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# ENTREPRENEURSHIP

## Learner Guide

National Vocational  
Certificate Level 3

Version 1 - March 2020



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## Introduction

Welcome to your Learner's Guide for the *Entrepreneurship* Program. It will help you to complete the programme and to go on to complete further study or go straight into employment.

The *Entrepreneurship* programme is to engage young people with a programme of development that will provide them with the knowledge, skills and understanding to start this career in Pakistan. The programme has been developed to address specific issues, such as the national, regional and local cultures, the manpower availability within the country, and meeting and exceeding the needs and expectations of their customers.

The main elements of your learner's guide are:

- **Introduction:**
  - This includes a brief description of your guide and guidelines for you to use it effectively
- **Modules:**
  - The modules form the sections in your learner's guide
- **Learning Units:**
  - Learning Units are the main sections within each module
- **Learning outcomes:**
  - Learning outcomes of each learning units are taken from the curriculum document
- **Learning Elements:**
  - This is the main content of your learner's guide with detail of the knowledge and skills (practical activities, projects, assignments, practices etc.) you will require to achieve learning outcomes stated in the curriculum
  - This section will include examples, photographs and illustrations relating to each learning outcome
- **Summary of modules:**
  - This contains the summary of the modules that make up your learner's guide
- **Frequently asked questions:**
  - These have been added to provide further explanation and clarity on some of the difficult concepts and areas. This further helps you in preparing for your assessment.
- **Multiple choice questions for self-test:**
  - These are provided as an exercise at the end of your learner's guide to help you in preparing for your assessment.

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Module-3

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### Module 3: Identify Business Opportunities

**Objective of the module:** The aim of this module is to develop knowledge skills and understanding needed to identify business. This section is crafted to develop knowledge and skills required to identify business opportunities and present the business ideas to potential support providers. The content will be useful for learners who intend to start a business, become self-employed or want to get prerequisite knowledge before starting a business.

Duration	180 hours	Theory:	36 hours	Practical:	144hours
Learning Unit	Learning Outcomes	Learning Elements	Materials Required		
<b>LU1:</b> Develop self against skills and attributes required for entrepreneurship	<p><b>The student will be able to:</b></p> <ul style="list-style-type: none"> <li>• Set personal objectives for pursuing entrepreneurship</li> <li>• Document gaps in self for skills and attributes required for an entrepreneur</li> <li>• Take appropriate actions to cover identified gaps</li> </ul>	<ul style="list-style-type: none"> <li>• The fundamentals of entrepreneurship including, causal and effectual entrepreneurship</li> <li>• The characteristics, skills and attributes possessed by entrepreneurs</li> <li>• Risks and rewards for an entrepreneur</li> <li>• Identifying personal strengths and weaknesses</li> <li>• Techniques to conduct self-assessment for entrepreneurial skills</li> <li>• Identification of learning mediums</li> </ul>	<ul style="list-style-type: none"> <li>• Flip charts</li> <li>• Markers (different colors)</li> <li>• A4 papers</li> <li>• Baskets</li> <li>• Paper tape</li> <li>• Invitation letter to an entrepreneur</li> <li>Souvenir/certificate/letter of thanks</li> </ul>		

<p><b>LU2:</b> Collect information on viable business ideas</p>	<p><b>The student will be able to:</b></p> <ul style="list-style-type: none"> <li>• Conduct an elementary market survey to collect basic information on business ideas relevant to own interests</li> <li>• Compile the information collected through the market survey</li> <li>• Gather customer needs for identified business ideas</li> <li>• Shortlist the best option in terms of cost, service, quality, sales, profit margin, overall expenses</li> </ul>	<ul style="list-style-type: none"> <li>• Basic survey methods</li> <li>• Deming cycle (Plan Do Check (study) Act)</li> <li>• Concept of the business value chain</li> <li>• Documentation techniques</li> <li>• Report writing</li> <li>• Customer need analysis including existing business, types of customers, location, needs recognition</li> <li>• Elementary cost evaluation</li> <li>• Techniques of evaluating business options in terms of cost, service, quality, sales, profit margin, overall expenses</li> </ul>	<ul style="list-style-type: none"> <li>• Flip charts</li> <li>• Markers (different colors)</li> <li>• A4 papers</li> <li>• Baskets</li> <li>• Paper tape</li> <li>• Invitation letter to an entrepreneur</li> </ul> <p>Souvenir/certificate/letter of thanks</p> <ul style="list-style-type: none"> <li>• Multi media projector</li> <li>• Flip charts</li> <li>• Flip cards</li> <li>• White board</li> <li>• Multi colors markers</li> <li>• A4 papers</li> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> </ul> <p>Printer</p>
<p><b>LU3:</b> Collect information on various funding sources</p>	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>• Identify the available funding sources based on their terms and conditions, maximum loan limit, payback time, interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• Funding sources including family, friends, funding agencies, grants, government institutions, commercial banks, business incubation centres.</li> <li>• Techniques to prepare documents for the best available option regarding funding sources</li> </ul>	<ul style="list-style-type: none"> <li>• Print out of Work sheets about funding sources</li> <li>• Flip chart</li> <li>• Board markers</li> <li>• A4 papers</li> <li>• Pens</li> <li>• Multi media projector</li> <li>• Flip charts</li> <li>• Flip cards</li> </ul>

	<ul style="list-style-type: none"> <li>Choose the best available option according to investment requirement</li> </ul>		<ul style="list-style-type: none"> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> <li>Duster</li> <li>Computer</li> <li>Internet</li> <li>Printer</li> </ul>
<b>LU4:</b> Finalize the business idea	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Estimate the available resources</li> <li>Identify relevant customer segments and their needs</li> <li>Identify existing solutions in the market</li> <li>Devise the business idea for specific customer needs</li> <li>Identify key technologies required for execution of business idea</li> </ul>	<ul style="list-style-type: none"> <li>Types of resources required for business (financial, human and physical resources)</li> <li>Basic estimation of available resources</li> <li>Bases for consumer segmentation (behavioral, demography, geography, psychographic etc.)</li> <li>Comparing existing solutions including offered products/services, prevailing prices, positioning maps.</li> <li>Techniques of conducting customer profiling</li> <li>Scale of business, estimated volume of business, process of business, key technologies of business ideas</li> </ul>	<ul style="list-style-type: none"> <li>Flip chart</li> <li>Board markers</li> <li>A4 papers</li> <li>Pens</li> <li>Multimedia projector</li> <li>Flip charts</li> <li>Flip cards</li> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> <li>Duster</li> <li>Computer</li> <li>Internet</li> <li>printer</li> </ul>



<p><b>LU5:</b> Present business idea to potential support providers</p>	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>• Identify support providers for promoting the business idea</li> <li>• Summarize features, benefits and key information of the business idea</li> <li>• Present the business idea considering criteria of support providers</li> </ul>	<ul style="list-style-type: none"> <li>• Types of support providers including, career counselors, mentors, existing entrepreneurs, chambers of commerce, public organizations, startup investment companies.</li> <li>• Preparing business pitch deck</li> </ul>	<ul style="list-style-type: none"> <li>• Multi media projector</li> <li>• Flip charts</li> <li>• Flip cards</li> <li>• White board</li> <li>• Multi colors markers</li> <li>• A4 papers</li> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> <li>• printer</li> </ul>
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## Examples and illustrations

<https://www.teacherspayteachers.com/Browse/Search:characteristics%20of%20an%20entrepreneur>

Table shows traits that are needed for an entrepreneurship

An entrepreneur is a person who has a passion for creation and the ability to follow through on their ideas, someone who has the ability to see a need that has previously not been addressed or in some cases created a need that didn't even exist. Entrepreneurs want to work for themselves and apply characteristics of an entrepreneur, are willing to take risks in order for their ideas or products to succeed.



<i>Approach</i>	<i>Quantitative research</i>	<i>Qualitative research</i>
Observation	Preliminary work e.g. prior to designing questionnaire	Fundamental to understanding another culture
Textual analysis	Content analysis – counting in terms of researchers’ categories	Understanding participants’ categories
Interviews	‘Survey’: mainly fixed choice questions to random samples	‘Open ended’ questions to small numbers of participants (in-depth interviews)
Transcripts	Used infrequently to check accuracy of records	Used to understand how participants organise their talk / think about their experiences

<https://www.semanticscholar.org/paper/Qualitative-research-methods-in-psychology-Biggerstaff/e4b9983acc553f4ec61bc33ad0ede59d0f3fe4c5>

the table above shows different types of quantitative and qualitative surveys and their traits

Research methods are split broadly into quantitative and qualitative methods.

