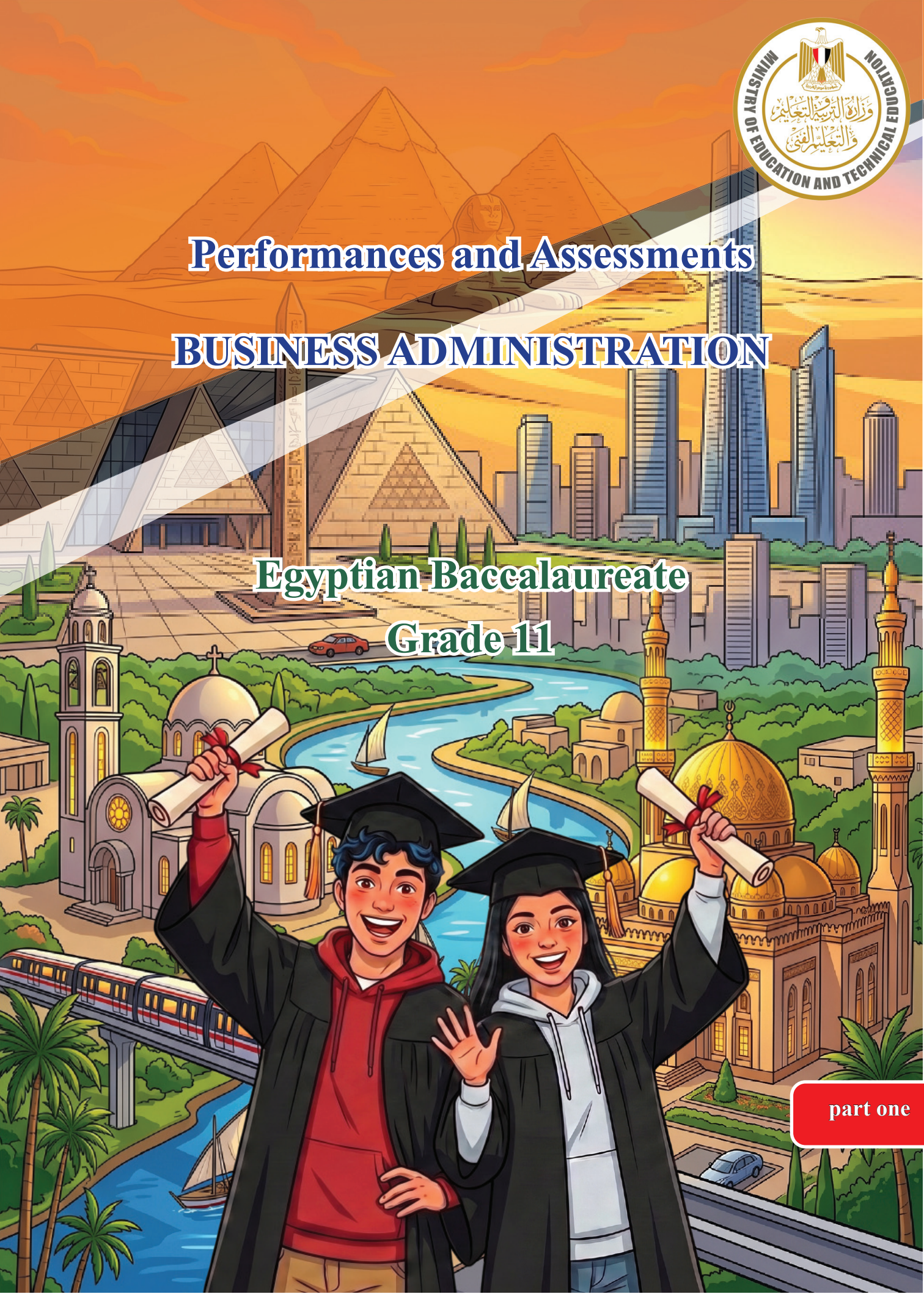


Performances and Assessments

BUSINESS ADMINISTRATION

Egyptian Baccalaureate

Grade 11

part one

Introduction

Driven by the Ministry of Education›s firm conviction in the necessity of empowering teachers with effective instructional tools that elevate classroom performance, enhance educational quality, and improve learning outcomes—and in genuine response to teachers› voices and feedback gathered across educational field channels, fulfilling their need for flexible, comprehensive instructional instruments that support their noble educational mission—this book has been developed as an integrated pedagogical foundation. It aims to assist teachers in efficiently planning and executing their instructional responsibilities.

Furthermore, it facilitates continuous, formative assessment processes. The content is strategically designed to offer diverse models of effective classroom performance and interactive educational activities grounded in active learning methodologies. This creates a qualitative paradigm shift in instructional practices, explicitly establishing the student as the active center of the educational process.

The book features formative and diagnostic questions alongside targeted learning tasks assigned as homework, promoting seamless integration between in-class instruction and out-of-class application to foster sustainable knowledge acquisition. Additionally, these pedagogical tools nurture critical and creative thinking, deepen conceptual understanding, boost student motivation, and instill a rewarding sense of achievement and academic excellence.

Moreover, the book incorporates short weekly quizzes and session-based assessments evaluations that enable teachers to measure the attainment of Intended Learning Outcomes (ILOs) on an ongoing basis. This ensures early remediation of learning gaps and provides immediate feedback to enhance student performance. Each month›s activities conclude with a series of scaffolded exercises that cater to individual differences and address various cognitive levels. Delivered within a framework of diversity, depth, and integration, these exercises thoroughly prepare students to sit for monthly examinations with high competence.

This book represents a tangible translation of the Ministry's policy to alleviate financial and psychological burdens on parents while providing supplementary educational content that enriches the classroom environment. It affords teachers greater opportunity for pedagogical innovation and meaningful engagement with their students. Furthermore, it serves as a powerful mechanism supporting the Ministry›s strategic drive toward realizing learning outcomes and effecting a genuine transformation in the learning environment: shifting from rote instruction to deep understanding, from memorization to practical application, and from passive reception to active participation.

As we present this work to our dedicated teachers and students, we aspire for it to serve as a valuable contribution to improving academic performance and elevating educational quality. We hope it becomes a foundational brick in building a conscious, educated generation equipped with the competencies and skills required to thrive in a world demanding creativity and continuous innovation, thereby leaving a tangible impact on achieving an ambitious educational vision for the future of education in our beloved homeland.

UNIT 1: INTRODUCTION TO BUSINESS & PURPOSE

Week ..... Section 1: Understanding Business Organizations Through Decisions

Date: / /

FIRST SESSION

Class Performance:

Activity: Business Decisions (Think – Pair – Share)

Distribute students into groups of 4 students.

Present Mariam›s case study and her father›s request to determine the appropriate business pathway.

Each group completes the Decision-Making Matrix below:

Criterion	Mariam›s Status as a Hobbyist	Mariam›s Status as a Business Organization
Purpose		
Continuity		
Commitment& Respon-sibility		
Level of Risk		

Each group presents a 1-minute closing recommendation regarding the primary challenge fach ing Mariam (such as managing customer expectations or supply chains).

Homework Performance:

1. Explain how «purpose and structure» define a business entity›s identity more than its physical scale.

.....

2. Differentiate between the concepts of a «hobby» and a «business organization» in terms of continuity and the scope of resulting responsibilities.

.....

3. Discuss the following statement: «Making a profit is not the sole requirement for defining an activity as a business organization.»

.....

4. Analyze the implications of the «risk» element when an individual decides to convert personal passion into an organized business enterprise.

.....

5. Explain, providing a practical example, how the process of «managing customer expectations» contributes to the sustainability of startups.

.....

SECOND SESSION

Class Performance:

Activity: Based on Mariam›s Case Study

• State two indicators demonstrating the transition of pastry baking activity from a hobby into a business organization, and justify your choice?

.....

• What indicator shows that the activity is no longer just a «spontaneous home baking» but now imposes requirements for planning, time management, and production?

.....

• How did product quality, delivery standards, and commitment to customer deadlines change the nature of the specific responsibility placed upon her?

.....

Homework Performance:

1. State two essential prerequisites that transform a routine daily activity into a business organization.

.....

2. Briefly compare a hobby and a business organization in terms of: Purpose, and Level of Risk.

.....

3. Discuss the following statement: «Continuity and providing value to customers represent the true distinction between an occasional practice and an integrated economic organization, not merely generating profit.»

.....

4. Discuss the following statement in two lines: «A business activity is defined by its purpose and structure, not by its size,» clarifying whether generating profit is the sole condition to judge an activity as a business organization.

.....

5. Explain with an applied example how «building customer loyalty and providing after-sales service» ensures business growth and sustainability for startups.

.....

WEEKLY EVALUATION (WEEK 1) — THIRD SESSION

Model (A)

Select the Correct Answer:

1) An individual activity transforms from a «hobby» into a «business organization» when:

a) It is practiced strictly for personal enjoyment and leisure during free time without time commitment.

b) It is practiced casually and irregularly whenever personal desire arises.

c) It is practiced continuously to provide value while assuming ongoing commitments and responsibilities.

d) It is limited to providing free, intermittent services to close friends and relatives.

Answer the Following Questions:

1. Classify the following activity, providing logical justification for your answer: «An individual who programs mobile applications, sells them, and regularly updates them via an online app store.»

. . . . . .

2. What is the fundamental difference between satisfying a «need» versus satisfying a «want» in the context of products offered by business organizations to consumers?

. . . . . .

3. State two ongoing commitments that fall upon an entrepreneur once their activity converts into a formal business organization.

. . . . . .

Model (B)

Select the Correct Answer:

1) The primary criterion that distinguishes a «business organization» from merely providing a «volunteer service or family assistance» is:

a) Striving to generate value creation and business continuity under a structured and sustainable commitment.

b) Relying entirely on donations and avoiding the recording of any financial transactions.

c) Restricting operations to completing tasks during personal leisure time without set schedules.

d) Providing the activity exclusively to personal acquaintances and close relatives without expansion.

Answer the Following Questions:

1. Classify the following activity, providing logical justification for your answer: «An individual who maintains and assembles computer hardware for friends free of charge upon request during weekends.»

. . . . . .

2. How does converting consumer «wants» into innovative goods and services contribute to achieving a competitive advantage for business organizations compared to restricting operations to meeting basic «needs»?

. . . . . .

3. State two operational challenges or structural commitments that emerge when an individual activity transitions into a formal and regular commercial enterprise.

. . . . . .

Model (C)

Select the Correct Answer:

1) An economic activity primarily acquires the character of an «organized commercial enterprise» when:

a) It is restricted to satisfying an individual›s personal needs without dealing with external clients.

b) It is managed systematically and continuously to provide goods or services to meet market demand while assuming risk.

c) The activity stops completely whenever immediate motivation or self-enjoyment disappears.

d) Products are delivered without any commitment to quality or timelines with customers.

Answer the Following Questions:

1. Classify the following activity, providing logical justification for your answer: «A graphic designer who manages a platform to receive, prepare, and price design orders for corporate clients on a daily basis.»

. . . . . .

2. Explain with an applied example how a business firm can deliver a single product that combines satisfying a «basic need» and fulfilling a «consumer want» simultaneously.

. . . . . .

3. Identify two practical commitments that business management imposes on a project owner compared to practicing the activity as a hobby.

. . . . . .

Week ..... | Section 2: Needs, Wants, and Value Creation

Date: / /

FIRST SESSION

Class Performance:

Activity: Value Creation Matrix and Marketing Mix Generation (Numbered Heads Together)

• Distribute students into groups of 4 (each group numbered from 1 to 4).

• Task Requirements:

- Analyze various customer segments and establish a rigorous distinction between tangible goods and accompanying services that generate value creation.

- Construct a Value Creation Matrix mapping customer needs vs. wants and identifying key sources of competitive advantage for small business enterprises.

Homework Performance:

1. Compare the core concepts of satisfying a «need» versus satisfying a «want» in the context of products and services offered by business organizations to consumers.
2. Discuss the following statement: «True product value does not lie in its raw production cost, but in the customer›s perceived benefits relative to available market alternatives
3. Discuss the following statement: «Converting consumer wants into innovative goods and services contributes to achieving a sustainable competitive advantage compared to restricting operations to meeting basic needs.»
4. Explain how a small bakery enterprise delivers an integrated mix combining «tangible goods» (pastries) and «value-added services» (customization and punctual delivery), illustrating its impact on customer satisfaction.
5. Explain, providing a practical example, how offering an integrated combination of «tangible goods» and «accompanying service excellence» enhances customer retention and brand equity in start-up ventures.

SECOND SESSION

In-Class Performance:

Activity: Evaluating Value Propositions & Market Alternatives

• Analyze why commercial clients (e.g., cafés) prefer entering into regular supply contracts with specialized bakers rather than relying on off-the-shelf market choices.

• Discuss why startup entrepreneurs prefer contracting with independent brand designers for custom visual identities rather than utilizing free pre-made templates available in the market.

• Evaluate how customized service features generate higher perceived value and foster long-term commercial relationships.

Homework Performance:

1. Distinguish between the concepts of «family need» and «purchasing desire» within the context of consumer behavior, and explain the economic rationale that drives companies to compete in developing products that satisfy these desires.
2. Discuss the following statement: «The true value of a product does not lie in its manufacturing cost, but in the customer›s perception of proposed benefits relative to competing alternatives in the market.»
3. Explain how a business firm operating in consumer electronics can deliver an integrated mix combining «physical goods» and «complementary services», illustrating its impact on customer satisfaction and brand loyalty.
4. Evaluate the validity of the following statement with logical justification: «Widespread consumer wants can transform into basic needs over time due to technological evolution and changing consumer lifestyles.»
5. Compare in a structured analytical table a business organization satisfying basic needs versus a business organization satisfying consumer wants, in terms of: Demand Stability, Profit Margins, and Vulnerability to Economic Fluctuations.

Comparison Criterion	Business Satisfying Basic Needs (e.g., Staple Foods / Utilities	Business Satisfying Consumer Wants (e.g., Gourmet Pastries / Luxury Services)
Demand Stability & Inelasticity		
Profit Margins & Value Addition		
Vulnerability to Economic Downturns		

THIRD SESSION

Weekly Evaluation (Week 2) — Model (A)

Select the Correct Answer:

1) Purchasing a gourmet dinner from a high-end restaurant accompanied by specialized white-glove delivery and customized dietary ingredients is considered an example of:

a) Satisfying a basic need using a pure physical good without any added services.

b) Satisfying a consumer want through a hybrid mix combining a physical good and value-added services.

c) A personal leisure activity that falls outside the domain of value-creating business organizations.

d) Satisfying a biological survival need that is not subject to market competition or alternatives.

Answer the Following Questions:

1. Classify each of the following items (Good vs. Service / Need vs. Want):

- A custom-designed birthday cake.
- A mobile data package for remote work.

.....

2. Propose two additional value-added services that Mariam could offer to school teachers to elevate her product›s competitive edge against major commercial bakeries.

.....

3. Explain how combining strict delivery punctuality with high product quality contributes to building long-term customer loyalty in small business organizations.

.....

MODEL (B)

Choose the correct answer:

1. Subscribing to a fitness application that offers training simulation models and personalized nutrition plans with periodic follow-up from a personal trainer is an example of:

A. Satisfying a biological need for survival and growth.

B. Fulfilling a consumer want through an intangible service.

C. A personal activity that does not fall under the objectives of business organizations.

D. Fulfilling a basic need only using a pure good without any services.

Answer the following questions:

1. Classify each of the following items (Good or Service / Need or Want):

- Mandatory, unified school uniform for all students:

.....

• Consultation from an interior design expert to renovate home furniture upon request:

.....

2. Propose two additional competitive advantages (service-based or operational) that a small printing and packaging business can offer to local companies to increase value creation compared to major commercial printing presses.

.....

3. Explain the importance of providing a clear ‹value for money› proposition in transforming an individual activity into an ongoing, continuous business organization.

.....

MODEL (C)

Choose the correct answer:

1. Purchasing a smart travel suitcase equipped with a digital tracking system (GPS), an internal electronic scale, and an extended maintenance warranty is an example of:

A. A personal activity that does not fall under the objectives of business organizations.

B. Satisfying a basic need only using a pure good without any services.

C. Fulfilling a consumer want through a physical good supported by added features and services to differentiate the product.

D. Satisfying a biological need for survival free of any physical component.

Answer the following questions:

1. Classify each of the following items (Good or Service / Need or Want):

• A daily lunch meal at a luxury five-star restaurant:

.....

• A required periodic preventive check-up preventive medical check-up for health insurance:

.....

2. Propose two additional services that a home decorative plant store could offer to office and corporate owners to enhance its competitive value against large agricultural nurseries.

.....

3. Explain how combining operational flexibility in fulfilling customized customer orders with strict adherence to standard quality specifications contributes to building a sustainable competitive advantage for small business enterprises.

.....

