ENTREPRENEURSHIP AND COMMUNICATION

ATD LEVEL I
DCM LEVEL I
DICT LEVEL I

STUDY TEXT
GENERAL OBJECTIVES
This paper is intended to equip the candidate with knowledge, skills and attitudes that will enable him/her to apply entrepreneurial and communication skills in business and other environments.

LEARNING OUTCOMES
A candidate who passes this paper should be able to:

- Identify and screen viable business opportunities
- Develop a business plan
- Demonstrate entrepreneurial orientation
- Communicate effectively in a business environment
- Apply entrepreneurship competencies in response to the emerging trends in the business environment

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TOPIC 1
INTRODUCTION TO ENTREPRENEURSHIP

DEFINITION OF ENTREPRENEURSHIP

Entrepreneurship is the process of coming up with new processes or ways of achieving some set objectives. Mostly it will involve the production of goods and services. It requires some ingenuity coupled with a lot of time and effort. There are risks involved in this process and they all have to be assumed. With the risks come rewards that are derived by the person who has come up with the new process.

Who is an Entrepreneur?

An entrepreneur is a person who creates small businesses. Entrepreneurs are calculated risk-takers---they strive to maximize potential of their venture while simultaneously minimizing risk. They are able to recognize opportunities as they arise and create goods or services in order to take advantage of the opportunity before competitors catch on to it. Entrepreneurs may create new products or services, improve on current products or services, or simply find a new way to market existing products or services (Michael Paul, University of Wisconsin)

An entrepreneur is a person who organizes and manages a business undertaking, assuming the risk for the sake of profit.

What is an Enterprise?

The term “enterprise” has two common meanings:

i. An enterprise is simply another name for a business. You will often come across the use of the word when reading about start-ups and other businesses…”Simon Cowell’s enterprise” or “Michelle set up her successful enterprise after leaving teaching”.

ii. The word enterprise describes the actions of someone who shows some initiative by taking a risk by setting up, investing in and running a business.

A person who takes the initiative is someone who “makes things happen”. He or she tends to be decisive. A business opportunity is identified and the person does something about it. Showing initiative is about taking decisions and being bold – not everyone is like that!

Risk-taking is slightly different. In business there is no such thing as a “sure fire bet”. All business investments carry an element of risk – which is the chance or probability that things will go wrong. At the worst, the risk of an enterprise might mean the person making the investment loses all his/her money or becomes personally liable for the debts of the business.

The trick is to take calculated risks, and to ensure that the likely returns from taking a risk are enough to make the gamble worthwhile.

Someone who shows enterprise is an “entrepreneur”.

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A business enterprise can also be looked at: any type of operation that is involved in providing goods or services with the anticipated outcome of earning a profit. Its broad nature allows the term to be applied to any type of company or firm that is geared toward generating revenue by selling products of any type. The Terms Company, firm, and business enterprise are often used interchangeably.

**Employed (Paid Employment)**

1. Under control of another person (employer)
2. Supply your labor only
3. Cannot subcontract the work
4. Mutuality of obligation to offer work and perform work
5. Do not supply equipment/materials for the job
6. Receive fixed hourly/weekly/monthly wages
7. Entitled to sick pay/holiday pay etc.
8. Employer provides insurance cover
9. Work set number of hours per week
10. Employer deducts tax from wages under PAYE

**Self-employed**

1. Own your own business
2. Are exposed to financial risk
3. Can subcontract the work
4. No mutuality of obligation
5. Supply necessary equipment for the job
6. Cost and agree a price for the job
7. Not entitled to paid leave
8. Provide your own insurance cover
9. Control your own hours in fulfilling job
10. You are registered for Self-Assessment and are required to file your own returns

**Advantages of Self-Employment**

1. Being self-employed means that you're your own boss. Being your own boss means that you'll be in control of all of the decisions affecting your working life. You'll decide on your business plan, your quality assurance procedures, your pricing and marketing strategies--everything. You'll have job security; you can't be fired for doing things your way. As you perform a variety of tasks related to your work, you'll learn new skills and broaden your abilities.

2. If you're working for yourself, chances are you'll be doing work that you enjoy. You'll get to pick who you'll work for or with, and in most cases you'll work with your customers or clients directly--no go-betweens muddying the waters. As a result, you may have days when it hardly feels as if you're working at all. Such harmony between your working life and the rest of your life is what attracted you to self-employment in the first place.
iii. You'll even have the flexibility to decide your own hours of operation, working conditions, and business location. If you're working out of your home, your start-up costs may be reduced. You'll also experience lower operating costs; after all, you'll be paying for the rent and utilities anyway. If the location of your work isn't important (perhaps you're a freelance writer or a consultant), you can live wherever you want. At any rate, if you work at home, you'll greatly reduce your daily commuting time and expense.

iv. If all goes well and you're making money, chances are you can make more than you did working for someone else. And since you're working for yourself, you may not have to share the proceeds with anyone else. The fruits of your labor will be all yours, because you own the vineyard.

v. You get to decide when to spend money to help your business grow.

vi. You can distribute income to family members by hiring them as employees.

Disadvantages of Self-Employment

i. You must be willing to make sacrifices for the sake of the job.

ii. You're going to work long hours, which means that you won't have as much time as you used to for family or leisure activities.

iii. If the cash flow becomes a trickle, you're going to be the last one to get paid.

iv. When you're self-employed, particularly if you're starting your own business, you may have to take on a substantial financial risk. If you need to raise additional money to get started, you may need a cosigner or collateral (such as your home) for a loan. Depending on how much or little work you can line up, you may find that your cash flow varies from a flood to a trickle. You'll need a cash backup so you can pay your bills while you're waiting for business to come in or waiting to be paid for completed work. Since you'll have to pay your own creditors first, this means that sometimes you may eat cereal instead of steak.

v. Remember that you're not making any money if you're not working. You don't have any employer benefit package, which means that it's going to be hard for you to:
   - go on vacation
   - take a day off
   - Or even stay home sick without losing income.
   - It also means that you'll have to provide your own health insurance and retirement plan.
   - Remember, too, that you can choose your clients or customers, but you can't control their expectations or actions. If you don't come through for them, or if you do something that offends them, you might not get paid for your work.

Paid Employment

Advantages

i. Job Security

ii. Income stability

iii. Predictable work life
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FUNCTIONS OF ENTREPRENEURS

An entrepreneur performs a series of functions necessary right from the genesis of an idea up to the establishment and effective operation of an enterprise. He carries out the whole set of activities of the business for its success. He recognizes the commercial potential of a product or a service, formulates operating policies for production, product design, marketing and organizational structure. He is thus a nucleus of high growth of the enterprise.

According some economists, the functions of an entrepreneur is classified into five broad categories:

1. Risk-bearing function,
2. Organizational function,
3. Innovative function,
4. Managerial function, and
5. Decision making function.

1. Risk-bearing Function:

The functions of an entrepreneur as risk bearer are specific in nature. The entrepreneur assumes all possible risks of business which emerges due to the possibility of changes in the tastes of consumers, modern techniques of production and new inventions. Such risks are not insurable and incalculable. In simple terms such risks are known as uncertainty concerning a loss.

