SCHEME OF WORK FOR COMMERCE SSI THIRD TERM 2017/2018 SESSION

S/N	TOPICS
1.	(i) Revision of 2nd term work (ii) Resumption test (iii) Copying of scheme of work.
2.	Money-Meaning, Evolution and Functions.
3.	Money-(i) Qualities/ Characteristics (ii) Forms/Types.
4.	Career opportunity-(i) Types of occupation (ii) Career opportunities (iii) Requirements for different careers.
5.	Co-operative societies-(i) Definition (ii) Formation (iii) Characteristics (iv) History of Co-operative movement.
6.	Co-Operative Societies-(i) Types-Consumer, Producer, Wholesale, Retailer, Thrift And Credit Societies, Multi purpose. (i) Advantages and Disadvantages (ii) Problems of Co-operative Societies.
7.	Mid-Term Test/Mid-Term Break
8.	Public Enterprises- Meaning Formation and Management (iii) Sources of Capital (iv) Reasons for Government Ownership
9.	Public Enterprises: Advantages and Disadvantages
10.	Limited Companies- Meaning, Types- Private and Public
11.	Revision
12.	Examination
13.	Marking and Recording

MONEY

Money is anything that is generally acceptable as a medium of exchange and for the settlement of debts. It can also be defined as anything that is generally acceptable as a means of payment.

EVOLUTION OF MONEY

Money originated as a result of the various difficulties that arose from trade by barter. In the olden days different commodities served as money in different countries cattle, cowries, shells, tobacco, salt and beads were used as media of exchange or commodity money in one period or another. Lather, precious metals like silver and gold were used. The amounts of metals were weighed out whenever a payment was to be made. With time, the metals were cut into pieces of definite weights and so coins of limited face value were issued.

The use of paper money originated from the use of receipts issued by goldsmiths in exchange for deposits of precious metals. The receipts became bank notes and the goldsmiths became bankers.

In recent times, people started accepting inconvertible paper money as medium of exchange. Over the years, different forms of money have been introduced to facilitate exchange. For anything to serve as money, it must enjoy people’s confidence and legal backing. The principal stages in the development of money have therefore been the use of:

(i) Commodities in general demand eg cattle
(ii) Precious metals by weight
(iii) Coins
(iv) Goldsmiths receipts for deposit of cash
(v) Bank notes convertible into cash on demand
(vi) Inconvertible paper money

FUNCTIONS OF MONEY

1. Medium of exchange: Money can serve as a medium through which people can exchange goods and services. Money can be used to buy different variety of goods and services.

2. Standard of deferred payment: Since money can be accumulated to pay debts that are fixed in items of money. Money can serve as a medium by which business transactions on credit can be settled in the future. The use of money makes it possible for payments to be deferred from the present to same future date.
3. Unit of account: Money serves as a common unit of account. It makes accounting possible because the worth of goods and services are measured in money.
4. Store of value: Money is a good store of value because wealth can be stored for future use. When there is no inflation, money stored retains its value for many years.
5. As a measure of value: The value of goods and services are expressed by prices, therefore money is used as a yardstick to measure and compare the worth of goods and services as well as occupation.

ADVANTAGES OF USING MONEY

1. Money makes it easy and possible to obtain loans.
2. Money makes deferred payment possible
3. Money ensures that people can purchase goods which will satisfy them.
4. The use of money makes division of labour possible.

FUNCTIONS OF MONEY

1. As a measure of value: The value of goods and services are expressed by prices, therefore money is used as a yardstick to measure and compare the worth of goods an services as well as occupation.
2. Store of value: Money is a good store of value because wealth can be store for future use. When there is no inflation, money stored retains its value for many years.
3. Unit of account: In saving as a unit of account, it becomes possible for individuals and companies to keep accounting record of their transactions in bank statements, ledgers and invoices.
4. Standard of deferred payment: Since money can be stored, it can be accumulated to pay debts that are fixed in items of money. Money can serve as a medium by which business transactions on credit can be settled in the future. The use of money makes it possible for payments to be deferred from the present to some future date.
5. Medium of exchange: Money can serve as a medium through which people can exchange goods and services. Money can exchange from one country to another. This facilitates the means of exchange.

TRADE BY BARTER

Definition: Trade by barter may be defined as a form of trading in which goods are exchange directly for other goods without the use of money as a medium of exchange. For example, if someone has garri and is in need of yam, he must locate somebody who has yam and is in need of garri.

