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**A SUMMARY ON
THE MODEL TRAINING PACKAGE AND PROGRAMME**

(Project: US/CPR/93/015, Contract: 94/069)

Prepared for

**United Nations Industrial Development Organisation
and
All China Women's Federation, PRC**

by

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A SUMMARY ON THE MODEL TRAINING PACKAGE AND PROGRAMME

I. Introduction

The model training package in Mandarin is developed for the purpose of assisting the PRC trainers to conduct a three-week Women Entrepreneurs Management Training Programme (EMTP). A summary of the proposed EMTP and the model training package are given in section II and III respectively.

II. Women Entrepreneurs Management Training Programme

The Women Entrepreneurs Management Training Programme (EMTP) should be a three-week full time programme. There will be two sessions per day. Each session is a three-hour classroom session. Hence there will be 30 sessions for a three-week programme. There should not be any lessons on Saturdays and Sundays. This is to allow the participants to do their self study and have their group discussions.

The EMTP will consist of four main modules. They are

- a. Marketing Management and International Marketing (8 sessions)
- b. Human Resource Management and Leadership (7 sessions)
- c. Strategic Management (6 sessions)
- d. Finance and Accounting (6 sessions)

These four modules will take up 27 sessions of the programme. It is recommended that the other 3 sessions be used to invite successful township enterprise entrepreneurs to share their experiences with the participants. It can take the form of delivering a speech on a specific management topic or a close door discussion.

III. Module Training Package: Objective and Contents for each Module

A. Marketing Management and International Marketing

(Prepared by Mr Leong Choon Chiang)

Objectives:

The module aims to achieve the following

1. To familiarise the participants with the varied components of the markets and the meaning of marketing and sales.
2. To take a broad look at marketing mix, i.e. Product, Price, Place, and Promotion in marketing.
3. To acquaint the participants with the concept of consumer behaviour, marketing research, marketing planning and its operations.
4. To perform analysis on existing products, market and competitions. How to adapt the product to match the needs and wants of the customers.
5. To understand the promotional tools which will enable prospective customers to buy the products and services.
6. To examine the foreign trade system, and the economic, political, legal, and cultural environments that affect international marketing. To discuss the major issues in international marketing: choice of market, entry modes, mega-marketing, and the need to adapt the marketing mix.

Proposed Number of Sessions: 8 sessions

Summary of Contents and Proposed Schedule:

Session 1

1. Overview

The foundation of marketing is exchange, in which one party provides to another party something of value in return for something else of value. In a broad sense, marketing consists of all activities designed to generate or facilitate an exchange intended to satisfy human needs. According to the marketing concept, a firm is best able to achieve its performance objectives by adapting a customer orientation and co-ordinating all of its marketing activities. Marketing is practised today in all modern nations, regardless of their political philosophies.

Readings:

Levitt, T. "Marketing Myopia"--A classic article on the importance of adopting the marketing concept.

Leong C. C. "How to Conduct Case Study--An Effective Management Learning Tool"

Session 2

2. Marketing Research and Market Target

Marketing research is needed to cope with competitive pressure, expanding markets, the cost of making mistake, and growing customer expectations. For a company to operate successfully, management must collect relevant data for information in decision making. Research is conducted internally and purchased externally from specialised firms.

Most marketers adopt some form of market segmentation which is customer oriented. It enable a company to make more efficient use of its marketing resources. The total market may be divided

into two broad segments: ultimate consumers and business buyers. Management is to service one or more selected target markets.

Readings:

Leong C. C. "Marketing Strategies"--A varieties of strategies and sales promotion techniques applicable in a given situation.

Case Study

"Creation of a New Tourist Attraction: Tang Dynasty Village"

To illustrate the application of marketing research and the processes in creating a new tourist product.

Session 3

3. Consumer and Business Buyer Behaviours

Consumer's willingness to buy is determined by information, sources, social environment, psychological factors, and situational forces. The buying decision process is composed of six stages in making purchases. The business buyers buy goods and services to produce other goods and services. The concept of a buying centre reflects the multiple buying influences in business purchasing decisions. In a typical buying centre, there are people playing the roles of users, influencers, deciders, gatekeepers, and buyers.

Session 4

4. Marketing Mix Strategies--Product

Target markets are selected in keeping with the firm's marketing goals. The marketing mix is a strategy combinations of four Ps which will achieve these goals in the target markets. This section defines the term product, considers the importance of product planning and new product development. Other product strategies consist of product mix, management of product life cycle, and the role of product features such as branding, packaging and quality.

