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# BSBSMB401

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Establish legal and risk  
management requirements of

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## Candidate Details

Assessment – BSBSMB401: Establish legal and risk management requirements

Learner Workbook

## of small business

Please complete the following activities and hand in to your trainer for marking. This forms part of your assessment for BSBSMB401: Establish legal and risk management requirements of small business

Name: **Jamie Hoffman**

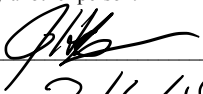
Address: **110 Wakefield St Bald Hills**

Email: **Jamiehoffman140972@bigpond.com**

Employer: **Halicas.**

### Declaration

I declare that no part of this assessment has been copied from another person's work with the exception of where I have listed or referenced documents or work and that no part of this assessment has been written for me by another person.

Signed: 

Date: **2/6/19**

If activities have been completed as part of a small group or in pairs, details of the learners involved should be provided below;

This activity workbook has been completed by the following persons and we acknowledge that it was a fair team effort where everyone contributed equally to the work completed. We declare that no part of this assessment has been copied from another person's work with the exception of where we have listed or referenced documents or work and that no part of this assessment has been written for us by another person.

Learner 1: \_\_\_\_\_

Signed: \_\_\_\_\_

Learner 2: \_\_\_\_\_

Signed: \_\_\_\_\_

Learner 3: \_\_\_\_\_

Signed: \_\_\_\_\_

**Competency Record to be completed by Assessor**

Learner Name: \_\_\_\_\_

Date of Assessment: \_\_\_\_\_

The learner has been assessed as competent in the elements and performance criteria and the evidence has been presented as;

|            |                   |
|------------|-------------------|
|            | Assessor Initials |
| Authentic  |                   |
| Valid      |                   |
| Reliable   |                   |
| Current    |                   |
| Sufficient |                   |

Learner is deemed:                      COMPETENT                      NOT YET COMPETENT (Please circle)

If not yet competent, date for re-assessment: \_\_\_\_\_

Comments from Trainer / Assessor:

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Assessor

Signature: \_\_\_\_\_

**serv**ation/**Demonstration**

**Ob**

Throughout this unit, you will be expected to show your competency of the elements through observations or demonstrations. Your instructor will have a list of demonstrations you must complete or tasks to be observed. The observations and demonstrations will be completed as well as the activities found in this workbook. An explanation of demonstrations and observations:

**Demonstration is off-the-job**

A demonstration will require:

- Performing a skill or task that is asked of you
- Undertaking a simulation exercise

### **Observation is on-the-job**

The observation will usually require:

- Performing a work based skill or task
- Interaction with colleagues and/or customers

Your instructor will inform you of which one of the above they would like you to do. The demonstration/observation will cover one of the unit's elements.

The observation/demonstration will take place either in the workplace or the training environment, depending on the task to be undertaken and whether it is an observation or demonstration. Your instructor will ensure you are provided with the correct equipment and/or materials to complete the task. They will also inform you of how long you have to complete the task.

### **You should demonstrate that you can:**

1. Identify and implement business legal requirements
2. Comply with legislation, codes and regulatory requirements
3. Negotiate and arrange contracts

### **You should also demonstrate the following skills:**

- Reading
- Writing
- Oral Communication
- Numeracy
- Navigate the world of work
- Interact with others
- Get the work done

## **Activities**

### **Activity 1A**

|                       |                                                                                                                                                |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Estimated Time</b> | <b>30 minutes</b>                                                                                                                              |
| <b>Objective</b>      | <b>To provide you with an opportunity to identify and research possible options for the business legal structure using appropriate sources</b> |
| <b>Activity</b>       | <b>1. Conduct your own research and document advantages and disadvantages in creating the types of legal structure detailed in this table.</b> |

***To conduct a small business successfully for a Sole Trader and Proprietary Limited Company there are several advantages and disadvantages for legal structure:***

***Advantages: Easily set up, easy to close, inexpensive, total privacy, independent, few government regulations, all profits to sole trader, possible tax advantages, non-disclosure of profits to public, limited liability, organised control, separate legal entity, shares transferable and the ability to control authority of shareholders through types of shares issued.***

