

First term Commerce E-Lesson Note

SUBJECT: COMMERCE

CLASS: SS 3

SCHEME OF WORK

WEEK	TOPIC
1	Introduction to Business Management
2	Business Management
3	Departments in a Business Organization, Social Responsibilities of a Business
4	Structure of a Business
5	Authority: Span of Control
6	Nationalization
7	Indigenization
8	Privatization
9-10	Economic Groupings in West Africa

WEEK ONE

INTRODUCTION TO BUSINESS MANAGEMENT

CONTENT

1. Meaning of Business, Business Management
2. Resources of Business
3. Objectives of Business
4. Functions of Management

Business can be defined as the sum of all activities involved in the creation and distribution of goods and services for profit.

Business management is the act of planning, organizing, directing and controlling business resources in order to attain some set objectives.

CLASSES OF BUSINESS

1. Primary/Extractive Business
2. Processing/Conversion Business
3. Distributive/Commercial Business
4. Services Business – Concerned with the provision or marketing of intangible benefits to ultimate users such as banking insurance etc.

EVALUATION

1. Define the following terms (a) Business (b) Businessman
2. Mention four importance of business to the individual or society

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RESOURCES OF BUSINESS

1. Money: This includes all the funds available to the business such as cash, shares, working capital etc.
2. Materials: This includes tools, machinery, equipment and raw materials required to operate the business.
3. Management: This is the resource that plans, directs, controls and organizes other resources for operations to take place.
4. Opportunities: These are identified chances calling for acquisition, creation, preservation or distribution of saleable values to customers.

OBJECTIVES OF BUSINESS

Objectives are the ends towards which an activity is aimed. The objectives of a firm are the purpose for which the firm is in business. Therefore, it is a statement of where a business organization wants to be.

The Objectives of Business are:

1. To maximize profits
2. To minimize losses
3. To stay solvent
4. To produce goods and render services.
5. To provide employment opportunities
6. To protect the interest of its workers
7. To achieve, maintain or increase a particular market share
8. Social objectives e.g. payment of taxes

EVALUATION

1. Define Management
2. State five objectives of a business.

READING ASSIGNMENT

Essential Commerce for senior secondary schools by O.A. Longe Pages 231-239

WEEKEND ASSIGNMENT

1. Which of the following is not a business resource?
(a) Man (b) Materials (c) Markets (d) Machines
2. Which of the following is the most important business resource?
(a) Money (b) Management (c) Materials (d) Man power
3. Which of the following clearly defines business
(a) The process of planning, co-ordinating, organizing and controlling (b) The act of buying and selling (c) Sole proprietorship, partnership and public limited companies (d) Any production activity undertaken for profit motive
4. Which of the following is the primary objective of business? (a) Maximization of sales (b) Maximization of output (c) Maximization of profit (d) Maximization of costs.

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5. In which class of business would doctors, teachers and entertainers be grouped
(a) extractive (b) services (c) processing/conversion (d) commercial

THEORY

1. List two objectives of a firm (business organization).
2. Who decides or fixes these objectives in a business organization.

WEEK TWO MANAGEMENT OF BUSINESS

Management has been variously defined as follows:

1. The organ of leadership, direction and decision in a business enterprise.
2. The process of preparing, directing, planning and organizing people and material in order to attain business objectives.

DUTIES OF A MANAGER

1. He is the departmental head.
2. He is responsible for planning and executing work in his department.
3. Recruitment and training of workers.
4. He is responsible for delegation of duties to his subordinates.
5. He negotiates and transacts business with outsiders on behalf of the firm.
6. Maintenance of cordial relationship between his department and other departments.
7. Supervision, counseling and disciplining of subordinate staff.

FUNCTIONS AND IMPORTANCE OF MANAGEMENT

1. Planning: This involves setting objectives for an organization and choosing the best ways to accomplish them.
2. Organizing: This refers to arranging resources in order to achieve the objectives of an organization.
3. Directing: This simply means aiding the employees to perform their duties effectively. It involves leading and motivating.
4. Controlling: This refers to the act of ensuring that the organization's objectives are actually being attained and that corrections are made where lapses or deviation are discovered. It involves monitoring and evaluating activities in order to determine the progress of the organization.
5. Communication: This refers to transmitting the necessary information within the outside the organization. This is done by means of written or verbal communication.

EVALUATION

1. List five duties of a manager.
2. Write short note on the management function-controlling.

BUSINESS AND ITS ENVIRONMENT

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Business environment refers to those factors such as activities, agencies and organizations within and outside the business set-up which facilitates or hinder the achievement of a business objective.