Which you choose will depend on your research questions, your underlying philosophy of research, and your preferences and skills.

Plan	Do	Check	Act

The table above shows the Deming cycle (PDCA) report writing chart.

<https://www.breezetre.com/flowchart-software/flowchart-templates>

The Plan-do-check-act Procedure

Plan: Recognize an opportunity and plan a change.

Do: Test the change. Carry out a small-scale study.

Check: Review the test, analyze the results, and identify what you've learned.

Act: Take action based on what you learned in the study step. If the change did not work, go through the cycle again with a different plan. If you were successful, incorporate what you learned from the test into wider changes. Use what you learned to plan new improvements, beginning the cycle again.

**Video Samples for Learning Activity:**



The video shows Identification of the elements of the DEMING CYCLE

<https://www.youtube.com/watch?v=947wRN72Wg0>

PDCA (plan–do–check–act or plan–do–check–adjust) is an iterative four-step management method used in business for the control and continuous improvement of processes and products.

## Report presentation and layout:

### ➤ **FRONT MATTER**

- Title page
- Letter of transmittal
- Table of contents & lists of illustration
- Executive summary

### ➤ **REPORT BODY**

- Introduction and background information
- Report finding and discussion
- Conclusion and recommendation

### ➤ **END MATTER**

- Reference.
- Appendix.

10

ual-aesthetics-for-elearning?trk=slideshare\_...

◀ 10 of 14 ▶



The table shows the concept of report writing and explains how it's made for small medium sized businesses.

<https://www.slideshare.net/zailunnito/business-report-writing-75682762>

Business report writing impartial, objective, and planned presentation of facts to one or more person, for specific significant business purpose.

# Financial Management

## -External Short-term Sources of Funds

### Definition:

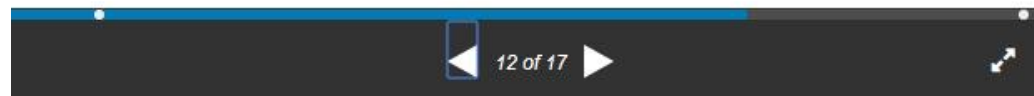
Short term sources of funds are usually the funds which are less than one year for maturity. They are less stable sources of funds for businesses.

### Types:

The main types of external short term sources of funds include:

- Bank overdraft
- Bank loan
- Leasing
- Credit card
- Trade credit

See the next page for details:



The video briefly explains resources that are needed to a start a business and the cost that incurs in acquiring those resources. For further information, please check the source below:

<https://slideplayer.com/slide/11984228/>

External source of finance is the one where the source of finance comes from outside the organization and is generally bifurcated into different categories where first is long-term, being shares, debentures, grants, bank loans; second is short term, being leasing, hire purchase; and the other is short-term, including bank overdraft, debt factoring, etc.

<https://www.youtube.com/watch?v=G0dzLanYW1E>

When working on business idea, we need to focus on four perspectives: company, customer, competitor and collaborator.

1. **Company.** Think of your idea in terms of its product/service features, the benefits to customers, the personality of your company, what key messages you'll be relaying and the core promises you'll be making to customers.
2. **Customer.** There are three different customers you'll need to think about in relation to your idea: purchasers (those who make the decision or write the check), influencers (the individual, organization or group of people who influence the purchasing decision), and the end users (the person or group of people who will directly interact with your product or service).
3. **Competitor.** Again, there are three different groups you'll need to keep in mind: primary, secondary and tertiary. Their placement within each level is based on how often your business would compete with them and how you would tailor your messages when competing with each of these groups.
4. **Collaborators.** Think of organizations and people who may have an interest in your success but aren't directly paid or rewarded for any success your business might realize, such as associations, the media and other organizations that sell to your customers.





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Module-4

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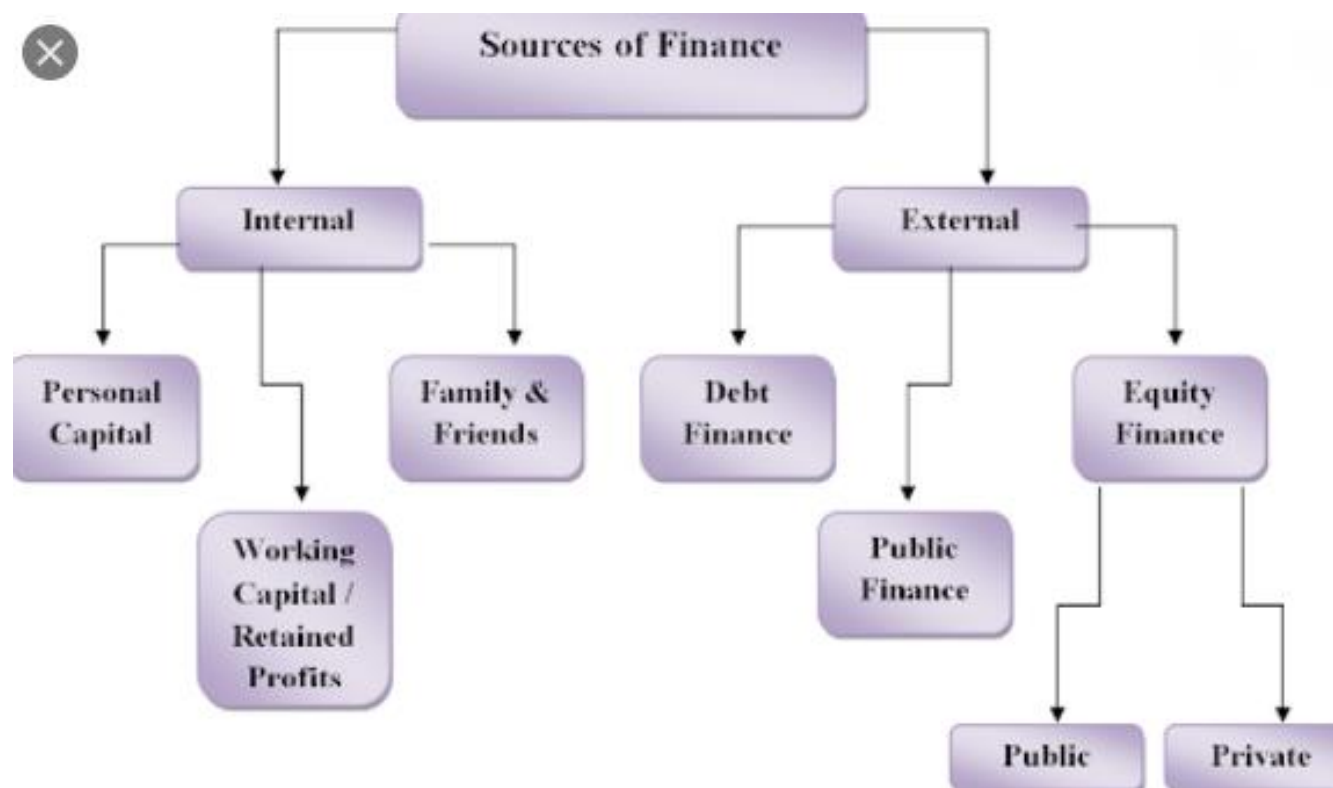
## Module 4: Identify key resources available for business

**Objective of the module:** The aim of this module is to develop knowledge skills and understanding needed to identify key resources available for business. This section is crafted to develop knowledge and skills required for assessing financial, physical and human resources for a business venture.

