

**OBERLIN HIGH SCHOOL  
PRINCIPLES OF BUSINESS  
GRADE 11 OUTLINE**

**❖ SECTION 5:                    PRODUCTION**

**SPECIFIC OBJECTIVES**

**CONTENT**

Students should be able to:

1. identify factors in the production of goods and services;

Factors of Production: land, labour, capital, enterprise/*entrepreneurial skill*.

2. identify industries developed from the natural resources of Caribbean territories;

Caribbean industries developed from agricultural produce, mining, *fishing, and other areas*.

3. differentiate between production and productivity;

*Output produced versus output per unit of input.*

4. explain the importance of productivity;

Productivity as it relates to the efficiency of labour, including its value and importance; the factors affecting *the labour supply*; human resource development (including education, health, and working conditions); *importance of a positive work ethic; use of capital to improve productivity; land use and declining productivity in the region.*

5. explain the role of capital in production;

*Capital's use in producing other goods; to undertake production that labour would not complete in a timely manner (for example, deep sea drilling).*

6. differentiate amongst types of capital;

*Fixed, working and venture capital.*

7. classify the different types *and levels* of production;

(a) Types of Production:

- (i) extractive (agriculture, mining, fishing);
- (ii) construction (building);
- (iii) manufacturing (assembling, refining); and,
- (iv) service (transport, communication, tourism).

(b) *Levels of production:*

- (i) *subsistence;*
- (ii) *domestic consumption;*
- (iii) *surplus; and,*
- (iv) *export.*

8. describe the characteristics of cottage industries;

Cottage Industries:

- (a) home-based;
- (b) mainly manual;
- (c) small scale;
- (d) use of local raw material; and,
- (e) use of family members as labour.

9. outline the functions of small businesses;

Functions of small businesses:

- (a) Create employment.
- (b) Provide services that large firms are not willing to produce.
- (c) Niche markets.

10. discuss the advantages and disadvantages of small business;

(a) Examples of advantages:

(i) generate employment and incomes especially in rural areas and economically depressed areas;

(ii) increase competition for larger firms; and,

(iii) introduce new products and ideas (for example, event planning).

(b) Examples of disadvantages:

(i) the business lacks expertise in certain areas;

(ii) owners find it difficult sourcing finance from financial institutions; and,

(iii) limited ability to service customers due to unavailable resources.

11. explain how a business grows internally and externally;

(a) Examples of internal growth:

(i) opening other outlets;

(ii) employing more workers; and,

(iii) increasing capital.

(b) Examples of external growth:

(i) joint ventures;

(ii) mergers; and,

(iii) takeovers/acquisitions.

12. outline the opportunities for and benefits of developing linkage industries; and,

Linkage industries:

(a) backward; and,

(b) forward.

13. explain the effects of growth on a business.

Growth of a business and effects on:

(a) organisational structure;

(b) capital;

(c) labour;

(d) use of technology; and,

(e) potential for export.

## ❖ SECTION 5:                    MARKETING

### SPECIFIC OBJECTIVES

### CONTENT

Students should be able to:

*1. explain the concepts of market and marketing;*

*Explanation of market and marketing to include types.*

*New trends such as social media marketing and integrated marketing must be included.*

*2. explain marketing activities;*

Marketing activities:

(a) market research:

(i) consumer taste;

(ii) competition; and,

(iii) consumer behaviour.

(b) pricing;

- (c) packaging;
- (d) branding;
- (e) sales promotion;
- (f) advertising; and,
- (g) distribution.

3. describe the “marketing mix”;

- Marketing mix:
- (a) product;
  - (b) price (*pricing strategies*);
  - (c) place; and,
  - (d) promotion.

4. describe the factors that influence consumer behaviour;

- Factors that influence consumer behaviour:
- (a) price;
  - (b) price of substitutes;
  - (c) quality;
  - (d) taste;
  - (e) tradition;
  - (f) income (affordability);
  - (g) spending patterns; and,
  - (h) brand loyalty.

5. identify factors affecting packaging and presentation of goods;

- Packaging:
- (a) presentation; and,
  - (b) use of brand names.

6. describe methods of promoting sales;

Methods of promoting sales:

(a) advertising:

(i) functions and forms;

(ii) promotion including trading stamps and coupons, loyalty points, rebates, bundling; and,

(iii) loss leaders.

