CLASSIFICATION OF TOPICS PER QUESTION PAPER

NOV/YEAR END EXAMINATION STRUCTURE OF THE QUESTION PAPER

PAPER 1	PAPER 2
TIME: 2HOURS	TIME: 2HOURS
MARKS 150	MARKS 150
SECTION A COMPULSORY TYPES OF QUESTIONS: 1.1 Multiple choice question 1.2 Matching items 1.3 Choose the correct word(s)	**SECTION A COMPULSORY** TYPES OF QUESTIONS: 1.4 Multiple choice question 1.5 Matching items Choose the correct word(s)
SECTION B (Answer ANY TWO) Question 2 Business Environment (40 marks)	**SECTION B (Answer ANY TWO)** Question 2 Business Ventures (40 marks)
Question 3 Business Operations (40 marks)	Question 3 Business Roles (40 marks)
Question 4 Miscellaneous Question (Business environment for 20 marks and Business Operations for 20 marks)	Question 4 Miscellaneous Question (Business Ventures for 20 marks and Business Roles for 20 marks)
SECTION C essay (Answer ANY ONE) Question 5: Business Environment Question 6: Business Operations	**SECTION C essay (Answer ANY ONE)** Question 5: Business Ventures Question 6: Business Roles

GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

BUSINESS STUDIES

GRADE 10

PAPER 2

TERM 3

CHAPTER 11

CREATIVE THINKING AND PROBLEM-SOLVING

REVISED NOTES

2025

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This chapter consists of 10 pages.

CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

Learners must be able to:

- Elaborate on the meaning of creative thinking.
- Outline/Explain/Describe/Discuss the advantages/benefits of creative thinking in the workplace.
- Explain how businesses can use creative thinking to generate entrepreneurial opportunities, e.g. designing environments that stimulate creative thinking.
- Define/Elaborate on the meaning of problem-solving.
- Outline/Explain/Distinguish the differences between decision-making and problem solving.
- Outline/Explain/Discuss/Describe the problem-solving cycle.
- Name/Explain/Discuss problem-solving techniques
  - Force-Field Analysis
  - Delphi Technique
  - Nominal Group Technique
  - Brainstorming
- Explain/Describe how businesses can apply problem-solving techniques to solve business problems.
- Identify problem-solving techniques from given scenarios/case studies.
- Recap the meaning of a business opportunity
- Explain/Describe how businesses can use mind mapping, and brainstorming to identify innovative and entrepreneurial business opportunities.
- Recommend/Suggest ways in which creative business opportunities can realistically be implemented.

TERMS/CONCEPTS	DEFINITION/MEANING
Creative thinking	involves the process of generating innovative and imaginative ideas.
Sustainable business practice	a business practice that is economically viable, socially responsible, and environmentally friendly is usually regarded as being sustainable.
Indigenous knowledge	the local knowledge that is unique to a given culture or society.
Non-conventional thinking	refers to thinking differently and looking at something in a new way.
Mind mapping	diagrams that represent ideas that are connected to a central theme.
Force Field Analysis	a technique used to determine the forces that are for and against a decision.
Nominal Group Technique	a structured method for group brainstorming that allows every member to come up with ideas on their own.
Brainstorming	a group activity to find a solution for a specific problem by gathering a list of ideas spontaneously.
Delphi Technique	a method that relies on a panel of experts to find solutions to a problem.
Problem solving	the process of finding solutions to difficult or complex issues.

1 The meaning of creative thinking

- Creative thinking is the ability to think original, varied and innovative ideas.
- It focuses on exploring ideas/generating possibilities/looking for many possible solutions.
- Thinking in a way that is unconventional and original.
- It is the act of producing new ideas and making them real.
- Generating new ideas and being open to new ideas.
- Focuses on exploring ideas/generating possibilities and looking for many possible answers.
- Creative thinking involves the process of generating innovative and imaginative ideas. It is the ability to see something in a new way.
- It is also about being able to think of unique ideas or new approaches to solve problems.
- Whether businesses consider making changes to a product or creating a new advertisement in an ever-changing world, creative thinking at the workplace can have a positive impact.

2 The advantages/Benefits of creative thinking in the workplace

- New, innovative, and better ideas and solutions are generated.
- Creative thinking improves the quality of solutions to business problems.
- Products and services can be marketed creatively.
- Creativity is key to staying one step ahead of competitors.
- Complex business problems may be solved.
- It leads to increased productivity of the entire business.
- It leads to more positive attitudes as managers and employees feel that they have contributed towards problem-solving.
- It improves motivation amongst staff members.
- Stimulates profitable new ideas for products/marketing campaign and public relations.
- Managers can come up with creative strategies for the business.
- Employees can think for themselves and come up with creative solutions.
- Motivates employees and improves their skills resulting to a happy workforce.
- Improves productivity and reduces voluntary turnover.
- Creative public relations strategies can be designed and implemented.
- Helps businesses to respond to the threat of competition and to remain leaders in the field.
- Creativity may lead to new inventions that will improve the general standard
- of living.
- Management and employees may keep up with fast-changing technology.
- Helps businesses to provide its clients with the best possible products or services, which improves client loyalty.
- Leads to the development of better methods of production to save on costs.
- Allows businesses to extend its range of services like offering better customer services or credit facilities.
- New products/services can be designed to meet changing needs of customers.
- Managers can motivate and manage staff in creative ways to get the best from them.

3 Ways in which businesses use creative thinking to generate entrepreneurial opportunities

- Successful entrepreneurs use creative thinking to come with new products/services.
- They create a new market for their products that never existed before.
- Creative thinking can be applied to continuously improve products and to stay ahead of competition.
- Designing environments that stimulate creative thinking.
- Encourage staff to come up with new ideas and solutions.
- Encourage alternative ways of doing things.
- Respond enthusiastically to all ideas and never let anyone feel less important.
- Make time for brainstorming sessions to generate new ideas, for example holding regular workshops.
- Place suggestion boxes around the workplace and keep communication channels open for new ideas.
- Train staff in innovative techniques, creative problem-solving skills, mind-mapping and lateral thinking.
- Emphasise the importance of creative thinking to ensure that all staff knows that management wants to hear their ideas.
- Encourage job swops within the organization and study how other businesses are doing things.
- Regard indigenous knowledge as a valuable resource when solving problems or identifying opportunities.

ENRICHMENT

Businesses can use creative thinking to solve business problems

Creative thinking and problem-solving are necessary components of sustainable business practice. Solving problems are at the centre of what many people do at work every day. Businesses are required to apply creative and critical thinking skills to solve problems. A fundamental part of the role of every manager is finding ways to solve problems:

- Management can come up with creative solutions for the business.
- Management can be creative when managing and motivating employees.
- Employees can come up with creative strategies for problems.
- New products can be designed to meet changing preferences and demands.
- Existing goods and services can be adapted to meet ever-changing needs.
- Goods and services can be marketed in creative ways.
- Public relations can design and implement creative strategies.

