

University College of the Cayman Islands

ASSOCIATE DEGREE SYLLABUS

COURSE NAME: PRINCIPLES OF BUSINESS

COURSE #: BUS 201

COURSE DESCRIPTION

The purpose of this course is to provide students with an understanding of how businesses operate and the range of decisions facing both public and private sector entities. Students will gain an appreciation of the internal/external influences on business and investigate current trends. Topics include business planning, communication, people in business, technology, re-engineering and marketing.

Credits: 3

Prerequisite: Open

COURSE OBJECTIVES

1. To be able to demonstrate their knowledge and understanding in relation to:
 - a) the nature and scope of business and its role in society.
 - b) the different types of business and non - profit making organizations.
 - c) the organization, procedures and operation of business enterprise.
 - d) the process of decision making in organizations.
 - e) the facts, terms, concepts and conventions used in business.
2. To be able to demonstrate their analytical skills through the ability to:
 - a) apply business principles and techniques to business behaviour.
 - b) order, analyze and interpret information in narrative and graphic forms.
3. To be able to demonstrate their skills in judgement and decision making through the ability to:
 - a) present reasoned explanations, develop arguments, understand implications and draw inferences.
 - b) make judgements, recommendations and decisions.

COURSE OUTLINE

- I Business and its Environment**
Economic system - impact on business.
The problem of choice.
Free market economies; others: Command and Mixed.
Features of each system.

Advantages and disadvantages.
The impact on the organization.
The need for and nature of business activity.
Different types of business activity: production; distribution; consumption.
The cycle of business activity in an economy.
Different types of business activity

II Sector: Public and Private Sector: Objectives

III Legal Structure

Sole trader, partnership, private limited company, public limited company, co-operatives.
Formation: Deed of partnership; Memorandum and Articles of Association. The divorce of ownership and control.

IV The Growth of the Franchise Operation

V The Public Sector: Public Corporations, Nationalized Industries

VI Charitable and Non Profit Making Organizations

VII Business Finance

Sources of finance: short and long term, including loans, overdrafts; credit facilities; factoring and leasing; hire purchase; shares; debentures.
The difference between equity and debt finance; capital gearing.
Choices of finance: factors influencing decisions: purpose; time; risk; existing structure of the firm; cost; availability.

VIII Financial Institutions and Business Finance.

Merchant banks: role in underwriting.
Capital markets; commodity markets; insurance companies; gold markets; international credit and finance: World Bank; International Monetary Fund.

IX External Influences on Business Activity.

Le PEST & Co.
Legal: intervention; main forms of legislation; assistance and restrictions.
Reasons for: protection of interest groups: internal and external customers; the public interest.
Health and Safety; security.
Political: the objectives of the State: price stability; economic growth; low unemployment; healthy Balance of Payments; equal distribution of income and wealth.
Economic: income levels; distribution of income; buying behaviour. The state of the economy: the trade cycle and business activity. The determinants of demand.
Social: the community at large. Externalities: costs and benefits. Location decisions; monopolies and mergers; environmental factors.
Technological: the evolution of IT in business; business applications; local and wide area networks; facsimile transmission; viewdata and videotex; telephone services; changing products and distribution systems. Development of home

shopping; payment systems. Impact on overseas branches.

Competition: types of competition; how firms compete: price and non price competition; the need for a marketing orientation.

X The Size of Business Organizations.

Measuring the size of a business: labour force, capitalization, output, market share.

The benefits of large scale production, specialization and the division of labour.

Reasons for growth.

Mergers and takeovers.

XI The Survival of the Small Firm.

The economic importance of the small firm.

Strengths and weaknesses; niche markets; personalized services.

Opportunities for development; Govt. assistance.

XII International Business

The role of Multi-National Companies.

Levels of involvement overseas.

Exporting, joint ventures, licensing, contracts, joint ownership, FDI.

Advantages and disadvantages of overseas business.

Assistance in entering overseas markets.

Selling abroad: the importance of exchange rates.

XIII Organizational Structure.

The need for structure.

Factors affecting the way an organization is structured: private and public sector.

Types of organizational structure; formal and informal.

Product, geographic, systems, functional (departmentalisation),

Hierarchical; matrix.

Recent developments: the inverted pyramid, downsizing, delayering; re-engineering.

Home working.

Satellite operations.

The impact of technology.

XIV Functions Within the Organization.

Marketing, Sales, Personnel, Administration, Accounts, Production, Computer Services, Transport and Distribution.

Interrelationships.

Centralization of support services and transfer pricing.

Decentralization.

XV Key People in Private Sector Organizations.

Roles and responsibilities.

Shareholders, Chairperson, Directors, Managing Director, Company Secretary,

Department Manager, Supervisor, Shop Steward/Staff Representative.

XVI Management and Supervision.

Roles and responsibilities of managers and supervisors.

The need for clearly defined job descriptions.
Principles of management and supervision.
Features of a formal management structure: chain of command; span of control;
line staff; responsibility; authority; accountability; delegation.

XVII Patterns of Communication.

The purpose, methods and problems of communication.
The importance of perceptions, attitudes and expectations.
Lines of Communication.
Two-way; vertical/horizontal; formal and informal groups/nets.

XVIII Decision Making.

A decision making framework.
The role of objectives.
Distinguishing between strategies and tactics.
Sources of information for decision making.
Collecting, collating, analyzing and using information.

XIX Business Planning

The role of planning.
Types of planning.
Stages in planning.
Barriers to effective planning.
Setting priorities; timescales.
The Business Plan
Mission statements
Strategic planning

XX The Marketing Plan

Identifying consumer wants.
Source of information.
Application of demand analysis and elasticity to business decision making.

XXI Production

Nature of the production function.
Converting inputs into outputs.
The use of cost information for: pricing, calculating profits, determining levels of output.
Breakeven analysis.
Types of costing: job, process, batch.
Approaches to costing: absorption and contribution costing.

ASSESSMENT

Course Assignments	-	20%
Project	-	10%
Mid-Semester Examination	-	10%

Final Examination	-	60%
Total		100%

REQUIRED TEXT

The following textbook(s) will be used for this course:

1. **Desmond & Evans**, *Business: A Student's Guide*, Pitman ISBN: 0-273-61770-2.

References

Bearshaw J, and Palfreman D, *The Organisation in its Environment, 4th edition*, Pitman.

Kuriloff A.H, Hemphill J.M. Jr, and Cloud D, *Starting and Managing the Small Business*, McGraw-Hill

Hammond S, *Business Studies, 3rd edition*, Longman,

Needham D and Dransfield R, *Business Studies, 2nd edition*, McGraw-Hill,

The Oxford Dictionary of Business Terms, 1993, Oxford Press.

Woodcock C, *The Guardian Guide to Running a Small Business, 7th edition*,