



EMS Gr 8 Term 4 Week 3 - Lesson plan

Economic Management Sciences For Education: Economics In The Senior Phase |
Ekonomiese Bestuurswetenskappe Vir Onderwys: Ekonomie In Die Seniorfase

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SUBJECT:	GRADE:			DATE:	WEEK:	CAPS SECTION:
EMS	7	8☑	9	Term 4: Lesson 3	Term 4 Week 3	Entrepreneurship
AIMS OF LESSON:	Learners must be able to: 1. To differentiate between the different forms of ownership 2. To differentiate between the different levels of management and management tasks					
RESOURCES	PAPER BASED RESOURCES: <ul style="list-style-type: none"> Textbooks 			DIGITAL RESOURCES: <ul style="list-style-type: none"> wcedportal.co.za 		
INTRODUCTION	By the end of the lesson learners will be able to: <ul style="list-style-type: none"> To differentiate between the different forms of ownership To differentiate between the different levels of management and management tasks 					
TERMINOLOGY	Any terms that appear in the topic that do not form part of the learner's normal vocabulary. <ul style="list-style-type: none"> Sole trader Partnership Close corporation Private and Public company Legal entity Limited and unlimited liability Top-level management Middle-level management Lower-level management Planning Organising Leading Controlling 					

CONTENT:
CONCEPTS
and/or
SKILLS

1. **SOLE TRADER:** (Sole proprietorship)
- Sole trader (sole proprietorship are usually small and are a suitable form of ownership for businesses such as **HAIRDRESSERS, PLUMBERS, ELECTRICIANS, FINANCIAL ADVISORS** or **REPAIR BUSINESSES**).

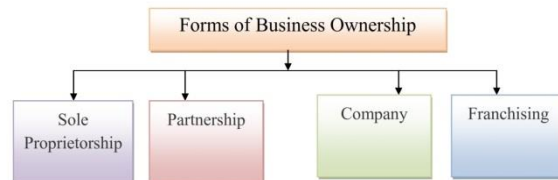
FEATURES:

ESTABLISHMENT OF THE BUSINESS	Easy to get started & only a trade license is required. Owners registers for tax purposes
WHAT IS THE NUMBER OF OWNERS	ONLY 1
WHAT IS THE NAME OF THE OWNER(S)?	Owner
DOES THE BUSINESS HAVE A LEGAL STATUS?	No
WHO IS LIABLE FOR DEBT?	The owner has UNLIMITED LIABILITY



2. **PARTNERSHIPS:**

- A partnership is a business that has **TWO OR MORE** number of owners.
- There are **FEW LEGAL REQUIREMENTS** to start a partnership, and most owners draw up an **AGREEMENT** describing **WHAT EACH PARTNER WILL CONTRIBUTE** to the business and **HOW** the **PROFIT** and **MANAGEMENT TASKS** will be **DIVIDED** between them.



FEATURES:

ESTABLISHMENT OF THE BUSINESS	Easy to get started. Trade licence and Partnership Agreement. Partners register themselves for tax purposes.
WHAT IS THE NUMBER OF OWNERS	MINIMUM 2, NO MAKSIMUM
WHAT IS THE NAME OF THE OWNER(S)?	PARTNERS
DOES THE BUSINESS HAVE A LEGAL STATUS?	NO
WHO IS LIABLE FOR DEBT?	Each partner has UNLIMITED LIABILITY



3. CLOSE CORPORATIONS (CCs):

- A close corporation is regarded as a **LEGAL PERSON** that exists **INDEPENDENT** of its owner/s.
- The CC **MUST** pay **TAX** on any profit earned and **NOT** the owners.



FEATURES:

ESTABLISHMENT OF THE BUSINESS	CCs have NOT been ESTABLISHED since 2008 and are now being replaced by a PERSONAL LIABILITY COMPANY .
WHAT IS THE NUMBER OF OWNERS	MIN. 1 TOT MAX 10
WHAT IS THE NAME OF THE OWNER(S)?	MEMBERS
DOES THE BUSINESS HAVE A LEGAL STATUS?	YES , the BUSINESS HAS LEGAL STATUS
WHO IS LIABLE FOR DEBT?	Members have LIMITED LIABILITY



4. COMPANIES:

- The owners of this type of company are called **SHAREHOLDERS** as they own a **SHARE** in the **BUSINESS**.