4 The meaning of problem-solving

- Problem solving is the ability to search for and find information relating to the problem.
- Problem solving is the process of finding solutions to difficult or complex issues. It is a process that requires creative thinking. Alternative solutions are identified and critically evaluated. Effective problem solving results in good decision-making.
- t is a process of identifying and analysing the problem and coming up with the solutions.
- Problems can be solved by a group/team or an individual. Various techniques may be used.

5 Differences between decision making and problem solving

DECISION-MAKING	PROBLEM-SOLVING
Decisions are usually made by one person.	Problem-solving usually involves a group/team.
Various alternatives are considered before deciding on the best one .	Alternatives solutions are identified and evaluated
It does not form part of the problem solving since decisions need to be taken for each step of the business process.	Innovative solutions are generated, implemented, and evaluated.
Decision-making is the process of choosing from several alternatives.	Problem-solving is the process of finding a solution to a problem.
It is part of the problem-solving process where a solution is chosen.	It involves analysing the problem to identify solutions.

6 Problem-solving cycle/steps

- Businesses need to have a process that can be used to solve their problems.
- The problem-solving cycle/steps consists of the following aspects:

Identify the problem

- Acknowledge that there is a problem.
- Identify the exact problem.
- Break down the problem into smaller/separate parts that are easier to solve.
- Businesses must first know and understand the problem.
- The problem must be defined accurately.
- Develop a detailed problem solving statement that includes the effect the problem has on the business.
- Businesses should get the opinions and suggestions of everyone involved.
- Collect as much information as possible and study the problem.

Define the problem

- Define the causes of the problem.
- Focus on the real problem by finding out as much information as possible.
- Focus on the real problem by finding out as much information as possible.
- This step can only take place once a business knows and understands its problem.
- Generate a definition that is concrete and specific.
- The nature of the problem must be precise.
- They must define the possible causes of the problem.
- Define the problem so that it becomes easier to find a solution.

Develop an action plan

- Identify all different possible solutions.
- Finding a solution involves constructing a course of action that will change the situation.
- A strategy is a plan of action that requires further investigation before a decision is reached.
- Businesses need to use problem solving techniques to find solutions.

- Use the problem-solving techniques to formulate relevant the strategies.
- Consider different solutions for the problems by using creative thinking techniques.
- The solution must be realistic and executable.
- The action plan includes the details of activities that must be performed.

Choose the best solution/strategy

- Businesses must set criteria for the best solution/strategy, in terms of aspects such as time/cost/risk involved.
- The best solution/strategy should match the size and the resources of the business.
- If the solution is not appropriate, they should go back to defining the problem.

Allocate the resources

- Arrange the necessary solutions.
- Proper resource allocation makes it easier to assign tasks and execute them based on their priorities.
- Resources include money/staff members/time/equipment etc.
- Plan carefully so that you do not interrupt the normal running of the business.
- Consider buying affordable and effective resources.
- Communicate with employees so that they understand the strategy and know who will do each job.
- This process requires good planning, communication and organising skills.

Implement the suggested solution/action plan

- Carry out the solution/action plan.
- The action plan includes the details of activities that must be performed.
- Put the suggested solution into action and have necessary resources to implement the suggested solution.
- Plan the steps required to implement the suggested solution.
- Implement the suggested solution according to the plan.
- The method and time of implementation be considered.

Monitor the implementation of the solution/action plan

- Monitor/closely observe the solution/action plan.
- Ensure that the solution is being implemented as expected by gathering feedback.
- Monitor whether the strategy is solving the problem as defined in step one.
- If the strategy is not working, then return to step 3 and come up with an alternative strategy.

Evaluate the implemented solution/action plan

- Consider the advantages and disadvantages of the whole process.
- This includes whether the action plan has solved the problem.
- Businesses must use critical evaluation and analytical skills to evaluate the strategy.
- Once the strategy has been implemented, evaluation process must be done to identify areas that were effective and areas where improvement can be made.
- Monitor if the strategy was successful or not in solving the problem.
- Evaluate the entire process that was used to reach the strategy.
- Get the views of all the people involved in the process.

7 Problem-solving techniques

- Force field analysis
- Nominal group technique
- Brainstorming
- Delphi technique

8 Force field analysis

- It is aimed at facilitating change in the business.
- People are often resistant to change and will act against change taking place.
- Management is a force acting for change, while the employees are a force acting against change.

Application of force field analysis

- Change should be communicated effectively to employees.
- Stop all change for a while until proper communication has been done.
- Explain the reasons and benefits of the changes to all staff.
- Ensure that everyone understands how the change will affect them.
- Ensure that all questions are dealt with effectively.
- Do not make any more changes in the organization for a while so that it can stabilise, and employees can get used to the changes.
- The business should describe the current situation and the desired situation.
- Write a plan/proposal for change in the middle.
- Weigh up the positives and negatives then decide if the project is viable.
- Choose the force with the highest score as the solution.
- List all the forces driving (positive) and resisting (negative) change.
- List all forces in support of the change in one column.
- Allocate a score for each, from 1 (weak) to 5 (strong)
- Determine if change is viable. If not, check which resisting forces can be influenced/mitigated/avoided to make the change possible.
- If so, find ways to increase the forces for change and diminish the forces against change.
- Based on this outcome, come up with a strategy to help reduce the resisting forces and ensure that the changes can be done.
- Identify priorities and develop an action plan.

9 Delphi technique

- The Delphi technique is used when trying to solve a big problem of which there seem to be no previous examples.
- Method that relies on a panel of experts to find solutions to a problem.
- Businesses use this technique to obtain group input from experts on a specific issue.
- The experts are intentionally kept apart so that their responses are not influenced by other experts taking part in the process.
- This technique uses a series of questionnaires to obtain feedback from experts.
- The questionnaires are summarized to bring about the agreement from the different views.

Application of Delphi technique

- A panel of experts is invited to participate in the process.
- Experts do not have to be in one place and will be contacted individually.
- A questionnaire is designed and distributed to the panel.
- Request the panel to individually respond to the questionnaires/suggest solutions to the problem and return it to the business.
- Summarise the responses from the experts in a feedback report.
- The feedback report and a second set of questions/questionnaire related to the feedback are sent to the panelists.
- Request panel members to provide further input/ideas on how to solve the problem after they have studied the results/documentation.
- They then complete the second questionnaire
- Distribute a third questionnaire based on previous feedback from the second round.
- Prepare a final summary/feedback report with all the methods to solve the problem
- Consensus is reached and the best solution is chosen.

10 Nominal group technique

- The nominal group technique is used to avoid the disadvantages of group discussions.
- Requests each employee to silently brainstorm and generate many ideas on their own and to write them down.
- A voting process is added to rank the ideas that are generated.
- Everyone in the group is expected to participate in silence.

Application of the Nominal Group technique

- The group is divided into a smaller group of 5 or 6 people around the table.
- The problem is defined clearly.
- Each individual silently brainstorms as many ideas as possible and write them down.
- One by one, each person in the group gives one of their solutions/ideas with a short explanation.
- Someone writes them all down on a big sheet of paper.
- Everyone gives a second solution, and so on until all possible solutions have been recorded.
- No one is allowed to criticize, but participants may ask questions to understand the suggested solution more clearly.
- Duplicate ideas are the eliminated.
- Individuals anonymously rank suggestions from 1 upwards.

