

ENTREPRENEURSHIP

ACCOUNTING PROFESSION PROGRAM

Teacher's Guide

Senior Five



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FOREWORD

Dear Teachers,

Rwanda Basic Education Board is honoured to present the teacher’s guide for Entrepreneurship in the Accounting Profession Option. This book serves as a guide to competence-based teaching and learning to ensure consistency and coherence in the learning of the Entrepreneurship Subject. The Rwandan educational philosophy is to ensure that students achieve full potential at every level of education which will prepare them to be well integrated in society and exploit employment opportunities.

Specifically, the curriculum for Accounting Profession Option was reviewed to train quality Accountant Technicians who are qualified, confident and efficient for job opportunities and further studies in Higher Education in different programs under Accounting career advancement.

In line with efforts to improve the quality of education, the government of Rwanda emphasizes the importance of aligning teaching and learning materials with the syllabus to facilitate their learning process. Many factors influence what students learn, how well they learn and the competences they acquire. Those factors include the relevance of the specific content, the quality of teachers’ pedagogical approaches, the assessment strategies and the instructional materials.

High Quality Technician Accounting program is an important component of Finance and Economic development of the Rwanda Vision 2050, “**The Rwanda We Want**” that aims at transforming the country’s socio-economic status. The qualified Technicians accountant will significantly play a major role in the mentioned socioeconomic transformation journey. Entrepreneurship subject equips students with productive entrepreneurial mindsets, hence being able to address challenges faced by their communities.

The ambition to develop a knowledge-based society and the growth of regional and global competition in the jobs market has necessitated the shift to a competence-based curriculum.

The Entrepreneurship teacher’s guide provides active teaching and learning techniques that engage students to develop competences. In view of this, your role as an Entrepreneurship teacher is to:

- Plan your lessons and prepare appropriate teaching materials.
- Organize group discussions for students considering the importance of social constructivism suggesting that learning occurs more effectively when the students works collaboratively with more knowledgeable and experienced people.
- Engage students through active learning methods such as inquiry methods, group discussions, research, investigative activities and group or individual work activities.
- Provide supervised opportunities for students to develop different competences by giving tasks which enhance critical thinking, problem solving, research, creativity and innovation, communication and cooperation. Support and facilitate the learning process by valuing students' contributions in the class activities.
- Guide students towards the harmonization of their findings.
- Encourage individual, pair and group evaluation of the work done in the classroom and use appropriate competence-based assessment approaches and methods. To facilitate you in your teaching activities, the content of this book is self-explanatory so that you can easily use it. **It is divided in 3 parts:**
 - The part I explains the structure of this book and gives you the methodological guidance.
 - The part II gives a sample lesson plan.
 - The part III details the teaching guidance for each concept given in the student book.

Even though this teacher's guide contains the guidance on solutions for all activities given in the student's book, you are requested to work through each question before judging student's findings.

I wish to sincerely express my appreciation to the people who contributed towards the development of this book, particularly, REB staff, University Lecturers, Teachers from TTC and General Education and experts from different Education partners for their technical support. A word of gratitude goes also to the administration of Universities, Head Teachers and TTCs principals who availed their staff for various activities.

Dr. MBARUSHIMANA Nelson
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PART I. GENERAL INTRODUCTION

I.I The structure of the guide

The teacher’s guide of Entrepreneurship is composed of three parts:

The Part I concerns general introduction that discusses methodological guidance on how best to teach and learn Entrepreneurship, developing competences in teaching and learning, addressing cross-cutting issues in teaching and learning and Guidance on assessment.

Part II presents a sample lesson plan. This lesson plan serves to guide the teacher on how to prepare a lesson in Entrepreneurship.

The Part III is about the structure of a unit and the structure of a lesson. This includes information related to the different components of the unit and these components are the same for all units. This part provides information and guidelines on how to facilitate students while working on learning activities. More so, all application activities from the textbook have answers in this part.

II.I. Methodological guidance

I.II.1. Developing competences

Since 2015 Rwanda shifted from a knowledge based to a competence-based curriculum for pre-primary, primary, secondary education and recently the curriculum for profession options such as TTC, Associate Nursing and Accounting programs. This called for changing the way of learning by shifting from teacher centred to a learner centred approach. Teachers are not only responsible for knowledge transfer but also for fostering students’ learning achievement and creating safe and supportive learning environment. It implies also that students have to demonstrate how they are able to transfer the acquired knowledge, skills, values and attitude to new situations.

The competence-based curriculum employs an approach of teaching and learning based on discrete skills rather than dwelling on only knowledge or the cognitive domain of learning. It focuses on what learners can do rather than what learners knows. Students develop competences through subject

unit with specific learning objectives broken down into knowledge, skills and attitudes/ values through learning activities.

In addition to the competences related to Entrepreneurship, students also develop generic competences which should promote the development of the higher order thinking skills and professional skills in Entrepreneurship teaching. Generic competences are developed throughout all units of Entrepreneurship as follows:

Generic competences	Ways of developing generic competences
Critical thinking	All activities that require students to calculate, convert, interpret, analyse, compare and contrast, etc. have a common factor of developing critical thinking into students.
Creativity and innovation	All activities that require students to plot a graph of a given algebraic data, to organize and interpret statistical data collected and to apply skills in solving problems of production/ finance/ economic have a common character of developing creativity into students.
Research and problem solving	All activities that require students to make a research and apply their knowledge to solve problems from the real-life situation have a character of developing research and problem solving into students.
Communication	During Entrepreneurship class, all activities that require students to discuss either in groups or in the whole class, present findings, debate among others have a common character of developing communication skills into students.
Co-operation, interpersonal relations and life skills	All activities that require students to work in pairs or in groups have character of developing cooperation and life skills among students.
Lifelong learning	All activities that are connected with research have a common character of developing into students a curiosity of applying the knowledge learnt in a range of situations. The purpose of such kind of activities is for enabling students to become life-long students who can adapt to the fast-changing world and the uncertain future by taking initiative to update knowledge and skills with minimum external support.

Professional skills	Specific instructional activities and procedures that a teacher may use in the class room to facilitate, directly or indirectly, students to be engaged in learning activities. These include a range of teaching skills: the skill of questioning, reinforcement, probing, explaining, stimulus variation, introducing a lesson, illustrating with examples, using blackboard, silence and non-verbal cues, using audio – visual aids, recognizing attending behaviour and the skill of achieving closure.
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The generic competences help students deepen their understanding of Entrepreneurship and apply their knowledge in a range of situations. As students develop generic competences they also acquire the set of skills that employers look for in their employees, and so the generic competences prepare students for the world of work.

I.II.2. Addressing cross cutting issues

Among the changes brought by the competence-based curriculum is the integration of cross cutting issues as an integral part of the teaching learning process-as they relate to and must be considered within all subjects to be appropriately addressed. The eight cross cutting issues identified in the national curriculum framework are: *Comprehensive Sexuality Education, Environment and Sustainability, Financial Education, Genocide studies, Gender, Inclusive Education, Peace and Values Education, and Standardization Culture.* Some cross-cutting issues may seem specific to particular learning areas/ subjects but the teacher need to address all of them whenever an opportunity arises. In addition, students should always be given an opportunity during the learning process to address these cross-cutting issues both within and out of the classroom.

Below are examples of how crosscutting issues can be addressed:

Cross-Cutting Issue	Ways of addressing cross-cutting issues
<p>Comprehensive Sexuality Education: The primary goal of introducing Comprehensive Sexuality Education program in schools is to equip children, adolescents, and young people with knowledge, skills and values in an age appropriate and culturally gender sensitive manner so as to enable them to make responsible choices about their sexual and social relationships, explain and clarify feelings, values and attitudes, and promote and sustain risk reducing behaviour.</p>	<p>Using different charts and their interpretation, Entrepreneurship teacher should lead students to discuss the following situations: “Alcohol abuse and unwanted pregnancies” and advise students on how they can fight against them.</p> <p>Some examples can be given when learning basic principles of Economics, elasticity of demand and supply, and the related graphical interpretation.</p>
<p>Environment and Sustainability: Integration of Environment, Climate Change and Sustainability in the curriculum focuses on and advocates for the need to balance economic growth, society well-being and ecological systems. Students need basic knowledge from the natural sciences, social sciences, and humanities to understand to interpret principles of sustainability.</p>	<p>Using Real life models or students’ experience, Entrepreneurship teachers should lead students to illustrate the situation of “population growth” and discuss its effects on the environment and sustainability.</p>
<p>Financial Education: The integration of Financial Education into the curriculum is aimed at a comprehensive Financial Education program as a precondition for achieving financial inclusion targets and improving the financial capability of Rwandans so that they can make appropriate financial decisions that best fit the circumstances of one’s life.</p>	<p>Through different examples and calculations on opportunity cost, elasticity of demand and supply, total revenue functions and total cost functions, supply and demand functions Entrepreneurship Teachers can lead students to discuss how to make appropriate financial decisions.</p>

<p>Gender: At school, gender will be understood as family complementarities, gender roles and responsibilities, the need for gender equality and equity, gender stereotypes, gender sensitivity, etc.</p>	<p>Entrepreneurship Teachers should address gender as cross-cutting issue through assigning leading roles in the management of groups to both girls and boys and providing equal opportunity in the lesson participation and avoid any gender stereotype in the whole teaching and learning process.</p>
<p>Inclusive Education: Inclusion is based on the right of all students to a quality and equitable education that meets their basic learning needs and understands the diversity of backgrounds and abilities as a learning opportunity.</p>	<p>Firstly, Entrepreneurship Teachers need to identify/recognize students with special needs. Then by using adapted teaching and learning resources while conducting a lesson and setting appropriate tasks to the level of students, they can cater for students with special education needs. They must create opportunity where students can discuss how to cater for students with special educational needs.</p>
<p>Peace and Values Education: Peace and Values Education (PVE) is defined as education that promotes social cohesion, positive values, including pluralism and personal responsibility, empathy, critical thinking and action in order to build a more peaceful society.</p>	<p>Through a given lesson, a teacher should:</p> <ul style="list-style-type: none"> ▪ Set a learning objective which is addressing positive attitudes and values, ▪ Encourage students to develop the culture of tolerance during discussion and to be able to instil it in colleagues and cohabitants; ▪ Encourage students to respect ideas from others.
<p>Standardization Culture: Standardization Culture in Rwanda will be promoted through formal education and plays a vital role in terms of health improvement, economic growth, industrialization, trade and general welfare of the people through the effective implementation of Standardization, Quality Assurance, Metrology and Testing.</p>	<p>With different word problems related to the effective implementation of Standardization, Quality Assurance, Metrology and Testing, students can be motivated to be aware of health improvement, economic growth, industrialization, trade and general welfare of the people.</p>

I.II.3 Guidance on how to help students with special education needs in classroom

In the classroom, students learn in different ways depending to their learning pace, needs or any other special problem they might have. However, the teacher has the responsibility to know how to adopt his/her methodologies and approaches in order to meet the learning need of each student in the classroom. Also teachers need to understand that students with special needs, need to be taught differently or need some accommodations to enhance the learning environment. This will be done depending to the subject and the nature of the lesson.

In order to create a well-rounded learning atmosphere, teachers need to:

- Remember that students learn in different ways so they have to offer a variety of activities (e.g. role-play, music and singing, word games and quizzes, and outdoor activities).
- Maintain an organized classroom and limits distraction. This will help students with special needs to stay on track during lesson and follow instruction easily.
- Vary the pace of teaching to meet the needs of each student. Some students process information and learn more slowly than others.
- Break down instructions into smaller, manageable tasks. Students with special needs often have difficulty understanding long-winded or several instructions at once. It is better to use simple, concrete sentences in order to facilitate them understand what you are asking.
- Use clear consistent language to explain the meaning (and demonstrate or show pictures) if you introduce new words or concepts.
- Make full use of facial expressions, gestures and body language.
- Pair a student who has a disability with a friend. Let them do things together and learn from each other. Make sure the friend is not over protective and does not do everything for the one with disability. Both students will benefit from this strategy.
- Use multi-sensory strategies. As all students learn in different ways, it is important to make every lesson as multi-sensory as possible. Students with learning disabilities might have difficulty in one area, while they might excel in another. For example, use both visual and auditory cues.

- Below are general strategies related to each main category of disabilities and how to deal with every situation that may arise in the classroom. However, the list is not exhaustive because each student is unique with different needs and that should be handled differently.

Strategy to help students with developmental impairment:

- Use simple words and sentences when giving instructions.
- Use real objects that students can feel and handle. Rather than just working abstractly with pen and paper.
- Break a task down into small steps or learning objectives. The student should start with an activity that she/he can do already before moving on to something that is more difficult.
- Gradually give the student less help.
- Let the student with disability work in the same group with those without disability.

Strategy to help students with visual impairment:

- Help students to use their other senses (hearing, touch, smell and taste) and carry out activities that will promote their learning and development;
- Use simple, clear and consistent language.
- Use tactile objects to help explain a concept.
- If the student has some sight, ask him/her what he/she can see.
- Make sure the student has a group of friends who are helpful and who allow him/her to be as independent as possible.
- Plan activities so that students work in pairs or groups whenever possible.

Strategy to help students with hearing disabilities or communication difficulties

- Always get the student's attention before you begin to speak.
- Encourage the student to look at your face.
- Use gestures, body language and facial expressions.
- Use pictures and objects as much as possible.
- Keep background noise to a minimum.

Strategies to help students with physical disabilities or mobility difficulties:

- Adapt activities so that students who use wheelchairs or other mobility aids, can participate.
- Ask parents/caregivers to assist with adapting furniture e.g. the height of a table may need to be changed to make it easier for a student to reach it or fit their legs or wheelchair under.
- Encourage peer support when needed.
- Get advice from parents or a health professional about assistive devices if the student has one.

Adaptation of assessment strategies:

At the end of each unit, the teacher is advised to provide additional activities to help students achieve the key unit competence. These assessment activities are for remedial, consolidation and extension designed to cater for the needs of all categories of students; slow, average and gifted students respectively. Therefore, the teacher is expected to do assessment that fits individual students.

Remedial activities	After evaluation, slow students are provided with lower order thinking activities related to the concepts learnt to facilitate them in their learning. These activities can also be given to assist deepening knowledge acquired through the learning activities for slow students.
Consolidation activities	After introduction of any concept, a range number of activities can be provided to all students to enhance/ reinforce learning.
Extended activities	After evaluation, gifted and talented students can be provided with high order thinking activities related to the concepts learnt to make them think deeply and critically. These activities can be assigned to gifted and talented students to keep them working while other students are getting up to required level of knowledge and skills through the learning activity.

1.2.4. Guidance on assessment

Assessment is an integral part of teaching and learning process. The main purpose of assessment is for improvement of learning outcomes. Assessment for learning/ Continuous/ formative assessment intends to

improve students' learning and teacher's teaching whereas assessment of learning/summative assessment intends to improve the entire school's performance and education system in general.

Continuous/ formative assessment

It is an on-going process that arises during the teaching and learning process. It includes lesson evaluation and end of sub unit assessment. This formative assessment should play a big role in teaching and learning process. The teacher should encourage individual, pair and group evaluation of the work done in the classroom and uses appropriate competence-based assessment approaches and methods.

Formative assessment is used to:

- Determine the extent to which learning objectives are being achieved and competences are being acquired and to identify which students need remedial interventions, reinforcement as well as extended activities. The application activities are developed in the student.
- book and they are designed to be given as remedial, reinforcement, end lesson assessment, homework or assignment.
- Motivate students to learn and succeed by encouraging students to read, or learn more, revise, etc.
- Check effectiveness of teaching methods in terms of variety, appropriateness, relevance, or need for new approaches and strategies. Entrepreneurship teachers need to consider various aspects of the instructional process including appropriate language levels, meaningful examples, suitable methods and teaching aids/ materials, etc.
- Help students to take control of their own learning.

In teaching Entrepreneurship, formative or continuous assessment should compare performance against instructional objectives. Formative assessment should measure the student's ability with respect to a criterion or standard. For this reason, it is used to determine what students can do, rather than how much they know.

Summative assessment

The assessment can serve as summative and informative depending to its purpose. The end unit assessment will be considered summative when it is done at end of unit and want to start a new one.

It will be formative assessment, when it is done in order to give information on the progress of students and from there decide what adjustments need to be done.

The assessment done at the end of the term, end of year, is considered as summative assessment so that the teacher, school and parents are informed of the achievement of educational objective and think of improvement strategies. There is also end of level/ cycle assessment in form of national examinations.

When carrying out assessment?

Assessment should be clearly visible in lesson, unit, term and yearly plans.

