

## **565 - BUSINESS STUDIES**

### **GENERAL OBJECTIVES**

This course will enable the learner to:

1. acquire necessary knowledge, skills and attitudes in Business Studies for the development of self and the nation;
2. understand business and its environment;
3. appreciate the role of business in society;
4. acquire necessary entrepreneurial knowledge, skills and attitude for starting and operating a business;
5. develop ability for inquiry, critical thinking and rational judgement;
6. appreciate the need for ethical practice and efficient business management;
7. acquire self-discipline and positive attitude towards work;
8. enhance co-operation and inter-relation in the society through trade;
9. understand the role of the government in relation to business activities;
10. appreciate the role of communication and information technology in modern business management;
11. develop positive environmental and health practices;
12. develop a firm foundation for further education and training in business related fields;
13. appreciate the need for measuring business performance;
14. appreciate basic economic issues in society;
15. understand the role of auxiliary services in business;
16. appreciate the role of market forces in determining prices of goods.

### **1.0.0 INTRODUCTION TO BUSINESS STUDIES**

#### **1.1.0 Specific objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of business studies;
- b) explain the importance of business studies in society.

#### **1.2.0 Content**

1.2.1 Meaning of business studies

1.2.2 Importance of business studies in society

### **2.0.0 BUSINESS AND ITS ENVIRONMENT**

#### **2.1.0 Specific objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning and purpose of a business;
- b) identify various business activities;
- c) identify various types of business environments;
- d) explain how the various business environments influence a business;

## **2.2.0 Content**

- 2.2.1 Meaning and purpose of a business
- 2.2.2 Business activities
- 2.2.3 Business environment: Internal, External
- 2.2.4 Effects of various business environments on a business

## **3.0.0 SATISFACTION OF HUMAN WANTS**

### **3.1.0 Specific objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning and characteristics of human wants;
- b) classify human wants;
- c) explain the meaning of goods and services;
- d) discuss characteristics of goods and services;
- e) explain the meaning and characteristics of economic resources;
- f) relate the concepts of scarcity, choice and opportunity cost to real life situations.

### **3.2.0 Content**

- 3.2.1 Meaning and characteristics of human wants
- 3.2.2 Types of human wants
- 3.2.3 Meaning of goods and services
- 3.2.4 Characteristics of goods and services
- 3.2.5 Economic resources
- 3.2.6 Relation between scarcity, choice and opportunity cost to real life situations.

## **4.0.0 PRODUCTION**

### **4.1.0 Specific objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of production;
- b) distinguish between the different types of utility;
- c) distinguish between direct and indirect production;
- d) describe the levels of production and occupations relating to each;
- e) Discuss the factors of production and the rewards for each;
- f) Explain the role of division of labour and specialization in the production process;
- g) Classify goods and services produced in an economy.

### **4.2.0 Content**

- 4.2.1 Meaning of production.
- 4.2.2 Types of utility
- 4.2.3 Direct and indirect production
- 4.2.4 Levels of production and related occupations
- 4.2.5 Factors of production as their rewards
- 4.2.6 Division of labour and specialization

- 4.2.7 Factors that influence the mobility of factors of production
- 4.2.8 Classification of goods and services produced in an economy.

## **5.0.0 ENTREPRENEURSHIP**

### **5.1.0 Specific objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of entrepreneurship;
- b) discuss the importance of entrepreneurship to an economy;
- c) describe the characteristics of an entrepreneur;
- d) generate business ideas;
- e) identify a business opportunity;
- f) evaluate a business opportunity;
- g) explain the need for business plan;
- h) discuss the factors that influence entrepreneurship in Kenya;
- i) discuss the causes of business success;
- j) recognize the need for ethical practices in business.

### **5.2.0 Content**

- 5.2.1 Meaning of entrepreneurship
- 5.2.2 Importance of entrepreneurship to an economy
- 5.2.3 Characteristics of an entrepreneur
- 5.2.4 Business ideas
- 5.2.5 Business opportunity
- 5.2.5 Evaluating a business opportunity
- 5.2.7 Need for business plan
- 5.2.8 Factors that influence entrepreneurship in Kenya;
- 5.2.9 Causes of business success.