- The ratings are collected, and the points collected and calculated.
- Solutions may also be chosen by voting to determine the best idea(s).
- The group is given the results of which idea received the most points, the second most points, and so on.
- Each group presents the solution that was deemed the best according to the votes.

11 Brainstorming

- Brainstorming is a group activity to find solution for a specific problem by gathering a list of ideas spontaneously.
- It is a method for inspiring creative problem solving by encouraging group members to come up with thoughts and ideas.
- Some of the ideas can be crafted into original creative solutions to a problem, while others can spark even more ideas.
- Businesses use brainstorming when they want to involve employees/team in the decision-making process.
- It needs to be managed by a facilitator to ensure that the best result is achieved.

Application of brainstorming

- The problem must be defined clearly.
- People in the group suggest ideas and solutions at random.
- All ideas must be written on a flip a chart.
- The facilitator must encourage everyone to participate and ensure that no-one criticizes any suggestions.
- When the time is up/no one has any more ideas, the sheets with suggestions are hung around the room.
- Similar ideas are grouped together using coloured pens.
- The group evaluates the ideas and rates them according to how successful they think each idea will be.
- A plan of action is discussed to put the best ideas into practice.

12 Explain/discuss how businesses can use mind mapping, brainstorming to identify innovative and entrepreneurial business opportunities.

DO NOT ASSESS THIS CONTENT

- Application of mind mapping
- Create a central idea or theme.
- The central idea or theme is the starting point of the mind map and represents
- the topic to be explored.
- Add branches to the mind map linking key concepts to the main theme.
- Add keywords to the branched-off key concepts.
- Branches may be colour-coded.
- Images may also be included.
- Mind maps are diagrams that represent ideas that are connected to a central theme. It is a way of linking key concepts using images, lines, and links. A central concept is linked via lines to other concepts, which in turn are linked with other associated ideas.
- Mind mapping helps individuals to think, collect knowledge, remember, and create ideas. Simplify mind mapping so that learners can easily understand.

13 Ways in which creative business opportunities can realistically be implemented

- People must be prepared tom pay enough for the product to cover the production costs.
- There must be a demand for the product/service.
- Introduce the new product to the consumers and educate them on how it could be useful to them.
- The entrepreneur must first identify a business opportunity to implement.
- Develop a realistic plan.
- Plan the activities to be conducted with reasonable deadlines and resources.
- People in the business must also be identified and given tasks and activities of the plan.
- The entrepreneur must motivate the workers to implement the plan.
- Put control measures in place to ensure that workers are implementing the plan.

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BUSINESS STUDIES

GRADE 10

TERM 3

CHAPTER 12

NOTES ON BUSINESS OPPORTUNITY AND RELATED FACTORS

REVISED NOTED

2025

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This chapter consists of 9 pages.

CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

Learners must be able to:

- Elaborate the meaning of a business opportunity and give practical examples.
- Explain the importance of assessing needs and desires in identifying a business opportunity.
- Design a research instrument to assess needs & desires e.g. questionnaires, interview structure/schedule.
- Outline/Explain/Describe protocol for conducting research.
- Conduct market research and identify a business opportunity.
- Outline/Explain the difference between internal & external market research.
- Compile a SWOT analysis to determine a viable business venture.
- Identify a business opportunity based on the findings from compiling a SWOT analysis.
- Apply a SWOT analysis from given scenarios/case studies.

TERMS AND DEFINITIONS

TERMS	DEFINITIONS
Business opportunity	The potential of a business idea to succeed based on the researched needs and desires of the potential market
Research	A systematic investigation to find facts or to collect information.
Potential market	Customers who will want to buy a product/service and who have the cash or credit facilities to do so
Risks	Possibilities of loss or damage
Research instrument	A device/tool that can be used to gather information or to form a set of guidelines for observation
Respondents	People to whom the investigation is carried out/person who completes a questionnaire
Feasible	Being possible and practical to achieve something easily/conveniently
Viable	Capable of working successfully
Strengths	Particular skills and circumstances that exist in the business and its staff that contribute to its success.
Weaknesses	Circumstances that work against the business and its success
Opportunities	Circumstances that make something possible to the advantage of the business
Threats	Things that can cause the business to fail
Target market	A specific group of customers at which a company aims its products and services.
SWOT analysis	A technique/tool that is used to evaluate a situation from different angles in order to make strategic decisions.

1 The meaning of a business opportunity

- A business opportunity is an idea for a person to start a business so that they can generate an income.
- It is a chance of improving the current operations of a business which can contribute to greater profitability.
- A business opportunity is an idea for a product /service that will meet needs/desires, and that can be sold or leased to earn an income.
- Entrepreneurs should be constantly on the lookout for new business opportunities to be competitive.
- It is an idea that can be converted into viable, income-producing business.
- Each need and desire are a possible business opportunity.
- It is a gap in the market when peoples' needs and desires are unfulfilled.

Examples of business opportunities:

- Home care services for senior citizens online education programmes catering and ready-made meals.

2 The importance of assessing needs and desires in identifying a business opportunity

- Needs and desires are keys to successful business opportunities.
- The success of a business opportunity depends on the awareness and fulfilment of target market.
- Every need and every desire are a possible business opportunity.
- Business should create a desire for the product through a well- designed advertising and marketing campaign.
- Needs and desires form guarantee a possible market.
- When people have needs or desires that are not fulfilled, then a business opportunity is presented to fulfill those needs and desires.
- It is easier to find something that people want and to create a business around that since desires are unlimited.
- Sometimes an entrepreneur will invent a new product for which there is no existing desire or market.
- In such a case the entrepreneur would have to create a desire for the product through clever advertising and a good marketing campaign.

3 Designing a research instrument to assess needs and desires

- A well-designed research instrument informs a business about the needs and desires of potential customers.
- Businesses can use this research data to reduce risk and make informed business decisions.
- Entrepreneurs usually develop a research instrument to find out about people's needs and desires.

4 Different research instruments

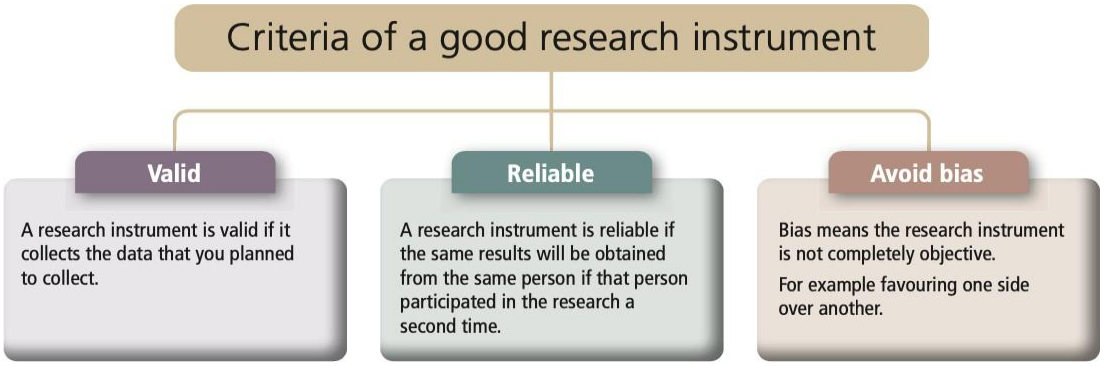
- A research instrument is a tool used to collect, measure and analyse data related to a business opportunity.
- A good research instrument will provide information about a target market, which is meaningful, that is, the respondents actively participated in the research.

