
PRESCRIPTION: 227 ENTREPRENEURIAL PLANNING

Last date for assessing this prescription is 31 December 2008

INTRODUCED 2000

AIM OF SUBJECT

To equip students with the skills to evaluate the issues that arise when establishing or purchasing a small business.

ASSUMED PRIOR KNOWLEDGE

A level of knowledge as provided in the New Zealand Diploma in Business papers 100 Accounting Principles and 110 Introduction to Commercial Law or the equivalent.

COURSE LENGTH

The equivalent of 20 National Qualifications Framework credits, with a minimum of 60 class contact hours or the equivalent of open learning/distance tuition.

RESOURCES

Suggested student references

Financial section of newspapers

Franchise New Zealand: the buy your own business magazine. New Zealand: Carlton Publishing. Quarterly.

Chartered accountants journal of New Zealand. Wellington: Institute of Chartered Accountants of New Zealand. 11 issues a year.

Web sites.

TIME AND ASSESSMENT SCHEDULE

The prescription assumes a RCAP model of assessment (R = recall, C = comprehension, A = application, P = problem solving). In assessing to the prescription, it is expected that, in general, assessment will be of the ability of students to apply the learning outcomes and to undertake problem solving within the course material. Assessment of comprehension should be undertaken only where it is appropriate. Assessment of recall is implicit.

TOPICS	Time in hours	Assessment Weightings (%)	
		min	max
1 Small Business in New Zealand	4	3	7
2 Entrepreneurship and Culture in New Zealand	8	8	12
3 Franchising	8	15	25
4 Family Business in New Zealand	3	3	7
5 Business Failure	3	3	7
6 Business Planning	2	3	7
7 Preparing a Business Plan	30	45	55
8 Selling a Business	2	3	7
	TOTAL	60	100%

This schedule is a recommendation and guide for lecturers/tutors, examiners and students. It gives:

- 1 an approximate allocation of time in hours by topic.
- 2 an approximate percentage allocation for assessment by topic.

TOPICS

1 SMALL BUSINESS IN NEW ZEALAND

Learning Outcome

Students who have fulfilled all requirements for this topic understand the importance of the small business sector in New Zealand.

Assessment Criteria

Students will be expected to:

- 1.1 Discuss the importance of small business to the New Zealand economy.
- 1.2 Discuss the factors that influence the growth and development of business.
- 1.3 Explain the impact on a community arising from the establishment of a business cluster.
- 1.4 Compare and contrast the effect of government policy and assistance in New Zealand, Australia and Ireland.

2 ENTREPRENEURSHIP AND CULTURE IN NEW ZEALAND

Learning Outcome

Students who have fulfilled all requirements for this topic understand the models for identifying characteristics of entrepreneurship.

Assessment Criteria

Students will be expected to:

- 2.1 Compare the features of the different schools of entrepreneurship.
- 2.2 Identify the features in 2.1 in different New Zealand entrepreneurs.
- 2.3 Identify the different characteristics of entrepreneurship in the following cultures:
 - Māori
 - Pacific Island
 - Chinese
 - Indian
 - other significant immigrant groups.
- 2.4 Explain the differences between entrepreneurship, entrepreneurship and innovation.

3 FRANCHISING

Learning Outcome

Students who have fulfilled all requirements for this topic understand the significant features of franchises in New Zealand and the major issues to be investigated when considering the purchase of a business franchise.

Assessment Criteria

Students will be expected to:

- 3.1 Discuss the development of franchising in New Zealand.
- 3.2 Compare and contrast the different types of franchises presently being offered in New Zealand (for example, a lawn mowing franchise compared with a McDonalds franchise).
- 3.3 Discuss the risks involved in purchasing a franchise.
- 3.4 Explain the best practice to be followed when purchasing a franchise.

- 3.5 Explain the issues to be considered when managing a franchise with particular emphasis on the franchisee/franchisor relationship.
- 3.6 Explain the issues to be considered when selling a franchise.
- 3.7 Discuss the function of the Franchise Association of New Zealand.

4 FAMILY BUSINESS IN NEW ZEALAND

Learning Outcome

Students who have fulfilled all requirements for this topic understand the issues facing family businesses in New Zealand.

Assessment Criteria

Students will be expected to:

- 4.1 Discuss the scope and importance of family businesses to the New Zealand economy.
- 4.2 Explain the structures adopted by family businesses.
- 4.3 Discuss the risks that are specific to family businesses.
- 4.4 Discuss the relevance of succession issues for family businesses.

5 BUSINESS FAILURE

Learning Outcome

Students who have fulfilled all requirements for this topic understand why some business ventures do not succeed.

Assessment Criteria

Students will be expected to:

- 5.1 Describe the major causes of business failure in New Zealand.
- 5.2 Discuss strategies that may be adopted to minimise the risk of business failure.

6 BUSINESS PLANNING

Learning Outcome

Students who have fulfilled all requirements for this topic understand the scope of planning required for business success.

Assessment Criteria

Students will be expected to:

- 6.1 Describe the types of planning used by small business in New Zealand.
- 6.2 Describe the content of a business plan.
- 6.2 Discuss the difference between a vision statement (what a business will look like when it is finished) and a mission statement (how the business is going to achieve its vision).

7 PREPARING A BUSINESS PLAN

Learning Outcome

Students who have fulfilled all requirements for this topic are able to prepare and evaluate a business plan for a small business venture.

Assessment Criteria

Students will be expected to:

- 7.1 Explain and give examples of the financial information to be included in the business plan
- 7.2 Explain and give examples of the marketing and legal information to be included in the business plan.
- 7.3 Prepare cash budgets and operating budgets.
- 7.4 Identify the break-even point.
- 7.5 Calculate the finance required for the venture.
- 7.6 Prepare the completed business plan.
- 7.7 Evaluate a business plan.

Notes

- (i) It is expected that each student will prepare his/her own business plan. Either a family business or establishing a small business may be used for this purpose.
- (ii) For 7.6, the business plan could be presented to the class, and for 7.7 the business plan evaluated could be that prepared by another class member.

8 SELLING A BUSINESS

Learning Outcome

Students who have fulfilled all requirements for this topic understand the major issues to be considered by the seller of a business.

Assessment Criteria

Students will be expected to:

- 8.1 Discuss the sources of advice on selling businesses.
- 8.2 Explain the factors that influence the selling price for a business.