The business environment comprises the following:

1. Economic Environment: The economic system, income level, income distribution, availability of human and natural resources.
2. Political Environment: This includes the political system, government policies, stability of political process.
3. Legal Environment: This includes the legislations and rules operating in a country.
4. Demographic Environment: This refers to the size, structure, age, sex and geographical distribution of the population
5. Soci-Cultural Environment: This includes the culture , customs, religion and way of life of the people.
6. Technological Environment: This refers to the level of technology which determines the volume and quality of production.
7. Infrastructural Environment: This refers to the availability of social and economic amenities such as road, water, electricity, telecommunication and ports.
8. International Environment: This refers to import and export regulations, policies of foreign trading partners, international trade protocol like AGOA (African Growth and Opportunities Act of the U.S.A) etc.

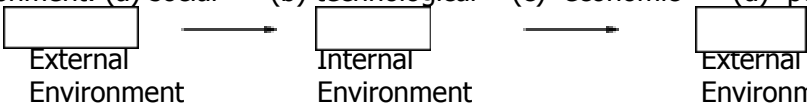
EVALUATION

1. Define the term "Business Environment".
2. Explain the Demographic Environment of a business organization showing how it affects the activities of the business.

READING ASSIGNMENT

Essential Commerce for senior secondary schools by O.A. Longe. Pages 231-239

WEEKEND ASSIGNMENT

1. Which of these set of external environmental factors affect a business operation (a) competition, industry and product (b) competition, labour and political (c) political cultural (d) economic, social and legal
2. The market structure, business conditions and financial systems in Nigeria constitute the ____ environment. (a) social (b) technological (c) economic (d) political
3. 

Which of the following sequences can best fit into the structure above (a) people – control – ideas (b) materials – production-ideas (c) materials – production – product (d) finance – marketing-production
4. The setting of objectives and determination of the best way to achieve them are known as ____ (a) controlling (b) organizing (c) directing (d) planning

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5. In a business environment, which of the following variables can a business conveniently control (a) product (b) culture (c) economy (d) the laws

THEORY

1. Explain what is meant by the external environment of a business.
2. Mention five groups of people to whom a business owe social responsibilities.

WEEK THREE

DEPARTMENTS IN A BUSINESS ORGANISATION SOCIAL RESPONSIBILITIES OF A BUSINESS.

CONTENT

1. Departments in a business organization.
2. Functions of the departments.
3. Social responsibilities of a business.

DEPARTMENTS IN A BUSINESS ORGANISATION

Business organizations are usually divided into different departments on the basis of their functions. The typical departments to be found in a business organization include:

1. Personnel Department.
2. Accounts / Finance Department
3. Training & Manpower Development Department
4. Production Department
5. Sales Department
6. Marketing Department
7. Administration Department
8. Maintenance Department
9. Mails Department etc.

FUNCTIONS OF THE PERSONNEL DEPARTMENT

1. Recruitment of staff to fill vacant positions.
2. Handling of staff welfare matters including arrangements for medical care, safety etc.
3. Discipline of staff – including suspension, demotion and dismissal.
4. Appraisal, promotion and fixing of the remuneration of employees.
5. Effecting inter and intra departmental transfer of relevant staff.
6. Maintenance of good industrial and labour relations thereby ensuring industrial peace.
7. Liaising with trade unions within and outside the organization.
8. Organizing courses for staff e.g. induction course, seminars, workshops and symposia.
9. Human Resources Planning – i.e. planning and projecting the manpower needs of the organization and designing ways of meeting them.
10. Keeping of personnel (Staff) records.

FUNCTIONS OF THE FINANCE/ACCOUNTS DEPARTMENT

1. Control of expenditure or costs.

First term Commerce E-Lesson Note

2. Keeping of proper books of account i.e. recording of the financial transactions of the business.
3. Collection of money being paid to the organization.
4. Payment of money on behalf of the organization.
5. Preparations /payment of staff salaries.
6. Advising management on financial matters

EVALUATION

1. State four functions of the Personnel Department.
2. What is the difference in the functions of the Sales Department and the Marketing Department

SOCIAL RESPONSIBILITIES OF A BUSINESS

Social responsibility of business is the ethical and moral responsibility of a business to the society. It refers to social obligations which could sometimes extend beyond legal and economic obligations. Businesses therefore have a moral responsibility to protect and improve the welfare of society.

Businesses have the following social responsibilities.