***Disadvantages: Unlimited liability, public disclosure, few tax concessions, charter restrictions, possible lack of capital, possible limit of expertise, lack of continuity, reliant on one person only, affected by sickness, holidays, retirement and death, government regulations, annual returns to ASIC, possible taxation disadvantages and directors responsibility.***

### **Activity 1B**

|                       |                                                                                                                                                                             |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Estimated Time</b> | 20 minutes                                                                                                                                                                  |
| <b>Objective</b>      | To provide you with an opportunity to determine legislation and regulatory requirements affecting operations of the business under its chosen structure.                    |
| <b>Activity</b>       | 1. Report on your organisation or in accordance with directions from the instructor, the legislation and regulatory requirements affecting the operations of your business. |

***Legislation and Regulatory requirements affecting the operations of your business include:***

- Duty of care and diligence***
- Improper use of information***
- Duty to prevent insolvent trading***
- Duty to act in good faith***
- Improper use of position***

***Local, state/ territory, commonwealth and international legislation, regulations and codes of practice that affect business operations may include:***

- Relevant acts and regulations***
- Industry and WHS codes of practice***
- Business registrations and licenses***
- Planning and other permissions***
- Environmental legislation***
- Industrial law, agency law, property law, consumer legislation and standards, torts law and duty of care***
- Equal employment opportunity (EEO) and anti-discrimination legislation, anti-competition regulations***

***Main sources to affect you are, common law made from court cases, legislation or statute law and statutory rules, regulations and by-laws. Regulations affecting companies (ATO)***

### **Activity 1C**

|                       |                                                                                                                                                         |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Estimated Time</b> | 20 minutes                                                                                                                                              |
| <b>Objective</b>      | To provide you with an opportunity to develop and implement procedures to ensure full compliance with relevant legislation and regulatory requirements. |
| <b>Activity</b>       | 1. What methods are used to implement procedures to ensure full compliance with the relevant legislation and regulatory requirements governing your     |

specific business operations?

You may make reference to your answers in Question 1B.

***To stay compliant with relevant legislation you must:***

- Maintain a register of its members***
- Keep a record of all directors/ members***
- Record all meeting minutes/ resolutions***
- Appoint a registered company auditor within one month of the company's registration***
- Keep proper financial records***
- Prepare and have audited and noodle financial statements and reports after the end of financial year: does not apply to all companies***
- Send to company members a copy of the financial statements and reports, unless the member has a standing arrangement to to receive them***
- Hold an annual general meeting once every calendar year within five months after the end of its financial year***
- Receive/ review annual company statements***
- Lodge notices whenever changes occur***
- Financial Reporting***
- Procedures to ensure full compliance***

***Also show Duty of care to act in good faith, diligence and prevent insolent trading at all times.***

## Activity 2A

|                |                                                                                                                                                                                                                                                                                             |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 30 minutes                                                                                                                                                                                                                                                                                  |
| Objective      | To provide you with an opportunity to establish systems to ensure legal rights and responsibilities of the business are identified and the business is adequately protected, specifically in relation to work health and safety (WHS), business registration and environmental requirements |

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Activity | <p>1. Detail/report your company's systems to ensure the legal rights and responsibilities of the business are identified and the business is adequately protected.</p> <p><b><i>Companies procedures for legal rights and responsibilities, WHS and Environmental requirements may include:</i></b></p> <p><b><i>-Legal rights/ responsibilities..</i></b></p> <p><b><i>&gt;Culturally appropriate processes/ protocols</i></b></p> <p><b><i>&gt;Marketing the business in accordance with consumer legislation</i></b></p> <p><b><i>&gt; Operating the business with duty of care</i></b></p> <p><b><i>-WHS Requirements</i></b></p> <p><b><i>&gt;Comply with relevant WHS codes of practice</i></b></p> <p><b><i>&gt;Establish and maintaining a system for managing WHS</i></b></p> <p><b><i>&gt;Establish hazard management arrangements to assess and control the risks associated with workplace hazards including development of written safe operating procedures</i></b></p> <p><b><i>&gt;Establish WHS record keeping arrangements in accordance with regulatory requirements</i></b></p> <p><b><i>&gt;WHS duty of care responsibilities</i></b></p> <p><b><i>&gt;Registering with state/territory workers compensation authority if applicable</i></b></p> <p><b><i>-Environmental Requirements</i></b></p> <p><b><i>&gt;hard to group under the small business banner which plays a part in the Environmental management laws that apply to specific business activities and are administered by both state and local governments in the form of licences and permits</i></b></p> |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Activity 2B