## **6.0.0 THE OFFICE**

### **6.1.0 Specific objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of an office;
- b) explain the functions of an office;
- c) describe the various office layouts;
- d) explain the uses of various office equipment;
- e) discuss the role of filing in an office;
- f) discuss the duties of various categories of office staff;
- g) describe essential qualities of each category of office staff;
- h) discuss trends in office management.

### **6.2.0 Content**

- 6.2.1 Meaning of an office
- 6.2.2 Functions of an office
- 6.2.3 Types of office layouts
- 6.2.4 Office equipment

- 6.2.5 Role of filing in an office
- 6.2.6 Duties of various office staff
- 6.2.7 Essential qualities of office staff
- 6.2.8 Trends in office management

## **7.0.0 HOME TRADE**

### **7.1.0 Specific objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning and importance of trade;
- b) classify trade;
- c) explain the forms of home trade;
- d) discuss the types and functions of retailers;
- e) discuss the types and functions of wholesalers;
- f) describe the documents used in home trade;
- g) explain the means of payment used in home trade and the circumstances in which they are used;
- h) Explain the terms of payment used in home trade and circumstances in which they are used.

### **7.2.0 Content**

- 7.2.1 Meaning and importance of trade
- 7.2.2 Classification of trade
- 7.2.3 Forms of home trade
- 7.2.4 Types and functions of retailers
- 7.2.5 Types and functions of wholesalers
- 7.2.6 Documents used in home trade
- 7.2.7 Means of payment in home trade
- 7.2.8 Terms of payment in home trade

## **8.0.0 FORMS OF BUSINESS UNITS**

### **8.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) identify the various forms of business units;
- b) explain the characteristics of each form of business unit;
- c) discuss the formation and management of each form of business unit;
- d) discuss the sources of capital for each form of business unit;
- e) discuss the role of stock exchange as a market for securities;
- f) explain advantages and disadvantages of each form of business unit;
- g) recognize the circumstances under which the various forms of business units may be dissolved;
- h) Discuss trends in business ownership.

### **8.2.0 Content**

- 8.2.1 Business units: Sole proprietorships, Partnerships, Co-operatives, Private companies, Public companies, Public corporations, parastatals.
- 8.2.2 Features of each form of business unit.
- 8.2.3 Formation and management of each form of business unit.
- 8.2.4 Sources of capital for each form of business unit.
- 8.2.5 Role of stock exchange market as a market for securities.
- 8.2.6 Advantages and disadvantages of each form of business unit
- 8.2.7 Dissolution of business units
- 8.2.8 Trends in business ownership e.g. Globalisation, Amalgamation/mergers, Privatisation.

## **9.0.0 GOVERNMENT AND BUSINESS**

### **9.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain reasons for government involvement in business;
- b) explain how the government gets involved in business;
- c) discuss the merits and demerits of government involvement in business activities;
- d) Discuss the importance of consumer protection.

### **9.2.0 Content**

- 9.2.1 Government involvement in business
- 9.2.2 Methods of government involvement in business activities: Regulation, Training, Trade promotion, Provision of public utilities, Enabling environment.
- 9.2.3 Merits and demerits of Government involvement in business
- 9.2.4 Consumer protection: Need for consumer protection , Methods of consumer protection.

## **10.0.0 TRANSPORT**

### **10.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning and importance of transport to business;
- b) explain the essential elements of transport;
- c) describe the modes and means of transport;
- d) discuss advantages and disadvantages of each means of transport;
- e) discuss the factors which influence choice of an appropriate means of transport;
- f) Discuss trends in transport.

### **10.2.0 Content**

- 10.2.1 Meaning and importance of transport
- 10.2.2 Essentials of transport
- 10.2.3 Modes and means of transport
- 10.2.4 Advantages and disadvantages of each means of transport
- 10.2.5 Choice of an appropriate means of transport

#### 10.2.6 Trends in transport. Containerisation, Pipeline

### 11.0.0 COMMUNICATION

#### 11.1.0 Specific Objectives

By the end of the topic, the learner should be able to:

- a) explain the meaning and importance of communication;
- b) describe the lines of communication;
- c) explain the essentials of effective communication;
- d) describe the various forms and means of communication;
- e) discuss the advantages and disadvantages of each means of communication;
- f) discuss the factors that influence choice of an appropriate means of communication;
- g) identify the barriers to effective communication;
- h) discuss services that facilitate communication;
- i) discuss trends in communication.

