

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA

THE JUNIOR CERTIFICATE

BUSINESS STUDIES

GUIDELINES FOR TEACHERS

THE JUNIOR CERTIFICATE

AIMS AND PRINCIPLES

1. The general aim of education is to contribute towards the development of all aspects of the individual, including aesthetic, creative, critical, cultural, emotional, intellectual, moral, physical, political, social and spiritual development, for personal and family life, for working life, for living in the community and for leisure.
2. The Junior Certificate programme aims to
 - Reinforce and further develop in the young person the knowledge, understanding, skills and competencies acquired at primary level;
 - Extend and deepen the range and quality of the young person's educational experience in terms of knowledge, understanding, skills and competencies;
 - Develop the young person's personal and social confidence, initiative and competence through a broad, well-balanced general education;
 - Prepare the young person for the requirements of further programmes of study, of employment or of life outside full-time education;
 - Contribute to the moral and spiritual development of the young person and to develop a tolerance and respect for the values and beliefs of others;
 - Prepare the young person for the responsibilities of citizenship in the national context and in the context of the wider European Community.
3. The Junior Certificate programme is based on the following principles:
 - Breadth and balance: in the final phase of compulsory schooling, every young person should have a wide range of educational experiences. Particular attention

must be given to reinforcing and developing the skills of numeracy, literacy and oracy. Particular emphasis should be given to social and environmental education, science and technology and modern languages.

- Relevance: curriculum provision should address the immediate and prospective needs of the young person, in the context of the cultural, economic and social environment.
- Quality: every young person should be challenged to achieve the highest possible standards of excellence, with due regard to different aptitudes and abilities and to international comparisons.

The curriculum should provide a wide range of educational experience within a supportive and formative environment. It should draw on the aesthetic and creative, the ethical, the linguistic, the mathematical, the physical, the scientific and technological, the social, environmental and political and the spiritual domains.

4. Each Junior Certificate syllabus is presented for implementation within the general curriculum context outlined above.

(1)

FOREWORD

There is a recognition of the need for guidelines to help teachers implement new syllabuses for the Junior Certificate. These guidelines are now being issued to schools as part of a wider programme of support. The Minister for Education wishes to express her appreciation of the work of the National Council for Curriculum and Assessment, of the members of the various course committees, of the Education Officers appointed by the Council and of others who have contributed to the development of these materials – in particular, the Inspectorate of her Department and the presenters and participants at the In-service courses held in Spring 1989.

These guidelines are not prescriptive. Each individual teacher is free to choose his or her preferred teaching methodology for the achievement of the specified objectives and desired outcomes of each new syllabus. These guidelines offer some suggestions which be of further help to teachers. Particular attention is paid to areas of knowledge, understanding, skills, concepts and attitudes which the new syllabus highlights more than heretofore.

In that context, it is considered desirable to stress some important features which should inform the teaching and learning of the new syllabus –

- each syllabus should be taught with conscious reference to the overall aims of the Junior Certificate programme (see inside front cover). Numerous opportunities exist for cross-curricular linkages: these should be exploited through collective teacher planning and through individual teacher initiative;
- teaching practice should highlight the economic, social and cultural implications of Ireland's membership of the European Community and the challenges and opportunities which this provides within a wider context of citizenship. Subjects such as Business Studies and History and Geography are particularly important in this sense but all subject-teaching should incorporate this European dimension.

- In Geography and in Science, it is important that issues relating to the environment be treated in a balanced fashion as between the need to conserve and protect the natural environment and legitimate demands of economic development and industrial activity.

These guidelines are but one part of an overall programme of support for teachers. It is envisaged, for example, that in-service courses will focus on many issues which are raised in these guidelines.

The National Council for Curriculum and Assessment will consult with individual Subject Associations as to how best they might expand, develop and update preliminary lists of references and contacts which have been drawn up by course committee. These references would include books, videos, teaching-packs, computer software and other such material; teachers are advised to contact their particular Subject Association for further information.

Introduction

1. The syllabus is designed for students aged 12 - 15 years who have completed the sixth standard of primary education, the age profile and corresponding ability range of students should be borne in mind throughout.
2. The syllabus will be assessed at two levels - Ordinary and Higher. Care should be taken in use of language to ensure that the abilities of ordinary level students are catered for.
3. While much of the new syllabus may seem familiar at first glance it should be emphasised that for the most part it will require a new approach in teaching. A number of new topics will require some background work by teachers - amount will depend on the teacher's own special subject area.
4. Every opportunity should be taken to present women in equal profile to men as entrepreneurs and in position of authority.
5. Parts of the syllabus will require sensitive handling in the classroom situation so that individual students will not be put under stress because of their particular domestic environment.
6. The syllabus is designed for a completely integrated approach; it is also suggested in the introduction that it will involve integration of subject skills e.g. business studies and maths etc.
7. Teachers may adopt different teaching strategies, they may choose to start the course at different points. The decision rests with the classroom teacher. However Business Studies while incorporating much of the old syllabi does involve for the most part a difference in approach.

THE BUSINESS OF LIVING

BUDGETING

Income

In dealing with income in this opening section it should be remembered that it is being covered in the context of budgeting. Bearing this in mind, it would probably be advisable to leave any detailed treatment of wages slips until section two of the syllabus where completion of wages slips occurs. As an introduction to income this section could be introduced in a series of frames.