5 Design a good research instrument

A good research instrument will give you complete and accurate information.
The following steps must be followed:

- Decide what information you need
- Be clear about what you want to know about potential customers.
- Use a table to analyse data from the research. Ask simple and clear questions
- Have a variety of questions.
- Include some multiple choice, tick box questions, questions where things must be
- ranked according to scale.
- Test the questions.

FOR ENRICHMENT NOT EXAMINABLE



6 Types of research instruments for data collection



Questionnaires

- Questionnaires are designed to collect information from people about their attitudes/preference/level of knowledge/personalities/beliefs etc.
- A questionnaire consists of a series of questions that are developed to gain information from respondents.
- Respondents give answers in writing.
- Responses may be immediate/direct or need to be emailed.

Interviews

- Business situations provide opportunities for interviews with employers, customers, analysts etc.
- The interviewer leads the interview by asking questions and the interviewee responds to the questions.
- Responses are collected from an individual or a group and may be recorded.
- Questions should be carefully prepared and selected to avoid any biasness.
- Questions should be carefully prepared to avoid anything that might be sensitive and offensive.
- Helps businesses to collect the same type of information from many people.
- Businesses do not require processing assistants as they are able to analyse responses/data.

7 The protocol for conducting research

The meaning of research protocol

- A research protocol is a plan with detailed guidelines that explain the rules of the research.
- It will describe the objectives, design, methodology and statistical considerations of the research depending on the type of information required.

8 Ethical issues and protocols to be adhered to when doing research:

- The research should be conducted with the willing cooperation of participants.
- If research is taking place within an organisation, it must be approved first.
- The person conducting the research should not try to influence the opinions of the participants.

9 When pursuing a business opportunity, ensure that:

- It does not break any law or infringe on any copyright.
- It does not harm the environment.
- The product or service should be safe.
- The product or service should not be bad for people's health.

10 The research protocol also addresses the integrity of research

- The research protocol must cover the ethics of the process. Ethics in research has three elements:
  - Research may not disadvantage anyone.
  - Research may not be inhumane.
  - Research may not exploit anyone.
- The research should be conducted with the willing cooperation of participants.
- The research must be approved first if it is taking place within an organisation.
- Research must comply with ethical standard of the organisation by obtaining clearance from the authorised bodies or persons.
- The person conducting the research should not try to influence the opinions of the participants.
- The research protocol should address the integrity of the research.
- The research should obtain consent from the respondents to carry out the research.

11 Conduct market research and identify a business opportunity

- Market research is the systematic gathering, recording, and analysing of data about the marketing of goods and services.
- Market research to assess needs and desires.

12 The importance of market research for a business

- Market research assess the needs and desires of customers
- Entrepreneurs gain information about industry trends and the actions of their competitors.
- Helps the business in developing and enhancing the product
- Guides business to minimise risks and identify gaps in customer expectation.
- Can be used to identify a business opportunity.
- Can guide a business to minimise risks
- To identify gaps in customer expectations.
- People's taste, habits, behaviors, and desires change constantly.
- Regular market research will inform the business about the changes

13 The differences between internal and external market research

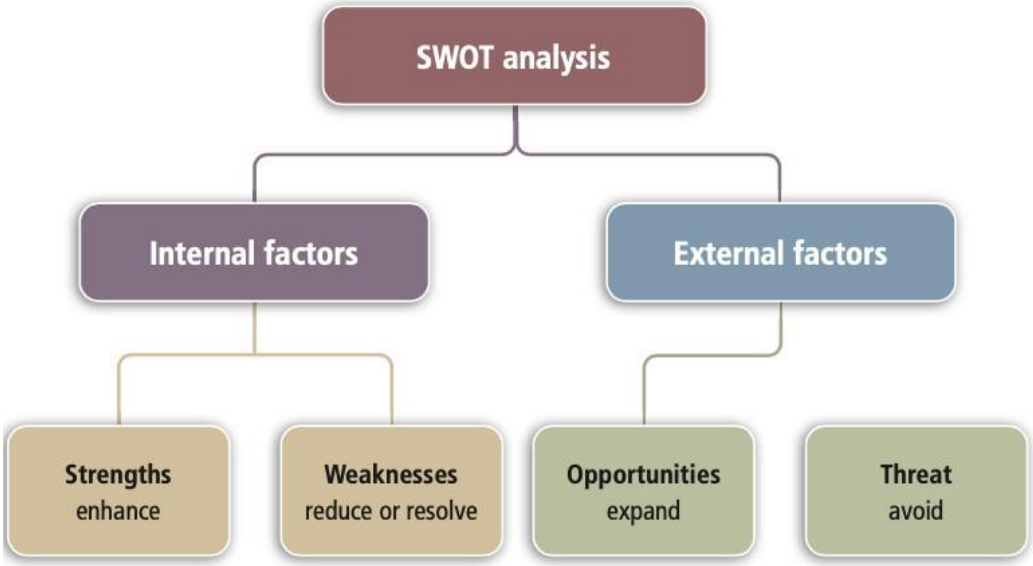
INTERNAL MARKET RESEARCH	EXTERNAL MARKET RESEARCH
• Internal market research usually conducted from within the business.	• External market research is market research usually conducted by an outside specialist.
• Employees together with general employers indicate taste, type of products/services of the business.	• Businesses use data from market research that has been conducted in the past by other organisation/ statistics published by the government.
• Different resources are used for gathering business information for helping management to make informed decisions.	• Useful information about the target market, environment and about customers' needs and desires can be obtained.
• Employees are familiar with both customers and products which means	• The feedback is obtained by customers, potential customers, and suppliers

they are uniquely capable of generating new ideas and how to market it	
• Internal market research focuses on the factors within the business	• External market research focuses on the interaction between the business and the customers.

14 Compile a SWOT analysis to determine a viable business venture

The meaning of a SWOT analysis

- A SWOT analysis is strategic tool.
- It summarises a large amount of data into a user-friendly diagram.
- SWOT stands for Strengths, Weaknesses, Opportunities and Threats.
  - Strengths and Weaknesses relate to internal factors, which are under the control of the business (micro environment).
  - Opportunities and Threats relate to external factors over which the business has little (market environment) or no control (macro environment).
- It is used to help businesses make decisions by setting out information clearly in order to only focus on important information.
- Entrepreneurs use a SWOT analysis to decide if their business idea is indeed a viable business opportunity.



An example of a SWOT analysis

Imagine that you have decided to sell cakes at the school market day.