Duration	180 hours	Theory:	36 hours	Practical:	144hours
Learning Unit	Learning Outcomes	Learning Elements		Materials Required	
<b>LU1:</b> Assess financial resources	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Identify financial resources required for business</li> <li>Perform gap analysis of available and required financial resources</li> <li>Devise a plan to acquire the required finances</li> </ul>	<ul style="list-style-type: none"> <li>Types of financial resources</li> <li>Exploring financial resources</li> <li>Accessing financial resourcing</li> <li>Ways of performing gap analysis</li> <li>Documentation for proposed business with scope</li> <li>Negotiation skills including communication, interpersonal skills</li> <li>Ways of making financial decisions</li> </ul>		<ul style="list-style-type: none"> <li>Multi media projector</li> <li>Flip charts</li> <li>Flip cards</li> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> <li>Duster</li> <li>Computer</li> <li>Internet printer</li> </ul>	

<p><b>LU2:</b> Assess physical resources</p>	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>• Identify physical resources required for business</li> <li>• Perform gap analysis of available and required physical resources</li> <li>• Devise a plan to acquire the required physical resources</li> </ul>	<ul style="list-style-type: none"> <li>• Types of physical resources i.e. machinery, land, vehicles, raw material</li> <li>• Basic budgeting techniques to calculate business capital</li> <li>• Calculate business management operational costs</li> <li>• Measuring opportunity cost i.e. comparisons among available physical resources</li> </ul>	<ul style="list-style-type: none"> <li>• Multi media projector</li> <li>• Flip charts</li> <li>• Flip cards</li> <li>• White board</li> <li>• Multi colors markers</li> <li>• A4 papers</li> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> <li>• Printer</li> </ul>
<p><b>LU3:</b> Assess human resources</p>	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>• Identify required human resources</li> <li>• Devise an outline to recruit human resources</li> <li>• Make a plan for division of staff and duties</li> </ul>	<ul style="list-style-type: none"> <li>• Types of human resources as per business scope</li> <li>• Basics of human resource management as per business requirement</li> <li>• Creation of job descriptions as per the required skills</li> <li>• </li> </ul>	<ul style="list-style-type: none"> <li>• Multi media projector</li> <li>• Flip charts</li> <li>• Flip cards</li> <li>• White board</li> <li>• Multi colors markers</li> <li>• A4 papers</li> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> <li>• printer</li> </ul>

## Examples and illustrations

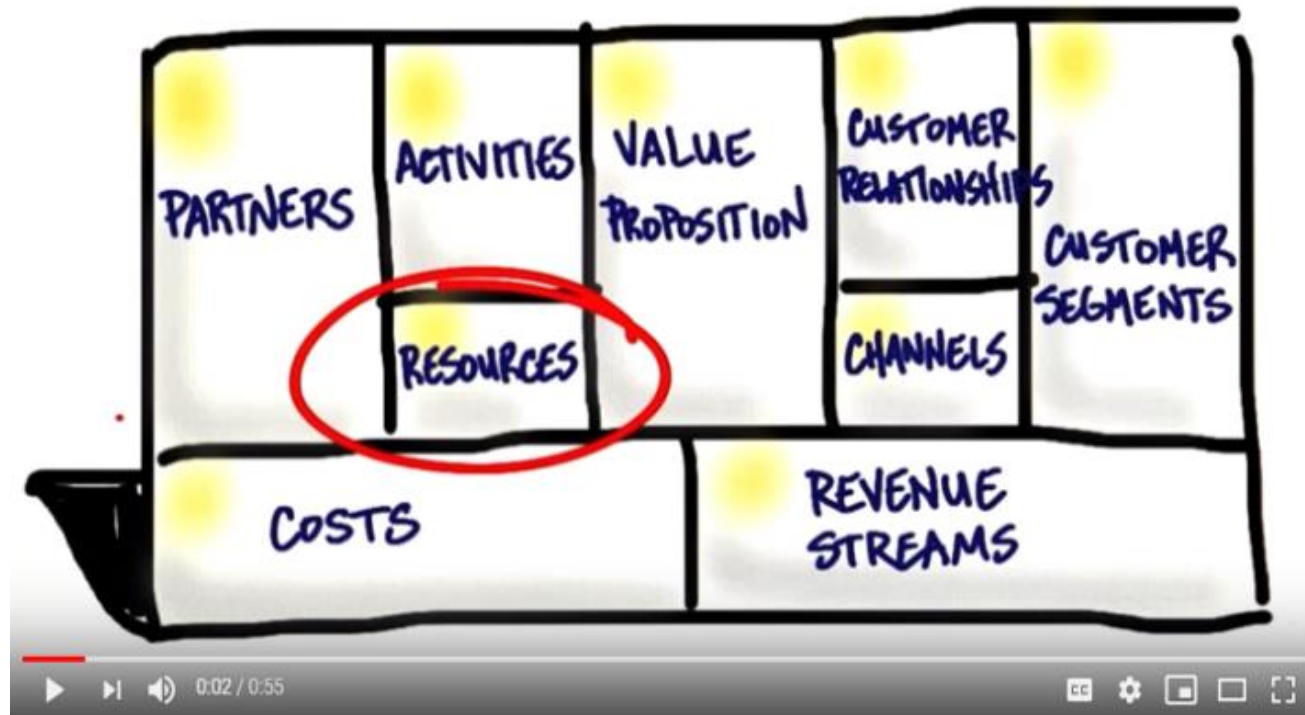


The image shows internal and external sources of finances that can be used to start a new venture. For further information, please refer to the source material listed below.

<http://publish.ucc.ie/boolean/2010/00/Power/33/en>

In the current economic climate, the flow of innovative start-ups into the economy is critical for future growth. However, the establishment and expansion of these innovative businesses requires finance. Raising the necessary capital is crucial. In an economic climate where funding has become increasingly scarce, it is crucial that businesses have a clear understanding of the different types of financing options available.

Having a business plan and finding your niche market is the first hurdle – raising money to make your business succeed can be an even bigger struggle. Fundamentally there are two categories of financing options for businesses: internal and external.



Key Resources is the building block describing the most important assets needed to make a business model work. Every business model requires them, and it is only through them that companies generate Value Propositions and Revenues. Key resources can be physical, financial, intellectual, or human.

<https://www.youtube.com/watch?v=pLdWfcLNZ1A>

### Video Samples for Learning Activity:

The video Image will give basic understanding of the GAP analysis with illustrated example.

For further information, please check the source given below:

<https://www.youtube.com/watch?v=AGQyaGtrTUc>

Gap Analysis is the comparison of actual performance with potential or desired performance; that is the 'current state' the 'desired future state'. An important aspect of Gap Analysis is identifying what needs to be done in a Project. Gap analysis can be used in many areas, such as: Sales. Financial performance.



How to Do a Gap Analysis

Human resource management (HRM or HR) is the strategic approach to the effective management of people in a company or organization such that they help their business gain a competitive advantage. It is designed to maximize employee performance in service of an employer's strategic objectives

The video explains the basic human resource management concept in a business and it can be managed effectively.

For further information, please go through the source mentioned below.

<https://www.youtube.com/watch?v=A2HFusWQleE>



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Module-5

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## Module 5: Develop Elementary Business Plan

**Objective of the module:** The aim of this module is to develop knowledge skills and understanding needed to develop an elementary business plan. This section is crafted to develop knowledge and skills required knowledge for describing product/service, assessing market situation, identifying business scope, and developing initial execution plans for a business venture.