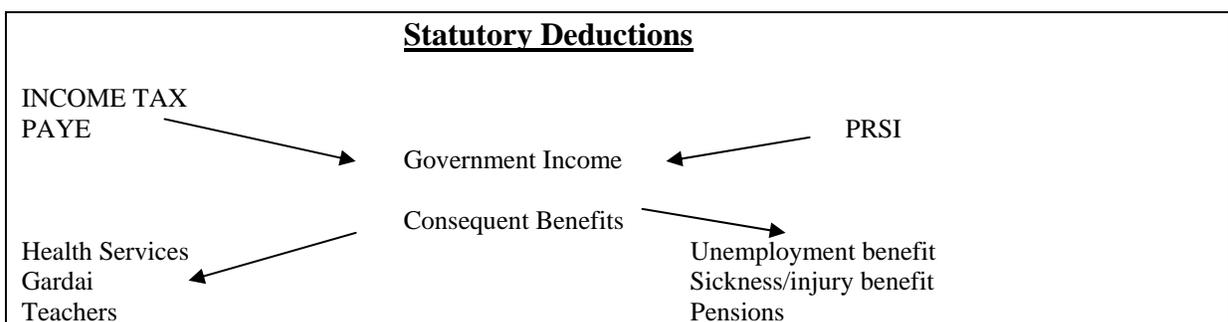
(1) Forms of Income

<u>Money</u>	<u>Soc/Welfare</u>	<u>Benefit in kind</u>
Wages	unemployment	subsidised meals
Salaries	old age	subsidised housing
Fees	illness	subsidised transport
Transport	injury	company car
Overtime	children	medical expenses
Commission	widows	clothing
Bonus		
Allowance		

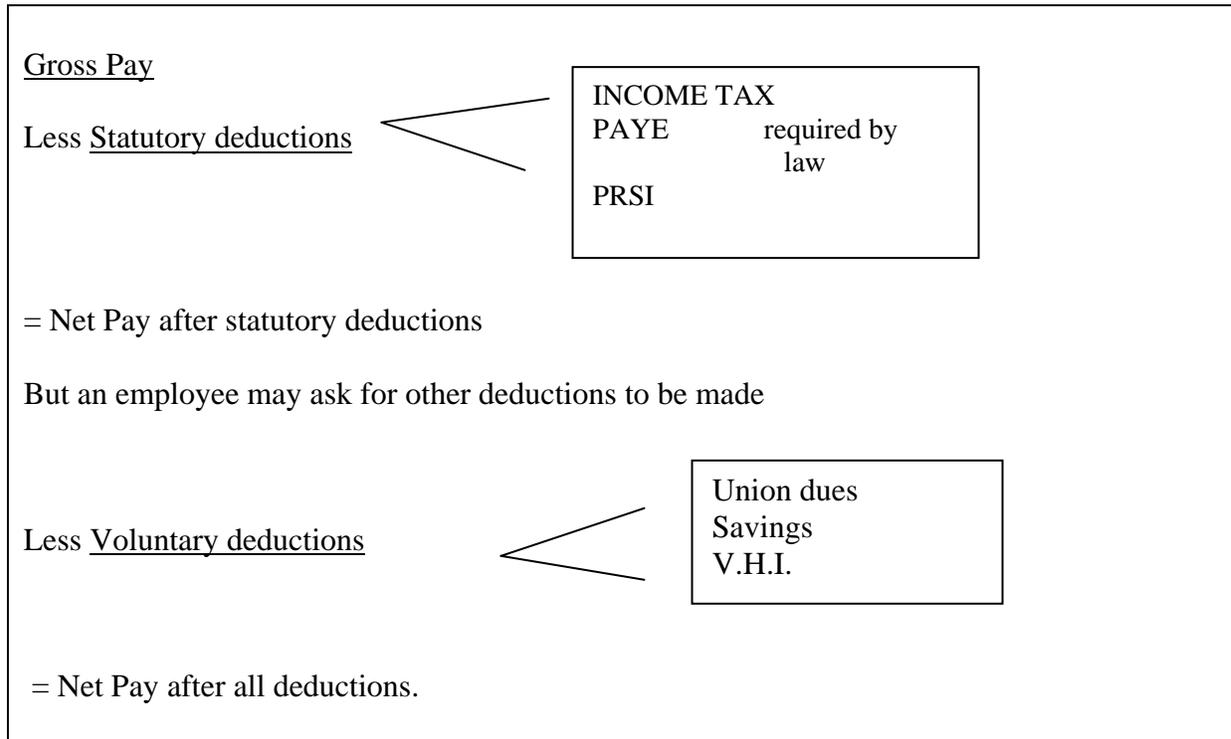
Can the student distinguish between regular and additional income?
Are there other sources of income? e.g. interest, rent etc.

(2) Statutory deductions and Consequent benefits

Statutory Deductions



Gross and Net Pay



Can the student answer the following questions, having examined a wages slip?

Are there any statutory deductions?

What benefits might arise from paying these deductions?

Give examples of "other deductions".

Do the wages contain any additional income?

What do the letters PAYE stand for?

What will the total net wages for the year be if the other months wages are the same?

Is there any danger in assuming that the other months income will be the same?

EXPENDITURE

It is suggested that the same format could be used in teaching about expenditure.

(1) **Nature and Timing of Expenses**

Although students may be familiar with many household expenses, the classification and timing is most unlikely to be familiar. Some time could profitably be spent showing how the most common bills are constructed e.g. ESB, Phone, Gas.

There are two general questions to be considered about each expense:

(1) Is the expense fixed, irregular or discretionary?

(2) Is the expense weekly, monthly or annual?

Presented with a list of expenses can the student now answer those questions?

(2) **Recording actual expenditure**

This would be the students' first formal introduction to the cash analysis book. Since the cash analysis book is central to accounting in the new syllabus, it is essential that students are introduced in a relaxed and efficient manner.

Having decided on a small number of headings, can the student now classify and record a list of household expenses? It is worth a little practice, weaker students may take a little time to adapt to this form of recording while some "bright" students can develop sloppy habits even at this stage.

(3) **Documents**

A number of standard business documents can be introduced as part of this unit e.g order form, delivery note, invoice, statement. The principle of checking statements can be used to link these documents. An ESB bill provides a good example of an invoice.

The use and purpose of a receipt as evidence of purchase and as source document for recording may be suitable material in this area.

Students may also be profitably introduced to the basics of filing - all the time emphasising that "how" to file is simply finding an easy method of accessing documents. More important is the question of "what" should be filed and "why".

(4) **Estimates**

From past figures can the student estimate future expenditure? Can the student spot the possible effects of a cold winter, Christmas, the timing of bills, etc. on budgeting.