- **Before learning (diagnostic):** At the beginning of a new unit or a section of work; assessment can be organized to find out what students already know / can do, and to check whether the students are at the same level.
- **During learning (formative/continuous):** When students appear to be having difficulty with some of the work, by using on-going assessment (continuous). The assessment aims at giving students support and feedback.
- **After learning (summative):** At the end of a section of work or a learning unit, the Entrepreneurship Teacher has to assess after the learning. This is also known as Assessment of Learning to establish and record overall progress of students towards full achievement. Summative assessment in Rwandan schools mainly takes the form of written tests at the end of a learning unit or end of the month, and examinations at the end of a term, school year or cycle.

Instruments used in assessment.

- **Observation:** This is where the Entrepreneurship teacher gathers information by watching students interacting, conversing, working, playing, etc. A teacher can use observations to collect data on behaviours that are difficult to assess by other methods such as attitudes, values,

and generic competences and intellectual skills. It is very important because it is used before the lesson begins and throughout the lesson since the teacher has to continue observing each and every activity.

– Questioning

- a) Oral questioning: a process which requires a student to respond verbally to questions
- a) Class activities/ exercise: tasks that are given during the learning/ teaching process
- a) Short and informal questions usually asked during a lesson
- a) Homework and assignments: tasks assigned to students by their teachers to be completed outside of class.

Homework assignments, portfolio, project work, interview, debate, science fair, Entrepreneurship projects and Entrepreneurship competitions are also the different forms/instruments of assessment.

I.II.5. Teaching methods and techniques that promote active learning

The different learning styles for students can be catered for, if the teacher uses active learning whereby students are really engaged in the learning process.

The main teaching methods used in Entrepreneurship are the following:

- **Dogmatic method** (the teacher tells the students what to do, what to observe, how to attempt, how to conclude)
- **Inductive-deductive method:** Inductive method is to move from specific examples to generalization and deductive method is to move from generalization to specific examples.
- **Analytic-synthetic method:** Analytic method proceeds from unknown to known, 'Analysis' means 'breaking up' of the problem in hand so that it ultimately gets connected with something obvious or already known. Synthetic method is the opposite of the analytic method. Here one proceeds from known to unknown.
- **Skills lab method:** Skills lab method is based on the maxim "learning by doing." It is a procedure for stimulating the activities of the students

and to encourage them to make discoveries through practical activities.

Problem solving method, Project method and Seminar Method.

The following are some active techniques to be used in Entrepreneurship:

- Group work
- Research
- Probing questions
- Practical activities (drawing, plotting, interpreting graphs)
- Modelling
- Brainstorming
- Quiz Technique
- Discussion Technique
- Scenario building Technique

What is Active learning?

Active learning is a pedagogical approach that engages students in doing things and thinking about the things they are doing. Students play the key role in the active learning process. They are not empty vessels to fill but people with ideas, capacity and skills to build on for effective learning. Thus, in active learning, students are encouraged to bring their own experience and knowledge into the learning process.

The role of the teacher in active learning	The role of students in active learning
<ul style="list-style-type: none"> - The teacher engages students through active learning methods such as inquiry methods, group discussions, research, investigative activities, group and individual work activities. - He/she encourages individual, peer and group evaluation of the work done in the classroom and uses appropriate competence-based assessment approaches and methods. 	<p>A learner engaged in active learning:</p> <ul style="list-style-type: none"> - Communicates and shares relevant information with fellow students through presentations, discussions, group work and other learner-centred activities (role play, case studies, project work, research and investigation); - Actively participates and takes responsibility for his/her own learning;

<ul style="list-style-type: none"> - He provides supervised opportunities for students to develop different competences by giving tasks which enhance critical thinking, problem solving, research, creativity and innovation, communication and cooperation. - Teacher supports and facilitates the learning process by valuing students' contributions in the class activities. 	<ul style="list-style-type: none"> - Develops knowledge and skills in active ways; - Carries out research/investigation by consulting print/online documents and resourceful people, and presents their findings; - Ensures the effective contribution of each group member in assigned tasks through clear explanation and arguments, critical thinking, responsibility and confidence in public speaking - Draws conclusions based on the findings from the learning activities.
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Main steps for a lesson in active learning approach

All the principles and characteristics of the active learning process highlighted above are reflected in steps of a lesson as displayed below. Generally, the lesson is divided into three main parts whereby each one is divided into smaller steps to make sure that students are involved in the learning process. Below are those main part and their small steps:

1. Introduction

Introduction is a part where the teacher makes connection between the current and previous lesson through appropriate technique. The teacher opens short discussions to encourage students to think about the previous learning experience and connect it with the current instructional objective. The teacher reviews the prior knowledge, skills and attitudes which have a link with the new concepts to create good foundation and logical sequencings.

2. Development of the new lesson

The development of a lesson that introduces a new concept will go through the following small steps: discovery activities, presentation of students' findings, exploitation, synthesis/summary and exercises/application activities.

- **Discovery activity**

Step 1:

- The teacher discusses convincingly with students to take responsibility of their learning
- He/she distributes the task/activity and gives instructions related to the tasks (working in groups, pairs, or individual to prompt / instigate collaborative learning, to discover knowledge to be learned)

Step 2:

- The teacher lets students work collaboratively on the task.
- During this period the teacher refrains to intervene directly on the knowledge.
- He/she then monitors how the students are progressing towards the knowledge to be learned and boosts those who are still behind (but without communicating to them the knowledge).

- **Presentation of students' findings/productions**

- In this part, the teacher invites representatives of groups to present their productions/findings.
- After three/four or an acceptable number of presentations, the teacher decides to engage the class into exploitation of students' productions.

- **Exploitation of students' findings/ productions**

- The teacher asks students to evaluate the productions: which ones are correct, incomplete or false
- Then the teacher judges the logic of the students' products, corrects those which are false, completes those which are incomplete, and confirms those which are correct.

- **Institutionalization or harmonization (summary/conclusion/ and examples)**
 - The teacher summarizes the learned knowledge and gives examples which illustrate the learned content.
- **Application activities**
 - Exercises of applying processes and products/objects related to learned unit/sub-unit
- **Exercises in real life contexts**
 - Teacher guides students to make the connection of what they learnt to real life situations.
 - At this level, the role of teacher is to monitor the fixation of process and product/object being learned.

3. **Assessment**

In this step the teacher asks some questions to assess achievement of instructional objective. During assessment activity, students work individually on the task/activity. The teacher avoids intervening directly. In fact, results from this assessment informs the teacher of next steps for the whole class and individuals. In some cases, the teacher can end with a homework/assignment. Doing this will allow students to relay their understanding on the concepts covered that day. Teacher leads them not to wait until the last minute for doing the homework as this often results in an incomplete homework set and/or an incomplete understanding of the concept.

PART II: SAMPLE LESSON

School:

Teacher's Names:

Term	Date	Subject	Class	Unit N°	Lesson N°	Duration	Class size
----	---/---/---	ENTREPRE-NEURSHIP	S4	8	2of 3	40 minutes	40 students
Type of Special Educational Needs to be catered for in this lesson and number of students in each category				2 students with hearing impairment will sit near the teacher and the use of gestures will be improved in the lesson.			
Unit title	Elasticity of demand and supply						
Key Unit Competence:	Apply elasticity of demand and supply in making rational economic and entrepreneurial decisions						
Title of the lesson	Elasticity of demand						
Instructional Objective	Through the given activities written on flash cards, students should be able to solve finance/ production / economic problems involving powers accurately using properties of powers.						
Plan for this Class (location: in / outside)	Inside the classroom						
Learning Materials (for all students)	Flash Cards, papers, Pens, Exercise Books, other supporting teaching aids such as Chalks and Chalkboard, etc...						
References	S4 Student's book and Teacher's guide of Entrepreneurship.						

Steps and Timing	Description of teaching and learning activities		Competences and Cross-Cutting Issues to be addressed
	Teachers activities	Students activities	
Introduction 5 min ✓ Discovery activity (Question 1)	- .		
Development of the lesson: 25min ✓ Discovery activity (Question 2) ✓ Presentation of findings ✓ Application activities			
Conclusion 10 min ✓ Assessment ✓ Homework			
Teacher self-evaluation	.		

Unit 1

INTRODUCTION TO MARKET RESEARCH

Key Unit Competence: To be able to conduct market research

1.1. Unit prerequisite

In Senior 2, unit 4, learners were introduced the market. So, this prior knowledge and skills should help them to conduct market research for business start-up and growth.

1.2. Cross-cutting issues to be addressed

Note: The examples below are just to guide you on how to address cross-cutting issues throughout the unit, but this does not mean that these are the only ones. You can address and give learners opportunities to discuss all the cross-cutting issues where possible taking consideration of their environment or community around them.

- **Gender education:** The teacher should bear in mind that all students (girls and boys) have equal opportunities and rights to study. When forming group activities, assigning tasks and responsibilities, asking questions on research, and giving feedback, a teacher should include both girls and boys.
- **Financial education:** Being financially responsible partly means resources are used appropriately and productively. Through this unit, learners will be able to appreciate the need to take care of available scarce resources and therefore, note to them that utilizing resources efficiently is one way of succeeding in entrepreneurship. For example, when entrepreneurs produce what customers don't need, it will not be easy for them to convince the beachhead market.
- **Standardization culture:** You need to emphasize to learners the need for standard market research. This will help them to abide by standards of effective research as prospective market researchers.

Refer to other cross-cutting issues as identified in the preliminary pages of the teacher's guide and curriculum framework.

1.3. Guidance on the introductory activity

- Form manageable groups. (The number of group members may change according to class situations).
- Invite students to read the case study from the student’s book, share ideas and then answer related questions.
- Guide students’ discussions.
- Ask students to present their discussion findings.
- Supplement students’ presentations and link students’ answers to the new lesson.

Note: Remember that this is the first unit of senior 5, feel free to use any other creative teaching method that may arouse the curiosity of students.

Possible answers

- a) Here, the answer may be “Yes” or “No”. The activity intends to know whether they have ever seen someone from their home locality either failing the same way it happened to Kanyarwanda.
- a) There are different reasons that might have led to KANYARWANDA’s fruits shop failure. The core reason here, is failure to carry out a market research before launching fruits shop. **The market research would have informed him of the following among others:**
 - knowledge about customers’ preference of fruits.
 - Good understanding of competition.
 - Knowledge of the appropriate pricing strategy, etc.

1.4. List of sub-heading/lessons

Sub-heading ding	#	Lesson title	Learning objectives	Number of periods
1.1. Market research	1	Meaning of market and market research, Note: Start with the introductory activity	<ul style="list-style-type: none"> - Arouse the curiosity of students on the content of unit 1. - Explain the meaning of market, marketing, marketing mix and market research 	2
	2	Importance of market research	Appreciate the role of conducting a market research for the success of business	1
	3	Components of marketing mix	Explain the components of marketing mix in business activity	2
	4	Importance of marketing mix in a business activity	Analyse the relationship between marketing mix	2
1.2. Beachhead market	1	Meaning and characteristics of beachhead market	<ul style="list-style-type: none"> - Explain the concept of beachhead market - Outline characteristics of beachhead. - Examine the characteristics of the beachhead market - Advocate for the development of beachhead market 	2

	2	Steps considered while selecting beachhead market	<ul style="list-style-type: none"> - Identify the steps considered while choosing beachhead market - Apply all the recommended steps while creating a beachhead market. - Appreciate the steps considered while selecting a Beachhead market. 	2
	3	Criteria to pick the right beachhead market	<ul style="list-style-type: none"> - Describe the criteria for selecting the right beachhead market. - Apply the criteria for picking up the right beachhead market - Uses the criteria for picking the right beachhead market. 	2
	4	Segmentations for beachhead market	<ul style="list-style-type: none"> - State the segmentations for the beachhead market - Analyze various segmentations for the beachhead market an entrepreneur should pay much attention to while selecting the beachhead market. 	2
	5	Importance of beachhead market	Explain the importance of beachhead market	2
End of unit assessment				2

LESSON 1: Market research

a) Learning objectives:

- Explain the meaning of market, marketing, marketing mix and market research.
- Appreciate the role of conducting a market research for the success of a business.
- Explain the components of marketing mix in a business activity.
- Analyse the relationship between marketing mix.

b) Teaching resources:

Flip chart, chalkboard, markers, pens, magazines

c) Learning activities:

Activity 1.1

- Invite students to read and analyze the case individually from the student's book
- After reading and analyzing the case individually, instruct students to work in pairs to share their individual ideas.
- Call some pairs to make presentations (if time allows, you can let all pairs present where possible)
- Provide constructive feedback in terms of supplements (here, you share with them your expert view.)

Possible answers:

- a) KAMALIZA should have done a market research to assess whether the new product will satisfy the customers' needs.
- b) Consider the importance of market research (find it in the student's book) to guide students. While guiding students, emphasize that market research can basically help an entrepreneur to:
- Anticipate customer needs,
 - Reduce risk when introducing new products,
 - Keep an eye on your competition among others

Link the students' answer with the new lesson.

d) Application activity 1.1

- Invite students to read, discuss in pairs the application activity from the student's book
- Have some pairs to present their discussion findings to the entire class
- Give opportunity to other pairs to supplement
- Share the expert view/give constructive feedback in form of supplement.

Guidance on possible answers:

There are no specific answers for this question. Remind students that an entrepreneur has to analyze each element of marketing mix to win the market. That is to mean, if you design a product very well but you set an unaffordable price, the business will not sell as it wishes. When both product and price are good, but the place is not convenient to buyers/customers, the business may not outcompete at the market. Likewise, when the business deals with all the previous Ps of marketing mix properly, but it doesn't promote its product(s), it won't succeed too.

LESSON 2: Beachhead market

a) Learning objectives:

- Identify the steps considered while choosing beachhead market.
- Apply all the recommended steps while creating a beachhead market.
- Appreciate the steps considered while selecting a Beachhead market.
- Describe the criteria for selecting the right beachhead market.
- Apply the criteria for picking up the right beachhead market.
- Analyze various segmentations for the beachhead market.
- Assess the importance of beachhead market.

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, field trips.

c) Prerequisites/Revision/Introduction:

Students have studied essential concepts of a market. Furthermore, they studied marketing mix where specific emphasis was put on 3rd P (Place) to understand why businesses should locate where to sell their products/

services from. The knowledge acquired will enable them to understand how to identify a beachhead market.

a) Learning activity 1.2

- Instruct students to join the groups (if they exist already). Ask them to read the activity 1.2 from the student's book.
- Guide student's discussions towards beachhead market identification and management.
- Invite students to share their discussion findings in plenary.
- Provide constructive feedback in terms of supplements.

Possible answers:

The technique that KAMALIZA can use to secure a given market for her new product "Identifying a beachhead market for the new product".

However, some learners' groups may not give exact answer but explain something connected to beachhead and as a teacher, help them to link their answer correctly.

Example: If you wish to deal in selling smart scholastic materials, you can decide to start with few international schools in Kigali as your beachhead market. Then, the business shall expand later using the first market as the base.

b) Application activity 1.2

- Distribute small sheets of paper on which the question is written.
- Split students into groups of 4 or 5 incase groups are not existing.
- Invite students to share ideas in groups.
- Ask each group to present findings in plenary.
- Provide supplements.

Possible answers:

There is no single answer for this question. Consider each teams' choice and guide them accordingly.

Example of a possible answer:

Our business idea is to **“to produce liquid soap”**, and its initial market might be **“the school community”**. We will bring together financial means to buy needed chemicals to produce the liquid soap. We shall use the soap production skills acquired from trainings offered by Educate! Rwanda.

We will focus on the school community as our base market. After preliminary market assessment, we found that the school itself will buy 95% of our production capacity. The remaining 5% will be sold to individual students who consistently do cleaning activities on a weekend basis.

Customers benefits from our product include, but are not limited to:

- Our customers will benefit from high ability of our soap to remove stains on clothes.
- Our product is affordable compared to competitors.
- Customers will get our product in a convenient place.

Skills Lab 1**Build**

To introduce the topic, the teacher asks learners the following question: Do you have any information you need to know about your business club customers? Through think-pair and share, students discuss key information that every business has to know about customers.

Practice

Inform learners that in their respective lab pairs, they need to come up with a set of questions that will help them gather important information about customers.

Explain the instructions to the activity:

- Each pair will think of important information to know about customers.
- Design a set of questions that will be used to gather customers' information.
- Students will have 15 minutes (which can be changed according to class circumstances) to design a customer survey tool after which they will share the survey tool to the whole group. The teacher facilitates the learners while they are working in groups.