(iv) social media

(b) public relations including business entertainment and the offering of special awards and sponsorship;

(c) sales promotion; and,

(d) personal selling.

7. identify the techniques of selling;

Selling:

(a) salesmen and their approaches;

(b) merchandising and adjusting of pricing policy; and,

(c) methods of retailing: shops, department stores, mail order, e-commerce, tele-marketing, vending machines.

8. explain the various terms of sales;

Terms of sales:

(a) cash;

(b) credit;

(c) hire purchase;

(d) layaway;

(e) consignment; and,

(f) cash and trade discounts.

9. list the functions of consumer organisations;

Functions of consumer organisations:

(a) the rights and protection of consumers (private organisations and government);

(b) role of quality control organisations like the Bureau of Standards; and,

(c) role of the Ombudsman.

10. outline the role of customer service;

Ensuring conformity to customer requirements; adherence to copyrights, effective communication, coordinating flow of goods, services and information.

11. describe forms of customer service; and,

Forms of customer service:

(a) warranty;

(b) after sales service;

(c) feedback;

(d) online chat;

(e) toll free numbers/call centres;

(f) suggestion box; and,

(g) surveys.

12. explain the concept of intellectual property rights.

Explain the concept and include subsets such as trademark, copyright, patent, industrial design.

## ❖ SECTION 7: LOGISTICS AND SUPPLY CHAIN

### SPECIFIC OBJECTIVES

Students should be able to:

*1. explain the term logistics and supply chain operations;*

### CONTENT

(a) Define:

(i) logistics; and,

(ii) supply chain operations.

(b) Explanation of the components of logistics: forward and reverse flow of goods; storage of goods; services such as insurance and related information between destinations.

(c) *Activities involved in supply chain operations:*

(i) *transformation of natural resources;*

(ii) *movement and storage of raw materials;*

(iii) *processing of raw materials and components into finished goods;*



(iv) *storage of work-in-progress and finished goods; and,*

(v) *delivering the finished product from point of origin to point of destination.*

2. *describe* the links in the chain of distribution;

The distribution chain:

(a) manufacturer;

(b) wholesaler;

(c) retailer; and,

(d) consumer.

3. distinguish between multimodal and intermodal transport;

Modes of transport and their suitability for different goods:

(a) air;

(b) rail;

(c) road;

(d) marine (cruise and cargo);

(e) pipeline; and,

(f) digital delivery.

4. interpret information on transport documents;

Transport documents including import licenses, bill of lading and airway bills.

5. explain the role of transport in marketing;

Role – to fast-track sourcing of commodities; ensure security of supply; and cost reduction. Importance of transport in domestic, regional and foreign trade.

6. identify advantages and challenges of supply chain operations;

(a) Advantages: better quality of life; wealth creation; new and innovative job opportunities including entrepreneurship, for example, telemarketing.

(b) Disadvantages: globalisation, counterfeiting, product complexity, rapid product obsolescence, regulatory complexity, management blunders, changing market conditions, natural disasters, and political instability.

7. explain the impact of logistics and supply chain operations on the competitiveness of business;

(a) Logistics improve competitiveness.

(b) Competitive advantage.

(c) Comparative cost advantage outsourcing through:

(i) second party;  
(ii) third party; and,  
(iii) fourth party. (For example, imported concentrates).

8. identify the problems likely to be encountered in distribution;

Problems:

Problems encountered in distribution:

(a) Relationship between the availability of airport, harbour and docking facilities and the efficient distribution of goods.

(b) Delayed shipment, spoilage, misdirection of goods, inadequate warehousing facilities, lack of proper security measures, industrial unrest, and ineffective communication.

9. outline measures to mitigate problems in distribution; and,

Measures to mitigate problems, including but not limited to:

(a) Government intervention.

(b) Communication network including use of the internet.

(c) Insurance.

(d) Selecting the most appropriate channel of distribution based on product.

(e) Use handling services with good reputation.

(f) Careful labelling and documentation.

(g) Avoid holding large stocks.

(h) Employing security company, use of security cameras.

## ❖ SECTION 8: BUSINESS FINANCE

### SPECIFIC OBJECTIVES

### CONTENT

Students should be able to:

1. *identify various financial institutions;*

*Financial institutions:*

(a) Central bank.

