

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

SMALL BUSINESS MANAGEMENT

Course Outline:

BUS 326

Code No.:

BUSINESS ADMINISTRATION

Program:

FIVE

Semester:

AUGUST, 1986

Date:

B. CAMPBELL

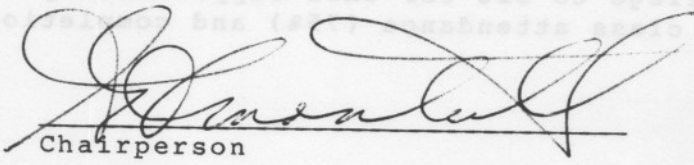
Author:

New: _____

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Revision: _____

APPROVED:


Chairperson

86-09-02
Date

SMALL BUSINESS MANAGEMENT

BUS 326

Course Name

Course Number

PHILOSOPHY AND GOALS:

This course will provide the student with the principles of starting and operating a small business. The areas of planning, financing, marketing and organizing a small business will be covered. Government grants and assistance along with specific laws and regulations applicable to small firms will be examined.

TEXTBOOK: "Small Business Management Fundamentals", 2nd Canadian Edition
A.J. Szonyi and D.S. Steinoff

EVALUATION:

Evaluation for this course will be based on three tests, a major project, and class participation (case studies). The weighting assigned will be as follows:

Tests (3)	60%
Project	20%
Case Studies	20%
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	100%

The final grade will be based on the following criteria:

A+	-	90%	and over
A	-	80%	- 89%
B	-	70%	- 79%
C	-	55%	- 69%
*I	-	40%	- 54% (Incomplete)
R	-	Below 40%	(Repeat Course)

*A supplemental test will be offered to students who receive an "I" grade on any test. The privilege to sit for this supplementary test will be dependent upon regular class attendance (75%) and completion of the assigned work.

SEMESTER PROJECT:

Each student will be responsible for developing plans for starting and operating a small business. This will involve selecting a type of business for which financial and marketing plans are to be developed along with the selection of location and layout. Further details will be outlined to the student during the semester.

SMALL BUSINESS MANAGEMENT (BUS326)

UNIT	WEEKS	TOPICS AND DESCRIPTION
1	1-4 incl.	<p><u>Small Business Defined</u></p> <ul style="list-style-type: none">- Four characteristics of a small business- Government commitment to small businesses- Importance of small businesses in the Canadian economy <p><u>Small Business: Its Rewards and Requirements</u></p> <ul style="list-style-type: none">- Advantages of small firms vs large firms- Some of the pitfalls of small businesses- Requirements for a successful small business <p><u>Management Viewpoint of Basic Financial Statements</u></p> <ul style="list-style-type: none">- Two basic financial reports and their meaning- Understanding basic financial analysis- Understanding the relationship between equity financing and credit financing

UNIT

WEEKS

TOPICS AND DISCUSSION

Designing a Comprehensive Business Plan

- Steps to be followed in planning the opening of a new business
- Additional items to be considered in the planning stage

Preparing a Profit Plan for a Small Business

- Procedures for determining the desired net income
- Preparing a budgeted income statement
- Special aspects relating to the type of business

Preparing a Market Plan for a Small Business

- Selecting a specific market area
- Determining the market objective
- Procedures for conducting a market survey
- Methods for collecting market information
- Readjusting budgeted income statement to reflect results of market survey

TEST #1

Selecting the Appropriate Form of Business

- Advantages and disadvantages of the different types of business ownership
- Procedures for incorporation of a business
- The effect of income taxes and the legal forms of organization

2

5-9 incl.

UNIT

WEEKS

TOPICS AND DISCUSSION

Asset Requirements for a Small Business

- Preparing a list of assets needed
- Estimating the level of working capital needed
- developing a credit policy

Basic Records for a Small Business

- Procedure for developing a balance sheet
- Setting up a chart of business accounts
- Balance sheet variations based on the type of business
- Minimum information needed from accounting records
- Procedures for gathering information

Sources of Financing for Small Firms

- Determining short-term, intermediate, and long-term capital needs
- Sources of finance:
 - a) equity financing
 - b) short-term and long-term credit
 - c) governmental assistance
- Leasing versus purchase of asset requirements

Selecting a Location

- Factors involved in selecting a suitable location
- Characteristics of high-rent and low-rent locations
- Population requirements for various types of businesses

Guidelines for Layout

- Knowing customer buying habits
- Efficient Utilization of space
- Layout of the problems of shop-lifting

UNIT

WEEKS

TOPICS AND DISCUSSION

TIME

Basic Requirements for a Small Business

- Preparing a list of assets needed
- Estimating the level of working capital needed
- Developing a credit policy

3

10-15

Basic Records for a Small Business

- Procedures for developing a balance sheet
- Setting up a chart of business accounts
- Balance sheet variations based on the type of business
- Minimum information needed from accounting records
- Procedures for gathering information

Sources of Financing for Small Firms

- Determining short-term, intermediate, and long-term capital needs
- Sources of finance:
 - a) equity financing
 - b) short-term and long-term credit
 - c) governmental assistance
- Leasing versus purchase of assets
- Requirements

Selecting a Location

- Factors involved in selecting a suitable location
- Characteristics of high-cost and low-cost locations
- Population requirements for various types of businesses

Guidelines for Layout

- Knowing customer buying habits
- Efficient utilization of space
- Layout of the problems of shop-fitting

Advertising and Promotion

- Direct promotional methods
- Indirect promotional methods
- Types of advertising media and the advantages and disadvantages of each

TEST #2

Profit Planning

- Distinguishing between fixed and variable costs
- Target profit planning using the break-even formula
- The problem of capacity and profit planning

Determining a Credit Policy

- The influence credit has on increasing revenue
- Administration of a credit program:
 - a) granting credit
 - b) collection policies
 - c) types of credit accounts
- Credit card sales
- Establishing a bad debt policy

Insurance

- Risks:
 - a) fire, floods, wind damage
 - b) liabilities
 - c) life
 - d) theft
 - e) business interruption
- Methods for insuring for risks
- Co-insurance for business firms
- Types of life insurance

UNIT

WEEKS

TOPICS AND DISCUSSION

Personnel Policy for the Small Firm

- Governmental regulations covering employees
- Creating a good personnel policy
- Advantages of employment with small business firms
- Designing an organizational chart

Franchises

- Types of business franchises
- Advantages and disadvantages of franchising
- Procedures and regulations associated with acquiring and maintaining a franchise

Purchasing an Existing Firm Versus Starting a New Business

- Advantages and disadvantages of purchasing a going concern
- Determining the value of an existing business
- Examining all aspects of the existing business for:
 - a) stability of firm and/or industry
 - b) reasons why present owner(s) wish to sell
 - c) competition in the area
 - d) reputation of the firm

Small Business and the Law

- Legal responsibilities of the small firm
- Licences and local laws governing business firms
- Laws relating to:
 - a) trademarks, copyrights and patents
 - b) customers, credit and the environment
 - c) taxes and withholding requirements

TEST #3