Week ..... | Section 3: Stakeholders and Decision Impact

Date: / /

FIRST SESSION

In-Class Performance:

Activity: Stakeholder Table Simulation

• Distribute students into groups of 5; each student represents one key stakeholder in Mariam›s case study (Customers, Family, Helper/Assistant Employee, Business Partner/Café Owner, and Mariam as the Business Owner).

• Prompt the group: Mariam has decided to sign a commercial supply contract with the local café to deliver regular pastry shipments at a discounted price.

• Each student negotiates on behalf of their assigned stakeholder group, defending their legitimate interests, highlighting potential gains, and clarifying any operational burdens or financial costs imposed on them.

• The group works together to reach a consensus compromise, filling out an Impact Matrix table that specifies who benefits, who is negatively affected, and how stakeholder conflict can be minimized.

Stakeholder Group	Key Gains / Benefits	Costs / Potential Disadvantages
Customers & Family		
Partner Café Owner		
Assistant (Dina)		
Mariam (Business Owner)		

Homework Performance:

1. Define the concept of ‹Stakeholder›, and identify two internal stakeholders and two external stakeholders involved in Mariam›s business enterprise.

2. Explain why conflict exists between customer expectations (demanding lower prices and faster delivery) and family priorities (requesting reduced working hours to focus on academic studies). Identify the root cause of this conflict and discuss how business management can resolve it.

3. Discuss the potential impact on long-term project sustainability and brand reputation if Mariam decides to hire her friend as an assistant (Dina) at an extremely low wage merely to minimize operational costs.
4. If Mariam chooses to prioritize her academic studies completely and scale down production capacity, identify the stakeholder group that would be most adversely affected by this decision, and provide logical justification for your answer.
5. ‹A business decision is rarely about choosing between right and wrong; rather, it is a crucial trade-off between competing priorities.› Analyze this statement with logical justification, drawing evidence from Mariam›s decision regarding accepting or rejecting the partner café supply contract.

SECOND SESSION

In-Class Performance:

Activity: What Is the Difference? (Comparative Objectives & Motivations)
1-Explain how the goal of the «Partner Café» differs from the goal of the «Individual Customer» when dealing with Mariam›s business.
2- Explain how the operational expectations of the «Partner Café» regarding product quality and schedule adherence differ from the expectations of the «Individual Customer» when dealing with Mariam›s business.
3- Explain how the financial motivation of the «Partner Café» (generating commercial profit margins and resale value) differs from the motivation of the «Individual Customer» (personal gratification and consumption) when purchasing Mariam›s products.

Homework Performance:

1. Define the concept of ‹Stakeholder›, and classify two internal stakeholder groups and two external stakeholder groups concerned with the business›s operations.
2. Explain how conflict arises between consumers› desire for maximum quality at the lowest price and owners›/partners› expectations for maximum profitability.
3. Discuss the future impact on organizational reputation and long-term sustainability if management reduces operational costs by exploiting labor or compromising core quality standards.
4. If project management decides to scale down production capacity and freeze expansion to mitigate risks, identify the stakeholder group most negatively impacted by this decision, providing logical justification.
5. Case Analysis: «Business management decisions are rarely a choice between a completely right option and a wrong one; rather, they are usually a decisive trade-off between conflicting priorities.» Analyze this statement, explaining how it applies to the decision of remaining independent versus accepting a new investment partnership.

THIRD SESSION

Weekly Evaluation (Week .....)

Model (A)

Select the Correct Answer:

1) Which of the following represents the direct outcome of Mariam›s decision to «lower prices to increase customer satisfaction,» assuming quality and all other factors remain constant?

a) Increasing free time for academic study and fulfilling family wishes.

b) Achieving customer satisfaction while imposing financial pressure and reducing profit margin for Mariam.

c) Reducing incoming orders from the partner café.

d) Improving her ability to pay higher wages to helpers without pressure.

Answer the Following Questions:

1. Analyze the implications for each party (Mariam, Assistants/Helpers, Partner Café) if the decision is made to «accept the café contract while increasing working hours.»

.....

2. Propose an intermediate compromise business strategy that enables Mariam to satisfy the partner café›s terms without compromising her mother›s academic requirements.

.....

3. Evaluate the validity and prudence of Mariam›s decision if she decides to «reject the café contract entirely,» explaining the short-term and long-term pros and cons for her business.

.....

Model (B)

Select the Correct Answer:

1) Which of the following represents the direct outcome of Mariam›s decision to «raise product prices to offset rising raw material costs»?

a) Immediate increase in the loyal customer base and improved public relations.

b) Alleviating financial pressure, with a potential decrease in order volume from some customers and the partner café.

c) Increasing available study time without any impact on sales volume.

d) Forcing helpers to accept lower wages to preserve profit margins.

Answer the Following Questions:

1. Analyze the implications for each party (Mariam, Assistants/Helpers, Partner Café) if the decision is made to «increase production capacity by hiring additional part-time labor.»

.....

2. Propose an operational strategy that enables Mariam to respond to sudden large orders from the café without increasing study burdens or waste costs.

.....

3. Evaluate the validity and prudence of Mariam›s decision if she decides to «rely entirely on the partner café as a sole client and stop direct retail sales to individual customers,» explaining the short-term and long-term pros and cons for her business.

.....

MODEL (C)

Select the Correct Answer:

1) Which of the following represents the direct outcome of Mariam›s decision to «purchase raw materials in bulk quantities to obtain a trade discount»?

a) Reducing the unit cost while increasing inventory damage risk and cash flow pressure.
b) Completely eliminating the need for assistant workers and saving all operational hours.
c) Terminating the supply contract immediately with the partner café due to cost inflation.
d) A decline in final product quality accompanied by an increase in free time allocated for study.

Answer the Following Questions:

1. Analyze the implications for each party (Mariam, Assistant Workers, Partner Café) in the event of adopting the decision to «reduce the product menu and focus exclusively on the two best-selling items».

.....

2. Propose a balanced pricing or contracting strategy that enables Mariam to maintain a fair profit margin with the partner café without losing the strategic partnership or overloading herself operationally.

.....

3. Evaluate the wisdom of Mariam›s decision if she chooses to «delegate production management entirely to assistant workers and devote herself solely to marketing and her academic studies», highlighting the short-term and long-term pros and cons for her business.

.....

Week ..... | Section 4: Economic Sectors & Value Chain Flow

Date: / /

FIRST SESSION

In-Class Performance:

Activity: Value Flow Map and Supply Chain Simulation

• Distribute students into groups of 6 students; each pair represents a specific sector (Primary Sector, Secondary Sector, Tertiary Sector).

• Task: Draw a comprehensive value flow map illustrating the movement of raw materials (wheat, coffee beans, eggs, flour) up to the final cup of coffee and baked pastries served to the consumer.
• Identify the specific ‹value creation› point within each economic sector and explain its direct impact on final market pricing.
• Each group presents and discusses the extent to which the café›s operational continuity depends on the efficiency and reliability of suppliers in both the primary and secondary sectors.

Homework Performance:

1. Define the Primary, Secondary, and Tertiary sectors, supporting your answer with a practical product example mentioned in Mariam›s case study.
2. Explain how Mariam›s business activity (baking cakes) adds higher economic value to raw materials compared to selling flour and sugar in their raw, initial form.
3. Discuss the operational challenges Mariam might face if she decides to establish her own poultry farm to secure the bakery›s ingredient needs self-sufficiently (Owning the Supplier / Backward Vertical Integration).
4. Based on economic statistical charts, what are the economic and developmental implications of Tertiary sector dominance (50%) compared to the Primary sector (8%) in a modern economy?
5. Explain the following statement in light of your studies: «Value is created at every stage of the interconnected supply chain, not merely at the point of final sale.»

SECOND SESSION

In-Class Performance:

Activity: Observe and Classify (Sectoral Analysis of Business Functions)
• Classify the activity of ‹delivering customer orders› within economic sectors, explaining logically why it is not considered a secondary sector activity.
• Classify the activity of ‹designing and developing a mobile e-commerce application for ordering baked goods› within economic sectors, explaining why it is not considered a primary sector activity.
• Classify the activity of ‹providing nutritional consultancy to develop healthy dessert recipes› within economic sectors, explaining why it is not considered a secondary sector activity.

Homework Performance:

1. Define the Primary, Secondary, and Tertiary sectors, citing an applied example of a product that passes through all three sectors before reaching the final consumer.
2. Explain the concept of ‹Value Added›, demonstrating how transforming raw materials

(such as wood or iron ore) into finished manufactured goods increases their economic value compared to selling them in their raw state.

3. Discuss the operational, financial, and strategic risks a business organization might encounter when deciding to ‹own its supplier› (e.g., acquiring farms to supply raw materials for its factories instead of purchasing from independent suppliers).

4. Economic Analysis: «If macroeconomic statistical data reveals a 50% dominance of the service (tertiary) sector alongside a decline in the extractive/agricultural (primary) sector to 8%.» Infer the economic and developmental significance of this indicator for modern economic structure.

5. Explain how production crises and supply disruptions in raw material sectors (Primary Sector) lead to input cost inflation and price volatility in retail and service businesses (Secondary and Tertiary Sectors).

THIRD SESSION

Weekly Evaluation (Week 4)

Model (A)

Select the Correct Answer:

1) Transforming wheat into flour is classified under the:
   a) Primary sector (Extractively/Agricultural).
   b) Secondary sector (Industrial/Manufacturing).
   c) Tertiary sector (Services).
   d) Non-profit commercial sector.

2) Transforming wheat into flour is classified under which stage of the supply chain?
   a) First stage (Primary/Extraction).
   b) Second stage (Manufacturing/Processing).
   c) Third stage (Distribution/Retail).
   d) Fourth stage.

Answer the Following Questions:

1. Explain how a café (tertiary sector) depends on both the primary and secondary sectors in its daily business cycle to ensure service delivery.

.....

2. Propose two methods through which Mariam can increase the added value of her baked goods without significantly raising operational costs.

.....

3. Advising Mariam in light of business studies: Is it preferable to rely on external suppliers for eggs and flour or to invest directly in producing them? Justify your opinion by stating one strength and one weakness for each option.

.....

Model (B)

Select the Correct Answer:

1) Extracting and harvesting coffee beans from farms is classified under the:

a) Primary sector (Extractively/Agricultural).

b) Secondary sector (Industrial/Manufacturing).

c) Tertiary sector (Services).

d) Non-profit commercial sector.

2) Extracting and harvesting coffee beans from farms is classified under stage ..... of the supply chain:

a) First stage (Primary/Extraction).

b) Second stage (Manufacturing/Processing).

c) Third stage (Distribution/Retail).

d) Fourth stage.

Answer the Following Questions:

1. Explain how a confectionery packaging and processing factory (secondary sector) depends on both the primary and tertiary sectors to ensure the continuity of its production and marketing operations.

.....

2. Propose two methods through which Mariam can increase the added value of innovative beverages accompanying pastries without significantly raising operational costs.

.....

3. Advising Mariam in light of business studies: Is it preferable to rely on an external delivery company for order transport, or to invest directly in purchasing a private delivery vehicle and hiring a driver? Justify your opinion by stating one strength and one weakness for each option.

.....

Model (C)

Select the Correct Answer:

1) Roasting coffee beans and automatically packaging them into commercial selling units is classified under the:

a) Primary sector (Extractively/Agricultural).

b) Secondary sector (Industrial/Manufacturing).

c) Tertiary sector (Services).

d) Non-profit commercial sector.

2) Roasting coffee beans and automatically packaging them into commercial selling units is classified under stage ..... of the supply chain:

a) First stage (Primary/Extraction).

b) Second stage (Manufacturing/Processing).

c) Third stage (Distribution/Retail).

d) Fourth stage.

Answer the Following Questions:

1. Explain how shipping and logistics companies (tertiary sector) depend on both the primary and secondary sectors in their business cycle to deliver services efficiently.

.....

2. Propose two methods through which Mariam can increase the added value of catering services for special events without incurring huge capital expenditures.

.....

3. Advising Mariam in light of business studies: Is it preferable to rent an hourly fully-equipped commercial kitchen space, or to purchase and fit out a fully independent private kitchen for her project? Justify your opinion by stating one strength and one weakness for each option.

.....

UNIT 2: TYPES OF BUSINESS ORGANIZATIONS

Section 1: Sole Trader (Sole Proprietorship)— Control, Liability, and Financial Risk

FIRST SESSION

In-Class Performance:

Activity: Analyzing Ownership and Liability in Mariam›s Enterprise (Group Discussion)

- Distribute students into groups of 4 students.
- Review Mariam›s decision to operate as a Sole Trader versus forming a partnership.
- Complete the comparison matrix below:

Criterion	Hobby / Casual Activity	Sole Trader
Ownership & Control	Individual / Personal	Single owner retains 100% full decision-making control
Liability Structure	Not operated through a formal business structure	Unlimited Liability (personal assets are at risk for debts)
Capital & Expansion	Self-funded / Minimal	Limited to owner›s personal savings & personal loans

Homework Performance:

1. Define a Sole Trader and explain its primary defining characteristic regarding control.
2. Explain the concept of ‹Unlimited Liability› and its implications for a sole business owner in the event of financial losses.
3. Discuss why a startup entrepreneur might prefer operating as a Sole Trader despite the personal financial risks involved.
4. Compare the financing constraints faced by a Sole Trader versus a larger partnership or corporate business organization.
5. Analyze how retaining 100% of net profits influences entrepreneurial motivation and speed of decision-making.

SECOND SESSION

Activity: What is the impact?

1. Explain how Mariam's desire to «know every customer and make every decision herself» negatively affects service quality and the speed of responding to customer complaints as the business expands.
2. Explain how Mariam's insistence on «strict centralization and personally controlling all procurement and production processes» leads to slow growth and operational bottlenecks as the volume of orders increases.

3. Explain how Mariam's desire to «personally oversee promotion, delivery, and problem-solving—without relying on technical systems or a dedicated team»—negatively impacts the customer experience and customer retention rates during expansion.

Homework Performance:

1. State two major advantages and two major disadvantages of operating as a Sole Trader.
2. Differentiate between ‹Limited Liability› and ‹Unlimited Liability› from both legal and financial perspectives.
3. Discuss the following statement: ‹Full decision-making autonomy is the greatest strength of a sole proprietorship, but it can also be its greatest operational bottleneck.›
4. Explain how continuity of business existence is affected when a sole proprietor retires or passes away.
5. Provide a practical recommendation for an entrepreneur deciding whether to remain a Sole Trader or transition into a Partnership.

Third Session

Weekly Assessment (Week .....)

Model (A)

Choose the correct answer:

1. The primary advantage that Mariam might lose if she decides to convert her sole proprietorship into a partnership or a joint-stock company is:
   a) Access to additional funding
   b) Sharing of financial risks
   c) Complete control and independence in decision-making
   d) Limited liability

Answer the following:

1. If Mariam invests an initial capital of 15,000 EGP and incurs an operating loss of 5,000 EGP, what is the remaining financial value of the capital? And who is legally responsible for bearing this loss?

.....

2. In the event that the business fails completely and debts amounting to 25,000 EGP accumulate, explain in detail how creditors would deal with Mariam, given the concept that «the financial assets and liabilities of a sole proprietorship are not separate from those of its owner, within the limits prescribed by law.»

.....

3. Propose an intermediate organizational solution that would allow Mariam to reduce daily work pressure and avoid errors, without immediately relinquishing her full sole ownership.

.....

Model (B)

Choose the correct answer:

1. The primary drawback and greatest legal risk Mariam faces by continuing as a sole trader compared to Private Limited Company is:

a) The complexity of incorporation procedures and high government fees.

b) Sharing net profits with partners and shareholders.

c) Unlimited liability for all debts and obligations of the business.

d) Difficulty in making immediate daily decisions and consulting others.

Answer the following:

2. If Mariam invested an initial capital of EGP 20,000 and incurred operating losses of EGP 8,000, what is the remaining amount of capital? How does the sole trader bear this loss according to the nature of liability and applicable legal rules?

. . . . . .

3. In the event that debts accumulate on the business amounting to EGP 30,000 and the business assets are insufficient to settle them, explain in detail how the concept of «lack of an independent legal personality» applies to Mariam›s personal assets before creditors.

. . . . . .

4. Propose a managerial strategy (such as delegation of authority or appointing an operations manager) that enables Mariam to reduce daily workload pressure and avoid administrative burnout while retaining full sole ownership of the business.

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Model (C)

Choose the correct answer:

1. The most prominent competitive advantage Mariam enjoys as a sole trader compared to Private Limited Company is:

a) High ability to raise large capital sums from financial markets.

b) Retaining all profits along with speed and flexibility in decision-making without administrative routine.

c) Benefiting from the separation of ownership from management, monitoring, and limited liability.

d) Perpetual legal continuity of the organization even in the event of the owner›s death or retirement.

Answer the following:

1. If Mariam invested an initial capital of EGP 12,000 and the business incurred losses of EGP 4,000, what is the remaining amount of capital? What is the impact of these losses on Mariam

in light of the concept of «unlimited liability»

. . . . . .

