNCs to Ghana:

- 1. Foreign Direct Investment (FDI):** MNCs bring substantial foreign direct investment into Ghana, contributing to capital formation and economic growth. This investment helps finance new businesses, infrastructure projects and technological advancements, fostering development in various sectors.
- 2. Job Creation and Employment Opportunities:** MNCs establish subsidiaries and operations in Ghana, leading to job creation for the local workforce. These companies hire skilled and unskilled workers, reducing unemployment rates and providing employment opportunities for Ghanaian citizens.
- 3. Technology Transfer and Knowledge Sharing:** MNCs introduce advanced technologies, management practices and specialised skills to Ghana. This knowledge transfer enhances the capabilities of local businesses, promotes innovation and strengthens the country's overall industrial competitiveness.
- 4. Market Access and Export Opportunities:** Through their global networks and distribution channels, MNCs facilitate the export of Ghanaian products to international markets. This expanded market access opens up new trade opportunities, leading to increased export revenues and foreign exchange earnings.
- 5. Infrastructure Development:** Some MNCs invest in infrastructure projects to support their operations in Ghana. These investments not only benefit the companies but also contribute to the development of vital infrastructure that improves the overall business environment in the country.
- 6. Economic Diversification:** MNCs often invest in various sectors, leading to economic diversification. This diversification helps reduce dependence on a few industries and creates a more balanced and resilient economy.
- 7. Increased Competitiveness:** The presence of MNCs fosters competition within Ghana's industries, driving local companies to improve efficiency, product quality and innovation. This competitiveness ultimately benefits consumers and boosts the overall productivity of the economy.
- 8. Access to Global Markets and Networks:** Local businesses that collaborate with MNCs as suppliers or partners gain access to global markets and networks. This exposure opens up new business opportunities and increases the international visibility of Ghanaian products and services.
- 9. Corporate Social Responsibility (CSR):** Many MNCs engage in corporate social responsibility initiatives in Ghana. These efforts include funding social projects, educational programmes, healthcare facilities and environmental sustainability initiatives, contributing to the country's social development.



- 10. Government Revenue Generation:** MNCs contribute significantly to government revenue through taxes, corporate income tax, import duties and other levies. These revenues can be reinvested in public services, infrastructure development and social welfare programs.

Overall, the presence of multinational corporations in Ghana is instrumental in driving economic growth, fostering technological advancement, creating employment opportunities and supporting social development. However, it is essential for the government to implement policies that ensure the fair distribution of benefits and promote sustainable development while encouraging responsible business practices among MNCs.

### Learning Tasks

1. Explain multinational corporations.
2. Analyse the benefits of multinational corporations.
3. Evaluate the challenges faced by multinational corporations.

## Pedagogical Exemplars

### Collaborative Learning/ Project-Based Learning

1. **Teachers to share** pictures, videos and documentaries on some multinational corporations with the whole class as a prompt for discussion on the meaning of a multinational company.
2. Put learners in mixed-ability and mixed-gender groups to discuss the businesses they have watched in the video.
3. In the same groups, task learners to carry out their own research to enable them to discuss the meaning of multinational corporations, benefits and challenges. Learners should be encouraged to focus on MNCs with a presence in Ghana and link to the impact these have had on their local region/nationally.
4. Teachers should move around the room to provide guidance and support to all groups especially SEN learners and those approaching proficiency (AP), for example through direct questioning or instruction to ensure equitable access to information and addressing any technical challenges.
5. Groups should be tasked with deciding on how to present a profile of one MNC to the whole class, orally, as a written exercise or poster, or through a presentation.
6. Learners with clear understanding (P), should be given the opportunity to type half a page of word document covering meaning of multinational business, its benefits and challenges.
7. Encourage learners with high level (HP) proficiency in ICT to utilise digital tools such as PowerPoint or online collaboration platforms to create visually engaging presentations to be presented to the whole class.
8. Foster an inclusive learning environment by promoting respect and tolerance among learners, encouraging active listening and constructive feedback.

