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**Prescription: 435 Fundamentals of Small Business**


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**Elective prescription**

<b>Level</b>	4
<b>Credit</b>	20
<b>Version</b>	2
<b>Aim</b>	Students will demonstrate knowledge of the characteristics, and operation of small business in the New Zealand context.
<b>Prerequisites</b>	nil
<b>Recommended Prior Knowledge</b>	nil

**Assessment weightings**

Learning outcomes	Assessment weighting %
1. Students will describe the characteristics of small business.	15
2. Students will compare advantages and disadvantages of business ownership options, business structures and finance options of small business.	20
3. Students will identify sources of advice and assistance available for small business.	5
4. Students will explain the importance of marketing choices in small business.	20
5. Students will describe the factors influencing the control of small business.	40
<b>Total</b>	<b>100</b>

All learning outcomes must be evidenced; a 10% aggregate variance is allowed.

**Assessment notes**

1. Assessment materials should reflect relevant and current legislation, standards, regulations and acknowledged good industry/business practices.
2. Learning outcome five, key element b) requires students to describe four government constraints for example HASE 1992, taxation requirements, employment law requirements. An example of a local government constraint would be the Resource Management Act 1991.

**Learning outcome one**

Students will describe the characteristics of small business.

Key elements:

- a) Profile:
  - owner
  - staffing
  - revenue/costs
  - customer focus
  - equity
  - assets.
- b) Success factors, four of the following:
  - capital
  - planning
  - systems
  - customer relations
  - product or service development
  - marketing
  - other.
- c) Owner's competing demands:
  - commitments and responsibilities
  - variety of roles within the business.

**Learning outcome two**

Students will compare advantages and disadvantages of business ownership options, business structures and finance options of small business.

Key elements:

- a) Existing versus new start up.
- b) Ownership options:
  - independent
  - franchise
  - co-operative
  - e-business.
- c) Business structures:
  - sole trader
  - partnership
  - company
  - trading trust.
- d) Finance options.

**Learning outcome three**

Students will identify sources of advice and assistance available for small business.

Key elements:

- a) Specialist services and support:
  - financial and non-financial
  - governmental and non-governmental.

**Learning outcome four**

Students will explain the importance of marketing choices in small business.

Key elements:

- a) Research methods.
- b) Product/Service mix.
- c) Location.
- d) Channels of distribution.
- e) Promotion
- f) Business environment.

**Learning outcome five**

Students will describe the factors influencing the control of small business.

Key elements:

- a) Financial performance:
  - cash budget
  - profit and loss statement (income statement)
  - balance sheet
  - break-even analysis
  - two other types of information (eg debtors).
- b) Legal constraints:
  - four from central government
  - one from local government.
- c) Operational issues, three of the following:
  - quality
  - waste
  - product or service
  - hours of operation
  - other.
- d) Risk management process.

**Status information and last date for assessment for superseded versions**

Process	Version	Date	Last Date for Assessment
Introduced	1	2006	30 June 2015
Review	2	June 2013	31 December 2020