2. If the business defaults completely and outstanding liabilities due to suppliers reach EGP 18,000 while the business holds only EGP 5,000 in cash, explain the legal position and creditors› rights to pursue Mariam›s personal assets (her home, savings) subject to applicable law and statutory exemptions.»

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3. Propose a contractual organizational solution (such as outsourcing or commission-based partnership contracts) that enables Mariam to manage expansion efficiently and avoid errors without immediately converting into a company/corporation

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Week ..... Section 2: Partnerships — Shared Responsibility, Shared Risk Date: / /

FIRST SESSION

Classwork Performance:

Activity: Partnership Deed and Dispute Resolution

1. Divide students into groups of 4, such that each pair represents the perspective of one of the two partners (Mariam: Founder and technical production expert; Lina: New partner, business management, and marketing).

Required Tasks: 2. Analyze potential conflicts regarding (setting prices, accepting major deals such as the cafe contract, and profit distribution). 3. Draft clauses for a formal agreement defining: each party's contribution percentage, the mechanism for vital decision-making (majority vote vs. unanimity), and how to manage «shared responsibility» in the event of losses or operational errors. 4. Present each group's partnership deed and discuss how prior agreement can reduce the likelihood of disputes or partnership collapse.

Homework Performance:

1. Define a «Partnership» (General Partnership), and state two fundamental features that distinguish its decision-making process compared to a sole trader.

2. Explain how an operational or contractual error committed by Lina can directly affect Mariam›s personal assets and financial liability.

3. Discuss fair criteria for distributing profits and losses among partners (Should they be distributed equally or according to the capital ratio and effort exerted? Why?).

4. Compare Mariam's gains in terms of (workload sharing and diversity of ideas) against the resulting challenges of (slower decision-making and a reduced individual share of profit).

5.Explain the reasons for disputes arising between partners during business expansion, and propose a legal clause to be included in the partnership agreement (deed) to avoid liquidating the company when a dispute occurs.

SECOND SESSION

Classwork Performance:

Activity: Think & Discuss

1. Referring to the case study, discuss how the divergence in viewpoints between Mariam and Lina affects the venture›s responsiveness to rapid market opportunities (such as accepting a large cafe contract).
2. Referring to business studies, discuss how the absence of a «written and detailed partnership agreement (deed)» leads to disputes that negatively impact business reputation and the quality of relationships between partners.
3. Referring to the business environment, discuss how «conflicting strategic objectives» between Mariam (focusing on high quality and slow growth) and Lina (focusing on rapid expansion and cost reduction) can affect business cohesion.

Homework Performance:

1. Define a «General Partnership» (Partnership), and state two features that distinguish its coordination mechanism and collective decision-making process compared to decision-making freedom in a sole trader.
2. Explain how the rule of «joint and unlimited liability» leads to a partner bearing the consequences of an operational error or contractual commitment made by the other partner, even if it extends to seizing their personal assets.
3. Discuss fair economic and managerial criteria for distributing profits and losses among partners (comparing: equality, proportion of capital contributed, or the amount of effort and managerial expertise), explaining with reasoning the most appropriate criterion for achieving fairness.
4. Compare in bullet points the advantages resulting from bringing in new partners (such as: workload sharing, diversity of expertise, and increased capital) against the disadvantages/challenges (such as: slower decision-making, sharing of returns, and decision interdependence).
5. Explain the causes of disputes arising between partners during business expansion and shifting operational priorities, and propose a legal clause to be included in the «partnership agreement (deed)» to govern the dispute resolution mechanism or the exit of a partner without liquidating the company.

THIRD SESSION

Weekly Assessment (Week .....)

Model (A)

Choose the correct answer:

1. One of the potential disadvantages of Mariam transitioning from a «sole trader» to a «partnership» with Lina is:

a) Increased workload and daily pressure.

b) Loss of absolute control and the need to negotiate over every decision.

c) Lack of additional sources of ideas and expertise.

d) Bearing financial losses entirely alone.

Answer the following:

1.If the partnership venture achieves a net profit of EGP 40,000, and the agreed distribution ratio stipulates that Lina receives 40% and Mariam receives 60%; calculate each partner›s share, and explain one reason for choosing a partnership over working alone. .

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2. In the event that Lina signed a contract to supply baked goods and the business defaulted on payment resulting in a fine of EGP 10,000, explain Mariam›s legal position regarding this financial obligation.

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3. Propose a specific strategy for allocating managerial roles between Mariam and Lina that limits overlap and daily conflict, and enhances the operational efficiency of the joint venture.

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Model (B)

Choose the correct answer:

1. One of the main advantages of Mariam transitioning from a «sole trader» to a «partnership» with Lina is:

a) Full enjoyment of limited liability and separation of legal personality.

b) Sharing operational burdens, diversifying skills, and increasing available capital.

c) Complete independence in making crucial decisions without consultation.

d) Retaining all net profits generated by the business annually.

Answer the following:

1. If the partnership venture achieves a net profit of EGP 50,000, and the agreed ratio stipulates that Lina receives 30% and Mariam receives 70%; calculate each partner›s share, and explain the rationale justifying unequal profit distribution ratios among partners in

general partnerships.

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2. If partner Lina took a loan in the business name to purchase new equipment and the business defaulted on repaying a debt of EGP 15,000, explain Mariam›s legal position according to the concept of «joint and unlimited liability.»

_____

3. Propose a clear strategy for dispute resolution and decision-making in the event of a tie in votes between the two partners (such as a voting mechanism or seeking a neutral external consultant) to ensure business continuity.

Model (C)

Choose the correct answer:

1. The greatest legal and financial risk Mariam faces when entering a «general partnership» (partnership) without clear legal controls is:

a) The obligation to publish financial statements and reports to the public in newspapers.

b) Imposition of corporate profit taxes significantly higher than public shareholder companies.

c) Bearing personal liability for actions and financial commitments undertaken by her partner in the business›s name.

d) Difficulty in adding innovative product ideas and developing new recipes.

Answer the following:

1.If the partnership venture achieves a net profit of EGP 60,000, and the agreed ratio stipulates a profit distribution of (50% : 50%); calculate each partner›s share, and explain why Mariam might accept equal profit sharing in exchange for reducing her working hours and administrative pressure.

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2. In the event that a lawsuit is filed against the business to compensate a customer with EGP 20,000 due to an operational error committed solely by Lina, explain the extent to which the injured party is legally entitled to claim the full compensation amount directly from Mariam personally.

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3. Propose a matrix of functional responsibilities (defining the scope of authority) separating operational and production tasks (Mariam) from financial and marketing tasks (Lina) to prevent overlap of authority and facilitate performance accountability. . . . . .

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FIRST SESSION

Week 7 | Section 3: Companies / Corporations — Limited Liability and Growth

In-Class Performance:

Activity: Trade-Off Analysis — Converting into a Company / Corporation

Distribute students into groups of 3; each student assumes a key role in Mariam›s case study:

Student 1: ‹Mariam› (The founder concerned about losing operational control and privacy).

Student 2: ‹Café Owner / Investor› (Desiring fast expansion, capital injection, and commercial growth).

Student 3: ‹Legal & Financial Consultant› (Clarifying corporate legal personality, limited liability, and governance).

Required Tasks / Discussion Points:

Evaluate the strategic trade-off between ‹Operational Control› and ‹Personal Financial Risk› according to the comparative graph (Figure 21-).

Analyze Mariam›s potential gains in terms of capital availability and personal savings protection, against what she must compromise regarding managerial independence and compliance with formal disclosure regulations.

Draft a consensus advisory decision specifying terms for investor entry, defining equity control percentages, and safeguarding the intellectual property rights of Mariam›s recipes.

Homework Performance:

Answer the Following Questions:

1. Definition & Corporate Legal Personality: Define ‹Company / Corporation›, and explain what it means for a firm to enjoy an ‹independent legal / corporate personality separate from its owners›.

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2. Financial Protection via Limited Liability: Explain how the principle of ‹limited liability› provides financial security for Mariam and prospective shareholders when facing severe operating losses or sudden corporate insolvency.

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3. Inverse Relationship Analysis (Figure 21-): Based on Figure (21-), explain the inverse relationship between the owner›s level of direct control and the degree of personal financial risk when transitioning from a sole trader to a company / corporation.

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4. Operational & Disclosure Challenges: Discuss the operational and administrative challenges Mariam might face due to increased ‹formality, regulatory compliance, and public disclosure

requirements› when establishing a corporate entity.

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5. Capital Accumulation Rationale: Justify why expanding enterprises prefer converting into corporate structures rather than remaining sole traders or general partnerships when requiring large-scale capital accumulation.

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SECOND SESSION

In-Class Performance:

Activity: What Is the Impact? (Governance & Strategic Decision-Making)
Required Tasks / Discussion Points:
Explain the impact of managing the company by a ‹Board of Directors / Professional Managers on behalf of owners› on Mariam›s daily routine compared to her previous status as a sole owner.
Explain the impact of the phenomenon of ‹separation of ownership from management› on strategic decision-making for Mariam›s enterprise compared to her prior direct management as a sole trader.
Explain how forming a ‹Board of Directors including financial and marketing experts› enhances corporate governance and the effectiveness of daily decision-making compared to centralized individual management.

Homework Performance:

Answer the Following Questions:

1. Separate Legal Entity Principle: Define a ‹Company / Corporation›, and clarify what is meant by the principle of ‹separation of the firm›s legal personality› from the personality of its shareholders or owners.

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2. Share Capital Risk Cap: Explain how the concept of ‹limited liability› provides financial protection for investors and shareholders, capping their maximum potential loss strictly to the nominal value of their shares without recourse to personal assets during entity distress.

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3. Control vs. Risk Rationale: Explain the underlying rationale for the inverse relationship between the ‹level of individual managerial control› and the ‹reduction in personal financial risk› when converting from a sole trader to a corporate entity.

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4. Decision-Making & Profit Allocation Impact: Discuss the strategic impact of transitioning an enterprise from a ‹sole trader› to a ‹company with partners / shareholders›

on both: decision-making processes, and profit allocation.

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5. Structural Growth Obstacles Analysis: Justify the following statement: ‹A sole trader faces severe structural obstacles to growth, expansion, and fulfilling escalating customer demand if the owner continues to operate single-handedly without managerial and financial support.›

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THIRD SESSION

Weekly Evaluation (Week 7)

Model (A)

Select the Correct Answer:

1) Upon converting an enterprise into a ‹company / corporation›, the direct legal and financial outcome for shareholders in the event of corporate failure is:

a) Confiscation of their personal savings and private assets to satisfy corporate debts.

b) Shareholders lose no more than the amount of capital they invested in the company›s equity shares.

c) The founding owner retains 100% complete independence in individual decision-making.

d) A reduction in statutory legal requirements and administrative formal procedures.

Answer the Following Questions:

1) If a café owner invests EGP 100,000 in shares of Mariam›s Bakery Company, and the firm subsequently faces severe financial distress with total liabilities and debts reaching EGP 300,000; calculate the maximum financial loss that can be incurred by the investor personally, and justify your answer based on legal liability principles.

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2) Based on the case study, what does Mariam stand to gain and what must she compromise if she agrees to the café owner›s proposal to establish a company / corporation?

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3) Interpretation & Justification: An investor states: ‹A company / corporation is always the best option for all business organizations at all stages of development.› Evaluate the validity of this statement, explaining when a partnership or sole trader structure would be more suitable for emerging startups.

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Model (B)

I. Select the Correct Answer:

1) The essential advantage resulting from corporations enjoying an independent legal personality compared to sole proprietorships is:

a) Exempting the company and its board of directors completely from financial disclosure and government oversight.

b) Organizational continuity even in the event of a shareholder›s withdrawal or death.

c) Enabling each shareholder individually to conclude binding deals for the company without voting.

d) Simplicity of incorporation and reducing administrative costs and fees to the lowest possible level.

Answer the following:

1. If a private limited company issued shares with a total value of EGP 500,000, and Mariam purchased shares worth EGP 50,000, and later the company went bankrupt with accumulated debts reaching EGP 800,000; what is the maximum financial loss Mariam bears? Justify your answer in light of the concept of limited liability.

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2. Based on business studies, what financial and expansion advantages does Mariam gain when selling shares to angel investors, and what are the concessions associated with voting rights and profit sharing?

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3. What is the justification and reasoning (JRE): A financial analyst states: «All sole traders must immediately convert into public shareholder companies to ensure success.» Evaluate the validity of this statement, explaining when an entrepreneur would prefer to remain as a sole trader or partnership to avoid the costs of administrative complexity and loss of privacy.

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Model (C)

Choose the correct answer:

1. The primary challenge a founder faces when converting a business into a Private Limited Company is:

a) Bearing the entire debts and losses of the company from personal assets and savings.

b) The potential threat of losing managerial control and conflicts of interest with the board of directors and shareholders.

c) Difficulty in attracting specialized managerial talent to manage daily operations.

d) The impossibility of raising capital or future operational expansion.

Answer the following:

1. Mariam›s Bakery Company purchased new assets, and one of the investors invested EGP 80,000 in company shares. If the company faces compensation lawsuits and losses totaling EGP 250,000, what is the maximum financial claim that can be directed toward this investor? Why are creditors legally prohibited from seizing his personal car?

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2. Based on business studies, analyze the shift in Mariam›s financial position and operational risks in the event of transitioning from «self-financing as a sole trader» to «offering shares to investors in a Private Limited Company

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3.What is the justification and reasoning (JRE): Some argue that: «The true success of any small business necessarily requires converting it into a large company with partners.» Evaluate this view, explaining the advantages that make a sole trader prefer remaining alone despite heavy workloads.

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FIRST MONTH EXERCISES & EVALUATIONS (UNITS 1 & 2)

I. Multiple Choice Questions (Select the Correct Answer):

1) ‹Wants› in business administration are defined as:

a) Basic requirements that humans cannot survive without.

b) Goods and services that contribute to improving quality of life and well-being, but are not essential for survival.

c) Natural resources extracted directly from beneath the earth.

d) Financial obligations and debts incurred by business owners.

2) The concept of ‹Unlimited Liability› in a sole trader business refers to:

a) The owner›s ability to make decisions without consulting anyone.

b) The extension of the organization›s losses and debts to affect the owner›s personal assets.

c) The owner›s right to receive all business profits exclusively.

d) Exemption of the owner from paying debts when the organization faces financial distress.

3) The term that expresses ‹the extension of organizational obligations and losses to the owner›s personal funds and property› is:

a) Limited liability.

b) Unlimited liability.

c) Independent legal entity.

d) Direct vertical integration.

4) One of the direct operational drawbacks of permanent reliance on a ‹Sole Trader› structure when demand grows is:

a) Mandatory equal profit sharing.

b) Restricting the owner›s freedom to set working hours.

c) Heavy workload pressure on a single individual, increasing the probability of errors and slowing order fulfillment.

d) Loss of full legal control over daily decisions.

5) In a partnership, the principle of ‹interdependence / mutual agency› implies that:

a) Each partner is responsible only for their individual decisions without accountability to others.

b) An operational or contractual error committed by one partner affects all partners and the firm›s financial outcomes.

c) The firm›s financial liability is completely separate from the partners in all cases.

d) Decisions are made automatically and instantly without the need for discussion.

6) Which of the following activities belongs economically to the ‹Tertiary Sector›?

a) Extracting iron ore and crude oil.

b) Cultivating coffee in fields.

c) Providing logistical support services and home delivery of orders.

d) Manufacturing electrical and electronic appliances.

7) The bar chart depicting sector distribution in a modern economy shows that the most dominant sector in economic activity, accounting for approximately (50%), is:

a) The Primary Sector.

b) The Secondary Sector.

c) The Tertiary Sector.

d) The Informal Household Sector.

8) The strategic competitive advantage of Mariam transitioning from working alone to partnering with ‹Lina› lies in:

a) Mariam retaining 100% of net profits earned.

b) Distributing administrative and operational workloads while benefiting from diverse ideas and expertise.

c) Avoiding any costs for operational raw materials.

d) Eliminating the need to negotiate or discuss pricing policies.

9) When does the phenomenon of ‹Stakeholder Conflict› arise within a business firm?

a) When the goals of all parties align completely.

b) When decisions are made that maximize the interest of one party (e.g., lower prices for customers) at the expense of another party (e.g., owner profits or employee effort).

c) Only when the company faces bankruptcy and legal liquidation.

d) When the efficiency of supply chains in the primary sector declines.

10) The creation of ‹Value Added› (Value Creation) for a specific product is achieved through:

a) Final sale to the customer in retail markets only.

b) Advertising and promotion via social media exclusively.

c) Every stage of the interconnected chain, from extraction to manufacturing and service delivery.

d) Raising the selling price without making any change to the product or its presentation.

II. Extended Analytical & Short-Answer Questions:

1) Precisely differentiate between a ‹Personal Hobby› and a ‹Business Organization›, explaining four comparative criteria (Purpose, Consistency/Continuity, Responsibility/Ongoing Commitments, Risk Level) and citing evidence from Mariam›s case study.