The construction of a bar-chart illustrating the pattern of household expenditure over a year should help students to understand that pattern and perhaps suggest solutions to the ensuing difficulties.

Reference could be made when discussing this to opportunity cost, impulse buying and the importance of planning expenditure.

THE BUDGET

It is suggested that if students have a good grasp of budgeting for expenditure and estimating income then it should not pose too great a problem dealing with this section. The following approach might suit.

{1) **Matching income and expenditure**

By illustrating income and expenditure on bar charts all students should see where the deficits and surpluses arise.

Can the cash flow problems be eliminated by re-scheduling expenditure?

Is the budget problem caused by planned discretionary expenditure where no income is available for that purpose?

Does the budget appear to balance but estimated income has a major component of additional income.

(2) **Accounting**

The opportunity could be taken to have students record both income and expenditure in an analysis book, this will reinforce their accounting skills.

The opportunity could also be taken to use the cheque number column to emphasise integration.

N.B. Throughout this section it is of vital importance for teachers to be extremely sensitive about the domestic backgrounds of students - even simple projects on household expenditure may cause problems.

Care should be taken not to present stereotyped images of men and women.

CONSUMER EDUCATION

Every time a person buys some good or service the person is entering into a contract. The seller is agreeing to sell the good or service: the buyer is agreeing to pay for it. Consumer Law has been enacted to protect the consumer when 'things go wrong.'

The Informed Consumer

In introducing this unit, the aim should be to instil in students a positive attitude towards being a consumer, to see themselves as the targets of marketing strategies, to encourage them to distinguish between needs and desires (see unit on expenditure), to distinguish between price and value for money, to understand the influences that determine their decisions.

The informed consumer is not someone who is solely interested in knowledge of the law; he/she is informed on planning expenditure to suit the person's budget and needs. Where students in class study Home Economics, the knowledge acquired should be drawn upon to widen the class discussion.

Reasons for Protection

A brief picture of A. Citizen attempting to seek redress for faulty goods in the context of no consumer legislation should be sufficient for students to see the need for protection.

Particular reference could be made to the obvious advantages of the requirements to give accurate description of goods, contents etc.

Consumer legislation also lays down a level playing field for sellers.

Agencies Involved

A brief knowledge of the following agencies and their role in consumer protection is required

- Director of Consumer Affairs
- Ombudsman
- Trade Association
- Courts of Law
- Relevant Government Departments

Legislation

- Sale of Goods and Supply of Services Act
- Consumer Information Act

Students will not be required to refer to a specific piece of legislation, it is sufficient for them to suggest a certain course of action because it is the law.

Students should have sufficient knowledge to address their consumer complaint to the appropriate agency. Students should be able to deal with negative responses to complaints

e.g.

- No cash refunds

- Not under guarantee etc.

Students should appreciate the significance of time lapse from date of purchase to date of complaint.

- Dealing with Credit Note.

Procedure for redress

A case study approach might be beneficial in approaching this unit. A consumer should, when, 'things go wrong', be able to

- i) identify complaint e.g. faulty good, good not matching description
- ii) state objective e.g. cash back, replacement etc.
- iii) select an appropriate course of action.

Presenting the complaint:

- (1) Oral complaint - in person
 - by telephone
- (2) Written complaint

Contents of complaint

Whether the complaint is to be made orally or in writing, the students should recognise that in the course of communication, reference will have to be made to certain information:-

- Goods/service purchased
- Date of Purchase
- Evidence of Purchase
- Cause of Complaint
- Objective of complaint (politely)

Pursuing Complaint

A polite, well-structured complaint is often most advantageous.

- (1) Personal visit to shop
- (2) Visit higher authority in the shop
- (3) Write to the manager
- (4) Complain to an appropriate agency
- (5) Seek legal advice

Documentation

Consumer Education is a good introduction to students to the importance of keeping records. In teaching, stress should be placed, firstly, on the importance of filing important documents and, secondly, on any simple filing systems. Knowing what documents to file and the ability to quote those documents outweighs (in this field) the 'how to file' approach. Filing should be treated as a fast means to access documents – which have been identified as necessary to file and are now necessary to quote.

- Documents**
- (1) Ordering Goods. (Oral or written)
The information to be used.

 - (2) Receipts
Evidence of purchase. Other evidence?
Complete information on receipt?

 - (3) Credit Note
What it is.
Accepting or rejecting it.

Writing a Business letter

Only a small percentage of students write letters. Teaching them to write a letter is firstly a skill training exercise. Because of the generation gap, it may be too often assumed by teachers that student have already been writing letters. The Business Studies teacher should consult with the language teachers in the school for the purpose of agreeing on timescale and content in letter-writing.

Most students will use the telephone or personal visit for communications. An easy introduction to letter-writing would be the identification of the vital information to be included in the call. When students write this down it will be a memo; subsequently it can be developed into a letter.

Care should be taken to avoid archaic language. The following might be a checklist

1. Names and addresses, sender and receiver
2. Date
3. The vital data
4. Signature

In the classroom situation, students should be encouraged to write well-presented letters with properly addressed envelopes.

BOOK-KEEPING/RECORDING IN THE BUSINESS STUDIES JUNIOR CERTIFICATE PROGRAMME

Many teachers may feel that the Business Studies syllabus for the Junior Certificate does not attach the same importance to "double entry" book-keeping as the Intermediate Certificate and Group Certificate syllabuses in the Commerce area did. These teachers may cite the underplaying of even the term "double entry" as it is only mentioned three times in the new syllabus.

While there is a changed emphasis and approach there are a number of reasons for this:

- I. This programme has to cater for the full ability range of students at Junior Cycle level in terms of terminology, numerical skills and mental agility;
2. Many students taking the former Intermediate Certificate Commerce programme did not understand double entry and attempt questions in this area relying on a learned formula response - while this system works for some, in many cases the marks gained in the bookkeeping section of the programme are at least a grade lower than those awarded in the Business Procedure and Office Practice part of the examination.
3. The emphasis on material/skills of personal use suggests that record keeping, particularly in areas of current familiarity with junior students like household

accounts and club accounts, will be covered and at a level suitable to the age and ability of the student.