1. Responsibility to the Government also known as legal responsibility. It includes such obligations as complying with the law, payment of taxes, duties and levies.
2. Responsibility to Customers: This defines the obligation to offer quality product and services that will satisfy the wants of the customers.
3. Responsibility to the Community: This is a voluntary obligation but helps in acquiring good image for the organization. It includes provision of social amenities such as water, roads, schools, hospitals, town halls, scholarships, sponsorship of projects etc.
4. Responsibility to Employees: This includes the provision of working tools, conducive working environment, staff welfare package, training and staff development programmes.
5. Responsibility to Shareholders: This includes making adequate profit and declaring commensurate dividends.

EVALUATION

1. Who are the stakeholders in a business organization?
2. Explain what is meant by social responsibility of business.

READING ASSIGNMENT

Essential Commerce for senior secondary schools by O. A. Longe. PageS 231-240.

First term Commerce E-Lesson Note

WEEKEND ASSIGNMENT

1. Social responsibility is the ability of an organization to ____ (a) meet the needs of its community (b) operate without disrupting the very essence of the environment (c) contribute to sustaining and developing its community (d) maximize its profits at all times
2. When a business enterprise provide free services to its environment the service is said to be a ____ (a) civic responsibility (b) philanthropic consideration (c) social responsibility (d) political consideration
3. In an organization civic consideration arises from ____ (a) its social negative impacts on the community (b) its operations within the environment (c) the profit derived from the environment (d) the fact that it is registered in that locality
4. Proper disposal of wastes by business firms it one way of discharging their responsibility to the ____ (a) government (b) environment (c) community (d) customers
5. The selection and promotion of staff in an organization is the function of the _____ department. (a) marketing (b) finance (c) personnel (d) production

THEORY

1. State five functions of the finance department in a business establishment.
2. List five ways in which a business discharges its social responsibilities to the society.

WEEK FOUR STRUCTURE OF A BUSINESS

CONTENT

1. Structure of Business
2. Organization Chart
3. Types of Organizational Structure.

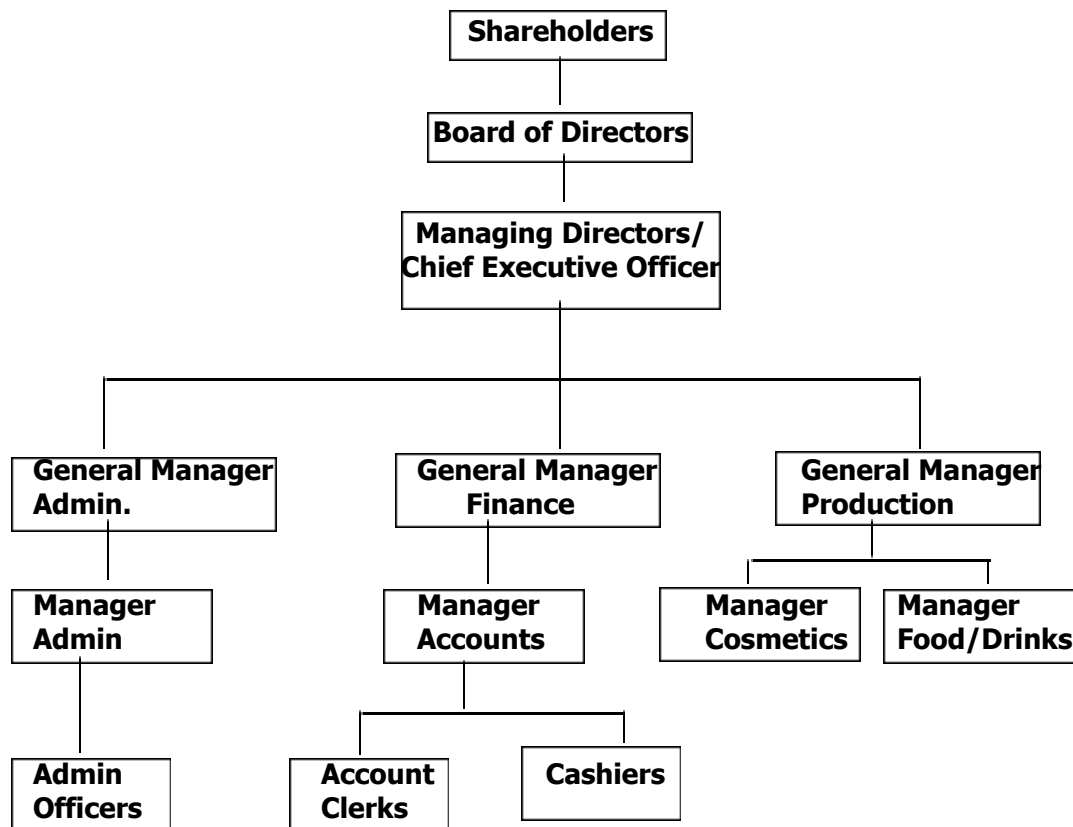
Organizational structure is the framework by which tasks are divided, grouped and co-ordinated. It entails the division of the activities of a business organization into departments, division, units and sub-units and the allocation of positions, responsibilities and authorities to the official of a business.