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2) Why do most successful emerging commercial ventures in contemporary economies focus on satisfying ‹Wants› rather than limiting themselves to ‹Basic Needs›? Support your answer with a real-world example of a good and a service.

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3) Explain how each stage of the production chain (from wheat fields to the bakery then the café) contributes to creating value (value creation) that makes the customer willing to pay a price exceeding the initial cost of raw ingredients.

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4. Goods & Services Integration: Explain how small enterprises (such as a home bakery business) combine delivering ‹tangible goods› and ‹intangible services› in a single package that sets them apart from competitors.

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5. Corporate Purpose & Social Responsibility: Comment on the following statement in light of Baccalaureate concepts: ‹The sole and primary objective of any business organization is to achieve financial profit.› Refute this statement, highlighting the role of corporate social responsibility (CSR) and value creation.

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6. Stakeholder Identification: Identify four key primary/secondary stakeholders affected by Mariam›s decision to expand her enterprise, and state the primary interest of each party.

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7. Stakeholder Conflict Analysis: Discuss the existing conflict between customer expectations (faster delivery and lower prices) and Mariam›s family›s desires (balance and academic focus), explaining how this represents a choice between competing priorities.

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8. Financial & Operational Impact Evaluation: If Mariam decides to accept an exclusive café supply contract offering a significant discount, analyze the direct financial and operational impact (positive and negative) on: Mariam, helper employees, and the local community.

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9. Rider Wage & Sustainability Conflict: Hassan›s delivery startup faced a conflict between

lower rider wages, delayed orders, and his desire to maximize profit. Issue a justified judgment regarding which party Hassan should prioritize to ensure long-term business sustainability.

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10. Economic Sector Classification: Classify the following activities into their respective three economic sectors with systematic justification: (1) Fishing in Lake Qarun, (2) Biscuit production in a 6th of October City factory, (3) An online platform for flight bookings.

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11. Tertiary Sector Dominance Analysis: Referring to economic sector statistical data, explain why the tertiary sector represents the largest share (50%) in a modern economy compared to the primary sector (18%).

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12. Supply Chain Disruption Analysis: Explain how a deficit or failure in wheat crops or poultry farms (primary sector) threatens supply chain stability and profit margins for bakeries and cafés (secondary and tertiary sectors).

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13. Sole Trader Financial Debt Liability: If Mariam established a sole trader enterprise with an initial capital of EGP 5,000, and subsequently incurred debt obligations to suppliers amounting to EGP 15,000 due to business failure, explain the legal and financial proceedings that apply to her personal funds and private assets under the doctrine of unlimited liability.

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14. Sole Trader vs. General Partnership Comparison Table: Compare in a structured analytical table between a ‹Sole Trader› and a ‹General Partnership› in terms of: (1) Ownership Structure, (2) Decision-Making Process, (3) Distribution of Profits & Losses, and (4) Individual Financial Risk Level.

Comparison Criterion	Sole Trader	General Partnership / Partnership
1. Ownership Structure		
2. Decision-Making Process		
3. Distribution of Profits & Losses		
4. Individual Financial Risk Levelssssss		

15. Partnership Advantages & Decision Constraints: Discuss the operational advantages that entering into a partnership with ‹Lina› provides to Mariam›s enterprise to address growing customer demand, alongside the operational constraints arising from the necessity to negotiate every managerial decision, such as pricing policies and profit distribution ratios.

16. Profit & Loss Allocation Calculation: Mariam and Lina›s partnership venture achieved an annual net profit of EGP 60,000, with capital share ratios agreed at 60% for Mariam and 40% for Lina. Calculate the net profit share for each partner. Subsequently, demonstrate how losses would be distributed between them in the event that the business incurred a net loss of EGP 20,000, assuming the partnership agreement stipulates loss distribution according to the same

capital contribution proportions.

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17. Partnership Collapse Causes & Risk Mitigation: Identify two primary causes that frequently lead to the collapse and legal dissolution of general partnerships. Propose two managerial mechanisms or legal clauses that can be incorporated into the Articles of Partnership (Partnership Agreement) to minimize partner conflict and prevent immediate firm liquidation.

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18. Strategic Decision Framework (JRE Evaluation): ‹Mariam faces a pivotal strategic choice: either retain her enterprise as a Sole Trader to preserve control and independence, or convert it into a General Partnership to share financial risk and scale up business operations.› Write a balanced analytical evaluation using the Judgment & Reasoning with Evidence (JRE) framework (Direct Judgment, Logical Rationale, Case Evidence, and Justified Conclusion) to deliver a definitive strategic recommendation for Mariam.

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Unit 3: Objectives of Business Organizations and Stakeholders

Week ..... | Section 1: Aligning Strategic Objectives with the Organization›s Life Cycle

Date: / /

FIRST SESSION

In-Class Performance:

Activity: Aligning Strategic Objectives with the Organization›s Life Cycle

• Distribute students into groups of 4 students; each group represents a specific stage of organizational growth: (Establishment & Launch Stage, Stability & Consolidation Stage, Aggressive Investment & Expansion Stage, Maturity & Brand Reputation Building Stage).

• Required Tasks:

- Identify the highest-priority strategic objective for the assigned growth stage (Survival, Profit Maximization, Market Share Expansion, Corporate Social & Ethical Responsibility).

- Analyze the operational risks resulting from prioritizing ‹Rapid Growth & Profit Maximization› at a very early stage before stabilizing product quality and securing cash flows.

- Formulate a phased objective plan for Mariam & Lina›s Kitchen that reconciles operational continuity for next month with building a respected local brand reputation without compromising pastry quality.

Homework Performance:

Answer the Following Questions:

1. Define ‹Business Objectives›, and explain the role that formal objectives play in guiding daily managerial decision-making in a business organization.
2. Discuss why the objective of ‹Survival & Continuity› may conflict with ‹Rapid Profit Maximization› during the initial startup stages of a venture.
3. Identify the operational and financial risks that ‹Mariam›s Kitchen› might face if it pursues rapid growth and expansion before achieving managerial and operational readiness.
4. Based on Figure (31-), explain how an organization›s primary focus shifts gradually from mere ‹Survival› to ‹Social & Ethical Responsibility› as the brand matures.
5. Compare the long-term financial impact of focusing on ‹Increasing Market Share› versus focusing on ‹Building a Quality and Respected Brand Name›.

SECOND SESSION

In-Class Performance:

Activity: What Is the Cause?

• Explain the reason why new and startup organizations rarely give top priority to ‹Profit Maximization› during their initial launch phase.

• Explain why achieving ‹Corporate Social and Environmental Responsibility (CSR)› goals in full is difficult during the early stages of startup growth compared to large multinational corporations.

• Explain the reasons behind the shift in an organization›s strategic objective from ‹Survival & Stability› at inception to ‹Maximizing Stakeholder Value & Market Share Expansion› as the business matures.

Homework Performance:

Answer the Following Questions:

1. Define ‹Organizational Aims & Strategic Objectives›, and explain how public objectives contribute to guiding daily operational decisions for top management and executive teams.
2. Discuss the structural conflict between focusing on ‹Short-term Profit Maximization› and committing to ‹Sustainable Growth & Ethical Standards› during the inception stage of venture creation.
3. When customer orders surge without an operational team to support a sole owner, explain how operational bottlenecks arise, and how these bottlenecks impact the owner›s financial risk exposure.
4. Explain the gradual shift in a business organization›s priorities across its maturity stages, starting from ‹Survival & Financial Break-even› during setup to adopting ‹Corporate Social Responsibility & Institutional Citizenship› after achieving stability and satisfying stakeholders.
5. Compare, using bullet points, the strategy focused on «rapid market share acquisition through low pricing» with the strategy focused on «building a brand reputation based on quality and loyalty,» in terms of financial impact and long-term competitiveness.

THIRD SESSION

Weekly Evaluation (Week 8)

Model (A)

I. Select the Correct Answer:

1) The likely strategic objective for a new business organization in its first operational year is:

a) Corporate social and ethical responsibility

b) Full control over market share

c) Survival and operational continuity

d) Maximizing dividends distributed to shareholders

II. Answer the Following Questions:

1. Referring to ‹Mariam›s Kitchen›, which strategic objective would you recommend as the highest priority for Mariam and Lina at this moment? Justify your choice with evidence from operational challenges.

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2. Can a business organization pursue multiple objectives simultaneously (such as combining profitability with ethical responsibility)? Explain how these can be balanced.

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3. Explanation and Justification:

Lina wishes to raise prices and cut ingredient costs to maximize profit immediately, while Mariam prefers freezing prices to maintain customer trust and ensure survival.

• Evaluate each party›s stance, then formulate a balanced management decision supported by logical reasoning and business administration concepts.

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Model (B)

I. Select the Correct Answer:

1) The most critical strategic objective for a business organization that has successfully passed the startup stage and seeks to achieve economies of scale and build a strong brand identity is:

a) Liquidating assets and settling short-term liabilities

b) Growth, expansion, and increasing market share

c) Restricting operations to mere market survival without taking risks

d) Phasing out production lines and gradually withdrawing from the market

II. Answer the Following Questions:

1. Referring to ‹Mariam›s Kitchen›, if the venture faces a liquidity shortage and rising operating costs, which strategic objective should take priority in the short term (high profitability vs. cash flow management to ensure continuity)? Justify your choice using administrative evidence.

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2. Can a business organization align the objective of ‹rapid growth and expansion› with ‹maintaining product quality and customer satisfaction›? Explain the operational challenges resulting from the conflict between these two goals and how to overcome them.

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3. Explanation and Justification:

• Lina wants rapid expansion and opening a new branch immediately through borrowing, while Mariam prefers focusing on stabilizing operations in the current kitchen and achieving financial stability first.

• Evaluate each party›s stance, then formulate a balanced management decision supported by logical reasoning and strategic planning tools in business administration.

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Model (C)

I. Select the Correct Answer:

1) When a startup business organization adopts environmentally friendly practices and supply chain integrity, it focuses on achieving the objective of:

a) Maximizing return on equity in the very short term

b) Social and ethical responsibility and building a positive reputation

c) Monopolizing the market and eliminating all local competitors

d) Lowering quality standards to reduce production costs to zero

II. Answer the Following Questions:

1. Referring to ‹Mariam›s Kitchen›, which strategic objective do you consider most suitable for entering new markets and dealing with major cafés (the objective of differentiation and institutional reputation vs. aggressive price cutting)? Justify your perspective in light of competitive requirements.

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2. How can stakeholders (such as suppliers, customers, and partners) influence the redirection and modification of a small venture›s strategic objectives across its various growth stages?

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3. Explanation and Justification:

• Lina calls for spending the entire budget on promotional campaigns and discounts to boost sales quickly, whereas Mariam believes funding should be directed toward developing packaging quality and training assistants to ensure customer loyalty.

• Evaluate each party›s stance, then formulate a balanced management decision supported by logical reasoning and management concepts.

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Week ..... | Section 2: Stakeholder Roles and Conflicting Interests

Date: / /

FIRST SESSION

In-Class Performance:

Activity: Analyzing and Aligning Stakeholder Interests

1. Distribute students into groups of 6 students; each student assumes the role of one key stakeholder group in the venture:

(Co-Owners: Mariam and Lina | Assistant/Workers: Dina | Investor/Partner: Youssef | Customers | Suppliers | Local Community/Government)

Required Tasks:

• Classify stakeholders into two distinct categories: (Primary Stakeholders and Secondary Stakeholders), defining the specific interest of each party accurately.

• Examine the decision scenario: «Accepting Youssef›s full investment for rapid expansion» and map out benefiting versus adversely affected parties, highlighting areas of potential conflict between Dina›s wage/workload and Youssef›s returns.

• Formulate a consensus compromise decision that ensures the long-term sustainability of Mariam›s Kitchen without exhausting workers or diluting operational control.

Homework Performance:

Answer the Following Questions:

1. Compare ‹Primary Stakeholders› and ‹Secondary Stakeholders› in terms of their degree of involvement in daily business operations, providing two realistic examples for each category from the case study.

.....

2. Explain the following statement in light of business concepts: «Stakeholder conflict is not evidence of managerial failure, but rather a natural outcome of stakeholders possessing legitimate and differing priorities.»

.....

3. How does the strategic decision of ‹rapid growth and accepting Youssef›s full investment› directly impact the interest of the assistant ‹Dina› regarding working hours, wages, and task workload?

.....

4. Explain the legitimate interest of both the ‹Government› and the ‹Local Community› as secondary stakeholders regarding Mariam›s Kitchen›s compliance with regulations, tax obligations, and fair business practices.

.....

5. Discuss the challenge facing Mariam and Lina in balancing customer requirements (demanding high quality and affordable prices) against supplier demands (requiring regular payment schedules and stable order volumes).

.....

SECOND SESSION

In-Class Performance:

Activity: What Is the Impact?

Analyze and Discuss:

• Explain how an organization›s internal practices toward workers and suppliers indirectly affect the ‹local community›s perception› of the brand image and its market valuation.

• Explain how an organization›s commitment to ‹transparent practices and environmental responsibility in packaging› indirectly influences customer loyalty and long-term sales growth.

• Explain how ‹fair and on-time payment practices to local suppliers› reflect on supply chain stability and the firm›s overall market reputation.

Homework Performance:

Answer the Following Questions:

1. Compare in a structured analytical table between ‹Direct/Primary Stakeholders› and ‹Indirect/Secondary Stakeholders› in terms of: degree of impact and involvement in managing daily operations, providing two applied examples for each category.

2. Explain the following statement from a managerial perspective: «The presence of conflicting stakeholder interests does not indicate a defect in business management, but is a natural reflection of the diversity of goals and strategies across different groups.»

3. Case Analysis: How does executive management›s decision to pursue aggressive competitive expansion and accept substantial external financing directly extend to affect employees and managers regarding: scope of responsibilities, working hour pressure, and financial compensation?

4. Explain the nature of the legitimate interest of both ‹Regulatory/Governmental Bodies› and the ‹Surrounding Community Environment› toward emerging enterprises, clarifying what each group expects regarding statutory compliance, ecological responsibility, and social accountability.

5. Discuss the strategic challenge facing executive management in satisfying consumer expectations (demanding superior quality at affordable prices) while simultaneously fulfilling commitments to suppliers (demanding prompt payments and stable purchase orders).

WEEKLY EVALUATION (WEEK 9)
STAKEHOLDER ROLES & CONFLICTS OF INTEREST
Model (A)

The Third Session
I. Select the Correct Answer:

1) The «Local Community» and government agencies are classified for a business organization as stakeholders who are:

a) Primary because they participate directly in daily operations.

b) Secondary because they affect or are affected by the organization without direct participation in daily operations.

c) Financiers who share profits and financial liability with the owner.

d) Competitors aiming to reduce the organization›s market share.

II. Answer the Following Questions:

1) Analytical Trade-Off Analysis:

In the event of making a decision to «reject investment and adopt slow growth», fill in the analytical trade-off matrix with justification: Which party benefits the most from this decision, which party is most harmed, and why?

.....

2) Resolving Stakeholder Conflict:

Explain how Mariam and Lina can reduce the existing conflict between investor Youssef›s desire for «maximizing investment return and growth» and assistant Dina›s need for «fair pay and a manageable workload».

.....

3) Explanation and Justification (JRE Decision Model):

Mariam and Lina were presented with two options: (A) accepting Youssef›s full investment and bearing the pressure of major expansion, or (B) accepting a partial investment under conditional terms that set a cap on working hours, maintain control for both founders, and safeguard production quality.

• Issue an administrative judgment supported by logical reasoning and evidence (Judgment, Reasoning, Evidence, Conclusion) to select the optimal path for ensuring organizational stability and satisfying stakeholders.

.....

Model (B)

I. Select the Correct Answer:

1) «Customers» and «employees» are classified for a business organization as stakeholders who are:

a) External having no connection to operational decisions or product quality.

b) Internal and direct because they directly and immediately affect and are affected by the daily operations of the organization.

c) Competitors seeking to reduce the organization›s market share and profits.

d) Governmental regulatory bodies that only impose laws and taxes.

II. Answer the Following Questions:

1) Analytical Trade-Off Analysis:

In the event of making a decision to «accept Youssef›s full investment and pursue rapid, immediate expansion», fill in the analytical trade-off matrix with justification: Which party benefits the most from this decision, which party is most harmed, and why?

.....

2) Reconciling Competing Priorities:

Explain how Mariam and Lina can address the potential conflict between «customers› desire for low prices and high quality» and «investor Youssef›s goal of maximizing fast profit margins».

.....

3) Explanation and Justification (JRE Decision Model):

Mariam and Lina were presented with two options: (A) taking out a full bank loan to cover expansion while bearing fixed interest burdens, or (B) bringing in investor Youssef as a partner with an equity share and profit distribution without fixed debt obligations.

• Issue an administrative judgment supported by logical reasoning and evidence (Judgment, Reasoning, Evidence, Conclusion) to select the optimal path for protecting organizational stability and satisfying stakeholders.

.....