#### 11.2.0 Content

- 11.2.1 Meaning and importance of communication
- 11.2.2 Lines of communication: vertical/horizontal, formal and informal.
- 11.2.3 Essentials of effective communication
- 11.2.4 Forms and means of communication
- 11.2.5 Advantages and disadvantages of each means communication
- 11.2.6 Choice of appropriate means of of communication
- 11.2.7 Barriers to effective communication
- 11.2.8 Services that facilitate communication e.g. courier, postal, telecommunication
- 11.2.9 Trends in communication: Facsimile (Fax), Developments in the internet (e.g. e-mail, e-commerce), Cell-phones

### WAREHOUSING

#### 12.1.0 Specific Objectives

By the end of the topic, the learner should be able to:

- a) explain the meaning and importance of warehousing to business;
- b) discuss the essentials of a warehouse;
- c) identify the various types of warehouses;
- d) explain the advantages and disadvantages of each type of warehouse.

#### 12.2.0 Content

- 12.2.1 Warehousing
- 12.2.2 Essentials of a warehouse



- 12.2.3 Types of warehouses
- 12.2.4 Advantages and disadvantages of each type of warehouse.

### **13.0.0 INSURANCE**

#### **13.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the concept of insurance;
- b) discuss the meaning and importance of insurance;
- c) explain terms used in insurance;
- d) explain the principles of insurance;
- e) distinguish between the classes of insurance;
- f) explain the meaning of reinsurance and co-insurance;
- g) describe procedure for obtaining an insurance policy;
- h) describe the procedure of making an insurance claim.

#### **13.2.0 Content**

- 13.2.1 The concept of insurance
- 13.2.2 Importance of Insurance
- 13.2.3 Terms used in Insurance
- 13.2.4 Principles of Insurance
- 13.2.5 Classes of insurance
- 13.2.6 Re-insurance and co-insurance
- 13.2.7 Obtaining an insurance policy
- 13.2.8 Making an insurance claim

### **14.0.0 PRODUCT PROMOTION**

#### **14.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of a product;
- b) explain the meaning and purpose of product promotion;
- c) explain various methods of product promotion;
- d) discuss advantages and disadvantages of each method of product promotion;
- e) discuss factors which influence choice of promotion method;
- f) recognise the need for ethical practices in product promotion;
- g) discuss trends in product promotion.

#### **14.2.0 Content**

- 14.2.1 Meaning of a product
- 14.2.2 Meaning and importance of product promotion
- 14.2.3 Methods of product promotion

- 14.2.4 Advantages and disadvantages of each method of product promotion
- 14.2.5 Choice of promotion method
- 14.2.6 Ethical issues in product promotion
- 14.2.7 Trends in product promotion

## **15.0.0 DEMAND AND SUPPLY**

### **15.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of demand;
- b) explain the factors which influence demand for a product;
- c) distinguish between derived demand and joint demand;
- d) derive a demand curve from a demand schedule;
- e) distinguish between movement along a demand curve and shift in the demand curve;
- f) explain the meaning of supply;
- g) explain the factors which influence supply of a product;
- h) derive a supply curve from a supply schedule;
- i) distinguish between movement along a supply curve and shift in supply curve;
- j) determine equilibrium price and quantity;
- k) explain the effects of excess demand and excess supply in the market;
- l) explain the effect of a shift in demand curve on equilibrium price and equilibrium quantity;
- m) explain the effect of a shift in supply curve on equilibrium price and equilibrium quantity;
- n) explain other methods of determining price of a product.

### **15.2.0 Content**

- 15.2.1 Meaning of demand
- 15.2.2 Factors which influence demand for a product
- 15.2.3 Derived demand and joint demand
- 15.2.4 Demand schedule and demand curve
- 15.2.5 Movement along a demand curve and shift in a demand curve
- 15.2.6 Meaning of supply
- 15.2.7 Factors which influence supply of a product
- 15.2.8 Supply schedule and supply curve
- 15.2.9 Movement along a supply curve and shift in the supply curve
- 15.2.10 Equilibrium price and quantity
- 15.2.11 Excess demand and excess supply
- 15.2.12 Effects of shift in a demand curve and shift in a supply curve on equilibrium price and quantity
- 15.2.13 Other methods of determining price of a product.