USES (PURPOSES) OF AN ORGANISATION CHART

1. It shows the line of authority and responsibilities in an organization.
2. It shows the relationship between the various departments and functionaries in an organization.
3. It is used to show the channel of communication/information within the organization.
4. It shows the various positions in an organization.
5. It also shows the status and role of each member of organization.
6. It shows the span of control of each supervisor or manager.
7. The whole organization structure of the form can be seen at a glance.
8. It is easier to analyze and review the structure of the organization when it is represented graphically.

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ORGANIZATION CHART OF XYZ LTD.



EVALUATION

1. What is an Organization Chart?
2. Draw the organization chart of a named business organization.

TYPES OF ORGANISATIONAL STRUCTURE

1. Line Organization: This refers to the direct working relationship between the subordinates and the superiors in which the line of authority and responsibility flow from the top executives to the lowest subordinates.
2. Functional Organization: This applies where the activities of the organization are arranged according to the basic functions of the business undertaken. Therefore similar or related activities are grouped together under each department.
3. Committee Organization: This applies where a group of people are appointed to carry out special duties. A committee, for instance may be set up to make recommendations or to execute projects.

EVALUATION

First term Commerce E-Lesson Note

1. Explain the term organizational structure
2. List and explain three types of organizational structure.

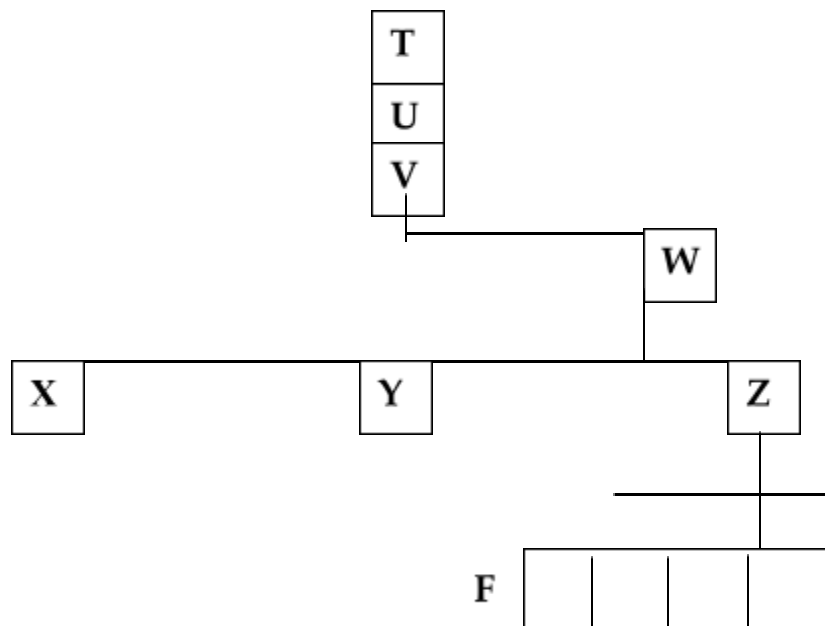
READING ASSIGNMENT

Essential Commerce for senior secondary schools by O. A. Longe page 231-240

WEEKEND ASSIGNMENT

Use the chart below to answer all the questions that follows.

ORGANIZATION CHART OF CADBURY NIGERIA PLC



1. In which of the boxes in the organization chart would you locate the shareholders of CADBURY NIGERIA PLC. (a) F (b) X (c) V (d) T
2. The position of the Department Manager would be located in Box (a) T (b) X (c) W (d) U
3. The Board of Directors of Cadbury Nigeria Plc. Would be in box (a) V (b) U (c) W (d) T
4. The position of the Accounts Clerk would be located in box. (a) F (b) T (c) V (d) U
5. The Managing Director would be located in box. (a) T (b) W (c) V (d) U

THEORY

1. What is an Organization Chart?
2. State two functions of the Administration Department of a business organisation.

First term Commerce E-Lesson Note

WEEK FIVE

AUTHORITY: SPAN OF CONTROL

CONTENT

1. Meaning of Authority
2. Delegation of Authority
3. Span of Control
4. Definition of Marketing
5. Functions of Marketing

AUTHORITY

Authority is defined as the right to give orders or command (directive) and enforce compliance (obedience) to the order. Authority may be used directly or delegated.