The entrepreneur, according to Kinght, "is the economic functionary who undertakes such responsibility of uncertainty which by its very nature cannot be insured nor capitalized nor salaried too."

Richard Cantillon conceived of an entrepreneur as a bearer of non-insurable risk because he described an entrepreneur as a person who buys things at a certain price and sells them at an uncertain price.

Thus, risk bearing or uncertainty bearing still remains the most important function of an entrepreneur which he tries to minimize by his initiative, skill and good judgment. J.B. Say and other have stressed risk taking as the specific function of the entrepreneur.

2. Organizational Function:

Entrepreneur as an organizer and his organizing function is described by J.B. Say as a function whereby the entrepreneur brings together various factors of production, ensures continuing management and renders risk-bearing functions as well. His definition associates entrepreneur with the functions of coordination, organization and supervision. According to him, an entrepreneur is one who combines the land of one, the labour of another and the capital of yet another and thus produces a product. By selling the product in the market, he pays interest on
capital, rent on land and wages to labourers and what remains is his/her profit. In this way, he describes an entrepreneur as an organizer who alone determines the lines of business to expand and capital to employ more judiciously. He is the ultimate judge in the conduct of the business.

Marshall also advocated the significance of organization among the services of special class of business undertakers.

3. Innovative Function:

The basic function an entrepreneur performs is to innovate new products, services, ideas and information for the enterprise. As an innovator, the entrepreneur foresees the potentially profitable opportunity and tries to exploit it. He is always involved in the process of doing new things. According to Peter Drucker, "Innovation is the means by which the entrepreneur either creates new wealth producing resources or endows existing resources with enhanced potential for creating wealth". Whenever a new idea occurs entrepreneurial efforts are essential to convert the idea into practical application.

J.A. Schumpeter considered economic development as a discrete dynamic change brought by entrepreneurs by instituting new combinations of production, i.e. innovation. According to him innovation may occur in any one of the following five forms:

- The introductions of a new product in the market with which the customers are not get familiar with.
- Introduction of a new method of production technology which is not yet tested by experience in the branch of manufacture concerned.
- The opening of a new market into which the specific product has not previously entered.
- The discovery of a new source of supply of raw material, irrespective of whether this source already exists or has first to be created.
- The carrying out of the new form of organization of any industry by creating of a monopoly position or the breaking up of it.

4. Managerial Function:

Entrepreneur also performs a variety of managerial function like determination of business objectives, formulation of production plans, product analysis and market research, organization of sales procuring machine and material, recruitment of men and undertaking, of business operations. He also undertakes the basic managerial functions of planning, organizing, coordinating, staffing, directing, motivating and controlling in the enterprise. He provides a logical and scientific basis to the above functions for the smooth operation of the enterprise thereby avoids chaos in the field of production, marketing, purchasing, recruiting and selection, etc. In large establishments, these managerial functions of the entrepreneur are delegated to the paid managers for more effective and efficient execution.

5. Decision Making Function:

The most vital function an entrepreneur discharges refers to decision making in various fields of the business enterprise. He is the decision maker of all activities of the enterprise. A. H. Cole described an entrepreneur as a decision maker and attributed the following functions to him:
- He determines the business objectives suitable for the enterprise.
- He develops an organization and creates an atmosphere for maintaining a cordial relationship with subordinates and all employees of the organization.
- He decides in securing adequate financial resources for the organization and maintains good relations with the existing and potential investors and financiers.
- He decides in introducing advanced modern technology in the enterprise to cope up with changing scenario of manufacturing process.
- He decides the development of a market for his product develops new product or modify the existing product in accordance with the changing consumer's fashion, taste and preference.
- He also decides to maintain good relations with the public authorities as well as with the society at large for improving the firm’s image before others.

The Roles of the Entrepreneur

Successful entrepreneurs are usually modeled as combinations of innovators (with creative and innovative flair) and managers (with strong general management skills, business know-how, and sufficient contacts). Over the years, economists have, however, described more roles of entrepreneurs. The following is a summary of the economists' interesting discourse that, aspiring entrepreneurs may, hopefully, find useful.

1. Entrepreneur as Risk-Taker

Richard Cantillon (1680-1734) suggested that an entrepreneur is someone who has the foresight and willingness to assume risk and take the requisite action to make a profit (or loss). Cantillon’s entrepreneur is forward-looking, risk-taking, alert though need not be innovative in the strict sense.

Two different kinds of risk were distinguished by Frank Knight (1885-1972): one is capable of being measured (i.e., objective probability that an event will happen) and shifted from the entrepreneur to another party by insurance; the other is un-measurable (i.e., no objective measure of probability of gain or loss), e.g., the inability to predict consumer demand. According to Knight, the entrepreneur takes the latter risk: “true” uncertainty found in situations, which do not repeat themselves with sufficient conformity to make possible a computation of probability (what we nowadays term as “unknown and unknowable”).

2. Entrepreneur as Business Manager

Frank Knight established a boundary between management and entrepreneurship. He sees entrepreneurs in the strict sense as producers; while the great mass of population furnish them with productive services, placing their persons and property at the disposal of entrepreneurs who guarantee to them a fixed remuneration. Entrepreneurial profit depends on whether an entrepreneur can make productive services yield more than the price fixed upon them by those who furnish productive services think they can make them yield. Therefore, its magnitude is based on a margin of error in calculation by entrepreneurs and non-entrepreneurs who do not
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TOPIC 3

ENTREPRENEURIAL OPPORTUNITY AND DEVELOPMENT

METHODS OF GENERATING NEW IDEAS

Even with the wide variety of sources available, coming up with an idea to serve as the basis for the new venture can still be a difficult problem. The entrepreneur can use several methods to help generate and test new ideas, including focus groups, brainstorming and problem inventory analysis.

Focus groups

Group of individuals providing information in a structured format is called a focus group. The group of 8 to 14 participants is simulated by comments from other group members in creatively conceptualizing and developing new product idea to fulfill a market need.

Brainstorming

A group method of obtaining new ideas and solutions is called brainstorming. The brainstorming method for generating new ideas is based on the fact that people can be stimulated to greater creativity by meeting with others and participating with organized group experiences. Although most of the ideas generated from the group have no basis for further development, often a good idea emerges.

Problem inventory analysis

Problem inventory analysis uses individuals in a manner that is analogous to focus groups to generate new product ideas. However instead of generating new ideas themselves, consumers are provided with a list of problems in a general product category. They are then asked to identify and discuss products in this category that have the particular problem. This method is often effective since it is easier to relate known products to suggested problems and arrive at a new product idea then to generate an entirely new idea by itself.

CREATIVE PROBLEM SOLVING

Creative problem solving is a method for obtaining new ideas focusing on the parameters.

Brainstorming

The first technique, brainstorming, is probably the most well known and widely used for both creative problem solving and idea generation. It is an unstructured process for generating all possible ideas about a problem within a limited time frame through the spontaneous contribution of participants. All ideas, no matter how illogical, must be recorded, with participants prohibited from criticizing or evaluating during the brainstorming session.
Reverse brainstorming

Similar to brainstorming, but criticism is allowed and encouraged as a way to bring out possible problems with the ideas.

