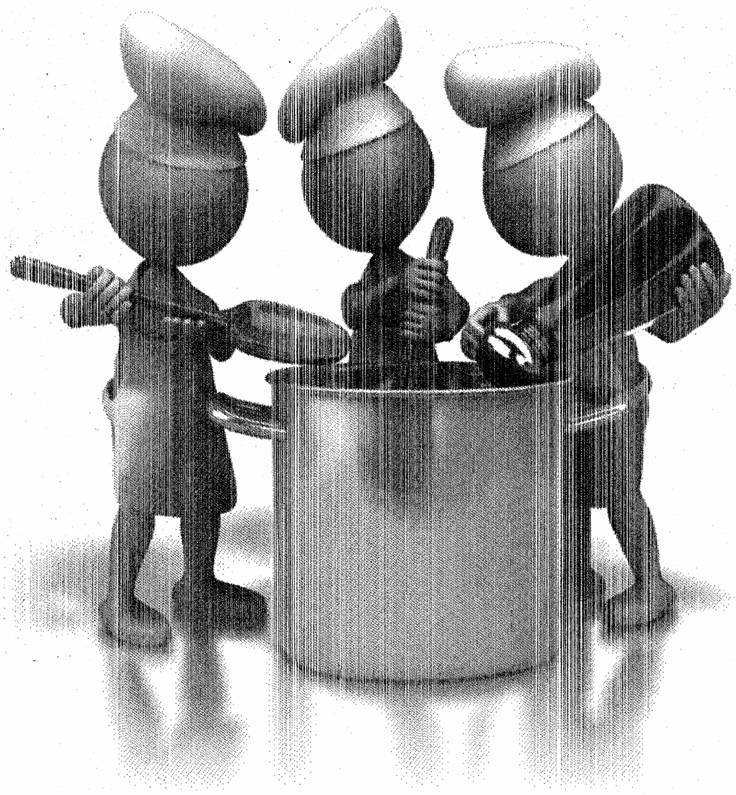
BSBSMB401

Establish legal and risk management requirements of small business

Learner Workbook



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Candidate Details

Assessment – BSBSMB401: Establish legal and risk management requirements 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: Scott Craig

Address: Unit 1A 13 Kunde Street

Beachmere QLD 4510

Email: Scottcraig1@hotmail.com

Employer: ADD Aussie dust and deisel

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: S. C

Date: 11 JAN 2021

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: Scott Craig

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: ______________________

Observation/Demonstration

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

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

Type	*Advantages*	*Disadvantages*
Cooperative	1. Its main advantage is it benefits its patron members 2. Inexpensive to register 3. All members have an equal vote regardless of there level of investment or involvement in the Company	Co-operatives are formed to provide a service to members rather than a return of investment, it may be difficult to attract pottentail members seeking a financail return. Members providing more involvement than others will still only get one vote. reqiures ongoing training for members
Trust	Provides asset protection and limits liability in relation to bussiness Trust are very flexible for tax purposes.	• The structure is Complex • The powers of trustees are restricted by the trust deed • Trust can be expensive to establish and maintain • Problems can be encounted when aplyin for loans
Association or not-for-profit legal structure	Employment Committment rewards financail benefits	limited fundin socail pressure Public scrutiny

Activity 1B

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to determine legislation and regulatory requirements affecting operations of the business under its chosen structure.**
Activity	**1. Report on your organisation or in accordance with directions from the instructor, the legislation and regulatory requirements affecting the operations of your business.** 1. Day Commences with sign on face recognition ipad 2. Meetings are recorded and signed by all members attending meeting including toolBox meetings onsite. BooKeeper is asigned for pays to staff as well as general company BooK Keeping. Corporations act 2001 govern all Companies financail reporting. Have all financail statements and reports ready for lodgement at the end of every financail year. Send out financail statements to all Company members. Hold a general meeting with supervisors Anually