Delegation of Authority: This is a practice whereby decision making powers and authority to handle a particular assignment is transferred to a subordinate by a superior officer. The superior will however assume responsibility for the success or failure of the task undertaken by the subordinate.

ADVANTAGES OF DELEGATION OF AUTHORITY

1. It reduces the work load of the superior officer.
2. It prepares or trains the subordinate for higher responsibilities.
3. It quickens decision making.
4. It helps in motivating and boosting the morale of subordinates.
5. It enhances speedy execution of jobs.
6. It enhances communication flow within the organization.
7. It makes smooth succession possible – the subordinates are adequately prepared to take over in case the superior suddenly retires, dies or is transferred.
8. It can lead to cordial relationship between subordinates and the superior.
9. It develops the subordinate's managerial skills.

EVALUATION

1. What is delegation of authority?
2. State five advantages of delegation of authority.

DISADVANTAGES OF DELEGATION OF AUTHORITY

1. Delegated power may be abused or misused by subordinates.
2. It leads to duplication of efforts at different level of the organization.
3. There is risk that the subordinate may make costly mistakes.
4. It may encourage superior officers to abandon or dodge their responsibilities.
5. The temporary nature of delegated powers may make it unappealing to subordinates.
6. It may lead to confusion and conflict within the organization e.g. charges of favoritism of particular staff, role conflicts – i.e. where the subordinate performs better than the superior officer.
7. Delegation may affect the quality of job especially where the subordinate is less experienced.

First term Commerce E-Lesson Note

SPAN OF CONTROL

This refers to the number of subordinates a manager can effectively control or the number of subordinates working with a superior officer.

Factors determining the Span of Control

1. The nature of the work.
2. The ability of the manager/supervisor/superior officer.
3. Extent of training given to the subordinates.
4. Number of subordinates available for work.
5. The size of the organization.
6. The structure of the organization (e.g. the extent of departmentalization)

EVALUATION

1. State four reasons why a manager may be reluctant/or refuse to delegate authority.
2. List five disadvantages of delegation of authority.

READING ASSIGNMENT

Essential Commerce for senior secondary schools by O. A. Longe. Pages 292-300; 251-256.

WEEKEND ASSIGNMENT

1. The number of subordinates that a manager can effectively supervise at a particular time is known as ____ (a) authority(b) delegation(c) span of control(d) responsibility
2. The principle of span of control stipulates that ____ (a) an employee should report to only one superior (b) managers must demand accountability from their subordinates (c) resources have to be economized within the various divisions (d) the number of employees reporting to one superior should be kept to a workable maximum
3. The direct authority of a superior over his subordinate is known as _____ authority. (a) staff (b) line (c) line and staff (d) lateral
4. Staff position in an organization borders on ____ (a) authority(b) advice (c) responsibility (d) control
5. The process of dividing tasks into jobs and departments and of delegating authority is known as ____ (a) leading (b) directing(c) organizing (d) staffing

THEORY

1. Define the following terms.
 - (i) Authority
 - (ii) Responsibility
2. State five factors that determines span of control.

First term Commerce E-Lesson Note

WEEK SIX NATIONALIZATION

NATIONALIZATION

This is the taking over (or transfer of ownership) of privately owned business enterprises by the government for economic, social and political reasons. Such industries involved are known as NATIONALISED INDUSTRIES and the individual owners of the affected industries are paid compensation by the government.

REASONS WHY GOVERNMENT NATIONALIZE INDUSTRY

1. To prevent the exploitation of the consumers.
2. For security, strategic and political considerations.
3. To provide employment for the citizens.
4. To generate revenue that will be used for development.
5. To ensure fair and equitable distribution of social and economic amenities.
6. To break private monopoly power.
7. To provide the large capital required to run some business which private owners may not be able to afford.

ADVANTAGES OF NATIONALIZATION

1. It eliminates wasteful competition.
2. It enables the government to provide essential goods and services to consumers at affordable prices.
3. It is used by the Government to control or prevent exploitation of consumers.
4. It provides employment opportunities.
5. It leads to the elimination of private monopolies.
6. It enhances Government control of the economy.

EVALUATION

1. State five reasons why government will nationalize an industry.
2. State five advantages of Nationalization.

DISADVANTAGES OF NATIONALIZATION

1. It destroys private initiatives.
2. It promotes state monopolies.
3. Nationalized businesses become inefficient.
4. Corruption and embezzlement is rampant in nationalized industries.
5. Bureaucracy and political interference in the operations/management of nationalized industries.

