

A SUGGESTED COURSE OF STUDY IN THE PRINCIPLES AND
PROBLEMS OF BUSINESS FOR THE COLLEGE STUDENT
BEGINNING HIS STUDY IN BUSINESS EDUCATION

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BEGINNING HIS STUDY IN BUSINESS EDUCATION

THESIS

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CHAPTER I

INTRODUCTION

Purpose

The purpose of this study is to determine the organization, content, and method of presentation for a course of study in the principles and problems of business for the college student beginning his study in business education.

The Problem

Since there apparently is no end or limit to the amount of subject matter a course in business principles and problems might include, it is the problem in this study to formulate a course in the principles and problems of business which would be suitable for presentation to a group of college students beginning their study in business education.

The Need for this Course

This course of study is intended to be only an introductory course in business which will serve as the foundation for gaining knowledge in how a business is organized and operated. After the business education student acquires a knowledge of the essential principles and problems which are characteristic of practically every form of business, he should then be able to more intelligently make his choice of the particular field in which he wishes to specialize.

It is hoped that a course of this nature, which is rather wide in its scope, will aid the young business student who is contemplating going into business for himself.

It is the plan of this study to consider as principles and problems of business those factors which are generally recognized as such by business educators. Discussion of these principles and problems can be found in courses and textbooks bearing such titles as "Introduction to Business," "Business Organization and Management," "Business Principles," "General Business Training," and "Elementary Business Training."

At present, many educators are advocating a rather drastic change in the program for vocational preparation of business students. One of the leading arguments advanced by these educators is that too much emphasis in the past has been placed on specialization in just one or two fields with not enough treatment given to a broad vocational training in many fields. The Special Committee Reporting on the Secondary School Curriculum in 1940 for the American Council on Education stated that "much of the work provided in vocational classes fails to meet the needs of pupils because it is quite as specialized as were the traditional preprofessional courses."¹

¹What the High Schools Ought To Teach, p. 10.

In the report of the Regents' Inquiry into the Character and Cost of Public Education in the State of New York, it was advocated that the secondary schools should include a program of general vocational education in every high school. It was stated in this report that "in high school vocational courses should lay chief emphasis on broad vocational training and not on the development of specialized skills."²

Too many young men and women are making their decisions too hastily as to the field of business they plan to enter. Upon making early decisions as to what course they will follow, such as bookkeeping, secretarial training, etc., they prepare themselves toward this end only to enter an overcrowded field which makes it difficult for even the best of them to find work. In a nation wide survey, it was found that enrolment in high school secretarial training classes increased 59 per cent in six years and 108 per cent in twelve years, while the number of employed stenographers and typists decreased six per cent during that interval of time. The same survey showed that enrolment in bookkeeping classes increased 40 per cent in six years and 60 per cent in twelve; while the number reported engaged in the business world in that field decreased 18 per cent during the interval.³

²Luther Gulick, "A New Educational Program," The Regents' Inquiry into the Character and Cost of Public Education in the State of New York, pp: 46-47.

³Earl W. Barnhart, "Employment Opportunities for Beginning Stenographers and Typists," School Life, XXII (April, 1933), 278

If another group of persons had been counted in this survey, the total number of candidates for positions of stenographers, typists, and bookkeepers would have been nearly doubled. This group was composed of persons who either graduated or discontinued their attendance in the nation's business schools, parochial colleges, and major universities and colleges during that same interval of time.

This survey and others of its kind, such as the findings of the American Youth Commission, clearly point to the maladjustment of the commercial education program and employment opportunities of students in the nation's schools.⁴

It was stated in the Report of the President's Advisory Committee on Education in 1938 that "intelligent planning for a program of vocational education should be based on a knowledge of the occupational situation throughout the country."⁵

Following his examination of the various high school curricula throughout the nation, George S. Counts, representative of the National Society for the Study of Education, said that his one basic criticism of the old program of education was that it was not adequately adjusted to

⁴Jobs and Careers, II (June, 1941), 18.

⁵John Dale Russell, "The Place of Vocational Education in Modern Society," Report of the President's Advisory Committee on Education, 1938, p. 186.

pupil needs.⁶ The problem of bringing about a proper change in the program of preparing youth for vocational opportunities seems to be the task of educators themselves. If left to the individual students or to the parents of the students, both of whom lack the knowledge of the gravity of the occupational opportunity situation, it is questionable whether any concerted action on the matter would be brought about.

Many courses at present are being given throughout the schools of the nation, entitled "Office Practice," "Junior Business Training," and the like. These courses are doubtless of great value in furnishing the student with a knowledge of some of the problems he will face in the business world. Yet, despite the many values to be gained from taking such courses, some of the leading educators are of the opinion that there exists a growing need for students to acquire a more thorough and more well-rounded knowledge in the actual organization and management of business.

Robert E. Slaughter says:

Perhaps a new type of course designed specifically for the purpose of introducing and orienting students into business is needed. . . .It should trace the development of business up to the present time and describe its organization and operation.⁷

⁶George S. Counts, "Current Practices in Curriculum-Making in Public High Schools," The Twenty-Sixth Yearbook of the National Society for the Study of Education, p. 133.

⁷Robert E. Slaughter, "Problems of Business Management," Thirteenth Yearbook of Eastern Commercial Teachers Association, Section IX, p. 222.

A. O. Colvin says that "the most important course in the business curriculum next to consumer economics, should be one called 'introduction to business'."⁸ Colvin points out that such a course should give "business information and skills useful to the student if he elects to specialize in some field of business education," and that it should give the student "an opportunity to explore and try out his abilities and interests in the field of business education."⁹

A question among educators is whether the high school, or the business school, or the college should be the proper institution for offering such a course in the management and problems of business. Many persons feel that the proper institution for such training in commercial education is the college. Among advocates of the college level for training the business student in this subject matter field is T. W. Glocker, who states that "young men should receive training in the problems of business management" and that this training "is the task of collegiate schools of business aided by collegiate adult education services."¹⁰

To the high school or business school graduate who has already had a rather extensive commercial education, this course would be of aid in that it would serve to shorten

⁸A. O. Colvin, "Introduction to Business," Business Education World, XVIII (Feb., 1938), 463-464.

⁹Ibid, p. 465.

¹⁰T. W. Glocker, "Training for Business Leadership," Journal of Business Education, XVI (April, 1941), 9.

the time for his choosing the particular business vocation that he plans to enter. Already well-versed in the core subjects in business education, this type of student should get as much or more out of this course than the average beginning student. His decision as to what branch of the commercial field to follow should then be more stable and well-founded than the choice of the usual beginning business student.

To the student who has had no previous instruction in commercial education courses, but who has had one or more years of actual business experience, this course should be of aid in making a self-analysis of how he rates in his knowledge of business. The facts he knows, through practical experience, such as salesmanship and the management and functioning of the office, will serve him to good advantage when he encounters the routine commercial curricula of shorthand, typing, and bookkeeping.

This course should offer an opportunity for self-improvement to both the student who has had previous classroom instruction in commercial education and to the one who has had only experience in the business world. Both should find that this course offers them sufficient qualifications to enter those branches of business which are lacking in competent workers, namely, salesmanship, advertising, and clerical work.

In regard to the matter of self-improvement, E. G. Blackstone says:

It should not be forgotten that vocational business education is concerned with training pupils, not only in the skills and techniques which they need, but also in business principles and relationship. . . so that the graduates may be qualified to progress in a job series and not be sentenced permanently to their initial position.¹¹

Along this same line of thought, Frederick G. Nichols says:

For success in business something besides clerical skill is essential. Some understanding of what are called the principles of business is very desirable.¹² . . . They can and should be taught in the school.

In proposing any new addition or change in the commercial curriculum, the opinion of the business man in regard to the desirability of such a movement should be considered. Following a survey made of business in Miami Beach, Florida, to find what the business men needed and demanded of schools in the way of commercial instruction, Harold Ruby wrote "The school must provide the background by emphasizing, in their program of study, the basic principles which underlie all business endeavor."¹³

¹¹ E. G. Blackstone, "Remodeling Your Commercial Department," The School Review, XLVII (Jan., 1939), 19.

¹² Frederick G. Nichols, "Facing the Facts in Business Education on the Secondary School Level," Education, LX (Jan., 1940), 257-263.

¹³ Harold Ruby, "Filling the Customer's Orders," Journal of Business Education, XVI (Feb., 1941), 15-16.

Any attempt to secure an accurate and "model" survey as to the need for a course of this description in the curriculum of the nation's schools is quite difficult in view of the rather unusual shortage of reliable and authentic surveys of the commercial education program in the United States. This fact is more specifically borne out in an admission by the 1930 National Survey of Secondary Education, namely, "no survey was made as to the content of subject matter in commercial education."¹⁴ In the opinions of those who conducted the survey and omitted commercial education, industrial arts, home economics, and agriculture from the subject matter content survey, "the problem of the horizontal organization and articulation of general and specialized education involving the recognition of these subject groups seemed more timely than a mere analysis of their content and methods."¹⁵

Despite this lack of survey data in commercial education subject matter content in past years, three rather reliable analyses, conducted on the respective levels of high school, junior college, and collegiate schools of business, point to the growing need for a course in business similar to that set forth in this study.

In the 1933-1934 survey of courses offered in the high schools of the nation by the U. S. Office of Education, a

¹⁴ Leonard V. Koos, "Some High Lights in the Findings of the Survey," Bulletin of National Survey of Secondary Education, XVIII, 1932, 176.

¹⁵ Ibid

striking comparison was drawn between the number of students enrolled in the "big three" commercial subjects and those in classes in business organization. Approximately 764,000 were enrolled in typing, 443,000 in bookkeeping, 404,000 in shorthand, and only 18,000 in business organization.¹⁶ The figures, however, pointed to the fact that the above-mentioned "old-line" courses had been offered in the nation's schools prior to the turn of the century, while no material attention had been placed on a course in business organization except during the preceding ten year interval.

The above survey only served to bear out previous findings that the fields of bookkeeping, shorthand, and typing were being over-crowded with applicants for positions, while a vast opportunity still lies waiting to students in the more specialized branches of business where the supply is small and the demand great.

This same need for a course in business principles and problems was indicated in the survey of forty-eight junior colleges covering twenty-five states and the District of Columbia. This survey showed that out of the four dozen schools, only two offered a course in the management and functioning of business.¹⁷

¹⁶U. S. Department of Interior, Office of Education, Offerings and Registrations in High School Subjects, 1933-1934, Bulletin 1938, No. 6, pp: 74-76.