Case Study

"Active Detergent"

To illustrate designing and introducing a new consumer product in a highly competitive consumer marketplace.

Session 5

5. Pricing Product

Having completed product planning, the next step is pricing. It is necessary to understand how to determine the base price for a product that is consistent with the company's pricing objectives. Several pricing methods are demonstrated by examples. Next, the company must decide on strategies such as discounts and value pricing to employ in modifying and adjusting the base price.

Case Study

"Northern Hotel"

To illustrate computation of total cost pricing which includes fixed cost and variable cost.

Session 6

6. Distribution Channel: Placing Product

The next strategy to be employed is placing or distribution system—the mean for getting the product to the market. The distributing part of the marketing mix encompasses several broad topics: strategies for selecting and operating distribution channels; the retailers; the wholesalers used in the distribution. The primary purpose is to physically distribute materials and supplies to the production facilities and then moving finished products to target markets.

Session 7

7. Promotion Strategy

Promotion comprises four major tools: advertising, personal selling, sales promotion, and public relations. Promotion is communications. The purposes are to inform, persuade and remind customers.

Advertising is the non personal mass communication component in a company's promotional mix. It can be directed to consumers or business buyers. Advertising expenditures are large. A difficult task in advertising management is evaluating the effectiveness of the effect.

Sales promotion consists of demand-stimulating device designed to supplement ad and facilitate personal selling. Public relations is a tool to favourably influence attitudes toward a company, its products, and its policies.

The personal selling process consists of prospecting, pre-approaching, presentation, and post sales activities. The sales management process involves planning, implementing, control, and

evaluating sales-force activities. The task of organising and operation a sales-force present managerial challenges in several areas.

Readings

Leong, C. C., "Public Relations: A Key to Market Entry"--Using public relations in new product and service introduction as well as in handling crisis management of an organisation. The techniques in writing news release to create publicity.

Case Study

"Perdue Foods Inc."

To illustrate the application of marketing mix strategies in converting a commodity into a successful differentiated product.

Session 8

8. International Marketing

International trade contributes to the growth of a nation's economy. Trade surpluses are needed to offset deficits in other balance-of-payment categories. In recent year, the balance of trade for a nation has been adversely affected by preferences for imported products, entry barriers, protectionism, government policies, as well as growing competition among nations.

International marketing must likewise response to the wave of macro-environmental changes. Difference in social and cultural environment are reflected in family values, customers, education, and language. Critical economic conditions include the infrastructure in a market and a country's stage of economic development. Political and legal forces unique to international marketing are trade barriers and international trade agreement. Megamarketing, which consists of six Ps, is a new concept tailored for solving international marketing problems.

In term of organisational structure, the simplest way to operate in a foreign market is to expand through middleman specialising in foreign trade. Another method is to expand through company sales branches located in foreign countries. More involved approaches include contracting, engaging in a joint venture, or forming a wholly own subsidiary. The most advanced form is multinational co-operation.

To develop an international marketing programme, a basic issue is how global or standardised the marketing can be. In some cases, each of the marketing mix elements requires modification or adaptation. This is made more difficult by the fact that marketing research is quite primitive in many parts of the world.

Readings

Leong C. C. "Trends in Multinational Co-operation Development"--The paper describes the trends in multinational co-operation development among industrialised and developing countries.

Leong C. C. "A Successful International Manager"--MNC managers face towering challenges in foreign business environment. They have to solve international management problems which are quite different from the domestic experience.

Case Study

"Coca Cola in India"

To illustrate how political and legal policies of a country forced a successful foreign investment out of the country when the management of the foreign firm failed to response to the change.

"Odysseus Inc."

An entrepreneur facing the pressure of rising cost locally and the threat from foreign competition. He has to make important decision on several options available for him to enter the foreign markets.

B. Human Resource Management and Leadership

(Prepared by Professor Raymond Kao)

Objectives:

Designed to improve women entrepreneurs' human resource management skills and enhance their leadership role in China's township enterprises. The module places particular importance on the theoretical framework and applications of how theories and western practice work in conjunction with Chinese wisdom and in the women owner/managed township enterprise environment. The focus of the module may best be described as an effort for participants to identify themselves with an overall objective to improve their competence, confidence and leadership role with the enterprise and society.