## Formative Assessment

### DoK Level 1: Reproduction/Recall

1. Define multinational corporations.
2. Give two examples of multinational corporations in your locality.

**Dok Level 2: Skills Building**

Explain two benefits of multinational corporations.

**Dok Level 3: Strategic Thinking**

Examine at least two impacts multinational corporations have had on the economic environment in Ghana.

**Dok Level 4: Extended Critical Thinking and Reasoning**

A leading Ghanaian-based multinational corporation specialising in agribusiness has expanded its operations globally, with subsidiaries and production facilities across Africa, Europe and North America. The company is involved in various aspects of the agricultural value chain, including farming, processing, distribution and retail of agricultural products.

Analyse three benefits this business may enjoy as a multinational corporation.

Evaluate three key challenges that this multinational corporation might encounter when operating across different continents.

## Section 4 Review

In this section, lessons have been centred on fostering a comprehensive understanding of international business concepts through diverse pedagogical methods and tailored assessment strategies. Students were initially introduced to the foundational meaning of international business, utilising basic recall questions and skills-building exercises to ensure comprehension across varying levels of prior knowledge and learning preferences. As lessons progressed, extended critical thinking questions prompted students to evaluate the significance of international business, backed by concrete examples. Collaborative learning activities and strategic reasoning tasks challenged students to apply their understanding strategically, enhancing critical thinking skills. For gifted learners, additional challenges were provided to encourage deeper exploration and creativity. These students were afforded opportunities to delve into advanced topics, conduct independent research, and engage in complex problem-solving tasks, fostering both intellectual growth and a deeper grasp of international and multinational businesses concepts. In summary, all students should have attained a solid grounding in international business fundamentals, honed critical thinking abilities, and learned to apply their knowledge strategically. Through differentiation, the individual learning needs of each student were addressed, ensuring a supportive and enriching learning experience for all.

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## SECTION 5: FINANCIAL ACCOUNTING

Strand: **Financial Accounting**

**Sub-Strand:** Conceptual Framework

**Content Standard:** Demonstrate knowledge and understanding of accounting, its purpose and application in businesses and life.

**Learning Outcome:** *Use personal financial activities to explain the concept of accounting, its purposes and application.*

### INTRODUCTION AND SECTION SUMMARY

The focus of this section will be on the conceptual framework. In these upcoming weeks (Week 10 -12), learners will delve into the fundamental aspects of accounting, showing its importance in both personal life and business contexts. The central objective is to equip students with the ability to use personal financial activities as a lens to understand the essence, purpose and application of accounting. Foster an inclusive learning environment by promoting respect and tolerance among learners, encouraging active listening and constructive feedback. Throughout this section, teachers should utilise opportunities for learners to connect back to previous learning to further secure previous concepts.

At the conclusion of this section, students are expected to articulate accounting as a systematic process, clarifying its purpose in daily life and scrutinise the major steps involved in processing accounting information. Furthermore, a comprehensive understanding of the characteristics of accounting information, the information needs of users and the imperative need for accounting standards will be achieved.

The successful outcome will be the students' capacity to articulate the conceptual framework of accounting, apply it to personal financial scenarios and exhibit proficiency in discussing the various facets of accounting, including standards and financial statement components. This section lays a crucial foundation for various business-related subjects, providing essential insights for subjects such as Economics. The acquired knowledge will enable a holistic comprehension of financial aspects in diverse fields.

The weeks covered by the section are:

**Week 10:** Explain accounting as a system and its purpose in daily life and examine the major steps in processing accounting information and its characteristics.

**Week 11:** Examine the informational needs of users of accounting information and explain the need for accounting standards.