4. Integration is a process encouraged throughout the new programme (in particular see 2.2.7 and 3.2) and with this in mind the programme is placing more emphasis on preparing and using figures (not only within a double entry framework) than pure book-keeping technique.

It is suggested that the analysed cash book be the core of the financial record keeping area and that the book-keeping process be built up from that foundation. This approach has the advantage of being used as the accounting basis for book-keeping/recording for many important sections of the syllabus - household, business, club, farm and service areas. For weaker students the cash book is straightforward and can be expanded to give worthwhile accounting information.

One of the benefits of this approach is that the skills of keeping a cash book, analysing and balancing it, gives students practice at entering figures, preferably from basic documents, analysing these under appropriate headings, closing and balancing an account at regular and meaningful intervals and subsequently using and commenting on the resulting picture. It is also possible to introduce at this stage the concept of budgeting (for say the next period based on the actuals for the current one) and costing (for example what is the cost of, say electricity, per week). It must be emphasised that what is in mind here is the introduction of concepts at a simple level and the development of skill in the use of figures as a method of recording and communicating. It could also be a good approach to introduce the idea of showing this simple information in other more visual ways such as graphs, bar charts etc. The main aim perhaps in doing all this is that students should gain confidence in mastering simple concepts and frameworks which will stand them in good stead at later stages in the record keeping programme. This approach also means that some reinforcing of numeracy, figure work, layout and legibility can be

built into the early stages of the programme at a time when it is most likely to have an effect - at later stages this aspect can be played down and concentration centred on more difficult concepts, longer questions and critical examination of the results of these records.

A central belief of the course committee in drawing up the revised programme was, and is, that the recording of credit sales and purchases should not have any place in the assessment programme for Ordinary level students. Similarly it is felt that adjustments to accounts, like prepayments and accruals, make the record keeping exercise too complicated for these students and that generally these amendments will only have a minimal effect on the overall figures anyway. Indeed, allowing for the fact that there is likely to be a similar opening accrual or prepayment which will more or less cancel out the closing one, the actual cash posting to an account will more or less be the same as the charge or gain to be ultimately posted to the final accounts from that account.

A central plank in the Committee's case is that it is perfectly feasible to prepare basic ledger accounts and trial balances add final accounts without using credit purchases and credit sales, by a basic cash analysis book. In the early stages, it is possible to use a service firm so that even stock need not be a complicating factor.

It is not the intention of the Course Committee to dictate the teaching approach which must be used by every teacher: What follows here is a possible method of introduction to double entry book-keeping which would help ALL students to gain an overall view of record keeping and its uses before the more able ones will be asked to deal with adjustments etc. it is quite possible that other approaches will be equally effective, particularly in the case of the brighter more numerate student.

" F. Delaney had saved £1,000 cash and decided on 1st January, 1989 to set up in business as a plumber". The opening statement of assets and liabilities will therefore be:

Liabilities		Assets	
Capital (F. Delaney)	£1,000	Cash	£1,000

Cash Book

Receipts			Payments		
<u>Details</u>	<u>Total</u>	<u>Sales</u>	<u>Details</u>	<u>Total</u>	<u>Purchases</u>
Capital	1,000		Materials	800	800
Central Heating	<u>2,000</u>	<u>2,000</u>			
	3,000	2,000			
Balance	2,200	↑	Balance	<u>2,200</u>	-----
				<u>3,000</u>	<u>800</u>
		↑			↑
		To Sales A/c			To Purchase A/c

After the ledger postings have been made the resulting Trial Balance would be:

<u>Trial Balance</u>		
	£	£
Capital		1,000
Sales		2,000
Purchases	800	
Cash	<u>2,200</u>	
	3,000	<u>3,000</u>

And an Operating and Assets/Liabilities statement would be:

***Operating Statement 1st January - 15 January, 1989**

Purchases	800	Sales	2,000
Surplus	<u>1,200</u>		
	<u>2,000</u>		<u>2000</u>
Liabilities		Assets	
Capital	1,000	Cash	2,200
+ Surplus	<u>1,200</u>		
	<u>2,200</u>		<u>2,200</u>

- The Operating Statement may also appear in tabular form.

"On 16 January, Delaney decides to buy a second hand van for £1,200. The next day a boiler was bought for £1,100 to be put in during the next fortnight in a local factory and full payment was received for this job of £4,000 on 31st January. On that day also a telephone account of £80 was paid for January for the business".

Write up the books for the second fortnight and extract a T.B. and final accounts for this period.

Cash Book

Receipts

Payments

<u>Details</u>	<u>Total</u>	<u>Sales</u>	<u>Details</u>	<u>Total</u>	<u>Purchases</u>	<u>Assets</u>	<u>Expenses</u>
Balance	2,200		Van	1,200		1,200	
Factory job	4,000	<u>4,000</u>	Purchase	1,100	1,100		80
	<u>6,200</u>		Tel.	80			
			Balance	<u>3,820</u>			
		↑		<u>6200</u>	<u>1,100</u>	<u>1,200</u>	<u>80</u>
	<u>To Sales A/c</u>			<u>To Purchase A/c</u>	↑	↑	↑
						To Assets A/c	To Expenses A/c

The Trial Balance on 31st January will be:

Trial Balance

	<u>Assets</u>	<u>Liabilities</u>
Capital		2,200
Van	1,200	
Purchases	1,100	
Expenses	80	
Sales		4,000
Cash	<u>3,820</u>	
	<u>6,200</u>	<u>6,200</u>

Operating Statement, 16 January - 31 January, 1989

Purchases	1,100	Sales	4,000
Telephone	80		
Surplus for period	<u>2,820</u>		
	4,000		<u>4,000</u>

Liabilities		Assets	
Capital at Start	2,200	Van	1,200
Add Surplus	<u>2,820</u>	Cash	<u>3,820</u>
	<u>5,020</u>		<u>5,020</u>