**Duration: 170**

**Theory: 63**

**Practical: 107**

Learning Unit	Learning Outcomes	Learning Elements	Materials Required
<b>LU1:</b> Prepare description of product/ service	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Outline product/service portfolio</li> <li>Prepare product/service parameters</li> <li>Specify benefits of product/service Specify unique selling point (USP) of product/service</li> </ul>	<ul style="list-style-type: none"> <li>Types of products as per business requirements</li> <li>Types of services as per business requirements</li> <li>Development of portfolio as per business requirements</li> <li>Product/service pricing</li> <li>Product/Service development</li> <li>Unique Selling point</li> <li>Product/Service benefits</li> <li>Product/Service innovation</li> </ul>	<ul style="list-style-type: none"> <li>Multi media projector</li> <li>Flip charts</li> <li>Flip cards</li> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> <li>Duster</li> <li>Computer</li> <li>Internet</li> <li>printer</li> </ul>
<b>LU2:</b> Assess market situation	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Identify target market of the business</li> <li>Identify potential competition</li> <li>Measure Demand and Supply gaps for product/service</li> <li>Assess prevailing prices of</li> </ul>	<ul style="list-style-type: none"> <li>Types of market segmentation</li> <li>Market targeting</li> <li>Competitor analysis (4Ps of Marketing, SWOT)</li> <li>Measuring opportunity cost</li> <li>Break even calculation i.e. balance sheet</li> <li>Pricing strategies</li> </ul>	<ul style="list-style-type: none"> <li>Multimedia projector</li> <li>Flip charts</li> <li>Flip cards</li> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> <li>Duster</li> <li>Computer</li> <li>Internet</li> <li>printer</li> </ul>



	relevant product/service in the market		
<b>LU3:</b> Specify size and type of business	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Specify size of business registration</li> <li>Estimate financial scope of business</li> <li>Enlist basic infrastructure requirements</li> </ul>	<ul style="list-style-type: none"> <li>Scope and sizes of Business (micro enterprises, small enterprises, medium-sized enterprises, Large enterprises employ)</li> <li>Infrastructural requirements (size of office, incubation centers, office equipment and supplies) as per financial resources available</li> </ul>	<ul style="list-style-type: none"> <li>Multimedia projector</li> <li>Flip charts</li> <li>Flip cards</li> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> <li>Duster</li> <li>Computer</li> <li>Internet</li> <li>printer</li> </ul>
<b>LU4:</b> Design business process of product/service	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Develop Management, Operational and support processes</li> <li>Identify potential sources of procurement</li> <li>Outline product/service conversion process</li> <li>Define distribution channels</li> </ul>	<ul style="list-style-type: none"> <li>Functions of management (Planning, organizing, leading, staffing, controlling)</li> <li>Fundamentals of Inventory management</li> <li>Types of selling (Transactional, Feature, Value, and Consultative selling)</li> <li>Types of selling mediums (stock exchange, Google, social media, local market, e-commerce etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Multimedia projector</li> <li>Flip charts</li> <li>Flip cards</li> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> <li>Duster</li> <li>Computer</li> <li>Internet</li> <li>printer</li> </ul>

<p><b>LU5:</b> Develop Cost &amp; Price structure</p>	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>• Estimate costs and expenditures of business</li> <li>• Set price of product/service based on market situation assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Estimate manufacturing cost (Cost of raw material, labor, transportation, etc.)</li> <li>• Pricing strategy (Cost-plus pricing, Competitive pricing, Value-based pricing, Price skimming, Penetration pricing, profit margin estimation)</li> </ul>	<ul style="list-style-type: none"> <li>• Multimedia projector</li> <li>• Flip charts</li> <li>• Flip cards</li> <li>• White board</li> <li>• Multi colors markers</li> <li>• A4 papers</li> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> <li>• printer</li> </ul>
<p><b>LU6:</b> Identify business risks</p>	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>• Identify internal/external economic risks to the business</li> <li>• State copyright issues</li> <li>• Enlist applicable laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Types of risks (Strategic Risk, Compliance Risk, Operational Risk, Financial Risk, and Reputational Risk, cyber risks, disasters, PESTLE risks)</li> <li>• Basic intellectual property rights (copyright, business name, sketching logo, trademark, patent, color scheme, slogan, etc.)</li> <li>• Basic taxation policies (Sales tax, custom tax, income tax, WH Tax, etc.)</li> <li>• Government rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Multimedia projector</li> <li>• Flip charts</li> <li>• Flip cards</li> <li>• White board</li> <li>• Multi colors markers</li> <li>• A4 papers</li> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> <li>• printer</li> </ul>

## Examples and illustrations:

A unique selling proposition (USP, also seen as unique selling point) is a factor that differentiates a product from its competitors, such as the lowest cost, the highest quality or the first-ever product of its kind. A USP could be thought of as “what you have that competitors don't.”

The slide shows complete detail of how the product can be made more unique for consumer and provide more chance for business to sell the product or service.

Further information is given at below mentioned source:

<https://www.slideshare.net/stacystevenson/advertising-7413452>

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place. However, nowadays, the marketing mix increasingly includes several other Ps like Packaging, Positioning, People and even Politics as vital mix elements.

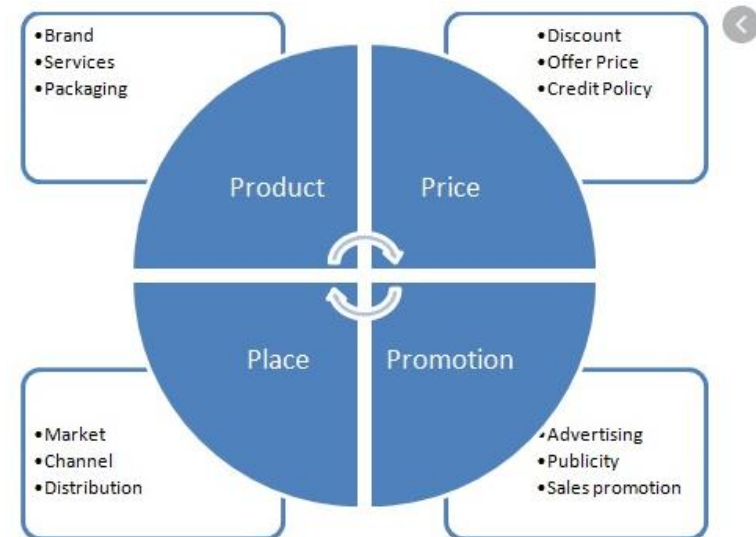
The image briefly explains marketing mix factors.

<https://stuff4mba2014.wordpress.com/2016/07/18/4-ps-of-marketing-product-mix/>

## USP

### ▪ Unique Selling Proposition

- Highlighting the aspect of a product that sets it apart from other brands in the same product category.
- M&Ms – they aren't just chocolate candy, they “melt in your mouth, not in your hand.”
- Brands in the same category, are PARITY PRODUCTS (Coke, Pepsi – both soft drinks or colas)



Good managers discover how to master five basic functions: planning, organizing, staffing, leading, and controlling.

**Planning:** This step involves mapping out exactly how to achieve a particular goal. Say, for example, that the organization's goal is to improve company sales. The manager first needs to decide which steps are necessary to accomplish that goal. These steps may include increasing advertising, inventory, and sales staff. These necessary steps are developed into a plan. When the plan is in place, the manager can follow it to accomplish the goal of improving company sales.

**Organizing:** After a plan is in place, a manager needs to organize her team and materials according to her plan. Assigning work and granting authority are two important elements of organizing.

**Staffing:** After a manager discerns his area's needs, he may decide to beef up his staffing by recruiting, selecting, training, and developing employees. A manager in a large organization often works with the company's human resources department to accomplish this goal.

**Leading:** A manager needs to do more than just plan, organize, and staff her team to achieve a goal. She must also lead. Leading involves motivating, communicating, guiding, and encouraging. It requires the manager to coach, assist, and problem solve with employees.

**Controlling:** After the other elements are in place, a manager's job is not finished. He needs to continuously check results against goals and



The Image shows in detail functions of the management which can be divided into different departments within the business. Start-up can have fewer management roles as compared to medium sized business.

For further information, please refer to link below

<https://www.slideshare.net/pharaapharoo/function-of-management-different-authors-managemnet>



# PRICING STRATEGIES

## There are 3 main categories:

In short, a pricing strategy refers to all of the various methods that small businesses use to price their goods or services. It's an all-encompassing term that can account for things like:

- Market conditions
- Actions that competitors take
- Account segments
- Trade margins
- Input costs
- Consumers' ability to pay
- Production and distribution costs
- Variable costs

### **Cost-based pricing**

- Cost-plus Pricing
- Marginal-cost pricing
- Contribution Pricing

### **Competition-based pricing**

- Price Leadership
- Predatory Pricing
- Going Rate Pricing

### **Market-Based pricing**

- Price Penetration
- Price Skimming
- Price Discrimination
- Loss Leaders
- Psychological Pricing
- Promotional Pricing

The image categorizes main pricing strategies that can be used according to product and services.

For further information, please check the link below

<https://www.slideshare.net/fifi3006/pricing-strategies-sl-hl-content>

Although it is often used in different contexts, risk is the possibility that an outcome will not be as expected, specifically in reference to returns on investment in finance. However, there are several different kinds of risk, including investment risk, market risk, inflation risk, business risk, liquidity risk and more.

