XXX Secondary School

20xx-20xx

Business, Accounting and Financial Studies

Key Business Functions (Lesson 1) – Teaching Notes

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Class: \_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**1. Human resources management**

* Definition: The process of
  + \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ employees,
  + dealing with matters concerning employee relations and employees’ well-being.

**A. Key functions of human resources management**

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| **1. Human resources planning** | * Forecast the number and types of employees the company needs in order to achieve its objectives * Decide what positions the company needs to fill and how they are to be filled |
| **2. Recruitment and selection** | * \_\_\_\_\_\_\_\_\_\_, select and \_\_\_\_\_\_\_\_\_\_ capable applicants for the company’s vacancies |
| **3. Training and development** | * Design training and development programmes for employees to improve their skills and competencies |
| **4. performance appraisal** | * Evaluate employees’ performance by designing a performance appraisal system, which includes setting performance standards. * Employees’ performance is evaluated by comparison with the standards and feedback is given to employees. This can help improve employees’ work performance. |
| **5. Compensation and benefit management** | * Design a \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_ compensation system which can motivate, attract and retain competent employees |
| **6. Enhancing employee  relations** | * Establish good relationships with employees by holding different kinds of activities for staff * With good employee relations, employees will be more \_\_\_\_\_\_\_\_\_\_ to their work and to the company. |

**B. Importance of human resources management**

* Allow the company to \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_and \_\_\_\_\_\_\_\_\_\_ competent employees who can help the company achieve its goals
* Help the company develop a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Match the\_\_\_\_\_\_\_\_\_\_ of and \_\_\_\_\_\_\_\_\_\_for human resources
* Ensure that the company has observed all labour \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**2. Financial management**

* Definition:
* The management of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_of a company in order to achieve the company’s goals.
* It aims to maximise a company’s net worth.

**A. Key functions of financial management**

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| --- | --- |
| **1. Financial analysis** | * Assess the company’s business performance in terms of profitability, liquidity, solvency and management efficiency using accounting ratios.   🡺 Identify the company’s strengths and problems. |
| **2. Financial planning and budgeting** | * \_\_\_\_\_\_\_\_\_\_ the company’s financial needs and develop budgets to meet those needs. * A \_\_\_\_\_\_\_\_\_\_ is a forecast of future income and expenses.  🡺 Help a company plan its financial resources. |
| **3. Making investment decisions** | * Identify good investment projects in order to maximise the company’s net worth. * The finance department may use different appraisal methods (e.g. net present value) to assess whether an investment is worthwhile. |
| **4. Making financing decisions** | * Determine the \_\_\_\_\_\_\_\_\_\_ of financing and raise funds for the company to make investments, and to\_\_\_\_\_\_\_\_\_\_ its operations and expansion. * Common sources of financing include issuing \_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_, obtaining bank loans and using retained profits. |
| **5. Making working capital decisions** | * Management of the short-term assets and the short-term liabilities to ensure a business has sufficient capital to support its daily operations. * This involves managing the company’s current assets and current liabilities, including cash, trade receivables, trade payables and inventory. * Proper working capital management can help the company maintain its liquidity.   Examples of tasks in making working capital decisions include:   * Encouraging customers to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * Formulating \_\_\_\_\_\_\_\_\_\_ to collect overdue accounts receivables from customers * Repaying accounts payables early to take a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * Ordering just enough inventory to minimise \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (inventory management) |

**B. Importance of financial management**

* Help the company plan its financial resources , allocate and utilise its funds effectively  
  🡺 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Help to acquire necessary funds and maintaining working capital effectively  
  🡺 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**3. Operations management**

* Definition: The management of operating systems and processes that transform \_\_\_\_\_\_\_\_\_\_ into \_\_\_\_\_\_\_\_\_\_.

**A. Key functions of operations management**

**3.1 Designing efficient and effective production processes**

* Production can refer to the production of goods or services.
* The following tasks help ensure that production processes are effective.

|  |  |
| --- | --- |
|  | * Determine the company’s production capacity in order to meet customer demand |
| **Choose a facility location** | * Find a location that can minimise production costs and increase \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | * Design the workflow and determine the sequence of production processes |
| **Design jobs** | * \_\_\_\_\_\_\_\_\_\_and \_\_\_\_\_\_\_\_\_\_ tasks to different job positions, as well as design the workplace and work environment |
|  | * Design a facility layout to fit the company’s production  processes * Facility layout affects the efficiency of material handling, the utilisation of equipment and the productivity of employees. |

**3.2 Inventory management**

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the company’s inventory
* Make sure that all inventory is in \_\_\_\_\_\_\_\_\_\_ and available whenever the company needs it
* For example: The operations department of a supermarket needs to
* keep track of the \_\_\_\_\_\_\_\_\_\_of each product at its \_\_\_\_\_\_\_\_\_\_
* arrange delivery of goods to the branches in time to avoid

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**3.3 Quality assurance**

* Ensure that the company’s goods and services are of \_\_\_\_\_\_\_\_\_\_\_\_\_\_
* It may do so by

imposing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for employees to follow.

* + inspecting products, tools and equipment \_\_\_\_\_\_\_\_\_\_; and
  + acquiring quality raw materials from \_\_\_\_\_\_\_\_\_\_.

**3.4 Logistics and distribution management**

* Ensure that the goods are \_\_\_\_\_\_\_\_\_\_\_\_\_\_ for transportation and delivered to customers within a reasonable time
* For example: The operations department of a chilled meat supplier needs to arrange trucks to transport chilled meat to supermarkets every day.

**B. Importance of operations management**

* Oversee production processes and maintain sufficient inventory  
  🡺 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Ensure that production is carried out effectively and that resources are used efficiently  
  🡺 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Proper quality assurance  
  🡺 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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