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DIFFERENCES BETWEEN NATIONALISED INDUSTRY AND PUBLIC LIMITED COMPANY

S/ N	AREAS OF DIFFERENCE	NATIONALIZED INDUSTRY	PUBLIC LIMITED COMPANY
1	Ownership	Owned by the government	Owned by shareholders
2	Aim	To provide essential services	To maximize profit
3	Capital	Provided by the government	Provided by shareholders
4	Control	Controlled by the Board of Directors appointed by the government.	Controlled by the Board of Directors elected by shareholders.
5	Formation	By decrees or Acts of Parliament	Incorporated under CAMA(1990)
6	Publication of Account	Account is not usually published	Account must be published

EVALUATION

1. What are the main objectives of nationalization?
2. State five differences between nationalized industry and public limited company.

READING ASSIGNMENT

Essential Commerce for SSS by O.A. Longe page 240-244.

WEEKEND ASSIGNMENT

1. Which of the following is an advantage of nationalization? (a) Checking exploitation of citizens(b) Business risks are shared (c) Fosters self-reliance (d) leads to monopoly of power
2. The act of bringing a privately owned business under exclusive state ownership and control is referred to as ____ (a) commercialization(b) indigenization(c) nationalization(d) privatization
3. Which of the following is not a reason for nationalizing an industry? (a) Monopoly (b) Strategy (c) Inflation (d) Security
4. Abuse of monopoly power by industrialists could lead to ____ (a) privatization (b) commercialization (c) nationalization (d) indigenization
5. The transfer of ownership of a business from private individuals to the Government of a country is known as ____ (a) privatization (b) indigenization (c) nationalization(d) commercialization

THEORY

1. Define the term nationalization.
2. State three disadvantages of nationalization.

First term Commerce E-Lesson Note

WEEK SEVEN INDIGENIZATION

CONTENT

1. Meaning of Indigenization.
2. The Nigerian Enterprises Promotion Decree 1972 & 1977
3. Advantages and disadvantages of Indigenization.

INDIGENIZATION

Indigenization is the policy initiated by the government to ensure and accelerate the participation of Nigerian citizens in the ownership and management of business organizations hitherto owned by foreigners. Indigenization transfers ownership of some foreign business operating in Nigeria to indigenous entrepreneurs. The major objective is to reduce the power of control of the economy by foreigners.

THE NIGERIAN ENTERPRISES PROMOTION DECREE 1972

This was the first attempt to ensure that Nigerians were participating actively in the economic development of their country, through the ownership and management of enterprises. The federal government promulgated the Nigerian Enterprises Promotion Decree in 1972. The Decree was divided into three schedules or phases.

SCHEDULE 1

This covers enterprises or businesses reserved exclusively for Nigerians. These businesses which are small-scale in nature include:

- a. Cinemas
- b. Hair dressing
- c. Retail trade
- d. Block making
- e. Clearing and forwarding
- f. Printing and publishing of newspapers etc.

In all about forty businesses were reserved for Nigerians i.e. Nigerians must have 100% equity participation.

SCHEDULE 2

This covers about fifty seven businesses that can be undertaken by foreigners so long as Nigerians hold or have not less than sixty percent participating (or equity) shares. Such businesses include banking, insurance, construction, mining, breweries etc.

SCHEDULE 3

This covers businesses which are open to foreign investments provide Nigerians hold not less than forty percent participating shares. The businesses under this schedule include textile, tobacco and drug manufacturing hotels, airlines, telecommunication etc.

The Nigerian Enterprises Promotion Decree was amended (revised) in 1977.

EVALUATION

First term Commerce E-Lesson Note

1. What is Indigenization?
2. Differentiate between Indigenization and Nationalization.

ADVANTAGES (IMPORTANCE OR OBJECTIVES) OF INDIGENIZATION

1. Increase in participation of indigenes in the economy.
2. Reduction of foreign control of the economy.
3. Encouragement of local retention of profit.
4. Promotion of industrialization.
5. Creation of employment opportunity for citizens.
6. Enhancement of self-reliance i.e reduction in dependency on foreign powers.
7. Improvement in standard of living of citizen.
8. Economic stability of the country.

DISADVANTAGES OF INDIGENIZATION

1. It discourages foreign investors.
2. It resulted in concentration of wealth in the hands of few indigenes.
3. It widens the gap between the rich and the poor.
4. It leads to economic instability.
5. It may result in the retaliation by foreign countries affected by the policy.
6. It may lead to political instability.