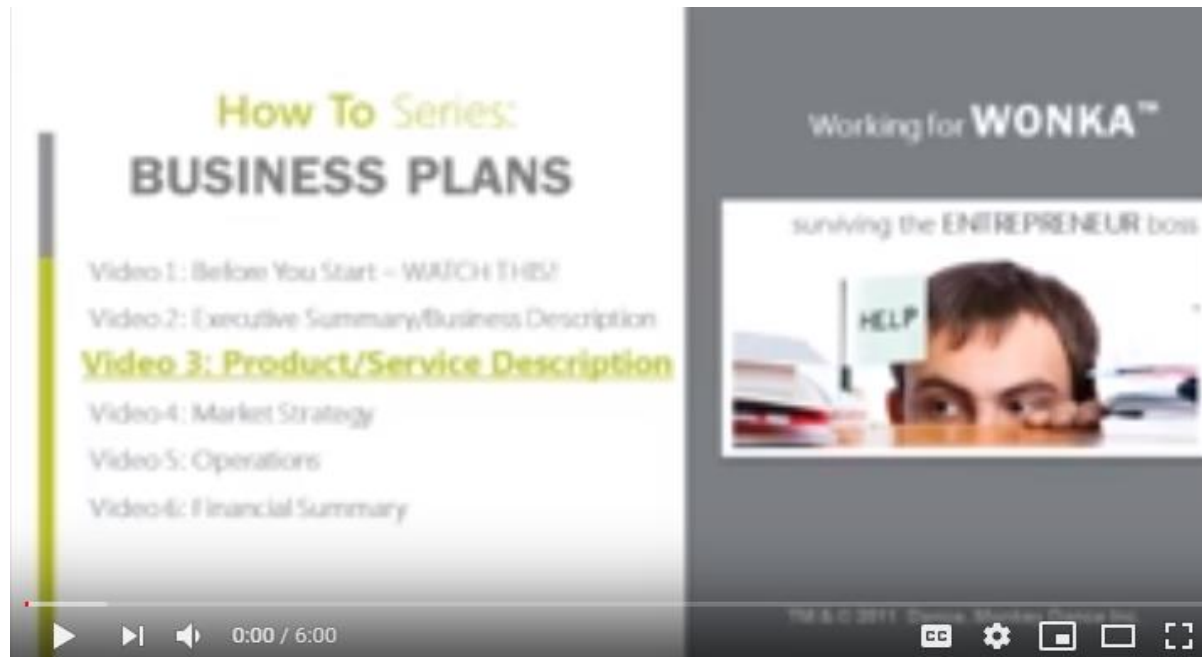
The image relates to different types of risk that a start-up can face when running the business.

For further information, please check the link

<https://www.open.edu/openlearn/money-business/understanding-and-managing-risk/content-section-2.2.1>



## Video Samples for Learning Activity:



A business plan, as defined by Entrepreneur, is a “written document describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement.” However, your business plan can serve several different purposes, including product description, financial summary etc.

The video explains size of the business once the size of the business is decided then type of the business can be decided.

Further information can be seen in the video from the source below:

<https://www.youtube.com/watch?v=Xs8ZV1ISl9M>



One of the most obvious ways in which businesses differ is their size. Most of us know some businesses that are very small – one-person businesses or micro-businesses of fewer than five people. Examples may include a single person running, for example, a web design company, a hairdresser's or a small catering business, or a small retailer, such as a craft shop or a florist, employing just one or two other people. Small and medium-sized enterprises actually make up over 90% of the number of businesses in most countries (although they do not employ over 90% of all employees or make over 90% of all business deals). At the other end of the scale are businesses that are very large – multinational corporations employing thousands of people and operating in many different countries. We are familiar with at least the names of some, such as Microsoft, Samsung, Siemens, Renault, and many more both well-known and less well-known large corporations. And then there are many businesses of all sorts of sizes in between.

The video discusses ways by which a star-up can make its product service portfolio under business plan.

For further information, please check the link below:

<https://www.youtube.com/watch?v=JHrxP-mTJt4>



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Module-6

# ENTREPRENEURSHIP

**Learner Guide**

National Vocational  
Certificate Level 3

Version 1 - March 2020

## Module 6: Set-up a micro business

**Objective of the module:** The aim of this module is to develop knowledge skills and understanding required to set up a micro business. This section is crafted to develop knowledge and skills required knowledge for registering and setting up a location for business.

Duration: 50

Theory: 20

Practical: 30

Learning Unit	Learning Outcomes	Learning Elements	Materials Required
Register business	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Specify type of the micro business registration</li> <li>Register a business name with relevant authority</li> </ul>	<ul style="list-style-type: none"> <li>Types of businesses (Merchandising Business, Manufacturing Business, Hybrid Business, Sole Proprietorship, Partnership, Corporation, Limited Liability Company)</li> <li>Types of infrastructure requirements</li> <li>Relevant Authorities (SECP, PTO Office, FBR)</li> </ul>	<ul style="list-style-type: none"> <li>Smartphone</li> <li>Computer</li> <li>Internet</li> <li>Printer</li> <li>White board</li> <li>Projector screen</li> <li>Multimedia projector</li> <li>Relevant websites</li> </ul>
Select appropriate business location	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Develop layout of the business processes to ensure appropriate space is allocated to each function</li> <li>Conduct market research on viable business locations</li> <li>Select the most viable business location keeping in view cost, market potential and accessibility</li> </ul>	<ul style="list-style-type: none"> <li>Observation of the market, research based activity in the market intelligence.</li> <li>Monitoring and allocation of the resources to the concerned departments. (Marketing, finance, operations, production, IT and etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Smartphone</li> <li>Computer</li> <li>Internet</li> <li>Printer</li> <li>White board</li> <li>Projector screen</li> <li>Multimedia projector</li> </ul>

## Examples and illustrations:

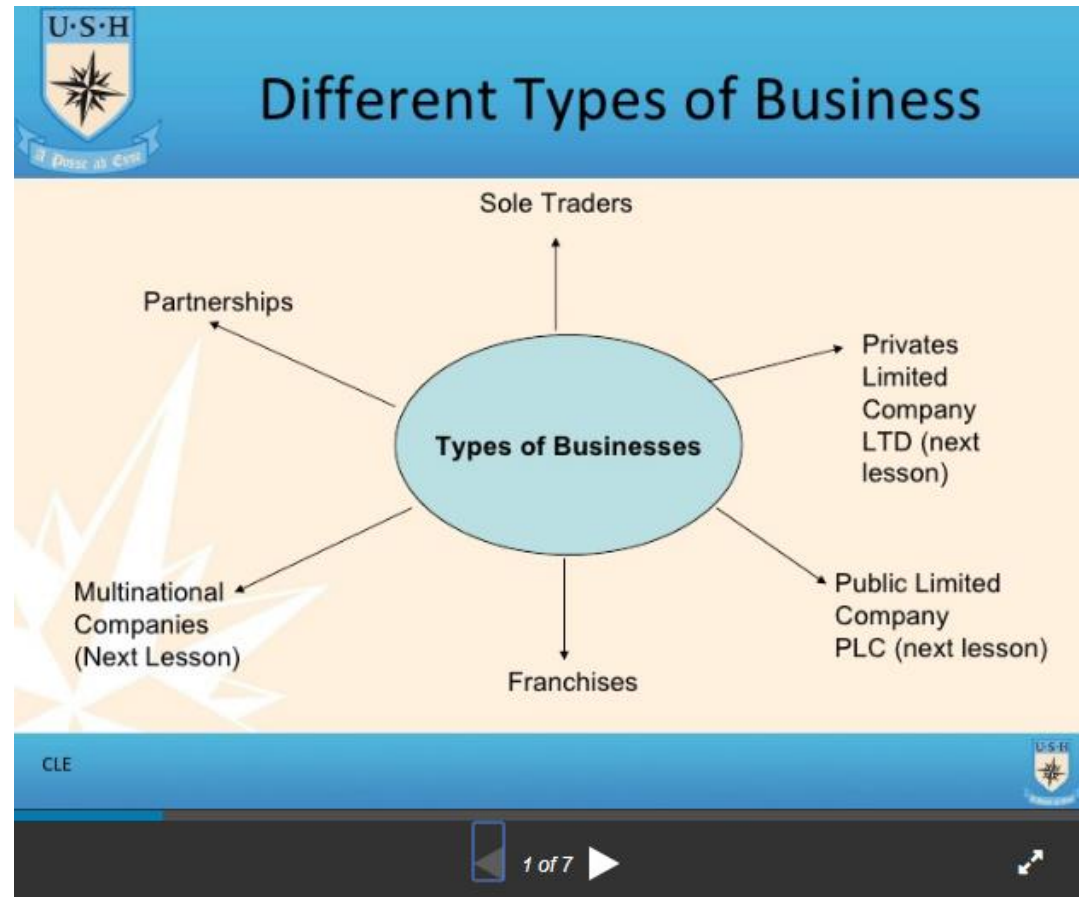
Your company's form will affect:

- How you are taxed
- Your legal liability
- Costs of formation
- Operational costs

There are 4 main types of business organization: sole proprietorship, partnership, corporation, and Limited Liability Company, or LLC.