Proposed Number of Sessions: 7 sessions

Contents and Proposed Schedule:

Session 1

1. Introduction

It provides an overview about human resource development and personnel management, and their conceptual base and their differences.

1. 1. Differences between human resource development and personnel management in the enterprise development discipline.

The owner/manager in a small medium enterprise is the leader among those working in the enterprise. He/she more likely will be inclined to be the person requiring more interpersonal skills to deal with people relations, and human resource development, whereas the personnel management function is normally performed by staff personnel, leaning more on the technological aspect of management, relying on regulations, systems and procedures. Since both human resource

development and personnel management evolve on the essential service to people, therefore, both functions require good human skills and technological competence to build an enterprise through people, differing only under certain circumstances.

1. 2. Understanding the differences between large corporate entity's personnel management policy and entrepreneur managed small and medium enterprise's human resource development strategy. In principle, human resource development is the same regardless the size of the business operation. However, they differ in practice, most small and medium enterprises tend to be managed personally by owner/managers, while large corporate entities are normally managed through delegation and greatly emphasised staff control.

Case Study and Assignment

There are four discussion questions and two cases to be used with discretion to deal with complicated human resources management challenges. The case material is drawn from an actual situation, with modification for classroom use. Both cases involve female employees whose personal misfortunes affect their work. Participants are required to take different positions (as a general manager, and as a personnel director) to express their views. The cases should provide insight on different point of view that can be possessed by either the general manager or personnel director. It is suggested to use the "role play" approach to gain optimum result in learning.

2. Human Resource Development, Personnel Management, and Related Theories

2. 1. To introduce fundamental principles in human resource development and personnel management

The focus of this section is to introduce important western behaviour, and need theories to the participant. More significantly, how these theories relate to what is already practised in China, so participants can relate to and make better use of these theories.

2. 2. Behavioural theories and their applications

Among the essential western theories governing human resource development and personnel management there are those advanced by Douglas McGregor and his theories X and Y, and Maslow's need theory as well as Likert's systems 1 and 4 theories that support theories X and Y. Theory Z, a theory essentially adapted from Japanese practice but without Japanese culture is also introduced. Special reference is being made with respect to personnel management strategy that is now practised in some township enterprises in the Province of JianSu, China and how this strategy resembles theory Z is also explained.

2. 3. Needs theories

Maslow's need theory is being introduced as a step up accumulative process, and explains how and why a lower and single need is easier to satisfy, whereas a higher need and total needs are difficult to satisfy. It is expected that these theories can be used to guide the formulation of personnel management policies for the township enterprises. As a matter of illustration two actual situations reflecting human needs are discussed.

2. 4. Individuals' entitlement for need satisfaction

This section stresses the importance for owner/managers of small and medium enterprises to appreciate that it is justifiable for individuals to have the opportunities to satisfy his/her needs, while at the same time introduce a simple strategy by making individuals to express their personal goals to the enterprise at the first opportunity, such as: to incorporate such information in the job application form.

2. 5. The need for ownership

As the fundamental challenge of entrepreneurship, the issue of ownership is also explored and explained as well as what could be done in small and medium enterprises.

Assignment

Five discussion questions designed to stimulate participants' interest in relating chapter material with applications.

Session 2

3 Motivation

3.1 Motivation as the foundation for human resource development and personnel management

Needs generate motivation, people are motivated to act, or not to act, think or not to think and/or any other forms of behaviour. The efforts of the chapter are therefore, devoted to examine and bridge the needs and the fundamentals of motivation. It also explains that motivation can only be effective if method of motivation is appropriately applied on the basis of:

- Knowledge of the individual's need.
- How such need can be satisfied.
- Time, place and circumstances.

3.2 Effective motivation: time, place and circumstances

The section uses a case situation to illustrate how people can be effectively motivated if the time, place and circumstances justify a given motivation. In addition, an attempt is made to use Japan's economic success as an example to explain how unfavourable circumstances can motivate people collectively to strive for the achievement of a common goal.

Assignment

Five questions were appended for participants to expand their understanding about motivation at work. All questions are intended to make it possible for the individual to identify themselves with them, including the discussion on how to motivate individuals to be dedicated to their work, how various needs motivate individuals to attain their personal desire to build competence, confidence and self-esteem as well as creative and innovative challenges.

Case Study

One case is provided to gain an insight on how company policies and methods are used to motivate managers' behaviour, which is more often than not, manipulable. The case amplifies the use of

profit centre concept, and through the discussion and analysis, participants should further their understanding on matters on how the system motivates. More importantly, how to use the system to properly motivate to achieve enterprise goals.