Synectics

Synectics is a creative process that forces individuals to solve problems through one of four analogy mechanisms: personal, direct, symbolic and fantasy. This forces participants to consciously apply preconscious mechanisms through the use of analogies in order to solve problems.

Gordon method

Gordon method is a method of developing new ideas when the individuals are unaware of the problem. In this method the entrepreneur starts by mentioning a general concept associated with the problem. The group responds with expressing a number of ideas.

Checklist method

Developing a new idea through a list of related issues is checklist method of problem solving.

Free association method

Developing a new idea through a chain of word association is free association method of problem.

Forced relationship

Forced relationship is the process of forcing relationship among some product combination. It is technique that asks questions about objects or ideas in an effort to develop a new idea.

Collective notebook method

It is method in which ideas are generated by group members regularly recording ideas.

Heuristics

It is method of developing a new idea through a thought process progression.

Scientific method

This is a more structured method of problem solving, including principles and rules for concept formation, making observations and experiments, and finally validating the hypothesis.

Value analysis

Value analysis is developing a new idea by evaluating the worth of aspects of ideas.

Attribute listing

This is an idea finding technique that requires the entrepreneur to list the attributes of an item or problem and then look at each from a variety of viewpoints.
Matrix charting

Matrix charting is a systematic method of searching for new opportunities by listing important elements for the product area along two axis of chart and then asking questions regarding each of these elements.

Big dream approach

Developing a new idea by thinking about constraints is big-dream approach of problem solving.

Parameter analysis

Parameter analysis is developing a new idea by focusing on parameter identification and creative synthesis. When the individuals are unaware of nature of the problem

BUSINESS OPPORTUNITY

Introduction

A business opportunity is a viable business potential to create something new by engaging new technologies in the industry. Entrepreneurship is a thought process. Once the entrepreneur has established in his mind what direction he wants to take for his venture, he will necessarily need to identify a specific gap that has not previously been tapped in the industry he has chosen. This requires that the entrepreneur brainstorms on the areas he is best suited. This does not disregard the fact that what he may be good at is not available for him to capitalize on at that particular moment. In this case, he will therefore consider also what is out there and can be used. Remember we mentioned earlier that entrepreneurship entails coming up with a new process that has not previously been devised, that will enable the production of goods and services in a manner that adds value to all concerned, and not just the entrepreneur himself. A business opportunity, also involves the sale or lease of any product, service, equipment, etc. that will enable the purchaser-licensee to begin a business. This involves no effort on the part of the buyer to come up with a new idea, product or process. The inventor here is the licensor/seller. The seller of a business opportunity declares that he will assist the buyer in finding a suitable location or provide the product to the purchaser-licensee. This is different from the sale of an independent business, in which there is no continued relationship required by the seller. From the above, we can define a business opportunity as a gap that is available in the current economic set up, for the entrepreneur to utilize in an attempt to execute an idea borne out of extensive brainstorming and after a lot of thought.
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TOPIC 4

BUSINESS PLAN

Definition of a business plan

A business plan is a detailed account of the conversion of the entrepreneur’s ideas and vision into a real, functioning business. It is a document that sets out how the entrepreneur intends to execute the ideas he has thought of for his business. It’s a written document that describes all the steps that the entrepreneur plans to carry out in opening and operating a successful business. A business plan identifies the product or service the entrepreneur will produce how he will produce it and who will buy it. It is also in the business plan that the entrepreneur identifies who he will be working with. He needs a team that will assist him win customers from competitors, increase and maintain the market share for his product. Once all this has been written, the entrepreneur will also need to come up with a convincing financial plan, that is, a budget of how the business intends to use the funds and most importantly how the investment will yield returns.

IMPORTANCE OF A BUSINESS PLAN

Better understanding of the business

A business plan helps the entrepreneur appreciate the business needs of his venture beforehand. Through a well prepared business plan, the entrepreneur will be able to see clearly the problems he had not thought of earlier, so he becomes well prepared psychologically to deal with them. The business plan will help in strategy and policy formulation. Without a business plan, it becomes difficult for the entrepreneur to have a clear sense of direction. This is important because he will need to convince many people that the venture will in fact work. In addition to the well laid out strategies, the entrepreneur will also highlight the means he has prepared to achieve these objectives. The plan could be short term or long term. In summary, the process of putting a business plan together forces the entrepreneur to look at the business in an objective and critical manner.

Financing from financial institutions

An entrepreneur will need to secure funds for his business. Most lenders will require that he comes up with a business plan before they can consider him for financing. This has become the main reasons why most business prepare business plan. It comes as later requirement when the business needs additional cash to continue its operations. Without a business plan, an entrepreneur will find it very hard to acquire business loans.

A tool for management

As we have seen, it is in the business plan that the entrepreneur sets out the objectives for the business. He lays out in writing what his vision for the business is. The strategies will be both
short term and long term. They need to be achievable as unachievable targets may make the business plan lose credibility. Subsequently, from time to time, the entrepreneur will be referring to the business plan to check whether the growth of the business is in line with the plan he had envisaged earlier on. If not, then he will have sufficient basis to manage the growth of the business to direct it towards the right direction

A tool for planning and guidance

A business plan in itself is a planning tool. The big plans are laid out and the small ones that make up the major plans are also followed up closely. The entrepreneur has set out what he needs to achieve within a give time frame so he will set out all these in the business plan. It may happen that the people he works with are unclear about the main objectives of the business. A business plan will act as a learning tool for them. They can thus contribute to the success of the business along with the entrepreneur. The business plan thus also acts as a source of guidance where the way forwards seems unclear. Planning is very important if a business is to survive. By taking an objective look at the business the entrepreneur can identify areas of weakness and strength. He will realize needs that may have been overlooked, spot problems and nip them before they escalate, and establish plans to meet his business goals. The business plan is only useful if used well. Ninety percent of new businesses fail in the first two years. Failure is often attributed to a lack of planning. To enhance success, the plan should we well utilized. A comprehensive, well constructed business plan can prevent a business from a downward spiral as failure to plan can mean plan to fail

Highlight risks involved

The risks involved in the business are perhaps something that the entrepreneur may not want to dwell upon too much. However, for the plan to gain more credibility, the entrepreneur will have to incorporate what risks his type of business is likely to encounter. These could be financial, operational or control risks. The entrepreneur should also highlight the measures he has in place to manage the risks that he fore sees. Once an informed reader looks at the plan with all these risks highlighted, he may find it a more realistic proposal and be willing to invest.

Communication tool

A business plan is a strong communication tool for the business. It defines the purpose, the competition, management and personnel. It clearly identifies the vision and mission of the business to all the stake holders. The roles and responsibilities of the operational and management staff will also be clearly defined. The process of constructing a business plan can be a strong reality check if the pertinent details are not well articulated.