FEATURES:

ESTABLISHMENT OF THE BUSINESS	Not easy to set up. Must be established by NOTICE of INCORPORATION & MEMORANDUM of INCORPORATION
WHAT IS THE NUMBER OF OWNERS	MIN. 1 TOT MAX = UNLIMITED (up to the number of shares made available)
WHAT IS THE NAME OF THE OWNER(S)?	SHAREHOLDERS
DOES THE BUSINESS HAVE A LEGAL STATUS?	YES, the <u>BUSINESS</u> HAS LEGAL STATUS
WHO IS LIABLE FOR DEBT?	Shareholders have LIMITED LIABILITY

MANAGEMENT:

Management is the process of dealing with, controlling and directing things or people towards reaching certain goals.

Different levels of management: Top, middle and lower level

Top-level management: They define the business's general vision and objectives and ensure that the business achieves those objectives

Middle- level management: They are the link between top-level management and lower-level management.

Low-level management: They are involved in the day-to-day operation of the business.



MANAGEMENT TASKS: Managers perform the following tasks: plan, organise, lead people in the business and control the work done in a business.

Planning: Deciding ahead of time what to do to reach business goals

Organising: Implementing the business's plan to achieve its goals

Leading: Guiding and influencing workers to do the work they need to do to achieve the business's goals

Controlling: Measuring the business's performance against its targets and goals

DIFFERENT STYLES OF MANAGEMENT: Different managers use their power and authority in different ways. Some managers like to make all the decisions themselves and other managers like to share decisions with team members

Autocratic management style: A management style in which you dictate to people what they must do without giving them a chance to decide or participate.

Permissive, free-rein or laissez-faire management style: A management style in which you delegate tasks to others and give them the freedom to decide how to do tasks.

Democratic or participatory management style: A management style in which managers participate in the process of getting the task done.



Function of Management

1. Planning
2. Organizing
3. Leading / directing
4. Controlling



MANAGER VS. LEADER

Leader (n.) -
Someone who expects people to do what they're expecting them to do.

Manager (n.) -
Believes that people do what you inspect, not what you expect.

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**CONSOLIDATION
ACTIVITIES**

QUESTION 1:

1.1 **Various options are provided as possible answers to the following questions. Write down the question number (1.1.1–1.1.5), and the letter (A–D) of your choice.**

1.1.1 The owner of the business accepts all the risks, bears any losses and earns all the profit if the business is successful.

- A Partnership
- B Private Company
- C Sole Proprietor
- D Public Company

1.1.2 The owners of the business become jointly and severally responsible for all the debts of the firm.

- A Partnership
- B Private Company
- C Sole Proprietor
- D Public Company

1.1.3 According to the Company's Act, no new may be established.

- A Public Company
- B Partnerships
- C Close Corporations
- D Private Company

1.1.4 The document that sets out the rights and responsibilities of shareholders, directors and others within a company.

- A Partnership Agreement
- B Memorandum of Incorporation
- C Founding Statement
- D Prospectus

1.1.5 The name of a Private Company ends in

- A Ltd
- B CC
- C (Pty) Ltd
- D Inc.

1.2 **Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5). Each word should only be used ONCE.**

Global warming	Unlimited liability	Sole Proprietor	Sustainable job creation
Legal entity	Partnership		

1.2.1 A business or organisation that has legal rights to enter into contracts and pay debts

1.2.2 Personal assets as well as business assets can be used to cover the business debt.

1.2.3 When a business offers long-term, stable job opportunities for employment seekers.

1.2.4 The gradual increase in the temperature of the earth's atmosphere believed to be due to the greenhouse effect.

1.2.5 The owner receives all profits and is responsible for all debts of the business.

(5x2=10)

1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–E) next to the question number (1.3.1–1.3.5) for example 1.3.6 H.