- Where possible, the teacher may take students to the school canteen to collect customer information using survey tool already designed. On the other hand, if you can't find a canteen in a school, you can give the data collection activity as a portfolio assignment.

Present

The teacher guides the presentations as he/she gives feedback to each group and makes conclusions through posing questions as a form of assessment.

Encourage learners to ask questions where they do not understand. The teacher emphasizes that each student will keep their work in their portfolio notebooks.

Conclusion

The teacher concludes by linking the customer survey to any business' success.

1.5. Additional information

- **Customer data collection**

You can collect the information on customers by using various methods including:

- Mobile technology
- Internet
- Customers' real time behaviour (observing their actual behaviours)
- Questionnaires
- Social media like face book, WhatsApp, etc.
- Interviews
- Experiments
- Suggestion boxes (feedback boxes)
- Personal tastes and preferences
- Being your own customer
- Good ways of treating customers
- Giving them discounts (reduction on the prices).
- Giving gifts to customers.

- Giving them credits.
- Organizing parties for customers.
- Being honest and kind to customers.
- Delivering goods on time.
- Offering after sales services like transport facilities to those who buy in bulk.
- Accepting goods returned in case they are defected or damaged.
- Using appropriate weights and measures.
- Selling them fresh goods i.e. goods which are not expired.

1.6. End of unit assessment

Possible answers

i) Mahoro's research should include, but not limited to the following:

- Customer preferences.
- Customers' purchasing power.
- Competitors' information.

ii) Mahoro can follow the following market research tips to fit her groceries business:

- Identify new opportunities and needs.
- Understand her customers.
- Conduct brand research.
- Collect and analyze data.
- Don't make assumptions.
- Apply personalized problem-solving techniques.
- Improve communication skills.
- Gather product feature insights.
- Be transparent.
- Incentivize participants.
- Keep your survey tools short and simple

iii) The advice that may be extended to Mahoro about the use of beachhead market approach for the success of her business is:

- Identifying the smallest market for her product and then focus on winning that smallest market.
- Once this is done, her business can expand to neighboring markets. This strategy will help her business startup to compete in a market that has established players by solving a problem these established firms have not.

1.7. Additional activities

1.7.1. Remedial activity

1. What do you understand by the following terms?
 - a) Research
 - a) Market research
2. Explain the importance of beachhead market strategy.

1.7.2. Consolidation activities

Discuss elements of marketing mix (4Ps).

Possible answers:

The four Ps are the key considerations that need to be carefully considered and wisely implemented in order to successfully market any product or service. They are product, price, place and promotion.

1. Product

Creating a marketing campaign starts with understanding the product itself. Who needs it and why? What can it do that no competing product can? Maybe it is a whole new thing and is so compelling in its design or function that consumers have to have it when they see it. The job of the marketer is to define the product and its qualities and introduce it to the consumer.

2. Price

Price is the amount consumers are willing to pay for a product. Marketers must relate price to the actual and perceived value of the product, while also considering shipping costs, seasonal discounts, competitive pricing, etc. In some cases, business decision makers may increase the price of a product to make it appear luxury or exclusivity. Or they can lower the price so more

consumers try. Marketers also need to determine when and if discounts are appropriate. A discount can attract more customers, but it can also give the impression that the product is less desirable than it was.

3. Place

Place is the consideration of where the product will be available (stores or online) and how it will be presented. This means placing a product in certain stores and showcasing it to its best advantage. The term placement also refers to advertising the product in the right media to grab the attention of the target consumers.

4. Promotion

The aim of promotion is to communicate to consumers that they need this product and that it is reasonably priced. Promotion includes advertising, public relations and the overall media strategy to launch a product.

1.7.3. Extended activity

1. What challenges are likely to be faced by researchers while conducting research?
2. “Research is always cheaper than a failed business,” Mitchell says. Discuss this statement.

Possible answers:

1. Any research study requires careful consideration from start to end, and there are some common primary research problems you can navigate through with the right preparation and forethought.

Research problem 1: Researcher bias

Bias is any form of research problem. The pitfall of researcher bias is in assuming that you already know the answer. There are three areas where bias has a tendency to creep into your research:

- How you ask questions
- How you take notes
- How you draw conclusions from collected data

To eliminate bias, write survey questions and interview questions of good quality, take objective notes when doing any observations and objectively interpret data to draw conclusions supported by your data.

Research problem 2: Failure to acknowledge that reported and actual behaviour sometimes differ

Whenever you are asking participants questions, even anonymously, they have a tendency to report behaviour in a more favourable light, creating a research problem although one that is unavoidable. Therefore, you must acknowledge that reported behaviour and actual behaviour are not always the same. For example, if you survey participants about the number of calories, they consume in 24 hours, they are likely to report fewer calories than they actually consume.

Research problem 3: Ignoring related factors

Ignoring factors related to your primary research but that you are unable to study creates a research problem. While it is virtually impossible to study every factor that relates to a group of participants, you should make every effort to incorporate them into the analysis of your data. For example, if you are studying student lunch choices from school cafeterias, you are omitting other factors, such as students who skip lunch, staff who eat lunch, students who eat differently at school than they do privately, students who leave the cafeteria to eat elsewhere or students who pack a lunch.

Research problem 4: Over generalization of results

Over generalization presents another research problem. While it is tempting to make a generalization about a group based on interviews, observations or surveys, never attribute your findings as something that is permanent. Recognize any generalizations apparent in your primary research as a pattern or trend i.e. one that may change. Any research involving human participants focuses on individuals who are dynamic and functioning in situations and scenarios that constantly change, which changes the results of the same research at another point in time or in another situation.

Research problem 5: Failure to recognize invalid data

Unfortunately, some primary research participants are the source of your research problem. While you hope every participant takes your study seriously, there are always some participants who intentionally provide inaccurate answers or behave aberrantly. Because data from these contrived responses and behaviours can alter your entire data set, you must have the ability to recognize when this occurs by carefully examining all primary research methods and result.

When you encounter this type of data in your results, omit it from the data upon which you perform an analysis.

1. The statement simply emphasizes that an entrepreneur has to accept investing some money in business planning rather than losing funds invested in a business that is not well studied.

Key Unit Competence: To be able to prepare a business plan for an enterprise.

2.1. Unit prerequisite

Learners were introduced to business plan preparation (O level, Senior 3,) where they learned the business plan meaning and how a business plan is prepared. This prior knowledge, skills and attitudes will help learners in preparation of a business plan for an enterprise.

2.2. Cross-cutting issues to be addressed

Note: The examples below are just to guide you on how to address cross-cutting issues throughout the unit, but this does not mean that these are the only ones. You can address and give learners opportunities to discuss all the cross-cutting issues where possible taking consideration of their environment or community around them.

- **Gender:** The teacher should bear in mind that all students (girls and boys) have equal opportunities and rights to study. When forming group activities, assigning tasks and responsibilities, asking questions, and giving feedback, the teacher should include both girls and boys.
- **Environment and sustainability:** Business plan shall take into consideration the environment. The greatest source of business is the environment, and one cannot implement his/her business without the environment. Therefore, great care for environment is paramount for continued business as well as survival of the business operations.
- **Inclusive education:** To make teaching and learning process inclusive, the teacher must understand individual differences and consider them when organizing and setting teaching and learning activities. A teacher will use teaching approaches, methods and techniques that cater for students' diversities and encourage them to maximize their full potential in classroom.

- **Peace and value education:** Through teaching and learning, the culture of peace and values should be promoted. In group, students learn to share resources and ideas with respect. They also learn to solve their problems in peaceful manner.

Refer to other cross-cutting issues as identified in the preliminary pages of the teacher's guide and curriculum framework.

2.3. Guidance on the introductory activity

- Invite students to read individually the scenario and work in pairs to share with the classmate.
- Guide students' discussions.
- Ask students make presentations in their pairs.
- Ask students additional questions.
- Supplement students' presentations and link their answers to the new lesson.

Possible answers

- According to the case study, the secret behind Kabera's success is that he took his time to discover and learn about the business he intended to start and devised/developed a plan and laid strategies on how to put the plan in action. In short, kabera took time to prepare a business plan, and on top of that he never gave up when challenges came his way/side.
- Every person has to plan before undertaking any action because the plan serves as a roadmap while undertaking the action.
- While preparing a business plan, **the following elements or sections are put into consideration:**
 - Executive summary
 - General business description,
 - Vision, mission, and goals of the business,
 - Production plan,
 - Marketing plan,
 - Organization plan,
 - Financial plan,
 - Action plan and
 - Appendix.

2.4. List of sub-heading/lessons

Sub-heading	#	Lesson title	Learning objectives	Number of periods
2.1. Meaning, users and importance of a business plan	1	Meaning of a business plan	<ul style="list-style-type: none"> - Arouse the curiosity of students on the content of unit 2. - Explain the meaning of a business plan 	1
	2	Users of a business plan	Describe the users of a business plan	1
	3	Importance of a business plan	Discuss the importance of the business plan	1
2.2. Components of a business plan	1	General business description	<ul style="list-style-type: none"> - Describe the components of business plan - Prepare business description 	2
	2	Statement of vision, mission, goals and objectives	Set the vision, mission, goals and objectives of the business	2
	3	Action plan	Prepare action plan for a business	5
	4	Organization plan	Design the organisational structure for a business	3
	5	Production plan	Prepare production plan for a business	5
	6	Marketing plan	Develop marketing plan for a business	5
	7	Financial plan	Prepare financial plan for a business	

	8	Contingency plan/Risk management	Prepare risk assessment and contingency plan for a business	5
	9	Executive summary	- Prepare the executive summary of a business plan - Prepare a compiled business plan	2
End of unit assessment				3

LESSON 1: Meaning, users and importance of a business plan

a) Learning objectives:

- Explain the meaning of a business plan.
- Describe the users of a business plan.
- Discuss the importance of the business plan.

b) Teaching resources

Flip chart, chalkboard, markers, pens, magazines

c) Learning activities

Activity 2.1

- Invite students to read and analyze the case individually from the student's book
- After reading and analyzing the case individually, instruct students to work in pairs to share their individual answers/ideas.
- Call some pairs to make presentations (if time allows, you can let all pairs present where possible)
- Provide constructive feedback in terms of supplements (here, you share with them your expert view.)

Possible answers:

- i) a) A business plan is a **detailed document that shows how a business will be started and operated** over a given period of time.

ii) b) Financial institutions are one of the users of **a business plan.**

iii) The stakeholders that may be in need of Mugabo's business plan include:

- Government
- Employees
- Financiers (Banks, Insurance companies, etc.)
- Suppliers
- Customers

Link the students' answer with the new lesson.

a) Application activity 2.1

- Invite students to read, discuss in pairs the application activity from the student's book
- Have some pairs to present their discussion findings to the entire class
- Give opportunity to other pairs to supplement
- Share the expert view/give constructive feedback in form of supplement.

Guidance on possible answers:

There are no specific answers for this question. Students will come up with diverse feasible businesses of their interest. Consider each student's or groups answer, and guide them accordingly.

LESSON 2: Importance of a business plan

a) Learning objective:

- Discuss the importance of the business plan

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, field trips.

c) Prerequisites/Revision/Introduction:

Students have studied the meaning and users of a business plan. This knowledge already acquired will play a great role for them to understand how and why a business plan is very important to any business venture.

a) Learning activity 2.2

- Instruct students to join the groups (if they exist already). Ask them to read the activity 1.2 from the student’s book.
- Guide student’s discussions towards discovering the importance of a business plan.
- Invite students to share their discussion findings in plenary.
- Provide constructive feedback in terms of supplements.

Possible answers:

The importance of a business plan may include;

- To help you with critical decisions
- To iron out or predict the possible challenges.
- To avoid the big mistakes that can be made in business operation.
- To prove the viability of the business.
- To set better objectives and benchmarks.
- To communicate objectives and benchmarks.
- To provide a guide for service providers.
- To secure financing.
- To better understand the broader landscape.
- To reduce risks.

a) Application activity 2.2

- Invite students to read and discuss in pairs the application activity from the student’s book.
- Ask one student to stand up and read the application activity loudly for the entire class.
- Make sure that all groups understand the activity correctly (Explain where need be)
- Task students to share ideas in groups.
- Ask each group to present findings in plenary.
- Provide feedback and supplements.

Possible answers:

- i) Kanyange should have prepared a business plan before launching her business.

- ii) Read the content in the student's book to answer this question. Assess every student's answer accordingly.

LESSON 3: Components of a business plan

a) Learning objectives:

- Describe the components of a business plan
- Prepare different elements of a business plan

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, field trips.

a) Prerequisites/Revision/Introduction:

Students have studied the meaning and users of a business plan. They already know which information each user may be in need of, which will help them know what to entail in each section. This prior knowledge will help them prepare different elements of a business plan with essential information.

b) Learning activity 2.3

- Instruct students to join the groups (if they exist already). Ask them to read the activity 2.3 from the student's book.
- Guide student's discussions towards identification and preparation of elements of a business plan
- Invite students to share their discussion findings in plenary.
- Provide constructive feedback in terms of supplements

Possible answers:

Selected by Educate! Rwanda to train youths on business planning, details on the following would be entailed in the training presentation:

- Executive summary
- General business description
- Vision, mission, and goals of the business
- Production plan
- Marketing plan
- Organization plan
- Financial plan
- Action plan and
- Appendix

Notes:

- a) For more details, refer to the student's book
- b) There is no exhausted number of elements to include in the document (business plan), the size and number of sections in the business plan depends on the size of the project being planned for, the nature of business, etc.

a) Application activity 2.3

- Distribute small sheets of paper on which the question is written.
- Split students into groups of 4 or 5.
- Task students to share ideas in groups.
- Ask each group to present findings in plenary.
- Provide supplements and constructive feedback.

Guidance on possible answers:

Note: Students will not provide same answers. Consider the following to guide students towards right answers taking into consideration that they have chosen different business initiatives.

Remind students why the executive summary is prepared lastly though it is presented first in the business plan document. Emphasize that the reason behind this is that it has to contain the summary of other sections of a business plan.

Skills Lab 2**Build**

Using Think, Pair and Share; ask learners to brainstorm and explain different parts of the business plan by answering these questions:

1. What is a business plan and why do we prepare it? what are the key elements of a business plan?
2. What is included in each part (Element) of the business plan?

Guidance to possible answers:

- 1) Learners will give different alternatives about the meaning of a business plan, this is okay. Remind them the reasons why business plans are prepared. Tell them that if you are serious to start the business, better to write a business plan because it acts as a guide to business operations, which contributes, to its success.

Let learners mention some of the key elements about business plan such as marketing plan, production plan among others. Explain again that just while making marketing or production plans, the entrepreneur has to make research so that he/she is informed, it is also important that while making a business plan, one carries out enough research or feasibility study about the business project of his/ her interest.

Note: The structure of a business plan is headed by the following key components:

1. Cover page,
2. Table of contents
3. Executive summary
4. General description of the business: it includes (Name of business, Contact address, Legal form of business, type of business, Information about the owner)
5. Statement of mission, goals and objectives
6. Marketing plan
7. Production plan
8. Organization, management and administration plan
9. Financial plan
10. Implementation plan also known as “Action plan”

Thereafter, let learners sit in their respective lab groups and emphasize that this lab will help them to be able to make simple business plans for the projects they intend to start.

- 2) As in reference to learner’s book, elements of a business plan: guide learners’ brainstorms showing them different items included in each part of the business plan. But for the interest of time, you can limit them and they explain only for business description and for marketing plan or just a few groups share with the audience.

Practice

Ask learners to join their teams/ group. Form and fold five or more papers containing different business activities and ask the team leaders to come and choose one activity they will base on while developing its description and marketing plan.

After each group have chosen its activity, assign each group to prepare:

1. Business description of the chosen activity
2. The marketing plan.

Move around the groups and make a follow up whether the learners are on track. Remember to ensure that shy/ silent students and girls are also actively participating. Ask silent learners to have a voice in the discussions or to ask their peers where they do not understand and stimulate girls to lead discussions.

Presentations

Communicate the appropriate time for this activity to be done. Choose the appropriate method they can use to present their findings for example gallery walk or one group presenting at a time. During presentations encourage learners to challenge/supplement each other (control this as it takes time) as it will enable them to understand better.

Conclusion

Conclude by emphasizing that entrepreneurs have to always write businesses plans for their businesses and that as entrepreneurs to be, this will be their first step. Write on the blackboard what a business description and marketing sections of the business plan should have. Ref: Learners book Unit 6, “6.2 elements of a business plan b and c”.