Reference Tool

A well prepared business plan offers a benchmark against which actual performance can be measured and reviewed. As has been mentioned, a business plan will tell the entrepreneur when the trend in performance tends to deviate from the laid out plan. The plan provides an ideal
setup. It may need to be changed, especially when changes in the economy or in the industry warrant it. At all times the entrepreneur should keep his business at par with his targets as well as with what the competitors are aiming at and even further.

Even after preparing a business plan, the entrepreneur may find that it is necessary to review it from time to time due to changing circumstances that come to light with time. This enhances the planning process and improves the business plan. Some aspects of the business plan may become obsolete with time and may thus require updating. This may be done even once the business is up and running.

**COMPONENTS OF A BUSINESS PLAN**

There is no standard approach in preparing a business plan. There are many variations on the theme of what exactly goes into a successful business plan. All the variations however have the same basic elements. These are;

1. A brief description of the business background and purpose
2. Objectives; These should be both long term and short term
3. Products and services that will be offered
4. Competition

Market analysis and marketing strategy Development and production plan/ Operations Management and staffing Financial Plan; This includes current and projected financial statements

Other aspects of a business plan that may be necessary for a successful write up are;

1. Executive Summary
2. Attachments/ Supporting documentation

Following is a detailed description of each element that goes into making a business plan;

**History and Background**

The entrepreneur must have had a ‘moment of inspiration’ that led him to start the business. An idea must have been triggered by the need to fill a gap that he had identified. In this section, the entrepreneur should communicate to the readers of the business plan how the idea was born. This will also give a first impression to the investors or lenders who can then either give it thumbs up or tread cautiously. The business plan should clearly explain how the idea will be translated into profits. This is what will give the investors a clearer understanding of the overall picture of the proposed business. If the entrepreneur succeeds in winning the attention of the investor at this stage, he stands a high chance of getting the funds he urgently needs. If this section flops, then no matter how well written the other sections of the plan are, chances are high the reader will not be motivated to read ahead.
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TOPIC 5

STRATEGIES FOR ENTERPRISE GROWTH

PENETRATION STRATEGY

Penetration strategy is the concept of taking aggressive action to greatly expand one's share of total sales in a market. The resulting increased sales volume typically allows a business to produce goods or obtain merchandise at lower cost, thereby allowing it to generate a higher profit percentage. Also, as the organization acquires more market share, this reduces the sales of its competitors, possibly forcing some to drop out of the market.

There are a number of ways in which a business can engage in penetration strategy. The most common alternatives are as follows:

- **Price reduction.** The most common penetration strategy is simply to reduce prices. If customers are price sensitive, they will respond by buying more of the company's products and services. However, this approach only works if a company's offerings are considered to at least have the median level of quality of competing offerings. This approach is not a good one when competitors can easily match or exceed the company's lowered prices, thereby initiating a price war. Also, lower prices may reduce customer perceptions of the value of a company's goods and services, so that a return to higher prices at a later date cannot be achieved.

- **Terms improvement.** A company can offer longer payment terms or a more generous product return policy. This approach will likely allow the company to scoop up sales from the more financially unstable customers in a market, and can result in large bad debt losses. It also requires more funding to pay for receivables that are outstanding for longer periods of time.

- **Expanded marketing.** A company can spend more marketing funds on improving the branding of its products. If combined with no increase in product prices, the result can be a perception that a company's offerings are a bargain, resulting in additional market share.

- **Product differentiation.** One of the better penetration strategies is product differentiation, where a company creates new products that are notably different from and better than those of competitors. It can take time for competitors to respond, giving a business the time to garner more market share.

- **Distribution channel expansion.** A company can create a number of new ways in which to sell its goods into a market, thereby addressing a larger audience. For example, distribution could be through the Internet, retail stores, and street vendors. If competitors do not sell through one of these channels, a company can gain market share for as long as there is no response to this strategy.
Of the preceding strategies, the use of price reductions and terms improvement tend to have the most ephemeral results, since they can be easily matched by competitors. Differentiating with marketing, products, and distribution channels tends to have more long-lasting results.

**MARKET DEVELOPMENT STRATEGY**

Market development is a growth strategy that identifies and develops new market segments for current products. A market development strategy targets non-buying customers in currently targeted segments. It also targets new customers in new segments.

A market development strategy entails expanding the potential market through new users or new uses. New users can be defined as: new geographic segments, new demographic segments, new institutional segments or new psychographic segments. Another way is to expand sales through new uses for the product.

A marketing manager has to think about the following questions before implementing a market development strategy: Is it profitable? Will it require the introduction of new or modified products? Is the customer and channel well enough researched and understood? The marketing manager uses these four groups to give more focus to the market segment decision: existing customers, competitor customers, non-buying in current segments, new segments.

**Market development strategy checklist**

The market development strategy is a declaration of intent that provides the strategic direction for a startup’s go-to-market programs (that is, sales strategy, marketing communications, product strategy). The strategy is expressed using the market development strategy checklist (MDSC). The MDSC is a set of assumptions around which a strategy statement is created.

**Using the MDSC in your go-to-market programs**

The MDSC works like a checklist. You must identify the first element on the list before moving on to the second element, and so on. Each element in the MDSC is based on preceding assumptions—modifying assumptions about one element will affect assumptions about subsequent elements. Although elements will change as your product category enters different stages of the technology adoption life cycle (TALC), the MDSC remains valid in each stage.

**Elements of the MDSC**

- The target customer (for example, economic buyer, technical buyer, end user) is the starting point—the source of money. It influences all subsequent elements of the strategy statement.
- The compelling reason to buy (CRTB) explains the buyer motivation (customer pain)—the source of demand.
- The whole product helps you to meet the demand by addressing the customer’s motivation (that is, solving the customer’s pain).
• Partners and allies may be required to provide those parts of the whole product that you cannot provide yourself.
• The design of the distribution channels is a function of both the solution and marketing complexity of delivering the whole product.
• Determining the pricing and revenue model is a function of the target customer’s perceived value of using the product.
• Both reference and economic competition must be considered when analyzing potential competition for the target customer’s budget.
• Positioning must establish your product as more attractive than the competition’s in the eyes of the target customer.
• The next target (that is, the next target customer) can be described according to geographies, user profiles or profitability. However, keep in mind that the next target is always your company’s next move as it relates to your product category’s place on the TALC:
  o Early Market = next visionary customer
  o Chasm = first niche segment
  o Bowling Alley = next niche segment that builds upon efforts in whole product development and/or customer references

PRODUCT DEVELOPMENT STRATEGY
This growth strategy requires changes in business operations, including a research and development (R&D) function that is needed to introduce new products to your existing customer base.

As part of a successful product development strategy your role will require you to have a greater appreciation of a new emphasis placed on marketing.

This would result in you supplying data for and assessing the implications of change in the following key areas:

Research and development
You may find yourself having to investigate and assess the use of new technologies, processes, and materials that would be needed to pursue this strategy.

In the cell phone market, for example, phone models are being replaced every six months or so. Your organization may find that the lifespan of its products are longer, but few can ignore the necessity of continuous R&D.

