***PRINIPLES OF BUSINESS***

***SBA***

The Principles of Business SBA is a Research Project which investigates a business problem. As a result your first task is to identify a business and determine a problem which the business may have.

Some business problems may include;

1. Loss of customers
2. Reduction in profit/Unprofitable
3. High employee turnover
4. Increase cost
5. Business not growing
6. Shortage of foreign exchange
7. Not enough stock/raw materials.
8. Covid 19 Lock down and business shut down

Then you need to design a questionnaire to get information about the business and the business problem. Accounting information such as profitability, income, cash flow statements. History of the business, its owners, number of employees, what it sells or does and most importantly information about the business problem you are investigating.

EXAMPLES OF RESEARCH TOPICS

* An investigation into the effects of an increase in the price of gas on taxi drivers working the Arima to Brazil route.
* To investigate the reasons for the reduction of sales and income at Buchoon Auto Supplies, an auto supply store, located in Brazil Village.
* To investigate the impact of a change in policy by the government to not sell Sugar drinks in the school on the school’s cafeteria at Brazil Secondary
* To investigate the impact of the COVID 19 lock down, quarantine and closure of business for more than four month on MIRAGE Bar in Arima.

**After you have identified a business problem and a business you are required to state the topic as a Research Problem.**

**The Research problem should give a brief description or explanation of the problem.**

* **What exactly is the problem**
* **Why is it a problem**
* **How long has the problem existed**

**An example of a Research Problem;**

**RESEARCH PROBLEM**

The price of gas has increase three times over the last 3 years. A difference of about $2.46 per liter over the last 3 years. This has directly affected the profitability and sustainability of a taxi driver who is a sole trader. Taxi driver who work the rural route of Arima to Brazil have not increase their fares over the last five years mainly because their customers are students and low-income earners. However, taxi drivers are finding is difficult to continue operations with the increase cost.

**SBA guidelines for marks**

Topic /issue/problem clearly stated 1 mark

Topic/issue/problem accurately describes the project 1 mark

Total 2 marks

**OBJECTIVES**

Once the problem has been identified the next step is to break down the problem into objectives. The objective are what you intend to achieve by doing the research.

For Example if your research topic is ;

An investigation into the effects of an increase in the price of gas on taxi drivers working the Arima to Brazil route.

Your objectives can be;

1. To determine the income profitability a taxi driver, driving a four {4} seater vehicle on the route Arima to Brazil.
2. To calculate the effect of an increase in the price of gas on the income of the taxi driver.
3. To examine/determine if an increase in fares are necessary/feasible in order to maintain his profitability.

**SBA guidelines for marks**

Objectives are clearly stated and linked to the topic/issue/problem 1 mark

Objectives are realistic 1 mark

Total 2 marks

**QUESTIONNAIRE**

The questionnaire for this project must gather information about the business and more importantly about the business problem and your objectives. Information about the name of the business, type of business, what the business is doing, address of the business, number of employees, financial information such as income, cost, profit from accounting documents such as balance sheet, income profit and loss and cash flow statements.

Information about the problem must also be derived.

Why is it a problem

How long has the problem existed

How is the problem affected the business

How it the problem affect the community/customers/country

Questions should be directed towards the owner/s of the business and should try to get to the root of the problem.

According to the Research Topic a second questionnaire may need to be designed to gather data from customers about the product, the business and its service.

An example of a questionnaire

**Note: A questionnaire will vary depending on the business and the problem**

**Questionnaire for the business owner:**

1. Name of business.
2. Where is the business located?
3. Who are the owners of the business?
4. What are the business opening dates and times?
5. What type of business do you have?
6. What does your business sell?
7. What has influenced you to open an auto supply place in this area?
8. What is your pricing strategy?
9. How do you advertise?
10. How long has your business been opened?
11. How many customers do you usually have on a daily basis?
12. Did you have a capital to start this business? If yes how much?
13. How would you describe your customers?
14. Do you have competitors?
15. What do you think your competitors do to gain more customers?
16. Did your customers increase or decrease over the past two (2) years?
17. Do you always make a profit on your products?
18. Do you always have the products which customers demand?
19. Do your give discounts?
20. Do you give recommendations to you customers?
21. How would your describe your sales from the past five (5) years to present?
22. What was the income for your business over the past five (5) years? (Please include figures)
23. Have you ever renovated your business?
24. How many members of staff do you have?
25. Do you have an accountant?
26. Is your staff customer friendly?

Customer’s questionnaire

1. Do you think that the prices here are reasonable?

YES ⬜ NO ⬜

1. Are you satisfied with the goods you have purchased at this auto supply place?

YES ⬜ NO ⬜

1. Are you satisfied with the services from this auto supply place?

YES ⬜ NO ⬜

1. If, you have to rate the services from this auto supply place from a scale of 1 – 10, who much would you?

1 ⬜ 2⬜ 3⬜ 4⬜ 5⬜ 6⬜ 7⬜ 8⬜ 9⬜ 10⬜

1. What would you recommend for this auto supply place to attract more customers?

* Cheaper prices ⬜
* Discounts for regular costumers ⬜
* Faster services ⬜
* Better quality of goods and services ⬜

**BACKGROUND**

The background of the business should give a brief description of the business

* The name of the business,
* Type of business,
* What the business is doing,
* Address of the business,
* Number of employees,
* How long has the business been in existence.
* Names of the owners

Most importantly there should be a background to the business problem

* Why is it a problem
* How long has the problem existed
* How is the problem affected the business
* How it the problem affect the community/customers/country
* Why is the problem important to the student.
* Brief financial information as it pertains to the problem

Example of a Background

## BACKGROUND

The purpose of this research is to determine reasons for the reduction of sales and income of Buchoon Auto Supplies. Buchoon Auto Supplies is a small business located at LP 256 Brazil Village, which is a sole trader owned and operated by Mr. Kissson Seethal. Mr. Seethal employs two employees. The business opening dates and time are Monday to Saturday from 8am to 5pm. He started the business with a capital of $10,000. This business has been in existence for 26 years.

Opened since 1992, serving the small rural community of Brazil Village and environs such as Mundo Nuevo, Talparo, Arena and San Rafael etc. Buchoon Auto Supplies, is one of only two similar business which serves approximately, 20,000 persons. As a result, its market share can be averaged to be about 10,000 persons, of which are roughly 5,000 vehicles.

The business sells supplies for vehicles maintenance such as oil, plugs, filters etc. Car parts such as shocks, lights, rubbers, seals etc. The business has diversified to include bicycle parts, household and hardware products such as tape, electrical wire, spray paint, WD 40s etc.

Over the business 26 years of existence the owner reported that his sales and income over the last five years has decreased steadily by approximately 10% every year. This has impacted upon his profit and has resulted in development of strategies such as diversification to maintain his profit margin.

An investigation into this problem is critical to the student and the community because the business provides an essential service in the community from which the students and their families benefit. If the business closes down people will have to travel ten miles to the nearest town to buy these goods. The business also creates employment and contributes through sponsorship to the community.

As a result this research aims to determine why sales and income has declined which is affecting the standard of living of Mr. Seethal.

**SBA guidelines for marks**

Includes a description of the topic/issue/problem and a

History of the problem 1 mark

Description shows the development of the problem 1 mark

Establishes the need for research

Why is the problem important to the student 1 mark

Impact of the topic/issue/problem on society 1 mark

Total 4 marks