### SUMMARY OF PEDAGOGICAL EXEMPLARS

In teaching the Conceptual Framework of Financial Accounting, effective pedagogical exemplars play a crucial role. Initiating Talks for Learning involves employing the think-pair-share method, prompting learners to reflect on personal financial transactions and understand the practical applications of accounting concepts in daily life. Collaborative Learning is emphasised through mixed-ability and gender groups, encouraging discussions on the major steps in processing accounting information, characteristics and information needs of stakeholders. Special attention is given to balanced groups, ensuring their active participation and fostering a culture of mutual respect.

Initiating Talk for Learning and Collaborative Learning focuses on reflective discussions about school rules and regulations, leading to mixed-ability groups, brainstorming and presenting on the need for accounting standards. This approach promotes critique of presentations and guides learners to respect diverse views. The pedagogical strategy ensures inclusive learning, accommodating shy learners and those with reading difficulties. Particular attention should be paid to learners with special education needs, making relevant accommodations to ensure their full participation in all activities. To support teachers in their approach to differentiation, this manual sometime refers to learners as approaching proficiency (AP), proficient (P) or working at a high level of proficiency (HP). Overall, these exemplars not only facilitate understanding of the Conceptual Framework but also foster collaborative, reflective and inclusive skills, catering for diverse learner needs.

## **ASSESSMENT SUMMARY**

In designing assessments for the conceptual framework section, a stratified approach is employed to gauge various cognitive levels. Level 1 (Recall and Remembering Questions) focus on foundational understanding, assessing students' ability to recall basic concepts like defining accounting and listing users of accounting information. Level 2 (Skills Building Questions) delve into application, evaluating students' capability to explain complex topics such as the accounting process and the purposes of financial accounting. Responses to these questions, whether written or verbal, should be recorded in transcripts for ongoing assessment.

Moving to Level 3 (Strategic Reasoning), assessments involve discussions and detailed responses, examining students' ability to analyse and synthesise information. Presentations and discussions on topics like the importance of accounting information to different users serve as evaluative tools. Finally, Level 4 (Extended Critical Thinking and Reasoning questions) challenge students with tasks like preparing flow charts and evaluating implications of financial accounting information. Assessment at this level, such as group projects, presentations or essays, require thorough documentation in transcripts, emphasising the depth of critical thinking demonstrated by each student. This comprehensive approach ensures a detailed understanding of the conceptual framework while allowing for personalised feedback and continuous improvement tracking.

**WEEK 10****Learning Indicator(s):**

1. *Explain accounting as a system and its purpose in daily life.*
2. *Examine the major steps in processing accounting information and its characteristics.*

**Theme or Focal Area: Accounting as a system****Definition /Introduction****Accounting**

Accounting is the art of recording, classifying, summarising, analysing and interpreting financial data to aid users in decision making.

**Accounting as a system**

It is a system that a business uses to collect, store, manage, process, retrieve and report its financial data.

**Purpose of accounting**

The purpose of accounting in a business is to gather and report on financial information about the performance, financial position and cash flows of the business. This information is then used to make decisions about how to manage the business or invest in the business. Also, to record financial transactions in the books of accounts, to identify, measure and communicate economic information.

For learners, accounting is a useful tool to organise or record their finances in such a way that they become financially literate.

**Careers in accounting**

Accounting has another practical purpose of providing varied career opportunities. These include;

1. Teaching/ Lecturing
2. Auditors – in public and private practice
3. Tax consultants/ Advisors
4. Financial Analyst/ Consultants
5. Accountants in both public and private organisations
6. Insurance brokers

**The importance of accounting**

1. It serves as a tool for planning by managers and provides management with the right information for decision- making.
2. It helps companies and the government in calculating the tax of organisations
3. It helps to evaluate the performance of managers of a business
4. It is used to compare the performance of a company over a number of years.
5. It helps in comparing the performance of two or more organisations.

**Learning Tasks**

1. Discuss the meaning of accounting.
2. Explain accounting as a system.
3. Discuss and present the purpose of the study and careers in accounting to the individual.