Model (C)

I. Select the Correct Answer:

1) «Suppliers» and «lending banks» are classified for a business organization as stakeholders who are:

a) External connected by direct contractual and commercial relationships that affect the organization›s operational and financial cash flows.

b) Internal holding daily voting rights on the project›s board of directors.

c) Regulatory and legislative bodies unconcerned with the project›s financial performance.

d) Marginal parties unaffected by the organization›s success or financial distress.

II. Answer the Following Questions:

1) Analytical Trade-Off Analysis:

In the event of making a decision to «reduce raw material costs and rely on cheaper suppliers to increase profits», fill in the analytical trade-off matrix with justification: Which party benefits the most from this decision, which party is most harmed, and why?

.....

2) Work-Life Balance vs High Customer Demands:

Explain how project management can reconcile the desire of «assistants and employees for training and work-life balance» with the demands of the «partner café to receive massive orders in record time».

.....

3) Explanation and Justification (JRE Decision Model):

Two alternatives were presented to the two partners for dealing with investor Youssef: (A) granting him an advisory seat only with a fixed profit percentage without voting rights, or (B) granting him full participation rights in strategic decisions in exchange for doubled additional funding.

• Issue an administrative judgment supported by logical reasoning and evidence (Judgment, Reasoning, Evidence, Conclusion) to select the optimal path for preserving the venture›s identity and achieving the interests of various stakeholders.

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Week ..... | Section 3: Business Ethics & Corporate Social Responsibility (CSR)

Date: / /

FIRST SESSION

In-Class Performance:

Activity: Rapid Growth vs. Integrity & Social Responsibility

• Distribute students into groups of 4: Two students assume the role of the «Expansion and Profitability Team» (focusing on cost reduction and accelerated delivery to maximize profits), while two students assume the role of the «Social Responsibility and Ethics Team» (defending ingredient quality, fair treatment of workers, and honesty with customers).

Required Tasks:

• Examine the ethical dilemma of Mariam›s Kitchen: evaluating the trade-offs of purchasing cheaper ingredients, reducing working hours and wages for Dina, and rushing the baking process.

• Differentiate between the two core concepts: «Can we do this?» (operational/legal capability) versus «Should we do this?» (voluntary ethical commitment).

• Draft a «Code of Ethical Conduct for the Venture»: establishing a framework that ensures sustainable profits without compromising brand reputation or the rights of workers and suppliers.

Homework Performance:

Answer the Following Questions:

1. Define ‹Corporate Social Responsibility› (CSR), and explain the fundamental difference between compliance with the minimum requirements imposed by law versus voluntary commitment toward society and the environment.

2. Discuss the ethical trade-offs that Mariam and Lina may face when attempting to reduce production costs to meet rapidly accelerating market demand.

3. Explain how commitment to honesty with customers regarding ingredient quality and pricing contributes to protecting the organization from reputational deterioration and enhancing long-term profitability.

4. Detail the potential negative impacts on operational efficiency and work quality if project management decides to reduce assistant Dina›s wage or increase her working hours without fair financial compensation.

5. Explain how responsible treatment of suppliers (such as adhering to fair payment terms) and environmental considerations reflect on supply chain stability and support the enterprise›s standing in the local community.

SECOND SESSION

In-Class Performance:

Activity: What Is the Alternative?

Required Tasks:

• Propose two managerial alternatives that Mariam and Lina can rely on to reduce operating expenses during expansion without resorting to purchasing inferior raw materials or compromising workers› rights.

• Propose two managerial alternatives that Mariam and Lina can rely on to increase operational efficiency without resorting to unfairly extending working hours for assistant workers.

• Propose two managerial alternatives that Mariam and Lina can use to minimize financial and material waste without compromising product quality or lowering workers› salaries.

Homework Performance:

Answer the Following Questions:

1. Define the concept of ‹Corporate Social Responsibility› (CSR), and differentiate in a structured comparative table between compliance with minimum legal requirements versus voluntary community and environmental initiatives based on corporate citizenship.

Comparison Criterion Compliance with Legal Minimum Requirements Voluntary Community & Environmental CSR Initiatives

Driving Motivation & Legal Origin

Scope of Actions & Community Impact

Effect on Corporate Image & Reputation

.....

2. Discuss the ethical dilemma facing executive management when choosing between substituting lower-quality raw materials to reduce costs and satisfy surging market demand, versus maintaining ethical standards and certified specifications.

.....

3.Explain the role of transparency and truthful disclosure regarding product quality and ingredients in preventing marketing crisis risks and enhancing the firm›s market value in the long term.

.....

4. Case Analysis: When working hours and order volumes increase for a sole proprietorship without hiring any assistance, explain how this operational pressure negatively reflects on the business owner›s ability to fulfill commitments to customers.

.....

5. Responsible Purchasing Practices: Explain how implementing «responsible purchasing practices» toward suppliers (such as adhering to agreed payment schedules and fair trading terms) contributes to ensuring supplier sustainability, securing supply chain stability, and enhancing the firm›s reputation in the business environment.

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THIRD SESSION

Weekly Evaluation (Week 10) — Corporate Social Responsibility & Business Ethics

Model (A)

I. Select the Correct Answer:

1) «Corporate Social Responsibility» (CSR) in the business environment is defined as:

a) Strict literal compliance with the minimum legal regulations without any additional voluntary initiatives.

b) The firm›s commitment to its economic, legal, ethical, and environmental responsibilities, often exceeding minimum legal requirements.

c) An exclusive focus on reducing operational costs to maximize immediate financial returns for shareholders.

d) Complete cessation of profit-seeking commercial activities to convert into a non-profit charity.

II. Answer the Following Questions:

1. Rapid Profit vs. Long-Term Sustainability: Referring to Mariam and Lina›s case study, explain how pursuing «rapid profit without ethics» can turn into a direct threat to the venture›s long-term survival and commercial sustainability.

.....

2. Coexistence of Profitability and Ethics: Can a business organization be both «highly profitable» and «highly ethical and socially responsible» at the same time? Explain your answer, supporting your view with the managerial mechanism required to achieve this balance.

.....

3. Explanation and Justification (JRE Decision Model):

Scenario: Investor Youssef stipulated reducing assistant Dina›s working hours and utilizing lower-quality commercial ingredients to double profit margins and cover rapid expansion costs.

Requirement: Evaluate this offer using the decision framework (Judgment, Reasoning, Evidence from business context, and Conclusion) to present a final recommendation to Mariam and Lina regarding accepting or rejecting this condition.

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Model (B)

I. Select the Correct Answer:

1) «Ethical Objectives of Business Organizations» refer to:

a) Complying strictly with legal rules solely to avoid government penalties and fines.b) Adopting internal principles and guiding values that foster fairness and integrity, even if they reduce short-term profits.

c) Completely renouncing profit generation and converting the entity into a non-profit charitable association.

d) Reducing workplace safety standards to cut expenses and accelerate production output.

II. Answer the Following Questions:

1. Employee Safety and Work Environment: Referring to Mariam and Lina›s case study, explain how neglecting workplace safety requirements and fair working conditions for assistants leads to increased employee turnover and harms venture stability.

.....

2. Ethical Responsibility as a Competitive Advantage: Can a business organization transform «social and ethical responsibility» into a competitive advantage that increases sales and customer loyalty? Explain your answer, supporting your view with a clear marketing mechanism.

.....

3. Explanation and Justification (JRE Decision Model):

Scenario: Investor Youssef stipulated replacing organic and healthy ingredients with cheap artificial preservatives to accelerate distribution speed and double short-term profits.

Requirement: Evaluate this offer using the decision framework (Judgment, Reasoning, Evidence from business context, and Conclusion) to present a final recommendation to Mariam and Lina regarding accepting or rejecting this condition.

.....

Model (C)

I. Select the Correct Answer:

1) A firm plans to build greater brand awareness by expanding operations, opening new branches, and increasing workforce size. Which business objective accurately expresses this direction?

a) Social and ethical objectives.
b) Profit maximization.
c) Growth and expansion.
d) Basic organizational survival.

II. Answer the Following Questions:

1. Packaging Quality and Brand Reputation: Referring to Mariam and Lina›s case study, explain how the decision to reduce packaging quality and utilize non-recyclable plastic negatively reflects on the brand›s corporate reputation.

.....

2. Conflict Between Growth and Immediate Profit: Businesses usually seek multiple objectives such as profit maximization, growth, and market share expansion. Explain how pursuing short-term market share expansion can conflict with the objective of achieving maximum immediate profit.

.....

3. Explanation and Justification (JRE Decision Model):

Scenario: Investor Youssef proposed eliminating the training session for new assistants and hiring unqualified labor at low wages to compress costs and guarantee an immediate return on investment.

Requirement: Evaluate this proposal using the decision framework (Judgment, Reasoning, Evidence from business context, and Conclusion) to present a final recommendation to Mariam and Lina regarding accepting or rejecting this proposal.

.....

Second Month Exercises

Choose the correct answer:

1) The main advantage that a business organization gains when established as a «Corporation» (Private Limited Company) compared to a sole proprietorship is:

a) The owner bearing all risks alone.

b) Enjoying an independent legal personality and applying limited liability to protect shareholders› funds.

c) No need to keep official records or financial disclosure.

d) The founder retaining 100% full control over daily decisions.

2) According to the comparison of business structures (Figure 12-), moving from a «sole trader» to a «corporation» leads to:

a) An increase in personal risks for the owner and higher control.

b) Lower personal risks for the owner along with a decrease in direct control.

c) Control and risk levels remaining at the same percentage.

d) Increased individual control while capital remains limited.

3) The top priority strategic goal for a new business organization in its first operational year is:

a) Social and ethical responsibility.

b) Complete takeover of the market share.

c) Survival and operational continuity.

d) Immediate maximization of profits distributed to investors.

4) The concept of «Market Share» refers to:

a) The total value of the organization›s fixed and movable assets.

b) The percentage of the organization›s sales compared to total market sales.

c) Net cash flow remaining after paying liabilities.

d) The foreign investor›s contribution percentage in capital.

5) «Suppliers» are classified in stakeholder analysis as:

a) Secondary stakeholders because they do not interfere in management.

b) Primary stakeholders because the organization directly relies on them in daily operations and the supply chain.

c) Indirect competitors in the market.

d) External regulatory and legislative bodies.

6) What does the phrase «Conflict among stakeholders is a natural phenomenon» mean?

a) Management continuously making severe operational errors.

b) The organization›s stakeholders having legitimate priorities and interests that are varied and competing.

c) The inevitable failure and legal liquidation of the project.

d) Total lack of control and organization within the firm.

7) «Corporate Social Responsibility» (CSR) is defined as:

a) Mandatory compliance with written laws only to avoid fines.

b) A voluntary commitment by the organization to act in ways that benefit society and the environment beyond legal requirements.

c) Distributing 100% of net profits to charities.

d) Reducing employees› salaries to cut production costs.

8) Which of the following is considered an «internal factor» that the organization can directly influence to a large degree and control its variables?

a) Economic inflation and changing interest rates.

b) New government health and food safety regulations.

c) Employee skills, available cash liquidity, and machinery and equipment efficiency.

d) General consumer preferences in local markets.

9) When a business organization plans for rapid growth, what is the direct ethical and operational risk it might face?

a) Expanding social responsibility activities.

b) Resorting to using cheaper ingredients or rushing orders, which harms product quality and reputation.

c) Slow official licensing procedures and record-keeping setup.

d) Increasing owner independence and sole decision-making.

10) The primary legitimate interest for employees (such as Dina) within a business organization is:

a) Receiving a fair wage and working in a safe environment with a manageable workload.

b) Maximizing return on investment distributed to shareholders.

c) Imposing taxes and ensuring compliance with regulations and instructions.

d) Securing continuous orders and paying bills on time.

11) Which stage of the organization›s life cycle (Figure 13-) gives top priority to the goal of «Brand Reputation and Social & Ethical Responsibility»?

a) A new startup business at the beginning of its operations.

b) A stable, self-sustaining business.

c) A venture-backed expansion project.

d) A mature and well-known commercial brand in the market.

12) The role of available cash and financial liquidity within the organization during crisis times and price increases is:

a) Enabling the organization to have options and flexibility to adapt, purchase raw materials, and pay obligations.

b) Eliminating the need for employee training or production improvement.

c) Evading regulatory and legal constraints.

d) Ensuring customer preferences will not change in the future.

Answer the following:

1) Define a «Corporation» (Private Limited Company), and explain the legal impact of the company being an entity separate from its owners in owning assets, entering into contracts, and filing lawsuits.

.....

2) If a person invests 50,000 EGP in a company›s shares, and then the company goes bankrupt with debts reaching 200,000 EGP; how much does this investor lose? And what is the difference between this situation and the owner›s position in a sole proprietorship?

.....

3) In Figure (12-): Explain why the owner›s percentage of direct control decreases when converting from a sole proprietorship to a corporation, and what is the positive trade-off gained in terms of risks and financing?

.....

4) Discuss the requirements of «formality, financial disclosure, and regulatory rules» imposed by laws on corporations compared to flexibility and privacy in sole proprietorships.

.....

5) In Figure (13-): Analyze how the organization›s goal priorities shift from «survival and continuity» to «growth», then to «profit making» and «social responsibility» as the business ages.

.....

6) Why does the goal of «first-year survival» or «building reputation» sometimes conflict with the goal of «rapid profit maximization» in startups?

.....

7) What are the production and marketing risks that a business falls into when seeking accelerated growth and opening multiple branches before stabilizing its core operation quality?

.....

8) Can the organization pursue two goals at the same time (such as expansion and increasing market share while maintaining high quality standards)? Explain the managerial mechanism to achieve that.

.....

9) Differentiate between primary and secondary stakeholders in «Mariam›s Kitchen», explaining the nature of interest for each of: (Mariam and Lina, Dina, Youssef, Customers, Local Community, Government).

.....

10) In the introductory case study: Explain the emerging conflict between the investor Youssef›s desire to achieve a quick investment return and major expansion, and Lina›s fears regarding Dina›s exhaustion and the decline in bakery quality.

.....

11) Discuss how the decision to «lower prices to increase sales» represents a trade-off that positively impacts customers while negatively affecting the profit margins of owners and suppliers.

.....

12) Explain how commitment to payment deadlines and steady order placement with raw material suppliers contributes to ensuring production quality and avoiding operational shutdowns.

.....

13) Explain the fundamental difference between the traditional business question: «Can we do this?» and the business ethics question: «Should we do it?», citing the case of Mariam›s Kitchen.

.....

14) Analyze the potential long-term operational and productivity consequences if the organization decides to reduce workers› wages or impose excessive working hours to cut costs.

.....

15) Show how the organization›s commitment to honesty and transparency with customers regarding ingredients and prices leads to building a strong brand reputation that supports the market value of the brand.

.....

16) Review the four elements of the internal environment (human resources, finance, equipment and technology, management and culture), explaining how each element determines the organization›s competitive ability.

.....

17) In the case study: Extract three internal constraints that Mariam and Lina faced at the beginning of the project (an old home oven, part-time labor, limited savings with no loans), and explain how they constrained their ability to respond to market demand.

.....

18) «Youssef offers a large investment funding to convert Mariam›s Kitchen into a high-growth corporation, conditional on lowering raw material costs and increasing the work pace, while Mariam wishes to maintain a gradual growth pace that protects product quality and employee satisfaction.»

Required: Write a comprehensive analytical response according to the approved assessment model:

- Judgment: Stating the clear strategic position regarding accepting, modifying, or rejecting the offer.
- Logical Justification: Analyzing motives and trade-offs between returns, control, and ethics.
- Evidence: Using facts from the case study and concepts of ownership structures and stakeholders.
- Conclusion and Justified Result: Providing the final balanced strategic recommendation.

.....

Unit Four: Internal and External Environment

Week: ..... | Section 1: Internal Factors | Date: / /

First Session

Class performance:

Activity: Capabilities and Constraints Analysis in «Mariam›s Kitchen»

1. Divide students into groups of 4. Each group is responsible for one component of the project›s internal environment: (Human Resources and Workers Group, Finance and Cash Liquidity Group, Resources and Technical Equipment Group, Management and Decision-Making Culture Group).

Required:

• Identify strengths and weaknesses in the case study: (one part-time worker, limited savings with no loans, an old home oven, and an A/C maintenance hookup).

• Assess the ability of these current resources to respond to external changes and market pressures (such as a sudden increase in demand or rising raw material prices).

• Propose an urgent improvement plan for each area to enhance the kitchen›s operational efficiency at the lowest possible cost.

Homework:

1.Define «Internal Factors» for a business organization, and explain why they are subject to management control, unlike external factors.

2.Explain how relying on one part-time worker (Dina) affects the project›s flexibility and its ability to fulfill urgent extra orders.

3.Discuss the importance of cash availability (liquidity) for the organization when a sudden increase in raw material prices occurs in the market.

4.Explain how using old home equipment (like the single oven) acts as a direct constraint that prevents Mariam and Lina from expanding and increasing sales volume.