(b) Commercial banks.

(c) *Non-bank financial institutions:*

(i) *Credit unions;*

(ii) *insurance companies; and,*

(iii) *building societies.*

(d) *Micro-lending agencies.*

(e) *Government agencies.*

2. *describe the functions and services offered by financial institutions;*

*Functions offered by financial institutions:*

- (a) *loans/ credit facilities;*
- (b) *savings and deposits;*
- (c) *making payments; and,*
- (d) *investments.*

*Services offered by financial institutions:*

- (a) *night safe deposits;*
- (b) *online banking;*
- (c) *advisory services;*
- (d) *credit and debit cards;*
- (e) *trustee work;*
- (f) *deposit boxes;*
- (g) *ATM/ABM services;*
- (h) *e-trade;*
- (i) *settlement services; and,*
- (j) *remittance services.*

3. *describe the role and functions of financial regulatory bodies;*

*(a) Financial Regulatory Bodies are government organisations such as:*

*(i) Central Bank.*

*(ii) Jamaica Deposit Insurance Company (JDIC).*

*(iii) Financial Services Commission (FSC).*

*(b) Role of regulatory bodies:*

*- To monitor, control and guide various industry sectors in order to protect consumers.*

*(c) Functions of regulatory bodies:*

*- To enforce regulations and licenses of various financial activities, including depository, lending, collection and money transmission activities.*

4. describe the relationship between financial institutions and regulatory bodies;

*The regulatory role:*

*(a) Central Banks – Ways in which a Central Bank may regulate commercial banks:*

*(i) variations in the liquid assets ratio;*

*(ii) vary or adjust the bank rate; and,*

*(iii) changing the minimum reserve requirements.*

*(b) Financial Services Commissions.*

*(c) Supervisor of Insurance.*

5. outline ways used by individuals to manage personal income;

*Ways of managing personal incomes:*

*(a) allocation of income relative to commitments through the use of a budget;*

*(b) savings;*

*(c) investment; and,*

*(d) financial advising.*

6. differentiate between savings and investments;

*Forms of Savings:*

*(a) Sou sou (meeting-turn, partner, box hand);*

*(b) deposits in financial institutions; and,*

*(c) short term fixed deposits.*

*Forms of investments*

*As deferred income and investment as risk bearing:*

*(a) stock market;*

*(b) government securities: bonds, debentures; and,*

*(c) mutual funds.*

7. explain the concepts of short-term and long-term financing;

*Types of short-term financing:*

*Trade credit, commercial bank loans, Promissory notes, instalment credit, indigenous credit or private money lenders, advances from customers, factoring, venture capitalists, crowd funding, angel investors.*

*Types of long-term financing:*

*(a) loans from government agencies; and,*

*(b) mortgages, debentures, shares, insurance, investment and unit trusts.*

8. identify personal sources of capital for setting up of a business; and, *Sources of personal capital:*

*(a) friends and family;*

*(b) personal savings;*

*(c) government grants;*

*(d) loans;*

*(e) equity;*

*(f) venture capital; and,*

*(g) crowd funding.*

9. identify the purposes of basic financial records for sole traders. *(a) Identify types of bookkeeping systems – single and double entry.*

*(b) Explain the purpose of basic financial statements: income statement (profit and loss) and statement of financial position (balance sheet); statement of cash flow.*

## ❖ SECTION 9:                      **ROLE OF GOVERNMENT IN AN ECONOMY**

### **SPECIFIC OBJECTIVES**

### **CONTENT**

Students should be able to:

1. outline the responsibilities of government in an economy;

Responsibilities of government in an economy:

- (a) security of the State;
- (b) protection and general welfare of citizens;
- (c) job security and severance benefits to workers;
- (d) protection of the environment;
- (e) maintenance of a safe environment for investors; and,
- (f) regulation of business activity in terms of providing clear guidelines as how to set up businesses.