**Pedagogical Exemplars****Initiating Talk for Learning and Using think - pair – share:**

1. Teachers to guide learners in a whole class discussion, to write/ say list of items they buy and the cost or price of these items on sticky-pads or pieces of paper. Ask them to exchange their list with a colleague for observation and present their lists to the class.
2. Probe further to ask learners whether they keep records of items they purchase.
3. Use the activity to guide learners to discuss the need to keep records of financial transactions. This will lead to the concept and meaning of accounting. Scaffolding should be considered to support AP learners to secure definitions of these terms.
4. Guide learners in pairs to reflect on personal financial transactions to discuss the concept of accounting as a system.
5. Guide learners to discuss the purpose and importance of accounting in our daily lives and share with the larger class.
6. Foster an inclusive learning environment by promoting respect and tolerance among learners, encouraging active listening and constructive feedback.
7. Teachers should consider how to engage shy learners and introverts to ensure participation and encourage views from all learners irrespective of ability, gender or background.

**Formative Assessment****DoK Level 1: Recall Questions**

1. What is accounting?
2. List two reasons why accounting is important.
3. State two careers in accounting.

**DoK Level 2 -Skills Building Questions**

1. Explain the concept of financial accounting as a system.
2. Explain the purpose of financial accounting in organisations and in personal life.



**Theme/Focal Area(s): Accounting Process****Introduction**

The accounting process is the series of steps followed by a business entity to record the business's financial transactions. This process includes steps for collecting, identifying, classifying, summarising and recording business transactions in the account books of a company so that the financial statements can be prepared.

**Major steps in processing accounting information****1. Identify and analyse transactions**

The first step in the accounting cycle, is to identify and analyse all transactions made during the accounting period. These include expenses, debt payments, sales revenue and cash received from customers.

**2. Record transactions in a journal.**

The next step is to record the details of all financial transactions in chronological order as journal entries (whether in an actual book or in an accounting programme). With double entry system, each transaction is recorded as a debit and a corresponding credit in two ledger accounts.

**3. Post transactions to a general ledger.**

Once a transaction is recorded as a journal entry, using double entry system, it should post to an account in the general ledger. The general ledger provides a breakdown of all accounting activities by accounts.

**4. Determine the trial balance.**

The closing balances of all the accounts in the general ledger at the end of an accounting period are reflected in a trial balance. The trial balance is used to check for errors and ensure that all transactions are recorded in the general ledger.

**5. Analyse the work books.**

The fifth step is to identify errors and anomalies that may have occurred in the books of accounts. This involves analysing the books of accounts to identify entries that need to be adjusted. Any error corrected and non-cash transaction can be recorded as an adjusting journal entry. As every transaction is recorded as a credit or debit, it ensures that the total credit balance and debit balance are equal.

**6. Prepare financial statements.**

Once account balances have been corrected and adjustments, financial statements can be prepared. Financial statements are accounting reports that summarise a business' activities and performance for a defined period of time, such as monthly, quarterly or annually. The three key financial statements that businesses prepare are the income statement, the balance sheet and the cash flow statement.

**7. Close the books.**

Finally, a business ends the accounting cycle by closing its books at the end of a financial year. The closing statements provide a report for analysis of performance over the period. The accounting cycle starts over again from the beginning of a new reporting period.

Below is a diagram showing the major steps in accounting



### Characteristics of Accounting Information

There is general agreement that, before it can be regarded as useful in satisfying the needs of various user groups, accounting information should satisfy the following principles:

#### 1. Understandability

This indicates the need for clarity in the expression of accounting information such that it will be understandable to users — who are generally expected to have a practical knowledge of business and economic activities.

#### 2. Relevance

This implies that, to be useful, accounting information must assist a user to form, confirm or maybe revise a view - mostly in the context of making a decision.

#### 3. Consistency

This implies the same treatment of similar items and application of accounting policies. It seeks to ensure that transactions or events are recorded in the same way, from one accounting year to the next in order to prevent manipulation of financial statements, so that the business reports are accurate and depict comparable information.