¹⁷Byron S. Hollinshead and Peter P. Stapay, "The Business Curriculum in Junior Colleges," Sixth Yearbook of National Commercial Teachers Federation, Part III, p. 290.

The most inclusive and enlightening survey to be found on the need of this course in the curriculum to serve the beginning student in college is the survey conducted by L. C. Marshall on the content of the curriculum offered by the thirty-eight members of the American Association of Collegiate Schools of Business.¹⁸ Here, it is found that out of the thirty-eight schools in the Association membership in 1926, the time of the survey, only fifteen require business organization to be taken by students in the commercial field.

Despite the fact that slightly less than 40 per cent of the member schools of the Association require the course, the survey is far from discouraging to advocates of such a type of instruction in view of the fact that in the preceding decade scarcely any treatment at all was given to this subject. Whereas statistics show 21,093 semester hours were offered in the field of business organization in the 1926 survey, no appreciable number of similar hours were recorded for the same field in 1910.¹⁹

In the same Association survey, a questionnaire entitled "Basic Elements of a Collegiate Curriculum for Business" was formulated by an unofficial group from eight institutions which listed twenty-nine selected fields of study and asked the opinions of educators as to which should be required of students preparing for business. This questionnaire was sent

¹⁸ L. C. Marshall, The Collegiate School of Business, pp: 34-35.

¹⁹ Ibid, p. 15.

to deans and members of the instructional staffs in a large number of collegiate schools of business, asking those who received the questionnaire to express their opinion as to which subjects should be required, on what appropriate level in the curriculum they should be presented, and what individual importance they had.

The questionnaire did not list the names of the various courses offered in business education but broke the commercial curriculum down into twenty-nine selected fields of study, several or more of which might be included in one regular course in business. Eight of the fields which were listed on the questionnaire, strikingly enough, were included in slightly varied phraseology as main divisions of the proposed course in the principles and problems of business set forth in this study and found in Chapter IV.²⁰ Those eight fields listed on the questionnaire were "Money, Banking, Financial Organization," "Manager's Administration of Finance," "Risks and Uncertainties Including Business Cycles," "Risk Administration Including Insurance and Forecasting," "Market Administration," "Administration of Production," "Personnel Administration," and "Statistics." All eight fields were rated by a majority of the educators as necessary according to requirements in the commercial curriculum and were considered as college courses when the choice of appropriate grade level was made.

²⁰Ibid, pp: 125-131.

There was quite a diversity of opinion among the educators as to the amount of time each of the subject matter fields should receive in college. Some subjects were placed in the highest available bracket, considered worthy of receiving "a great deal of time," while others were placed in the lowest division, "deserving relatively little time in treatment." Despite this wide range in opinion, the general agreement was for all of the eight subjects to be placed in the "average" or "more than average" time group.²¹

Thus, it can be seen that business leaders and educational authorities are coming to the conclusion that the young men and women who take their places in the business world should do so with a broader and more critical conception of the functions of business instead of tackling a means of livelihood, fortified only with a mechanical knowledge or ability to perform one or two certain tasks.

Method of Procedure

The first step taken in making this study was the presentation of a tentative course outline of "An Introduction to Business" to a college business education class of the sophomore level during the fall semester of the 1940-1941 long session. This was done in order to determine the amount of pupil interest in a course on the principles and problems of business and in anticipation of obtaining

²¹Ibid, pp: 125-131.

valuable information which would aid later in the formulation of a course outline for this subject.

This new course in business education was approved by the curriculum committee of the North Texas State Teachers College and was taught for the first time at the institution under the instruction of H. D. Shepherd. The class met twice a week for a period of one and one-half hours each. One class meeting was devoted to a lecture, at which time a visiting speaker, representing a leading firm of Dallas, Fort Worth, or Denton spoke on some phase of the subject which the class was studying that week; the following meeting, the students participated in an open discussion on the feature points of interest in the previous lecture, tying this discussion in with the current topic of study.

In order to promote a deeper consideration of the subjects discussed in the course, thought-provoking questions were presented the students each week on their current topic of study. These questions were prepared by the writer for the purpose of stimulating added thought on the part of the students, who for the most part, based their answers on knowledge gained from actual experience and from reading a select list of books which had been picked from the library stacks as being most applicable to the current study.

Twelve leading textbooks, designed for an introductory course in business, were analyzed for subject matter content

to determine the major topics they stressed as being necessary for such a course as proposed in this study.

To evaluate the list of major topics chosen, a questionnaire was sent to twenty-four selected authorities on business education and curriculum construction. These men were chosen because of their many years of experience, most of whom have been associated with education or business or both for more than twenty years. The opinions of those who have been working in the educational field, more specifically in charge of graduate instruction, were especially desired. It was felt that these men through their past experiences had seen many students reach the graduate level in college, only to fail in their advancement for lack of proper knowledge in the fundamentals of business.

From this selected group of twenty-four authorities, eighteen questionnaires were returned answered, a response reaction of 75 per cent. From the results of the tabulations of facts gathered from these questionnaires, the writer was then able to shape the course of study which is presented in this report.

No attempt was made to contact business more fully because it was felt that through their many varied educational experiences in past years, and their numerous contacts directly and indirectly with business over the span of the last two decades, these selected educators had acquired enough knowledge of the functioning of business to stamp

themselves as reliable authorities on the problems of business today. Then too, the source of material in the textbooks on the subject is considered a reliable guide to the needs and demands of business. For surely no author would undertake to write a book on the problems or functions of the business world unless he had personally felt out the situation in actual contact with leaders in that field.

How Data Were Gathered

The initial step in the gathering of data for this study was taken when twelve books on the related subjects of "business organization and management," "introduction to business," and "the principles of business" were chosen for study in an effort to determine the subject matter offered by these authorities in business. These textbooks were chosen at random from the field of books devoted to these related subjects.

As previously mentioned, the major topics discussed by the twelve authors were analyzed to determine what subjects were considered by the consensus of opinion of the writers as being of primary importance. Originally the combined total of chapter headings found in all twelve books was three hundred three. After refinement of the topics so as to group closely related subjects under one general heading, there was a nucleus group of only twenty-seven main division heads left.

These main division heads were then submitted for evaluation to a group of authorities on business education and curriculum construction. These experts were asked to give the individual subjects a rating of 1, 2, or 3, meaning respectively, "should be emphasized strongly," "of average importance," or "relatively unimportant and should be left out."

A compilation of these ratings showed that the authorities were of the opinion that four division heads "should be left out," thirteen heads "should be emphasized strongly," and the remaining ten division heads were "of average importance in a course of this kind."

CHAPTER II

VALIDATION OF COURSE CONTENT BASED ON TWELVE TEXTBOOKS

Since it is assumed that the authors of the twelve textbooks chosen for study are recognized experts in their field, and since it is further assumed that their books are considered as being authoritative sources of material on this subject, the writer made an analysis of the general subject matter found in these books to discover the material upon which all reached a common agreement as being necessary to a study of this nature.

The title, author or authors, publisher, and date of publication of the twelve books analyzed are presented in Table 1. The Arabic numeral to the left of each book is placed in the table to facilitate presentation later. The number of the book instead of the complete title will be used to designate the publication in Table 2.

The first step taken in the analysis of the books was to determine what general subjects these experts considered important enough to devote at least one chapter to in their books. Upon analyzing the wording of the chapter headings of these twelve books, it was found that a striking similarity in content existed in many of the books with only a slight difference in phraseology of the chapter headings drawing the lines of demarcation.

TABLE 1

THE TITLE, THE AUTHOR, THE PUBLISHER, AND THE DATE OF PUBLICATION
OF EACH TEXTBOOK ANALYZED FOR SUBJECT MATTER FOR
BUSINESS PRINCIPLES AND PROBLEMS

Book	Author	Publisher	Date of Publication
1. Business Administration	Marshall, Leon C.	University of Chicago Press Chicago, Illinois	1921
2. Administration of Industrial Enterprises	Jones, Edward D.	Longmans, Green & Co. New York, New York	1929
3. Organization and Management of A Business Enterprise	Fernstrom, Karl D. Elder, Robert F. Fiske, Wyman P. Schaefer, Albert A. Thresher, B. Alder	Harper & Brothers Publishers New York, New York	1935
4. Business Organization and Administration	De Haas, J. Anton	Gregg Publishing Co. New York, New York	1920
5. Economics of Business	Erisko, Norris A.	The Macmillan Co. Norwood, Mass.	1922
6. Introduction to Business	Spengler, Edwin H. Klein, Jacob	McGraw-Hill Book Co. New York, New York	1939

TABLE 1--Continued

Book	Author	Publisher	Date of Publication
7. Factory Organization and Administration	Diemer, Hugo	McGraw-Hill Book Co. New York, New York	1935
8. Fundamentals of Business Organization and Management	Cornell, William B. MacDonald, John H.	American Book Co. New York, New York	1927
9. Business Organization and Management	Dutton, Henry P.	McGraw-Hill Book Co. New York, New York	1925
10. An Introduction to Business	Gilbert, Horace H. Grass, Charles	McGraw-Hill Book Co. New York, New York	1929
11. Business Principles Everyone Should Know	Zutavern, A. E. Bullock, A. E.	H. M. Howe Co. Baltimore, Maryland	1933
12. Principles of Business	Gerstenberg, Charles	Prentice-Hall Co. New York, New York	1931

Many chapter headings that contained the identical wording by one author as given by another, such as "Cost Accounting," "Credits and Collections," and the like were grouped. Likewise, other subject headings, differing only in phraseology were combined. From this grouping, it was found that although originally there were three hundred three chapter headings in the aggregate total for the twelve books, the combined list could be classified under eighty-nine headings.

These eighty-nine chapter headings are shown in Table 2 and wherever a subject head was given treatment in a textbook, a numeral, representing the number of chapters devoted to that topic, is placed in the proper column.

By compiling the numbers in the "Total Frequency" column, it can be seen that all three hundred three original chapter headings have found a place under the eighty-nine major topic divisions.