- **Business description:** Name of business,
 - Contact address,
 - Legal form,
 - Type of business,
 - Description of the business idea and market,
 - Information about the owner
- **Marketing plan:**
 - Product description,
 - Customer description,
 - Demand/need for the product,
 - Competition,
 - Current production,

- Price,
- Sales forecast for next 12 months,
- Business location,
- Promotion, etc.

Portfolio/project Assignment

As a take way of this lab, provide learners a portfolio assignment, which is meant to test the skills learners have attained from this lab. Remember this is an individual activity and thus each learner must do it.

E.g.: Task each learner to prepare an action plan for the projects they want to start at home.

2.5. Additional information

Highlights on the seven key sections of a business plan

- 1. Executive summary:** an executive summary should be 1–2 pages long, and provides an overview of your business concept, key objectives of your business and your plan, ownership structure, management team, your product or service offering, target market(s), competitive advantages, marketing strategy, and a summary of your financial projections. The executive summary is written last, after that the rest of the plan is completed. Each paragraph should be a summary of the more detailed related section of the plan.
- 2. Business Overview:** In an overview, include details regarding the business history, vision and/or mission, objectives, and your ownership structure.
- 3. Products and services:** Expand upon the products and services including features and benefits, competitive advantages, and if marketing a product, how and where the products will be produced.
- 4. Industry overview:** The industry overview is an opportunity to demonstrate the viability of a business by discussing the size and growth of the industry, the key markets within the business industry, how business customers will buy products or services, and which markets the business will be targeting.
- 5. Marketing strategy:** Here, the description of the target market segments in essential, competition, how to differentiate a business

products or services, and the business products' or services' unique selling proposition (USP). Marketing strategy enable the business to:

- Discuss product or service pricing and promotion, including how the business promotional programs will appeal to each of its target market segments.
 - Provide a plan of traditional and guerrilla marketing tactics, such as tradeshow, press-magnet events, social media marketing (e.g. Facebook, Twitter, etc.), networking, and print, media, or online advertising. Include the cost associated with each tactic.
 - Describe how the products or services will be sold (e.g. storefront, online, wholesalers), and your target markets' buying cycle.
6. **Operations plan:** Provide a profile of the management team, the human resources plan, business location(s) and facilities, production plan (if selling a product), and an overview of day-to-day operations.
7. **Financial plan:** Some people believe this is the most important part of a plan. So much so, it is worth dedicating up to 80% of your time to writing this section. You will need to show three years' worth of projected financial statements, including income statements, proforma balance sheets, and monthly cash flow and annual cash flow statements. Summarize each statement into a few easy-to-understand sentences and put these in a cover page for the statements. Be sure to document all of the assumptions you used in forecasting your revenues and expenses.

2.6. End of unit assessment

Possible answers

1. Financial institutions can basically use a business plan to do the following:
 - To determine whether to invest in the business or not.
 - Determine whether to give loans to the business or not.
 - To determine duration and terms of loans
2. a) Risks that anew enterprise might face and their possible measures to mitigate them are as follows:
 1. **Compliance risk:** A compliance risk is a risk to a company's reputation or finances that arises from a company's failure to comply with external laws and regulations or internal standards.

Compliance risk can result in a company paying fines or losing customers.

For example, *if employees at a manufacturing company fail to follow government safety regulations when building machinery, their behavior may pose a compliance risk to the company.*

2. **Legal risk:** a legal risk is a specific type of compliance risk that arises when a company fails to follow a government's regulations on companies. Legal risks can lead to expensive lawsuits and a negative reputation for companies.

For example, *if a factory fails to comply with pollution or hazardous waste regulations, it could be fined by the government and have a lower reputation with consumers, stakeholders and community members.*

3. **Strategic risk:** a strategic risk occurs when a company's business strategy is faulty or its executives fail to follow a business strategy at all. A company may miss its targets due to strategic risks. Pharmacy chain is exposed to the strategic risk of losing profits to a competitor.
4. **Operational risk:** an operational risk occurs when a company's day-to-day activities threaten to erode its profits. Internal systems or external factors can lead to operational risks for companies.
5. **Financial risk:** a financial risk can arise when a company fails to perform debt management or financial planning tasks. Market changes or losses can jeopardize a company's creditworthiness.

Example: A marketing company takes out a high-interest loan in anticipation of expanding its customer base, but the company isn't growing as fast as its executives expected. The high interest rate on the loan exposes the marketing company to the risk of defaulting on the loan, which can adversely affect the company's financial operations.

3. Refer to consolidation activity (1.7.2) of unit one, to guide students on this activity.

2.7. Additional activities

2.7.1. Remedial activity

Why do you think it is important for a person to plan before undertaking any action?

Suggest the essential elements that you would put into consideration while preparing a business plan?

Guidance towards possible answers:

Refer to answers provided on the introductory activity of unit 2, in this teacher's guide.

2.7.2 Consolidation activities

Distinguish between production plan and marketing plan.

Possible answers

Production plan is a part, section, component, element of business plan/ document/ statement that:

- Shows how products will be produced, created, manufactured or developed.

OR

- A production plan is a document that shows the details of producing a product

E.g. - Requirement

- Quality
- Raw materials
- Technology

Marketing plan is a part, section, component, document of a business plan that:

- Shows the current market opportunities and strategies
- Shows the market expectation and how to distribute the product to customers
- Shows how goods can be sold
- Shows the advertisement and promotion
- Extended activity

Failing to plan is planning to fail. Discuss this statement.

Possible answer:

This is to mean that the absence of proper planning can detrimentally affect timely meeting of the on-going project deliverables. To avoid such a failure, it is vital that a project manager ensures that the requirement planning activity is given due importance so that everything is under complete control.

Key Unit Competence: To be able to analyze the influence of consumer behavior in allocation of financial economic resources

3.1. Unit prerequisite

The teacher should guide students towards application of various knowledge, skills, attitudes and values, acquired and developed in other related units like theory of demand and supply where the students studied about the units of quantity demanded at a certain price. This topic provides an analysis of the behavior of individual consumer. It provides a basis of the consumer decisions that each individual consumer makes based on a set of assumptions. The key assumption is that the consumer seeks to maximize the utility (satisfaction) derived from the consumption of a bundle of goods on which he/she spends all his/her income. The unit therefore uses the concept of graphs and mathematical applications to analyse the consumer behavior and therefore it is important to ensure students are familiar with their use. The main focus for the students should be the consumer and not the supplier.

3.2. Cross-cutting issues to be addressed

In view of financial education in S.2 entrepreneurship and life skill education; the students are able to draw knowledge, understanding, values and attitude from such subjects to realize how consumers' choice is essential in allocating expenditures. The teacher has to take time to assist students to appreciate the role of such education disciplines towards shaping one's consumption habits and utility derived in consumption of good and services.

3.3. Guidance on the introductory activity

The introductory activity in this unit, in the student's book, is a basic tool used as orientation activity that enables the students to connect the knowledge,

skills, attitudes and values already acquired in other subjects like financial education and life skills education. In this case, it tests the level of student's understanding about consumer choices in allocating resources they may be already having. In order for the student to appreciate the role of consumer's choice in allocating expenditures the teacher has to begin with an introductory activity that encourages them to realize the role of consumer's choice in allocating limited economic resources.

Possible answers to the introductory activity:

- a) The economic term given to Kalisa's act of using the purchased school shoes and hens to satisfy his desires is known as Consumption.
- b) The aim of Kalisa as he tries to purchase the two items is utility maximization.
- c) He could buy two pairs of shoes and he could buy only 10 hens.
- d) Because of differences in taste and preferences.

3.4. List of sub-heading/lessons

Sub-heading ding	#	Lesson title	Learning objectives	Number of periods
3.2. Meaning of conceptual terms	1	Meaning of consumer, consumer behavior, utility, disutility, total utility and marginal utility	Explain the terms: consumer, Consumer behavior, utility, disutility, total utility and marginal utility	2
3.2. Relationship between Total Utility and Marginal Utility	2	Relationship between Total Utility and Marginal Utility	Analyse the relationship between Total Utility and Marginal Utility	2
3.3. The law of diminishing marginal utility, its assumptions and application	3	The law of diminishing marginal utility, its assumptions and application	- Illustrate the law of diminishing marginal utility and the marginal rate of substitution	3

			<ul style="list-style-type: none"> - Analyse the influence of the law of diminishing marginal utility in allocation of resources - Appreciate the application of the law of marginal utility 	
3.4. The budget line	4	Meaning, Assumption and Budget constraint,	<ul style="list-style-type: none"> - Explain the budget line - List the assumptions of a budget line 	1
	5	Calculation, Slope and Illustration.	Calculate and illustrate the slope of budget line Determine and illustrate the slope of a budget line	2
3.5. Indifference curves	6	Meaning and assumptions	Explain the indifference curve	1
	7	Characteristics and Illustration of indifference curves,	<ul style="list-style-type: none"> - Identify the characteristics of indifference curves - Illustrate the indifference curves 	2
3.6. Consumer equilibrium	8	Meaning of consumer's equilibrium, Equation and illustration	Explain and determine consumer equilibrium	1
	9	Equilibrium using utility and indifference curve approaches	Analyse consumer's equilibrium using utility and indifference curve approaches	2
3.7. Consumer surplus, producer surplus and social surplus	10	Consumer surplus	Determine and illustrate the consumer surplus	1
	11	Producer surplus	Determine and illustrate producer surplus	1
	12	Social surplus	Determine and illustrate the consumer surplus, producer surplus and social surplus	1
	13	Relationship between consumer surplus, utility and price	Illustrate the relationship between consumer surplus, utility and price	1
End of unit assessment				2

LESSON 1: MEANING OF CONCEPTUAL TERMS

a) Learning objective:

Explain the terms: consumer, consumer behavior, utility, disutility, total utility and marginal utility.

b) Teaching resources

Flip chart, chalkboard, markers, pens, magazines, audio visuals, chalks and board.

a) Learning activities activity 3.1

- Invite students to form groups, read and analyze the case from the student's book
- Instruct students to work in teams to share their individual ideas and respond to the questions required.
- Call some pairs to make presentations (if time allows, you can let all teams to present where possible)
- Provide constructive feedback in terms of supplements (here, you share with them your expert view.)
- Allow and help students to provide general view of what they expect to learn in this unit and Invite them to pay more attention to the forthcoming discussions / activities.

Possible answers:

- i) A consumer is the final user of goods and services to satisfy his/her wants.
- ii) Consumer behavior refers to the study that analyzes how consumers make decisions about their wants, needs, purchases, or actions related to a product, service, or organization
- iii) Utility is the satisfaction that is derived from consuming a product
- iv) Disutility: refers to negative loss of satisfaction derived from consuming more units of a commodity

a) Application activity 3.1

Task students to brainstorm and share experiences of how they observed or experienced utility, total utility, marginal utility and disutility.

The intention of this activity is that students must realize that these economic terms reflect what happens in their real life since they are also consumers.

Guidance on possible answers:

There is no specific answer to this activity but learners can provide their experiences on how they observed scenarios of utility, total utility, marginal utility and disutility.

For more detailed explanations about the above economic terms, you can refer to the meaning of conceptual terms as found in the student's book (3.1)

LESSON 2: RELATIONSHIP BETWEEN TOTAL UTILITY AND MARGINAL UTILITY

a) Learning objective:

Analyze the relationship between Total Utility and Marginal Utility

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, video clips, drawings etc.

a) Prerequisites/Revision/Introduction:

This sub-topic will introduce the relationship between Total Utility and marginal utility and will also require students to have a better understanding of differential equations skills. As a teacher make sure that you have clear knowledge about the topic. The consumer equilibrium discussed in this topic just means the point of utility maximization. It does not mean the state of balance as seen in the theory of equilibrium discussed earlier. Further, utility and its analysis may seem abstract and therefore you need to improvise as you teach this unit so that students do not encounter difficulties in internalizing the relationship being constructed.

b) Learning activity 3.2

- Invite students to form groups, review the assumptions given under this activity.
- Instruct students to work in teams to share their individual as they respond to the questions required.

- invite pairs to make presentations (if time allows, you can let all teams to present where possible).
- Provide constructive feedback in terms of supplements (here, you share with them your expert view).
- Help students to come up with clear relationships between Total Utility and Marginal Utility.

Possible answers:

- a) At Q1 (TU is increasing), MU is decreasing
- b) At Q2 (TU is at the maximum), MU is zero
- c) At Q3 (TU is decreasing), MU is in negative. (Disutility)

a) Application activity 3.2

Request students to analyze the table that depict Kalisa’s utility and calculate utility as per the data found in the table.

The intention of this activity is that students exercise to apply the knowledge got from the previous topic and calculate the Marginal Utility as well as drawing the required relationship graph.

Possible answers

To fill the Marginal utility column, the student teachers should refer to the worked out example.

Units	Total Utility	Marginal Utility
1	100	-
2	160	60
3	200	40
4	220	20
5	220	0
6	200	-20
7	160	-40
8	100	-60

Guidance to the activity 3.2. b)

To plot the total utility and marginal utility on graphs, the student teachers should refer to graphs of total utility and marginal utility in the student teacher text book.

LESSON 3: THE LAW OF DIMINISHING MARGINAL UTILITY, ITS ASSUMPTIONS AND APPLICATION

a) Learning objectives:

- Illustrate the law of diminishing marginal utility and the marginal rate of substitution
- Analyze the influence of the law of diminishing marginal utility in allocation of resources
- Appreciate the application of the law of marginal utility

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, video clips, drawings, etc.

c) Prerequisites/Revision/Introduction:

This sub-topic introduces the relationship between Total utility and marginal utility and will also require students to have a better understanding of differential equations skills. As a teacher make sure that you have clear knowledge about the topic. The consumer equilibrium discussed in this topic just means the point of utility maximization. It does not mean the state of balance as seen in the theory of equilibrium discussed earlier. Further, utility and its analysis may seem abstract and therefore you need to improvise as you teach this unit so that students do not encounter difficulties in internalizing the relationship being constructed.

d) Learning activity 3.3

- Invite students to form groups, review the assumptions given under this activity.
- Instruct students to work in teams to share their individual as they respond to the questions required.
- invite pairs to make presentations (if time allows, you can let all teams to present where possible).

- Provide constructive feedback in terms of supplements (here, you share with them your expert view).
- Help students to come up with clear answers on the questions asked under the activity 3.3.

Possible answers:

- The bottle that took less time to finish was the first bottle because he was thirsty.
- The bottle which was enjoyed most; was the first when he/she was so thirsty,
- The bottle that was paid highly was the first bottle, it seems that the person was so thirsty, and the bottle which was paid less was the 6th bottle because the levels of satisfaction had diminished.

e) Application activity 3.3

- Request students to analyze the graph presented and respond to the required questions.
- Students can do this either individually or in groups
- Provide necessary support where students do not understand what is required

Possible answers

- Q1 shows when total utility is at maximum because when total utility is at maximum marginal utility is at zero (point Q1)
- At point Q2 total utility is declining because as total utility begins to decline, marginal utility is in negatives at point Q2.

LESSON 4: THE BUDGET LINE

a) Learning objectives:

- Explain the budget line
- List the assumptions of a budget line
- Calculate and illustrate the slope of budget line
- Determine and illustrate the slope of a budget line

b) Teaching resources:

Economics textbooks, Flip chart, chalkboard, markers, pens, pictures, video clips, drawings, etc.

c) Prerequisites/Revision/Introduction:

Students have learnt about the relationship between Total utility and marginal utility, this prior knowledge will help them understand the rationale behind budget lines. Students will deeply relate their content with what happens in their real life. Students need to know that a budget line shows various combinations of two commodities that a consumer can purchase using his or her fixed income.

d) Learning activity 3.4.

- Help students to understand the formula presented
- Relate the formula to the questions asked
- Students can be grouped and work in teams
- Allow students to brainstorm and work together as they prepare sharing their answers
- It is not necessary that student present their findings, you can simply ask randomly for a few to share their answers.

Possible answers

- a) The number of units that will be purchased:
- i) If he spends 10,000Frw on each commodity, he will purchase 10 units of commodity X and 20 units of Y commodity.
 - ii) If he spends 12,000Frw on commodity X he will purchase 12 units of it.
 - iii) If he spends 15,000Frw on commodity X he will purchase 15 units of it.
 - iv) If he spends all his income on commodity X he will purchase 20 units of that commodity.
 - v) If he spends all his income on commodity X he will purchase 40 units of that commodity.
- b) To illustrate the findings on curve, the students should refer to the curve of budget line in the student text book as they prepare the curve on this exercise.

e) Application activity 3.4.

Guide learners on how they are going to use the model in order to determine Y.