Session 3

4. From Personal Value, Enterprise Culture to Human Resource Planning and Development

4. 1. Value, the cornerstone for human resource development

The traditional corporate approach to human resource management assumes individuals in the corporation are obligated to submit themselves to corporate culture whereas a corporate culture, more often than not, represents the shareholders interest. In an entrepreneur managed small and medium enterprise, a Chinese township enterprise's culture associates with people working in the enterprise and in the interest of people in the township. Under the circumstances, an individual in the enterprise is inseparable from the firm, therefore, his or her personal value is part of the enterprise value and enterprise culture.

4. 2. What is an individual's personal value?

The section attempts to open a new ground in human resource development, focusing on the individual and illustrating how an individual's personal value can be part of the enterprise value, welding both the individual value and enterprise value into the enterprise culture. It also explains how this culture could be the purpose of the enterprise to guide individual efforts and help to shape the purpose of an enterprise in the marketplace. An attempt is also made to bridge some of China's ancient value and enterprise culture, so the participants can visualise themselves in shaping the enterprise culture process through integration of the personal value of every individual.

4. 3. Integrating personal value into enterprise culture

"The model of integrating personal value into the enterprise culture" is a diagram developed to further its application through human resource planning, and it is used as the motivational force that imbeds into human resource planning for human resource development.

4. 4. Enterprise culture

The section attempts to focus how an enterprise culture is formulated on the basis of the determination to compete in the globalized marketing environment and use it as a spring board further into subsequent chapters of human resource development and leadership module.

4. 5. The importance of an enterprise culture in the globalized marketing environment

This section concludes the chapter with an attempt to integrate enterprise culture, China's role in the global trade and China's township small and medium enterprises challenge.

Assignment

All seven questions are directly related with the concept of value, and how an individual perceives his or her personal value relating to profit, family value, and with an effort to introduce J. R. Hicks' notion of profit, which through discussion can be the base for developing enterprise culture.

5. Entrepreneur, Entrepreneurial Leader and Entrepreneurial Leadership

5. 1. Entrepreneur and entrepreneur leader

This section explains who is an entrepreneur. Based on the author's definition, an entrepreneur is a creative and innovative individual whose purpose is to create wealth for him or herself, and add value to society. As the creator of an enterprise, the entrepreneur requires the ability to organise, and to have vision and wisdom to guide his or her actions. In the process of creation, he or she is leader by virtue of his or her creativity.

5. 2. The characteristics of an enterprise

An enterprise leader is not merely a position leader, but one who leads people to create wealth for him or herself and for those working in the enterprise, and to add value to society.

5. 3. Leader leads

An enterprise leader must have willing followers, and lead the followers to create wealth. He or she needs:

- to have a capacity that not only accommodate and appreciate people differences, but is able to benefit from them;
- to be always positive;
- to make decisions and stay on with decisions he or she makes;
- to be always supportive;
- to take risks, rather than avoid them.
- to accept criticism and always be ready for changes.

5. 4. Enterprise leader's leadership style

An enterprise leader must work with people, it should not be a person standing on top of a mountain telling everyone that "I am the leader". A leader is always with his or her followers.

Case Study

The case appended to the chapter intends to provide an in-depth understanding of the differences between a position leader and an enterprise leader. From a general discussion built around the case with respect to how should a leader leads his followers, participants are requested to make a comparison between the head of a family (as a leader) and an entrepreneur manager of a small medium enterprise.

Session 4 and 5

6. *Delegation and Policy Participation*

6.1 Entrepreneur managers need for delegation and steps needed to make delegation effective
The section explain what a "delegation" is, and its benefit. And it is emphasised, the "delegation", in effect, is a form of investment. Steps are outlined to illustrate how "delegation" can be effectively implemented in small and medium enterprise situations.

6.2 Staff policy participation

Various forms of inviting the staff to participate in enterprise policy formulation are explained. Formalised consultative processes and informal participation are just as simple as providing opportunities to allow the staff to make suggestions.

Case Study

The case is specifically written to reveal the seriousness if an entrepreneur does not or is not in a habit to delegate responsibilities to other members of the enterprise. The case provides sufficient information for participants to use their own discretion to deal with delegation, reflecting both the use of internal personnel for re-organisation, making "delegation" more effective.

7. Human Resource Development Plan

7.1. Human resource planning

The section provides a linkage between the need for change, the enterprise and its environment.

