
PRESCRIPTION: 435 FUNDAMENTALS OF SMALL BUSINESS

This prescription replaces *115 Small Business Management*.

ELECTIVE PRESCRIPTION

LEVEL	4
CREDIT	20
VERSION	1
INTRODUCED	2006
AIM	Students will demonstrate knowledge of the characteristics, options and operation of small business in the New Zealand context.
PREREQUISITES	Nil

ASSESSMENT WEIGHTINGS

Learning outcomes	Assessment weighting %
1. Students will describe characteristics of small business.	15
2. Students will compare business options, business structures and finance options of small business.	20
3. Students will identify sources of advice and assistance available for a small business.	5
4. Students will explain the importance of marketing choices for a small business.	20
5. Students will describe performance measures and controls used for small business.	40
TOTAL	100

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 is a core component of this prescription. It is designed to ensure that students are able to understand the key control factors when running a small business. Controls should be applied in the running of a small business to ensure that the effectiveness and success factors can be monitored. Controls are critical to lower and manage risk.
3. Learning outcome five, key element b) requires student to describe four government controls for example HASE 1992, taxation requirements, employment law requirements. An example of a local government control would be the Resource Management Act 1991. Examples of an operational control would be quality management requirements such as ISO 9000 2000, zero defect or minimisation of rework.

LEARNING OUTCOME ONE

Students will describe characteristics of small business.

Key elements

- a) Profile:
 - owner
 - staffing
 - turnover
 - customer focus
 - equity and asset value.

- 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
 - time demands.

LEARNING OUTCOME TWO

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

Key elements

- a) Existing versus new start up.

- b) Business 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 a 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 for a small business.

Key elements

- a) Research.
- b) Promotion.
- c) Business environment.
- d) Location.
- e) Channels of distribution.

LEARNING OUTCOME FIVE

Students will describe performance measures and controls used for small business.

Key elements

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