PROBLEMS OR DISADVANTAGES OF TRADE BY BARTER

1. Problems of double coincidence of wants: This involves looking for someone who is in need of what you have and at the same has what you need
2. No fixed rate of exchange: There is the problem of exchange rate determination between two products. Different rates of exchange have to be determined to cover every transaction before it can take place, e.g. how much of garri will exchange for yam.
3. Wastage of time and effort: Barter system leads to waste of time and energy because one has to search for somebody to exchange the goods with.
4. Problems of indivisibility: Many goods cannot be divided into small convenient units because they are heavy and divisibility.

5. Problems created by bulkiness of some goods: Some of the goods to be exchange are so bulky that one finds it difficult to carry them about.
6. No rooms for deferred payment: In trade deferred payment. One cannot collect certain goods and hope to pay another day.
7. It discourages borrowing and lending under trade by barter is impossible as there is no standard unit of measurement.
8. It discourages large scale production: As a result of the difficulties in it therefore leads to people producing goods only for themselves and that of the immediate family.
9. Difficulty in storing wealth: The barter system, unlike money, dose not encourage storage of wealth. It is difficult to store wealth, especially where perishable goods like yams and fresh tomatoes are involved.

QUALITIES/CHARACTERISTICS OF MONEY

1. General acceptability: Money must be generally acceptable by all in the society or country as a means of exchange. This shows the confidence people have in money.
2. Portability: The object that serves as money must be something that can easily be carried about from one place to the other, which means such object has to be light in weight.
3. Relative scarcity: Money must be relatively scarce, that as, it must not be too many so as not to lose its value.
4. Homogeneity: Each unit of money must be the same in size, colour and quality and be the same nation wide.
5. Durability: The object that will serve as money must be able to last long. It must not be able to stand the test of time.
6. Stability: The value of money must be stable. The stability of its value will help business to be predictable and encourage lending and borrowing of money.
7. Divisibility: money must be capable of being divided into smaller units, e.g. ₦100, ₦50, ₦20, etc, to enable it to purchase both high and low priced commodities.
8. Recognisability: Money must be easily recognized and identified by the totality of the people in the society. It must not be easily counterfeited.
9. No intrinsic value: The commodity that should serve as money must have little or no value in itself as opposed to its value of exchange.

FORMS OF TYPES OF MONEY

1. Legal Tender: Legal tender is any means of payment by which a trader is compelled by the law of a state to accept in settlement of debt. This is money which has the backing of the law and it is an offence to reject it.
2. Coins: Coins are precious metals made of silver which have a defined amount of metallic content. They also have an official stamp of authority placed on them coins are homogenous and indestructible, e.g. 25k, 50k, etc.
3. Bank Notes: These are ship of papers or currency issued by the central bank. Paper money originated from the receipts issued by goldsmiths to those who deposited precious metal, e.g. gold, with them for safe keeping. These are in denominations and are portable e.g. ₦5, ₦10, ₦ 20, ₦50, ₦100, etc.
4. Partial Money: These are representatives of money which may not be legal tender. They are acceptable within a certain restricted area. Partial money is not made mandatory for acceptance by all the people. They are not backed by law and the examples include petrol vouchers, tickets, cheques, etc.
5. Commodity Money: This is the type of money which value as money and also as commodity. Commodity money is valuable for its own sake since it can be put to some other use. They can be as medium of exchange, e.g. gold, diamond, cattle etc.

6. Token Money: This is a from of money with a face value which is greater than the value of the metal content. When coins were made from gold, an increase in the value of metal could tempt people to meet there for other purposes. Token money has face value in excess of metal contents.
7. Deposit Money: This is a form of money kept in the accounts of the bank. Any money saved in the bank will be credited to the account of the depositor. The money in the deposit can be transferred through the use of cheques. Cheques are just an order to pay somebody and not to be considered as money. Bank deposits now from the chief sources of money in a country.
8. Fiat Money: Fiat money is any money that government has declared to be legal tender but is not backed by reserve. Paper money is fact money since it can no longer be redeemed for good and its intrinsic worth as almost nil.
9. Fiduciary Note: Fiduciary not is an issued bank note not backed by gold but by government securities.

OCCUPATION

It can be defined as any economic c or productive activities which people engage in create and procure good and services in order to make a living. These are three main groups of occupation. They are industry, commerce and services.