#### 4. Comparability

This implies the ability for users to be able to compare similar companies in the same industry group and to make comparisons of performance over time. Much of the work that goes into setting accounting standards is based around the need for comparability. Financial statements of one accounting period must be comparable to another in order for the users to derive meaningful conclusions about the trends in an entity's financial performance and position over time.

#### 5. Reliability

Reliability requires that the accounting information be free from material misstatement and bias and that they can be depended upon by users to represent faithfully that which they claim to represent or could reasonably be expected to represent.

## 6. Objectivity

This implies that accounting information is prepared and reported in a "neutral" way. In other words, the financial information should be unbiased and free from any kind of internal and external influence.

## 7. Timeliness

To be of maximum benefit, accounting information must be presented at the appropriate time. That is, accounting information should when it is needed and should not be out of date or presented in arrears.

Below is a diagram showing the characteristics of accounting information.



### Learning Tasks

1. Discuss the steps in processing accounting information.
2. Analyse the characteristics of the accounting information.

## Pedagogical exemplars

### Collaborative learning:

1. Teachers should present the steps in processing accounting information using diagrams or flow charts to support learners to embed the principles of this process. Teachers should scaffold their presentation by defining new terminology as it is introduced at each stage (AP).
2. In mixed-ability and gender groups, learners should review and discuss the steps in processing accounting information. Visual aids such as flow charts should be available to support learners' discussions.
3. Teachers move around the room to target learners who may need more support (AP). This may be through direct questioning or instructions

4. Ask groups to write at least three steps in processing accounting information on flash cards and share these with another group in the class. Those who exhibit clear (P) or a high level (HP) of understanding may be provided with prompt sheets to support the discussion process. This activity could also be carried out in pairs. Learners should be encouraged to provide feedback to their peers on the definitions they have provided.

### **Structuring Talks for Learning**

1. In pairs, ask learners to list the characteristics of accounting information.
2. Teachers move around the room to target learners who may need more support (AP). This may be through direct questioning or instructions.
3. Guide learners towards explaining the characteristics of accounting information (P).
4. HP learners can be invited to share their group's characteristics with the class.
5. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

### **Formative Assessment**

#### **DoK Level 1: Recall questions:**

1. State the major steps in processing accounting information.
2. State three characteristics of accounting information.

#### **DoK Level 2: Skills building questions:**

1. Explain the accounting process.
2. Explain the major steps in processing accounting information.

#### **DoK Level 3: Strategic reasoning question:**

Prepare a flow chart to demonstrate the stages involved in processing financial accounting information.

#### **DoK Level 4: Extended Critical Thinking and Reasoning**

Evaluate the implications of poor financial accounting information on business activities.

## WEEK 11

### Learning Indicator(s)

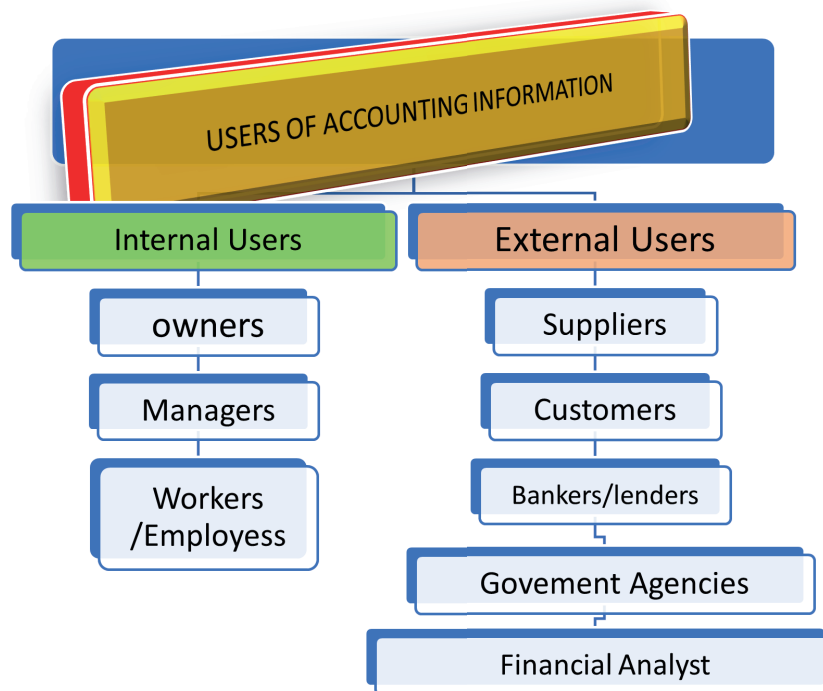
1. *Examine the informational needs of users of accounting information.*
2. *Discuss the need for Accounting Standards*