|                |            |
|----------------|------------|
| Estimated Time | 25 minutes |
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|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Objective | To provide you with an opportunity to identify taxation principles and requirements relevant to the business, and follow procedures to ensure compliance, and identify and carefully maintain legal documents and maintain and update relevant records to ensure their ongoing security and accessibility.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Activity  | <p>1. Define a sole trader, an incorporated company and a trust.</p> <p><b><i>-Sole Trader: the simplest business structure, lets you operate your business as a sole trade (you have control/ manage the business.</i></b></p> <p><b><i>-Company: a complex business structure, set up and administrative procedures cost usually higher than other business structures and have separate bank account.</i></b></p> <p><b><i>-Trust: is an obligation imposed on a person to hold property or income for the benefit of others.</i></b></p> <p>2. What legal documents may you have to maintain?</p> <p><b><i>&gt;Legal documents and records may include:</i></b></p> <p><b><i>-Appropriate software for financial records</i></b></p> <p><b><i>-Certificate of incorporation</i></b></p> <p><b><i>-Constitution Documents</i></b></p> <p><b><i>-Franchise agreements and financial documents</i></b></p> <p><b><i>-Partnership agreements</i></b></p> <p><b><i>Statutory books for companies, such as register of members, directors and minute books</i></b></p> <p><b><i>&gt;Records may include:</i></b></p> <p><b><i>-Environmental</i></b></p> <p><b><i>-Financial</i></b></p> <p><b><i>-WHS</i></b></p> <p><b><i>-Personnel</i></b></p> <p><b><i>-Taxation</i></b></p> <p><b><i>-Accounts receivable, Cash receipts books, Cash register totals, Summary cash receipts book, Tax invoices, Purchase orders etc....</i></b></p> <p><b><i>All legal documents to be updated regularly to ensure security and accessibility.</i></b></p> |

## Activity 2C

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 20 minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Objective      | To provide you with an opportunity to monitor provision of products and services of the business to protect legal rights and to comply with legal responsibilities and conduct investigations to identify areas of non-compliance with legal and regulatory requirements, and take corrective action where necessary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Activity       | <p>1. Suggest three options that could likely cause an error in compliance. For the areas identified, give your recommendations on ways to eliminate future occurrences.</p> <p><b>&gt;Areas of non-compliance:</b></p> <p><b>1:Encourage compliance with employees: creating a good compliance culture by the promotion of a positive attitude towards legal compliance activity at all levels within the company.</b></p> <p><b>2:Financial reporting: If when a company fails to lodge documents the ASIC may issue a penalty notice to the company in question.</b></p> <p><b>3: WHS requirements: rules and regulations governed by local, state authorities to create a safe workplace.</b></p> <p><b>&gt;Develop and implement procedures to ensure full compliance:</b></p> <ul style="list-style-type: none"><li><b>-Introduction</b></li><li><b>-Policy</b></li><li><b>-Procedure</b></li><li><b>-Reference and supporting information</b></li><li><b>-Governance</b></li></ul> <p><b>Company must preform checks, balances, reviews, monitor and amend as required.</b></p> |

### Activity 3A

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 25 minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Objective      | To provide you with an opportunity to seek legal advice on contractual rights and obligations, if required, to clarify business liabilities, investigate and assess potential products or services to determine procurement rights and ensure protection of business interests where applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Activity       | <p>1. In pairs, groups or individually list five contractual rights and obligations that could give cause to potential business liabilities.</p><br><p><b><i>-Commercial contracts are the basis of doing business</i></b><br/><b><i>-Small business enter into contracts with others on a daily basis</i></b><br/><b><i>-They include purchase orders, supply contracts, exclusive agency agreements, partnership agreements, franchise agreements or leases</i></b><br/><b><i>-Read the contract and all documentation with or with legal advice, clarify rights and obligations</i></b><br/><b><i>-Well written contracts will set out what both parties have agreed and action required</i></b><br/><b><i>-Check your contract states how to deal with disputes between both parties</i></b></p> |