	STRENGTHS	WEAKNESSES
INTERNAL	List all the strengths of your idea/product/business e.g.: • Easily available • Can be made by learners. • Cheap to make. • Strong customer base • Well-trained staff • Adequate resources • Strong financial strength	List all the areas where the business idea/product falls short e.g. • Perishable • Need careful handling. • Need to be hygienically stored. • Have to be hygienically displayed • Bad reputation • Financial problems • Lack of trained staff

		• Lack of capabilities • Lack of resources
EXTERNAL	**OPPORTUNITIES**	**THREATS**
	List all opportunities that could assist the business idea/improve the product e.g. • Strategic partnerships • Possibility of obtaining tenders and contracts. • New product and market development • Appeals to most learners. • Not gender specific (boys and girls like cakes.) • Cheap compared to other products	List everything that threatens the success of the business idea/product e.g. • Economic factors- e.g. high inflation rate. • Political factors like strikes and protest • Environmental factors like climate change and pollution. • Legal for example Acts that can have an impact on businesses, for example EEA, SDA, BBBEE • High competition • Low profit margin

Another example of a SWOT analysis

INTERNAL	**STRENGTHS**	**WEAKNESSES**
	List all the strengths of your idea/product/business e.g.: • Capabilities • Good employees • Sufficient resources • Quality products/services	List all the areas where the business idea/product falls short e.g. • Special registration • Bad reputation • Lack of finances/resources • Lack of leadership • Lack of capabilities
EXTERNAL	**OPPORTUNITIES**	**THREATS**
	List all opportunities that could assist the business idea/improve the product e.g. • Partnership with other businesses • Fashion and trends • Tenders • Product development	List everything that threatens the success of the business idea/product e.g. • Economic factors • Political factors • Environmental factors • Technological factors • Legal factors • Physical factors • Competitors

15 Benefits of SWOT analysis

- It is not expensive to perform a SWOT analysis.
- It is a planning tool that can help a business to make decisions.
- It gives a big picture of a business opportunity.
- It can help a business to focus on what is important.
- Do not take a lot of time to perform a SWOT analysis. It can be done quickly, and you have the analysis immediately available.
- Useful to find possible challenges in all three business environments.

16 The importance of conducting a SWOT analysis

- It is a useful planning tool and helps people to make decisions by setting out information clearly.
- Businesses use this tool when making important decisions.
- Entrepreneurs use when making decisions about the viability of a business opportunity.
- It is useful to assess business opportunities because it assesses businesses strengths and weaknesses.
- Helps business owners to identify ways in which their business can grow and identify potential threats.
- Businesses can use this tool during any stage of development.
- Helps a business to determine its position to fulfil the needs and wants of their prospective customers.
- It is useful if there are changes in the market environment or when considering starting a new business venture.

17 Limitations of SWOT analysis

- When you are conducting a SWOT analysis, you should keep in mind that it is only one stage of the business planning process.
- For complex issues, you will usually need to conduct more in-depth research. A SWOT analysis may be limited because it:
    - does not prioritize issues
    - does not provide solutions or offer alternative decisions
    - can generate too many ideas but not help you choose which one is best
    - can produce a lot of information, but not all of it is useful.
    - may cause businesses to overlook certain aspects in the business.

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PAPER 2

CHAPTER 13

PRESENTATION OF BUSINESS INFORMATION

REVISED NOTES

2025

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This chapter consists of 6 pages.

CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

Learners must be able to:

- Outline/Explain/Discuss the importance of business reports.
- Outline/Explain guidelines on writing an effective business report.
- Outline/Explain/Discuss the importance, advantages and disadvantages of graphs/diagrams, symbols/pictures
- Outline/Explain/Discuss factors that must be considered when preparing for a verbal presentation.
- Explain/Discuss/ Describe the different visual aids
    - PowerPoint/Data projector/Slides
    - Hand-outs/flyers/brochures
    - Flip charts
    - Interactive white boards/Smartboards
    - Posters/signs/banners/portable advertising stands/flags
- Explain the purpose of visual aids
- Identify visual aids from given scenarios/case studies/pictures/cartoons. Support your answer by quoting from given scenarios/case studies/pictures/cartoons.
- Outline/Explain/Discuss factors that must be considered when designing a presentation.

TERMS AND DEFINITIONS

TERMS	DEFINITIONS
Business report	It is a written document that communicates information to assist business decision making. a key communication tool that provides an evaluation of a particular issue relating to the performance of the business.
Graphs	Two-dimensional drawing showing a relationship between two set of variables by means of a line/curve/bars.
Presentation	The act of communicating information/data to an audience/stakeholder in an organization.
Verbal Presentation	The presentation is delivered through word of mouth or in words.
Non-verbal Presentation	Presentation is delivered through writing or supporting material. the transfer of information through the use of business reports, handouts, charts, and posters with the support of visual aids.
Visual Aid	Refers to charts/pictures/images that help to clarify a point/enhance a presentation.
Audio Visual Aid	It is material or tool directed to both sense of hearing and sight, e.g., projector
Data Projector	Is a devise that projects images from a computer onto a screen.
Interactive whiteboard	It's a devise that has a data projector attached to it. It also has special pens that a presenter can write on it.

Overhead Projector	It is a devise that shines light through a glass on which a translucent slide is places on it.
Handout	Printed information provided to the audience to accompany a presentation. a written summary of information dealt with in a presentation.
Diagrams	A drawing showing the appearance/structure/workings of data in a schematic representation.
Flip Chart	A large pad of paper, bound so that each page can be turned over at the top to reveal the next page, used on a stand.
Tables	a data structure that organises information into rows and columns.

1. The importance of business reports

- A business report aims to provide a critical analysis of how the business is performing in all business functions of the organization.
- Business reports are used to guide decision making in the business.
- Business reports enable management to keep track of every activity done in each department.
- It allows business owners and senior management the opportunity to investigate and solve any identified issues.
- It enables senior management with information on how each department is doing.
- Business reports provide information for management that is timely and factual.

2. Presentations may be done verbally or non-verbally

- Verbal presentation means a presentation is delivered through speech or
- orally. Delivering effective verbal presentations involves what you say (verbal), how you say it with your voice (vocal), and everything the audience can see about you (visual). One could say that it is the verbal and visual equivalent of a written report.
- Non-verbal presentation is the transfer of information through the use of business reports, handouts, charts, and posters with the support of visual aids.
- A business report is a key communication tool that provides an evaluation of a particular issue relating to the performance of the business.
- A handout is a written summary of information dealt with in a presentation.
- Charts (referred to as newsprint) are used to record and visually display
- information that will engage and stimulate audience participation.
- Posters are usually large, printed sheets that contain pictures and posted in a
- public place.

3. Guidelines on writing an effective business report.

- Determine the scope of the report.
- Determine the target audience of the report.
- Determine how the report should be presented.
- Collect the necessary information.
- Prepare an overview of what the audience to know and details that should be included in the report.
- Write concisely/briefly and only include important information.
- Use regular/basic language/simple grammar and clear short sentences.

- Use accurate/meaningful visual aids such as tables, graphs, drawings etc.
- Spend time revising the report and correct spelling mistakes and grammatical errors.
- Get someone to look at the report and to make suggestions for improvement.