Students can be put in groups or work individually

Ensure different teams share their created Formulae.

Possible answers

$$\text{Given } B = P_x X + P_y Y$$

We can make X the subject as follows:

Subtract $P_y Y$ from both side

$$B - P_y Y = P_y Y + P_x X - P_y Y$$

$$B - P_y Y = P_x X$$

$$P_x X = B - P_y Y$$

$$X = \frac{B - P_y Y}{P_x}$$

LESSON 5: INDIFERENCE CURVES

a) Learning objectives:

- Explain the indifference curve
- Identify the characteristics of indifference curves
- Illustrate the indifference curves

b) Teaching resources:

Economics textbooks, Flip chart, chalkboard, markers, pens, pictures, video clips, drawings etc.

c) Prerequisites/Revision/Introduction:

Students have learnt about budget line; this prior knowledge will help them understand the rationale behind indifference curve. Students will deeply relate their content with what happens in their real life. Students need to clearly differentiate budget line from indifference curve. The indifference curves are locus of points showing various combinations of two goods that give the consumer the same level of utility.

Begin by discussing the budget line, reasons for its shifts and rotations (show this graphically). Discuss the features of indifference curve before presenting its drawing. Discuss with the learners how and why it shifts and the meaning of the shifts.

d) Learning activity 3.5.

- Guide students on how they will carry out research using internet
- You can even help them get the permission to use the computer lab
- Students can be grouped and work in teams or work individually
- Allow students to brainstorm and work together as they prepare sharing their answers
- When time allows, students can present their findings, on the meaning and features on an indifference curve.

Possible answers

a) An indifference curve is a curve that shows various combinations of two commodities that give the consumer equal satisfaction.

- b)
- Indifference curves are convex or U-shaped to the origin.
 - Indifference curves are parallel to each other.
 - Indifference curve do not touch the X or Y axis except when the two commodities X and Z are complete substitutes.
 - Many indifference curves on the same graph make up an indifference map.
 - All combinations along the indifference curve give the same satisfaction
 - Higher indifference curve represents higher level of satisfaction

c) To make graphical illustration, the students should refer to the curve of indifference curve in the student text book.

a) Application activity 3.5.

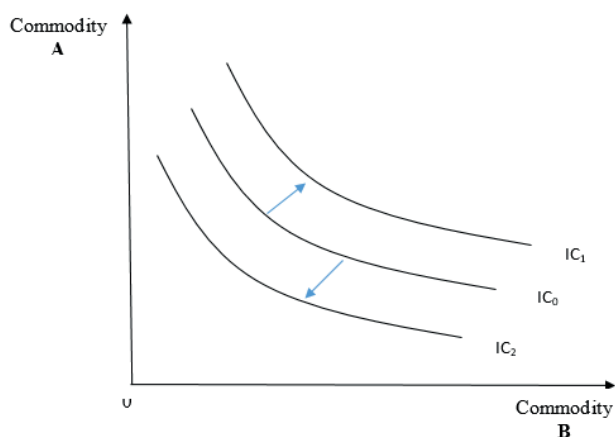
Guide learners on brainstorming the situations which can lead the indifference curve to shift differently.

Students can be put in groups or work individually

Ensure different teams share their graphical representations.

Possible answers

- Increase in satisfaction shifts the indifference curve to the right.
- Decrease in satisfaction shifts the indifference curve to the left



Higher indifference curve (IC_1) represents higher level of satisfaction and lower indifference curve (IC_2) represents lower level of satisfaction.

LESSON 6: CONSUMER EQUILIBRIUM

a) Learning objectives

- Explain and determine consumer equilibrium
- Analyze consumer's equilibrium using utility and indifference curve approaches

b) Teaching resources

Economics textbooks, Flip chart, chalkboard, markers, pens, pictures, video clips, drawings, etc.

c) Prerequisites/Revision/Introduction

Consumer equilibrium shows the optimal level of satisfaction derived from consumption of a bundle of goods at a given level of income. This is represented by a point of tangency between the budget line and the indifference curve from the interior. Begin the subtopic by bringing together the budget line and the indifference curve. Show that the Marginal Rate of Substitution (MRS) is zero at the point of tangency

d) Learning activity 3.6

- Guide students on how they will do a research, you can group students and help them easily get a permission from the library. You can as well borrow computers on their behalf to ease their research.
- It is not necessary for students to provide accurate answers. This is just for the sake of arousing their interest in the topic under discussion. Randomly, students can share or present their findings as you stimulate them for the forthcoming discussions

Possible answers

a) **Consumer equilibrium** occurs when the consumer gets maximum equal satisfaction from each unit of his or her income spent on consumption.

a) Determination of consumer equilibrium

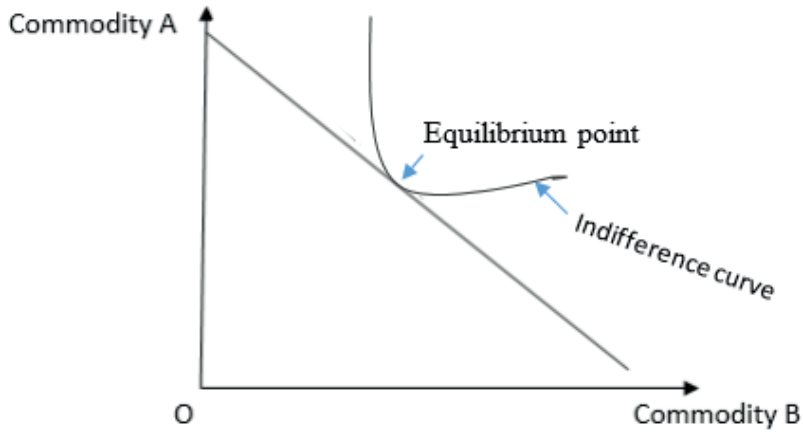
Consumer's Equilibrium using utility: the consumer is in equilibrium when the marginal utility derived from spending a unit of his or her income on a unit of commodity **X** is equal to the marginal utility got from spending his income on commodity **Y**.

Thus: Thus: $\frac{MU_x}{P_x} = \frac{MU_y}{P_y} = \frac{MU_n}{P_n}$

Where

- MU_x is marginal utility from commodity X.
- MU_y is marginal utility from commodity Y.
- P_x is price for commodity X.
- P_y is price for commodity Y.
- MU_n is marginal utility from any other commodity consumed.
- P_n is price of any other commodity consumed.

Consumer's equilibrium using indifference curve approaches: Here the consumer reaches the equilibrium at the point where the indifference curve meets the budget line.



e) Application activity 3.6

In order to support learners, explain consumer's equilibrium, you can start recalling what they learnt under utility and indifference curves. The following section details what students may display as answers to the activity.

Possible answers

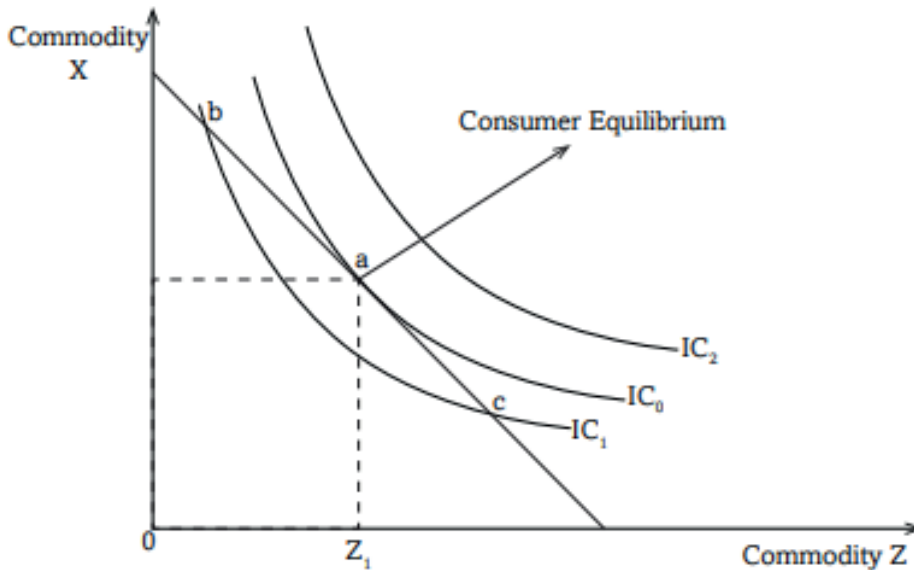
a) The consumer's equilibrium using the utility approach

The consumer is in equilibrium when the marginal utility derived from spending a unit of his or her income on a unit of commodity X is equal to the marginal utility got from spending his income on commodity Y. Thus; $MUX = MUY = \frac{MUn}{Px} = \frac{MUn}{Py} = \frac{MUn}{Pn}$ Where,

- MUX is marginal utility from commodity X.
- MUY is marginal utility from commodity Y.
- Px is price for commodity X.
- Py is price for commodity Y.
- MUn is marginal utility from any other commodity consumed.
- Pn is price of any other commodity consumed. If the above situation is fulfilled, then the consumer is in equilibrium.

a) The consumer's equilibrium using the indifference curve approach

In this approach, consumer equilibrium occurs at a point where the indifference curve is tangent to the budget line. Consumer equilibrium is achieved when the budget line meets the indifference curve.



At point **a** where the indifference curve IC_0 is tangent to the budget line, is where the consumer is in equilibrium.

LESSON 7: CONSUMER SURPLUS, PRODUCER SURPLUS AND SOCIAL SURPLUS.

a) Learning objectives

- Determine and illustrate the consumer surplus
- Determine and illustrate producer surplus
- Determine and illustrate the consumer surplus, producer surplus and social surplus
- Illustrate the relationship between consumer surplus, utility and price

b) Teaching resources

Economics textbooks, Flip chart, chalkboard, markers, pens, pictures, video clips, drawings etc.

c) Prerequisites/Revision/Introduction

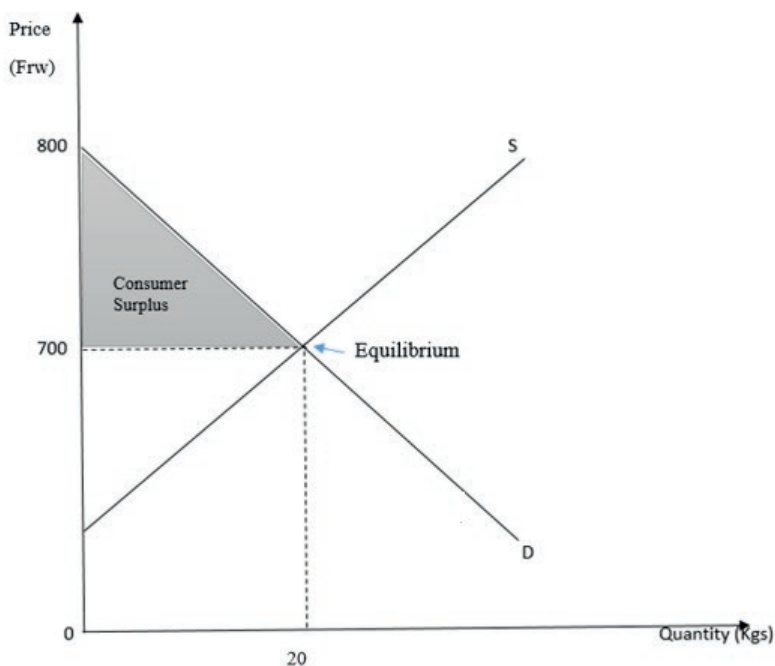
Consumer surplus is the difference between the price that consumers are willing and able to pay and the price that they actually pay. The consumer surplus therefore, represent a saving (increasing consumer welfare). The producer surplus on the other hand is the difference between the price that the producer is ready and willing to accept for his/her commodity and what he/she actually receives. The consumer and producer surpluses are better shown by graphical illustrations.

Begin this sub-topic with Activity 3.7 and ensure the learners are fully involved. Stimulate brainstorming and encourage learners to collaborate throughout their respective teams.

d) Learning activities 3.7

- Allow learners conduct research on the previous concepts about utility, disutility etc.
- Encourage them to reflect on their daily life experiences when they are buying and then respond to the given questions.
- In order to support learners, learn effectively, peer or group learning is encouraged where applicable.

Possible answers



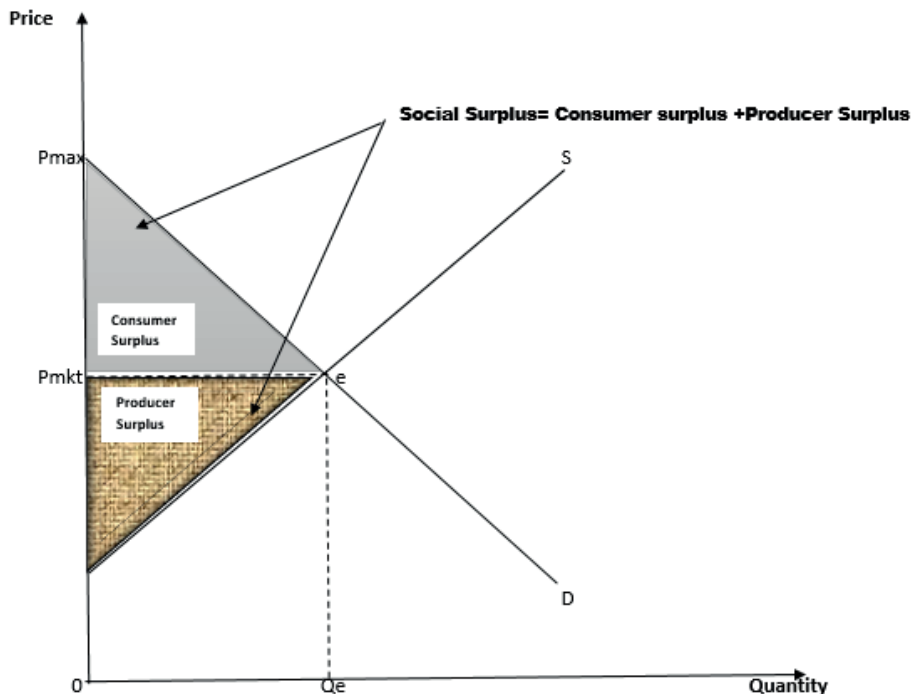
The consumer surplus for Rukundo is graphically illustrated by the shaded area

e) Application Activities 3.7

This activity aims at helping students use the acquired knowledge to demonstrate the related competences. So, learners should be encouraged to analyse and draw the relationship between consumer surplus and the producer surplus.

They should also perform the required calculations as they do the second application activity.

Possible answers



As the demand curve is a straight line, the consumer surplus (CS) is the area between the demand curve and the market price; the producer surplus (PS) is the area between the supply curve and the market price, therefore, SS (social surplus) = $CS + PS$

Skills Lab 3

Guidance to the teacher

Build:

- Give students clear guidance on the activity they are going to undertake
- Help them form groups according to their projects teams
- Provide timelines for this activity
- Remember students need enough time to brainstorm on what they do in their business club
- Remind students that they will provide a report that include the advices developed for their Club
- Remind students to use time given appropriately

Practice:

- In groups, Students discuss on their behaviours portrayed while transacting in their routine club operations
- Students record key main ideas under their discussion
- Students compile a report that include (The circumstance under which they reach consumer surplus, producer surplus and the appropriate advices that can be shared with the club / producer on what to do in case the consumers wish to pay below market price)

Present:

- Students present the report to the entire class
- Fellow students can ask questions and the teacher guide / complement students presentations
- There will be no specific advice since all advices depends on what circumstance each group has analyzed.

Conclusion: conclude the lesson by assigning learners a project activity (assignment)

Project Assignment:

Here the teacher provides any relevant project activity that students can work on to help them develop and exhibit necessary skills as well as competences required under this unit.

3.5. Additional information

Since this sub-topic has new concepts such as utility, marginal utility and will also require students to have a better understanding of differential equations skills. Therefore, it requires a teacher to have made enough skills and also calculated some questions before entering the class. It is also good for the teacher to make the students to realize that the consumer surplus is the difference between the price that consumers are willing and able to pay and the price that they actually pay. Therefore, consumer surplus represents savings of consumers (increasing consumer welfare). And the producer surplus on the other hand is the difference between the price that the producer is ready and willing to accept for his/ her commodity and what he/she actually receives. It therefore, represents the wind fall profits (the profits which the producer did not expect due abrupt increase in prices).

Difference between Budget line and Indifference curve:

An indifference curve is a curve that shows various combinations of two commodities that give the consumer equal satisfaction. An example is shown below. The consumption of any combination of the two commodities that lie along the curve gives the same units of utility.