### Activity 3B

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 30 minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Objective      | To provide you with an opportunity to seek legal advice on contractual rights and obligations, if required, to clarify business liabilities, Investigate and assess potential products or services to determine procurement rights and ensure protection of business interests where applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Activity       | <p>1. List five products or services to determine procurement rights and ensure protection of the business interests where applicable.</p> <p><b>&gt;Procurement considerations include:</b></p> <ul style="list-style-type: none"><li><b>-Obtaining the right materials</b></li><li><b>-At the right time</b></li><li><b>-With the right amounts</b></li><li><b>-Delivered at the right place</b></li><li><b>-By the right supplier</b></li><li><b>-With the right service</b></li><li><b>-At the right price</b></li></ul> <p><b>For contractual rights and obligations, making these assessments would be more practical done within the workplace to examine:</b></p> <ul style="list-style-type: none"><li><b>-Systems in place</b></li><li><b>-Procedures</b></li><li><b>-Checks and balances</b></li></ul> |

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### Activity 3C

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 30 minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Objective      | To provide you with an opportunity to negotiate and secure contractual procurement rights for goods and services including contracts with relevant people, as required, in accordance with the business plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Activity       | <p>1. Create a five point plan on negotiating for securing contractual procurement rights for goods and services contracts.</p> <p><b><i>To negotiate and secure contractual procurement rights you should:</i></b></p> <ul style="list-style-type: none"> <li><b><i>-Prepare effectively</i></b></li> <li><b><i>-Understand and consider the needs and interests of all parties</i></b></li> <li><b><i>-Manage the impact of your personal negotiation style</i></b></li> <li><b><i>-Generate greater value through creativity</i></b></li> <li><b><i>-Successfully address all key elements of the negotiation cycle through optimal preparation, engagement and review</i></b></li> </ul> <p><b><i>If this suit your needs it may be the right path to take, you can fine tune your skills with online classes.</i></b></p> |

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### Activity 3D

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 25 minutes                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Objective      | To provide you with an opportunity to identify options for leasing/ownership of business premises and complete contractual arrangements in accordance with the business plan                                                                                                                                                                                                                                                   |
| Activity       | <p>1. What would be your choice, to either lease or purchase premises for a small business in your capital city, and why?</p> <p><b><i>Leasing agreement:</i></b></p> <p><b><i>- I tend to lean towards the lease agreement as a new business its not such a burden on the cash flow, is also not necessarily a long term financial commitment. Any improvements become the owners responsibility not the tentant.</i></b></p> |

#### Activity 4A

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 20 minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Objective      | To provide you with an opportunity to identify potential internal and external risks to the business                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Activity       | <p>1. Give examples of internal and external risks that may affect your organisation.</p> <p><b>&gt;Internal risks:</b></p> <ul style="list-style-type: none"><li><b>-Theft or embezzlement</b></li><li><b>-Cash flow and liquidity problems</b></li><li><b>-Union strikes</b></li><li><b>-Loss of data on computer systems</b></li><li><b>-Distribution problems</b></li><li><b>-Problems with management and leadership</b></li><li><b>-Supply chain features</b></li></ul> <p><b>&gt;External risks</b></p> <ul style="list-style-type: none"><li><b>-Burglary</b></li><li><b>-Fire or other damage to premises</b></li><li><b>-Natural disasters</b></li><li><b>-Market fluctuations and price changes</b></li><li><b>-Political instability</b></li></ul> |