4. The importance, advantages and disadvantages of graphs, diagrams, symbols, pictures

- Graphs, diagrams and symbols/pictures are visual aids that help a reader, audience see what you are talking about in a business report or when giving a presentation
- Graphs are more likely to be used to present date in a form that is easy for the reader/audience to understand.
- Images and diagrams are typically used to explain concepts or theories.

4.1 The importance of graphs/diagrams, symbols, pictures (visual aids)

- Diagrammatic data presentation allows understanding of data more easily.
- It helps illustrate points to the reader/audience more easily and effectively.
- It also helps maintain the audience's interest during the presentation.
- It engages the audiences with the presentation, making them remember it afterward.
- Diagrams are interesting, relevant, and support the presentation.
- Visual aids will effectively help convey the message.
- It helps to clarify the message and provides a point of reference for the mind.

4.2 Advantages and disadvantages of graphs, diagrams, symbols/pictures (visual aids)

Advantages

- Graphical representation of information helps with understanding and identifying patterns and trends in data.
- It enables quick analysis of large amounts of data at one time and assists in making predictions and informed decisions.
- A lot of information can be displayed in an easy-to-understand format.
- Graphs do not require much explanation.
- Visual aids simplify the presentation when using complex information.

Disadvantages

- Too many diagrams and graphs can be confusing to the audience.
- Information can easily be manipulated, causing false interpretations.
- It may distract the audience from the speech as they pay more attention to the visual aids.
- Preparation of graphs and diagrams is time-consuming.

5 Factors that must be considered when preparing for a verbal presentation

Several aspects need to be considered when preparing for a verbal presentation.

These are:

- Write down the purpose and main points of the presentation
- capturing the main aim in the introduction of the presentation
- Relevant and accurate presentation of the information
- Being fully conversant with the content of the presentation
- knowing the background of the audience to determine the appropriate visual aids

- Preparing a structure of the presentation with an introduction, body, and conclusion
- Summarizing the key facts in the conclusion, and showing that all aspects have been addressed.
- Creating visual aids that will assist in getting the point across effectively
- Visiting the venue and ensuring that the equipment provided is working and suitable
- Considering the time frame for the presentation
- Practicing the presentation and note how long it takes
- Practicing in front of a person who will give an honest opinion of the presentation
- Preparing for the feedback session by anticipating possible questions.
- Information to be presented should be relevant and accurate.
- Prepare your support material to enhance your presentation.
- Prepare for the feedback session by anticipating possible questions/comments.

6. Types of visual aids

- Handouts/flyers/brochures.
- Interactive Whiteboard/ Smart board
- Posters/Signs/ Banners/ Flags
- Overhead projector.
- Flip Charts.
- Graphs.

7. Definition of visual aids

Visual aid	Definition
Power Point/Data projector/Slides	It is usually used for large groups -Projects images from a computer to a screen -Shows summaries/ graphs/relationships/diagrams /process steps etc. -Can be used to create a mood through showing images and videos -Slides summarises information to increase understanding
Handouts	-Use for small or large groups -Used to give summary of the presentation and provides follow-up activities -Contains summary of the most important points -They are given to the audience when they leave after the presentation -Provide details that cannot be included in the presentation such as financial statement -They provide structure and focus for the presentation
Interactive whiteboard	-Can be used for small or large groups -Can be used in brainstorming sessions to capture feedback and ideas -Can be linked to other whiteboards in other venues. Use coded pens to write new information and feedback
Flyers/Brochures	-Can be used for as effective marketing tool. -Can be used for attracting people to an advert
Posters/signs/banners/Flags	-Are used to communicate with potential customers

	-Can be used as a marketing strategy -They summarise information and discussions to stakeholders -It can be decorated to attract attention to the information on it.
Charts/Flip Charts	-A flip chart is a board with a paper attached at the top and can be flipped over to present information sequentially Charts can be used for a small group. -Used to summarise discussions -Record ideas and feedback given by the group --it does not need electricity and therefore cheaper visual aid. -Management may show the organisation' s structure in the form of an organisational chart.

8. The purpose of audio-visual aids

- They add value and clarity of the presentation.
- They make the presentation more interesting and memorable.
- Visual aids reinforce what the presenter has said.
- They create an atmosphere such as showing videos.
- Helps get the message across more easily.
- Keeps the audience engaged during the presentation.
- They add power and punch to the presentation.
- Enhance presentation.
- Create excitement.
- Help the audience to remember the presentation

9. Factors to consider when preparing/designing a presentation

The following factors must be considered when designing a presentation:

- Start with the text and heading
- Use large, clear fonts that are easy to read.
- Selecting a suitable background that would not distract from the content
- choosing images that may help to communicate the message
- Including graphics and images related to the content
- Adding special effects to support the message
- Creating hyperlinks to allow quick access to other files
- Keeping images and graphics simple
- Use outlines on slides and keep detailed explanations for the verbal presentation.
- Limit each slide to five or six lines.
- Make sure the grammar is correct.
- Proofread carefully.
- End with a closing message that the audience will remember.
- Be colourful and grab attention.
- Be meaningful and appropriate.
- Select a suitable background.
- Structuring information in a logical sequence
- Limiting the information on each slide.
- Avoid long sentences and keep it simple.
- Avoid fancy decorations.

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CHAPTER 14

NOTES ON BUSINESS PLAN

REVISED NOTES

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This chapter consists of 12 pages.

CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

Learners must be able to:

- Explain the importance of a business plan.
- Explain the challenges of the macro environment on a business using PESTLE analysis.
- Name/State the components of a business plan.
- Explain the purpose of the executive summary
- Name/State aspects that must be included in the executive summary.
- Formulate the vision/mission statements and objectives of the envisaged business.
- Explain the relationship between the structure of the business and forms of ownership.
- Name/State different types of legal requirements of a business.
- Compile a SWOT analysis for the envisaged business.
- Outline/Explain/Describe/Discuss the importance of a marketing plan and market research.
- Explain the meaning of a marketing mix with specific reference to the 7p's.
- Identify the 7p's from given case studies/scenarios/statements/cartoon.
- Identify competitors by doing market research and explain the strategies that you will use to overcome competition in the market.
- Formulate a financial plan for the envisaged business (including projected income statement and balance sheet)

TERMS AND DEFINITIONS

TERMS	DEFINITIONS
Business Plan	A document that outlines all the important facts, processes, and procedure of the business. a document setting out a business's future objectives and strategies for achieving them.
Cover Page	Indicates the name of the entrepreneur, name of the business, the logo, address, and contact details of the business.
Index page	The list of all sections of the business plan and page numbers of each section.
Executive Summary	The summary of the entire business plan. short document or section of a document produced for business purposes that is, summarises the entire business plan.
Description of the business	The description of the product/service and the unique features of the business
Vision	The long -term future goal of the business
Mission Statement	The activities the business will do in order to achieve its goal
Legal Requirements	Legal documentation such as licenses, permits and tax regulations that must be complied with before the business can start operating.