A further exercise might be the merging of the accounts for the two periods as follows:

The Trial Balance will remain the same as it is at the same date –the final accounts will be as follows:

Operating Statement, January 1989

Purchases	800	Sales	2,000
Purchases	<u>1,100</u>	Sales	<u>4,000</u>
	1,900		6,000
Expenses	80		
Surplus for month	<u>4,020</u>		
	6,000		<u>6,000</u>

Statement of position at 31 January 1989

Liabilities		Assets	
Capital at start	1,000	Van	1,200
Add: Surplus for month	<u>4,020</u>	Cash	<u>3,820</u>
	<u>5,020</u>		<u>5,020</u>

One of the principles which we are hoping to encourage is that the preparation of financial/book-keeping statements will not be an end in itself but that the results will be used to come to conclusions/ decisions and to lead into other related areas. Therefore the following types of questions/approaches might follow on from the accounts of Delaney above:

1. Describe in your own words what the above accounts for January show .
2. On the basis of the same pattern for January being continued for the rest of the year what surplus would you estimate Delaney would earn during 1989.
3. Would you expect the January pattern to continue during 1989? Prepare a budget for 1989 stating your assumptions (reasons for using your figures).
4. The actual receipts for 1989 were £64,000. Cost of materials was £25,000 and Telephone and other expenses amounted to £1,500. Draw up a table comparing your budget at 3 with the actual results and showing the difference clearly.
5. Explain, in your own words, possible reasons for the differences between budget and actual as demonstrated in 4 above.

The completion and use of source documentation is envisaged and encouraged in the syllabus. In the above example references to the source documentation e.g. receipt numbers can be made in the cash book - lack of space in the A4 format makes it impossible to show all the headings necessary. It is envisaged that the cash book should have one heading for VAT, 5 analysis headings and a total column giving 7 columns in all in each side.

At a later stage the cash book can be converted into a cheque payments book and cash receipts book: any format of this is acceptable either incorporated (two column cash book - one for cash the other for cheques) or separately using a nominal ledger cash account and nominal ledger bank account to record the double entry aspect of cash and bank.

It is worth emphasising here that cash discounts have no part in the book-keeping /recording programme at higher or ordinary level as they form a very complex and difficult concept in

book-keeping terms for this age group. The term cash book is taken to mean also petty cash book which is therefore implied on the syllabus. Finally the filing of the source documentation and backing information can be covered on an automatic and routine basis and if feasible simple computer programmes can be used to demonstrate and reinforce the recording process.

The object of the above approach is to simplify the process of double entry book-keeping: at later stages in the programme the addition of credit transactions and other adjustments will bring it more into line with the content of the current programme for the better students and will lay a sound basis for progressing in the book-keeping/recording area.

FINANCE FOR A BUSINESS - A GUIDELINE

Please note the following:

- I. Businesses, like individuals, need finance, thus this section should be seen as a follow-on from "Borrowing" in the Business of Living.
2. Businesses need finance for different reasons, e.g. Long Term Reasons such as Buildings and Machinery; Medium Term Reasons such as Motor Vehicles and Short Term Reasons such as wages, stock, etc.
3. The correct sources of financing should be obtained to meet these needs, i.e. long term sources for long term needs, e.g.

Share capital for buildings

Term loan for motor lorries

Bank overdraft for stock

4. A loan application should include the following:
 - (1) Information about the business and the owners~
 - (2) What the loan is for;
 - (3) How much is required;
 - (4) How long is it for;

- (5) How much the owners are putting up;
 - (6) Ability to repay loan and interest;
 - (7) what security is available.
5. Proper planning is required. As in the case of the household, a business must know how much it needs and when it is needed. It must therefore prepare some costings and a Cash Flow Statement. The Cash Flow Statement could also be seen as an extension of the section on Personal Budgeting in the Business of Living section.

Cash Flow Statement

This is a forecast of what cash will be coming into and out of a business at any one time.

It will indicate

1. If there will be enough cash to pay expenses, buy materials, purchase machinery, etc.
2. What cash shortage may occur and when, thus enabling the business a suitable source of finance in time.

It is usually prepared on a monthly basis, a year in advance.

Preparing a Cash Flow Statement

1. Draw up 14 columns – one for each month of the year, one for total for year and one for details.
2. Under details fill in receipts and payments on the dates they will occur.
3. The difference between the receipts and payments is the Net Cash figure – this can be a surplus or a shortfall.
4. If there is any opening cash add the surplus to it, or subtract the shortfall. The end result is the Closing Cash figure. This will be the opening cash figure for the next month.

E.g.

Telephone £500 every third month (starting Jan.)

Purchase of new machinery £170,000 in March

Advertising £200 per month

Tax £4,000 in Sept.

Purchase of new van £15,000 in June.

Opening Cash £15,000.

On completion of the Cash Flow Statement indicate:

- A. If there will be a shortfall or deficit;
- B. For what months
- C. How the deficit might be financed and/or the surplus invested.

OR

- A. What information does the owner of the business obtain from this Cash Flow Statement?
- B. How should the business react to this information?

CASH FLOW STATEMENT

	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Receipts													
Sales	60,000	60,000	60,000	80,000	80,000	80,000	80,000	80,000	90,000	90,000	90,000	90,000	940,000
Govt Grant					80,000								80,000
Total Receipts A	60,000	60,000	60,000	80,000	160,000	80,000	80,000	80,000	90,000	90,000	90,000	90,000	1,020,000
Payments													
Telephone	500			500			500			500			2,000
Purchases	30,000	30,000	30,000	35,000	35,000	35,000	35,000	35,000	40,000	40,000	40,000	40,000	425,000
Wages	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Light and Heat		1,000		1,000		1,000		1,000		1,000		1,000	6,000
Sundries													
Advertising	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Tax									4,000				4,000
© Van						15,000							15,000
© Machinery			170,000										
Total Payments (B)	32,700	33,200	202,200	38,700	37,200	53,200	37,700	38,200	46,200	43,700	42,200	43,200	648,400
Net Cash A + B	27,300	26,800	142,200	41,300	122,800	26,800	42,300	41,800	43,800	46,300	47,800	46,800	371,600
Opening Cash	15,000	42,300	69,100	(73,100)	(31,800)	91,000	117,800	160,100	201,900	245,700	292,000	339,800	386,600
Closing Cash	42,300	69,100	(73,100)	(31,800)	91,000	117,800	160,100	201,900	245,700	292,000	339,800	386,600	386,600

SIMPLE CONTROL ACCOUNTS

Control A/Cs are part of the overall control procedure operated by a business to check the accuracy of its book-keeping system. Other control procedures include the Trial Balance and the Bank Reconciliation Account.