## **16.0.0 SIZE AND LOCATION OF A FIRM**

### **16.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) distinguish between a firm and an industry;
- b) discuss the factors which influence the decision on what goods and services to produce;
- c) describe the criteria for determining the size of a firm;
- d) explain the factors that influence the location of a firm;
- e) discuss advantages and disadvantages of localization and delocalization of firms;
- f) discuss the economies and diseconomies of scale;
- g) justify the reasons for existence of small firms;
- h) discuss the implication of production activities on the environment and community health;
- i) explain the need for maintaining a healthy environment.

### **16.2.0 Content**

- 16.2.1 The concepts of a firm and industry
- 16.2.2 Decision on what goods and services to produce
- 16.2.3 Determining the size of a firm
- 16.2.4 Location of a firm
- 16.2.5 Localization and delocalization of firms in an economy.
- 16.2.6 Economies and diseconomies of scale
- 16.2.7 Existence of small firms in an economy
- 16.2.8 Implications of production activities on the environment and community health
- 16.2.9 Maintaining healthy environments

## **17.0.0 PRODUCT MARKETS**

### **17.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of a market;
- b) explain the meaning of product market;
- c) Discuss the features of various types of product markets.

### **17.2.0 Content**

- 17.2.1 Meaning of a market
- 17.2.2 Meaning of product market
- 17.2.3 Features of various types of product markets.

## **18.0.0 CHAIN OF DISTRIBUTION**

### **18.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of distribution
- b) describe the various channels of distribution
- c) discuss the role of intermediaries in the distribution chain
- d) discuss the factors which may influence choice of a distribution channel.

### **18.2.0 Content**

18.2.1 Meaning of distribution

18.2.2 Channels of distribution

18.2.3 Intermediaries in the distribution chain

18.2.4 Choosing a distribution channel

## **19.0.0 NATIONAL INCOME**

### **19.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of national income;
- b) describe the circular flow of income;
- c) explain the methods of measuring national income;
- d) explain the problems encountered in measuring national income;
- e) discuss the uses of national income statistics;
- f) discuss the factors which influence the level of national income.

### **19.2.0 Content**

19.2.1 Meaning of national income

19.2.2 The circular flow of income

19.2.3 Methods of measuring national income

19.2.4 Problems encountered in measuring national income

19.2.5 Uses of national income statistics

19.2.6 Factors which influence the level of national income

## **20.0.0 POPULATION AND EMPLOYMENT**

### **20.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the basic concepts in population
- b) explain the implications of population size and structure on the development of a country
- c) explain the meaning of employment and unemployment
- d) discuss the various types and causes of unemployment
- e) discuss the measures that may be taken to solve unemployment problems

### **20.2.0 Content**

- 20.2.1 Basic concepts in population: Fertility, Mortality, Growth rate, Optimum population, Under-population, Over-population, Young population, Ageing population, Declining Population.
- 20.2.2 Implication of population size and structure on development
- 20.2.3 Employment and Unemployment
- 20.2.4 Types and causes of unemployment
- 20.2.5 Solving unemployment problems

## **21.0.0 NET WORTH OF A BUSINESS**

### **21.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of the terms assets, liabilities and capital;
- b) derive the book-keeping equation;
- c) prepare a simple balance sheet;
- d) relate the accounting equation to the balance sheet;
- e) explain the meaning of networth of a business.

### **21.2.0 Content**

- 21.2.1 Meaning of assets, liabilities and capital
- 21.2.2 The book keeping equation
- 21.2.3 Balance sheet
- 21.2.4 Relationship between book-keeping equation and balance sheet
- 21.2.5 Networth of a business

## **22.0.0 BUSINESS TRANSACTIONS**

### **22.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of a business transaction;
- b) distinguish between cash and credit transactions;
- c) determine the effects of transactions on the balance sheet;
- d) discuss causes of changes in capital;
- e) determine the initial and final capital of a business.