EVALUATION

1. State six advantages of the indigenization policy.
2. What are the criticisms leveled against indigenization.

WEEKEND ASSIGNMENT

1. One disadvantage of indigenization is that it ____ (a) discourages foreign control of an economy (b) encourages local retention of profits (c) encourages the participation of indigenes in economic development (d) discourages foreign investment
2. The transfer of ownership of a business from foreigners to citizens of a country is known as ____ (a) privatization (b) nationalization (c) indigenization (d) commercialization
3. The Nigerian Enterprises Promotion Decree was first passed in ____ (a) 1970 (b) 1972 (c) 1977 (d) 1982
4. The least of the advantages of indigenization is that ____ (a) the standard of living of the indigenes is improved (b) the economy is controlled by the nationals (c) entrepreneurial skill is developed (d) foreigner's domination is avoided
5. The main difference between nationalization and indigenization is in terms of ____ (a) efficiency (b) profit (c) technology (d) shareholding

THEORY

1. Describe five benefits derived by Nigerians as a result of indigenity.
2. Explain the various schedules phrases of the Nigerian Enterprises Promotion Decree.

First term Commerce E-Lesson Note

First term Commerce E-Lesson Note

WEEK EIGHT PRIVATIZATION /COMMERCIALIZATION

CONTENT

1. Privatization
2. Commercialization

PRIVATIZATION

Privatization is the process whereby ownership and control of the businesses, companies, industries or co-operation are transferred from the Government (public sector) to private individual (private sector)

ADVANTAGES OF PRIVATIZATION

1. It promotes efficiency in the business that are commercialized or privatized.
2. Government generates more revenue during the implementation of policies.
3. It leads to competition and innovation as well as improvements in the quality of goods and services.
4. There is great reduction in the level of public expenditure on enterprises that are not viable.
5. It deepens or widens the capital market.
6. It gives the consumers an increases range of choice.

DISADVANTAGES OF PRIVATIZATION

1. It leads to uneven distribution of income.
2. It leads to inflation i.e. increase in prices.
3. It leads to mass retrenchment of workers.
4. It leads to the reduction (lowering) of the standard of living of the citizens.
5. Privatization process may not be transparent thereby allowing a few rich people to take over choice government business.

EVALUATION

1. What is privatization?
2. State five advantages of privatization.

COMMERCIALIZATION

Commercialization is the running of government enterprises with profit motives. It means changing from service orientation to profit orientation of government owned enterprises. The ownership and control of such enterprises will still be under the government. The provision of subvention, grants and subsidies to such enterprises are either partially or totally removed.

ADVANTAGES OF COMMERCIALIZATION

1. It promotes efficiency.
2. It generates funds for government.
3. Reduction of government's expenditure.
4. It promotes the principle of accountability.
5. It makes the enterprises to be self-sufficient.

First term Commerce E-Lesson Note

6. It enhances the competitiveness of such commercialized enterprises.

DISADVANTAGES OF COMMERCIALIZATION

1. It may lead to reduction of work force.
2. It may lead to increases in price of goods and services.
3. It may lead to exploitation of the consumer.
4. It may lead to uneven distribution of wealth.

EVALUATION

1. What is Commercialization?
2. Differentiate between Commercialization and Privatization.

WEEKEND ASSIGNMENT

1. The federal government made effort at rendering public enterprises more efficient and profit-oriented through the process of ____
2. The commercialization of public enterprises is aimed at ____ (a) increasing efficiency and self-sufficiency of the enterprises (b) advertising and promoting the goods and services of the enterprises (c) selling the goods and services of the enterprises (d) changing the management of the enterprises.
3. The agency that currently oversees the privatization and commercialization processes in Nigeria is the ____ (a) Securities and Exchange Commission (b) Technical Committee on Privatization (c) Nigerian Stock Exchange (d) Bureau of Public Enterprises
4. A core investor in the current phase of privatization in Nigeria is one who ____ (a) can mobilize foreign currency equivalent to the value of the enterprises (b) can afford to buy most of the shares of the enterprises (c) will be at the core of the enterprises (d) has the technical know-how of the enterprises.
5. A major benefit derivable from the privatization and commercialization of public enterprises in Nigeria is ____ (a) revenue generation (b) information technology (c) employment generation (d) increase in wages