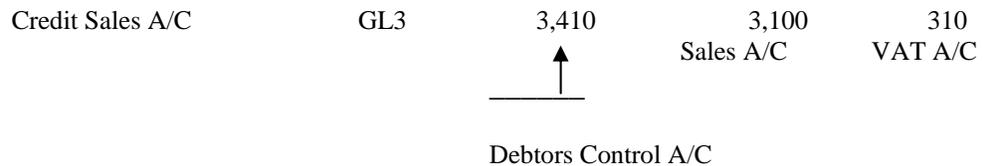
Control A/Cs are used to help locate mistakes that might occur in a Debtors or Creditors Ledger which could contain up to 500 accounts. A Control A/C could be maintained for, say, twenty accounts as follows:

- (a) Balance each Ledger A/C in the Debtors Ledger and total these balances (list of balances);
- (b) Prepare a Debtors Control A/C for these twenty A/Cs from information in the Sales Book, Sales Returns Book and Cash Receipts and Lodgement Book.
Enter the totals from these books in the Debtors Control A/C and balance it;
- (c) The balance in A should equal the balance in B otherwise there has been a mistake.
This mistake is localised to these twenty A/Cs and should be easily spotted.

The following simple example illustrates what would be expected at Junior Level.

The four Debtors are Tom, Anne, Mary and Claire. Anne and Claire each have balances of £500 in their accounts.

Date	Details	F	Total	Net	Vat 10%
10/1/89	Tom Invoice 7	DL3	880	800	80
12/1/89	Anne Invoice 9	DL4	1,100	1,000	100
12/1/89	Mary Invoice 11	DL5	400	400	40
14/1/89	Claire Invoice 14	DL6	900	900	90



SALES RETURNS BOOK (Page 19)

<u>Date</u>	<u>Details</u>	<u>F.</u>	<u>Total</u>	<u>Net</u>	<u>Vat 10%</u>
16/1/89	Anne Credit Note 1	DL4	330	300	30
19/1/89	Claire Credit Note 2	DL6	88	80	8

Debit Sales Returns A/C	GL8	418	380	38
			Sales R.	VAT A/C
			↑	
			Debtors Control A/C	

CASH RECEIPTS AND LODGEMENT BOOK (Page 7)

This A/C may also be presented in T A/C form

<u>Date</u>	<u>Details</u>	<u>F.</u>	<u>Receipt No</u>	<u>Debtors</u>	<u>Total Lodgement</u>
21/1/89	Tom	DL1	49	700	700
20/1/89	Claire	DL6	52	500	500

	1,200	1,200
	↑	
	Debtors Control A/C	

DEBTORS LEDGER

(1)

Tom A/C

10/1/89 Sales SB5	880	21/1/89 Cash C.P.7	700
	<u>880</u>	31/1/89 Balance C/D	<u>180</u>
			<u>880</u>
31/1/89 Balance B/D	180		

Anne A/C

(4)

1/1/89 Balance B/D	500	16/1/89 Sales Returns SR 19	330
12/1/89 Sales SB5	<u>1,100</u>	31/1/89 Balance C/D	<u>1,270</u>
	1,600		1,600
31/1/89 Balance B/D	1,270		

DEBTORS LEDGER

(5)

<u>Mary A/C</u>			
12/1/89	Sales SB5	440	
<u>Claire A/C</u>			
1/1/89	Balance B/D	500	
14/1/89	Sales SB5	990	
		1,490	
31/1/89	Balance B/D	902	
19/1/89	Sales Returns SR 19	88	
29/1/89	Cash CB7	500	
31/1/89	Balance C/D	<u>902</u>	
		1,490	

(6)

GENERAL LEDGER

<u>Sales A/C</u>		(3)
	Totals as per SB5	3,100
	Sales Book	
<u>Sales Returns A/C</u>		(8)
Total as per SR1	310	
Sales		
Returns Book		
<u>VAT A/C</u>		
Sales Returns SRB19	38	Sales SB5 <u>310</u>
Balance CD	<u>272</u>	<u>310</u>
	310	Balance BD 272

Amount due to Revenue 

<u>DEBTORS CONTROL A/C</u>			
1/1/89	Balance B/D	1,000	
31/1/89	Sales SB5	3,410	
		4,410	
31/1/89	Balance B/D	<u>2,792</u>	
31/1/89	Sales Returns SRB 19	418	
31/1/89	Cash CB7	1,200	
31/1/89	Balance C/D	<u>2,792</u>	
		4,410	

TOTAL LIST OF DEBTORS

Tom	180
Anne	1,270
Mary	440
Claire	<u>902</u>
	2,792

The List Balance equals Control Balance.

INFORMATION TECHNOLOGY

Modern information technology is an integral part of the syllabus. It is recommended that teachers include aspects of IT where relevant and appropriate throughout the syllabus. Particular reference should be made to IT in the home e.g. washing program on washing machine; remote control TV with Teletext; programmable video recorders; wristwatches with multifunctions; calculators etc.

In designing the syllabus it had been agreed to include a separate section on IT so that the syllabus might be updated on an ongoing basis with the minimum of change to the rest of the syllabus. However, in the teaching programme, it is strongly recommended that students move from the known i.e. the home and school to the unknown i.e. offices, shops and factories. In this matter it is hoped that students will see IT as part of our everyday lives and develop an appreciation of the advantages of developments in IT. It is implied that where major new developments occur in IT that those developments are automatically part of the syllabus.