Working with these eighty-nine headings as the representative mass of the subject matter of the selected books, the next step taken was the refinement of the headings, reducing the number to a nucleus group of only twenty-seven. This latter group embraced all the subject matter included in the above-mentioned eighty-nine headings with one or more topics being consolidated and placed under their proper main division. This nucleus group is presented in Table 3, where it will be seen that the chapter headings in some instances

TABLE 2

THE NUMBER OF CHAPTERS IN EACH BOOK DEVOTED
TO EACH SUBJECT MATTER TITLE

Subject Matter Title	Textbooks												Total Frequency
	1	2	3	4	5	6	7	8	9	10	11	12	
1. Analysis of a business case	1												1
2. Selling		1	1		1						1	2	6
3. Office functions and management		1	1				1	3	1			1	8
4. Scientific management	1	2	1	1	1		1		1	1			9
5. Marketing problems	1		1	1		1			1		1		6
6. Wage payment		3	1	1		1	1		1	1		2	11
7. Starting, organizing, and promoting a new business		1				1		1	1	1	2		7
8. Relation of law to business			1								1		2
9. Labor management									1			2	3
10. Financial problems and control			1			2	1	2		1			7
11. Typical activities of a business			1						1	1	1		4
12. Management of finance	1		1					1	1	1	1	2	8
13. Description of business	1												1
14. Advertising		1			2						1	1	5
15. Business in relation to society									1		2	1	4
16. Personnel administration and management	1	2	1			1	1	2					8
17. Purchasing			1	1	2	1	1	1	1	1	1	1	11
18. Types of ownership				1				1	1	1	1	1	6
19. Banking				1					1		1		5
20. Credits and collections		1	1						1	1		2	4
21. Types of organizations	1		2	1	1	1	1	1					8

TABLE 2--Continued

Subject Matter Title	Textbooks												Total Frequency
	1	2	3	4	5	6	7	8	9	10	11	12	
22. Manufacturing problems and processes								1	1				2
23. Cost accounting		1	1		1		1		1	1	1	1	8
24. Insurance						1			1	1		1	4
25. Business risks	1		1			1			1		2		6
26. Credit				2		2			1			1	6
27. Retail distribution			1			2			1	1			5
28. Selling and advertising			1	1				1	1	1			5
29. Wholesale marketing agencies						1			1	1			3
30. Foundations and elements of success in business			1	1	1			1			2		6
31. Foundry systems							1						1
32. Factory's place in industrial structure							1						1
33. New method and spirit of business	1												1
34. Controlling morale and developing leadership		1							1				2
35. The work of the drafting department							1						1
36. Plant layout		1		1			1						3
37. Price-setting			1			4				1			6
38. Executive control and leadership						1			2				3
39. Forecasting business conditions								1	1			1	3
40. Welfare activities		1											1
41. Transportation		1	1									1	3
42. Management--a profession						2	2	1			1	2	8
43. Plant location	1			1		1	1			1			5
44. Rules of administration	1	1											2
45. Stocks and bonds			2			1					1	1	5

TABLE 2--Continued

Subject Matter Title	Textbooks												Total Frequency
	1	2	3	4	5	6	7	8	9	10	11	12	
74. The work schedule and fatigue		1											1
75. Controlling operation							1						1
76. Maintenance, tools, services				1			1						2
77. Plant equipment and facilities		1	1										2
78. Capital			1	1		1			1				4
79. Administration of income			1										1
80. Procedure of incorporation			1			1	1						3
81. Testing the opportunity									2	2			4
82. Inspection							1						1
83. Shipping, receiving						1	1	1					3
84. Depreciation					1								1
85. Executive reports							1						1
86. Time-taking, salary							1						1
87. Retail store location		1											1
88. Work of pattern department							1						1
89. Mail-order houses						1						1	2
Total	10	27	41	16	16	39	29	23	32	21	20	22	303

have been consolidated under one main division, while in other cases only a slight change in title has been effected in order to present several subjects under one general name. Some subjects had to have special headings created for them in the group of twenty-seven because there existed no proper division under which they could be placed.

TABLE 3

THE SUBJECT MATTER HEADINGS IN TABLE 2 THAT
FELL UNDER EACH MAIN DIVISION HEAD

No.	Main Division Heads	The Subject Matter Headings in Table 2 Which Fall Under Each Main Division Head
1.	Organizing, promoting, and financing a new business	1, 7, 10, 11, 12, 19, 45, 49, 56, 67, 78, 79, 80
2.	Selling and advertising	2, 14, 28, 54
3.	Office management	3, 52
4.	Management--a profession	4, 42, 64, 82
5.	Retail and wholesale marketing problems	5, 27, 29
6.	Wage payment plans (office, store, and factory)	6, 86
7.	The fundamental principles of business (a summary chapter)	8, 13, 15, 30, 33, 39, 81, 84
8.	Personnel administration and management	9, 16, 34, 38, 40, 44, 48, 59, 68, 73, 74, 85
9.	Business statistics (including methods of presenting data through graphs, charts, etc.)	46, 60
10.	Choosing the proper location: factory, wholesale house, retail store	43, 87
11.	Credits and collections	20, 26
12.	Problems of planning and control of production	22, 36, 51, 69
13.	Transportation	41, 83

TABLE 3--Continued

No.	Main Division Heads	The Subject Matter Headings in Table 2 Which Fall Under Each Main Division Head
14.	Business risks and insurance	24, 25
15.	A general knowledge of the uses of cost accounting	23, 47, 55, 63, 70
16.	Purchasing (goods and services)	17
17.	Types of business ownership and organization	18, 21
18.	Drafting and pattern making (factory: create new styles, designs, etc.)	31, 35, 88
19.	The factory (its social and economic place in society)	32
20.	Price-making (retail and wholesale)	37
21.	Trade marks, copyrights, patents	50, 66
22.	Plant equipment and layout (initial costs, depreciation, rentals, leases)	58, 65, 77, 84
23.	Warehousing and storing	62, 71, 72, 75
24.	The service department (maintenance, tools, equipment)	76
25.	Cooperative enterprises	61
26.	Mail-order houses	89
27.	Business failures, reorganizations, consolidations, and expansion plans	53, 57

In the final analysis, these last-mentioned isolated subjects, given treatment by only a few authors, were found to be unnecessary for discussion in a course of this nature by a consensus of opinion of leading business experts and authorities on curriculum construction. This point will be discussed in the following chapter.

In the process of grouping the different chapter headings, found in Table 2, under one main division head, it was found that the division head entitled "Organizing, Promoting, and Financing a New Business" embraced more individual chapter headings than any other one of the twenty-seven group headings. It embraced thirteen. The division head of "Personnel Administration and Management" included twelve, the second highest number of different subject matter headings. Of the twenty-five remaining division heads, nineteen represented a consolidation of from two to eight headings, while six retained the same chapter title that was listed in Table 2, embracing no other subject.

CHAPTER III

VALIDATION OF COURSE CONTENT BASED ON OPINIONS OF EIGHTEEN AUTHORITIES

With the twenty-seven division heads established as the core or nucleus of the subject matter found in the twelve selected books, it was then felt that these topical headings should be placed before a group of authorities in the fields of business, business education, and curriculum construction to receive their opinions as to the value of these subject heads in a proposed course of this kind.

Assuming that they were authorities in their respective fields by virtue of the high positions which they at present maintain, twenty-four men were chosen as a testing group to whom questionnaires were sent to receive their ratings of these topics. The persons to whom questionnaires were sent were purposely limited to a small body rather than to a large group of people for it was felt that just as satisfactory and as representative a result could be obtained as by polling the opinions of a large number of persons at random.

A most satisfactory percentage reply was recorded from the questionnaire poll as eighteen of the twenty-four authorities selected, or 75 per cent, submitted their evaluations

TABLE 4

THE NAMES AND THE PROFESSIONAL POSITIONS HELD BY
THE 18 AUTHORITIES WHO MADE AN EVALUATION OF
THE DIVISION HEADS FOUND IN TABLE 3

Names of Authorities	Professional Positions Held
E. H. Anderson	Assistant Professor of Business Administration, University of North Carolina, Chapel Hill, North Carolina
C. C. Balderston	Professor of Industry, University of Pennsylvania, Philadelphia, Penn.
E. G. Blackstone	Professor of Business Administration, University of Southern California, Los Angeles, California
W. B. Cornell	Chairman of the Department of Management and Industrial Relations, New York University, New York, N. Y.
S. B. Cunningham	Vice-President, Prentice-Hall Publishing Co., Inc., New York, N. Y.
Kenneth Haas	Division of Distributive Education, Office of Education, Federal Security Agency, Washington, D. C.
Simon G. Hanson	Chief Economist, Office of the Coordinator, Washington, D. C.
Jacob Klein	Department of Economics, Brooklyn College, Brooklyn, N. Y.
Chester Lay	School of Business Administration, University of Texas, Austin, Texas
John H. MacDonald	Assistant to the Vice-President and Treasurer, National Broadcasting Company, New York, N. Y.

TABLE 4--Continued

Names of Authorities	Professional Positions Held
Carl Naether	Professor of Business Administration, University of Southern California, Los Angeles, California
P. O. Selby	Professor of Business Administration, Northeast Missouri State Teachers College, Kirksville, Missouri
L. A. Sharp	Professor of Education and Chairman of the Graduate Council, North Texas State Teachers College, Denton, Texas
Bernard A. Shilt	Supervisor of Secondary Commercial Education, Board of Education, Buffalo, N. Y.
Edwin H. Spengler	Department of Economics, Brooklyn College, Brooklyn, N. Y.
James M. Thompson	Department of Business Administration, Illinois State Teachers College, Charleston, Illinois
J. E. Walters	Professor of Personnel Administration, Purdue University, Lafayette, Indiana
W. Harmon Wilson	Sales Manager, South-Western Pub- lishing Co., Cincinnati, Ohio

of the topic heads in answer to the request. These eighteen authorities who replied to the questionnaire are presented in Table 4 with their professional positions listed to the right of their names.

The instructions for the authorities on the questionnaire were as follows: "A Check List of Items to be Included in an Elementary Course in Business (Principles and Problems) for College Students. Please place in the column at the right the number which you feel best describes the subject's importance, using the following scale: (1) should be emphasized strongly; (2) of average importance; and (3) relatively unimportant; should be left out."

Following these instructions, the authorities gave the individual subject heads a value of 1, 2, or 3. The results of the poll showed that the subject, "Types of Business Ownership and Organization," received the smallest average evaluation, 1.2, thereby definitely establishing it as of great importance to the proposed course outline.

The average evaluations were divided into three groups: the highest one-third or those that "should be emphasized strongly" consisting of the averages from 1.0 to 1.6, inclusive; the second highest one-third or those that were "of average importance" representing the averages from 1.7 to 2.3, inclusive; and the lowest one-third or those that were "relatively unimportant; should be left out" consisting of the averages from 2.4 to 3.0, inclusive.

