

# Retail Shop Management

**ANANYA**  
Finance For Inclusive Growth Pvt. Ltd.



**This training manual is for training women who have decided to start and run a 'retail shop'. This is designed to train for 7 days and five hours a day. It can be adjusted as per the local situation and requirement.**

### **Introduction**

Starting up a retail shop is a profitable business as food and other small items are needed by every households, in all season and in everywhere. Starting a retail shop with a good plan and preparation is important as it helps its further growth and get more profit.

Congratulation! You have decided to start and run a ' retail shop'. During this training you will learn different aspects of the business; from buying retail items from dealers to calculate your profit from the business.

The main objectives of the training

- To provide a thorough knowledge to the participants about 'Starting and running a retail shop'
- To provide information about running a retail shop & making a budget and business plan
- To learn about the methods to attract customers towards to the retail shop
- To develop understanding about the market and the demands of the customers
- To learn about purchasing good quality products in reasonable price for the shop
- To provide knowledge about deciding cost of products with good profit margins.
- To provide information about how much stock is needed to keep in a retail shop
- To provide knowledge about keeping track of money.

### **An outline of the training**

Session	Detail Content	Time	Method
<b>DAY ONE</b>			
Session 1	-Welcoming the participants -Getting to know each other -Introducing the 7 day training -Sharing of objectives of the training	1 hour	-Explanation -Interaction
Session 2	-Steps to start and run a 'retail shop'	1 hour	-Explanation -Activity: What does the picture say?
Session 3	-Taking a closer look at the market	1 hour	-Discussion -Explanation -Activity: 'Who else is doing what I am going to do?'
Session 4	-From where to buy my products?	2 hours	- Discussion - Explanation --Activity: 'Choosing wholesalers for

			purchasing products for the shop
<b>DAY TWO</b>			
Session 5	- Recap of day 1 -Deciding quantity of stock for my retail shop	1 hour	-Interaction -Explanation -Individual works
Session 6	Making a budget: - Determining the startup cost for my retail shop - Estimating Fixed and Variable Monthly Expenses - Estimating Monthly Sale of my retail shop	2.5 hours	-Explanation - Interaction -Individual works -Activity: 'what are the things I need?' - Activity: 'How much money do I need for each of the things?' -Activity: 'My fixed and variable cost' -Activity: 'Calculate my monthly sale' -Activity: 'Putting everything together
Session 7	-Preparation for field visit	1 .5 hours	- Group discussion - Pair works
<b>DAY THREE</b>			
Session 8	- Visiting and talking with shopkeeper  -Concluding the learning of the day	5 hours	-Field visit in pairs -Interaction -Individual works
<b>DAY FOUR</b>			
Session 9	- Finding a place for starting my retail shop - Concluding the learning of the day	5 hours	-Field visit in pairs -Interaction -Individual works
<b>DAY FIVE</b>			
Session 10	- Visiting and talking with local whole sellers -Concluding the learning of the day	5 hours	-Field visit in pairs -Interaction -Individual works
<b>DAY SIX</b>			
Session 11	- Visiting the village and talk to the people to know about their demands. - Concluding the learning of the day	5 hours	Field visit in pairs -Interaction -Individual works
<b>DAY SEVEN</b>			
Session 12	-Sharing findings from the visit - What are the information I can use that is gained from the field visit	1.5 hours	- Individual works -Presentation -Discussion
Session 13	Making a business plan for my retail shop  -Deciding selling price of things	1.5 hours	- Individual works -Presentation -Discussion

			- Activity: 'My Business plan' -Activity: 'How much I paid for 1 item, and how much I should cost to sell it?'
Session 14	Keeping track of money -Calculating how much money is received in the week -Calculating what is paid for stock -Calculating what is paid for materials for the shop - Calculating what is owed from customers as credit and what is owed to the Wholesaler  - Calculating how much money is left by the end of the week  - Deciding how to use the money	1.5 hours	-Story telling -Explanation -Working individually -Presentation -Activity: 'How much money I received in the last week?' - Activity: 'My Payments-What I have paid last week?' -Activity: What is owed from customers? - Activity: What I owe to the wholesaler? - Activity: 'I have....'
Session 15	-Concluding the training	0.5 hour	-Interaction

## **DAY 1**

### **Session 1:**

#### **Welcoming the participants**

- The trainer will welcome the participants and register them for the training.

#### **Getting to know each other**

- The participants will introduce themselves by telling their names.
- The participants will tell why they chose 'Starting and Running a Retail shop' as their small businesses.
- Other participants can ask questions.

#### **Introducing the 7 days training**

- The trainer will share the whole 7 day training programme with the participants.

### Sharing the objectives of the training

- The trainer will share the objectives of the training.

### Session 2:

#### Starting and running a small retail shop

- The trainer will explain about basic things of starting and running a retail shop.

#### Activity: 'What does the picture say?'

The objective of the activity is to give information on some important things on starting and running a retail shop.

##### The activity:

- The trainer will show the participants a picture of small retail shop run by a woman shopkeeper.
- The participants will say whatever comes to their minds by looking at the picture of a retail shop.
- The trainer will write all responses on a board. He will also give his input, and then categorize the responses according to the steps of starting and running a retail shop.