Assessing customer needs
This is something that can be done by the marketing department in the form of customer questionnaires and user groups. However, customer needs can also be become apparent to people who are in customer-facing roles, as they often are the first to hear about problems or concerns with the product or service.

If you are managing a team in a customer-facing role you will have the opportunity to gather data that may initially appear negative but which can offer your organization the opportunity to
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TOPIC 6

ENTREPRENEURSHIP AND TECHNOLOGY

E – Commerce

E – Commerce also known as Electronic Commerce consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks. The amount of trade conducted electronically has grown extraordinarily with widespread Internet usage. The use of the internet in conducting trade in this manner is spurring and drawing on innovations in electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at some point in the transaction's lifecycle, although it can encompass a wider range of technologies such as e-mail as well.

The entrepreneur, in considering whether this is the path he wants to take, should arm himself with all the pertinent facts about E-Commerce. He should carry out extensive research into the trends in external markets and assess how this pattern is taking effect in the local economy.

E - Commerce has grown tremendously in the last few years, with retailers offering on line shopping tripling in 1998 alone. The Internet has offered merchants a method of reaching new markets and new customers, and customers have found E - Commerce an effective way of researching and purchasing goods without the hassles of crowds, parking and checkout lines. One fact that cannot be argued against is that things are constantly changing and will continue to do so into the foreseeable future. Change has become the one constant rule in E - Commerce and probably will be for some time to come.

A large percentage of electronic commerce is conducted entirely electronically for virtual items, i.e. products that do not have a physical aspect attached to them, such as shares in the stock market. However, most electronic commerce involves the transportation of physical items in some way. Online retailers are sometimes known as e-tailers and online retail is sometimes known as e-tail. Almost all big retailers have electronic commerce presence on the World Wide Web.

Electronic commerce that is conducted between businesses is referred to as business-to-business or B2B. B2B can be open to all interested parties (e.g.. commodity exchange) or limited to specific, pre-qualified participants (private electronic market). Electronic commerce that is conducted between businesses and consumers, on the other hand, is referred to as business-to-consumer or B2C. This is the type of electronic commerce conducted by companies such as Amazon.com. This model could be useful to an entrepreneur who wants to open an on line bookshop.

Electronic commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspects of the business transactions.
E-Commerce Features

E-commerce software ranges from affordable, off the shelf packages designed for small business owners, to fully customizable software for larger firms. E-commerce software typically offers user design tools, integrated with other utilities such as inventory control, accounting, sales and purchasing, web-based reporting and robust security features to ensure secure financial transactions and customer privacy Off the shelf software seem to work for the small business owner or entrepreneur. This software provides an affordable way to open an online sales channel. Web-based user design tools, shopping cart templates and built-in support for secure transactions make it possible to get a business up and running in a matter of days. Why should an entrepreneur be concerned about E-Commerce? The following section examines the benefits he is likely to receive;

- More exposure, more profit.

Marketing a product or a service via the Internet provides direct company exposure 24 hours a day, 365 days a year all over the world. This gives the company a better chance to earn more profit by providing the means to reach more customers.

- Reduces company expenses

Setting up and maintaining an e-commerce web site is more economical than setting up a retail outlet or maintaining a large office. The company no longer needs to spend so much on promotional materials or installation of expensive equipment to be used for customer service, nor does it need to hire more personnel to do the inventory duties. An online database keeps the purchasing history of the company and the customers. A single person can retrieve the database to check purchasing histories easily. It can also reduce operations cost, as the employees can electronically share and access data, preventing the need for multiple printings.

- Information sharing between business Partners and other businesses

E-commerce provides an effective way to exchange business information with partners, as it is Internet-based. E-commerce also allows companies to buy the goods and services presented by other online companies (suppliers) - known as business-to-business (B2B). An entrepreneur's customers are also likely to benefit from E-Commerce in the following ways;

- Convenient and time-saving shopping

The e-market is open 24 hours, every day. There is no need for the customers to travel, wait in long lines or even carry an item back home. A click on the product and your credit card information (for Electronic Fund Transfer) are all it takes to purchase an item and have it delivered. Aside from credit cards, customers can also choose from a variety of convenient payment.
Better choices.

Aside from the opportunity to visit a wide variety of on-line shops, e-commerce allows customers to check complete information about a certain product. In addition to that, there are no sales persons pressuring the customer into buying a product.

Cheaper prices.

Going on-line reduces company expenses. As a result, customers can buy items from many on-line companies at lower prices than offered by traditional stores.

Customer satisfaction.

The Internet provides real-time, interactive communication. The company utilizes these features of the Internet to quickly respond to customer queries, thus providing better customer service and greater customer satisfaction.

The Entrepreneur’s interest

The entrepreneur thinking about trading through E – Commerce should carry out a feasibility study to see whether the project can generate a return on investment. It is important that the entrepreneur is not carried away with the hype of technology. The need for this technology should translate into positive returns after a while.

The entrepreneur is likely to increase sales as he will be running parallel systems for a while before going full scale into e-commerce, should he decide to do this. He will need to get an Internet Service Provider (ISP) to host the e-commerce site. The ISP will facilitate the creation of an Internet presence of the business. This may be one of the set up costs the entrepreneur should be prepared to incur. The entrepreneur should also bear in mind the security issues as he goes into e-commerce. E-Commerce exposes the business to the Internet where all sorts of data traverse. Some of this data may pose a threat to the business in the sense that confidential information may be picked up by a third party and used maliciously for personal gain.

THE ENTERPRISE WEBSITE

A connected group of pages on the World Wide Web regarded as a single entity. Each Web site contains a home page, which is the first document users see when they enter the site. The site might also contain additional documents and files. Each site is owned and managed by an individual, company or organization.
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TOPIC 7

NATURE OF BUSINESS COMMUNICATION

Meaning of Communication

Communication to the transmission or exchange of information between two or more persons. The information emanates from the source to the destination and eventually back to the source in the form of a feedback. The information being exchanged is referred to as a massage and the process develops to a communication process.

Communication is all about sending and receiving information. It is in its simplest sense a human relationship involving people who come together to share, to dialogue and to continue. Peter Little defines communication in his words “communication is the process by which information is transmitted between individuals and or, organizations so that an understanding response results”

William Scott in his organization theory defines communication” Administrative communication is a process which involves the transmission and accurate replication of ideas ensured by feedback for the purpose of eliciting action which will accomplish the organizational goals”

Areas of emphasis when defining communication

i) The process of communication involves communication of ideas.
ii) The ideas should be accurately replicated i.e. reproduced in the receiver’s mind.
iii) The transmitter is assured of the accurate replication of ideas by feedback.
iv) The purpose of any communication is to elicit action.

Note:
The above definition covers almost all aspects of communication but should also include two important aspects

i) The concept of idea should be adequately enlarged to include.
ii) Even in the administrative communication the purpose may not always be to elicit action but to

- Seeking information
- Persuading others etc.

