**BUSINESS STUDIES JSS3 SECOND TERM NOTE**

**GENERAL INSTRUCTION: PRINT AND COPY IN YOUR NOTE (at least up to week two)**

**SCHEME OF WORK:**

WEEK ONE: HOW TO MAKE COMPLAINT AND CONSUMER REDRESS

WEEK TWO: PERSONAL FINANCE AND BUDGET, ATTRIBUTES OF MODESTY

WEEK THREE: TRIAL BALANCE

WEEK FOUR: TRADING, PROFIT AND LOSS ACCOUNT

WEEK FIVE: BALANCE SHEET

WEEK SIX: THE COMPUTER KEYBOARD (SPECIAL AND HOME KEYS)

WEEK SEVEN: INTERNATIONAL PAPER SIZES AND THEIR USES

WEEK EIGHT: MANUSCRIPT AND KEYBOARDING (PRACTICAL)

**WEEK ONE: HOW TO MAKE COMPLAINTS:**

**Meaning of consumer complaint:** This is refers to an expression of dissatisfaction made by a consumer about a product or service.

**Justified and unjustified consumer complaint:**

A justified complaint is a complaint that reveals a violation of business agreement provided to guide the quality of a product or service. An unjustified complaint is one that has no evidence of violation of business agreement against the quality of a product or service.

**Examples of justified complaint are:**

1. Faulty products
2. Late deliveries
3. Missing parts
4. Wrong shipments
5. Rude employees
6. Mistake on invoice
7. Poor service quality

**Steps in lodging a complaint:**

Consumer’s complaint may be written or oral through phone calls, email, letters etc. However, it should follow the steps below;

1. Contact the business to make your complaint known
2. Early make your desired resolution known
3. Present the business with proof of purchase to determine a repair, refund or replacement.
4. If after taking the above steps, the problem remain unsolved then, a complaint letter can be written.

**Reason for banning or restricting chemicals not suitable for use:**

A banned product is a product whose sales and production is banned forbidden. Chemicals may be banned for the following reasons:

1. **Corrosive:** ie if causes visible destruction to the body or irreversible damage to the system.
2. **Toxic:** if it causes harm to health when it enters the body such as;
3. Destroying cardiovascular system causing heart failure.
4. Causes birth defect in unborn babies.
5. Destroys reproductive system causing infertility.
6. Damage the renal system thereby destroying the kidney and causing kidney cancer.

**CONSUMER REDRESS**

This is the provision for a consumer to receive a fair settlement of justified claim, including compensation for poor quality goods, misleading information, or unsatisfactory services.

**Ways of seeking redress**

1. **Warranties:** This is often used as a means of customer redress express warranties are usually written or verbal promises to repair or replace a defective product, for a particular time.
2. **Guarantees:** A guarantees is one step above a warranty. They offer their customer their money back if unhappy. Guarantees a great way to increase customer confidence and loyalty.
3. **Customer service:** This is a service offered by a vendor or manufacturer where professionals are hires to take calls or e-mail or respond to customer inquiries.
4. **Alternative dispute resolution:** Some organization like Negotiation and Conflict Management Group (NCMG) offer Alternative Dispute Resolution (ADR) This organization have standards for dispute resolution which the business must abide by or risk losing its rights to remain as part of the organization.
5. **Government Agencies and Commissions GAC):** Such as CPA, NAFDAC, NCC are established as regulatory agencies. An unsatisfied consumer can get redress from these agencies through a written petition.
6. **Legal Redress:** If a customer cannot find sufficient redress through other channels, he/she takes it up with the courts. Legal consumer redress ranges from small claims for minor monetary losses, to general court suits for more serious complaints with huge claims.

**Benefits of providing redress**

1. It promotes fair trading
2. It promotes access to justice for consumers.
3. It helps companies to improve their services.
4. It brings economic benefits by improving consumer confidence and raising industry standards.
5. It prevents further harm to other customers

**WEEK TWO: PERSONAL FINANCE/ BUDGET:**

This is also known as personal budget. It means the act of planning how an individual’s money is spent over a specific period of time. Its importance is that it helps to make efficient use of money and also to avoid unnecessary spending.