5.Show how the communication mechanism and joint decision-making between Mariam and Lina affect the speed and efficiency of daily operations.

Second Session

Class performance:

Activity: Observe and Compare

1.Briefly compare internal and external factors in terms of controllability, providing a realistic example related to Mariam›s project for each.

2.Briefly compare strengths and weaknesses (internal factors) with opportunities and threats (external factors) in terms of source and control, providing an example related to Mariam›s project for each.

3.Briefly compare the impact of internal administrative decisions with the impact of legal and external environmental changes on business continuity, applying both to Mariam›s case.

Homework:

1.Define the concept of «Internal Environment» of an organization, and explain why its components (such as operational capabilities and organizational culture) are subject to direct management control, unlike external variables.
2.Explain how relying on a limited number of temporary or part-time staff creates an obstacle to operational flexibility and the firm›s response to sudden increases in demand.
3.Explain how providing sufficient available cash (liquidity) helps protect the organization from sudden shutdown when operating costs increase.
4.Explain how basic equipment and undeveloped operational assets form a structural constraint that limits production capacity and prevents the firm from expanding and increasing its market share.
5.Show how the efficiency of communication channels and joint decision-making between partners and executives affects operational response speed and the smooth flow of daily operations in the business environment.

Third Session

Weekly Assessment (Week .....)

Model (A)

Choose the correct answer:

1) The following elements (skills and motivation, available cash, machinery and equipment, organizational culture) are classified under:

a) General external environmental factors.

b) Internal factors that the organization can control and influence.

c) Mandatory government responsibilities and regulations.

d) External competitive market forces.

Answer the following:

1) Mention three internal factors that currently limit Mariam›s kitchen›s ability to expand and increase its production, explaining the nature of each constraint.

.....

2) Explain the following statement in light of the case study: «Internal factors set limits to what the organization can realistically do in response to external pressures.»

.....

3) Identify the highest-priority change and justify your selection based on the provided case facts?

•If extra financial resources and funding become available for Mariam and Lina›s project, what is the first internal operational change that should be given top priority to overcome market challenges?

(Buying a modern professional oven, hiring full-time staff, or increasing inventory?)

•Provide a justified managerial judgment using logical reasoning and evidence (Judgment, Justification, Evidence, Conclusion).

.....

Model (B)

Choose the correct answer:

1) The following elements: (inflation rates, government laws and regulations, changes in consumer tastes, and technological development in the market) are classified under:

a) Internal operational resources subject to direct management control.

b) External environmental factors (general business environment) that the organization cannot directly control.

c) Organizational structure and work culture in Mariam›s project.

d) Productive efficiency elements of the assistants inside the kitchen.

Answer the following:

2) Mention three external factors (such as inflation, new competitors, and changing raw material prices) that currently affect the stability of Mariam and Lina›s project, explaining the nature of the threat or opportunity for each factor.

.....

3) Explain the following statement in light of the case study: «Accurate understanding (analysis) of external factors is an essential condition for directing the organization›s internal resources toward exploiting opportunities and avoiding threats.»

.....

4) Identify the highest-priority change and justify your selection based on the provided case facts?

•If the project faces a sudden increase in external demand along with internal workspace constraints, what is the most high-priority operational solution to meet this demand?

(Renting additional equipped workspace, automating baking and packaging operations, or reducing the number of products to focus on the most requested ones?)

•Provide a justified managerial judgment using logical reasoning and evidence (Judgment, Justification, Evidence, Conclusion).

.....

Model (C)

Choose the correct answer:

1) The ability to redesign production lines, train the team, and modify internal pricing policies are examples of:

a) External environmental constraints imposed by regulatory agencies.

b) Responses and decisions stemming from the organization›s internal environment that are under its direct management.

c) General economic fluctuations that cannot be predicted or managed.

d) Demographic and social changes in consumer behavior.

Answer the following:

1) Mention three factors in the competitive external environment (such as the entry of large cafes, the appearance of substitute products, and changing supplier terms) that may force Mariam›s kitchen to change its current strategy.

.....

2) Explain the following statement in light of the case study: «An organization cannot take advantage of available opportunities in the external market unless it possesses operational, financial, and skill capabilities that support this expansion.»

.....

3) Identify the highest-priority change and justify your selection based on the provided case facts? «If it is decided to increase the efficiency of responding to urgent external orders; what is the most high-priority management path to start with?

(Investing in technology and developing internal capabilities, relying on external parties like delivery companies, or intensifying current human effort?)»

Provide a justified managerial judgment using logical reasoning and evidence (Judgment, Justification, Evidence, Conclusion).

.....

Second Month Exercises

Choose the correct answer:

1) The main advantage that a business organization gains when established as a «Corporation» (Capital Company) compared to a sole proprietorship is:

a) The owner bearing all risks alone.

b) Enjoying an independent legal personality and applying limited liability to protect shareholders› funds.

c) No need to keep official records or financial disclosure.

d) The founder retaining 100% full control over daily decisions.

2) According to the comparison of business structures (Figure 12-), moving from a «sole trader» to a «corporation» leads to:

a) An increase in personal risks for the owner and higher control.

b) Lower personal risks for the owner along with a decrease in direct control.

c) Control and risk levels remaining at the same percentage.

d) Increased individual control while capital remains limited.

3) The top priority strategic goal for a new business organization in its first operational year is:

a) Social and ethical responsibility.

b) Complete takeover of the market share.

c) Survival and operational continuity.

d) Immediate maximization of profits distributed to investors.

4) The concept of «Market Share» refers to:

a) The total value of the organization›s fixed and movable assets.

b) The percentage of the organization›s sales compared to total market sales.

c) Net cash flow remaining after paying liabilities.

d) The foreign investor›s contribution percentage in capital.

5) «Suppliers» are classified in stakeholder analysis as:

a) Secondary stakeholders because they do not interfere in management.

b) Primary stakeholders because the organization directly relies on them in daily operations and the supply chain.

c) Indirect competitors in the market.

d) External regulatory and legislative bodies.

6) What does the phrase «Conflict among stakeholders is a natural phenomenon» mean?

a) Management continuously making severe operational errors.

b) The organization›s stakeholders having legitimate priorities and interests that are varied and competing.

c) The inevitable failure and legal liquidation of the project.

d) Total lack of control and organization within the firm.

7) «Corporate Social Responsibility» (CSR) is defined as:

a) Mandatory compliance with written laws only to avoid fines.

b) A voluntary commitment by the organization to act in ways that benefit society and the environment beyond legal requirements.

c) Distributing 100% of net profits to charities.

d) Reducing employees› salaries to cut production costs.

8) Which of the following is considered an «internal factor» that the organization can directly influence to a large degree and control its variables?

a) Economic inflation and changing interest rates.

b) New government health and food safety regulations.

c) Employee skills, available cash liquidity, and machinery and equipment efficiency.

d) General consumer preferences in local markets.

9) When a business organization plans for rapid growth, what is the direct ethical and operational risk it might face?

a) Expanding social responsibility activities.

b) Resorting to using cheaper ingredients or rushing orders, which harms product quality and reputation.

c) Slow official licensing procedures and record-keeping setup.

d) Increasing owner independence and sole decision-making.

10) The primary legitimate interest for employees (such as Dina) within a business organization is:

a) Receiving a fair wage and working in a safe environment with a manageable workload.

b) Maximizing return on investment distributed to shareholders.

c) Imposing taxes and ensuring compliance with regulations and instructions.

d) Securing continuous orders and paying bills on time.

11) Which stage of the organization›s life cycle (Figure 13-) gives top priority to the goal of «Brand Reputation and Social & Ethical Responsibility»?

a) A new startup business at the beginning of its operations.

b) A stable, self-sustaining business.

c) A venture-backed expansion project.

d) A mature and well-known commercial brand in the market.

12) The role of available cash and financial liquidity within the organization during crisis times and price increases is:

a) Enabling the organization to have options and flexibility to adapt, purchase raw materials, and pay obligations.

b) Eliminating the need for employee training or production improvement.

c) Evading regulatory and legal constraints.

d) Ensuring customer preferences will not change in the future.

Answer the following:

1) Define a «Corporation» (Capital Company), and explain the legal impact of the company being a entity separate from its owners in owning assets, entering into contracts, and filing lawsuits.

.....

2) If a person invests 50,000 EGP in a company›s shares, and then the company goes bankrupt with debts reaching 200,000 EGP; how much does this investor lose? And what is the difference between this situation and the owner›s position in a sole proprietorship?

.....

3) In Figure (12-): Explain why the owner›s percentage of direct control decreases when converting from a sole proprietorship to a corporation, and what is the positive trade-off gained in terms of risks and financing?

.....

4) Discuss the requirements of «formality, financial disclosure, and regulatory rules» imposed by laws on corporations compared to flexibility and privacy in sole proprietorships.

.....

5) In Figure (13-): Analyze how the organization›s goal priorities shift from «survival and continuity» to «growth», then to «profit making» and «social responsibility» as the business ages.

.....

6) Why does the goal of «first-year survival» or «building reputation» sometimes conflict with the goal of «rapid profit maximization» in startups?

.....

7) What are the production and marketing risks that a business falls into when seeking accelerated growth and opening multiple branches before stabilizing its core operation quality?

.....

8) Can the organization pursue two goals at the same time (such as expansion and increasing market share while maintaining high quality standards)? Explain the managerial mechanism to achieve that.

.....

9) Differentiate between primary and secondary stakeholders in «Mariam›s Kitchen», explaining the nature of interest for each of: (Mariam and Lina, Dina, Youssef, Customers, Local Community, Government).

.....

10) In the introductory case study: Explain the emerging conflict between the investor Youssef›s desire to achieve a quick investment return and major expansion, and Lina›s fears regarding Dina›s exhaustion and the decline in bakery quality.

.....

11) Discuss how the decision to «lower prices to increase sales» represents a trade-off that positively impacts customers while negatively affecting the profit margins of owners and suppliers.

.....

12) Explain how commitment to payment deadlines and steady order placement with raw material suppliers contributes to ensuring production quality and avoiding operational shutdowns.

.....

13) Explain the fundamental difference between the traditional business question: «Can we do this?» and the business ethics question: «Should we do it?», citing the case of Mariam›s Kitchen.

.....

14) Analyze the potential long-term operational and productivity consequences if the organization decides to reduce workers› wages or impose excessive working hours to cut costs.

.....

15) Show how the organization›s commitment to honesty and transparency with customers regarding ingredients and prices leads to building a strong brand reputation that supports the market value of the brand.

.....

16) Review the four elements of the internal environment (human resources, finance, equipment and technology, management and culture), explaining how each element determines the organization›s competitive ability.

.....

17) In the case study: Extract three internal constraints that Mariam and Lina faced at the beginning of the project (an old home oven, part-time labor, limited savings with no loans), and explain how they constrained their ability to respond to market demand.

.....

18) «Youssef offers a large investment funding to convert Mariam›s Kitchen into a high-growth corporation, conditional on lowering raw material costs and increasing the work pace, while Mariam wishes to maintain a gradual growth pace that protects product quality and employee satisfaction.»

Required: Write a comprehensive analytical response according to the approved assessment model:

•Judgment: Stating the clear strategic position regarding accepting, modifying, or rejecting the offer.

•Logical Justification: Analyzing motives and trade-offs between returns, control, and ethics.

•Evidence: Using facts from the case study and concepts of ownership structures and stakeholders.

•Conclusion and Justified Result: Providing the final balanced strategic recommendation.

.....

Week ..... Section 2: External Factors - PESTEL Analysis

Date: / /

First Session

Class performance:

Activity: Strategic Environmental Analysis Lab

1.Divide students into groups of 6, so that each group represents one dimension of the external framework: (Political P, Economic E, Social S, Technological T, Environmental/ Ecological E, Legal L).

Required:

•Categorize the events of «the hard month» and the surrounding events of Mariam›s kitchen accurately into the six PESTEL categories.

•Identify whether each external event represents an opportunity to be exploited or a threat requiring adaptation and risk mitigation.

•Propose an operational strategic response that enables Mariam and Lina to adapt to the environmental factor assigned to the group to ensure activity sustainability.

Homework:

1.Explain the meaning of the «PESTEL Analysis» tool, and explain why external factors are considered forces that the organization›s management cannot directly control.

2.Explain how changing consumers› lifestyle and the increasing trend toward «healthy food and lower-sugar options» affect Mariam›s kitchen product menu and sales.

3.Discuss the financial challenges imposed by inflation waves and rising raw material prices (such as flour and sugar) on profit margins and pricing.

4.Show how order delivery apps and e-payment platforms can transform from a mere extra cost (commission) into an expansion opportunity that increases sales.

5.Explain the importance of rapid response to food safety regulations and updating packaging labels, illustrating the risks resulting from ignoring them.

Second Session

Class performance:

Activity: Discuss in Light of the Case Study

1.Discuss the validity of the following statement in light of the case study: «External factors cannot be controlled, but regular monitoring of PESTEL factors may reduce the likelihood of the organization being surprised by them.»

2.Discuss the validity of the following statement in light of the case study: «Ignoring rapid changes in technological (T) and social (S) factors deprives the organization of its competitive advantage, even if its internal operations are excellent.»

3.Discuss the validity of the following statement in light of the case study: «Proactive response may contribute to reducing some risks and enhancing loyalty if executed effectively.»

Homework:

1.Explain the concept of «Macro External Environment Analysis» (PESTEL), illustrating the reasons that make these variables (political, economic, social, technological, environmental, and legal) outside the direct control of the organization›s management.

.....

2.Explain how «demographic and social changes»—such as increased consumer awareness of environmental practices or health—affect adjusting product mix and corporate marketing strategies.

.....

3.Discuss the impact of «macroeconomic variables»—such as exchange rate fluctuations and high inflation rates—on pricing strategies and target profit margins for startups.

.....

4.Show how shifting toward «digital technology»—such as adopting artificial intelligence and sales automation—can turn from a mere «additional investment cost» into a «competitive advantage» driving growth and sales.

.....

5.Explain the legal and operational consequences resulting from an organization›s non-compliance with «new regulations and statutory laws,» highlighting the importance of rapid response to protect the firm from risks.

.....

Third Session

Weekly Assessment (Week .....)

Model (A)

Choose the correct answer:

1) The general trend among consumers toward consuming healthy, low-sugar food products is classified within PESTEL analysis as a factor:

a) Political (P). b) Social (S).

c) Environmental/Ecological (E). d) Technological (T).

Answer the following:

1) Classify the following events according to the appropriate PESTEL category, specifying whether each forms an (opportunity or threat) for Mariam and Lina›s project:

•Issuance of a new regulation forcing bakeries to put nutritional facts labels on packages.

•Launch of a new mobile application allowing online payment and bakery delivery in the neighborhood.

.....

2) Analyze how Mariam›s kitchen can turn the threat of «rising sugar and flour prices» and «demand for healthy products» into an opportunity to create a new high-value product line.

.....

3) Identify the highest-priority change and justify your selection based on the provided case facts?

•Three external changes coincided in a single month: a large increase in ingredient prices, the issuance of a new food safety regulation, and customer demand for low-sugar products.

•Which of these changes represents the top priority that Mariam and Lina must respond to first to ensure the organization›s survival? Provide a balanced judgment supported by logical reasoning and evidence (Judgment, Justification, Evidence, Conclusion).

.....

Model (B)

Choose the correct answer:

1) The rise in the general inflation rate in the country and the increase in loan interest rates are classified within PESTEL analysis as a factor:

a) Political (P). b) Economic (E).

c) Technological (T). d) Legal (L).

Answer the following:

1) Classify the following events according to the appropriate PESTEL category, specifying whether each forms an (opportunity or threat) for Mariam and Lina›s project:

•Government imposition of a new environmental tax on non-biodegradable plastic packaging.

•The spread of freelance culture and remote work among neighborhood residents, increasing morning demand for coffee and baked goods.

.....

2) Analyze how Mariam›s kitchen can turn the threat of «the entry of a global cafe chain into the same area» into an opportunity to enhance the standing of distinguished local craft products.

.....

3) Identify the highest-priority change and justify your selection based on the provided case facts?

•Three external changes coincided in a single month: a temporary disruption in imported flour supply chains, the implementation of a new home business licensing law, and increased demand for fast delivery apps.

•Which of these changes represents the top priority that Mariam and Lina must respond to first to ensure compliance and operational continuity? Provide a balanced judgment supported by logical reasoning and evidence (Judgment, Justification, Evidence, Conclusion).

.....

Model (C)

Choose the correct answer:

1) The issuance of a strict government law obligating food projects to specify expiration dates and precise storage conditions is classified within PESTEL analysis as a factor:

a) Economic (E). b) Social (S).

c) Legal (L). d) Environmental/Ecological (E).

Answer the following:

1) Classify the following events according to the appropriate PESTEL category, specifying whether each forms an (opportunity or threat) for Mariam and Lina›s project:

•Decline in general consumer purchasing power due to seasonal economic recession.

•Availability of low-cost robots and digital platforms to automate order receiving and processing for delivery.