All communication has to be originated produced, transmitted, received and understood.
The main aspects of communication which need to be considered are;

- The source of communication i.e... the message – (sender)
- The contents of communication is produced eg dictation – (Message)
- The method of transmission e.g... faxing (channel)
- The process involved in receiving e.g... mail handling
- The destination of the communication i.e...recipient. (receiver)
- The understanding of the communication (feedback)
We can therefore conclude that communication exists when,

i) there is a person (a sender or transmitter) desirous of passing on some information

ii) There is another person (receiver) to whom the information is to be passed on.

iii) The receiver partly or wholly understands the message passed on to him (message)

iv) The receiver responds to the message (feedback)

THE PURPOSE OF BUSINESS COMMUNICATION

1. Inform others and being informed
2. Evaluating an organization's input & output
3. Directing others and being directed
4. Influencing others and being influenced
5. Integrating management functions.
6. Facilitating internal and external communications.

The importance of communication

1. Better performance
2. Efficiency and timely delivery
3. Improved customers relations
4. Creation of better business prospective
5. Better management
6. Harmony among employment
7. Coordination
8. Proper resource utilization
9. Building of business reputation

Effects of poor communication

- Confusion
- Mistakes
- Wastage
- Accidents
- Frustrations
- Low morale and lack of motivation
- Strikes and unrest
- Poor transfer of information
- Feeling of dissatisfaction
The importance of effective communication in business

I. Set up and establishment of a business
Communication maybe described as the lifeblood of business. No business can develop in the absence of effective internal and external communication.

II. Management
Communication is a vital tool of management the potentials of communication as a management too are so great and include.

- Favorable dealing with outside companies
- Effective relationships within an organization
- Conducting effectively the functions of the organization
- Controlling and coordination in order to meet the organizational goals and objectives
- Maintaining external relationships with customers and suppliers

III. Organization Structure
The structure of the organization and delegation/ consultancy

- The leadership style of management adopted by the organization will have significant impact on the amount and effectiveness of the communication.
- A democratic style of leadership involves junior people in the organizational decision making process to varying degrees, this requires a two-way communication for the structure to be effective
- Organizations with autocratic leaders are likely to have less communication and much of it one way I.e...Downward communication.

IV. Motivation

- Motivation techniques have changed in the recent years. Although money is still perceived as a chief motivator, non financial methods have taken over and relate to communications & job design
- Effective communication is currently the chief motivator and generates excellent relationship between employers and employees.

V. Decision making

- Communication in an organization not only receives records and processes information but also communicates this information to management to enable the management make effective and timely decisions with regard to, directing controlling and coordinating the activities of the organization.

VI. Implementation of change

- Effective communication is an essential element of business success. It enables change implementation encourages and develops commitment to the business from employees at all levels within the organization.
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TOPIC 8

WRITTEN COMMUNICATION

Definition of Written Communication

It refers to the innovative activity of the mind which involves a careful choice of written words organized in a correct order of sentences in order to pass information from one person to another.

Written communication involves any type of interaction which makes use of written words, organized in a correct order of sentences in order to pass information from one person to another.

Written communication is very common in business situations facilitating both internal and external communication in the form of memos reports letters etc.

Advantages of written communication

1. Written communication helps in laying down apparent principal policies and rules for an organization.
2. It is a permanent means of communication and therefore useful where records have to be maintained.
3. Assists in establishing accountable delegation of responsibilities
4. Written communication is more precise and explicit in passing information (messages)
5. It provides records for future references
6. Legal defense can depend upon written communication.

Disadvantages of written communication

1. Written communication does not save on costs and tends to be bulky.
2. Slow response and may lack spontaneous clarification especially where distance is involved
3. Written communication is time consuming as feedback is not immediate due to the encoding and decoding procedures
4. Written communication may be unsuitable for illiterate receivers or senders
5. Effective written communication requires greater skills and competencies in language and use of vocabulary.
6. Too much paper work and e-mail burden is involved.

RULES OF EFFECTIVE WRITING

Writing skills are an important part of communication. Effective writing allows for efficient communication of any information with a lot of clarity and ease to all audience.

Poor writing skills create first impression and many readers will have an immediate negative reaction where they spot mistakes such as grammatical mistakes or spelling mistakes. A well written article attracts attention and desire to read the information.
The following are the main guidelines of effective writing skills

1. The writer should use correct grammar and make sure that corrections on all grammar errors are done. Use short clear sentences when writing
2. Avoid of wrong words and spellings mistakes - check for poor writing spellings & mistakes in order to avoid any misinterpretations or understanding by the reader.
3. The wording should be polite and simple to understand.
4. Display should be pleasant and in accordance with accepted procedures.

Channels/ forms of written communication

Written communication may flow or take any of the following forms

i) Correspondence (letters)
ii) Internal memorandum (memo)
iii) Reports
iv) Circulars
v) Minutes
vi) Bulletins, notices or house journals
vii) Suggestions schemes etc

Written communication once fully prepared and is ready to be sent the following are the main ways of conveying written communication

- **Messengerial -services** is the oldest type of service, where evidence is desired of the sending process. They use messengers who use delivery book.
- **Postal services / courier services** - Are service providers who facilitate delivery of letters or any other correspondence
- **Mechanical transmitters** - There are several types of transmitters which include
  i) Tele printers
  ii) Telegraphs
  iii) Telexes
  iv) Fax miles
  v) E-mails

The main forms of written communication

**BUSINESS CORRESPONDENCE**

Correspondence refers to the written communication between an organization with its stakeholders such as suppliers, customers, government department’s financial institutions etc.

The use of letters is the most common form of correspondence and business letters therefore are very important in communicating ideas, facts, orders etc of an organization. They form the greatest share of formal communication.
Types of letters

Broadly speaking letters can be classified as personal and non-personal letters

Personal letters are informal and are written to exchange ideas or seek favors. They include letters to relatives and friends. They are written in a friendly and informal style.

Non-personal letters are written to achieve a specific purpose and often give rise to legal obligations. (Formal communication)

Business letters

Business letters are non-personal letters and are classified as official letters. They may take the form of

a) Demi – official (D.O letters)

✓ These are letters official in purpose but are addressed to a person by name.
✓ D.O letters may be written if:
  • The matter requires personal attention of the addressee
  • The matter is of confidential nature

b) Form – letters

✓ Form- letters are used for correspondence of recurring or routine nature. They are used in cases of acknowledgements, reminders, interviews, notices appointments etc.

✓ They have a standard form with blanks left on them to be filled. Sometimes these form letters carry a number of paragraphs which can simply be ticked (✓) known as forms of paragraphs usually printed on post cards.

Classification of Business Letters

1. Letters of inquiry

✓ Are simple letters for information, prices product details (literature favors etc). They may be written to order goods and services.
✓ Large organization use purchase orders (LPO’S) while small organization uses letters of inquiry.

2. Letter of answering requests

✓ Are letters of replies to any inquiries or requests

3. Claims and adjustments
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TOPIC 9

ORAL COMMUNICATION

Oral communication

Definition
Refers to the sending and receiving of messages/information by use of spoken words

Oral communication requires that the sender and receiver(s) communicate with each other by that use of words of mouth.

It may be carried out through, face to face interactions, interviews and meetings etc.