Activity 2B

Estimated Time	**25 minutes**
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	**1. Define a sole trader, an incorporated company and a trust.** A sole trader is a self employed person who runs and controls there own bussiness and is personally responsible for there own assets and debts. An incorparated company is made up of shares and can have many owners which are Known as share holders A trust Company is an entity set up to protect Company assets and secrity. **2. What legal documents may you have to maintain?** ABN certificate of incorporation Constitution documents certificate of Currency (for public liability) asic registration TFN (tax file number) deed (partnership agreements) WHS documents Financail reports anualy Five year for non Company and sever for financail records for Companies agm minutes register of members and directors acounting software xero or qiuckbooks

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	**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.** Book Keeping - monitored on a regular basis always check Compliance with the act. insure efficeint lodging of annual taxation and bas forms swms - make sure all employees Have read and signed swms. Correct ppe is worn at all times tool Box meetings are had. Bussiness registration and liscences - check regurlary that all liscences and bussiness registrations are up to date if change make sure its reported to asic monitor legislation changes

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	**1. In pairs, groups or individually list five contractual rights and obligations that could give cause to potential business liabilities.** • Form of liscenceing not having the Correct liscence for the job • Failure to have sufficeint liability • using a lesser material than what was in the Contract • defects • not following safety proceduers

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	1. **List five products or services to determine procurement rights and ensure protection of the business interests where applicable.** ~~1. public liability~~ ~~2. insurance for damages to property~~ • Plan your purchaseing • make sure they have current liscences for service provided • Be sure they are reliable • delivery times making sure they can product to you so you can get job finish on contractual time • Qaulity of product and Value

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	**1. Create a five point plan on negotiating for securing contractual procurement rights for goods and services contracts.** • prepare ~~before~~ effectively • Understand everybodies needs involveld in the contract and all interest are considered. • investigate qauntity of stock needed and syplier can supply that amount. • negotiate a fair price ~~to all~~ for all parties involved • review all clauses in contract are correct and you understand what is in the contract

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	**1. What would be your choice, to either lease or purchase premises for a small business in your capital city, and why?** my choice would be lease reasons why are financailly its a better decision as the money you save on buying a property you can put back into the bussiness. Also your lease is a set time frame which if you need to leave the premises at the end of your lease you can. if your bossiness gets bigger and you need a bigger place your not bounded by owning the property and going through a lengthy selling proccess.