Consumers purchase commodities to satisfy their needs. They aim at maximizing utility. The quantity that they buy depends on the level of their incomes and the price of the commodities. A budget line is a line that shows various combinations of two commodities that a consumer can purchase using his or her fixed income.

More details on Consumer equilibrium:

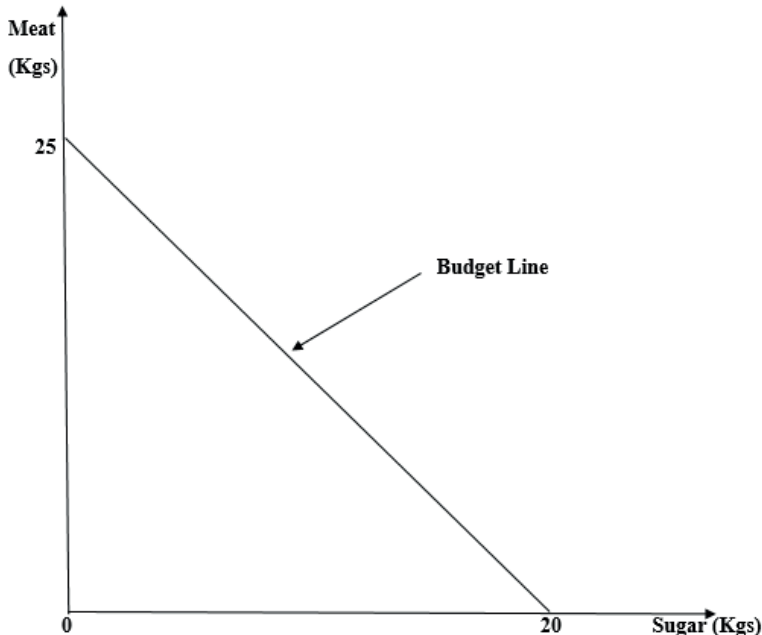
The consumer aims at maximizing satisfaction at the lowest possible cost. The consumer has to ensure that he or she uses less of the available income but enjoys maximally. Consumer equilibrium occurs when the consumer gets maximum equal satisfaction from each unit of his or her income spent on consumption. This can be explained by two approaches:

- a) The utility approach.
- a) The indifference curve approach.

3.6. End of unit assessment

Students can still use the worked out examples and the notes to answer the end of unit assessment.

Possible answers:



Re-write and correct figures on the above curve in relation to the question asked

1. While a budget line is a line that shows various combinations of two commodities that a consumer can purchase using his or her fixed income; a budget constraint is an amount of money you cannot spend beyond.
2. Utility is the satisfaction that is derived from consuming a product but disutility refers to negative (loss) of satisfaction derived from consuming more units of a commodity (negative satisfaction).

3.7. Additional activities

3.7.1. Remedial activity

These activities are set to compensate the slow learners to move at the same levels with others bright student teachers. Such student teachers need to be attended to, it is good to set simple questions for them so as to help them to understand the key concepts from the unit.

For example,

1. Distinguish between utility and marginal utility
2. How is producer's surplus different from consumer's surplus?
3. How is bliss point different from disutility?

Possible answers

Refer to student's book on 3.1 meaning of conceptual terms

3.7.2. Consolidation activities

These activities are meant help quick learners not to be bored and relaxed as others are studying. Therefore, provide additional questions to the fast learning students. There is also a need to set some challenging question to such students from the unit, and this helps to teach on class room management and also to keep fast learners busy.

Questions:

1. Differentiate marginal utility from total utility
2. What is the relationship between indifference curve and Marginal Rate of substitution?

Possible answers:

1. Refer to meaning of conceptual terms 3.1 to answer question one
2. The relationship is that: If the marginal rate of substitution is increasing, the indifference curve will be concave, which means that a consumer would consume more of X for the increased consumption of Y and vice versa, but this is not common

3.7.3. Extended activity

As a teacher you can still get some additional questions which you feel that they help the students to understand the unit, and also include some few concepts that look important but were not included in the unit studied.

For example,

Qn. When does a consumer attain his/ her equilibrium under?

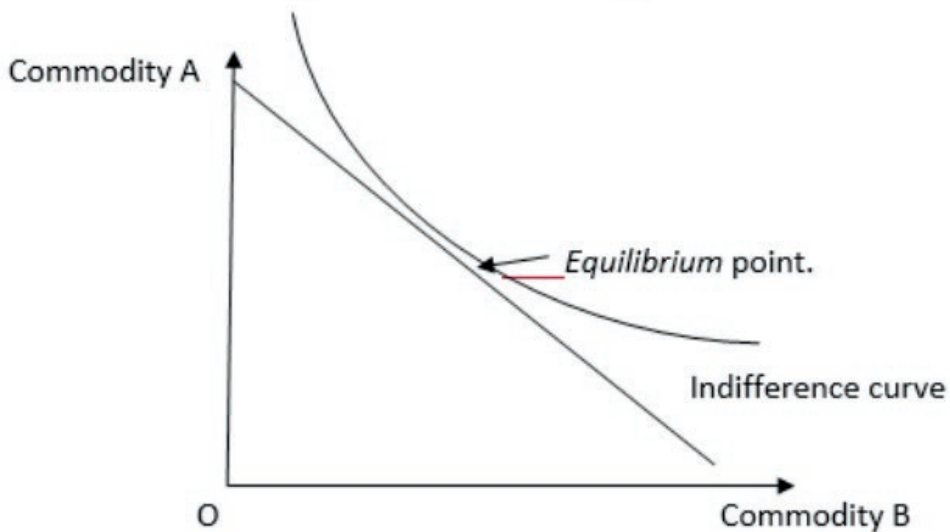
- a) The marginal utility approach
- b) Under the indifference curve approach.

Possible answers to the extended activities

- a) A consumer reaches equilibrium under marginal utility approach when a consumer gets equal additional utility from the extra money spent of each of the two commodities.

$$\frac{MU_1}{P_1} = \frac{MU_2}{P_2}$$

- b) Here the consumer reaches the equilibrium at the point where the indifference curve meets the budget line



Key Unit Competence: To be able to determine the profit of the business

4.1. Unit prerequisite

Firms incur different kinds of costs, which may be implicit or explicit costs. It is important that as you prepare yourself to teach this unit you make adequate preparation so that you are familiar with these costs and how they are calculated. Begin the lesson by identifying the costs that learners are familiar with before moving to costs of the firm. Ask learners themselves to identify the expenditures their families make and build on this to introduce the theory of costs. This unit also looks at the growth of firms, where the major form of growth is through merging. It is therefore important that as a teacher you are familiar with cases of firms that have ever merged so that when explaining this concept to the learners you are able to show them vivid examples. It is from this that they can appreciate merging as a method through which firms can grow.

4.2. Cross-cutting issues to be addressed

When teaching this unit, the following cross cutting issues should be emphasised: Financial education, given the fact that a firm's ability to make profits depends on its ability to manage costs/expenses, it is important for the teacher to emphasise to the learners the importance of financial awareness in terms of money management skills, budgeting, saving among other aspects of financial management.

4.3. Guidance on the introductory activity

The introductory activity in this unit, in the student's book, is a basic tool used as orientation activity that enables the students to connect the knowledge, skills, attitudes and values already acquired in other subjects like financial education and life skills education. In this case, it tests the level of student's

understanding about costs, production and profits of the firm. In order for the student to determine the profit of the business / firm, the teacher has to begin with an introductory activity that encourages them to evaluate different costs incurred by businesses and be able to calculate the related profit.

Possible answers to the introductory activity:

- a) The economic term given to expenses on resources in production is cost of production.
- b) . Anything valuable that is used in production needs to be spent on as a resource in production
- c) It is important to calculate expenses in production in order to balance them with revenues so as to calculate profit.

4.4. List of sub-heading/lessons

Sub-heading ding	#	Lesson title	Learning objectives	Number of periods
4.1.Introduction to production	1	Introduction to production	Explain the term “production”, its purpose, types and levels.	2
Factors of production	2	Land	Identify the factors of production, their characteristics, rewards and roles.	2
	3	Labour		2
	4	Capital		2

4.2. Production function (Input-output Relationship)	1	Meaning, function and planning periods	<ul style="list-style-type: none"> - Identify the characteristics of short run and long run planning periods. - Explain how production varies with planning periods - Be aware of the relationship between inputs and outputs both in the short run and long run, and plan to produce accordingly for profit maximization 	3
	2	Product of the firm (TP, AP and MP),	Calculate total product (TP), average product (AP) and marginal product (MP) both in short run and long run.	3
	3	Law of diminishing marginal returns and its assumptions	State the law of diminishing marginal returns and returns to scale and with their assumptions	1
	4	Isoquant and Isocost	Differentiate between isocost and isoquant	2
4.3. Theory of costs, production, and Profit of the business/ firm	1	Theory of costs	<ul style="list-style-type: none"> - Explain the meaning of the concept cost. - Identify different types of costs Explain the variations of costs in the short run and long run 	3

	2	Theory of production	-Illustrate the production function and products of a business/firm both in the short run and long run.	3
	3		Calculate total product (TP), average product (AP) and marginal product (MP) both in short run and long run.	3
	4	Revenues and profits of the business/firm	<ul style="list-style-type: none"> -Identify the different forms of revenue - Calculate the different forms of revenue (Total Revenues (TR), Average Revenue (AR) and Marginal Revenue (MR)) - Identify the profit maximization position of a firm/ business - Determine the profit maximization of a business/ firm 	2
	5	A firm and industry, their location and localization	<ul style="list-style-type: none"> -Explain the difference between a firm and industry. -Distinguish between the location and localization of firms in an area. - Explain the factors influencing location and localization of firms in an area 	3
End of unit assessment				2

LESSON 1: INTRODUCTION TO PRODUCTION

a) Learning objectives:

Explain the term “production”, its purpose, types and levels.

b) Teaching resources

Flip chart, chalkboard, markers, pens, magazines, Audio visuals, chalks and board.

c) Learning activity 4.1

- Guide students to form groups, read and analyze the case of Muhizi and Mwiza from the student’s book
- Students can borrow books from the library to research on different economic terms related to production
- Instruct students to work in teams to share their individual ideas and respond to the questions required.
- Invite pairs to make presentations (if time allows, you can let all teams to present where possible)
- Provide constructive feedback in terms of supplements (here, you share with them your expert view).
- Allow and help students to provide general view of what they expect to learn in this unit and Invite them to pay more attention to the forthcoming discussions / activities.

Possible answers:

a) Muhizi’s act is direct or subsistence production.

Mwiza’s act is indirect or commercial production.

b) i) Characteristics of direct or subsistence production:

- Simple tools are used.
- Mostly family labour is used.
- Low productivity since it is mainly for home use.
- Exchange is not encouraged since production is mainly for home use.
- Poor quality output produced since simple tools are used thus low human welfare.
- Does not involve competition thus no need of research.

- Depend entirely on nature.
 - Does not require a lot of skills and skill development.
 - Production is on small
- ii) Characteristics of indirect or commercial production:
- Wage labour is used thus creating employment opportunities to most people.
 - Production is on large scale
 - Aims at producing in plenty since production is for market.
 - Use of modern tools.
 - High levels of productivity.
 - Profit motivated/ oriented.
 - Requires use of skilled labour and thus enhances skill development.
 - High rates of specialisation normally concentrating on a particular commodity.
 - Production is for both domestic and foreign markets.

e) Application activity 4.1

- Call students to brainstorm and share views of what economic activities taking place
- The intention of this activity is that students must realize that these economic activities reflect different sectors of production.

Guidance on possible answers:

- i) The economic activities taking place,
- A is cultivating (agriculture)
 - B is manufacturing
 - C is teaching
- ii) Level of production
- A is primary production.
B is secondary production.
C is tertiary production.
- iii) Let student teachers identify more examples of economic activities that fall under the three levels of production mentioned in (ii)

LESSON 2: FACTORS OF PRODUCTION

a) Learning objective:

Identify the factors of production, their characteristics, rewards and roles.

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, video clips, drawings etc.

c) Prerequisites/Revision/Introduction:

Production involves transforming raw materials into finished products that can satisfy peoples' needs. This is quite a familiar topic on which the learners may have prior knowledge, when introducing this unit therefore, use question and answer to find out what the learners already know about production. Also prepare a list of examples of enterprises that are engaged in the production of goods and services which the learners may also be familiar with as this will make it easy for the learners to understand what is involved in production. As a teacher you should also appreciate the fact that you can set knowledge on production from other subjects such as production in Geography and agribusiness in Entrepreneurship

d) Learning activity 4.2

- Guide students to form groups, brainstorm and come up with necessary resources to start a business.
- Instruct students to work in teams to share their individual thoughts as they respond to the questions required.
- Ask pairs to make presentations (if time allows, you can let all teams present where possible) and defend what they have included in the report.
- Provide constructive feedback in terms of supplements (here, you share with them your expert view).
- Help students to come up with clear categories of factors of production.

Possible answers:

Would advise to have the following in place for successful start of his or her production:

- Land.
- Labour/ Human resources.
- Capital.
- Entrepreneurial skills.

e) Application activity 4.2

Request students to reflect back in their communities as they identify successful entrepreneurs.

Students are required to carefully internalize questions before answering. It is better if this activity is done in groups to stimulate collaboration, team work and communication skills.

The intention of this activity is that students exercise to apply the knowledge got from the previous topic and calculate relate with the real life experience.

Possible answers

There are no specific answers for this activity because students will respond depending on the types of available local entrepreneurs identified. However, the teacher is encouraged to use logic while assessing the relevancy of students' answers.

LESSON 3: PRODUCTION FUNCTION (INPUT-OUTPUT RELATIONSHIP)

a) Learning objectives:

- Identify the characteristics of short run and long run planning periods.
- Explain how production varies with planning periods
- Be aware of the relationship between inputs and outputs both in the short run and long run, and plan to produce accordingly for profit maximization
- Calculate total product (TP), average product (AP) and marginal product (MP) both in short run and long run.
- State the law of diminishing marginal returns and returns to scale and with their assumptions
- Differentiate between isocost and isoquant

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, video clips, drawings etc.

c) Prerequisites/Revision/Introduction:

This sub-topic introduces the relationship between Input and Output.

As a teacher make sure that you have clear knowledge about the topic. Production function discussed in this topic involves transforming raw materials into finished products that can satisfy peoples' needs. This is a quite a familiar topic on which the learners may have prior knowledge, when

introducing this unit therefore, use question and answer to find out what the learners already know about production. Also prepare a list of examples of enterprises that are engaged in the production of goods and services which the learners may also be familiar with as this will make it easy for the learners to understand what is involved in production. As a teacher you should also appreciate the fact that you can set knowledge on production from other subjects such as production in Geography

d) Learning activity 4.3

- Guide students to form groups, review the assumptions given under this activity.
- Instruct students to work in teams to share their individual thoughts as they respond to the questions required.
- Invite pairs to make presentations (if time allows, you can let all teams present where possible)
- Provide constructive feedback in terms of supplements (here, you share with them your expert view)
- Help students to come up with clear answers on the questions asked under the activity 3.3.

Possible answers:

Inputs	Output
Teachers, classrooms, teaching/learning materials	Students
Medical personnel and facilities	Healthy population
Land and capital	Food

The relationship between the two is in such a way that, as the ratio of inputs increase, holding other factors constant, output also increases. Or to produce a given level of output, there is need to use a combination of a given ratio of inputs.

e) Application activity 4.3

Request students to analyze the table presented, research on what TP, AP and MP different types of costs to gather the rationale behind production theories and respond to the required questions.

Students can do this either individually or in groups

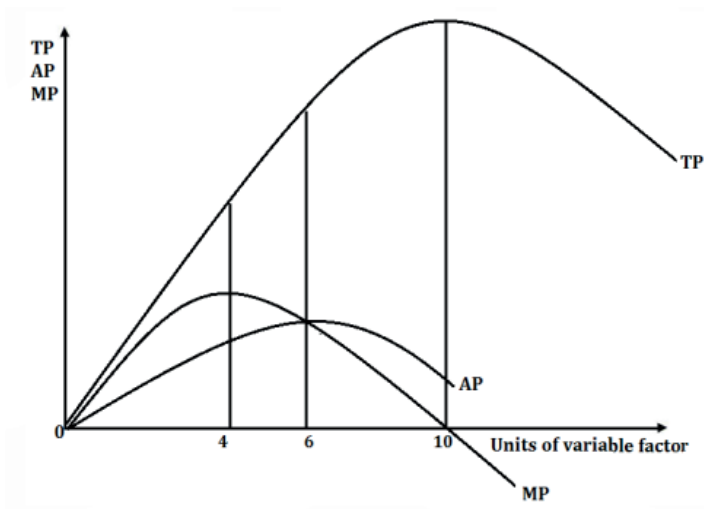
Provide necessary support where students do not understand what is required and allow them to compute the required tasks.