2. describe how government can influence businesses to protect the environment;

*Policy or legislation on:*

- (a) *green technology;*
- (b) reforestation;
- (c) *proper disposal of waste;*
- (d) zoning laws; and,
- (e) *the appropriate use of technology in production and disposal of wastes.*

3. state the purposes of taxation;

Reasons why government charge taxes:

- (a) to curb inflation by reducing the supply of money in the economy;
- (b) to remove competition from local goods in order to protect infant or fledgling industries by taxing imports at high rates;
- (c) to lower employment by encouraging persons to buy local produce thus encouraging linkages among sectors; and,
- (d) to achieve greater equality in the distribution of wealth and income by taxing



the higher income earners so as to provide social services for the majority of citizens.

4. distinguish between direct and indirect taxes;

(a) Direct taxes refer to those taxes where the burden of the taxes and the payments of them fall on the same individual. This type of tax is usually applied to income and capital and is paid by individuals. Examples of direct taxes:

- (i) Income tax.
- (ii) Corporation tax.
- (iii) Capital gains tax.
- (iv) Capital transfer tax.

(b) Indirect taxes refer to those taxes where the burden and payment of the taxes fall on different individuals. This type of taxes is levied on goods and services and is usually paid by the manufacturers or importers. Examples of indirect taxes:

- (i) Custom duty.
- (ii) Excise duty.
- (iii) Purchase tax.
- (iv) Stamp duty.
- (v) *Consumption tax such as GCT, SCT, and VAT.*

5. describe the forms of assistance offered by government to businesses; and,

Forms of government assistance includes:

- (a) lending capital and technical assistance;
- (b) training and human resource development;
- (c) research and information centres; and,
- (d) subsidies and grants.

6. *discuss the social services provided by government.*

Social services provided by government:

- (a) healthcare;
- (b) national insurance;
- (c) education; and,
- (d) roads and transportation.

❖ **SECTION 10: TECHNOLOGY AND THE GLOBAL BUSINESS ENVIRONMENT**

## **SPECIFIC OBJECTIVES**

Students should be able to:

1. *explain the concept of business technology;*

2. *explain the role of Information Communication Technology (ICT) in business;*

## **CONTENT**

*Definition and concept of business technology: Business technology refers to applications of science, data, engineering, and information for business purposes, such as the achievement of economic and organisational goals. The main element of technology is the idea of change, and how it can affect business and society.*

*(a) Role of technology in business:*

*ICT is considered to be all uses of digital technology that exist to help individuals, businesses and organisations use information. So ICT is concerned with the storage, retrieval, manipulation, transmission or receipt of digital data. Importantly, it is also concerned with the way these different uses can work with each other.*

*(b) Ways in which technology has influenced banking and commerce:*

*(i) Through the introduction of Automatic Teller Machines (ATMs) and Automated Banking Machines (ABMs) which facilitate the deposit and withdrawal of funds, as well as other services without having to go into a bank to access teller services. The location of ATM machines in hotels, petrol stations, malls and supermarkets adds to the convenience of customers who can transact business without having to wait in line at a bank.*

*(ii) The practice of on-line banking which enables customers to access their accounts from home and other locations using personal computers. This facility enables customers to check their balances from the comfort of their homes and permits easy and convenient payment of utility and other bills. Customers with more than one account can also use this facility to transfer funds from one account to another.*

*(iii) Through electronic commerce (e-commerce). Using the internet, individuals and businesses are now able to make business*

*transactions via the World-wide web, without having to visit a physical brick and mortar store. E-commerce has given rise to many on-line stores which permit customers to browse for products and pay for them electronically.*

*3. describe the types of ICT used in business;*

*Types of technology:*

*(a) Traditional*

*(i) Productivity tools, for example:*

- Word;*
- Excel;*
- database software: Access;*
- presentation software: PowerPoint, Prezi; and,*
- graphics software: Adobe Photoshop.*

*(ii) Specialist applications:*

- Accounting: QuickBooks.*
- Computer Aided Design (CAD).*
- Management Information Systems.*

*(b) Digital communication technologies:*

*(i) internet; and,*

*(ii) mobile.*

*4. distinguish between E-commerce and E-business;*

*Definition of e-commerce and e-business:*

*In both cases, the e stands for "electronic networks" and describes the application of electronic network technology - including Internet and electronic data.*

*E-commerce covers outward-facing processes that touch customers, suppliers and external partners, including sales, marketing, order taking, delivery, customer service, purchasing of raw materials and supplies for production and procurement of indirect operating-expense items, such as office supplies. It involves new business models and the potential to gain new revenue or lose some existing revenue to new competitors. interchange (EDI) – to improve and change business processes.*