**SOURCES OF PERSONAL FINANCE:**

1. Individual (personal) savings
2. Borrowing from friends or relatives
3. Loans from banks or financial institutions
4. Loans from cooperative societies
5. Purchasing of goods on credit from producers, wholesalers and retailers.

**CONSUMPTION AND CHOICE:**

Consumption is the process of making use of goods for ones benefits. It is regarded as the end of production process. Choice is the process of selecting out of numerous unlimited wants.

**SALES OF PREFERENCE:** This is the list of one’s wants or desire in order of importance or significance.In the arrangement of needs, the most pressing one are placed on top while the least pressing wants take the last position. It helps individuals and organizations to be wise in spending because of scarce resources at hand.Modesty is the ability to spend within ones income.

**ATTRIBUTES OF MODESTY:**

1. **Simplicity**: This means not being luxurious, not spending extravagantly and being easily understood.
2. **Living within ones income:** This means that one is rationally selecting those goods and services that will not take much of one’s income eg. Mr. James’ salary is #150, then he buys all things within his salary compared to Mr. John whose salary is #120 and buys a shirt or cloth of #170, Mr. John is said to be living out of his income.
3. **Contentment:** This is a state of being satisfied with what one has.

**EFFECTS OF LIVING MODESTLY:**

1. **Self- control:** This means limiting one’s expenditure or expenses within the available resources or finance ie ability to guide against excessive spending.
2. **Low tendency of corrupt practices**: corrupt practices such as adulterated products, embezzlement of money, inflation of goods and services, will be at minimal level in the life of someone that lives a modest life.
3. **Prudence:** This means spending wisely and carefully.

**BUDGET**: This can be defined as an individual or organizations plan of income and expenditure normally for a financial year.

**Budget deficit**: This is when the expected expenditure is more than the expected income.

**Budget surplus:** When expected income/ revenue is more than the expected expenditure.

**Budget balance:** When the income is equal to the expected expenditure.

Preparation of individual budget:

1. **Sources of expected income**
2. Money from trading activities xx
3. Salaries xx
4. Money from personal savings xx
5. Loan from friends and relatives xx
6. Loans from banks xx
7. Loans from co-operative society xx

Xxx

1. **Estimated expenditure**
2. Feeding xx
3. Rent xx
4. Transportation xx
5. Children expenses xx
6. Personal wears xx
7. Miscellaneous xx

Xxx

Examples: From the item below prepare budget of John enterprise.

|  |  |
| --- | --- |
| Children education | 100,000 |
| Profit from trading | 80,000 |
| Salaries for the year | 200,000 |
| House rent | 7,000 |
| House upkeep | 20,000 |
| Transport | 10,000 |
| Cooperative loan | 100,000 |
| Loan repayment | 50,000 |
| Dependent relatives | 10,000 |
| Salary to sales girl | 30,000 |

**SOLUTION:**

**EXPECTED INCOME ## EXPECTED EXP. ##**

|  |  |  |  |
| --- | --- | --- | --- |
| Profit from trading | 80,000 | Children education | 100,000 |
| Salaries for the year | 200,000 | House rent | 7,000 |
| Cooperatives loan | 100,000 | House upkeep | 20,000 |
|   |  | transportation | 10,000 |
|  |  | Loan repayment | 50,000 |
|  |  | Salary to sales girl | 30,000 |
|  |  | Dependent relatives | 10,000 |
| **Total income** | **380,000** | **Total expenses** | **227,000** |

**WEEK THREE: TRIAL BALANCE**

This is referred to as a list or statement that shows the arithmetical accuracy of ledgers. It is used to prove the account of book keeping.

Uses of trial balance

1. it helps in the preparation of financial statement
2. it is used to test the accuracy of the double entry.

Rules of trial balance

1. all expenses must be recorded on the debit side
2. all liabilities must be recorded on the credit side.
3. All assets must be put on the debit side.
4. All income and gain must be on the credit side.