COLUMN A		COLUMN B	
1.3.1	Public Company	A	Day and Night Plumbers CC
1.3.2	Partnership	B	Telkom
1.3.3	Close Corporation	C	Mxinwa and Van Zyl Accountants
1.3.4	Sole Proprietor	D	NewChic clothing Limited
1.3.5	Private Company	E	Harlem Inc.
		F	Claudine's Hair and Beauty
		G	Extreme Fashions (Pty.) Ltd

(5x2=10)

QUESTION 2:

Various options are provided as possible answers to the following questions. Write down the question number (1.1.1–1.1.5), and write the letter (A–D) of your choice.

2.1.1 Measuring the businesses performance against its targets and goals.

- A Organising
- B Controlling
- C Planning
- D Leading

2.1.2 A team leader meets with his team once a month to hear about the progress of their project. For the rest of the time, they are left on their own.

- A Autocratic Management
- B Democratic Management
- C Laissez-faire Management
- D Participative Management

2.1.3 The general manager of Super M Butchery gives orders to staff members and does not allow them to give any inputs about decision-making. This leadership style is best described as ...

- A Democratic
- B Charismatic
- C Laissez-faire
- D Autocratic

2.1.4 The Chief Executive Officer (CEO) of Elsie's Limited wants to consult with all stakeholders to achieve specific production targets. This is known as the management style.

- A autocratic
- B laissez-faire
- C democratic
- D charismatic

2.1.5 The Chief Executive Officer (CEO) of Protea (Pty) Ltd wants to meet all the heads of department. The CEO forms part of the level of management

- A lower
- B top
- C middle
- D medium

2.2 **Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question number (1.2.1–1.2.5). Each word should only be used ONCE.**

Organogram	Higher level management	Organising	Lower level management
Democratic leadership	Management		

- 2.2.1 Directing and guiding a team of people to reach specific goals.
- 2.2.2 A graphic picture of the organising structure of a medium or large business.
- 2.2.3 This level of management has a supervisory function.
- 2.2.4 Workers participate in decision making.
- 2.2.5 To allocate resources and activities to subordinates.

(5x2=10)

2.3 **Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–E) next to the question number (1.3.1–1.3.5) for example 1.3.6 H.**

COLUMN A		COLUMN B	
1.3.1	Planning	A	To motivate, guide and support employees to fulfil the business goals.
1.3.2	Autocratic	B	Workers participate in decision making
1.3.3	Middle Management	C	Leaders don't take the lead and allow the team members to make the decisions.
1.3.4	Leadership	D	Management is responsible for medium-term planning.
1.3.5	Laissez-faire	E	Management identifies the goals and objectives of the business.
		F	The work that workers do
		G	Managers make all important decisions and control the workers.

(5x2=10)



MEMORANDUM
OF ACTIVITIES

Memorandum: Question 1

- 1.1.1 C Sole Proprietor ✓✓
- 1.1.2 A Partnership ✓✓
- 1.1.3 C Close Corporation ✓✓
- 1.1.4 B Memorandum of Incorporation ✓✓
- 1.1.5 C (Pty.) Ltd ✓✓

- 1.2.1 Legal entity ✓✓
- 1.2.2 Unlimited Liability ✓✓
- 1.2.3 Sustainable job creation ✓✓
- 1.2.4 Global warming ✓✓
- 1.2.5 Sole Proprietor ✓✓

- 1.3.1 D ✓✓
- 1.3.2 C ✓✓
- 1.3.3 A ✓✓
- 1.3.4 F ✓✓
- 1.3.5 G ✓✓

Question 2:

- 2.1.1 B Controlling ✓✓
- 2.1.2 C Laissez-faire ✓✓
- 2.1.3 D Autocratic ✓✓
- 2.1.4 C Democratic ✓✓
- 2.1.5 A Top ✓✓

- 2.2.1 Management ✓✓
- 2.2.2 Organogram ✓✓
- 2.2.3 Lower Level ✓✓
- 2.2.4 Democratic Leadership ✓✓
- 2.2.5 Organising ✓✓

- 2.3.1 E ✓✓
- 2.3.2 G ✓✓
- 2.3.3 D ✓✓
- 2.3.4 A ✓✓
- 2.3.5 C ✓✓