7.2. Initiate change

The section explains why changes are necessary in the competitive environment. To further the understanding for the need for change, various examples are used including product life cycle illustration, as well as personal habitual behaviour.

7.3. Organisational changes

The organisational changes are also amplified including a more detailed illustration to relate organisational responsibilities, controlling and measuring the result of organisational performance.

7. 4. Introducing changes

This section introduces the essentials with respect to introducing changes to an enterprise, and illustrate how such changes may be initiated with no substantial financial commitment and resistance from members of the enterprise.

Assignment

Six questions are prepared for participants to relate the chapter and their own wisdom and perceptions about making changes in the enterprise, as well as developing their own interest in human resource planning on the basis of need, market conditions and financial commitment.

Session 6

8. Personnel Management System

8.1 Enterprise employment policy

The section provides a brief description concerning staff selection criteria, interview, reference investigation, the choice of internal candidates, qualification issues and experiences.

8.2 Training

It covers training objectives, on the job training, formal training and how to integrate new personnel into the group life of the enterprise.

8.3 Job analysis, specification and evaluation

It covers essentials of job analysis specification with a particular reference to wage determination

8.4 Compensation

The section provides a guide for the working individual's compensation, essentially. It includes the following:

- compensation is based on the value provided by the work
- individual must satisfy the compensation he or she receives
- compensation must provide an incentive for good performance
- compensation must be provided within the budgetary constraints
- compensation must follow certain standardisation.

8.5 Promotion

The section discusses an enterprise's internal promotional policy in conjunction with:

- a. any individual considered for promotion must be given an opportunity to compete with outside applicants.
- b. attention must be given to the position needs. For example, it may not be desirable to promote a good sales person to the position of a sales manager. The possibility of losing a good sales person is obvious, but there is also the possibility that a good sales person does not make a good sales manager.

Assignment

Six discussion questions are provided including question four involving an exercise scheme that allows participants to compare various compensation systems with their knowledge. All discussions are provided with the purpose of reflecting materials contained in the chapter.

Session 7

9. Group Conflict and Group Management

9.1 Causes of group conflict.

Various causes of group conflict are examined including, the lack of resources, difference in group objectives, communication breakdowns, differences in personal opinions and inequality of an enterprise's compensation systems.

9.2 Group conflict management

Several recommendations are made including shifting the paradigm of performance measurement emphasis to encourage individual groups to be self-reliant, building group confidence; the use of enterprise culture as a guide to action. Other methods include removing communication blockage, promoting internal competition, encouraging and rewarding group efforts.

9.3 Group formation and group management

This section outlines how groups are formulated, including formal and informal. The long term strategy for group management is to make it possible for informal groups to be transformed into formal organisation of the enterprise without losing group spirit, creativity and innovativeness.

9.4 Learning the objectives of group management

The section stresses the need for understanding the nature of each group, its objective, functions, organisation process, and members commitments, in order to develop management strategies to fit the group's needs.

9.5 Meeting, meetings and meetings

As the last section of this chapter, it places a great deal of emphasis on meeting management, since without management, meetings are nothing but waste.

10. The Success of Human Resource Development and Personnel Management

It is designed to provide an exercise experience, with participants providing their own views about what are considered to be successful operations and what symptoms reflect unsuccessful experiences. With the expression of their own opinion, they are also asked to provide solutions to

improve and or correct the irregularities practised in human resource development and personnel management.

C. Strategic Management

(Prepared by Mr. Ong Kai Seong)

Objectives:

This Module is designed for senior management and executives with potential for senior management. It aims to place the participants in the position of running the whole business and to develop critical business skills of forward looking, diagnosis, analysis, identification of strategic issues, planning and managing strategic activities for the survival and continuous growth of the business in the ever changing business environment.

Proposed Number of Sessions: 6 sessions

Summary of Contents and Proposed Schedule:

The module covers the importance of strategic management to business growth and survival, roles and responsibilities of various people in the organisation in the process of strategic management, business purpose and direction, frameworks and concepts for analysing corporate and business strategy, comparative analysis, generic strategies and competitive advantages, corporate diversification strategies, implementing strategies and control, international technology transfer and strategic alliances.

Session 1

1. Importance of Strategic Management

Examples of extinction of some large animals, rise and fall of nations and corporations are given. Primary reason is failure to adapt to environmental changes. Strategic management is the way to prevent such occurrences.