### **22.0.0 Content**

- 22.2.1 Meaning of a business transaction
- 22.2.2 Cash and credit transactions
- 22.2.3 Effects of transactions on the balance sheet
- 22.2.4 Causes of changes in capital
- 22.2.5 Initial and final capital of a business

## **23.0.0 THE LEDGER**

### **23.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning and purpose of a ledger;
- b) explain the concept of double entry;
- c) explain the meaning and format of a ledger account;
- d) explain the rules of recording business transactions in ledger accounts;
- e) record business transactions in various ledger accounts;
- f) describe the procedure of balancing a ledger account;
- g) balance off a ledger account;
- h) extract a trial balance from ledger account balances;
- i) explain the purposes and limitations of a trial balance;
- j) classify accounts;
- k) discuss the various types of ledgers.

### **23.2.0 Content**

23.2.1 Meaning and purpose of a ledger

23.2.2 Concept of double entry

23.2.3 Meaning and format of a ledger account

23.2.4 Rules of posting transactions to various ledger accounts: Asset account, Liability account, Expense account, Revenue account, Capital account.

23.2.5 Recording business transactions in the ledger accounts

23.2.6 Balancing a ledger account

23.2.7 The trial balance

23.2.8 Purpose and limitations of a trial balance

23.2.9 Classification of ledger accounts

23.2.10 Types of ledgers

## **24.0.0 THE CASH BOOK**

### **24.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning and purpose of a cash book;
- b) distinguish between the basic types of cash books;
- c) explain the term contra entry;
- d) prepare the various cash books.

### **24.2.0 Content**

24.2.1 Meaning and purpose of a cash book

24.2.2 Basic types of cash books

24.2.3 Contra entry

24.2.4 Preparation of a cash book: Single-column, Two-column, Three-column.

## **25.0.0 SOURCE DOCUMENTS AND BOOKS OF ORIGINAL ENTRY**

### **25.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of the term source documents;
- b) identify the various source documents used to record business transactions;
- c) discuss the various books of original entry;
- d) explain the meaning of the term journal;
- e) record information in the relevant journal from source documents;
- f) post information from journals to the relevant ledger accounts.

### **25.2.0 Content**

- 25.2.1 Source documents
- 25.2.2 Different source documents used in recording business transactions
- 25.2.3 Books of original entry
- 25.2.4 The Journal
- 25.2.5 Recording information in the relevant journals from the source documents
- 25.2.6 Posting information to the relevant ledger accounts from various journals.

## **26.0.0 FINANCIAL STATEMENTS**

### **26.2.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) identify the various financial statements;
- b) explain the importance of each of the financial statements;
- c) explain the concept of trading period;
- d) prepare simple financial statements;
- e) explain the various types of capital;
- f) calculate basic ratios from financial statements;
- g) explain the importance of each of the basic financial ratios.

### **26.2.0 Content**

- 26.2.1 Financial statements: Trading accounts, Profit and loss account, Trading, profit and loss account, Balance sheet.
- 26.2.2 Importance of the financial statements
- 26.2.3 Concept of trading period
- 26.2.4 Preparations of simple financial statements
- 26.2.5 Types of capital: working capital, borrowed capital, capital employed, capital owned
- 26.2.6 Calculating basic financial ratios: margins and mark-ups, current ratio/working capital ratio, rate of stock turn-over, return on capital
- 26.2.7 Importance of financial ratios

## **27.0.0 MONEY AND BANKING**

### **27.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning and limitations of barter trade;
- b) explain the meaning and characteristics of money;
- c) explain the functions of money;
- d) discuss demand for and supply of money;
- e) explain the meaning of banking;
- f) describe the development of banking;
- g) explain the functions of commercial banks;
- h) explain the main types of accounts offered by commercial banks;
- i) explain the functions of non-bank financial institutions;
- j) distinguish between commercial banks and non-bank financial institutions;
- k) discuss the role of a Central Bank in an economy;
- l) discuss trends in banking.