Activity 4A

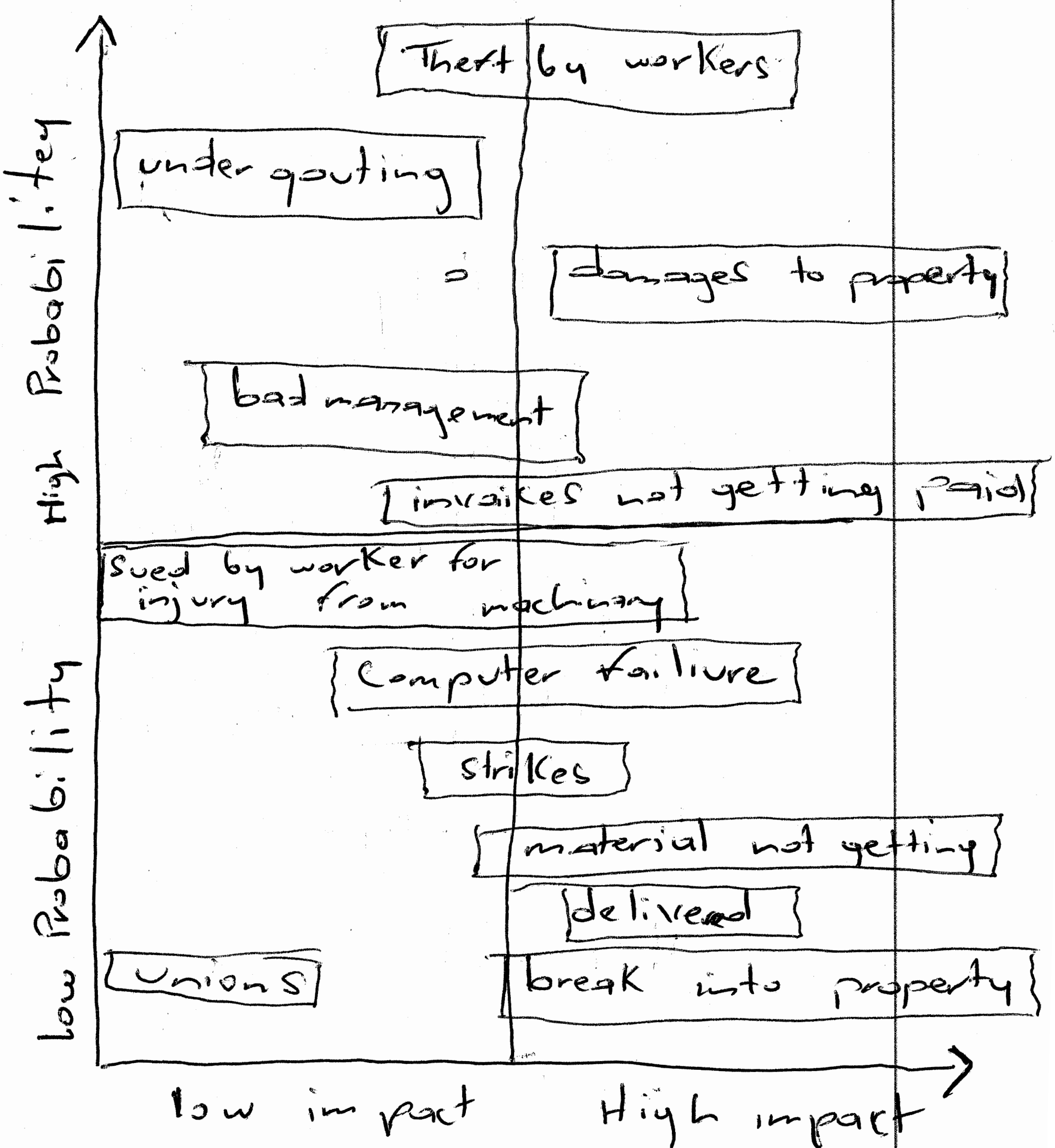
Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to identify potential internal and external risks to the business**
Activity	**1. Give examples of internal and external risks that may affect your organisation.** 1. internal risk getting sued by workers incase or injury from a machine. 2. Theft by workers 3. strikes 4. Material not getting delivered 5. bad management 6. Computer failiures (loss of docs) 7. under qouting External risk 8. unions 9. damages to property 10. break in to property 11. invoices not getting paid

Activity 4B

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to assess the probability and impact of identified risks**
Activity	**1. For each risk you identified in Activity 4A, assess its probability and impact.** 1. unlikely - impact loss of funds from Company 2. Possible - loss of eqiupment 3. Possible - lose workers to Complete projects 4. unlikely - " 5. Possible - loss of staff 6. highley unlikely - loss of docs 7. unlikely - no profit made 8. Possible - work stops 9. likely - pay for damages 10. unlikely - loss of eqiupment or stock 11. Possible - no money Coming into Company

Activity 4C

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to prioritise risks for treatment**
Activity	**1. Create probability-impact matrix and determine which risk has the highest priority.**



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	**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.** damages to property or persons Public liabity - work cover invoices not getting paid income insurance break into property ~~in~~ Contents insurance management liabitity insurance - againts defamation, legislative braeches including fines and penalties bussiness insurance - againts theft, glass, and property Cyber liability insurance - in Case of a cyber attack on important bussiness files.

	What extra or voluntary insurance could you also get, and why?

Product insurance - in case a product gets stolen or damaged.

indemnity insurance - protects againts liability and damages including Court cost

Business insurance - theft, glass, and property

management liability insurance - Covers defamation, legistation breaches, including fines and penalties