#### Activity 4B

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 30 minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Objective      | To provide you with an opportunity to assess the probability and impact of identified risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Activity       | <p>1. For each risk you identified in Activity 4A, assess its probability and impact.</p> <p><b>&gt;Internal risks:</b></p> <ul style="list-style-type: none"><li><b>-Theft or embezzlement/ Highly unlikely/ Damage to reputation</b></li><li><b>-Cash flow and liquidity problems/ Possible/ Short term delays and problems</b></li><li><b>-Union strikes/ Unlikely/ Cash flow and productivity</b></li><li><b>-Loss of data on computer systems/ Possible/ Some financial loss may disrupt business</b></li><li><b>-Distribution problems/ Possible/ Damage reputation, loss of business</b></li><li><b>-Problems with management and leadership/ Possible/ Physical, emotional harm to employees and clients, Cash flow/ productivity</b></li><li><b>-Supply chain features/ Likely/ Loss of cash flow, loss of business from customers</b></li></ul> |

**>External risks**  
**-Burglary/ Possible/ Damage to equipment, facilities or premises**  
**-Fire or other damage to premises/ Possible/ Damage to equipment, facilities or premises**  
**-Natural disasters/ Unlikely/ Damage to equipment, facilities or premises**  
**-Market fluctuations and price changes/ Likely/ Loss of business from clients, Financial loss**  
**-Political instability/ Possible/ Loss of business from clients, cash flow**

#### Activity 4C

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 25 minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Objective      | To provide you with an opportunity to prioritise risks for treatment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Activity       | <p>1. Create probability-impact matrix and determine which risk has the highest priority.</p> <p><b>&gt;Internal risks:</b><br/> <b>(12)Theft or embezzlement/ Highly unlikely/ Damage to reputation</b><br/> <b>(4)Cash flow and liquidity problems/ Possible/ Short term delays and problems</b><br/> <b>(11)Union strikes/ Unlikely/ Cash flow and productivity</b><br/> <b>(8)Loss of data on computer systems/ Possible/ Some financial loss may disrupt business</b><br/> <b>(2)Distribution problems/ Possible/ Damage reputation, loss of business</b><br/> <b>(3)Problems with management and leadership/ Possible/ Physical, emotional harm to employees and clients,Cash flow/ productivity</b><br/> <b>(5)Supply chain features/ Likely/ Loss of cash flow, loss of business from coustomers</b></p> |

**>External risks**

**(6)Burglary/ Possible/ Damage to equipment, facilities or premises**

**(7)Fire or other damage to premises/ Possible/ Damage to equipment, facilities or premises**

**(13)Natural disasters/ Unlikely/ Damage to equipment, facilities or premises**

**(1)Market fluctuations and price changes/ Likely/ Loss of business from clients, Financial loss**

**(10)Political instability/ Possible/ Loss of business from clients, cash flow**

**Activity 4D**

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimated Time | 25 minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Objective      | To provide you with an opportunity to develop actions to mitigate risks including identifying insurance requirements and adequate cover                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Activity       | <p>1. You are about to take out an insurance policy. Thinking about the likely risks to your business, suggest the approach and cover you would likely use to insure against the following risks.</p> <p><b>Insurance for Small Business Package to include;</b></p> <ul style="list-style-type: none"><li><b>-Comprehensive insurance for vehicles/ property</b></li><li><b>-Professional indemnity insurance</b></li><li><b>-Public liability insurance</b></li><li><b>-Third party insurance on vehicles</b></li><li><b>-Other insurance cover required by state/ territory or commonwealth or as per type of business</b></li><li><b>-Burglary</b></li><li><b>-Contract works</b></li><li><b>-Directors &amp; officers liability</b></li></ul> |

**-Fidelity guarantee**  
**-Industrial special risk**  
**-Key person insurance**  
**-Machinery breakdown**  
**-Marine transit**  
**-Motor vehicle comprehensive**  
**-Public and products liability**  
**-Personal accident**  
**-Professional indemnity**  
**-Workers compensation**

### Skills and Knowledge Activity

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| <b>Estimated Time</b> | <b>60 Minutes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Objective</b>      | <b>To provide you with an opportunity to demonstrate your knowledge of the foundation skills, knowledge evidence and performance evidence.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Activity</b>       | <p><b>Complete the following individually and attach your completed work to your workbook.</b></p> <p>The answers to the following questions will enable you to demonstrate your knowledge of:</p> <ul style="list-style-type: none"> <li>➤ Reading</li> <li>➤ Writing</li> <li>➤ Oral Communication</li> <li>➤ Numeracy</li> <li>➤ Navigate the world of work</li> <li>➤ Interact with others</li> <li>➤ Get the work done</li> <li>➤ Outline business registration and licensing requirements</li> <li>➤ Identify commonwealth, state/territory and local government legislative</li> </ul> |