Format of a trial balance

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Folio | Debit | credit |
|  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Trade capital | Dr. | Cr. |  | Dr. | Cr. |
| Capital |  | x | Furniture and fittings | X |  |
| Plants and machinery | X |  | Bad debt | X |  |
| Premises | X |  | Carriage outward | X |  |
| Stock at the beginning | X |  | Lighting | X |  |
| Purchases | X |  | Discount allowed | X |  |
| Sales |  | X | Discount received |  | X |
| Rent and rates | X |  | Telephone | X |  |
| Wages and salaries | X |  | Loan | X |  |
| Advertisement | X |  | Drawings | X |  |
| Sundry expenses | X |  |  |  |  |
| Cash at hand | X |  |  |  |  |
| Bank overdraft | X |  |  |  |  |
| Debtors | X |  |  |  |  |
| Creditors |  | X |  |  |  |
|  |  |  |  | xxx | xxx |

Types of errors in trial balance

1. Arithmetical errors:
2. Errors of transposition: These are errors in which the position of figure is changed from the original.
3. Bookkeeping errors:
4. Suspense account

**WEEK FOUR: TRADING, PROFIT AND LOSS ACCOUNT**

This is an account prepared by a trader to calculate the company’s net profit, loss of goods sold, and cost of goods available for sale, turnover and gross profit.

Trading account has “T” format with two Naira signs, first naira sign is for primary calculation and the second naira signs is for final computation.

Stock and purchases are debited with the trading account while sales are credited.

**Preparing of trading account:**

1. **Opening stock:** This refers to the stock available at the beginning of the accounting period. It is the debit in the trading account.
2. **Purchases**: These are values of goods purchased for resale. It is also debited in the trading account. The value of purchases is added to opening stock.
3. **Carriage inwards:** This is the value or cost of transportation. The value is added to the cost incurred in purchasing an item.
4. **Return outwards:** This is the value of goods retires to the suppliers, the value is deducted from purchases.
5. **Cost of goods available for sale**: This is the figure arrived at after adding net purchases to opening stock.
6. **Net purchases:** this is the adding of carriage inward and purchases and deducted of return outward. etc.

Net purchases = purchases +carriage inward- return outward eg.

If purchases = 5000

Carriage inward = 300

Return outward = 400

Net purchases = ?

Solution:

1. **Closing stock:** This is the value of goods available at the end of a trading period.

**Format of trading account:**

God’s favour and co ltd trading account for the year 31st December 2021.

# # #

Opening stock xx sales xx

Add purchases xx less return outward xx

Add carriage inward xx xxx

 Xx gross profit (if any)

Less return outward xx

Net purchases xxx

Cost of goods available xxx

Less closing stock xx

Cost of goods sold xxx

Gross profit c/d xx

 Xxx xxx

**WEEK FIVE: BALANCE SHEET**

Balance sheet is a statement of account which contains the assets and liabilities of an organization at a particular time.

**Classification of items in the balance sheet**

In the balance sheet, items are classified into:

1. Assets
2. Liabilities
3. Capital
4. **Assets:** These are properties owned by the company, they are the equipment and properties that the company acquire to produce other things e.g computer, typewriter, goodwill.
5. **Liabilities:** These are properties, equipment and funds which the company is using but does not belong to them e.g loan, overdraft, creditors etc.
6. **Capital:** These are funds and items which the owner of the business provides. It is known as owner’s equity. It is what the company owes the proprietor (owner of the company).

 **Types of Assets:**

1. **Fixed asset:** These are assets that are permanent in nature. They generate revenue for the organization; they are equipment that can last for a very long time. E.g land, building, motor vehicle etc.
2. **Intangible assets**: These are assets that cannot be seen or touched but has value e.g copyright, pattern right, goodwill etc.
3. **Liquid assets:** These are assets that can be easily turned into cash e.g stocks, debtors, investment etc.
4. **Wasting assets:** These are natural resources like timber, mineral deposit and other natural resources that are physically consumed.
5. **Current assets**: These are assets that last for short period of time e.g cash in hand, prepaid expenses, debtors.

**Types of Liabilities**

1. Long term liabilities: These are obligations (debts) expected to be paid after some years. E.g five, ten, fifteen, twenty years. They are liabilities that are payable in future e.g debenture.
2. Current liabilities: These are payable within a short period of time e.g creditors, loan, overdraft, accrued expenses etc.