Technology and Keyboarding

The Department of Education in issuing the Junior Certificate Business Studies syllabus formally to schools on 27th September, 1988 sent Circular Letter M64/88 approving of the programme in general but stating in section 3 of that letter that:

"schools may provide the technology elements of this syllabus within existing resources. For an interim period those elements will be optional in the examination."

The syllabus is expected to take the subject into the 21st Century and integration of computer literacy into a business studies programme is essential.

While the "technology areas" of the programme are optional this refers to the parts of the programme which are equipment sensitive – knowledge of technology is not optional. While students may not have access to computer resources in their schools this does not mean that

the student should not understand the broad elements of a computer system (CPU, VDU, keyboard, storage methods and media printers, programmes and applications in the business arena etc.) which would be assessed in the way the other areas of the Junior Certificate programme will be examined.

One of the problems in dealing with the IT area in second level schools is the different type of computers already there and the consequent extent of non-compatible computer operating systems. However there is one standard feature that is common to all computers in our schools at the moment and in the foreseeable future - that is that they all use the QWERTY keyboard as do all typewriters - manual, electric and electronic.

Keyboarding

A keyboarding option shall be offered. In future years it is expected that more and more schools will, given the resources, expose their students to practical experience in computers. Business Studies recognising the need for skill training in keyboarding as a basis for efficient use of computers includes keyboarding as an option in the initial years of the Junior Certificate, however it is expected that more and more weight will be attached to practical applications as the years go by.

Some schools, in particular those which already have an established Secretarial programme, would be able to implement the keyboarding element of the programme out of their current resources of equipment and teacher skills. Nevertheless there are schools which could not currently do so. The following possibilities might be considered in these cases where the equipment is not available.

1. While not ideal it is possible for students to learn keyboarding in twos i.e. two to a keyboard with regular switching. Some students will have computers/keyboards at home and practice sessions could be encouraged for these.

2. Most schools will have some computer resources perhaps of different makes - if these were all gathered together in the one area it is possible that a viable number of keyboards would be available to justify offering the keyboarding option.
3. Manual typewriters can be effectively used in teaching keyboarding.
4. Opportunities exist for local schools to co-operate in the utilisation of scarce physical and teaching resources. A school may have underutilised equipment which could be shared with a local school teaching these and mutually advantageous exchanges could be considered.
5. Local sponsorship might be sought for equipment which would aid the development of skills which will ultimately be to the benefit of commercial organisations.
6. Where there is insufficient equipment to offer a full programme of keyboarding to a class it might be possible to organise it on a voluntary self teaching basis - all current popular computers in our schools, Apple, BBC, Commodore, IMB, and IMB Compatibles have readily available "typing tutors" for around the £30 mark which could be used outside of standard class time. Most of the programmes also assess the progress of the user indicating the level of accuracy and speed of keyboarding - some require that a minimum standard is obtained before allowing the student to progress to the next lesson.

Teaching Resource

1. Again it is possible that some schools will have no difficulty with this area in that they will already have Business Studies teachers with a teaching qualification in the typewriting/keyboarding areas.
2. Where this skill is not available "in house" the following suggestions might be considered:

- (a) Teachers might consider using a typing tutor themselves in conjunction with a good keyboarding text book to develop a skill in keyboarding of a sufficient standard to demonstrate the correct technique at a reasonable speed;
- (b) It is possible that local and/or national courses might be organised to assist teachers in this;
- (c) Business Studies Teachers Association branches might consider putting on a local course for their own members with direct support from the Department of Education;
- (d) Where none of the above options is possible/attractive the management of schools might consider using local part-time teaching resources who already have teacher qualifications in typewriting - since 1978 more than 2,000 people have been awarded the Department of Education Teachers Diploma in Typewriting and all of these would be competent and many would be available during the day to teach the Junior Certificate students the required standard of skill;
- (e) A local firm/organisation/PTA could be interested in providing cash/personnel to tutor the Junior Certificate students in keyboarding - many have been calling for this skill to be taught at Junior Cycle level;
- (f) Sharing of teacher resources might help in optimising programmes in two or more local schools.

The Computer

It is recognised that current resources, both material and teacher, place limitations on dealing with computers. However, bearing in mind that each second-level school has been equipped with a computer and printer the following could be a focus for minimum requirements in 1992.

Given that resources place limitations on the provision of a practical examination the written examination might include the following as the basis for assessment.

Given a diagram or picture of a computer, can the student label the following:

Visual Display Unit; Keyboard; Printer.

Given a picture/diagram of a standard keyboard with three keys blanked out can the student identify the missing keys?

Can the student distinguish between:

Main memory and secondary memory (e.g. floppy disk) Hardware and software.

What criteria would the student apply to buying a computer?

Can the student give examples of IT in the home, the office, healthcare, the factory, etc.

Higher Level (in addition)

Given a description of two computers, can the student give in simple language the advantages of one over the other. The description would include among others

Memory e.g. 32K 64K 20 MB

IBM compatible or PC

Colour monitor

Single disk: dual disk: hard disk: cassette

Free software: integrated package

Mouse.

Students should be able to identify and/or describe the following

Keyboard

V.D.U.

Memory - Byte

Main and Secondary Memory

Cassette
Floppy Disk
Hard Disk
Printer
Workstation
Software - Database
Wordprocessing
Spreadsheet
Communication
Mail merge
Modem
Mouse
Telecom Eireann IT services to business.

Information Technology Resources

It is our belief that high level commercial computer programmes in the accounting/book-keeping/payroll area are in general too complicated and too invisible in their workings to be of positive teaching value to Junior Cycle students. The principles underlying these programmes need to be taught anyway in simplified manual format so that students can understand the processes, reasons and uses of/for record keeping in general.

This is not to say that a simple computer programme cannot be used as a teaching aid and as a way of showing why most of the record keeping in commercial business, and some homes and clubs is being kept with the help of computer systems.