INDUSTRY

Industry consists of the activities greed towards the production of goods through extraction, manufacturing and construction.

COMMERCE

Commerce can be defined as all those activities involved in the distil bunion and exchange of goods and services.

SERVICES OCCUPATION

Services Occupation are Occupations that render services to the people services involve doing something for the consumers which could be personal or indirect services. The people pay for the services directly or indirectly. It can also be called Tertiary Occupation.

CAREER OPPORTUNITIES

It can be defined as a chance to use your skills to make money.

CAREER OPPORTUNITIES IN THE TEACHING PROFESSION

These are various opportunities available for people that major in business education in colleges of education, polytechnics and universities. These opportunities exist for education graduates as:
(1) Teachers in secondary schools. (2) Lectures in polytechnic (3) Lectures in colleges of education (4) Lectures in universities (5) Professors (6) Bursars (7) Registrars

People can be employed as a master grade I-II, Senior Teachers, Principals, Lectures I-III, Associate Professors, etc.

BASIC REQUIREMENTS FOR TEACHING PROFESSION

Nigeria certificate in education, holders of first degree (B.SC or B.ED), second degree (master degree) and Ph.D (Doctors of Philosophy)

UNIVERSITIES REQUIREMENTS

First school leaving certificate (FSLC), Five credits in WASSCE including English Language and Mathematics.

CO-OPERATIVE SOCIETIES

A co-operative society is a voluntary organization in which individuals, businessmen and traders with common interest pool their resources together to promote the economic and welfare interest of their members. It is owned and controlled by the members.

FORMATION OF CO-OPERATVE SOCIETY

Co-operative societies are formed by two or more persons but there is no stipulated maximum number of persons.

FORMATION OF CREDIT UNIONS AND THRIFT SOCIETIES

Credit unions and thrift societies are formed by a group of people with a common objective. It is formed voluntary and is open to anybody who is interested. Members will elected officers to run the affairs of the societies.

CHARACTERISTICS OF CO-OPERATIVE SOCIETY

1. Perpetual Existence: There is continuity in co-operative societies. Death of a member cannot bring the organization to an end.
2. Registered as a limited liability: The liability is limited to the slowes held by individual shareholders.
3. Democratic in Nature: The activities of co-operative society are democratic in nature. Each member is entitled to one vote, irrespective of the total shares.
4. Profit in share based on patronage: Surplus for the year is shared among the members on the basis of their patronage during the year.
5. The objective is to promote members' interest: the aim and objective of the society is to promote and advance the interest of their members, by rendering series to them.
6. Managed by a committee: The control and management of the organization is by an elected committee whose members must be members of the society.

HISTORY OF CO-OPERATIVE MOVEMENT

Co-operative movement started by Robert Owen in 1771-1858. He established the first co-operative society at New Lonak, England. The producer co-operative only had little success in England at that period. The success of retail co-operative society is dated back to the one stated by Rockhole Pioneers in 1844. A group of twenty eight weavers launched it for their benefit. The objective was to raise capital to fund a provision and clothing store and to provide employment to members.

The first attempt at co-operative in production in Nigeria was in 1922, when a producer co-operative was established by cocoa farmers. The objective was to get reasonable price for their products. The co-operative societies were established to ensure constant supply of food items at reduced prices.

Presently, co-operative societies can be found in virtually all commercial activities. It has really contributed o the development of the Nigeria economy by increasing the standard of living of the people.

TYPES OF CO-OPERATIVE SOCIETY

1. Wholesale co-operative: Wholesale co-operative is formed by small scale wholesalers who purchase goods in bulk from the manufacturers at a reasonable price and sell in small quantities to retail co-operatives. They also settle disputes among their members.
2. Retail co-operative society: retail co-operative society is a contractual organization formed by many small independent retailers. They pool their resources together to ensure them buy in

bulk and then sell the goods at lower prices to their members who receive some from of patronage returns based on the amount of goods they purchased.

3. Producer co-operative society: Producer co-operative society is formed by producers of similar products who organize co-operative production and undertaken joint marketing of the products on wholesale or retail basis.
4. Credit and thrift society: It is an association of low income carriers who jointly pool large resources together by contributing on a weekly or monthly basis. This type of society encourages saving habits among their members out of grant loans to the members out of the accumulated fund. He loan attracts a low rate of interest.
5. Multi purpose co-operative society: It is a society formed by existing co-operative societies. Multi purpose co-operatives undertakes any form of co-operative activity that is profitable to the society. This association also serves as a protective body for its members. The society makes facilities used for co-operative activities available for sharing among members.