.....

2) Analyze how Mariam›s kitchen can turn the threat of «rising individual delivery costs and delay complaints» into an opportunity to create a weekly scheduled subscription system for homes and offices.

.....

3) Identify the highest-priority change and justify your selection based on the provided case facts?

•Three external changes coincided in a single month: a local competitor launching an intensive online marketing campaign with discounted prices, a sharp increase in delivery platform fees, and growing community interest in gluten-free baked goods.

•Which of these changes represents the strategic priority that must be focused on first to build a sustainable competitive advantage? Provide a balanced judgment supported by logical reasoning and evidence (Judgment, Justification, Evidence, Conclusion).

.....

Date: / /

First Session

Class performance:

Activity: Business Environment Analysis and Adaptation Strategies

1.Divide students into groups of 4 (Mariam›s Kitchen vs. a traditional fast-food restaurant). Required:

•Analyze the impact of two external variables: (a) The trend toward healthy eating, (b) Rising food ingredient costs.

•Draft a quick response matrix showing how each variable transforms into an opportunity for one business and a threat for the other.

•Present a brief pitch (2 minutes) proposing an action plan to convert the external threat into a competitive advantage.

Homework:

1.Differentiate accurately between the concepts of «Opportunity» and «Threat» in the organization›s external environment, illustrating how management›s approach determines the classification of the event itself.

.....

2.Discuss how the management of «Mariam›s Kitchen» can turn the crisis of rising raw material costs into a strategic opportunity that supports operational efficiency or product pricing.

.....

3.Evaluate the decision to join digital delivery apps despite their high commission fees, illustrating the financial and marketing impact on the project.

.....

4.Apply two elements of the PESTEL analysis framework (Social factors and Legal factors) to a local food and beverage business.

.....

5.Discuss the role of business ethics in how enterprises respond to changing consumer behavior toward healthier options and sustainability.

.....

Second Session

Class performance:

Activity: What Do You Advise Mariam?

1.Advise the management of «Mariam›s Kitchen» on the optimal strategy to deal with the increasing consumer trend toward healthy eating, supporting your answer with marketing and operational justifications.

2.Advise the management of «Mariam›s Kitchen» on the optimal strategy to deal with the «sharp increase in imported flour and butter prices,» supporting your answer with marketing justifications (such as adjusting the marketing mix) and operational justifications (such as diversifying local supply chains).

3.Advise the management of «Mariam›s Kitchen» on the optimal strategy to deal with the «entry of a large commercial competitor selling at low prices,» supporting your answer with marketing justifications (such as a differentiation strategy) and operational justifications (such as maintaining quality and craftsmanship standards).

Homework:

1.Accurately compare the concepts of «strengths» and «weaknesses» in the organization›s internal environment, illustrating how human resources and technological capabilities can turn an operational weakness into a competitive advantage.

2.Discuss how the management of «Mariam›s Kitchen» can face the crisis of a new competitor following a fierce price competition policy, and turn this threat into an opportunity to enhance customer loyalty or innovate a new product line.

3.Evaluate the decision of complete reliance on direct marketing via social media platforms as an alternative to traditional sales outlets, illustrating the financial impact on operating costs and the marketing impact on reaching the public.

4.Apply two elements of PESTEL analysis (Technological factors and Economic factors) to a local startup in the field of delivery and logistics services.

5.Discuss the role of Corporate Social Responsibility (CSR) in guiding packaging and wrapping decisions, and how environmental transparency affects building the mental image of the project among consumers.

Third Session

Weekly Assessment **(Week .....)**

Model (A)

Choose the correct answer:

1) The new mandatory government regulations requiring the recording of calories and ingredient sources are considered:

a) An internal strength point for all organizations.

b) An external circumstance that represents an opportunity for some and a threat to others depending on their ability to adapt.

c) An absolute and permanent threat to the entire sector.

d) A marketing opportunity that requires no operational costs.

Answer the following:

1) Illustrate with a realistic example how a single external event can be a threat to one company and an opportunity for another competing company in the same market.

.....

2) Explain the following statement in light of business administration literature: «Organizations that search for the opportunity latent within change adapt faster than others.»

.....

3) Choose a small business in your country, identify a recent external threat it faced, and propose a practical plan to convert it into an investment opportunity.

.....

Model (B)

Choose the correct answer:

1) The central bank›s decision to raise interest rates on commercial loans is considered:

a) An internal operational weakness concerning startups only.

b) An external environmental variable that represents a threat to borrowers and an opportunity for organizations with high internal cash liquidity.

c) A marketing opportunity that has no effect whatsoever on financing and investment costs.

d) An absolute threat that halts economic activity for all companies without exception.

Answer the following:

1) Illustrate with a realistic example from the business environment how the «sudden rise in fuel prices and transportation costs» can represent a threat to traditional distribution companies, while at the same time representing an opportunity for developers of shared delivery and shipment consolidation apps.

.....

2) Explain the following statement in light of the business case study: «Organizational flexibility and the ability to restructure internal operations are the decisive factor in turning external threats into competitive advantages.»

.....

3) Choose a local business sector (such as the retail sector or financial education services), identify a technological or legislative threat it recently faced, and propose an actionable plan to turn this threat into a sustainable investment opportunity.

.....

Model (C)

Choose the correct answer:

1) Strict environmental laws that impose a ban on the use of single-use plastic bags in the retail sector are considered:

a) An internal factor that the CEO can cancel with a direct administrative decision.

b) A legal and environmental external factor that poses a threat to traditional factories and an opportunity for producers of biodegradable alternatives.

c) A permanent threat that always prevents the growth of all business and trade sectors.

d) An automatic competitive advantage for all companies without the need for any operational adjustment.

Answer the following:

1) Illustrate with a practical example how the «shift toward a non-cash payment system (mandatory digital wallets)» can be a technological threat to unprepared small stores, while representing a growth opportunity for e-stores and digital payment platforms.

.....

2) Explain the following statement in light of the business case study: «Proactively market-oriented organizations do not wait for external changes to adapt to them, but rather proactively redesign their business models to capture emerging opportunities.»

.....

3) Choose a small service business in your local environment, identify a demographic or economic threat it recently faced, and propose an action plan to turn this challenge into a new competitive advantage.

.....

UNIT 5: MANAGEMENT & LEADERSHIP.

Section 1: The Four Functions of Management **Week: .....**

Part 1: Performance Tasks

Date: ..... / ..... /.....

FIRST SESSION

Classroom Performance

Activity: Simulation of the Four Functions of Management

• Student Group Distribution: Divide students into groups of 4, with each student assuming responsibility for one specific management function: (Planner, Organizer, Leader, Quality Controller).

Required Tasks:

1. Scenario Management: Address the practical scenario of "Launching a new healthy dessert product line in Mariam›s Kitchen within two weeks."

2. Comprehensive Operational Plan Design: Formulate an integrated action plan defining:

• Planning: Setting daily operational goals and target production volume.

• Organizing: Distributing tasks between Mariam and Dina, defining work schedules, and structuring task workflow to prevent operational overlap.

• Leading: Motivating and guiding assistants, establishing clear communication, and setting quality work standards.

• Controlling: Defining quality measurement indicators, inspecting finished products, and rectifying performance gaps prior to final delivery.

3. Presentation & Peer Review: Present each group›s operational plan and engage in a class discussion regarding the interconnectivity and alignment of managerial functions.

Homework Performance

1. Systemic Impact of Planning Failure: Explain how a defect or weakness in the "Planning" function leads to direct failure in both the "Organizing" and "Controlling" functions within a small business enterprise.

.....

2. First-Time Managerial Challenges: From the case study of "Mariam›s Kitchen," what leadership challenges might Mariam face as a first-time manager in guiding and motivating her assistant "Dina," and how can she effectively overcome them?

.....

3. Practical Application of Managerial Functions: Choose a school project or event you previously helped organize, and demonstrate with a concrete practical example how each of the four functions of management was applied.

.....

4. Prerequisite of Control: Discuss the following statement: "Exercising control without prior plans and established objectives is a random procedure that yields no meaningful results."

.....

5. Resource Organization vs. Leadership Comparison: Compare the manager›s role in "organizing resources and tasks" with their role in "leading and motivating individuals," explaining how balancing both functions impacts the work environment and overall productivity.

.....

SECOND SESSION

Classroom Performance

Activity: Analytical Reasoning ("Explain Why?")

1. Complexity of Leadership: Explain why the "Leading and Directing" function is often considered the most challenging and complex task for a novice manager compared to other managerial functions.

2. Preconditions for Performance Control: Explain why the "Controlling and Performance Evaluation" function is ineffective and cannot be executed successfully unless preceded by clear, specific, and measurable planning objectives.

3. The Delegation Dilemma: Explain why a novice entrepreneur faces significant difficulty in practicing "Delegation" and transferring authority to assistants, and analyze how this reluctance negatively affects leadership effectiveness and organizational efficiency.

Homework Performance

1. Structural Coordination & Responsibility: Explain how the absence of "Coordination" or defects in defining "Authority and Responsibility" lead to direct failure in achieving "Planning Objectives" and monitoring "Key Performance Indicators" within a small business.

.....

2. Managerial Balance in Delegation: From the case study of "Mariam›s Kitchen," examine the managerial challenges Mariam may encounter when delegating authority to her assistant "Dina," and explain how she can balance delegation with effective oversight without losing operational control.

.....

3. Integrated Managerial Practice: Choose a business enterprise or commercial venture with which you are familiar, and illustrate with a practical example how the four management functions (Planning, Organizing, Leading/Directing, and Controlling) are executed in an integrated, sequential manner.

.....

4. Leadership vs. Organizational Structure: Discuss the following statement: "Leadership without sound organization and clear task distribution is merely temporary enthusiasm that fails to sustain a business."

.....

5. Strategic Planning & Evaluation Integration: Compare the manager›s role in "formulating plans and strategies" with their role in "controlling and evaluating performance," highlighting how their integration enhances the quality of managerial decision-making.

.....

Third Session

Weekly Assessment — **Week (.....)**

MODEL (A)

I. Select the Correct Answer:

1. Mariam inspecting the baked goods and ensuring they match the pre-determined criteria for taste, packaging, and quantities prior to dispatching them to customers represents the management function of:

(A) Planning (B) Organizing

(C) Leading (D) Controlling

II. Answer the Following Questions:

(2) Formulate a clear, measurable planning goal for Mariam›s Kitchen, and explain how this goal helps in establishing standards for the controlling process.

.....

(3) Explain the importance of the «Organizing» function in preventing conflicts and overlap of responsibilities among workers within micro-enterprises.

.....

MODEL (B)

I. Select the Correct Answer:

1. Mariam distributing the tasks of dough preparation and packaging, and scheduling work shifts among her assistants represents an application of the management function of:

(A) Planning (B) Organizing

(C) Leading (D) Controlling

II. Answer the Following Questions:

(2) Formulate a SMART operational goal related to enhancing production efficiency in Mariam›s Kitchen, and explain how this goal serves as the foundation upon which controlling standards are built.

.....

(3) Explain how the «Organizing» function contributes to streamlining daily workflows and eliminating task duplication among assistants in small business operations.

.....

(4) Explain the administrative/controlling corrective actions required to address operational defects or production bottlenecks in Mariam›s Kitchen.

.....

MODEL (C)

I. Select the Correct Answer:

1. Mariam motivating her work team, providing positive feedback, and resolving daily interpersonal conflicts among them represents the management function of:

(A) Planning (B) Organizing

(C) Leading (and Directing) (D) Controlling

II. Answer the Following Questions:

(2) Formulate a measurable marketing goal (bounded by a specific timeframe and percentage) to increase sales for Mariam›s Kitchen, and explain how this goal assists in evaluating the success of the promotional campaign from a controlling perspective.

.....

(3) Explain the importance of coordination and integration between the «Organizing» and «Leading» functions in boosting employee morale and productivity within small enterprises.

.....

(4) If Mariam receives repeated complaints from a partner café stating that the taste and quality of the supplied products are inconsistent, explain the administrative control steps necessary to diagnose the root cause of the problem and implement a standard corrective action that ensures consistent quality.

.....

Date: / / 2026

FIRST SESSION

Classroom Performance:

Activity — Adaptive Leadership

Activity Instructions & Scenarios

Group Setup: Distribute students into groups of 3 to 4 members.

Scenario Analysis — Study three critical business scenarios inside Mariam›s Kitchen:

• Scenario 1: Arrival of an urgent and large catering order for a party with a very tight delivery deadline.

• Scenario 2: A session to develop a new menu with an experienced assistant chef.

• Scenario 3: Delegating an independent and highly skilled remote visual identity designer.

Required Deliverables:

1. Leadership Style Identification: Determine the most appropriate leadership style for each situation (Autocratic, Democratic, Delegative / Laissez-faire, Situational) with justification based on: employee skill level, time pressure, and level of risk.

2. Role-Play Simulation: Conduct a role-play exercise demonstrating how Mariam adapts her leadership style according to the given scenario.

Homework Performance

1. Compare Autocratic Leadership and Delegative Leadership in terms of: decision-making authority, speed of response in crises, and employee motivation level.

.....

2. Explain why a new employee with limited experience like «Dina» might prefer working under autocratic directive leadership in her first working weeks.

.....

3. Discuss the potential operational risks of exclusively relying on the delegative leadership style in a small business with sensitive quality standards.

.....

4. Explain how employee skill and experience acquisition over time affects shifting the leadership style adopted by management.

.....

5. Evaluate the correctness of the following management statement: «There is no single ideal leadership style that fits all circumstances; an effective leader possesses situational flexibility.»

.....

SECOND SESSION

Classroom Performance:

Activity — Design a Realistic Scenario

Practical Scenario Design Exercises

Task 1 (Democratic Leadership): Design a realistic business scenario that necessitates applying «Democratic Leadership», justifying the reasons for the superiority of this style in this specific situation.

Task 2 (Autocratic Leadership): Design a realistic business scenario that necessitates applying «Autocratic (Firm and Direct) Leadership», highlighting the reasons for the superiority of this style while balancing its advantages and risks.

Task 3 (Laissez-faire Leadership): Design a realistic business scenario that necessitates applying «Laissez-faire / Free-rein Leadership», highlighting the factors that make this style achieve the highest levels of innovation and productivity.

Homework Performance

1. Compare Democratic Leadership and Laissez-faire / Free-rein Leadership in terms of: employee participation in decision-making, level of accountability, and their impact on creativity and speed of execution.

.....

2. Explain why an experienced employee with high skills might prefer working under delegative leadership rather than strict directive leadership.

.....

3. Discuss the potential administrative and operational risks of exclusively relying on the autocratic leadership style in an organization that relies on innovation and creative solutions.

.....

4. Explain how increasing team maturity and operational readiness over time affects shifting the leader›s direct directive style to a delegative style.

.....

5. Evaluate the correctness of the following management statement: «Leadership flexibility does not mean hesitation; rather, it means the ability to align the leadership style with the employee›s competency level and the nature of the task.»

.....

Third SESSION

Weekly Assessment **(Week .....)**

Model (A)

I. Multiple Choice Questions

1. When a business faces an emergency situation that requires rapid decisions, where the cost of error is extremely high, and time is severely limited, the most appropriate leadership style is:

a) Delegative Leadership / Laissez-faire
b) Autocratic Leadership
c) Democratic Leadership
d) Paternalistic / Bureaucratic Leadership

II. Analytical & Applied Questions

2. Define «Leadership Style», and state the three main factors influencing the choice of the appropriate style according to the Situational Leadership Theory.

. . . . . .

3. On busy days, Mariam followed a style of giving precise and direct instructions, while she allowed freedom on quiet days. Identify the leadership style used in each case, explaining its suitability to the circumstance.

. . . . . .

4. Explain what happens to the level of productivity, service quality, and resource usage if a manager continuously relies on an Autocratic approach with highly competent and independent employees.

. . . . . .

MODEL (B)

I. Multiple Choice Questions

1. When a manager leads a team of highly competent, self-motivated experts and designers to execute a creative and innovative project, the most effective leadership style is:

a) Autocratic (Authoritative) Leadership
b) Laissez-faire / Delegative Leadership
c) Paternalistic Leadership
d) Strict Bureaucratic Leadership

II. Analytical & Applied Questions

2. Define «Democratic Leadership», and explain two main advantages and two potential disadvantages of applying this style within a competitive business environment.

3. Mariam applied a «Democratic Leadership» style in her kitchen by involving assistants and consulting them while retaining the final decision, whereas Lina preferred a «Delegative Leadership» style and empowering employees. Compare both styles in terms of employee motivation and decision-making speed.

4. Explain what happens to the level of productivity, output quality, and resource waste if a manager continuously relies on a «Laissez-faire / Absolute Delegation» style with novice employees who lack sufficient experience and training.