TABLE 8
THE RANK EACH AUTHORITY GAVE EACH SUBJECT HEAD AND
THE AVERAGE RANK OF EACH SUBJECT HEAD

Subject Head	Authority's Name																		Average Score
	Anderson	Balderton	Blackstone	Cornell	Cunningham	Haas	Hanson	Klein	Lay	MacDonald	Meether	Salby	Sharp	Shilt	Spangler	Thompson	Walters	Wilson	
1. Organizing, promoting, and financing a new business	1*	2*	3*	2	1	1	1	1	2	1	1	3	3	2	1	2	1	1	1.6
2. Selling and advertising	1	1	3	1	1	2	2	2	1	1	1	3	2	1	2	1	1	1	1.5
3. Office management	1	2	3	1	2	3	2	2	2	2	1	3	2	2	3	2	2	1	2.0
4. Management--A profession	1	2	1	2	1	2	1	2	1	2	1	3	2	3	2	2	1	2	1.7
5. Retail and wholesale marketing problems	1	2	2	1	2	1	2	1	2	3	1	1	1	1	1	2	2	1	1.5
6. Ware payment plans (office, store, and factory)	2	1	3	3	2	2	1	1	1	2	1	2	1	2	2	2	1	2	1.7
7. The fundamental principles of business (a summary chapter)	1	3	2	1	1	2	1	1	1	2	.	2	1	.	2	2	1	1	1.5
8. Personnel administration and management	1	1	3	1	1	2	1	1	1	2	1	2	2	1	1	2	1	2	1.4
9. Business statistics (including methods of presenting data through graphs, charts, etc.)	1	1	3	2	2	2	2	1	2	1	2	3	1	1	1	2	1	1	1.6
10. Choosing the proper location: factory, wholesale house, retail store	1	2	3	1	1	1	2	1	2	2	1	2	2	1	1	2	2	2	1.5
11. Credits and collections	1	2	3	3	1	2	1	1	1	2	1	2	1	1	2	1	2	1	1.5
12. Problems of planning and control of production	1	2	3	2	2	3	2	1	2	2	1	3	3	3	1	2	1	3	2.0
13. Transportation	1	2	3	3	2	2	2	1	1	3	1	1	2	1	2	2	2	1	1.7
14. Business risks and insurance	1	1	3	2	2	1	2	2	1	2	2	1	1	1	1	1	2	1	1.5
15. A general knowledge of the uses of cost accounting	1	1	3	1	2	2	2	2	1	1	2	2	2	2	3	3	1	3	1.8
16. Purchasing (goods, services)	1	1	3	1	2	1	2	1	1	2	1	2	1	1	2	1	1	1	1.5
17. Types of business ownership and organization	2	1	1	2	1	1	2	1	2	1	1	1	1	1	1	1	2	1	1.2
18. Drafting and pattern making (factory: create new styles, designs, etc.)	2	1	2	2	2	3	3	3	3	3	2	3	3	3	3	2	3	3	2.5
19. The factory (its social and economic place in society)	2	3	2	3	2	3	2	2	3	3	1	3	2	2	3	3	3	2	2.4
20. Price-making (retail and wholesale)	2	1	3	3	2	2	1	1	2	2	1	2	2	1	1	1	2	2	1.7
21. Trade marks, copyrights, patents	2	2	3	3	2	2	2	2	3	3	2	3	2	3	3	2	2	3	2.4
22. Plant equipment and layout (initial costs, depreciation, rentals, leases)	2	1	3	2	1	3	2	1	3	2	2	3	1	2	1	2	1	2	1.6
23. Warehousing and storing	2	2	3	3	2	3	2	1	1	3	1	2	2	1	2	2	2	2	2.0
24. The service department (maintenance, tools, equipment)	2	2	3	2	3	3	2	3	3	3	1	3	2	2	3	2	2	3	2.4
25. Cooperative enterprises	1	3	1	3	2	2	1	1	2	2	2	1	2	1	2	2	2	3	1.5
26. Mail-order houses	2	3	2	3	2	1	2	2	2	2	2	2	3	2	2	2	3	2	2.1
27. Business failures, reorganizations, consolidations, and expansion plans	2	3	2	3	1	1	2	2	2	1	1	1	1	2	1	1	1	2	1.6

Meaning of classifications: (1) should be emphasized strongly; (2) of average importance; (3) relatively unimportant; should be left out

With the above basis set up for evaluations, it was found that twenty-three of the original twenty-seven division heads were considered by the authorities to fall in groups one and two. Twelve heads were placed in the bracket, "should be emphasized strongly," eleven came under the "average importance" heading, and the remaining four were voted too unimportant for inclusion in the course. Those rejected were "Drafting and Pattern Making," "The Factory--Its Social and Economic Place in Society," "Trade Marks, Copyrights, Patents," and "The Service Department."

The results of the tabulation of these questionnaire evaluations are presented in Table 5.

CHAPTER IV

OUTLINE OF THE SUGGESTED COURSE

With the twenty-three major division heads of subject matter established for the course in business principles and problems, as a result of the analysis of the opinions of the educators, the plan of the course outline was then formulated.

Sub-division heads in the major subject matter fields were selected according to the regularity with which those items appeared in the twelve textbooks analyzed. To draw a division line and state just which items should be given treatment in the sub-heads on the basis of the number of lines or pages devoted to discussion of them in the textbooks would be practically impossible. This would necessitate a detailed calculation of the lines and pages devoted to each of the thousands of minor topics discussed in the various subject matter fields in the texts.

Sub-division heads, therefore, were selected on the basis of their recognized prominence as an important feature of their particular subject matter field.

In designing this course outline, it has been recommended that suggested pupil problems be worked into the course of study from time to time throughout the semester. The purpose of this procedure is to afford the student the actual experience of working in real life situations for it is felt

that this self-solution of his problems would be of far more value to him than any information he might acquire on problem-solving through reading or lectures.

The idea of learning through experience is not new to the field of education. Many educators have advanced this theory. John Dewey says:

I assume that amid all uncertainties there is one permanent frame of reference; namely, the organic connection between education and personal experience; or that the new philosophy of education is committed to some kind of empirical and experimental philosophy.¹

In the part of the outline devoted to suggested pupil problems, suggestions have been given to the teachers to conduct several field trips during the course whereby business organizations of various types will be visited. It is hoped that timely pupil problems which will be of significant value to the student will present themselves as a result of these visits.

This practice is in unison with the policy being advocated by many educators today who are attempting to provide an adequate program of vocational education. In the Study of Occupational Adjustment prepared for the American Youth Commission, Bell stated that vocational education "includes explorations in a variety of occupational fields, visits to places where work is done, conversation with workers in a wide range of occupations, participation in occupational

¹ John Dewey, Experience and Education, pp: 12-13.

TABLE 6

**AN OUTLINE OF A SUGGESTED COURSE OF STUDY IN THE
PRINCIPLES AND PROBLEMS OF BUSINESS FOR THE
COLLEGE STUDENT WHO IS BEGINNING HIS
STUDY IN BUSINESS EDUCATION**

Content	Suggested Pupil Problems
I. The fundamental principles of business A. Definition of business B. Typical activities of a business C. Opportunity in business D. Forecasting business conditions E. Foundations and elements of success in business F. Business in relation to society	<p>Prepare a list of depressions business has experienced in the past two centuries in the United States. Give the causes of them and your opinion as to possibility of one recurring in future years to come.</p> <p>Consult your Chamber of Commerce in making a survey of your community to determine what type of business opportunities are open for one who might wish to organize a small enterprise.</p>
II. Organizing, promoting, and financing a new business A. Securing sufficient capital B. Other sources of capital C. The work of the promoter D. The work of conducting initial operation E. The management of finances	<p>Visit a local bank and inquire into the possibilities of an advance of capital to one contemplating entering business for the first time as an owner. Figure how much money you would need to borrow to open a small drug store and how long it would take you to pay back your loan on the basis of the average amount of drug store retail trade in your community</p>
III. Types of business ownership and organization A. Three basic forms of ownership 1. Sole proprietorship	

TABLE 6--Continued

Content	Suggested Pupil Problems
2. Partnership 3. Corporation B. Forms of organization <ol style="list-style-type: none"> 1. Line 2. Functional 3. Line-and-staff 4. Committee 	
IV. Choosing the proper location	Choose some particular type of retail business and make a list of all the good reasons you can think of for opening it in your community at the site of your own selection. Then prepare a similar list, only name all the bad reasons you can think of for its location.
A. Selecting the factory site <ol style="list-style-type: none"> 1. Transportation facilities 2. Accessibility of raw materials 3. Nearness to market 4. Labor problems 5. Laws and taxation 6. Building construction, zoning 7. Utility rates 8. Miscellaneous factors (Drainage, water supply, etc.) 	What civic factors make it hard financially to open a business in your community. List such items laws, taxation, ordinances, utility rates, charters.
B. Selecting the retail store location <ol style="list-style-type: none"> 1. Factors involved in choosing the city 2. Selecting for central-location factors 3. Choice of neighborhood 4. Choice of street 	List all the reasons you can think of why the side of the street a store is located on would affect that store's volume of trade. With these facts in hand, make another list, naming all the different types of retail businesses that you feel would be advisable to locate on the four street sides (north, south, east, and west) in the heart of your downtown shopping district.