The slide briefly explains different types of businesses and their characteristics. For further information, please read the slide, link is mentioned below.

[https://www.slideshare.net/lees\\_ush/different-types-of-](https://www.slideshare.net/lees_ush/different-types-of-)



**Video Samples for Learning Activity:**



The location of a person's business is one of the most important variables in determining potential success. Businesses need to establish locations that generate the most customer traffic. The impact of a business location can usually be determined immediately.

**Significance:** A business needs to be located in an appealing area that is accessible for most transportation and mass transit. If it is not in such as area, the owner will have trouble making a profit or even covering their overhead.

**Benefits:** A business that is located in a desirable area will benefit from the exposure and foot traffic of other neighborhood businesses. Moreover, the right setting for a corporation's headquarters can project a positive image that is more inviting for potential customers.

Video explains all the factors that effect. Business when considering location.

Further information can be seen in the video. <https://www.youtube.com/watch?v=4cj4HN78FmY>



The only difference is a micro business is a subset of the small business community based on the number of employees within the company. Micro business comprises of less than six people.

<https://www.youtube.com/watch?v=0FXC4DUHEGo>

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Module-7

# ENTREPRENEURSHIP

**Learner Guide**

National Vocational  
Certificate Level 3

Version 1 - March 2020

## Module 7: Practice Business Ethics

**Objective of the module:** This Competency Standard identifies the competencies required to practice business ethics. This section is crafted to develop knowledge and skills required to develop ethical work culture, adopt eco-friendly and socially responsible practices.

**Duration:** 110

**Theory:** 44

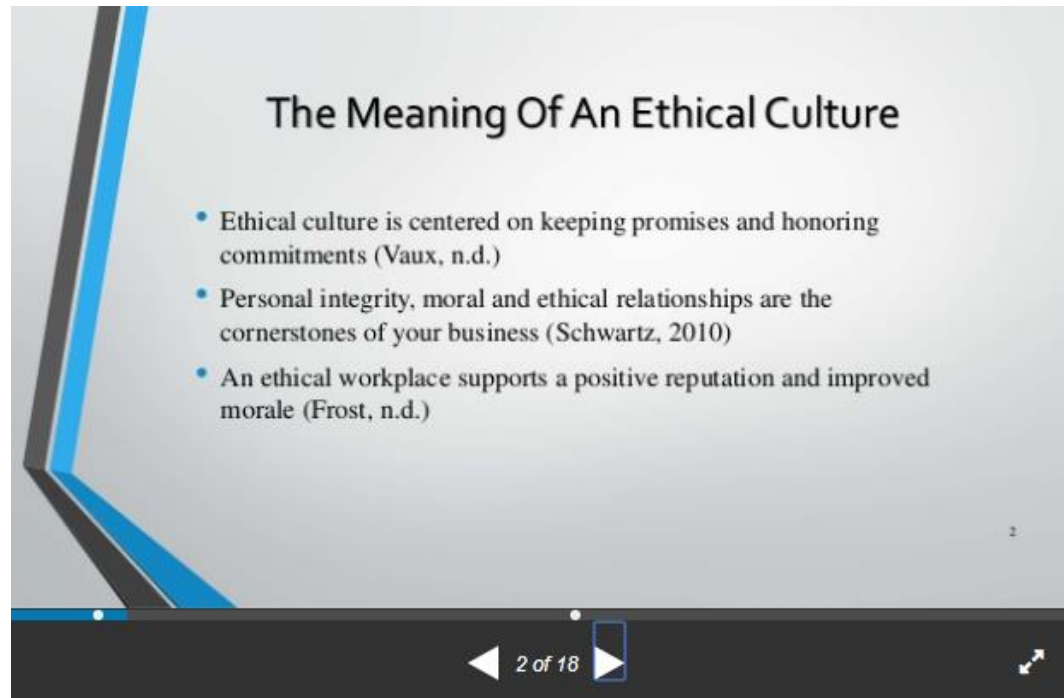
**Practical:**

Learning Unit	Learning Outcomes	Learning Elements	Materials Required
<b>LU1:</b> Develop an ethical work culture	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Set policies defining organizational responsibilities towards society and employees</li> <li>Design a mechanism to conduct assessment for on job work ethics</li> <li>Establish procedures and code of conduct for ethical work practices</li> <li>Develop communication techniques to convey the policies and procedures for work ethics within the organization</li> <li>Formulate a monitoring plan for the implementation of procedures and code of conduct</li> </ul>	<ul style="list-style-type: none"> <li>Basics of professional and ethical behaviour i.e. Behavioural skills, Moral Principles</li> <li>ethical work practices</li> <li>Examples of Policies and procedures for ethical work</li> <li>Ways to relate with people from a range of social, cultural, physical and mental backgrounds</li> <li>code of ethics including government regulations and laws, cyber harassment</li> <li>Interdepartmental communication</li> <li>Communication Channels Including; Emails, Apps, Messages, direct communication etc.</li> <li>Learn monitoring tools i.e. surveillance cameras, vigilance personnel</li> <li>Monitoring plan</li> </ul>	<ul style="list-style-type: none"> <li>Multimedia projector</li> <li>Flip charts</li> <li>Flip cards</li> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> <li>Duster</li> <li>Computer</li> <li>Internet</li> <li>printer</li> </ul>
<b>LU2:</b> Ensure safe work environment	<p><b>The trainee will be able to:</b></p> <ul style="list-style-type: none"> <li>Identify potential hazards at workplace</li> <li>Calculate workplace risks</li> </ul>	<ul style="list-style-type: none"> <li>understand hazards, exposure and risk</li> <li>ways to identify and assess hazards</li> <li>ways of calculating/assessing risks</li> <li>designing emergency drills</li> <li>Developing an environmental action</li> </ul>	<ul style="list-style-type: none"> <li>Multi media projector</li> <li>Flip charts</li> <li>Flip cards</li> <li>White board</li> <li>Multi colors markers</li> <li>A4 papers</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop risk control action plan Comply with applicable safety regulations</li> <li>• Develop emergency response plan</li> </ul>	<ul style="list-style-type: none"> <li>• plan</li> <li>• Types and uses of personal protective equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> <li>• printer</li> </ul>
<b>LU3:</b> Adopt eco-friendly work practices	<b>The trainee will be able to:</b> <ul style="list-style-type: none"> <li>• Document environmental impact of business practices</li> <li>• Create an action plan to improve environmental performance</li> <li>• Adopt procedures for reusing/recycling</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and safety procedures, practices and regulations</li> <li>• Calculating environmental performance</li> <li>• The process of recycling through demo, visuals and case studies</li> </ul>	<ul style="list-style-type: none"> <li>• Multimedia projector</li> <li>• Flip charts</li> <li>• Flip cards</li> <li>• White board</li> <li>• Multi colors markers</li> <li>• A4 papers</li> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> <li>• printer</li> </ul>
<b>LU4:</b> Adopt socially responsible practices	<b>The trainee will be able to:</b> <ul style="list-style-type: none"> <li>• Communicate rights of employees within the organization</li> <li>• Comply with social security regulations</li> </ul>	<ul style="list-style-type: none"> <li>• introduction to labour laws</li> <li>• social security regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Multimedia projector</li> <li>• Flip charts</li> <li>• Flip cards</li> <li>• White board</li> <li>• Multi colors markers</li> <li>• A4 papers</li> <li>• Duster</li> <li>• Computer</li> <li>• Internet</li> <li>• printer</li> </ul>



## Examples and illustrations:



A business culture is the method in which the company functions. The business culture can include how employees dress for work, how they interact with management and how they interact with customers and clients.