ADVANTAGES OF CO-OPERATIVE SOCIETY

1. Members are loyal to the association
2. Simple and democratic system of control.
3. Easy access to loans by members.
4. Encouragement of saving habits among the members.
5. By eliminating the middlemen, prices are kept relatively lower for members.
6. Co-operative society also settle disputes among their members.

DISADVANTAGES OR PROBLEMS OF CO-OPERATIVE

1. Problem of loan recovery: The society may not be able to recover loans given to members, this may destabilize the society.
2. Opportunities for embezzlement of fund: The funds of the society and this is very rampant in the Nigerian co-operative societies. They can give large amount of loan to themselves even though they are not qualified.
3. Financial problems: There is lack of adequate capital to run the society. They rely heavily on members' contributions which may not be enough.
4. Low dividend: People prefer to invest their money in other area because of the low level of dividend.
5. Weak and unspecialized management: The committee in charge of administration usually consists of people who are not specialists and are part-time managers, hence the society may not be effectively and efficiently managed.
6. High level of illiteracy: The high level of illiteracy in Africa has made the training and education of members very difficult.

PUBLIC ENTERPRISES

Public corporation also known as public enterprises may be defined as a large scale business organization set up, owned and financed by the government of a country mainly to provide service to the members of the public. They are directly under the control of the welfare of the people. They are run by the government to carter for the welfare of the government through the tax paid by the people. They are established by an act of parliament or decree. The public corporation is controlled by board of director appointed by the government. They are not setup to make profit but to provide special services to the public. Examples are: Nigerian Ports Authority (N.P.A), Nigerian Railway Corporation (N.R.C), National Electric Power Holding Authority (N.E.P.A) now Power Holding Company of Nigeria (P.H.C.N), Federal Radio Corporation of Nigerian National Petroleum Corporation (NNPC) and Nigerian Telecommunications Limited (NITEL).

TYPES AND FORMATION OF PUBLIC ENTERPRISES

Public corporations: Public corporations are organizations established to manage state owned business. They are established by an act parliament. Some operate on commercial basis. They are controlled by board of directors appointed by the government while the minister in charge is the overall controller.

Quasi government departments: They are government departments which perform some commercial functions. They are responsible to the government through the minister e.g. hospital state government owned enterprises: State government owned enterprises are enterprises established and controlled by the state. The enterprises run business which are best suited for that particular area on a small scale e.g. Lagos state transport corporation and Lagos state water corporation.

Local Enterprises: They are established by laws and managed by local government to provide and administer some services like health, recreation , education, etc.

SOURCES OF FINANCE TO PUBLIC CORPORATIONS

1. Loans and overdrafts: Public corporations can obtain loans and overdrafts from commercial or development banks.
2. Internally generated revenue: Public corporations can also raise capital from revenue generated internally.
3. Grant from government: Most of the fund available to public corporation are mainly from grants given by government.
4. Grant from international financial institution: Public corporations can also derive their fund form some international financial institutions such as the international monetary fund (IMF), African Development Bank (ADB), etc.
5. Grant from foreign countries: Foreign countries can also give grants for the setting up of a public corporation as a special aid e.g. Britain, United states of American, Japan, etc.

REASONS FOR GOVERNMENT OWNERSHIP

1. High Capital requirement: Public corporations usually require heavy capital outlay, which may not be affordable by private enterprises.
2. Generation help the government to generate revenue needed to finance other government projects.
3. To prevent foreign dominance of economy: Government can venture into some enterprises in order to prevent foreign control of the economy by foreign investors.
4. To avoid wasteful competition and duplication: Public corporations are established to avoid wasteful duplication of capital resources.
5. To provide infrastructural facilities: Government established certain enterprises to provide infrastructural facilities like roads and railways on which and which may not be forth coming and which may therefore, not attract investment by the private sector.
6. To prevent monopolistic tendencies: Public corporations are set up to prevent monopolistic tendencies resulting in very high prices if undertaken by private enterprises.