TABLE 6--Continued

Content	Suggested Pupil Problems
V. Plant equipment <ul style="list-style-type: none"> A. Initial costs B. Depreciation, obsolescence C. Rentals D. Leases 	
VI. Personnel administration and management <ul style="list-style-type: none"> A. Choosing new employees B. Labor organizations C. Maintaining efficiency D. Controlling morale and developing leadership E. Welfare activities and services 	Interview the personnel manager of one of your community's leading retail establishments and list the qualifications he looks for in an applicant.
VII. Office management <ul style="list-style-type: none"> A. Types of office organization B. Functions and responsibilities of office manager C. Centralization in system of work D. Office layout E. Types of office work F. Essential elements of a good plan for promotion 	<p>To the teacher:</p> <p>Have the class visit an office of a fairly large concern in your city during a rather heavy business spell. Let the students be told somewhat in detail what the different machines and pieces of furniture are used for. Explain the workings of the office force to the students. At the following regular meeting of the class, give them an objective test on knowledge that should have been acquired on the field trip. In an open class forum allow the students to offer criticism on the management and functioning of the office visited.</p>
VIII. Management--a profession <ul style="list-style-type: none"> A. Scientific management B. Time and motion studies C. Inspection D. Supervision E. Advantage of large-scale production 	<p>To the teacher:</p> <p>If your community has a manufacturing plant, preferably a large one, conduct the class on a field trip to it and</p>

TABLE 6--Continued

Content	Suggested Pupil Problems
IX. Problems of planning and control of production A. Plant layout B. Product design C. Control of quality D. Operation analysis (routing of goods) E. Mixed processes F. Movement of materials	explain to them the process of time and motion studies in scientific management.
X. Purchasing A. Centralized buying B. Buying in advance for future requirements C. Long and short-term commitments D. Purchasing by speculation E. Merchandise inventory	Choose some particular branch of a local business, such as the shoe department of a department store and upon the inspection of the stock inventory and the past two years purchasing sheets, make a rough draft of approximately how much goods you would buy if you were manager to carry you over during that season of the year. The accuracy of the purchasing needs is not so important as is the factor of learning how to buy goods and upon what basis you make your decision for buying
XI. Retail and wholesale marketing A. Marketing problems B. Retail distribution C. Wholesale marketing agencies D. Functions of marketing E. Reasons for high distribution costs F. Channels of marketing	Have four members of the class engage in a regulation debate on the issue "The Chain Store Is As Valuable to the Community As the Independent Merchant."

TABLE 6--Continued

Content	Suggested Pupil Problems
XII. Transportation	
A. Agencies of transportation	
B. Special transportation services	
C. Methods to save in transportation costs	
D. Factors influencing rates	
E. Additional costs other than straight shipment	
F. Shipping and receiving	
XIII. Business risks and insurance	Form a committee of from five to six students and let them collectively render an interpretation of the various clauses in a fire insurance policy. When their interpretation of a policy is complete, allow the committee chairman to present it to the class.
A. Types of business risks	
B. Types of insurance offered	
C. Prevention of risks through insurance	
D. The risks of nature	
E. Social hazards in business	
F. Prevention of losses or loss reduction through reserves	
G. Industrial insurance	
XIV. Credits and collections	Prepare a list of all the means you can consider possible of securing credit information on an applicant for a charge account. Name the agencies you consider most reliable and give your reasons.
A. Basis of credit	
B. The credit manager	
C. Points to be investigated in extending credit	
D. Sources of credit information	
E. Ordinary and unusual collection policies	
XV. Advertising and selling	Visit an advertising concern and from your inquiry there determine what is the most effective and yet economical means you could find for advertising the sale of an article of household appliance here in the Southwest area.
A. Factors in advertising	
B. How advertising aids in selling	
C. The different media of advertising	
D. Four major factors in the selling process	
E. Art of selling is closing the sale	
F. Appeal in advertising	

TABLE 6--Continued

Content	Suggested Pupil Problems
XVI. Wage payment plans A. Payment on time basis B. Payment on output basis C. Wage-incentive plans D. Wage-differential E. Standardization in wage rate F. Payment on skill basis G. Bonus system of payment H. Commission payment	Interview a group of laborers on a building construction project and find out just how many different systems of wage payment are involved in that one project. Include every type of work that goes into the completion of the building such as carpenter, metal worker, plumber, electrician, surveyor, and all others.
XVII. Price-making A. Maintaining standard rates B. Legalizing price-maintenance policy C. Price-cutting	Select two or three articles of merchandise--food or clothing will be satisfactory--and visit at least four stores selling each article in your community. Find the varying price level for the consumer on each article of goods and see from your observation of other parts of the stock if you can understand why one store can undersell the other on the commodity. What other factors besides elevated price of other articles of merchandise might make it possible for one merchant to sell a commodity cheaper than a competitor?
XVIII. Warehousing and storing A. Stores and stock department B. Routing C. Storage	
XIX. Mail-order houses A. Their value and service B. Their place in business C. Area of their clientele D. Future outlook	

TABLE 6--Continued

Content	Suggested Pupil Problems
XX. Business statistics <ul style="list-style-type: none"> A. Keeping business graphs B. Method of incorporation C. Keeping expense control 	Learn how to keep business graphs. Either make a graph of the enrolment of your school during the past ten years or prepare a graph of the total cash sales of some business in your community over the same period of time.
XXI. A general knowledge of the uses of cost accounting <ul style="list-style-type: none"> A. Aims of cost accounting B. The mechanism of accounting C. Allocation of expenses D. The inventory E. Budgeting 	To the teacher: Take the class to the office of some outstanding concern in your community and allow the students to examine the books of that firm in order to discover in what manner it keeps its records of cost accounting.
XXII. Cooperative enterprises <ul style="list-style-type: none"> A. Consumer's cooperatives B. Cooperative marketing associations C. Trade associations 	
XXIII. Business failures, reorganizations, consolidations, and expansions <ul style="list-style-type: none"> A. Chief cause of failure in business B. Method of reorganization C. Advantages of consolidation D. Expansion possibilities 	Select two concerns in your community that are conducting the same type of business and list the reasons you can think of where both would benefit from a consolidation with each other. In view of the established trade, the assets on hand, etc., list the disadvantages of such a consolidation.

surveys, and a study of available employment opportunities."² These very same procedures are included in the suggested pupil problem section of the proposed outline found in Table 6 of this chapter.

The course outline, as presented in Table 6, was devised directly from the analysis of the textbook subject matter content which later was evaluated by a group of eighteen authorities in the fields of business and education.

An example is given below of how the twenty-three subject-matter fields found in the course outline in Table 6 were derived from the chapter heads before they were approved as necessary to the course outline.

The subject-matter field, "Purchasing," is used as an example and the following textbook chapter and page reference will show how this topic was given treatment by each author although the wording of the chapter heads may vary in phraseology.

- Brisco, "The Entrepreneur," Ch. V, pp: 96-120.
 "Purchasing," Ch. XII, pp: 244-265.
 Cornell, "Purchasing Department," Ch. XII, pp: 203-228.
 DeHaas, "Purchasing," Ch. XII, pp: 244-265.
 Diemer, "The Purchasing Department," Ch. XIV, pp: 153-160.
 Dutton, "Purchasing and Material Supply," Ch. XXIII,
 pp: 354-371.
 Fernstrom, "Purchasing and Stores," Ch. XXI, pp: 325-356.
 Gerstenberg, "Purchasing," Ch. XIII, pp: 299-326.
 Gilbert, "Purchasing and Inventory Policies," Ch. XVI,
 pp: 261-272.

² Howard M. Bell, "Matching Youth and Job," A Study of Occupational Adjustment Prepared for the American Youth Commission, p. 43.

Spengler, "Purchase and Maintenance of Materials,"
Ch. XI, pp: 203-216.
ZuTavern, "Buying," Ch. XVIII, pp: 349-366.

If the course were divided equally among the eighteen weeks of the semester, at least one subject-matter field could be discussed separately each week. The remaining five, of the twenty-three topics, could be distributed over the four and one-half month span of time. A total of fifty-four one-hour recitation periods, which comprise the usual semester classroom time, will afford instruction of better than an average of two and one-half hours to each subject in the course.

It is felt that no particular order of presentation of the main division heads in the course outline could be readily justified. This is because of the great diversity of opinion that exists at present in other courses of this kind and more specifically in the order of content found in the textbooks analyzed for this study. For this reason individual discretion was exercised in choosing the order in which the major topics appear in the course outline.

After setting up the course outline for this study, the earlier unit outlines prepared for the course, Business Education 275, were found to contain a representative number of the same subject matter fields. Eighteen of the topics covered in the proposed course of study were given considerable treatment in the earlier developed units. The details of the Business Education 275 course outline could not be developed

item for item because these were prepared before the statistical facts of the thesis were found. However, the result of this study gives a basis for a more or less exact specification for most of the contents when the course is offered again.

CHAPTER V

SUMMARY AND CONCLUSIONS

Summary

It was the purpose of this study to determine the organization, content, and method of presentation for a course of study in the principles and problems of business for the college student who is beginning his study in business education.

Twelve leading textbooks in this field were analyzed to determine the subject-matter content they bore on the discussion of this topic. The nucleus of the facts found in these books was then placed before a group of prominent men in the fields of business, business education, and curriculum construction to receive their rating as to the importance of the subject matter in a course for the college student who is beginning his study in business education.

The rankings of this group of authorities was considered as a reliable index to what should go into a course of this kind by virtue of the fact that every authority participating is regarded as an expert in his particular field.

The consensus of ratings given the twenty-seven main subject-matter fields examined by this group of educators pointed to the value of retaining twenty-three topics for treatment in a course of this kind, while four division heads were recommended for omission in a course in business principles and problems.

From the results of this authoritative rating, the main subject-matter fields were set up in the proposed course outline. Then the sub-division title heads for each group were selected on the basis of a close examination of these minor topics in the twelve analyzed textbooks.

It is suggested here that in presenting such a course of study to a group of college students beginning their study in business education that it might prove most valuable to follow certain procedures which took place in a similar course, Business Education 275, "An Introduction to Business," offered for the first time at the North Texas State Teachers College in the fall of 1940 by H. D. Shepherd. In the above-mentioned course, a different guest lecturer from leading business firms of Dallas, Fort Worth, and Denton each week delivered a talk on some particular phase of business in which he was well-versed. This lecture served to promote a greater degree of enthusiasm among the members of the class in their current study and brought them more directly in contact with actual business life.

Another feature of the course offered during the fall of 1940, which proved quite successful in light of results achieved, and which might easily be adapted to this proposed outline, is that of providing discussion questions with each subject-matter field. It is felt that this procedure tends to promote individual thought which might not be supplied by mere textbook sources.

In presenting the actual course outline, there was no definite educational plan which would demand the method of presenting this outline in one set order of topical discussion. Therefore, personal discretion, based on findings of arrangements in textbooks on this subject, was employed in determining the order in which the subject matter was to be introduced. The outline was not prepared with the idea of introducing first those subjects which were considered of greatest importance, for examination of the twelve chosen textbooks indicated that order of presentation and importance in discussion did not necessarily bear a close correlation. For this reason, some of the subjects considered of foremost importance in this course will be found near the last of the outline.

Conclusions

From this study a few conclusions can be drawn:

The subject of business--its principles and problems--is rapidly gaining recognition among educators as being a necessary part of the curriculum of commercial education.

At present a vast opportunity for a successful occupation is offered in the field of business organization and in its closely correlated fields while the "old-line" business vocations of typist, bookkeeper, and stenographer are being over-supplied with applicants who for the most part are qualified only to fulfill their particular line of employment.