MODEL (C)

I. Multiple Choice Questions

1. When a leader makes decisions based on what they believe is best for their subordinates› interests while listening to them like a parent caring for their family, but retaining final authority, this style is known as:

a) Paternalistic Leadership
b) Laissez-faire Leadership
c) Democratic Leadership
d) Strict Autocratic Leadership

II. Analytical & Applied Questions

2. Define «Delegative Leadership», and identify two essential conditions for its successful application in business organizations without causing operational chaos or deviation from goals.

3. When innovating new recipes, Mariam consulted her assistants and shared decision-making with them, whereas she imposed strict food safety and hygiene procedures through direct instructions without discussion. Identify the leadership style in each case, and justify the reason for this shift in light of «Situational Leadership».

4. Explain the negative effects on performance and business competitiveness if an organization›s management relies permanently and absolutely on a «Democratic Approach» in situations that require capturing rapid opportunities and immediate decisive action.

WEEK ..... | SECTION 3: MANAGERIAL DECISION-MAKING

DATE: / /

First SESSION

Classroom Performance / Classwork:

ACTIVITY: CRISIS MANAGEMENT AND DECISION-MAKING

Group Distribution: Divide students into groups of 5, where each student represents a key functional role in the business: (Operations Manager, Purchasing Manager, Logistics/Shipping Manager, Customer Service Manager, Customer Representative).

Case Scenario Analysis: Analyze the crisis at ‹Mariam›s Kitchen› (a sudden delay in raw material deliveries combined with a large, high-value order due for delivery within two hours).

Evaluating Available Alternatives under Time Constraints and Reliable Data:

• Alternative 1: Substitute the missing ingredients with available alternative ingredients in the kitchen.

• Alternative 2: Procure the exact required ingredients at a higher retail price from a nearby store to ensure product quality.

• Alternative 3: Initiate immediate, transparent communication with the customer to explain the delay and adjust the delivery time.

Joint Decision & Justification: Reach a unified group decision, determine whether this decision is classified as a ‹Routine Decision› or a ‹Non-Routine Decision›, and present a 90-second pitch to the class justifying how the situation was managed under severe time pressure based on available reliable data.

Homework Performance / Assignment:

1. Compare ‹Routine Decisions› and ‹Non-Routine Decisions› in terms of: risk level, availability of advance information, and frequency of occurrence in the business environment.

. . . . . .

2. Explain why Mariam›s decision regarding the sudden ingredient shortage is considered a non-routine decision, highlighting the impact of time constraints on selecting the appropriate leadership style to make it.

. . . . . .

3. Discuss how the quality and reliability of information and data analysis contribute to reducing risk levels and psychological stress for decision-makers in small enterprises.

. . . . . .

4. Describe one routine decision and one non-routine decision that a small café owner might face during a regular work week, indicating the operational procedures followed in each case.

. . . . . .

5. Evaluate the impact of involving employees (Participative/Democratic Leadership) versus making decisions individually (Autocratic Leadership) when taking critical managerial decisions under severe time pressure.

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Second Session

Classroom Performance / Classwork:

ACTIVITY: WHAT WOULD YOU DO IF YOU WERE A CONSULTANT?

• Scenario 1: If you were a management consultant for Mariam›s Kitchen, what are the three essential criteria you would rely on to select the best available alternative to save the order without damaging the business›s market reputation?

• Scenario 2: If you were a management consultant for Mariam›s Kitchen, what three key criteria would you recommend to evaluate and select the most suitable shipping and logistics provider to guarantee customer satisfaction and protect brand identity?

• Scenario 3: If you were a management consultant for Mariam›s Kitchen, what three criteria would you recommend to select an alternative raw material supplier during a sudden supply chain disruption, ensuring production continuity without compromising quality standards?

Homework Performance / Assignment:

1. Compare ‹Programmed Decisions› and ‹Non-Programmed Decisions› in terms of: the responsible managerial level, degree of reliance on standardized rules and procedures, and degree of associated uncertainty.
2. Explain why Mariam›s decision regarding sudden expansion and adding a new production line is classified as a non-routine strategic decision, explaining the impact of financial data availability and marketing studies on determining the leadership style used to manage the project.
3. Discuss how reliance on reliable information and rigorous data analysis contributes to reducing risk exposure and mitigating stress for decision-makers during operational crises.
4. Describe one routine decision and one non-routine decision that a retail store manager might face during a peak sales season, outlining the specific steps and mechanisms followed in each case.
5. Evaluate the trade-offs between adopting collective/group decision-making versus individual decision-making when dealing with a supply chain disruption crisis under severe time constraints.

THIRD SESSION

Weekly Assessment **(week:……)**

Model (A)

1. Select the correct answer:

A decision made by a manager to address an unprecedented emergency problem characterized by a high degree of risk and requiring specialized analytical skills is classified as a:

(a) Low-cost routine decision (b) Non-routine strategic decision

(c) Programmed control decision (d) Tactical programmed decision

Answer the following questions:

1. Justify: Why are non-routine decisions more stressful and pressure-inducing for entrepreneurs compared to routine decisions?
2. Identify three types of reliable information that Mariam needs before finalizing her decision regarding compensating for the sudden shortage of ingredients.
3. Explain how both ‹advance planning› and ‹effective control› support the process of making sound managerial decisions under stressful working conditions.

Model (B)

1. Select the correct answer:

Repeated and pre-programmed daily decisions, such as reordering specific quantities of sugar and flour when inventory drops to a predetermined threshold, are classified as:

(a) Low-risk operational routine decisions

(b) Unprogrammed long-term strategic decisions

(c) Emergency crisis decisions requiring exceptional analytical skills

(d) Comprehensive organizational restructuring decisions

Answer the following questions:

1. Justify: Why is the opportunity cost higher in unprogrammed strategic decisions compared to routine operational decisions?

2. Identify three types of quantitative and qualitative data that Mariam needs before making the investment decision to purchase a high-cost modern automated oven.

3. Explain how ‹clear organization and delegation of authority› contribute to reducing the burden placed on the manager when making decisions during critical situations and crises.

Model (C)

1. Select the correct answer:

Making a decision to enter a new geographic market or launch a new product line of gluten-free pastries is classified as a:

(a) Low-cost, short-term programmed routine decision

(b) Non-routine strategic decision characterized by a high degree of uncertainty and risk

(c) Daily operational decision requiring no information gathering or environmental analysis

(d) Limited control decision to handle transient operational errors

Answer the following questions:

1. Justify: Why is an unstable external environment (economic and legislative fluctuations) a factor that increases the difficulty of managerial decision-making for startup ventures?

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2. Identify three reliable sources of information (internal and external) that project management must rely on before approving a product price increase to cope with inflation.

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3. Explain how relying on reliable information and data analysis helps reduce risk when making non-routine decisions for the project.

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GENERAL REVISION OF THE CURRICULUM

Select the correct answer for each of the following questions:

1. An individual activity transforms from a mere ‹hobby› into a ‹business organization› when:

(A) It achieves massive profits in its first month

(B) It is practiced regularly and continuously to deliver value and assume responsibility

(C) It is immediately registered as a public joint-stock company

(D) It owns separate commercial premises away from home

2. Which of the following represents a ‹want› rather than a ‹basic need›:

(A) Bread and clean water

(B) Basic shelter for protection

(C) A custom-designed wedding cake

(D) Basic healthcare

3. A farm producing grains and eggs is classified under:

(A) The primary sector (extractive/agricultural)

(B) The secondary sector (industrial)

(C) The tertiary sector (service)

(D) The advanced technology sector

4. A ‹good› differs from a ‹service› in that a good is:

(A) Intangible and cannot be stored

(B) Tangible physical material that can be inspected, stored, and transported

(C) Always provided free of charge to customers

(D) Does not create added value for the consumer

5. The primary feature of a ‹sole proprietorship› structure is:

(A) Limited liability for the owner

(B) Independent legal and corporate personality

(C) Unlimited liability and full control for the owner

(D) Ability to float shares on the stock exchange

6. In the event of bankruptcy of a sole proprietorship and accumulation of its debts, according to legal rules and enforcement, the owner:

(A) Loses only the amount invested in the project

(B) Liability extends to their personal funds and savings to settle debts

(C) Bears no financial burden, which is assumed by the state

(D) Bears only 50% of the debts

7. What is the primary advantage of establishing a ‹corporation / joint-stock company› compared to a sole proprietorship?

(A) Absence of legal and regulatory procedures

(B) Owners enjoying limited liability and ease of raising capital

(C) Speed of daily decision-making without a board of directors

(D) Confidentiality of financial data and non-disclosure

8. A written partnership agreement in a ‹Partnership› primarily serves to:

(A) Eliminate government tax obligations

(B) Reduce potential conflicts and specify profit distribution ratios and responsibilities

(C) Automatically convert the enterprise into a joint-stock company

(D) Prevent new competitors from entering the market

9. The most urgent strategic objective for a start-up business organization in its first year is:

(A) Maximizing market share and opening international branches

(B) Survival and business continuity in the market to cover operational costs

(C) Achieving maximum possible dividend distribution to shareholders

(D) Leading corporate social responsibility at the national level

10. Which of the following parties is classified as a ‹Primary Stakeholder›?

(A) Employees, customers, and suppliers

(B) General public media outlets

(C) International non-governmental organizations (NGOs)

(D) Society as a whole

11. Corporate Social Responsibility (CSR) is best defined as:

(A) Restricting actions strictly to what is literally mandated by law

(B) A voluntary commitment benefiting society and the environment beyond legal requirements

(C) Waiving the achievement of any financial profit for the enterprise

(D) Paying taxes strictly on their legally scheduled due dates

12. Stakeholder conflict arises primarily due to:

(A) Always committing severe administrative errors

(B) Differing legitimate priorities and expectations of affected parties regarding decision outcomes

(C) All parties desiring to achieve the exact same outcome precisely

(D) Absence of statutory laws regulating the business sector

13. Which of the following elements is considered an ‹Internal Factor› that can be directly influenced?

(A) General inflation rate and interest rates
(B) Available cash liquidity and employee efficiency
(C) Changes in government tax regulations
(D) Emergence of new global competitors

14. A decline in consumer purchasing power and currency exchange rate fluctuations fall under which dimension of PESTEL analysis?

(A) Political Dimension
(B) Social Dimension
(C) Economic Dimension
(D) Ecological / Environmental Dimension

15. Shifts in consumer trends and lifestyles toward healthy, sugar-free products represent a factor that is:

(A) Economic
(B) Technological
(C) Social
(D) Legal

16. A single external event in the business environment:

(A) Is considered an absolute threat to all companies in the sector
(B) Is considered a permanent opportunity bearing no risk
(C) May represent a threat to one enterprise and an opportunity to another depending on their adaptability
(D) Does not affect small business enterprises at all

17: Setting daily goals and plans for production volume represents the management function of:

A) Planning
B) Organizing
C) Leading
D) Controlling

18: Management›s distribution of tasks, scheduling of work, and structuring of workflow to prevent overlap represents the function of:

A) Planning
B) Organizing
C) Controlling
D) Evaluation

19: Comparing actual outputs with pre-established standards and correcting deviations is the core of the management function of:

A) Directing / Leading
B) Organizing
C) Controlling
D) Innovation

20: The most appropriate leadership style when dealing with a critical crisis, severe time constraints, and a very high cost of error is:

A) Autocratic Leadership
B) Democratic Leadership
C) Delegative / Laissez-faire Leadership
D) Broad Participative Leadership

21: The leadership style that grants the highest degree of freedom to highly competent and self-motivated employees is:

A) Autocratic Leadership
B) Strict Directive Leadership
C) Delegative / Laissez-faire Leadership
D) Bureaucratic Leadership

22: Adapting leadership style to the nature of the situation, employee skill level, and pressure of the moment is known as:

A) Centralized Leadership
B) Situational Leadership
C) Dictatorial Leadership
D) Traditional Leadership

23: The decision to handle a sudden breakdown of the main production line is managerially classified as a:

A) Routine, repetitive decision
B) Non-routine decision with high risks
C) Programmed operational procedure
D) Low-risk decision

24: Effective decision-making under operational pressure relies crucially on:

A) Exclusive reliance on guesswork and intuition
B) Clarity of objectives, information reliability, and data analysis
C) Postponing the decision until the crisis completely resolves
D) Ignoring the opinions of supervisors and specialists

Answer the following:

25: Explain four crucial criteria that distinguish an individual›s personal hobby from managing a fully integrated business organization.

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26: Differentiate through analysis and real-life examples between the concepts of ‹Needs› and ‹Wants›, explaining why modern companies focus heavily on satisfying wants.

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27: Compare the characteristics of tangible goods and intangible services, applying the comparison to a local bakery business.

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28: Discuss how the three economic sectors (Primary, Secondary, and Tertiary) integrate within the supply chain of an Egyptian food product until it reaches the final consumer.

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29: Explain how ‹Value› is created in the eyes of the consumer, and why perceived value does not always match the monetary price paid.

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30: ‹Achieving financial profit is the sole condition and single objective for the existence of business organizations.› Deconstruct this statement and present a balanced critical argument refuting it.

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31: Analyze the role of small home-based enterprises in supporting the local economy and creating community job opportunities.

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32: Compare in an analytical table between a Sole Trader, a Partnership, and a Company (Corporation) in terms of: Ownership Structure, Legal Liability, Management Control, and Ease of Access to Capital.

Comparison Criterion	Sole Trader (Sole Proprietorship)	Partnership (Partnership Firm)	Company (Corporation / Shareholding)
Ownership Structure	. . . . .	. . . . .	. . . . .
Legal Liability	. . . . .	. . . . .	. . . . .
Management & Control	. . . . .	. . . . .	. . . . .
Access to Capital & Financing	. . . . .	. . . . .	. . . . .

33.Explain the concept of ‹Unlimited Liability›, highlighting its severe financial implications for the owner of a sole proprietorship in the event of financial distress or insolvency.

34. Evaluate the strategic impact of the separation of ownership from management in public shareholder companies on decision-making efficiency

35. Explain why having a written and detailed partnership agreement (deed) is essential for the success and sustainability of general partnerships, even among close partners.

36. Discuss the strategic trade-off an entrepreneur faces when transitioning from sole ownership to introducing an investor as a financing partner.

37. Identify the operational and financial risks resulting from continuing to expand a growing branch chain under a sole trader organizational structure.
38. Explain how the independent legal personality of companies provides protection for shareholders› personal assets.
39. Trace how the strategic objectives of a business organization evolve across its different growth stages (from a startup, to an established business, to a mature brand).
40. Classify stakeholders in a manufacturing enterprise into primary and secondary stakeholders, explaining the nature of each party›s interest.
41. Analyze a realistic scenario where a direct conflict arises between shareholders› desire to maximize profits and workers› rights to fair wages and a comfortable working environment.
42. Discuss the long-term competitive advantages an organization gains when committing to Corporate Social Responsibility (CSR) principles despite the initial financial costs.
43. Propose a negotiated settlement framework that a project manager can use to achieve a sustainable balance between customer requirements and supplier expectations.
44. Analyze how a decision to reduce production costs by using cheaper raw materials can threaten the brand›s market survival.
45. Compare internal business ethics (toward employees) with external ethical responsibility (toward society and the environment).
46. Accurately distinguish between controllable internal factors and uncontrollable external factors beyond the organization›s control, explaining the impact of each on managerial decisions.
47. Apply the PESTEL environmental analysis tool across its six integrated dimensions to the cafe and restaurant sector in Egypt.
48. Explain how a single external event (such as local currency devaluation) can turn into a threat for an importing company and an opportunity for a local exporting company.
49. Discuss the role of cash liquidity availability and skilled human resources as internal factors in enhancing an organization›s flexibility to face sudden external crises.
50. Explain how technological and legal factors in PESTEL analysis pose new challenges and opportunities for small startup ventures.
51. Evaluate the following statement: «Organizations that search for opportunities embedded within external change adapt faster than those that view change merely as a threat.»
52. Propose a strategic response plan for a delivery and logistics service venture facing new traffic regulations and rising fuel prices.
53. Explain the four management functions (Planning, Organizing, Leading, Controlling), pointing out the impact of a disruption in any one function on the entire operational system.
54. Compare «Autocratic» and «Democratic» leadership styles in terms of decision-making speed, employee satisfaction, and the suitability of each style for different work environments.

55. Discuss when and how delegative leadership fails, explaining the conditions that subordinates must meet to ensure its success.
56. Analyze the importance of «Situational Leadership» for a manager supervising a team that combines new trainees and experienced professionals.
57. Distinguish between the characteristics of routine decisions and non-routine decisions, indicating the skills and information needed to address each type.
58. Describe the managerial and analytical criteria a decision-maker must rely on when managing an operational crisis under severe time pressure.
59. Evaluate the importance of leadership and motivation compared to two other challenges in the case study, and identify the most critical challenge according to a clear criterion.
60. Discussion and Evaluation Issue: «In small and medium enterprises (SMEs), is building strict, robust administrative and control systems more important for achieving success and sustainability, or is adopting flexible leadership based on trust and motivation the more decisive factor?» Required: Write a balanced critical response relying on the methodology (Judgement - Justification - Evidential Proof - Justified Conclusion) based on studied management concepts.

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