### Theme/Focal Area(s): **Accounting Information**

#### Definition/Introduction:

##### Users of accounting information

Users of accounting information are those persons or businesses who use the financial statements to make decisions. Basically, there are two types of users of accounting information – internal and external users.



#### Informational needs of users of accounting information

##### Internal Users

1. **Shareholders/Owners:** These are people who have invested capital into the business and are the owners of the business. The shareholders need the following:
  - a. Timely information regarding the financial performance, economic position and changes in financial position of their organisation.
  - b. Accounting information in assessing the level of stability of the business over the years and the extent to which changes in economic factors have affected profits.
  - c. Information on whether to invest more capital into the business or withdraw existing capital from the business.

2. **Employees:** Employees are people who work in the business and are interested in the following:
  - a. Information on their job security and income. They are interested in the profitability of the business to ensure payment of salaries, health benefits, other allowances and continuous employment.
  - b. Employees use the accounting information to check payment of statutory obligations by the business. They need to check payment of their SSNIT contributions and PAYE to government agencies.
  - c. Moreover, potential employees are also interested to learn about the financial health of the organisation they aspire to join in the future.
3. **Managers :** Managers are people who plan, organise, direct and control the activities of the business. Managers need accounting information to:
  - a. monitor the performance of business. They need to compare current performance against past performance. By this, they monitor sales, expenses and profits and compare them against the set targets / budgeted plans.
  - b. access or evaluate the business' performance and manage risks. Preparing and monitoring budgets effectively requires reliable accounting data relating to the various activities, processes, products, services, segments and departments of the business.
  - c. assess their performance against industrial benchmarks. They need to compare their performance with competitors in the industry.

### External users of accounting information

1. **Suppliers:** These are the parties who supply the business with products or services. Their supplies may range from raw materials, finished goods and other services.
  - a. Suppliers need to assess the ability of the business to repay goods/services supplied on credit.
  - b. They need the assurance that the business will continue to buy their goods.
2. **Customers:** Customers are the parties who buy goods/ services produced by the business.
  - a. Customers need assurance that the business will continue to produce goods/services for them to buy.
  - b. Customers need assurance that the business will produce quality and standardised goods for them.
3. **Lenders/Banks:** Lenders/Banks are parties who have provided funds to the business and expect repayment of their monies with interest. Investors want to know about the financial stability of the business to determine the debt servicing and interest service coverage.
4. **Government /Regulatory Agencies:** It is a statutory requirement for businesses to send copies of their financial statements to government agencies. Government agencies and departments use accounting information for various reasons.
  - a. The Registrar of Companies need a business' financial statements to ensure its existence.
  - b. Ghana Revenue Authority (GRA) needs the financial information to assess the tax liability of the business.
  - c. SSNIT needs the financial statements to ensure the payment of workers' SSNIT contributions.
5. **The Financial Analyst and Advisors:** Financial analysts are persons who study the financial statements of various businesses. Financial analysts go through the available statements in accordance with accounting principles and industrial standards. Financial analysts;
  - a. measure the financial stability of a business to determine its continuous existence.
  - b. establish industrial indicators which help to measure performances of businesses in the same industry.