ADVANTAGES OF PUBLIC ENTERPRISES

1. Provision of infrastructural facilities: Public corporations provide infrastructural facilities, such as roads, schools, railway, electricity, to the populace.
2. Availability of large capital: Since public enterprises are owned by government, there is always availability of sufficient capital to ensure expansion of the enterprises.
3. There is continuity: Public corporations can last for a long period of time. In other words, there is perpetual existence.
4. Development of capital projects: Establishment of public corporations can ensure the development of capital projects e.g. rural electrification.

5. Avoidance of exploitation of consumers: Public corporations are consumer conscious as they ensure that the exploitation of consumers is greatly reduced.
6. Creation of higher standards: The government enters into business in order to ensure higher standards e.g. Provision of educational facilities.
7. Accountability to the public: Public enterprises are accountable to the public because they have to submit their annual reports to the parliament.
8. Legal entity: A public corporation is a legal entity, It can sue and be sued on its own.
9. It caters for the interest of workers: In public enterprises have a great sense of security.
10. Provision of employment opportunities: Public corporations provide employment for the teeming number of the unemployed.

DIFFERENCES BETWEEN PUBLIC CORPORATION AND PUBLIC LIMITED COMPANY

		Public Corporation	Public Limited Comp.
1.	Ownership	The government	Shareholders
2.	Formation	Act of parliament	Incorporation
3.	Control	The minister will appoint board of directors	Board of directors are elected by shareholders
4.	Capital	Government and through grants	Provided through shares and debentures.
5.	Aim	Provision of essential services.	To make profit.

DISADVANTAGES OF PUBLIC CORPORATION

1. Requires large capital: The cost of establishing a public corporation is very high.
2. Government interference: Government can interfere in the activities appointment of unqualified and incompetent people as board members.
3. Inefficiency in operation: Lack of competition can bring about inefficiency in business operation.
4. Danger of monopoly: Public corporations are monopolistic in nature eg P.H.C.N, hence it can abuse the privilege.
5. Bureaucratic tendencies and red tapism: Decision-making may be slow because it has to pass through many people before approval.
6. Corruption and mis management: Many public enterprises in Nigeria have become the major areas for embezzlement and mismanagement of nation's resources.
7. Not Profitable: Most public enterprises are run at a loss because to manage.
8. Wastage: In public enterprises wastage are not usually discourage the loss are born by the tax payers.
9. Lack of initiative: Lack of initiative is always exhibited in public enterprises as government functionaries must end orse the programmers and polices of the establishment.
10. Lack of privacy: Since the annual report must be presented to the public, such corporations have no privacy of their own.

DEFINITION OF A COMPANY

A company can be defined as a legal person or entity created by the association of a number of people in accordance with the law for the purpose of a defined object.

Examples of companies in Nigeria include Nestle Foods PLC, Cadbury PLC, Guiness PLC, etc

KINDS OF COMPANIES

1. Companies limited by shares: Companies limited by shares are the companies in which the liability of the members is limited to the full value of the shares they have acquired.
2. Company limited by guarantee: Companies limited by guarantee are not formed with the object of engaging in trading activities. They are often formed by societies to promote and develop certain interest. The liability of its members is limited by the memorandum of association to such amount as the members may under take to contribute to the assets.
3. Unlimited Company: In unlimited company, the liability of a member is unlimited and he may beliable debts in case of liquidation. The members will contribute more money debts of the company.

SOURCES OF FINANCIAL AVALIABLE TO PRIVATE LIMITED COMPANY

1. Loan an overdraft from banks: loan and overdrafts can be obtained from commercial banks.
2. Shares raised by shareholders: Shares are usually raised by share holders, which from the capital base of the company.
3. Equipment leasing: Equipment can be leased out by companies for money.
4. Retained (plough back) Profits: The profits made by the company can be set aside or re-invested.
5. Trade credit: Raw materials can be purchased by the company on credit.
6. Hire purchase: facilities can be granted to the company to buy and pay installments.

TYPES OF LIMITED LIABILITY COMPANY

1. Private liability company: Section 28 of the company Act 1968 defines private liability company as one which by the articles.

a. restricts the right to transfer its shares.
b. Limits the number of its members from two to fifty.
c. Prohibits any invitation to public to subscribe to its shares.
d. The name of the private company must end with ‘limited’ eg News watch Nigeria limited.

2. Public liability company: (a) allows the public to subscribe to its shares. (b) Must have a minimum of seven persons but no maximum number is prescribe. (c) Allows the shares to be transferred (d) Must end with “PLC” eg first bank Plc, union Bank Plc, etc.