**Types of Capital**

1. **Working capital**: This refers to excess of current assets over current liabilities. Working capital = current assets – current liability
2. **Capital employed:** This is total assets less current liabilities

 e.g (CE=TA-CL)

1. **Over drafting**: This is when the company does not have circulating capital. It can lead to bankruptcy.
2. **Nominal/ Registered/ Authorized capital**: This is the capital that is contained in the memorandum of association and approved by the register of companies on the approval stage of the company. It has limited amount that cannot be exceeded during the share of sales.
3. **Issued capital:** This is the capital which the company wishes to sell out to the members of the public.
4. **Called up capital:** This is the part of the issued capital which the company has not paid for.
5. **Paid-up capital:** This is the part of the called up capital which has been subscribed and paid for.
6. **Uncalled capital:** This is the part of issued capital which the company has not paid for.
7. **Unpaid capital:** It is the part of the uncalled capital which the members of the public house subscribed but has not paid for.
8. **Loan capital:** This is the capital or money which the company borrowed e.g loan and debenture.
9. **Liquid capital:** These are capital that can easily change their state.

**USE OF BALANCE SHEET**

1. It reveals the summary of assets, liabilities and capital at a glance.
2. It shows the financial state of a business at a particular period of time.
3. It helps to differentiate between fixed and current asset.
4. It shows long and short term liabilities of a business.
5. It helps to compare between two or more firms that are engaged in a business.

Format of a balance sheet

**Liabilities # # Assets # #**

Capital xx land and building xx

Add net profit xx furniture and fitting xx

 Xxx other equipment xx

Less drawings xx plants and machinery xx

  **Xxx** motor vehicle xx

**Long term liabilities** goodwill xx

Bank loan xx **xxx**

**Current liabilities current assets**

Trade creditors’ xx closing stock xx

Bank overdraft xx trade debtors xx

Accrued expenses xx cash balance xx

  **Xxx** bankbalance xx

Repayment xx

 **xxx**

**WEEK SIX: THE COMPUTER KEYBOARD (special and home keys)**

A keyboard is a computer input device that is used to enter letters, symbols or numbers into the computer.

**Types of keys in the computer**

1. **The alphabet keys:** This contains letter A to Z. it can be used in combination with the caps lock to type capital letters A to Z or small letters a to z.
2. **Numeric keys**: This contains number 0 to 9. They are used to enter any number or value into the computer system.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **7** | **8** | **9** |  |  |
| **4** | **5** | **6** | **ENTER** |  |
| **1** | **2** | **3** |  |
| **0 ins** |  | **Del** |  |

1. **Print screen key:** This copies information that is displayed on the screen and save it to another location inside the computer or to the printer.
2. **The function keys:** The function keys are at the first top row on the keyboard. It contains F1 to F12

**F12**

**F1**

1. **Escape key**: This is located at the top left corner of the keyboard. It is used for stopping a program from running on the computer system.

**ESCAPE**

1. **Scroll lock or pause:** This is used to stop the movement of screen and loading of programs temporally on the computer system

**BACK SPACE**

**SPECIAL KEYS:** These are additional keys that perform some other control functions on the computer system. Eg

**TAB**

1. **Tab key:** This is used for changing cells when entering data into a table.
2. **Alternate (ALT) key:** This is used in entering commands that controls the operation of the computer.

**ALT**

1. **Space bar:** It is used for changing capital letters into small letters.
2. **Back space:** This is used to erase letters or characters from right to the left.
3. **Delete key:** This is used to erase letters or characters from the left to the right order on the computer.
4. **Caps lock key:** It is used to type capital letters only when it is turned on.
5. **Enter key:** The enter key controls the movement of data from one line to another on a document.

**SHIFT**

1. **SHIFT KEY:** This is used for changing capital letters into small letters.

**HOME KEYS:** This can be referred to the rows of key on the computer keyboard where your fingers rest on when not typing. The row keys for your left hand are; **A,S,D,F** and your right hand are **J,K,L, ;**

(semi colon) there are **thirteen (13)** keys on the home row that are not letters.

They are caps lock, semi colon and colon keys, single quote and quote key and the enter key. The home row keys of the numeric keypad are 4,5 and 6.