**Learning Tasks**

1. Discuss the users of accounting information.
2. Analyse the importance of accounting information to its users.

**Pedagogical exemplars****Collaborative learning:**

1. Teachers to introduce discussion with an example of a user of accounting information. Teachers should scaffold their presentation by defining new terminology as it is introduced (AP).
2. In mixed-ability and gender groups, teacher guides learners to discuss the different users of accounting information.
3. Teachers move around the room to target learners who may need more support (AP). This may be through direct questioning or instructions.
4. Ask groups to write a description of three users of accounting information on flash cards least three steps in processing accounting information on flash cards and share these with another group in the class. Those who exhibit clear (P) or a high level (HP) of understanding may be provided with prompt sheets to support the discussion process. This activity could also be carried out in pairs. Learners should be encouraged to provide feedback to their peers on the definitions they have provided.

**Structuring Talks for Learning**

1. In pairs, ask learners to discuss the informational needs of the users of accounting information.
2. Groups share their thoughts and use charts and maps to summarise ideas to present to other learners.
3. Teachers move around the room to target learners who may need more support (AP). This may be through direct questioning or instructions, or to scaffold discussions by providing simplifying definitions or terminology (AP).
4. Higher level learners could be provided with a stretch question to explain the effects of poor accounting information to the users of accounting information.
5. Learners with clear understanding (P), or high proficiency (HP) should be given the opportunity to explain the users of accounting information and their informational needs.
6. Teachers should ensure participation of all learners in each group and that learners respect the views of other learners.

**Formative Assessment****DoK Level 1: Recall questions:**

1. Identify the types of users of accounting information.
2. State at least one informational need of three users of accounting information.

**DoK Level 2: Skills of conceptual understanding questions:**

1. Analyse at least two informational needs of four users of accounting information.
2. Explain the importance of accounting information to both internal and external users.

**DoK Level 3: Strategic reasoning questions**

Deliver a presentation on the informational needs of both internal and external users of accounting information.

**DoK Level 4: Extended Critical Thinking and Reasoning questions**

Create a memo explaining the effect of poor accounting information on a business's decision making.

**Theme/Focal Area (s): Accounting Standards****Definition/Introduction****Accounting Standards**

An accounting standard is a set of principles, rules, guidelines and procedures that define the basis of financial accounting policies and practices.

Accounting standards ensure the financial statements from multiple companies are comparable, consistent and transparent. Accounting standards ensure that all entities follow the same rules, which will make the financial statements credible and allow for more economic decisions based on accurate and consistent information.

**Types of Accounting Standards****Generally Accepted Accounting Principles (GAAP)**

Generally Accepted Accounting Principles (GAAP) is the primary set of accounting standards that public and private organisations use within the United States of America.

GAAP compliance is mandatory for all publicly traded companies. These standards help create clarity in financial reporting and allow for comparison between the financial situations of different companies. GAAP standards also ensure that regulatory bodies can effectively monitor private companies and that investors and banks can make informed decisions about their business interactions.

**International Financial Reporting Standards (IFRS)**

International Financial Reporting Standards is the primary set of accounting standards that international companies use. They aim to provide consistency in accounting and reporting processes throughout various countries.

**Importance of accounting standards**

Accounting standards allow multiple companies and institutions to operate as part of the same financial system. These are some of the most important benefits of accounting standards:

1. **Clarity:** Accounting standards help to rule out ambiguities in recording of transactions. Accounting standards provide common ways for all organisations to record their transactions. By this, transactions are treated in the same manner by all organisations. This provides transparency to accountants, banks, investors, government regulators and the public.
2. **Comparability:** Any investor would essentially want the financial statements to be comparable with others. Without any standardised regulation, it becomes difficult to compare financial statements of businesses within the same industry. Accounting standards ensures the use of one standard for treating similar transactions in different organisations.
3. **Guidance:** Accounting standards are very helpful in providing daily guidance to accountants in the recording of transactions. It is the sole responsibility of an accountant to provide financial information which is reliable, relevant, neutral and comparable. These characteristics achieved through the use of accounting standards.