Possible answers

i) By using the formulas, the learners get the following:

Fixed Factor	Variable factor	TP	AP (TP/L)	MP ()
7	1	4	4	-
7	2	14	7	10
7	3	27	9	13
7	4	40	10	13
7	5	60	12	20
7	6	72	12	12
7	7	77	11	5
7	8	80	10	3
7	9	81	9	1
7	10	81	8.1	0
7	11	77	7	-4

ii) The relationship between TP, AP & MP can be illustrated as below:



LESSON 4: THEORY OF COSTS, PRODUCTION, AND PROFIT OF THE BUSINESS/ FIRM

a) Learning objectives:

- Explain the meaning of the concept cost.
- Identify different types of costs
- Explain the variations of costs in the short run and long run

- Illustrate the production function and products of a business/firm both in the short run and long run
- Calculate total product (TP), average product (AP) and marginal product (MP) both in short run and long run.
- Identify the different forms of revenue
- Calculate the different forms of revenue (Total Revenues (TR), Average Revenue (AR) and Marginal Revenue (MR))
- Identify the profit maximization position of a firm/ business
- Determine the profit maximization of a business/ firm
- Explain the difference between a firm and industry.
- Distinguish between the location and localization of firms in an area.
- Explain the factors influencing location and localization of firms in an area

b) Teaching resources:

Economics textbooks, Flip chart, chalkboard, markers, pens, pictures, video clips, drawings etc.

c) Prerequisites/Revision/Introduction:

Students have learnt about the relationship between input and output (production function) and factors of production. This prior knowledge will help them understand the rationale behind costs, and production hence determining the profit of the business/ firm. Students will deeply relate their content with what happens in their real life. Students need to know that Production is the process through which resources are converted into final goods ready for consumption or into intermediate goods which can be used to produce other goods and services. The main purpose of production is to satisfy man's needs and wants through provision of goods and services

d) Learning activity 4.4.

- Help students to form groups for proper discussions
- Allow students to brainstorm and work together as they prepare sharing their answers
- It is not necessary that student present their findings, you can simply ask randomly for a few to share their answers.
- Ensure the answers provided are contextualized to the normal activities run in their business club

Possible answers:

- i) Costs are the expenses of a firm incurred during production process. Costs consist of payments to factors of production and therefore closely linked to the theory of production
- ii) Long run is the period that is long enough for a business to vary all factors of production
- iii) Short run is a period in which the firm cannot change its plant, equipment and the scale of operations.
- iv) Variable cost are costs which change directly with output.
- v) Fixed costs are costs that do not change as output changes.

For this activity there are no specific answers because students will respond depending on the business club costs; however, the teacher is encouraged to use logic while assessing the relevancy of students' answers.

e) Application activity 4.4

- Guide learners on how they are going to conduct their discussions.
- Students can be put in groups to work as a team or work individually
- Ensure different teams share their findings on the difference between Long run vs short run, Economies of scale and different factors that influence the firm's location.

Possible answers

1. Short run period of production is a period during which at least one factor of production is fixed and one or more factors are variable while long run period of production is the period that is long enough for a business to vary all factors of production.
2. Economies of scale: This refers to economies to advantages enjoyed by a firm due to expansion resulting into a fall in average costs of production. Economies of scale are categorized as internal and external economies where internal economies arise due expansion of the firm regardless of others while external economies arise due to expansion of the industry regardless of the size of individual firms.

Internal economies of scale:

- Technical economies.
- Managerial economies.
- Marketing economies.
- Risk and survival economies.
- Research and development economies.
- Social and welfare economies.
- Financial economies.

External economies of scale:

- Labour economies.
- Development of commercial facilities.
- Development of social and economic infrastructure
- Economies of co-operation.

3. The factors that influence the location of firms are the following:

- Availability of raw materials
- Availability of the market
- Government policy
- Transport and communication network
- Availability of power
- Availability of labour or Skill base in the area
- Availability of land
- Political stability/security
- Commercial institutions
- Climate
- Water

Skills Lab 4**Guidance to the teacher on the skills lab 4.****Build:**

- Give students clear guidance on the activity they are going to undertake.
- Help them form groups according to their projects teams.

- Provide timelines for this activity.
- Remember students need enough time to brainstorm on what they do in their business club.
- Remind students that they will provide answers that reflect the costs incurred by their business club as they illustrate the VC, FC and TC.
- Remind students to efficiently use time given appropriately.

Practice:

- In groups, Students discuss on costs incurred while transacting in their routine club operations.
- Students record key main costs incurred under their business club operations.
- Students draw the required graphs and provide appropriate advice to the club.
- Students should be given enough time to discuss, discover and share accordingly.

Present:

- Students present the findings to the entire class.
- Fellow students can ask questions and the teacher guide / complement students presentations.
- There will be no specific advice but all advices should be reflecting to the appropriate costs reduction practices for the club.

Conclusion: Summarise the lesson and assign students a project activity.

Project Assignment:

Here the teacher provides any relevant project activity that students can work on to help them develop and exhibit necessary skills and competences required under this unit.

Example of a project activity: Students construct “Cost reduction model” to be used by the club. Students present this model to the school administration and the teacher for review and feedback.

4.5. Additional information

While teaching on the factors of production, remember to emphasize that “Land” refers to all the free gifts of nature which are not human, found on earth, beneath or above. It includes soil, forests, mountains, oceans, minerals, air etc.

The reward to land for its contribution in the production process is rent.

Capital refers to all human made resources used in the production of goods and services and can be categorized as follows:

- Fixed capital
- Liquid capital
- Human capital

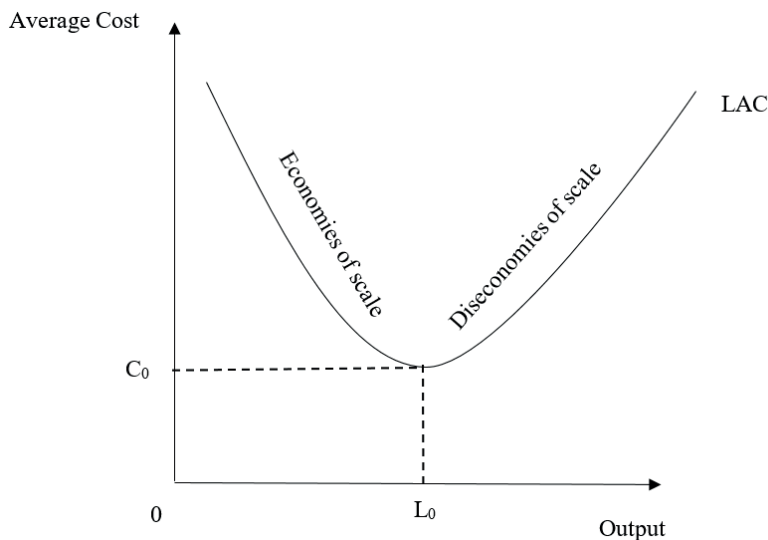
The reward to capital is interest, whose rate will depend on the demand and supply of capital. Capital plays an important role in production such as promoting technological progress, facilitates economic growth, promotion of factor mobility, facilitates industrialization, facilitates employment creation, promotes research and innovation, promotes specialization in the production process, facilitates production of quality goods and services, facilitates resource renewal and reduces dependence.

4.6. End of unit assessment

Students can still use the worked out examples and the notes to answer the end of unit assessment. Students were given the case study to enable them conceptualize what they have learned with what really exist in the normal running of businesses.

The end of unit assessment is meant to evaluate what students have been able to learn and therefore should practice in order to demonstrate that the intended goal was achieved.

Possible answers

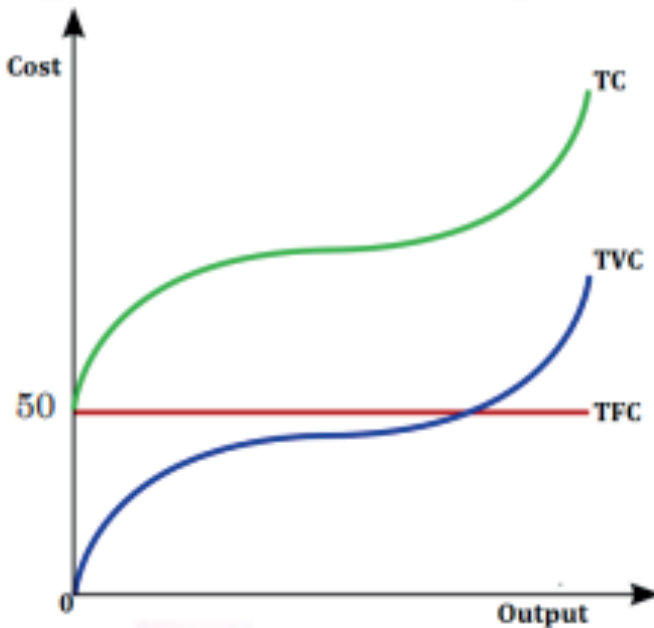


While Economies of scale are advantages that a firm enjoys in form of reduced average costs as the firm expands its scale of production, diseconomies are the disadvantages which a firm faces by expanding the scale of production beyond the point of optimal capacity.

2. a) $TC = TFC + TVC$; $ATC = AFC + AVC$; $MC = \Delta TC / \Delta Q$

Output	TFC	TVC	TC	AFC	AVC	AC	MC
0	50	0	50	-	-	-	-
1	50	40	90	50	40	90	40
2	50	50	100	25	25	50	10
3	50	57	107	16.67	19	35.6	7
4	50	64	114	12.5	16	28.5	7
5	50	85	135	10	17	27	21
6	50	126	176	8.33	21	29.33	41
7	50	189	239	7.14	27	34.1	63
8	50	400	450	6.25	50	56.25	211

b) Illustration of TC, TFC & TVC



The relationship is explained as follows:

- TVC and TC are both upward sloping indicating that as output increases TVC increases as well as TC.
- TVC and TC are parallel to one another and never will meet because TFC can never be zero ($TC = TVC + TFC$)
- TFC is a straight line parallel to the output axis indicating that TFC is constant at all levels of output

4.7. Additional activities

4.7.1. Remedial activity

These activities are set to compensate the slow learners to move at the same levels with others bright student teachers. Such student teachers need to be attended to, it is good to set simple questions for them so as to help them to understand the key concepts from the unit.

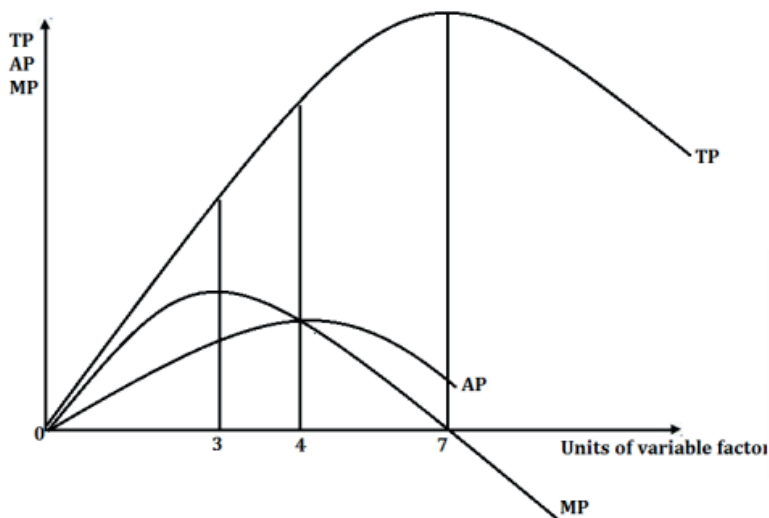
For example

Use the following table to calculate and illustrate the information therein.

Capital units	Labour Units	TP	AP	MP
1	1	8	8	8
1	2	20	10	12
1	3	36	12	16
1	4	48	12	12
1	5	58	11.6	10
1	6	60	10	2
1	7	60	8.5	0
1	8	56	7	-4
1	9	50	5.55	-6

Possible answers

Illustration:



4.7.2. Consolidation activities

These activities are meant to help quick learners not to be bored and relaxed as others are studying. Therefore, provide additional questions to the fast learning student teachers. There is also a need to set some challenging question to such students from the unit, and this helps to teach on class room management and also to keep fast learners busy.

Question:

What are the conditions for the law of diminishing returns?

Possible answers:

- Existence of a variable factor of production and other factors are constant.
- All units of the variable factor are homogeneous.
- The price of the product is given and constant.
- It assumes a short run period.
- It assumes that technology is constant.
- It is possible to change the proportions in which various inputs are combined.
- The output is measured in physical units like tones, kilograms. Etc.

4.7.3. Extended activity

As a teacher you can still get some additional questions which you feel that they help the student teacher to understand the unit, and also include some few concepts that look important but were not included in the unit studied.

For example:

- a) Examine the causes of the law of diminishing returns?
- a) Identify the fields where the law applies easily.
- a) Why is the law mostly applicable in agriculture?

Answers to the extended activities

a) Causes of the law of diminishing returns.

- **Fixed factors of production.** All factors of production, land, labour, capital or enterprise cannot be increased every time. If certain factor becomes fixed, the adjustment of factor of production will be disturbed and the production will not increase at an increasing rate and thus law of diminishing returns will apply.
- **Scarce factors.** In case of certain factors especially land which is itself limited cannot be increased the law of diminishing return will apply. It may also happen in case of other factors of production. For example, sometimes, labour, especially technical or capital or even entrepreneur cannot be increased in individual cases. As a result, the adjustment of factors of production will be disturbed and the output cannot be achieved at increasing rates.
- **Lack of Perfect Substitutes.** Lack of perfect substitutes of factors of production means that one factor of production cannot be substituted for another factor. Substitute for every factor of production is not always available. In the absence of such substitute, the law of diminishing returns will apply.
- **Optimum Production.** If the perfect adjustment of the factors of production has been made, certainly optimum production will be returned. After this optimum level of production, more and more variable factors will result in less efficient combination of fixed as well as variable factors of production. In other words, this, will reduce the marginal product and hence the law of diminishing returns will operate.

b) Fields where the law applies easily include.

Agriculture, in industries and also in extractive industries like mines, fisheries, buildings.

c) Why the law is mostly applicable in agriculture.

The law of diminishing returns has a vast application, but it specially applies in agriculture sector. The most important factors responsible due to which the law is applicable in agriculture are undernoted:

- **Limited land:** The most important factor due to which this law applies to agriculture is the limited size of land. Production is sought to be increased by employing more and more units of variable factors. This will result in diminishing returns.
- **Less use of machinery:** In the agricultural sector, there is limited use of machinery as compared to industry. The reason is that in the agricultural sector most of the work is done by hands. This also results in low productivity. Thus, agriculture remains deprived of several external and internal economies of scale. Therefore, the law of diminishing returns applies in agricultural sector.
- **Natural factors:** Another reason due to which the law of diminishing returns applies is the natural influence like rainfall, climate, floods etc. Even, in case man makes all best efforts but nature is not in favour, the law of diminishing returns will surely apply.
- **Seasonal occupation:** Agriculture is a seasonal occupation. The people are not busy on land throughout the year. They remain busy only during the period of ploughing and harvesting season. This period is approximately of six months. For the remaining period, both farmers and cattle remain idle which reduce the production per worker. It is, thus, the law of diminishing returns quickly applies to agriculture sector.
- **Difference in the fertility of land:** All pieces of land are not equally fertile. When demand for land increases even less fertile land are also brought under cultivation. It means less marginal returns and high cost of production.
- **Ineffective supervision:** Agricultural operations are spread over the vast areas. Therefore, effective supervision becomes most risky and difficult. The result is the law of diminishing returns.
- **Less chances of division of labour:** In agricultural sector, there are very less chances of division of labour. Therefore, production on large scale is ruled out. It also results into the operation of the law of diminishing returns.

Key Unit Competence: To be able to make valid business contracts in business operations.

5.1. Unit prerequisite

In senior 4, students were introduced to laws in business operations. In addition to this, learners can be reminded of experiences from their communities, which require people to make simple agreements (varying from simple to complex contracts). This prior knowledge, skills or competences will enable them to make valid contracts and resolve misunderstandings in business operations.

5.2. Cross-cutting issues to be addressed

Note: The examples below are just to guide you on how to address cross-cutting issues throughout the unit, but this does not mean that these are the only ones. You can address and give learners opportunities to discuss all the cross-cutting issues where possible taking consideration of their environment or community around them.