THEORY

1. Differentiate between Privatization and Indigenization.
2. List five disadvantages of Commercialization.

WEEK NINE AND TEN ECONOMIC GROUPINGS IN WEST AFRICA

CONTENT

1. Economic Community of West African State.
2. Niger Basin Commission
3. Lake Chad Basin Commission

ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

ECOWAS was established on May 28th, 1975 after the treaty establishing it was signed in Lagos, Nigeria. The member countries of ECOWAS are:

First term Commerce E-Lesson Note

- | | | | | |
|------------------|-------------|-----------------|-----------|------------------|
| 1. Sierra Leone | 2. Gambia | 3. Cape Verde | 4. Guinea | 5. Guinea Bissau |
| 6. Cote D'ivoire | 7. Liberia | 8. Burkina Faso | 9. Mali | 10. Mauritania |
| 11. Niger | 12. Nigeria | 13. Senegal | 14. Benin | 15. Togo |

AIMS AND OBJECTIVES OF ECOWAS

1. Promotion of co-operation and development among member countries.
2. Abolition of trade restriction among member countries.
3. Establishment of common tariff against the rest of the world.
4. Removal of all obstacles to free movement of goods persons and capital among member countries.
5. Harmonization of agricultural policies
6. Implementation of infrastructural schemes and joint developmental projects in the area of transportation, energy etc.
7. Harmonization of monetary policies of member countries
8. Harmonization of economic and industrial policies among member countries
9. To establish a common fund for co-operation, compensation and development.

ACHIEVEMENT OF ECOWAS

1. Expansion of market for goods.
2. Reduction in tariff between member countries.
3. Execution of joint projects e.g. road.
4. Establishment of ECOMOG to ensure peace and security in the sub-region.
5. Fostering of unity and sense of belonging.
6. Free movement i.e. enhanced mobility of labour and capital.
7. Enhanced efficiency due to increased competition.

EVALUATION

1. List five member countries of ECOWAS.
2. State ten objectives of ECOWAS.

PROBLEMS OR FAILURE OF ECOWAS

1. Language differences among member countries.
2. Currency differences among member countries.
3. Irregular payment of contribution /dues by member states.
4. Existence of blocs with the organization i.e. Anglophone and Francophone blocs
5. Affinity of some member state to their former colonial masters.
6. Constant military coups, wars and political instability in member states
7. Weak national link with the secretariat
8. Fear of dominant and unequal development

NIGER BASIN COMMISSION (NBC)

First term Commerce E-Lesson Note

The NBC was established in 1964 via the act of Niamey signed by the nine member countries, namely Nigeria, Niger, Benin, Mali, Guinea, Cote d'Ivoire, Chad, Cameroun and Burkina Faso. The headquarters of the commission is located in Niamey, Niger Republic.

AIMS AND OBJECTIVES OF NBC

1. To ensure the most effective and beneficial use of the waters and resources of River Niger.
2. To collect, evaluate and disseminate data on the basin.
3. To recommend to the Governments of member countries plan for the judicious use of the Niger Basin.
4. To guarantee the freedom of navigation for all member nations on the river.
5. To foster closer co-operation among member nations.
6. To handle complaints and settle disputes arising from the use of River Niger by member nations.

LAKE CHAD BASIN COMMISSION (LCBC)

The LCBC was established in 1964. It has four member countries namely Nigeria, Niger, Chad and Cameroun.

AIMS AND OBJECTIVES OF LCBC

1. To regulate the exploitation of the Lake Chad resources.
2. To examine member countries plan for Lake Chad.
3. To ensure co-operation and mutual benefit in the tapping of resources of Lake Chad.
4. To harmonize the plans and policies of member countries in relation to Lake Chad Basin

EVALUATION

1. State five problems of ECOWAS.
2. List four objectives of the Niger Basin Commission.

READING ASSIGNMENT

Essential Commerce for SSS by O.A. Longe page 256-261.

WEEKEND ASSIGNMENT

1. The national headquarters of Niger Basin Commission is at ____ (a) Lagos (b) Niamey (c) Yaounde (d) N'djamena
2. Which of the following countries is NOT a member of Lake Chad Basin Commission. (a) Benin (b) Chad (c) Cameroun (d) Niger
3. Which of the following countries is not a member of ECOWAS. (a) Nigeria (b) Gambia (c) Sierra Leone (d) Cameroun
4. One of the following is not a problem of ECOWAS. (a) increase in competition (b) increase in social vices (c) currency differences (d) political instability
5. Which of the following is a sub-regional organization. (a) OAU (b) UNO (c) Common wealth (d) ECOWAS

First term Commerce E-Lesson Note

THEORY

1. List three achievement of ECOWAS.
2. State two objectives of the LCBC.