4. **Uniformity:** Accounting standards provide a means of achieving uniformity within the accounting profession. The use of accounting standards provides a uniform method of recording and reporting for all institutions. This can facilitate transactions between businesses and allow comparisons between companies nationally or internationally.
5. **Reliability:** Accounting standards help ensure that companies, non-profit organisations and government agencies provide accurate analysis of their financial operations. Any business concern has a large number of stakeholders and they rely on the information to make an informed decision on the company. Many stakeholders determine their next course of action based on the information provided by these financial statements. Moreover, potential investors rely on the financial statements to make decisions.
6. **Reducing Fraud:** Accounting standards provides the accounting principles, procedures and methods that every entity must use. With the use of common principles, the manipulation of data is minimised or eliminated. By this, it becomes difficult to commit any fraud.
7. **Assist Auditors:** The accounting standards lays down all the necessary policies, regulations and guidelines pertaining to recording of transactions to be followed by businesses. This helps auditors to check and follow prescribed procedures. Thus, all the financial statements presented are true and justified.

### Learning Tasks

1. Discuss accounting standards.
2. Discuss the types accounting standards with examples.
3. Discuss the need or importance of accounting standards.

### Pedagogical exemplars

#### Initiate Talk for Learning / Collaborative Learning:

1. Teachers to guide learners in a whole class discussion on the need for rules and regulations in the school.
2. In mixed-ability and gender groups, ask learners to write at least three reasons why rules and regulation are important in the school.
3. Groups share their thoughts and their responses with other learners.
4. Guide learners to link the importance of school rules and regulation to accounting standards.
5. Guide learners in a whole class discussion to define the meaning of accounting standards.
6. In mixed-ability and gender groups, teacher guides learners in discussing the types accounting standards.
7. Teachers move around the room to target learners who may need more support (AP). This may be through direct questioning or instructions, or to scaffold discussions by providing simplifying definitions or terminology (AP).
8. Groups share their thoughts and their responses with other learners.
9. Ask learners to think-pair and share the importance of accounting standards in the accounting profession.
10. Ensure participation of all learners in each group.
11. Encourage critique of presentations and guide learners to tolerate views of others.

## Formative assessment

### DoK Level 1: Recall questions:

1. What are accounting standards?
2. List at least two reasons why accounting standards are important.

### DoK Level 2: Skills Building question:

1. Discuss the types of accounting standards, giving examples.
2. Discuss the importance of accounting standards to a business entity.

### DoK Level 3: Strategic reasoning questions:

Deliver a presentation to answer the question: Assess the need for accounting standards in a business in accordance with the IFRS.

## Section 5 Review

This review section looks back at the knowledge and skills imparted throughout the preceding weeks which had a dedicated focus on the conceptual framework of financial accounting. Learners, should have acquired a clearer understanding of accounting as a systematic process, recognising its profound significance in daily life. The section again outlined the major steps in processing accounting information, characteristics of accounting information, discerning the diverse information needs of users and appreciating the key role and importance of accounting standards.

The efficacy of differentiation strategies is evident in the individualised progress of each learner. Shy students and those grappling with reading difficulties have actively participated in collaborative activities, dynamic discussions and received tailored support, ensuring their comprehension and engagement. The implementation of varied assessment levels caters to learners across the spectrum of abilities and backgrounds, allowing each student to showcase their unique understanding and skills. The review process serves not only as a recap but also as an assessment of how well differentiation strategies have catered to the diverse learning needs within the class, promoting inclusivity and comprehensive understanding.

## Additional Reading

Any approved financial accounting book by NaCCa can be used as a further reading material.

## Summary of Teaching/Learning Resources

Exercise books, markers, copies of financial statements/reports from newspapers, projector, computer, internet sources, school handbook, textbooks.

## References

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5. Wood, F (1993) Business Accounting 1,6<sup>th</sup> Edition, Pitman Publishing.