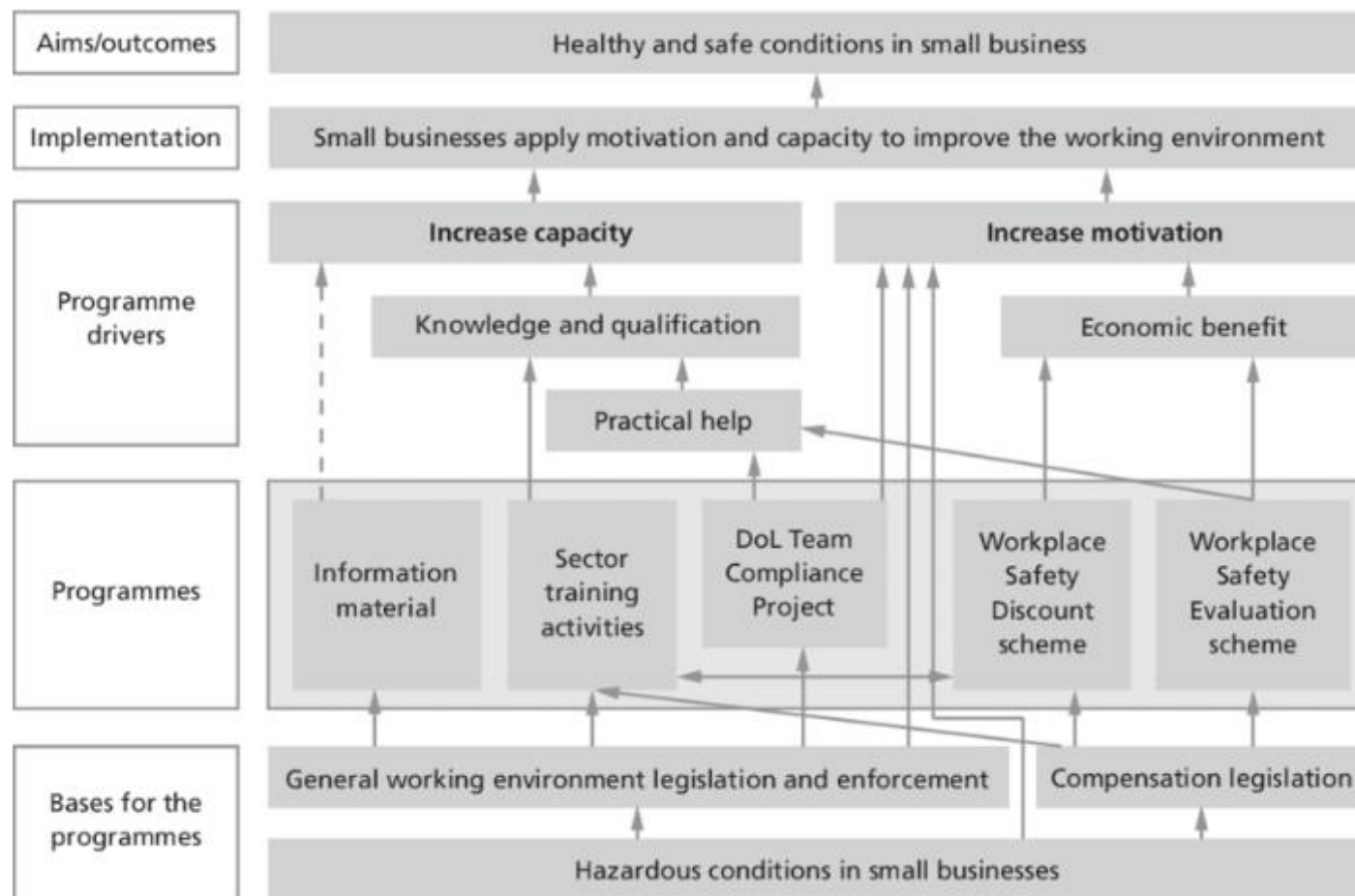
To define an ethical business culture for a business is to create an environment where doing the right thing is easy and doing the wrong thing will get you disciplined or fired. It also means involving employees in regular discussions about workplace ethics and the procedures that are designed to uphold ethical practices.

An ethical business culture also places a high value on fairness, employee rights, and equal pay, while also discouraging dishonesty, unpaid wages, discrimination and disloyalty to the company, its employees, and its customers.

The slide explains the concept of work ethics, professionalism, ethical behavior, and communication skills concerning ethics.

For further information, check the link below:

<https://www.slideshare.net/ChrisSwanson37/ethical-culture-102894777>



The Image explains briefly the idea of health and safety conditions in a small business and how better safety provision can raise motivation and raise productivity.

Resource reference:

[https://www.researchgate.net/figure/A-model-for-improving-the-working-environment-in-small-businesses-in-New-Zealand\\_fig1\\_233526499](https://www.researchgate.net/figure/A-model-for-improving-the-working-environment-in-small-businesses-in-New-Zealand_fig1_233526499)

## Social security

- monetary assistance from the state for people with an inadequate or no income. "UK"
- a federal insurance scheme providing benefits for pensioners and those who are unemployed or disabled. "USA"

South Asia is still home to the largest group of population left without any kind of protection against social risks. Countries like Pakistan still face today the daunting challenge of extending social security benefits to all workers operating in the informal economy which account for more than 70% of the total labor force. With a critical mass of poor people dependent upon informal activities there is obviously the need for efficient protection mechanisms that can reduce their particular vulnerability to various shocks and stresses.

The slide first explains social security system in developed countries, later it explains the model in Pakistan

For further information, check the link mentioned:<https://www.slideshare.net/ShahSaudToru/social-security-in-pakistan>

## Video Samples for Learning Activity:

The draft Cybercrime Law includes the following crimes: illegal access to information (Section 3), illegal access to program or data (Section 5), illegal interference with information system (section 6), cyber terrorism (Section 7) electronic forgery (Section 8), electronic fraud (Section 9)

The slide explains the concept of Cybercrime and harassment in Pakistan and how these concepts can be incorporated within the SME's.

For further information please refer the link below.

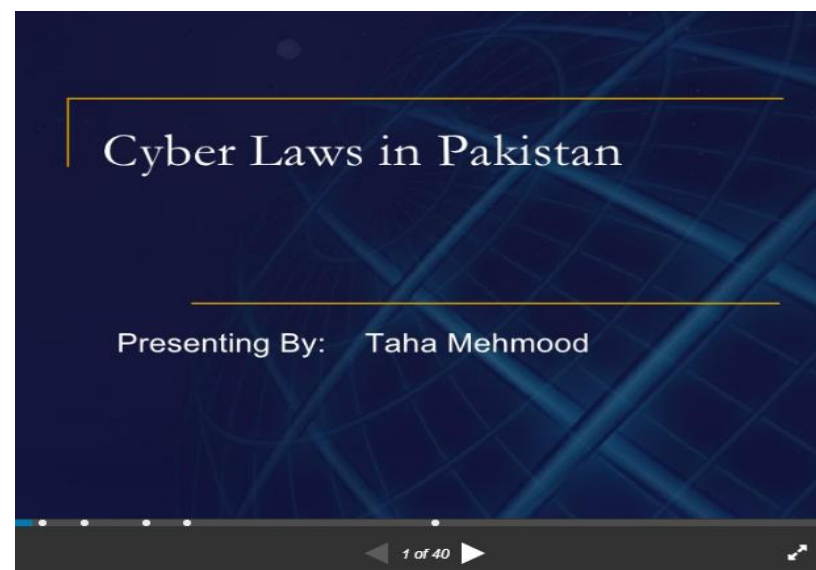
<https://www.slideshare.net/ChrisSwanson37/ethical-culture-102894777>

Environmental ethics is formally defined as the study of human interaction with nature. In a business sense, environmental ethics is concerned with a company's responsibility to protect the environment in which it operates. Public awareness of damage caused to the environment by human action has driven a demand for governmental regulations directly affecting the ability of businesses to conduct their operations. Corporate response to governmental regulation is a primary area of concern in environmental business ethics.