*E-business includes e-commerce but also covers internal processes such as production, inventory management, product development, risk management, finance, knowledge management and human resources. E-business strategy is more complex, more focused on internal processes, and aimed at cost savings and improvements in efficiency, productivity and cost savings.*

*5. identify ways in which ICT can be used to improve efficiency of business operations;*

*(a) Ways in which technology can improve business:*

- (i) speed and time;*
- (ii) easier storage;*
- (iii) improved sharing of information; and,*
- (iv) automation.*

*(b) Benefits of technology to business:*

*(i) reach more potential customers, develop a business relationship with potential customers;*

*(ii) streamline operations, reduce costs, improve efficiency, maximise profit, minimise waste, devote talent to core business instead of overhead;*

*(iii) provide better service to customers;*

*(iv) support better relationships with key partners; and,*

*(v) allow customers to better guide the business.*

6. discuss the ethical implications of *the use of ICT in business*;

*Consequences of unethical use of ICT:*

- (a) *security;*
- (b) *privacy;*
- (c) *intellectual property infringement;*
- (d) *impact on humans; and,*
- (e) *distraction.*

7. outline the factors that determine a country's standard of living and its quality of life;

*(a) Indicators of a country's standard of living (SOL):*

*(i) level of consumption of goods and services;*

*(ii) average disposable income of the population;*

*(iii) level of national ownership of capital equipment;*

*(iv) access to modern technology; and,*

*(v) level of investment in research and technology.*

*(b) Indicators of quality of life (QOL):*

*(i) extent of security enjoyed (level of crime);*

*(ii) availability of health, educational and recreational facilities;*

*(iii) diet and nutrition;*

*(iv) life expectancy;*

*(v) rate of infant mortality; and,*

*(vi) access to public utilities, such as, electricity, potable water and technology.*

8. explain national income and its variations: gross national product, gross domestic product, per capita income;

*(a) Definitions of National Income (NI), Gross National Product (GNP), Gross Domestic Product (GDP), Per capita income (PI).*

*(b) Explanation of how each of these concepts affect growth and development and impact standard of living and quality of life.*

9. describe the role of education in economic growth and development;

*How education can improve the workforce leading to increase in output.*

10. outline the reasons for international trade;

*Reasons why countries trade with each other:*

*(a) one country may not be endowed with certain assets or have the natural resources such as land, labour, capital or enterprise to produce the goods that they need;*

*(b) a country may not be able to produce the goods and services they need in the quantities or of the quality that they require;*

*(c) a country may not have the climate to grow certain foods and have to depend on trade to get it for example wheat in United States; and,*

*(d) international trade allows for foreign direct investment allowing individuals in one country to invest money in foreign companies and other assets.*

11. identify the functions of major economic institutions and systems;

*Functions of these institutions and related agreements:*

*(a) Caribbean Community (CARICOM);*

*(b) Caribbean Single Market and Economy (CSME);*

*(c) Caribbean Development Bank (CDB);*

*(d) International Bank for Reconstruction and Development (IBRD);*

*(e) World Bank;*

*(f) International Monetary Fund (IMF);*

*(g) World Trade Organisation (WTO); and,*

*(h) Organisation of American States (OAS).*

12. explain how economic institutions or trade agreements impact the Caribbean;

*Explanation of the possible impact that each of these institutions/agreements can have on Caribbean countries.*

13. identify major economic problems of the Caribbean;

*Major economic problems in the Caribbean: unemployment, population density, migration, debt burden, sourcing capital and raw materials, economic dualism in the region.*

14. outline appropriate solutions to the major economic problems of the Caribbean; and,

*Possible solutions to economic problems:*

*(a) access to Foreign Direct Investment (FDI);*

*(b) development of human resources;*

*(c) development of manufacturing, distribution and export sectors; and,*

*(d) development of technology to generate economic activity.*

15. explain the role, benefits and impact of foreign investment.

*(a) definition of foreign investment (direct and indirect investment);*

*(b) explanation of how foreign investments can positively impact Caribbean countries and businesses; and,*

*(c) explanation of the negative*