No strictly authentic survey of recent trends in the construction of a commercial education curriculum can be found due to the newness of this field in the nation's educational setup. Surveys available for the most part have been conducted by one or a small group of persons and are the only means at present for determining the trends in commercial curriculum construction.

Disregarding the smaller surveys, which cover only a selected area of the nation and could hardly be considered as a reliable sample but more as an example, the only curriculum analysis found which reflects the opinions of educators of higher learning, point to a preference for the placement of the subject matter embraced in this outline on the college level rather than in the high school study.

A great diversity in opinion was expressed by some of the authorities questioned on the importance of the subject-matter topics in this course, but for the most part the majority of the raters reached the same consensus of opinion.

A vast awakening is taking place among the educators, the business men, and the students as to the maladjustment of the commercial education program and employment opportunities. The result is, that whereas a little over a decade ago practically no instruction was being devoted to the principles and problems of business in the commercial education curriculum, today the enrolment in these classes and the number of schools offering the course in this field is showing a rapid increase.

APPENDIX

UNITS PREPARED FOR BUSINESS EDUCATION 275

Unit I

Financial Problems in Organizing a Business

- I. The beginning of a new enterprise
 - A. The background of modern business
 - B. Reasons for business failures
 - C. Diversification in American industry
 - D. Elements which affect a particular industry
 - E. Basic requirements in starting a business
 1. Land, buildings, machinery, equipment
 2. Labor
 3. Raw materials
 4. Research
 5. Overhead maintenance
 6. Adequate reserves
- II. Capital supplying the basic requirements
 - A. Basic forms of ownership
 1. Sole proprietorship
 2. Partnership
 3. Corporation
 - B. Temporary or permanent financial structure
 - C. Amount of capital necessary
 1. Organization expenses
 2. Current operating expenses
 3. Combination plan
 - D. Lending agencies

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Discussion Questions

1. What are the chances involved in going into a new business?
2. Give the advantages and disadvantages of buying an established business. Of starting a new business.
3. How can the necessary capital for a new business be acquired?
4. Is it necessary for a person starting in business to have all the necessary capital at the beginning?
5. Explain why a small company is sometimes more difficult to finance than a large one.
6. What are stocks and bonds?
7. What part does the promoter play in business organization and financing?
8. List some of the uncertainties involved in organizing a business.
9. What part does advertising and canvassing play in the financing and promotion of a new business?
10. What legal and engineering advice are essential in the financing of a new organization?
11. What is a single proprietorship?
12. What is meant by "doing business on a shoestring"?
13. How does one usually save his own personal money with which to start a business? What is the best method?
14. What is a corporation? In what ways do corporations finance business enterprises?
15. Why are partnerships formed?
16. What should guide the prospective business man in selecting the type of enterprise which he should enter?

Unit II

Selecting the Factory Site

- I. Transportation facilities
 - A. Rail
 - B. Water
 - C. Truck
- II. Accessibility of raw materials
 - A. Proximity of greatest source
 - B. Assurance against perishability
- III. Nearness to market
- IV. Labor problems
 - A. Skilled labor supply
 - B. Labor costs
 - C. Transportation of labor
- V. Laws and taxation
 - A. State and federal labor laws
 - B. State and federal taxes
 - C. Laws affecting incorporation (initial fees, franchise tax)
- VI. Building construction and zoning
 - A. Civic industrial zoning ordinances
 - B. Plant facilities
 - 1. Building costs (foundation)
 - 2. Rent and lease arrangements
 - 3. Expansion provisions
- VII. Utility rates
- VIII. Community attitude
 - A. Special inducements
 - 1. Cash bonuses
 - 2. Free sites
 - B. Stock and bond subscriptions
 - C. Tax exemptions
- IX. Miscellaneous factors
 - A. Drainage
 - B. Water pressure and supply
 - C. Fire hazard
 - D. Climate
 - E. Retail price levels

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Discussion Questions

1. How would the location of perishable or bulky materials exercise a special effect upon material costs?
2. What risks does a factory assume when its source of raw materials is not at hand?
3. What raw materials are produced in quantity locally?
4. What is a franchise tax and how does it affect the decision in choosing a factory site?
5. What are some of the state and federal laws affecting the selection of a factory site?
6. What bearing does the climate play in choosing the location of a plant?
7. Name several great resources which make southwestern regions prosperous.
8. Is there a limit to the size and type of industry suited to a given town?
9. What advantage is there in concentration of industrial location in relation to labor?
10. Is there a superabundance of skilled labor anywhere in the United States?
11. From where do we get most of our highly skilled labor?
12. State the advantages, if any, to a factory being located near water rather than rail. State the converse.
13. What advantages are there to a suburban location for a factory rather than within the city proper?
14. Does the city have many advantages over the suburban area? If so, what are some?
15. If you were building a small plant, would you locate it on a corner or inside lot? What would be the advantages of the location you would choose?

Unit III

Scientific Management As Applied To
The Flour Milling Industry

- I. Elements or division comprising scientific management
 - A. Economic trends that underlie movement
 1. Specialization
 2. Simplification
 3. Standardization
 4. Integration
 5. Diversification
 - B. Factors entering into managerial control of plant
 1. Control of raw materials, supply, and purchasing
 2. Control of plant, buildings, and equipment
 3. Control of personnel
 - C. Control of production processes
 1. Planning and scheduling
 2. Raw materials inventory control
 3. Quality, waste, and cost control
- II. Advantages of large-scale production
 - A. Efficiency of operation by use of specialists
 - B. Uniting executive control and sales force
 - C. Spreading of advertising
 - D. Pooling of expenses
 - E. Greater buying power and borrowing ability
- III. Application of time and motion studies
 - A. Analysis of time studies and development of instruction cards
 - B. Systems of payment
 1. Differential piece and bonus work
 2. Straight piece work and premium manner

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Discussion Questions

1. If it were not for large scale manufacturing, do you believe that you could purchase an automobile under \$2,000? Why or why not?

2. Name reasons why scientific management has grown.
3. Can the operation of scientific management be applied to small milling industries as cheaply as the set-up for scientific management in large industries?
4. What effect has scientific management had on the small independent business?
5. Can the productive capacity per capita of labor be increased, without limit depending upon the progress made in time and trouble-saving appliances?
6. Is it true that the accuracy of manufacturing processes no longer depends on the skill of the operator but on the accuracy of tools?
7. Name special ways in which flour mill manager's large salary is just.
8. Name some economies which may be achieved and should be achieved through centralization in the purchasing department.
9. What are some of the advantages, other than greater output, to be found in machine-production over production by hand?
10. Discuss the fallacies to the statement that "Increased wealth is due to mass production."
11. In purchasing a sack of flour, upon what merits do you determine whether it is of good or bad quality? Cost? Labor?
12. What part does the engineer play in the role of factory production? Does the producer usually base his ideas for new production on the findings of the engineer?
13. Why should there be a speed-up before quitting time?
14. Why should an employee work only a certain number of hours each day and week? Is it just to allow more persons employment?
15. Why are some employees placed on piece-rate and others on time rate?
16. What are the advantages and disadvantages of the piece-rate? Time-rate?
17. What is meant by time control in reference to production?
18. What is meant by "motion study"?
19. What are the advantages of the planned control as found in scientific management?
20. How can temporary lay-offs and slowing down of equipment be overcome by establishing sales and manufacturing programs?
21. What are several steps that manufacturers have taken to standardize the type of work that they have had to offer their employees?
22. What production advantages can be obtained by standardization of product?

Unit IV

Wage Payment Plans

- I. Methods of wage payment
 - A. Time scale
 1. Advantages
 2. Disadvantages
 - B. Piece-rate scale
 1. Advantages
 2. Disadvantages
 - C. Wage-incentive plan
 1. Operates on premium or bonus basis
 2. Types of systems
 - a. Halsey premium
 - b. Rowan premium
 - c. Gantt task and bonus
 - d. Differential piece-rate
 - e. Emerson efficiency
 - f. Bedeaux-point
 - D. Day rate
- II. Special forms of wage payment
 - A. Group bonuses
 - B. Foreman's bonuses
 - C. Quality bonuses
 - D. Bonuses based on amount of equipment in operation
 - E. Attendance bonuses
 - F. Length-of-service bonus
 - G. Overtime or odd-shift bonus
 - H. Payment of salesmen
 - I. Executives' salaries
- III. Factors determining a fair wage
 - A. Standard of living
 - B. Minimum wage laws
 - C. Experience and skill
 - D. Production costs and profits
 - E. Labor supply available
 - F. Mental and physical requirements
 - G. Prevailing rates in the occupation
 - H. Trade union scales

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Discussion Questions

1. Are high wages an index to efficiency?
2. Does the employee do his work better when paid by the hour?
3. Why should we give high pay for success in work?
4. What is meant by job analysis?
5. List some of the tests for physical fitness.
6. Give the meaning of the two-shift system.
7. What are some of the duties of capital in regard to the laborers' wages?
8. Can you give the main difference between being paid by the hour and paid by the day? Which would you prefer?
9. What is the reason some workers favor the piece-rate wage plan over the day or time-payment plans?
10. What is your choice of all forms of wage payment?
11. By what method does the employer determine upon what plan he shall pay his employees?
12. What is the explanation for the fact that wages in the United States are higher than those in England or other foreign countries?
13. How do time and motion studies enter into the wage payment plans?
14. Is a bonus given to encourage improvement of work or speed of work?