### **27.2.0 Content**

- 27.2.1 Meaning of barter trade
- 27.2.2 Meaning and characteristics of money
- 27.2.3 Functions of money
- 27.2.4 Demand for and supply of money
- 27.2.5 Meaning of banking
- 27.2.6 Development of banking
- 27.2.7 Functions of commercial banks
- 27.2.8 Types of accounts offered by commercial banks
- 27.2.9 Functions of non-bank financial institutions
- 27.2.10 The role of the Central Bank in an economy
- 27.2.11 Trends in banking

## **28.0.0 PUBLIC FINANCE**

### **28.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning and purpose of public finance;
- b) describe the various sources of public finance;
- c) categorize government expenditure;
- d) explain the principles of government expenditure;
- e) explain the meaning and purpose of taxation;
- f) explain the principles of taxation;
- g) classify taxes;
- h) explain the merits and demerits of each type of tax;

### **28.2.0 Content**

- 28.2.1 Meaning and purpose of public finance
- 28.2.2 Sources of public finance
- 28.2.3 Categories of Government expenditure



- 28.2.4 Principles of Government expenditure
- 28.2.5 Meaning and purpose of taxation
- 28.2.6 Principles of taxation
- 28.2.7 Classification of taxes
- 28.2.8 Merits and demerits of each type of tax

## **29.0.0 INFLATION**

### **29.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of inflation;
- b) determine consumer price index;
- c) explain the various types of inflation;
- d) discuss the causes of each type of inflation;
- e) explain the levels of inflation in an economy;
- f) assess the effects of inflation in an economy;
- g) discuss the methods of controlling inflation.

### **29.2.0 Content**

- 29.2.1 Meaning of inflation
- 29.2.2 Consumer price index
- 29.2.3 Types of inflation
- 29.2.4 Causes of inflation
- 29.2.5 Levels of inflation
- 29.2.6 Effects of inflation in an economy
- 29.2.7 Controlling inflation

## **30.0.0 INTERNATIONAL TRADE**

### **30.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) explain the meaning of international trade;
- b) explain the advantages and disadvantages of international trade;
- c) discuss the terms of trade, balance of trade and balance of payments;
- d) discuss the causes of balance of payment disequilibrium;
- e) discuss the measures that may be taken to correct balance of payment disequilibrium;
- f) explain the terms of sale in international trade;
- g) describe the documents used in international trade;
- h) discuss the role of international financial institutions in international trade;
- i) describe the various forms of economic integration;
- j) explain the importance of economic integration to a country;
- k) explain the advantages and disadvantages of free trade;
- l) explain the reasons for trade restriction;
- m) discuss the methods of trade restriction;
- n) discuss the advantages and disadvantages of trade restriction;
- o) discuss trends in international trade.

### **30.2.0 Content**

- 30.2.1 Meaning of international trade
- 30.2.2 Advantages and disadvantages of international trade
- 30.2.3 Terms of trade, balance of trade, balance of payments
- 30.2.4 Balance of payments disequilibrium
- 30.2.5 Correcting balance of payments disequilibrium
- 30.2.6 Terms of sale in international trade
- 30.2.7 Documents used in international trade
- 30.2.8 International financial institutions: International Monetary Fund (IMF), African Development Bank (ADB), International Bank for Reconstruction and Development (World Bank)
- 30.2.9 Forms of economic integration
- 30.2.10 Importance of economic integration to a country
- 30.2.11 Advantages and disadvantages of free trade
- 30.2.12 Reasons for and methods of trade restriction
- 30.2.13 Advantages and disadvantages of trade restriction
- 30.2.14 Trends in international trade e.g. Liberalization, Export Processing Zones (E.P.Z)

## **31.0.0 ECONOMIC DEVELOPMENT AND PLANNING**

### **31.1.0 Specific Objectives**

By the end of the topic, the learner should be able to:

- a) distinguish between economic growth and economic development;
- b) discuss the characteristics of under-development;
- c) explain the goals of development;
- d) discuss the factors which may hinder development;
- e) explain the meaning of development planning;
- f) explain the need for development planning;
- g) discuss problems encountered in development planning.

### **31.2.0 Content**

- 31.2.1 Economic growth and development
- 31.2.2 Characteristics of underdevelopment
- 31.2.3 Goals of development
- 31.2.4 Factors which hinder development
- 31.2.5 Meaning of development planning
- 31.2.6 Need for development planning
- 31.2.7 Problems encountered in development planning.