The video explains how a business can keep its business eco-friendly, it also tells the implications of resource usage and effects on environment. Later in video it discusses our responsibilities towards environment.

Further information can be seen at below mentioned link:

<https://www.youtube.com/watch?v=afNRimFNWYw>



Labor law (also known as labor law or employment law) mediates the relationship between workers, employing entities, trade unions and the government. Collective labor law relates to the tripartite relationship between employee, employer and union.

The video explains labor laws within Pakistan in particular and ILO worldwide in general. Link is given below for further information.  
<https://slideplayer.com/slide/6668994/>

South Asia is still home to the largest group of population left without any kind of protection against social risks. Countries like Pakistan still face today the daunting challenge of extending social security benefits to all workers operating in the informal economy which account for more than 70% of the total labor force. With a critical mass of poor people dependent upon informal activities there is obviously the need for efficient protection mechanisms that can reduce their particular vulnerability to

The slide first explains social security system in developed countries, later it explains the model in Pakistan

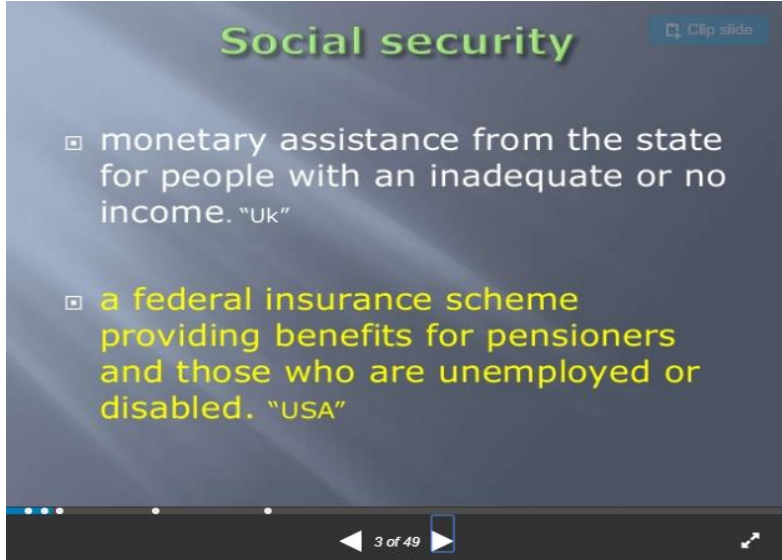
For further information, check the link mentioned:  
<https://www.slideshare.net/ShahSaudToru/social-security-in-pakistan>



**LABOR LAWS IN PAKISTAN**

- **THE 1973 CONSTITUTION OF PAKISTAN :**
  - **ARTICLE 11 :**  
Prohibits all form of slavery, child
  - **ARTICLE 17 :**  
Rights to exercise the freedom of as to form unions
  - **ARTICLE 18 :**  
Protects the rights of its citizens to enter upon any lawful profession or occupation
  - **ARTICLE 25 :**  
Lays down the right to equality at work & prohibits discriminatory practices on the part of the employers

0:55 / 14:43



**Social security**

- ▣ monetary assistance from the state for people with an inadequate or no income. "UK"
- ▣ a federal insurance scheme providing benefits for pensioners and those who are unemployed or disabled. "USA"

3 of 49

### Test Yourself (Multiple Choice Questions)

MODULE 3 Identify Business Opportunities			
<b>Question 1</b>	What are the characteristics of an entrepreneur?	A B C D	Vision Self-Belief <b>Passion</b> Creativity
<b>Question 2</b>	Identify different types of survey?	A B C D	Response Research Example <b>Observation</b>
<b>Question 3</b>	What are different funding sources?	A B C D	Education School <b>Government Institution / Commercial Banks</b> Hospitals Vocational Institutes
<b>Question 4</b>	What is market segmentation?	A B C D	Idea Venture Business <b>Demography</b>
<b>Question 5</b>	What information to include in business Elevator PITCH?	A B C D	Product Target Consumers Unique Selling Propositions <b>All the above</b>

MODULE 4	Identify key resources available for business		
Question 1	What is GAP Analysis?	A B C D	Comparison of actual and desired performance Comparison of Employees Comparison of Projects <b>All the above</b>
Question 2	What are physical resources?	A B C D	Raw materials Labor Land <b>All the above</b>
Question 3	What is human resource management?	A B C D	Hiring of humans Employee's trainings Pay Roll <b>All the above</b>
Question 4	How to access good human resources?	A B C D	Family & Friends Advertisement Through Head Hunting <b>B &amp; C</b>
Question 5	What is a basic model of budgeting?	A B C D	LIFO FIFO <b>Cash Flow</b> None of above

<b>MODULE 5 Develop Elementary Business Plan</b>			
<b>Question 1</b>	Product/ service portfolio can be best explained through.	A B C D	<b>List of all good/ services business offers</b> Data about competitor product Services offered by IT firms Products that are raw material
<b>Question 2</b>	USP stands for?	A B C D	Unique supply point Uniform sale parameter <b>Unique selling point</b> Unique salable product
<b>Question 3</b>	4p's are also called?	A B C D	Product portfolio <b>Marketing mix</b> Business plan Report analysis
<b>Question 4</b>	Which of the statement is true?	A B C D	Partnership is bigger than Public ltd in size Sole trader is same type as partnership <b>Private ltd can be bigger in size than public ltd</b> All of the above
<b>Question 5</b>	Manufacturing cost explains.	A B C D	<b>Cost of production</b> Tax paid to government Costs that are related to registration of firm Inventory cost



<b>MODULE 6 Set-up a micro business</b>			
<b>Question 1</b>	If business has 2 partners, what type of business is that?	A B C D	Sole proprietor Public ltd <b>Partnership</b> Private ltd
<b>Question 2</b>	If business fails, owner must bear all losses in which form of organization?	A B C D	Partnership Private ltd Public ltd <b>Sole trader</b>
<b>Question 3</b>	Which company can sell its shares to public to raise capital?	A B C D	<b>Public ltd</b> Sole trader Private ltd Partnership
<b>Question 4</b>	Location of the business matter the most in which type of business?	A B C D	<b>Café</b> Online marketing Small scale factory Delivery of product
<b>Question 5</b>	Which department in business is responsible for recording expenses of the firm?	A B C D	Operations Manufacturing <b>Finance</b> IT

<b>MODULE 7 Practice Business Ethics</b>			
<b>Question 1</b>	What are basic principles of work ethics?	A B C D	Autonomy Justice Beneficence <b>All the above</b>
<b>Question 2</b>	What is work place harassment?	A B C D	<b>Threatening behavior</b> Respect Disobedience Comfort
<b>Question 3</b>	What is eco-friendly environment?	A B C D	Non friendly <b>Earth Friendly</b> Enemy Non productive
<b>Question 4</b>	What are socially responsible practices?	A B C D	Supportive Resource Accessibility Respectful <b>All the above</b>
<b>Question 5</b>	What is a concept of emergency drills?	A B C D	Method of learning safety and evacuations: from building fire alarms Tackling of emergency situations

## Answers

<b>Module 3 Identify Business Opportunities</b>	
<b>Question</b>	<b>Answers</b>
Question 1	C
Question 2	D
Question 3	B
Question 4	D
Question 5	D

<b>Module 5 Develop elementary Business Plan</b>	
<b>Question</b>	<b>Answers</b>
Question 1	A
Question 2	C
Question 3	B
Question 4	C
Question 5	A

<b>Module 7 Practice Business Ethics</b>	
<b>Question</b>	<b>Answers</b>
Question 1	D
Question 2	A
Question 3	B
Question 4	D
Question 5	D

<b>Module 4 Identify key resources available for business</b>	
<b>Question</b>	<b>Answers</b>
Question 1	D
Question 2	D
Question 3	D
Question 4	D
Question 5	C

<b>Module 6 Set-up a micro business</b>	
<b>Question</b>	<b>Answers</b>
Question 1	C
Question 2	D
Question 3	A
Question 4	A
Question 5	C

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