Unit V

Cost Accounting--A Control Factor in Manufacturing

I. Aims

- A. To verify past expenditures
- B. To determine present costs
- C. To estimate and control future costs and needs

II. Classification of costs

A. Labor

- 1. Computation of cost
 - a. Clock card
 - b. Daily time reports
 - c. Pay-roll account
 - d. Accrued wages
 - e. Office and officers' wages

B. Material

- 1. Original cost or actual purchase price, or list or average price
- 2. Freight, cartage, and expenses of receiving, storing, and issuing
- 3. Coal, machine oil, belting, polishing substances

C. Overhead

- 1. Factory expense
 - a. Items excluded from direct material and direct labor costs
 - b. Wages and expenses of men serving several different departments
 - c. Charges for occupancy for real estate and buildings and stand-by charges
- 2. Selling and advertising expense
 - a. Shipping expense
 - b. Credit expense
 - c. Collection expense
- 3. General expense
 - a. Salaries and office expenses of the general officers
 - b. Expenses of the accounting, legal, and other general services
- 4. Expense items as functions--pure functions of time
 - a. Taxes
 - b. Rent
 - c. Insurance
 - d. Obsolescence
 - e. Portion of depreciation

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Discussion Questions

1. What are three distinct purposes of cost accounting?
2. Distinguish between direct and indirect costs.
3. In what specific manner does cost accounting aid the executive who is trying to coordinate sales and production?
4. What is your understanding of overhead? Loading?
5. What is a production center?
6. What are the essentials of good cost records?
7. Give the reasons for the failure of many cost systems.
8. Give some ways in which a good cost system assists an entrepreneur.
9. What is the difference between bookkeeping and accounting?
10. What are some of the local factory conditions that must be studied in working out a cost system?
11. Name some methods used for the diffusion of the overhead expense.
12. How would you account for the growth in importance of cost accounting?
13. What effect did the World War have on cost accounting?
14. Are cost accounting techniques limited to manufacturing business?
15. Is factory experience necessary background for one who desires to become an accountant?
16. Evaluate college courses in cost accounting.
17. Is it possible that the collection and maintenance of cost data will cause friction in the personnel of the factory organization?
18. What is meant by the term, "cost accounting control?"
19. What are the improvement opportunities in cost accounting?
20. Just how could the cost accounting department influence price fixing?
21. What is meant by the term, "standard cost?"

Unit VI

Transportation Costs for the Manufacturer

- I. Agencies of transportation
 - A. Rail
 - B. Water
 - C. Truck
 - D. Pipe-line
 - E. Interurban
 - F. Air
- II. Special services
 - A. Refrigerator and glass-lined cars
 - B. Fast freight and electric lines
 - C. Express
 - D. Parcel post
- III. Savings in transportation costs
 - A. Carload lots
 - B. Pool car rates
 - C. Diversion in transit
 - D. Through or "processing rates"
 - E. Cooperative delivery system
- IV. Additional cost other than straight shipment
 - A. Commission merchant
 - B. Inspection fees
 - C. Insurance
 - D. Packaging
 - E. Reshipping
 - F. Loading and unloading
 - G. Cost of building and maintaining highways
 - H. Construction of railroad sidings for factory
- V. Factors influencing transportation rates
 - A. Cost of service to the carrier
 - B. Value of articles
 - C. Distance of haul
 - D. Risk in handling
 - E. Competition
 - F. Service to the shipper
 - G. Space occupied
 - H. Dead weight
 - I. Special facilities
 - J. Volume and direction of traffic

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Discussion Questions

1. What utilities does transportation create? Explain what they are.
2. What is l.c.l. freight? C.l. freight? Why is there a difference in the two rates and which is the higher?
3. What are some of the ways in which the railroads are attempting to meet competition?
4. In your opinion, who pays for the highways? Give reasons for your answer.
5. What effect do the transportation rates have upon the price which is paid for merchandise by the ultimate consumer? Is the transportation passed on to the consumer?
6. Why is it more profitable to ship less than carload lots by motor freight than by rail?
7. What are some of the factors that made many railroad companies abandon their short branch lines and begin using trucks?
8. Why do some manufacturers place goods in shipment when they know at the time that it leaves their plant that the goods have not been sold?
9. What is the work of the commission merchant and how much responsibility rests on his shoulders?
10. Explain what is meant by the term "processing rate."
11. Who benefits from the pool car type of transportation?
12. Who has the bigger overhead costs, the railroad, the steamship company, or the motor freight company? Give reasons for your answer.
13. Of what value do you believe the interurban would be to the small farmer in shipping his goods? Do you feel it would be better than railroad shipment?
14. What types of goods, other than mail, is usually shipped by airplane?
15. If all three types of service were available to send your goods direct to its destination, which do you feel would be the cheapest, rail, water, or truck? What is the reason for your answer.
16. Why do oil companies pipe their product sometimes over a distance of 1,000 miles or more when other means of shipment are available?
17. Why do so many small towns use motor freight lines as their only means of transportation with other communities? Is it likely that this method of transportation is the best for the small town in the final analysis?

Unit VII

Distribution--A Marketing Problem

- I. Functions of distribution
 - A. Change of ownership
 - 1. Buying
 - 2. Selling
 - B. Physical handling of goods
 - 1. Transportation of goods
 - 2. Packing
 - 3. Storing
 - 4. Assembling
 - 5. Dividing
 - 6. Standardizing and grading
 - C. General business functions involved in marketing
 - 1. Financing
 - 2. Risking
 - 3. Recording
 - 4. Managing
- II. Approaches in distribution
 - A. Middleman
 - B. Trade channels
 - C. Commodity
- III. Reasons for high cost of distribution
 - A. High wages of people engaged in distributive occupations
 - B. Newness of study of distribution
 - C. Distribution, except for transportation, mainly a hand industry
 - D. Much waste and many risks in distribution
 - 1. Poor packing of goods for shipment
 - 2. Poorly designed and inadequate facilities for handling goods
 - E. Services furnished consumers

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Discussion Questions

1. Which is the more important today as an economic and business problem, production or distribution (marketing) and why?
2. How does the cost of production compare with the cost of distribution of merchandising as a whole?
3. Can you explain the reason why our capacity to produce goods has increased faster than our capacity to distribute or market these goods?
4. Are the costs of distribution increased or decreased by the existence and use of storage facilities? Discuss.
5. Do you believe there are too many middlemen? If so, how would you go about eliminating some of them?
6. What do we mean by the middleman approach to the study of marketing?
7. What is meant by a trade channel?
8. What is a trading center and what are some of its advantages as a distributing center for consumers goods?
9. What place does the broker occupy in the trade channel?
10. What is meant by a "utility"? What are the utilities created in the process of distribution?
11. Define distribution or marketing.
12. What is the object of distribution?
13. Do you believe large-scale production increases distribution costs? Why or why not?
14. Do you believe that the consumers are benefited or injured by the liberal services offered today by the sellers?
15. Give reasons for the increase in distribution costs during the past century and the decline of production costs?
16. How does market distribution operate to supply human want?
17. Why is there more higgling over prices in the wholesale than in the retail trade?

Unit VIII

Selecting the Retail Store Location

- I. Factors to be considered in selecting the city
 - A. Population
 - B. Nationality and racial groups
 - C. Transportation facilities
 - D. Purchasing power of city's inhabitants
 - E. Competitors
- II. Factors to be considered in choosing the centrally-located sites
 - A. Proximity to car lines and intersections of principal streets
 - B. Character of passers-by
 - C. Traffic count on passers-by
 - D. Surrounding territory and stores
 - E. Buying habits of people of that section
 - F. Clustering of stores of similar types
- III. Factors to be considered in choosing the neighborhood
 - A. Potential market in that given area
 - B. Opportunity to compete against unprogressive competitors
 - C. Opportunity to afford customers better delivery service by convenient nearness
 - D. Nationality and racial groups in that particular area
- IV. Factors to be considered in selecting the street
 - A. Popular streets in favorite shopping centers
 - B. Location on the proper side of the street
 1. Consideration of sun's rays and affect of temperature
 2. Choosing side where customers have formed habit of trading
 - C. Selection of site in accordance with available parking facilities
 - D. Choosing corner or inside locations
 - E. Choosing upper or lower floor location
 - F. Condition of street and sidewalks
- V. Miscellaneous factors to be considered
 - A. Condition of building
 - B. The effect that hospitals, stables, asylums, etc., have on sales
 - C. The effect that picture houses and parks have on sales

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Discussion Questions

1. What is the real importance of location in retail selling?
2. How could a knowledge of racial facts be of any value in selecting a store site?
3. Are population trends of any real importance in selecting a store site? Why or why not?
4. Which two sides of the following are the most desirable sides of a street for a retail store site: north, east, south, and west? Why your answer?
5. Would you like for your store to be located in a cluster of other stores?
6. What types of stores would generally be located near a motion picture house? Why?
7. Name some businesses which are dependent on the trade of passers-by.
8. Would you rather have your only competition a mile away or next door?
9. What effect is the automobile having on neighborhood and suburban store business?
10. What is meant by a "trading center"?
11. Is it good business to pay more rent for one location than for another when both are identically the same size and are on the same street? Explain your answer.
12. Who worries least about high rents--the chain or the independent store? Why?
13. Does the temperature of a side of a street have any real significance in the selection of a store site? Why or why not?
14. Name some types of stores which would be greatly affected by being situated in the path of the sun's rays.
15. Do you believe that a corner site is always more valuable than an inside location for a store?
16. What are some stores that are usually situated on corners? On inside locations?

Unit IX

Credit and Collection Problems

- I. Basic factors determining the credit risk
 - A. Character
 - B. Capacity
 - C. Capital (also collateral)
- II. Modifying elements determining the credit risk
 - A. Credit policy of firm
 - B. The trends in the business cycle
 - C. The credit manager's personal attitude
- III. Points to be investigated in extending credit
 - A. Personal character of applicant
 - B. Business ability of applicant
 - C. Financial condition of applicant
- IV. Methods of securing credit information
 - A. Sources of direct inquiry
 1. Personal interview with applicant
 2. Bank, salesman, and attorney reports on applicant
 3. Information from applicant's references
 - B. Agency services
 1. Ratings with credit firms
 2. Credit clearing house reports
 3. Report of Dun and Bradstreet
 - C. Information supplied by other credit men
 1. Telephone inquiry
 2. Letter inquiry
 3. Direct interchange of reports
- V. Ordinary collection policies
 - A. Personal call
 - B. Letters
 - C. Draft of debtor's account at bank
 - D. Telephone calls
 - E. Force through attorneys or collection agencies
 - F. Settlement by note
 - G. Suing the debtor
- VI. Unusual collection methods
 - A. Dunning by wire
 - B. Sending debtor registered letter
 - C. Advertising debtor's account for sale
- VII. Collection plans by mail
 - A. Stages in correspondence collection
 1. Statement of account
 2. Reminder of overdue account

3. Discussion of debt with desire to aid in settlement
4. Demand for immediate settlement with threat to take action
- B. Novel means of collecting through the mail
 1. Stunt and humorous letter
 2. The use of inserted cards and folders
 3. Enclosing of stickers and rubber-stamped statements
 4. Special deliveries and registered letters

VIII. Bad debt losses

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Discussion Questions

1. Why do credit managers favor personal interviews with prospective credit customers?
2. What three elements make up the "credit equation"?
3. What is a credit rating report?
4. Of what material value are trade and financial publications to the credit manager?
5. Is the function of the collection department limited to collect overdue accounts? Why or why not? Discuss your answer.
6. What is the difference between "payment" and "collection"?
7. What is the follow-up system and how does it serve the collection department?
8. Is there any advantage to charging interest on past-due accounts? Would you back such a policy if you were a credit manager?
9. When do you feel it is necessary to seek the aid of an attorney in helping to collect an account? Or do you feel this step is at all necessary?
10. Explain the four steps in collection correspondence. Which should get the most results?
11. What is a credit interchange bureau? Is it of any value in determining credit risks?
12. Is the advertising of a debtor's overdue account in a newspaper considered an ethical practice today? Would you resort to such a method in attempting to secure payment of delinquent accounts? Why or why not?
13. To what extent do the trends in the business cycle have a bearing on the extension of credit?
14. Do you believe an applicant's credit references are of any value to a credit manager in deciding whether or not to extend credit? Would you rely pretty heavily on these references if you knew nothing of the applicant himself?
15. List at least five novel or unusual means you have personally seen taken to speed payment of accounts through the mail. Explain the advantages or psychological affect of each.
16. Is it legal to draw a draft on a debtor's account at the bank? Is this a common practice today? Is it an effective practice today?