SWOT Analysis	The analysis of the strengths, weaknesses, opportunities and threats of the business.
Marketing Plan	A strategy /plan of how the business is going to sell its product/service
Market Research	The action of gathering information about consumers' needs and preferences.
Financial analysis	refers to the assessment of the viability and the profitability of the business.
Environmental factors	refers to external influences on the business that it has limited no control over.
Marketing mix:	a set of actions that the business uses to promote its brand.
Price	the amount of money required as payment for goods.
Product	an object that is manufactured for sale.
Promotion	a method used to advertise the product.
Place	location of the business.
People	refers to employees as well as the target market.
Physical environment	is the environment around the business.
Process	the system used to deliver the product or service

1 The importance of a business plan

- A business plan helps entrepreneurs to set goals and objectives.
- It can be used to attract investors and prospective employees.
- Helps stakeholders to understand the role they play in the business and encourages them to contribute effectively.
- Guides the entrepreneur on the viability of his/her business idea.
- It also helps the entrepreneur to identify problems that may arise and helps management to take steps to avoid these problems.
- Helps the entrepreneur to identify problems that may arise and helps management to take steps to avoid these problems.
- Improves business operations processes and practices.
- It evaluates the success of the business.
- It is essential when applying for financial assistance from investors or lenders.
- Compels an entrepreneur to arrange his/her thoughts in a logical order.
- It gives direction once the business is operating.
- Helps the entrepreneur to face threats head-on and deal with them.

1. Challenges of the macro environment using PESTLE analysis

- Entrepreneurs should look at the factors that could have a negative impact on their businesses.
- Businesses do not have control over the elements/features of the macro-environment.
- Businesses can use PESTLE analysis scan the macro environment.
- A PESTLE analysis enables business to identify challenges that are posed by the following external factors: physical, economic, social, technological, legal and environmental factors.



2. Components of a business plan

- Cover page
- Contents page/Index
- Executive summary
- Description of the business/Overview
- SWOT analysis
- Legal requirements of business
- Marketing plan
- Operational plan
- Financial plan
- Management plan
- Competitor analysis

2. Explanation of the components of a business plan

COMPONENT	CONTENTS AND FEATURES
Cover page	• It contains the following information: o The name of the business o Contact details of the owner(s)and address o The logo of the business • A copyright disclaimer to protect the contents of the plan
Contents page/Index	• This page gives a title and page number of each subsection of the plan. • Allows the reader to find the information in the document
Executive summary	• Detailed summary of the entire business plan • It is written after the business plan has been completed, but appears at the front to provide users with a brief overview before reading the details • The following aspects that must be included in the executive summary: o the form of business enterprise o the main business activity o information about the owner of the businesses o how capital will be obtained.
Description of the business/Overview	• It is usually a short description of the product/service that the business will offer. • It also describes the long-term objectives/mission/vision of the business. • It indicates whether the business is a sole trader partnership. • Indicates the form of ownership. • Description of the product /service which the business offer • It also includes the legal requirements of the business
Legal Requirements	• Provides legal requirements that the business need to comply with before it can start operating. **NOTE: Refer to types of legal requirements below**
SWOT analysis	• An entrepreneur needs to carry out a SWOT analysis when starting a business.

	• It helps the entrepreneur build on what he/she does well to address what is lacking, to minimize risks, and to take the greatest possible advantage of chances for success. • A SWOT analysis is a strategic plan used to help an • organisations identify major strengths and weaknesses of the business. • It also makes the business aware of opportunities and threats in its external environment. • A SWOT analysis is an indication that research was conducted to support the establishment of a business. • A SWOT analysis is an indication that research was conducted to support the establishment of a business.
Marketing plan	• This is the most important component of the business plan. • It gives details of the 7Ps of marketing • This plan also describes the target market, customers, and competition.
Operational plan	• Includes where the business will be located. • Describes the daily operation of the business. • Includes a description of a product, how and where it will be manufactured. • Provides details of the equipment and suppliers
Financial plan	• Records details of how much capital is required and how it will be raised. • Contains projected statements of profit, loss and cash flow
Management plan	• Considers the short and long-term business strategies. • Outlines who will oversee running the business as well as skills of the entrepreneur and other in the business. • Discusses the hierarchy and roles of the employees
Competitor analysis	• Description of competitors in the market and their products • Details of competitors' marketing strategy and its effect on a proposed business

3. Executive summary

4. Purpose of the executive summary

- It is included to satisfy those who do not have time to go through the entire plan in detail.
- Most lenders and investors read it first before the entire business plan.
- It gives readers an idea of what is contained in the business plan.

5. Aspects that must be included in the executive summary

- The form of business enterprise
- The main business activity
- Information about the owner of the businesses
- They way in which capital will be obtained

The vision/mission statements/goals and objectives

The vision statement

- A statement, which describes how the business will achieve its purpose.

- The vision statement is the long-term goal of how entrepreneurs see their business in future and how they want to grow.
- It addresses profit, growth, purpose and stability

The mission statement

- A statement, which describes the purpose of the business and explains why the business exists.
- The mission statement addresses how entrepreneurs hope to achieve their vision.
- It focuses on a business operation and it also specific and measurable
- The short-term objectives are more specific stepping-stones to reach short-term goals in order to achieve the long-term goals.

Goals and objectives

- The long-term objectives are formulated to provide direction for the company to achieve the vision.
- It is also specific and measurable just like the mission statement.

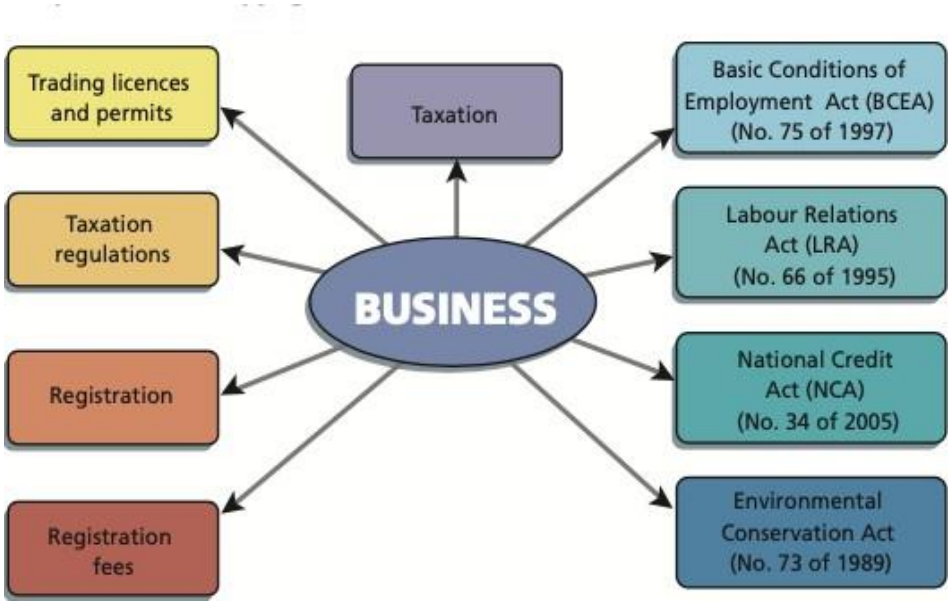
6. The relationship between the structure of the business and forms of ownership