Advantage of oral communication
i. There is physical proximity
ii. Allow for instant exchange of ideas
iii. Feedback is immediate
iv. Easter to persuade

Disadvantages of oral communication
i. Difficult to control when large numbers are involved
ii. Lack of time to think through
iii. Lacks reference for records keeping

The channels of oral communication

1. Telephone/mobile conversations

Telephones are the most common and effective mechanical device for verbal (oral) communication
With modern switch boards, more extensions have facilitated communication both internally and externally to levels of teleconferencing
Telephones have some unique advantage as means of communication. It is immediate two way and cost effective.

Advantages of telephone

1. Saves on time facilitating instantaneous communications
2. Facilitates receiving immediate feedback
3. Telephone communication may be as effective as face to face communication effective through voice modulation.
4. Telephone communication becomes more effective than personal visits especially where people are of different ranks.
5. Provides a variety of services including trunk calls, personal calls, intercom e.t.c.
6. Cost saving as opposed to travels.

**Disadvantages of the telephone**

1. Communication depends each other voices limiting the enhancing features such as facial expressions, gestures, etc.
2. Easy to assume that attention is there whereas the may lack attention interest or good reception.
3. Easily misused especially in office environments.
4. Requires instant response without giving the response without giving the receiver chance to think through.
5. When calling, one may not get chance to study the mood of the receiver.
6. A telephone message does not provide a permanent record for legal purposes.

**How to use the telephone effectively**

1. Speak politely, confident and in a positive friendly tone.
2. Always have a message pad telephone directory and appointment book near by.
3. While taking hold the mouthpiece property.
4. Avoid murmuring i.e. taking through the nose or teeth.
5. Don’t shout into the phone or speak so low - try being neutral.
6. Do not waste time with useless talks in order to save on costs.

**Guidelines of receiving/ answering the phone calls**

1. Always be prepared to receive a call – to give and receive information with note pad and pen.
2. First introduce the company, the department and your self.
3. Say a present good morning – afternoon etc.
4. Be polite on any clarifications.
5. Use an official note pad for official messages.
6. Take down the name and telephone number of caller.
7. Note the time of call and suitable times to be contacted.
8. Relay the message to the person/ department the message was meant for.
9. Call back if such promises were made.
10. Listen carefully without interrupting the caller.

**Guidelines when making calls**

1. Prepare mentally before dialing i.e. be clear with the message to be passed – jointing down such messages is important.
2. Verify that the number is correct before dialing.
3. When phone is received wait for introduction of the receiver before you speak.
4. Speak clearly and precisely.
5. Ascertaining clarity where a pardon is pardon is requested for.
6. Deliver all the details of the message and make sure it is understood.
7. Return receiver gently in order not to be offensive.

The Art general conversation

Conversations provide us opportunities for self – expression. Or pooling information or simply sharing interest
Conversations are a two way thing involving two parties at least – it is a give and take action and reaction
The attitude in conversations is the ability to see things from other fellow’s point of view

For effective conversations
  • be interested in the conversations and friendly
  • be cheerful and relaxed
  • be flexible and tactful

2. Charts on –line by the use of the internet may be verbal where using visual mechanism oral communication can take place.

Face to face communication

Is the most natural means of oral communication. it is one of the means of securing co-operation and resolving problems effectively. In face to face communication the ideas can be conveyed by words and gestures or expressions.

The obvious difficulty is that persona; have to move back and forth to communicate with each other.
The face to face communication may take several forms such;

LISTENING

Listening is an important aid to communication and bad listeners. Make up bad communicators. A sent researcher should know that 63% of the Americans time is spent listening, while 4% on reading and 22% speaking

The main purpose of listening included:-
  ▪ To obtain information
  ▪ To solve problems
  ▪ To share experience
  ▪ To persuade or dissuade

Advantages of listening to an organization
  i. Listening helps to know the organization
  ii. Listening helps to make better policies
  iii. Listening mollifies complaining employees
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TOPIC 10

MEETINGS

Definition of Meetings

Meeting are proceeding carried out by two or more people over matters of common interest which are discussed over a given period of time or
It is a gathering of a number of people for transactions of common business or for legal purposes

Meeting can be principally categorized into

- Formal
- Committee meetings
- Command meetings

Meetings are associated with time wasting but when property handled can be useful means of especially group communication.

Success of a meeting will depend on.

1. A clear definition of the purpose of the meetings
2. Distributing the agenda among all the members on time
3. Providing the facts in advance for easy deliberations
4. Restricting the numbers invited to the meetings

How to chair meetings

1. observe punctuality
2. clearly define the purpose of the meeting
3. begin with a positive appropriate the tone
4. be brief in your remarks
5. remain impartial
6. control emotional build-up
7. draw contribution from all members
8. control the meeting – creatively controlling the oppositions point of view
9. clarity contributions
10. make frequent summaries
11. point out decisions reached
12. point out differences
13. point out course of actions
14. Close meeting on time.
Attending meetings
Once you are invited to attend meetings make a positive contribution and the following points will assist you in performing well.

1. attend the meeting well prepared by
   a. carefully read the information circulated in advance
   b. prepare properly on written or visual presentations
   c. jot your points to sequentially present your views
2. study the other members attending the meetings
3. control your negative and accommodating
4. be conciliatory and accommodating
5. avoid lecturing, patronizing or condemning

Types of Meetings

- The ultimate control of the actions of a board of directors is vested in the members and shareholders of the company and from time to time they must meet to ratify or express their disapproval of the directors past conduct and to consider their future plans, their will is expected at general meetings by passing resolutions.

1. Shareholders meetings
   i. General meetings which include
      • Statutory meetings
      • Annual general meetings
      • Extraordinary meetings

These meetings are called general meetings of a company because they are meetings for all the members of the company.

   ii. Class meetings of shareholders- these are meetings of different classes e.g ordinary shareholders or preference shareholder’s meetings

   iii. Meetings of creditors and debenture holders -they are meetings help during the
      • life of the company
      • at the time of winding up of the company

   iv. Directors meetings -Can be held between the director and his immediate managers or with some other parties.

Overview of General Meetings

1. Statutory meetings
   • This is the first meeting of the shareholders of a public company and is held only once in the life time of a company.
   • The meeting shall be held within a period of not less than one month from the date at which the company is entitles to commerce business.
The board of directors shall at least in 21 days before the day on which the statutory meeting is held forward a report known as the Statutory report to every member of the company.

The notice of the meeting shall mention that the meeting is a statutory meeting.

The contents of a statutory meetings – report

i) the total shares allotted – distinguishing share allotted as fully or partly paid up

ii) cash received – the total amount of cash received by the company in respect of all shares allotted

iii) abstract of receipts and payments made up to date within 7 days of the report

Note: The abstract shall exhibit under distinctive headings as follows.