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|  | <p>requirements relating to business operation</p> <ul style="list-style-type: none"> <li>➤ Explain creation and termination of relevant legal contracts</li> <li>➤ Summarise relevant cultural differences and legal implications</li> <li>➤ Describe legal rights and obligations of alternative ownership structures</li> <li>➤ Outline necessary record keeping to meet minimum legal and taxation requirements</li> <li>➤ Summarise relevant consumer legislation and industry codes of practice</li> <li>➤ Outline the key steps in the risk management process</li> <li>➤ Explain relevant insurance requirements and products</li> </ul> <ol style="list-style-type: none"> <li>1. What texts may you have to read to assess the legal and risk management requirements of the business?</li> <li>2. What reports and workplace documentation may you have to write?</li> <li>3. What skills are needed to communicate effectively during communications?</li> <li>4. What information might you need to determine insurance costs?</li> <li>5. What are organisational policies which may apply to your ethical behaviour?</li> <li>6. Why may you need to seek legal advice?</li> <li>7. What sort of information may you need to store securely?</li> <li>8. What are the benefits of being on the Australian Business Register (ABR)?</li> <li>9. What local, state/territory, commonwealth and international legislation, regulations and codes of practice may affect business operations?</li> <li>10. What elements must be present for a legally enforceable contract?</li> <li>11. How can you manage diversity and cultural differences within a workplace?</li> <li>12. What alternative ownership structures exist?</li> <li>13. What records will you need to keep in order to meet taxation regulation?</li> <li>14. What is the purpose of the Australian Competition and Consumer Commission?</li> <li>15. How would you assess risks within an organisation?</li> <li>16. What insurance requirements may your organisation have?</li> </ol> |
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## Major Activity

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| Estimated Time | 60-120 Minutes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Objective      | To provide you with an opportunity to demonstrate your knowledge of the entire unit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Activity       | <p><b>This is a major activity – your instructor will let you know whether you will complete it during class or in your own time.</b></p> <p><b>Attach your completed answers to the workbook.</b></p> <p>You must individually, answer the following questions in full to show your competency of each element:</p> <ol style="list-style-type: none"> <li>1. Identify and implement business legal requirements</li> <li>2. Comply with legislation, codes and regulatory requirements</li> <li>3. Negotiate and arrange contracts</li> <li>4. Identify and treat business risks</li> </ol> <p><b>1. Which business legal structure do you believe is the most appropriate? Note</b></p> |

the positive and negative aspects of your chosen structure in relation to your business needs.

2. What kind of permissions do you need to secure and maintain for your business?
3. Pick three elements of general reporting on Section 1.3 of the Learner Guide and explain them in the context of your company, describing what you need to do in order to satisfy this requirement.
4. What measures do you have in place regarding WHS policies and procedures? Explain why they are effective. If your company has not yet been opened or established, write about what you may need to implement and why.
5. Which description in section 2.2 of the Learner Guide applies to your business? Explain how this works in relation to your business.
6. What kind of records do you keep in relation to finance? Explain why each system you use is appropriate for your needs.
7. What legislation may affect any contracts associated with the running of your business?
8. What measures could you put in place to detect incidences of non-compliance?
9. What can you do to ensure legal co-operation with contractual rights and obligations?
10. What systems can you implement to ensure you are sourcing the right item, from the right supplier at the right time?
11. Through the general running of your business, who can you expect to have contracts with? How does each person or company fit into your business plan?
12. Is renting or buying more ideal for your business needs? Explain why and how you made this decision and detail the options that are available to you in this endeavour.
13. What is the difference between internal and external threats?
14. What are likely or certain risks within your business?
15. How can you prioritise risks?
16. What compulsory insurance must you obtain in order to run your business? What extra or voluntary insurance could you also get, and why?