

BUSINESS STUDIES

VARIOUS DEPARTMENTS IN AN ORGANISATION AND THEIR FUNCTIONS

Meaning of an organisation: This is a group of people with a particular purpose.

Meaning of department: It is a division of large organisation such as government or business dealing with a specific area of activity.

Various departments in an organisation include:

1. Administrative department
2. Accounting or Bursary department
3. Purchasing department
4. Sales or marketing department
5. Personnel department
6. Transport department
7. Production department
8. Planning department

Administrative department is headed by an administrative officer or an administrator. The department is charged with the following functions:

1. It is responsible for policy formulation and execution.
2. It controls the affairs of the organisation.
3. It sees to the organization's official correspondence.
4. Sees to the day-to-day running of the organisation.

Accounting or Bursary department: This department is headed by an accountant or a Bursar. And it is charged with these functions:

1. Recording of receipts and payments of an organisation.
2. Keeping all books of account.
3. Preparing and paying staff salaries and wages.
4. Giving financial advice to the organisation.

Purchasing department is headed by a purchasing manager. He has the function of procuring all materials needed by an organisation.

Sales or marketing department is headed by a sales or marketing manager. It has the following functions:

- a) Advertising the products and services of the organisation.
- b) Organising promotions.
- c) Selling products and services of the organisation.

Personnel department: This department is headed by a personnel officer. It has the following functions:

- a) It puts up advertisement and invites applicants for job interviews.
- b) Recruits and places successful candidates.
- c) Sees to the trading, promotion, discipline and dismissal of staff.
- d) Keeps all staff records.

Transport department: Here, the head is the chief transport officer. It is charged with the duty of managing and controlling the vehicles of the organisation, allocating vehicles to officer's department for official use and hiring out of vehicles.

Production department is headed by a production manager. This department is concerned with the actual production process, plans and carries out all the production work of the organisation and maintains and the places factory machines.

Planning department performs the executive functions of setting up business objectives, determining strategies of achieving the set goals.

FORMS OF BUSINESS ORGANISATIONS

There are five forms of business organisations, they are:

1. Sole proprietorship or sole trade
2. Partnership
3. Limited liability companies
4. Cooperative Societies
5. Public utility or enterprise

In previous term, we discussed sole proprietorship and partnership with their advantages and disadvantages. Therefore, our major focus should be on limited liability, co-operative Society and public utility or enterprise.

Meaning of limited liability companies: This is a business enterprise owned by a number of people and operated as a legal person, they contribute to a common purse for the purpose of making profit. The owners are called shareholders.

Advantages of limited liability companies

1. More capital can be raised than sole proprietorship or partnership.
2. The shareholders enjoy limited liability privileges
3. The death or withdrawal of a shareholder does not lead to the end of the campaign
4. It can easily attract loans from banks

Disadvantages of limited liability companies

1. It is not easily formed because the conditions involved is so demanding and costly.
2. There is delay in decision making because all the shareholders need to be consulted.
3. The gap between the owner and the business is wide.
4. They are required to make public their annual accounts.

Co-operative society is a form of business organisation formed by people who have common interest in owning and running a business for the benefits of its members.

Advantages of co-operative societies

1. They encourage members to form a saving habit.
2. They give loans to their members at a very low interest rate.

3. Provide and sell consumer goods to members at low price.
4. There is democracy in the control and management of co-operative societies.

Disadvantages of co-operative societies

1. There may be poor harvest, which could lead to inability to repay loans.
2. They do not always have capital to run their business.
3. The members elected to manage the society may have little or no experience about managing a business.
4. The management committee often misuse the society's money at times.

Public utilities or enterprises are business organisations set-up and financed by government not necessarily to make profit but to provide essential services to the people.

Advantages of public enterprises

1. Capital is made available by government at little or no interest rate.
2. They provide essential services to the people.
3. They are means of controlling monopolies.
4. Provision of essential goods and services at low prices.

Disadvantages of public enterprises

1. They are inefficient due to lack of competition.
2. Government interference badly affects the efficient management of the corporation.
3. They are in some cases, a breeding ground for fraud, corruption and nepotism.

Reasons for government ownership of public enterprises include the following:

1. To avoid exploitation of the public.
2. If the provision of some of these essential services are left in the hands of private individuals, their prices may not be within the reach of the poor masses.
4. The capital needed to start these enterprises is large and private individuals cannot afford it.
5. For security reasons, government may decide to manage and control certain industries.