- the receipts of the company from shares and debentures and other sources
- the payments made their out
- the balance of cash in hand
- An account or estimate of the preliminary expenses of the company, showing separately any commission or discount paid or to be paid on the issue of shares or debentures.

iv) Directors and auditors- the names, addresses and occupations of the directors, auditors and managers and secretary and the changes which have occurred in such names, addresses and occupations since the date of the incorporation of the company.

v) Contracts – the particulars of any contract which is to be submitted to the meeting for its approval or modification.

vi) Underwriting contract- the extent to which any underwriting contract has not been carried out and the reasons thereof.

vii) Arrears of calls – the arrears due on calls from every director and from the manager.

viii) Commission and brokerage in connection with the issue or sale of shares and debentures to any director or to the manager.

The statutory report shall be certified as correct by not less than two directors of the company one of these directors shall be managing director. After the statutory report has been certified the auditors of the company shall also certified registered office of the company is situated.

ANNUAL GENERAL MEETING

An annual general meeting of a company may be called by giving not less than 21 days notice in writing. It may be called with a shorter notice if it is agreed to by all the members entitled to vote at a meeting.

- Annual general meeting is statutory
- Requirement it must be called even where the company did not function during the year.
- Canceling or postponing of convened meeting where an annual general meeting is convened for a particular date and notice is issued to the member of the directors can cancel or postpone the holding of the meeting on that date provided power is exercised for bonafide and proper reasons. But the more proper course would be for the board of not to arrogate to itself such power, but to hold the convened meeting and then have the matter decided at the meeting.
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TOPIC 11
INFORMATION TECHNOLOGY AND COMMUNICATION

Introduction

Technology and communication refers to the process of combining various technologies in order to improve the efficiency of receiving recording and transmitting information. The system developed increase the productivity managerial users and offer professionals time and effort needed to produce access and receive business communication promptly.

INTERNET
- The internet is a giant worldwide network. The internet started in 1969 when the United States Government funded a major research project on computer networking called ARPANET (Advanced research Project Agency Network) when on the internet you move through cyberspace.
- Cyberspace – is the space of electronic movement of ideas and information.
- The web provides a multimedia interface to resources available on the internet. It also known as WWW or World Wide Web. The web was first introduced in 1992 at CERN (Centre of European Nuclear Research) in Switzerland. Prior to the web, the internet was all text with no graphics animations, sound or video.
- Common internet applications
- Communicating on the internet includes e-mail, discussion groups (newspaper) charts groups
- You can use e-mail to send or receive messages to people around the world
- You can join discussion groups or chat groups on various topics

Shopping
- Shopping on the internet is called e-commerce
- You can window shop the cyber malls called web storefronts
- You can purchase goods using checks, credit cards or electronic cash called electronic payment.

Researching
- You can research on the internet by visiting virtual libraries and browse through stacks of books
- You can read selected items at the virtual libraries and even check out books

Entertainment
- There are many entertainment sites on the internet such as live concerts, movie previews and book clubs
- You can also participate in interactive live games on the internet.
How do you get connected to the internet?
You get connected to the internet through a computer. Connection to the internet is referred to as access to the internet. Using a provider is one of the most common ways users can access the internet. A provider is one of the most common ways connected to the internet. A provider provides a path or connection for individuals to access the internet.

There are three widely used providers.

i) Colleges and universities – colleges and universities provide free access to the internet through their Local Area Networks

ii) Internet service providers (ISP) ISPs offer access to the internet for free. They are more expensive than online service providers.

iii) Online service providers- provide access to the internet and a variety of other services for a fee. They are the most widely used source for internet access and less expensive than ISP.

Connections
There are three types of connections to the internet through a provider

a. Direct or dedicated
b. SLIP or PPP
c. Terminal connection

Direct or dedicated
This is the most efficient access method to all functions on the internet. However it is expensive and rarely used by individuals. It is used by many organizations such as colleges, universities, service providers and corporations.

SLIP and PPP
This type of connection is widely used by end users to connect to the internet. It is slower and less convenient than direct connection. However it provides a high level of service at a lower cost than direct connection. It uses a high speed modem and standard telephone line to connect to provider that has a direct connection to the internet. It requires special software protocol. SLIP (serial Line Internet Protocol) or PPP (Point-to Point Protocol). With this type of connection your computer becomes part of a client/ server network. It requires special client software to communicate with server software running on the provider’s computer and other internet computers.

Terminal connection
This type of connection also uses a high speed modem and standard telephone line. Your computer becomes part of a terminal network with a terminal connection. With this communication that occurs between the provider and other computers on the internet. It is less expensive than SLIP or PPP but not as fast or convenient

TCP/IP
The standard protocol for the internet is TCP/IP. TCP/IP (transmission Control Protocol/ internet protocol) are the rules for communicating over the internet. Protocols control how the
message are broken down. Set and reassembled. With TCP/IP a message is broken down into small parts called packets before it is sent over the internet. Each packet is sent separately, possibly travelling through different routes to a common destination. The packets are reassembled into correct order at the receiving computer.

Internet Services
The four commonly used services on the internet are;
- Telnet
- FTP
- Gopher
- The web

Telnet
- telnet allows you to connect to another computer (host) on the internet
- with telnet you can log on to the computer as if you were a terminal connected
- there are hundreds of computers on the internet you can connect to.
- Some computers allow free access, some charge a fee for their use.

FTP (File Transfer protocol)
- FTP allows you to copy files on the internet
- If you copy a file from internet computer to an internet computer it is called downloading
- If you copy a file from your computer to an internet computer, it is called uploading.

Gopher
- Gopher allows you to search and retrieve information at a particular computer site called a gopher site
- Gopher is a software application that provides menu-based functions for the site
- It was originally developed at the university of Minnesota in 1991
- Gopher sites are computers that provide direct links to available resources, which may be on other computers
- Gopher sites can also handle FTP and Telnet to complete their retrieval functions

The Web
- The web is a multimedia interface to resources available on the internet
- It connects computers and resources throughout the world
- It should not be confused with the term internet.

The browser
- A browsers is a special software used on a computer to access the web
- The software provides an uncomplicated interface to the internet and web documents
- It can be used to connect you to remote computers using Telnet
- It can be used to open and transfer files using FTP
- It can be used to display text and images using the web
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TOPIC 12

ETHICS AND INTEGRITY IN BUSINESS

Concept of Ethics and integrity

Ethics refers to standards of behavior that tell us how human beings ought to act in many situations in which they find themselves – as friends, citizens, business people, professionals, etc.

Ethics is not the same as:

i. Feelings
ii. Religion
iii. Following the law
iv. Following culturally accepted norms

Ethics in communication refers to the standards of right and wrong that apply when sending and receiving messages.

They are the principals what is right and what is wrong based on values shared in the communication process.

Business integrity

Business integrity is the reliability with which the business undertakes its transactions with the various parties with which it interacts.

It is the soundness and honesty with which it conducts its business transactions and relationships.

When business ethics and integrity are present, all parties dealing with the business know that they can rely on the standards with which the business conducts its business transactions and the business products.

Business ethics and integrity are important because consumers can only make ethical decisions on choosing in the right business organisation when they have access to accurate and complete information about the practice of different business.

Any business organisation that aims to be socially and ethically responsible must make a priority of streamlining on ethical communication both internally and externally.
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