2. Strategic Management Procedure, Definition and Origin

Definition and origin of strategic management

What are strategic issues?

What is strategy?

Different levels of strategies: functional, business and corporate

Steps in Strategic Management

3. Strategies Managers

Who should participate in strategy making and implementation?

Role of strategic planning department in an organisation

4. Mission and Objectives

Importance and uses of mission statement

Factors influencing the determination of mission

Elements of mission statement

Communication of mission statement

Financial and strategic objectives

5. SWOT Analysis Framework

Generation of strategic issues and strategic options

Strategic posture

Session 2

6. External Analysis

General environmental analysis and industry analysis to identify opportunities and threats

7. Internal Analysis

Value chain and functional approaches in identifying strengths and weaknesses of the enterprise.

8. Growth and Competitive Strategies

Generic strategies: low-cost, differentiation, focus

Grand strategies

Session 3

Participants are required to use the SWOT analysis to analyse a business of their choice and present to the class

9. Corporate Growth and Innovation

Process and product innovation

Product innovation strategies variations

Foster S-Curve and its implication on R & D

10. Analysis of Diversified Corporation

Strategic business units concept

BCG portfolio matrix

GE matrix

Allocation of resources

Session 4

11. Diversification Strategies

Reasons for diversification

Different types of diversification strategies and their uses

Entry strategies into new businesses

12. Implementation of Strategy

Six essential elements of implementation

How to establish a strategic management system

13. Strategic Control

Milestones, budget, measurement and environmental monitoring for strategic control of strategy implementation to achieve high performance.

Session 5

Case Study:

“The Pomerleau Group”

The Pomerleau Group is a diversified Canadian company with core business in the construction industry and other subsidiaries involving in manufacturing . There are problems facing the core business as well as problems in one of the subsidiaries. The case is used to illustrate the diversification process, management and planning of a diversified group of companies and also the formulation of business strategy for a subsidiary.

Session 6

14. International Technology Transfer and Strategic Alliance

Relationship between technology transfer and corporate growth

Process of technology transfer

How to search for technologies

Evaluation of technologies and transferor

Types of technology transfer agreement

Pricing and payment of fees

Implementation of transfer of technology

15. Strategic Alliances

Reason for strategic alliances

Pros and cons of strategic alliance

Selection of partners

D. Finance and Accounting Module

(Prepared by Mr. Low Buen Sin)

Objectives:

The module aims to provide the participants with an understanding of the basic concepts and principles underlying the financial statements. The participants will also be introduced to the internal accounting requirements for a manufacturing firm with orientation towards the planning and control functions of management.

Proposed Number of Sessions: 6 sessions

Summary of Contents and Proposed Schedule:

Session 1

1. Overview of Finance and Accounting Functions

It gives an overall picture on the crucial finance and accounting functions in an enterprise. These functions include cost accounting, budgeting, information system design, internal auditing, preparation of financial statement, tax, capital budgeting, working capital management, credit control, financial risks management, and financial strategies.

2. Understanding of Financial Statements

It introduces the Balance Sheet, the Profit and Loss statement, and the common elements in these financial statements. A discussion on the basic accounting principles and assumptions, and their pitfalls is made.

Session 2 and 3

3. Financial Statements Analysis

It covers the three broad categories of financial statement analysis techniques, i.e. horizontal analysis, vertical analysis and ratio analysis. The financial ratios that measure the firm's liquidity, productivity, profitability, and solvency positions are also explained. The limitation of financial statement analysis is introduced.

Case Study

"Nanyang Company"

To do a basic analysis on the financial statements of the Nanyang Company to identify any possible current and potential operational problems of the Company.

Session 4 and 5

4. Understanding Product Cost

It explains the cost behaviour patterns: variable costs, fixed costs and mixed costs. Other cost classifications and terminology are also introduced: unit cost vs total costs, period costs vs inventoriable costs, joint costs, cost drivers, direct material, direct labour, factory overhead, and conversion cost.

5. CVP Analysis and Relevant Cost Analysis

It introduces the concept of contribution margin as well as the cost-volume-profit analysis and relevant cost analysis techniques that assist management in their decision making

Assignment:

Two questions each on the CVP analysis and Relevant cost analysis.

Session 6

6. Introduction to Manufacturing Product Costing Methods

It explains the two main objectives of cost accounting, that is product costing and cost control. The various product costing methods that match different types of manufacturing processes are introduced which include job order/batch costing, process costing, operation costing, and activity based costing.