- **Gender education:** Emphasis throughout this unit must be put how both male and females have the same opportunities and should be treated fairly when making contracts or when resolving conflicts. People's opinion of gender roles should not affect one's rights or responsibilities to meet his or her contractual obligation.
- **Inclusive education:** To make teaching and learning process inclusive, the teacher must understand individual differences and consider them when organizing and setting teaching and learning activities. A teacher will use teaching approaches, methods and techniques that cater for students' diversities and encourage them to maximize their full potential in classroom.

- **Peace and value education:** Through teaching and learning, the culture of peace and values should be promoted. In group, students learn to share resources and ideas with respect. They also learn to solve their problems in peaceful manner.

Refer to other cross-cutting issues as identified in the preliminary pages of the teacher's guide and curriculum framework.

5.3. Guidance on the introductory activity

- Form manageable groups of 4 or 5 students. (The number of group members may change according to class size).
- Task students to read the activity from the student's book, share ideas and then answer related questions.
- Guide students' discussions.
- Invite students to present their discussion findings
- Supplement students' presentations and link students' answers to the new lesson.

Note: Remember that this is the last unit of senior 5, feel free to use any other creative teaching method that may arouse the curiosity of your students.

Possible answers

- a) Yes, learners will give different views about their experience.
- b) Sam did not sign a contract.
- c) Students will suggest their views like taking the business person to courts of law. Consider each student's ideas.
- d) The advice to Sam would be to always make contracts to avoid making losses or be taken courts of law.
- e) In business, it is important to make written contracts that can be enforced by law.

5.4. List of sub-heading/lessons

Sub-heading	#	Lesson title	Learning objectives	Number of periods
5.1. Meaning and forms of business contract	1	Meaning of business contract Note: start with the introductory activity	Explain the term “contract”	1
	2	Forms of business contract	- Explain different forms of contracts - Compare an oral contract from written contract	
5.2. Parties to a contract and importance of contracts in business	1	Parties to a contract	Describe the elements of a valid contract Analyze parties to a contract	1
	2	Importance of contracts in business	Appreciate the importance of contracts in business operations	
5.3. Elements/components of a valid contract			Differentiate a valid contract from an invalid contract	1
5.4. Designing a contract	1	Employment contract	Design a valid contract of their individual business activities.	1
	2	Sales contract		1
End of unit assessment				1

LESSON 1: Meaning and forms of a business contract

a) Learning objectives:

- Explain the term “contract”
- Explain different forms of contracts
- Compare an oral contract from a written contract

b) Teaching resources

Flip chart, chalkboard, markers, pens, magazines

c) Learning activity 5.1

- Ask students to read and analyze the activity from the student's book.
- After reading and analyzing the case individually, instruct students to work in pairs or manageable groups to share their individual ideas.
- Invite pairs or groups to make presentations (if time allows, you can let all pairs present where possible)
- Provide constructive feedback in terms of supplements (here, you share with them your expert view).

Possible answers:

Note: These responses may not be shared by the learners. They are specifically to guide the teacher while harmonizing learners' responses during presentation.

a) Agreement, contract, business contract, guidelines of sale.

b) Yes, Ishimwe is right to have the agreement before supplying the beans. This is because:

- It helps set the terms of sale.
- Clarifies period of supply.
- Clarifies amount and means of payment.
- Clarifies quantity of beans to supply and when.
- Avoid some conflicts/disagreements that may rise later etc.

c) The agreement may be made in written form because it provides written proof of the agreement between the two especially for reference in future. But it can also be done orally if there is a witness.

d) A contract is an agreement between two or more parties.

- A contract is a promise to do something for another person/party, it can be a written or oral agreement.
- A contract is a voluntary arrangement between two or more parties that is enforceable by law as a binding legal agreement. A business contract is a legally binding agreement between two or more persons/businesses to perform an agreed business transaction. A business contract is a legally binding agreement between two or more persons or entities.

Link the students' answer with the new lesson.

d) Application activity 5.1

- Task students to read and discuss in pairs the application activity from the student’s book
- Have pairs present their discussion findings to the entire class
- Give opportunity to other pairs to supplement and ask questions where necessary.
- Share the expert view/give constructive feedback in form of supplement.

Possible answers:

- a) **Contracts include:** ii and v
- a) **Non contracts include:** i, iii, iv,vi
- a) **Business contracts:** i, ii and v

LESSON 2: Parties to a contract and importance of contracts in business

a) Learning objectives:

- Describe the elements of a valid contract
- Analyze parties to a valid contract
- Appreciate the importance of contracts in business operations

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, field trips.

c) Prerequisites/Revision/Introduction:

Students have studied the meaning and forms of a contract. The knowledge acquired will enable them to predict or understand parties to a valid contract as well as its importance.

d) Learning activity 5.2

- Instruct students to join the groups (if they exist already). Ask them to read the activity 5.2 from the student’s book.
- Guide student’s discussions towards importance of contracts in business.
- Invite students to share their discussion findings in plenary.
- Provide constructive feedback in terms of supplements

Possible answers:

1) a) Yes, it is a contract. Reasons being there is an agreement between two people Muhire and Umugwaneza. Muhire is promising to sell a car to Umugwaneza in return for money.

b) Yes, it is valid. Elements in the sample contract include:

- **Intention to be bound by the contract:** The two parties intend their agreement to be legal.
- **Offer and acceptance:** There is a lawful offer of a car and money.
- **Consideration/price:** the price is 2.000.000Frw for the car.
- **Capacity of the parties:** The parties to the contract must have contractual capacity for the contract to be valid, i.e. should be sober, above 18years, not bankrupt, not insane, properly registered.
- **Free consent:** Parties to the contract must agree freely without any of the parties being forced to accept or enter the contract.
- **Legality/lawful object:** The car is a legal object.
- **Possibility of performance:** If the contract is impossible either physically or legally, then such contract is not valid and cannot be enforced by law
- **Certainty:** The terms of the contract must be clear and understandable for a contract to be valid. If the terms are vague or ambiguous, where even the court may not be able to tell what the parties agreed, then it will be declared invalid.

2) The parties to a valid contract are:

- **Offeror/promisor** is the one who makes an offer. It can be accepted or rejected.
- **Offeree/promisee** is the one to whom an offer is made.
- **Witness** is a person who sees an event happening.

e) Application activity 5.2

- Arrange students into groups of 4 or 5.
- Task students to read the question in the student's book.
- Instruct students to share ideas in groups.
- Ask each group to present findings in plenary.
- Provide supplements inform constructive feedback.

Possible answers:

The importance of valid contracts to the business club is demonstrated as follow:

- Students' business club should make valid contracts with suppliers (if any) to avoid risks of loss in case failure or refusal to supply what they agreed.
- Contracts serve as evidence in case of disputes.
- Contracts specify terms and conditions of any business dealing their club may enter in.
- Contracts may be used to convince lenders.

LESSON 3: Elements/components of a valid contract**a) Learning objective:**

Differentiate a valid contract from an invalid contract

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, field trips.

c) Prerequisites/Revision/Introduction:

Students have studied forms of a contract and parties to a valid contract. The knowledge acquired will enable them to understand essential elements of a valid contract.

d) Learning activity 5.3

- Instruct students to join the groups (if they exist already). Ask them to read the activity 5.3 from the student's book. You are free to use any other appropriate methods other than group discussion method.
- Guide student's discussions.
- Invite students to share their discussion findings in plenary.
- Provide constructive feedback in terms of supplements

Possible answers:

The elements of the written contract on the figure 5.2 include the following:

- Intention to be bound by the contract
- Offer and acceptance
- Consideration/price
- Capacity of the parties

- Free consent
- Legality/lawful object
- Possibility of performance
- Certainty

Note: Refer to learning activity 5.2 for further explanation.

e) Application activity 5.3

- Arrange students into groups of 4 or 5.
- Guide students to read the question in the student’s book.
- Task students to share ideas in groups.
- Ask each group to present findings in plenary.
- Provide supplements as well as constructive feedback.

Possible answers:

a) Some of the mistakes Musoni is doing in his business activities are:

- Being supplied with goods without making a contract.
- Selling goods on credit without taking records.
- b) Consequences of Musoni’s actions may include:
 - Forgetting people, he sold goods on credit to.
 - Not getting the right goods he asked for.
 - Incurring losses if he is not supplied with what he paid for.

- c) The advices I would give to Musoni to avoid the consequences are:
 - He should record all the business transactions such as recording the creditors
 - To make a contract when he needs to be supplied with goods

b) Read on key elements of a valid contract to guide the students about what Musoni might have incorporated in his contract with the construction company.

LESSON 4: Designing a contract

a) Learning objective:

- Design a valid contract of their individual business activities.

b) Teaching resources:

Flip chart, chalkboard, markers, pens, pictures, field trips.

c) Prerequisites/Revision/Introduction:

Students have studied forms of a contract and parties to a valid contract, as well as elements of a valid contract. The knowledge acquired will enable them to design a valid contract.

d) Learning activity 5.4

- Instruct students to join the groups (if they exist already). Ask them to read the activity 5.4 from the student's book. You are free to use any other appropriate methods other than group discussion method.
- Guide student's discussions.
- Invite students to share their discussion findings in plenary.
- Provide constructive feedback in terms of supplements.

Possible answers:

a) No there was no a valid contract since the parties in the contract didn't write anything formal while dealing together.

b) Advise to give shine business club

- They should always put in writing any business dealings and keep the documents used.
- They should also have witnesses during the business dealings.

c) How they would approach the situation?

- They can have a mediator (convince school administrator to intervene or use their patron)
- Approach witnesses who could have witnessed their dealing.

e) Application activity 5.4

- Organize students into groups of 4 or 5.
- Ask students to read the activity in the student's book;
- Guide students to design a rental contract in groups;
- Ask each group to present its designed rental contract in plenary;
- Provide supplements as well as feedback.

Possible answers:

An example of rental contract

MONTHLY RENTAL AGREEMENT

This rental agreement, dated ----- . Is between -----tenant, and-----landlord, for the rental unit located at: -----.

Under this rental agreement, the tenant agrees to rent the above-mentioned residence on a month to month basis, with a monthly rental amount of Frw. The monthly rent will be due and payable on the ---- ----- day of each month, starting on the first day of -----of----- . A damage deposit is required at the time of signing this rental agreement. The deposit will be paid on the bank account of BPR 00011231. This amount will be returned to the tenant if the rental unit at the date of return is clean and in good conditions. The tenant or the landlord may terminate this contract with a 2 weeks' notice to either party.

The tenant acknowledges reading and understanding this agreement. The tenant's signature indicates acceptance of all terms and conditions of this rental agreement.

-----Landlord -----date

..... Tenant..... date.

Skills Lab 5

Build

- 1) Guide learners to explain the term contract and why it is important for parties to enter into a valid contract. What forms of contracts do you know?
- 2) Emphasize, the importance of contracts for an entrepreneur while doing business.
- 3) Share learning objective: In this skills lab, you are going to create real contracts for your business club that will enable different stakeholders to make legal transactions with the club.

Practice

- Learners in their groups design contract templates to be used in the school business club when dealing with; (a) suppliers (b) customers, (c) employees of the club (d) club members.

- Learners can use unit content they covered or examples of other written contracts and tailor them to their business club.

NB: Different groups may work on different parties e.g. one group on suppliers, another on customers etc.

Present

- Use Gallery walk and learners move around the class and observe the works of their peers.
- Guide learners in their groups as they present different templates of the business contracts.
- Ask them to explain why particular components exist on the template they have created.

Conclusion

Emphasize that business club/entrepreneurs should always make a contract with their suppliers/ employees to avoid misunderstandings and conflicts. That they should always make their dealings official and work with their patron or school authority and that irrespective of gender, all need to respect contractual business obligations.

Ask the club leaders to type the contract templates following the feedback, include the club logo and present them to the club meeting for feedback, after incorporation of the feedback they may be user ready. Finally end the lesson by assigning learners a project activity

Project activity:

Given the products produced by student's business club projects, create sales contract with the school canteen or school administration prescribing how they will supply their products. The contract should have the title, parties to the contract, products to be supplied, terms and conditions, signature of parties and witnesses.

5.5. Additional information

For a contract to be legally binding it must contain four essential elements:

An offer, an acceptance, an intention to create a legal relationship and consideration (usually money).

However, it may still be considered invalid if it:

- Entices someone to commit a crime or is illegal.

- Is entered by someone that lacks capacity, such as a minor or bankrupt.
- Was agreed through misleading or deceptive conduct, duress, unconscionable conduct or undue influence.

General terms and structure of an agreement

There is no specific format that a contract must follow. Generally, it will include some terms; either expressed or implied, that will form the basis of the agreement. These terms may outline contract conditions or contract warranties.

Contract conditions are fundamental to the agreement. If the contract conditions are not met it is possible to terminate the contract and seek compensation or damages.

Contract warranties are less important terms and not fundamental to the agreement. You cannot terminate a contract if the warranties are not fulfilled, however, you may be able to seek compensation for any losses incurred.

When negotiating the contract terms make sure the conditions of the contract are clearly defined and agreed to by all parties.

Contracts may follow a structure that can include, but are not limited to, the following items:

- Details of the parties to the contract, including any sub-contracting arrangements
- Duration or period of the contract.
- Definitions of key terms used within the contract
- A description of the goods and/or services that your business will receive or provide, including key deliverables
- Payment details and dates, including whether interest will be applied to late payments
- Key dates and milestones
- Required insurance and indemnity provisions
- Guarantee provisions, including director's guarantees
- Damages or penalty provisions
- Renegotiation or renewal options
- Complaints and dispute resolution process
- Termination conditions
- Special conditions

5.6. End of unit assessment

Possible answers

1)

- a) Yes, there is a valid contract
- b) Referring to the elements of a valid contract, support your response
Check for the elements of a valid contract and how they have been supported from the example, such as: Intention to be bound by the contract, free Consent, Offer and acceptance, Legality/lawful object, Consideration/price, Possibility of performance, Capacity of the parties, Certainty among others.
- c) A form of contract that Nkusi would be advised to sign with Mukarutesi is “A written contract”.

2)

- a) The cause of the conflict in the example above is:
 - Property owner denying the rent paid by Ntwali
 - Ntwali not asking for a written contract with the property owner
- b) Advice to Ntwali on how he can resolve the conflict with the property owner:
 - Ask for a written contract with the property owner.
 - Record any money that he pays to the property owner.
 - Report the property owner to authorities.
- c) What are the disadvantages of the form of contract between Ntwali and the property owner? It is easy for one to forget the details of the contract.
- d) Refer to the sample contract in the student’s book to guide students’ designed one.

5.7. Additional activities

5.7.1. Remedial activity

1. What do you understand by the term “business contract?”
2. Differentiate oral contract from written contract.
3. Discuss parties to a valid contract.

Guidance on possible answers

Refer to the content in the student’s book to correct students’ answers.

5.7.2. Consolidation activities

Discuss elements of a valid contract, and describe why each element is important in a contract.

Guidance on possible answers:

Use the content in the student's book to guide students towards correct answers.

5.7.3. Extended activity

Discuss circumstances under which a contract can be terminated.

Possible answer:

To terminate a contract means to end the contract. Contract may be terminated under the following circumstances:

- **By performance:** If the contract is performed and fulfilled as expected under the terms and conditions of the contract and both parties are satisfied, then the contract may be terminated.
- **By agreement:** The parties to the contract may freely agree to end the contract if both consent to end the contract.
- **By destruction of the subject matter:** The contract may be put to an end when the subject matter of the contract ceases to exist such as being destroyed, stolen or died.
- **By operation of the law:** The contract may be terminated by law if it is illegal, if one party becomes bankrupt, insane or dies.
- **By frustration:** A contract can be put to an end when a condition set in hinders one of the parties from performing his/her contractual obligations.
- **For convenience:** Where the contract allows a party to terminate the contract at any time by providing notice to the other party for example employment contract.
- **Due to a breach:** Where one party has not complied with an essential contract condition, the other party may decide to terminate the contract and seek compensation for damages.
- **By lapse of time:** If the offeror fails to perform and the offeree fails to take action within this specified period, then they later cannot seek remedy through law. It discharges the contract due to the lapse of time. For example, Ngabo takes a loan from Kamikazi and agrees to pay instalments every month for the next three years. However, he does not pay even a single instalment. Kamikazi calls him a few times but then gets busy and takes no action. Four years later, she approaches the court to help her recover her money. However, the court rejects her suit, since she has crossed the time-limit of three years to recover her debts.

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