However there are three types of programmes which can relatively easily be used on the Junior Certificate programme (subject to equipment etc.) and these are the spreadsheet, database and wordprocessor. These programmes often come in an "integrated" package which allows the use of information in one type e.g. spreadsheet to be used in any of the other applications. An example of this type of package is "Appleworks" included with the Department of Education's last supply of "Apples" to schools. All the other types of

computers used in schools also have similar "integrated" packages available for them at quite reasonable prices £30 - £50. The key educational advantages of these type of packages are:

1. Once students understand the "mechanics" and framework of these programmes they can apply them to many aspects of the revised Business Studies programme - filing, record keeping, keyboarding. In addition the organisation and planning required to construct a relevant database or a working add effective Bookkeeping/Recording spreadsheet gives students an introduction to the type of calculations and thinking required in programming without the need to learn complex and specialised programming languages;
2. An integrated package normally has a similar operating and command structure for all the types of applications in the package. This is useful for teacher and student in that the learning load is simplified which means that student and teacher can more quickly master the initial technicalities and go on to develop worthwhile separate and integrated applications;
3. Experience/achievement in the computer areas is a very powerful motivating factor in the education scene for young students who realise that;
4. Skill in the use of database/spreadsheet/word-processing/graphics programmes gives students and teachers a basis to develop applications in other subjects and fields both inside and outside of school life. This meets many of the aims set out for the new syllabus, in particular 2.1.4 and 2.1.3 on page 3.

APPENDIX
JUNIOR CERT BUSINESS STUDIES SYLLABUS

RESOURCES

This list is not to be treated as a complete list.

MATERIALS:

These consist of the following:

Textbooks and other books; Newspapers; Documents - Business and Financial; Computer Programmes; Transparencies; Slides; Video Tapes; Charts; Radio and T.V.

Text Books: Suitable for giving basic facts. They should not replace the teacher.

Other Books: Suitable for project work and research.
Students should be given clear guidelines as to use.

Newspapers: Suitable for:
(Local & National)

- (a) Introducing a topic;
- (b) Compiling scrap book on topics;
- (c) Research work by students;
- (d) Following a story, e.g. strike-causes, mediators, outcome;
- (e) Types of work.

Documents – Business and Financial

Suitable for:

- (a) Teaching correct completion of same;
- (b) Extracting certain information e.g.
Insurance Proposal Form/Bank Loan
Application Form - what information is required by Insurance Company and Bank.

Computer Programmes: Suitable for showing modern means of compiling and processing information, e.g. wage preparation; stock control; filing, etc.

<u>Transparencies:</u>	Suitable for highlighting certain points. Use of colour can increase interest. Use of overlays can show how something progresses.
<u>Slides: Reverse Film?</u>	Purchased or home produced. Visual presentation more stimulating
<u>Videos/Tapes:</u>	Students living in a T.V. and Video age will respond to this form of presentation. Suitable videos can be used to introduce a topic or help conclude it. Students should be expected to write an account or answer questions on what they see.
<u>Charts; Hangers?</u>	Purchased, or produced by teacher or students. Students can often express themselves better in pictured form than in words. Charts should not be overexposed.
<u>Radio/T.V.</u>	Suitable programmes can stimulate a class

PERSONNEL

Included under this heading would be other teachers, e.g. Career Guidance Teacher; outside experts - Business Person; Bank Official; Post Master; Representatives from Credit Union/Building Societies; Trade Union Officials; Insurance Brokers, etc. etc.

(N.B. PROPER PREPARATION IS REQUIRED WHEN AN OUTSIDE SPEAKER IS USED).

EXPERIENCES

Teacher:

Simple case studies e.g. taking out insurances; purchasing a car; consumer problems.

Students:

- (a) Own experiences, e.g. Consumer problems; use of pocket money.
- (b) Role-Play - Bank Manager/Client; Store Manager/Customer.
- (c) Forming a club - experience of holding a meeting; keeping records.
- (d) Setting up School Bank; Credit Union; Mini Company, etc. Competitions.
- (e) Specialist committees.
- (f) Carrying out research/visiting factories.

OBTAINING OUTSIDE RESOURCES

	<u>Institution</u>	<u>Resource</u>
I.	Local Finance Agencies	Documents/Speakers
2.	Irish Banks Information Nassau House, Nassau Street, Dublin 2.	(a) Video/Booklet/Speakers on Banking. (b) Records & Book-keeping in small business.
3.	P.M.P.A., Wolfetone Street, Dublin I.	Insurance <u>Chart</u>
4.	A.C.C., A.C.C. House, Upper Hatch Street, Dublin I.	Savings, How & Why <u>Chart</u>
5.	Consumer Association of Ireland, 45 Upper Mount Street, Dublin 2.	Consumer Choice Magazine
6.	I.D.A. H.Q., Wilton Place, Dubl in 2.	A guide to setting up and running a small business.
7.	Irish League of Credit Unions, Castleside Drive, Rathfarnham.	Booklet Credit Union & You
8.	Irish Film Institute, Library: Eustace Street, Dublin 2.	Films: "Filing Procedures Fitting the Job to the Worker
9.	ICIU/O'Brien Press, 20 Victoria Road, Dublin 6.	Book "Understanding Trade Unions Yesterday and Today
10.	Office of Consumer Affairs, 13 Hume Street, Dublin 2.	Booklets and Reports.
11.	Irish Insurance Federation, Russell House,	Information on Insurance - How to make a claim.

Russell Court,
St Stephen's Green,
Dublin 2.

12. Advertising Standards
Authority for Ireland,
I.P.C. House,
35/39 Shelbourne Road,
Dublin 4.

Code of Advertising
Standards for Ireland.

13. Ulster Bank,
33, College Green,
Dublin 2.

Small Business Digest,
Specimen cheques in quantity
ask for Invoice.

14. C oras Trachtala,
Merrion Hall,
Strand Road,
Sandymount,
Dublin 4.

Annual Report, Booklets,
Speakers.