The business structure should have a description of the following aspects:

- How many people the business intends to employ.
- Management and staff e.g. their qualifications, experience, job description and remuneration
- Administration and record keeping
- Staff policies regarding working hours, fringe benefits, overtime, sick leave and medical aid.
- The structure of the business should include the type of ownership such as sole trader/partnership/close corporation/ private company/public company.
- The form of ownership will determine the following:
    - The reason for the form of ownership
    - Legal requirements of the business
    - Products and services offered.
    - Size of the business
    - Number of owners required.
    - How much control the owners want.
    - Legal protection

7. Different types of legal requirements of a business

- A business needs to be registered before it can obtain finance or start doing transactions.
- A business needs to comply with the following types of legal requirements:
  - Trading Licenses and permits to operate legally.
  - Taxation regulations
  - International trading /Exporting & Importing requirements/ Exchange rates.
  - Registration fees.
  - Registration.
  - The Basic conditions of Employment Act. (BCEA)(No.75 of 1997)
  - The Labour Relations Act (LRA) (No. 66 of 1995)
  - The National Credit Act (NCA) (No. 34 of 2005)
  - The Environmental Conservation Act (No. 73 of 1989)
  - Patents and copyrights



8. Importance of a marketing plan and market research

Importance of a marketing plan

- It is a description of the market analysis including the target market.
- It includes the analysis of the target market, customer, and competition.
- Explains the marketing mix and provides the marketing strategy of the business.
- Guides businesses on how to advertise their products/services.
- Describes the proposed prices of goods and services.

9. Importance of a market research

- It is a process to understand more about customers' needs.
- A marketing plan helps businesses to promote products and services.
- The target market refers to the people who are likely to buy the product or service offered by the business.
- The business must conduct market research to know about the following factors of the target market: age group, gender, personality, income, and education.
- The methods of conducting market research include surveys, interview, and questionnaires.
- The results of the market research are important as it will indicate whether the target market shows interest in the goods and services the proposed business aims to offer.

11 The Meaning of marketing mix with specific reference to the 7Ps

- The marketing plan can be explained by using seven elements.
- There are four main elements and three additional elements.
- A marketing mix is a combination of product, price, place, people, promotion, process, and physical environment.
- The above-mentioned aspects are usually referred to as 7ps.
- The reason for extending the 4ps to the 7ps is the growth of the service industry.
- Once the target market has been identified, the business must work out the marketing mix that best satisfies the needs of the target market.

Product/Service

- It is a description of the product, appearance, and usage that is available to customers.
- It can be a picture, drawing or photograph of what the products look like
- The manufacturing process used to make the product.
- The appearance of the product/services must be different from competitors' products.
- The packaging of the product should project and preserve the product.

Price

- The price of a product refers to the amount of money that must be paid by the consumer to obtain the product.
- The proposed business must include its pricing policy in the business plan.
- The pricing policy describes the way in which the price is used to attract customers.
- The price needs to cover all costs and must appeal to the target market.
- It must be affordable for the consumers.
- Good access to the product/service will increase sales.

- Cash or credit facilities may affect the customer's attitude to the price.
- Customers may be aware of other sellers who are selling the same products for less.

Place/Distribution

- The location where goods and services are sold.
- Place where consumers can access the goods or service.
- The business can sell the product directly to customers itself or can market the product through other businesses.
- Businesses may use the following channels of distribution:
- Direct selling: manufacturer sell directly to consumers.
- Door to door selling businesses employ salespeople to sell door to door and they carry few stocks with them.
    - Mail Order: Large businesses print catalogues that can be used by consumers to order of their choice. Small businesses advertise in local paper inviting consumers to buy direct from the business.
    - Telephone sales: the business employ people who phone members of the public and try to persuade them to buy their goods.
    - Internet/online shopping: businesses use systems on the internet to allow customers to order their shopping online and have it delivered to the door

Promotion

- Refers to how the business is going to make its target market aware of its product or service.
- A promotion should communicate the benefits of the product to customers.
- The proposed business must include detail about its promotion policy.
- The promotion policy must describe how sales of products will be promoted.
- Outlines the following methods of advertisements:
    - Advertising through the radio, magazines, press, television etc.
    - Special offers
    - Trial products such as free sample for testing
    - Free gifts
    - Direct mailing
    - Online marketing
    - Social media
    - Public relations
    - Brand awareness

People

- Refer to employees, management, directors, and shareholder/All people involved in selling the products.
- The business plan must include detailed information of people that will be involved in the proposed business and in making a business.
- They can affect the business with their knowledge, skills, and attitudes.

Process

- Refers to processes that are designed and implemented to ensure a pleasant shopping experience.
- Describes the way in which the marketing and sales processes are carried out.
- The process of giving a service and the behavior of those delivering the service are important for customer approval of staff to customers keep customers happy.
- Examples of systems and processes that will ensure a good customer experience:
  - Systems and processes to ensure that consumers do not wait long in queues/for goods to be delivered.
  - Systems and processes to make sure telephonic messages are dealt with and delivered to the right person.
  - Systems and processes to ensure that e-mailed messages are read.

Physical environment

- Refers to the environment where goods and services are sold/service rendered.
- It includes the appearance of the building and the uniforms of employees.
- The physical environment must be appropriate and make the customer feel comfortable.
- Clean and functional facilities attract and retain customers.
- Well-decorated reception also helps to reassure customers that the business offers best services and values their customers.

Strategies to overcome competition in the market

- The business should use the following strategies to overcome competition in the market:
  - Sell quality products and services.
  - Offer after-sales services.
  - Charge reasonable prices.
  - Conduct intensive marketing campaigns.
  - Make use of clever advertising slogans
  - Make your product unique.
  - Provide attractive product displays.

Financial plan including a balance sheet

- It is a detailed description of the entrepreneur's financial contribution, the funding requirements, and projected cash flow statements for a three-year period.
- The purpose of financial analysis is to project/predict the profitability of the proposed business and to project how long it will take before the business starts to show a profit.

- A Financial plan includes the following elements.

ELEMENTS	DESCRIPTION
Budget	• A budget is an estimation of revenue and expenses over specified future period. • Monthly indication of projected flow of cash in and out of the business • Helps the owner to control the spending money by comparing the actual income and expenditure.
Cash flow statements over a three-year period	• Cash flows are the net amount of cash and cash equivalents being transferred into and out of a business's accounts. • Helps the owner to identify operational difficulties the business might experience and any need for more finance
Income statement	• A monthly account of sales and expense • It shows actual profits and/or losses.
Break-even point	• A point at which profits are equal to expenses/ A business does not show profit nor loss. • Shows how much the business sold to cover all expenses before making a profit
Balance sheet	• Includes assets on one side and liabilities on the other. • A list of all business assets, liabilities, and owners 'Equity at a specific point in time • Assets include land, buildings, equipment, vehicles, money in bank account. • Liabilities are monies owed to other people or businesses such as bank loans, buying on credit, bank overdrafts etc. • Owners' equity-is the difference between the total liabilities and total assets.