MARKET, CONSUMER AND SOCIETY

Consumer: Consumer is a final user of a particular product or service.

Market: This is a place where buyers and sellers come in contact to buy and sell.

Society: It is a group of people who live together and share the same customs and traditions.

Need for consumer education

There is need for consumer education to avoid the following:

1. Fake and dangerous products.
2. False advertisement.

3. Use of wrong measurement.
4. Adulterated foods and expired drugs.

Importance of Consumer Education

1. It helps to educate the consumers on how to always go for standard goods.
2. It helps to ensure that good ethics in production and distribution of products to consumers are maintained.
3. It helps to promote consumer protection in the business environment.
4. It helps to encourage consumers in the field of business.

Consequences of lack of consumer education

1. Lack of consumer education will result to the cheating and exploitation of consumers by some fraudulent manufacturers, wholesalers and retailers.
2. Consumers may not know their right of action against any seller of fake or substandard products.
3. It might make the consumers not to have maximum satisfaction for the goods bought.
4. It may lead the consumer to buy dangerous, expired and fake product that may be detrimental to health.

DOUBLE-ENTRY BOOK-KEEPING

This is a system of book-keeping in which transactions are recorded in both debit and credit side of the ledger at the same time. The principle of double-entry book-keeping states that, for every credit entry there must be a corresponding debit entry

Double-Entry Treatment of Assets, Liabilities and Expenses.

Asset: an asset is anything of value that is owned by a business, examples are; buildings, machineries, cash etc.

Liabilities: this is the amount the business owes to outsiders, examples are; overdraft, loan, creditors, etc.

Expenses: this is the amount incurred in a business, examples; wages and salaries, rent, transport fare, etc.

Example: (i) the rent of N250 is paid in cash on June 1, credit cash account with N250 and debit rent account with N250.

(ii) Motor expenses are paid by cheque N800 on June 3, credit bank account with N800 and debit motor expenses account with N800.

Solution

(i) Cash Account

Dr.	Cr.
	June 1, rent N200

Rent Account

Dr.	Cr.
June 1, cash N250	

(ii) Bank Account

Dr.	Cr.
	June 3, motor expenses N800

Motor expenses Account

Dr.	Cr.
June 3, Bank N800	

LEDGER

Ledger is defined as a principal book of accounts in business transactions, where other entries made in subsidiary or books of original entry are transferred and balanced off.

Classes of Ledger

There are three classes of ledger, they are;

1. General Ledger
2. Private Ledger
3. Loose-leaf Ledger

General Ledger is a type of ledger where both real and nominal accounts are kept.

Private ledger can be called a secret document. It is normally kept either by the owner of the business or by the accountant.

Loose-leaf ledger is universally used in our day-to-day business transactions.

Classification of Accounts

Account can be classified into two:

1. Personal accounts
2. Impersonal accounts.

Personal Account refers to those accounts that deal with the transactions of personal nature like debtors (those owing the business) and creditors (those the business is owing). **Impersonal accounts** deal with the record of business property. It is divided into real and nominal accounts.

Real accounts are accounts of all the business assets or property like furniture, building, land, motor van and machinery, etc.

Nominal account refers to the accounts of all the expenses, losses, profits, income, rent, wages and salaries, commissions, etc.

HOME ROW KEYS

(Correct Keyboarding Techniques)

The arrangement of the keyboard is the same pattern in a standard typewriter. A keyboard has four rows which are top row, upper row, home row and bottom row.

Top row: this consists of figures and symbols.

Upper row: this is called QWERTY row.

Home row: it contains a guide or home keys.

Bottom row consist of keys on the downward of the keyboard. In typing the letters of the bottom row you should aim at moving only the operating finger downwards.

Divisions of a Keyboard

The keyboard is divided into two major parts, left part and right part. The left fingers are used for striking keys on the left part while the right fingers are used for striking keys on the right part.

Correct Finger Position on the Keyboard

When typing on the keyboard your fingers should be placed on the home keys. The left fingers should be placed on A, S, D, F, spacebar starting from the little finger while your right fingers should be placed on, L, K, J, spacebar, starting from the little finger as well.