Unit X

Advertising and Selling

- I. Factors in advertising
 - A. Purpose of advertising
 - B. Organization of advertising department and publicity division
 - C. Advertising plan
 - D. Publicity budget
- II. How advertising aids in the selling end
 - A. Through newspaper merchandising
 - B. Through radio cooperation
 - C. Through the outdoor advertising campaign
 - D. Through the magazine tie-up
- III. Other major types of advertising
 - A. Window display
 - B. Direct mail
 - C. Circular
 - D. Public address system
 - E. Theatre
 - F. Street-car
 - G. Sky-writing
- IV. Advertising as an aid in sales promotion
 - A. Helps increase the sales volume and customer traffic of store
 - B. Stabilizes the sales volume during normally dull business months
- V. The four major factors in the selling process
 - A. Getting the customer's attention
 - B. Arousing the customer's interest
 - C. Creating the customer's desire of ownership
 - D. Getting the customer to act

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Discussion Questions

1. What is meant by a "selling plan"?
2. How does a good advertisement secure favorable attention?
3. What are some of the factors that contribute to the attention value of an advertisement?
4. Name some methods whereby an advertisement can hold the interest of the reader?

5. In what way does the salesman or the advertisement help the prospect to make a decision?
6. Is it the purpose of every advertisement to attempt to complete the whole process immediately? Explain your answer.
7. List at least five kinds of advertising "media" and give advantages of each.
8. What are the two important divisions of newspaper advertising and what types of products are usually advertised in each?
9. What are some of the services that the newspaper render to their advertisers in addition to publishing their advertisements?
10. List at least four other factors that should be considered in advertising in a newspaper in addition to circulation.
11. How can the advertiser make certain that his envelope enclosure will be read?
12. What do you believe is the greatest weakness of direct advertising and how may the advertiser guard against this weakness?
13. List at least five methods of obtaining mailing lists.
14. What are the three principal kinds of outdoor advertising?
15. What is the Outdoor Advertising Association of America?
16. List some advantages of outdoor advertising.
17. How can advertisers at least partially check up on the effect of their radio programs?
18. Do you believe price tickets should be placed upon merchandise displayed in windows? In what cases should they be placed and in what cases should they not be placed?
19. List several advantages of street-car and motion picture advertising.

Unit XI

Office Organization

- I. Types of organization
 - A. Small office
 - B. Departmental
 - C. Centralized
- II. Responsibilities of office manager
 - A. To get the work done:
 1. Accurately
 2. Completely
 3. Promptly
 4. Economically
 - B. To see standardization is maintained in:
 1. Routines and office methods
 2. Physical environment
 3. Equipment and materials
 4. Supplies
 5. Personnel
 6. Desk systems
- III. What office supervision should accomplish
 - A. Secure a willingness to cooperate between employees and employer
 - B. Create the proper office environment
 - C. Make office a comfortable and healthful working place
 - D. Get the workers interested in keeping discipline
 - E. Help the workers by analyzing their shortcomings
 - F. Perfect a definite promotional plan
 - G. Secure and make use of suggestions
 - H. Get results without incentive of monetary gains
- IV. Essential elements of a good promotional plan
 - A. Grade jobs on basis of required skill, knowledge, and ability
 - B. Standardize rates of pay with an upper and lower limit
 - C. Systematize standards so as to determine promotional requirements
 - D. Provide for advancement preference for older, abler, long-serviced employees whenever possible
 - E. Make periodical appraisal of employees and their salaries
 - F. Make whole promotional plan flexible to insure effectiveness
- V. Trends in office organization
 - A. Recognition of the importance of the personnel manager
 - B. Coordination of activities of various departments
 - C. Establishment of incentives to encourage efficiency

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Discussion Questions

1. Why must the office manager delegate some of his responsibility to others? Is this an easy thing to do? Why or why not?
2. To whom should the office manager be responsible? Why?
3. Is most of the office work of a routine nature? What bearing, if any, does this have on standardization?
4. List at least five advantages that a standardized office has over an unstandardized one.
5. Would you consider changing methods which you had previously standardized? In what conditions, if any?
6. What colors are most suitable for the walls and ceiling of an office?
7. Name some methods by which an office manager can make the physical environment of his employees more comfortable.
8. What advantage is there to uniformity in the office furniture?
9. Define a standard. Give a good illustration of one.
10. Why is it a futile proceeding to imitate another's methods?
11. What are some of the disadvantages of a private office?
12. What are some major objections to desk lights?
13. In what manner would you conduct a survey to determine if the equipment in your office was satisfactory?
14. When should the office machines be used?
15. Would you advise using the desk system? Why or why not?
16. How large an office can plan its work?
17. What bearing do welfare movements have upon efficiency?
18. Do you feel it is fair for employers to order goods at wholesale price for their employees' personal use? Discuss reasons for your answer.

Unit XII

Choosing New Employees

- I. Employee supply source
 - A. Friends of present employees
 - B. Newspaper advertisements
 - C. Names of previous applicants on file
 - D. Unsolicited letters of application
 - E. Business schools and colleges
 - F. Employment agencies
- II. Procedure of employment
 - A. Grant the applicant an interview
 - B. Record impressions of applicant on information form
 - C. Study the major personality factors
 1. Personal grooming
 2. Physique
 3. Mental alertness
 4. Manners
 5. Maturity
 6. Self-confidence
 - D. Ask for references on application blank and check some
- III. Methods of selection
 - A. On ability, character, and experience
 - B. Psychological tests
 - C. Fitness for job
 1. Consider the marriage factor
 2. Congeniality
- IV. Steps to take after choosing employee
 - A. Prepare job analysis for him
 1. State the salary
 2. State the promotional opportunity
 3. Discuss the proper use of the machinery
 4. Give a description of work expected to be done
 - B. Give new employee physical examination
 - C. Give new employee mental examination
 - D. Let employee fill out qualification card
 - E. Introduce worker to his job
 - F. Acquaint employee with the office policies
 - G. Make employee feel at home
 - H. Win employee's confidence
 - I. Show patience with employee
 - J. Win employee's loyalty

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Discussion Questions

1. Why is it desirable to have hiring and discharging centralized?
2. What is meant by the term, "job specification"?
3. Does the fact that technical skill and mental ability do not necessarily coincide with perfect health, discredit the physical examination?
4. Would you advocate a departmental head employ clerks? Why or why not?
5. In an interview should an effort be made to catch the applicant on misstatements? Why or why not?
6. In what manner would you introduce a worker to his job?
7. Is there any necessity to a follow-up after this introduction?
8. Can references usually be taken as a reliable source of one's worth?
9. What are some disadvantages of employing close friends or relatives?
10. What are some advantages of employing married women? Disadvantages?
11. Give in ranking order what you feel are the five outstanding qualities an employee in your choice should have.
12. Give some features besides salary which should be an incentive for an employee in choosing a new job.
13. List some difficulties of newspaper advertising for help from the point of view of (a) the worker (b) the manager.
14. Should fellow employees have any say in the selection of a new employee? Give reasons for your answer.
15. Do you believe two or more persons from the same family should be allowed to be employed in the same firm? Why or why not?

Unit XIII

Business Risks and Insurance

- I. Insurable risks
 - A. Property hazards
 - 1. Fire and related losses
 - 2. Natural elements
 - 3. Breakage and collapse
 - 4. Transportation
 - 5. Leakage
 - 6. Criminal
 - 7. Surety
 - 8. Miscellaneous
 - B. Liability insurance
 - 1. Motor vehicles
 - 2. Explosion
 - 3. Patent infringement
 - 4. Liability of contractor, landlord, owner
 - 5. Public
 - C. Social insurance and earning power
 - 1. Workmen's compensation
 - 2. Old age pension
 - 3. Health and accident
 - 4. Unemployment
 - 5. Life insurance
 - 6. Retirement
 - 7. Anticipated profits
 - 8. Use and occupancy
- II. Fundamental principles of all insurance
 - A. Cooperative procedures--"Law of large numbers"
 - B. Need and responsibility for protection
 - C. Principles of probability
- III. Types of insurance organization
 - A. Self-insurance
 - B. Stock companies
 - C. Lloyds underwriters
 - D. Government or state agencies
 - E. Mutual companies with contingent cost liability
 - F. Reciprocal or exchange underwriter
 - G. Reinsurance companies
 - H. Government or state agencies

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Discussion Questions

1. What is an "underwriter"?
2. Why is insurance often referred to as a racket?
3. Illustrate how risk is reduced by insurance.
4. Do you believe it is possible by foresight and calculation to reduce or avoid some of the risks of industry? All the risks of industry?
5. Should a large insurance company be better able to give better rates than a small one?
6. In what manner does incorporation aid in lessening risk?
7. Would you say insurance reduces risks or transfers risks from the individual to society? Explain your answer.
8. Can speculation be determined a result or a cause of risks?
9. What forms of insurance represent saving?
10. Do you believe in the statement offered by some that, "competition is so keen that the small concern cannot afford insurance,"?
11. In credit insurance, what argument is there for the insured standing the normal loss through bad debts and the insurance company saving for most of the excess?
12. If all things are equal (which they seldom would be) which is the more preferable, a large or small insurance company? Why?
13. What is "reinsurance"?
14. What are some of the major reasons for reinsurance?
15. What is a "premium"? "Policy"? "Reserve"?

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