### Session 3:

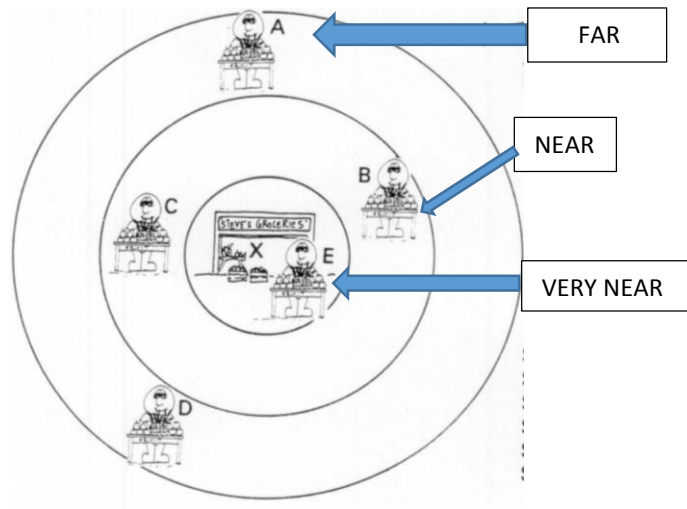
#### Taking a Closer Look at the Market

Let's do an activity to find out 'Who else is doing what I am doing?'

#### Activity: 'Who else is doing what I am doing?'

This activity will help them to identify who else is doing what the participants are planning to do and how far they are from the participants' chosen place.

- The participants will discuss in pairs, but work individually.
- Each participant will:
  - Make a big circle on the floor and two smaller concentric circles inside the big circle with chalk.
  - Put a cross in the innermost circle & imagine that her retail shop is in the middle of the large circle.
  - Put 'E' in the innermost circle if there is any retail shop VERY NEAR to the chosen place.
  - The large circle shows the area, where there are other retail shops supposed to start.
  - Put letters like A, B, C, D in the places where other retail shops are there. Putting a letter in the middle circle means it is NEAR to their shops and putting a letter in the outer circle means they are FAR.



## Session 4:

### From where to buy the products for my retail shop

One of the important aspects of running a retail shop is to decide how to get hold of the best goods to the best price.

The shopkeepers can buy products either from a local supplier or directly from wholesalers to get things in cheap prices. Some products like lentils can be bought from local farmers.

A shopkeeper need to consider time, transport facility, reliable delivery, quality of products, etc. for this.

### Activity: 'Choosing suppliers and wholesalers for buying the products'

There are 3 aspects to consider while choosing place and whole sellers to buy products from for selling: Quality product, Transport facilities & Time

#### Quality product:

- Each participant will make a list of different places from where she can buy the products for her shop to sell. (They can work in pair and help each other)
- Each participant will mark the places as very cheap, cheap, expensive and very expensive.
- The participants will discuss on their answers in their pairs.
- Each pair will present their considerations to the group.



Sita made like this:

Places from buying things	Cost
Farmers who grows	Very cheap
Shops in the nearest town	Expensive

Weekly market	Cheap
Shops in big town	Cheap
Wholesalers	Very cheap

### Transport facilities:

- Each participant will write down the different kinds of transport facilities available in her area and she can use for buying the products.
- She will mark each of these as very cheap, cheap, expensive and very expensive.
- Each pair will discuss how they can cut down their transport costs.

Sita worked on her transport facility like this:

Mode of transport	Cost
Auto rickshaw	Very expensive
Cycle rickshaw	Cheap
Bicycle	Very cheap (Sita agreed with her husband to transport goods by bicycle when she buys less goods)
Bus	Very cheap

\* It is good to buy big amount of goods at a time to cut down in transport costs.

## DAY 2

### Session 5:

#### Recap of day 1

- Each participant will share her learning from day 1 of the training.

#### Deciding quantity of stock for my retail shop

Having a stock and maintaining it properly is one of the important parts of running a retail shop which influence the selling and profits. Sometimes you have more stock and did not sell more because customers visited less. You may have sold less if you did not have enough stock of some products. In both situation you will lose profit. So it is wise to have an idea on it.

You may have had to throw away some stock because it went bad. This means you have sold LESS of that product than you expected.

Keeping records of the stock is also important to have control on it. It can be done by maintaining a daily stock register.

There are 2 important questions you need to ask yourself BEFORE you go and buy order stock.

HOW MUCH STOCK DO I THINK I WILL SELL NEXT WEEK/TWO WEEKS

The easiest way to answer this question is by asking:

- a) Take the amount you normally sell. (Look at the sales for last week or the last 2 weeks).
- b) Is there to come any special occasion; festivals, religious holidays, special days, or any other reasons and you can increase your sell, then ADD more stock for that.
- c) Is there such things that will make you sell LESS, then TAKE AWAY some stock for that?
  - The trainer will explain about keeping stock to the participants.

## Session 6:

### Making a budget

#### Determining the startup cost for my retail shop

##### Activity: 'What are the things I need?'

The participants will make a list of the things they need to start up their shops.

- The trainer will distribute a piece of paper to each participant.
- Each participant will make a list of the things that she needs to start up her retail shop.
- Each of them will present her list to the group.
- The trainer will add things needed if any more on the basis of the example given below.

Let's take an example of Sita. She wants to start a retail shop.  
She made a list of things she would need to start the retail shop, such as:

1. 1 room
2. 4 racks to put items
3. 1 table
4. 1 weighing scale
5. 5 big containers and 9 small containers
6. Retail items
7. Advertisement
8. A sign board of her retail shop

##### Activity: 'How much money I need for each of the things?'

- The participants will put a price for each of the things in their lists.
- The participants should consider if they can find some of the things without spending any money or by spending less.
- Each participant will present their start-up cost to the group.
- The group will comment and conclude the point.



Sita put costs as follows:

1. 1 room- No cost. She agreed with her husband to use a room of her own house.
2. 4 racks to put the items- She will make racks from some used racks what she had got from her neighbor.
3. 1 table- Rs.1,000
4. 1 weighing scale- Rs.1,500
5. 5 big containers and 9 small containers- Rs.3,000
6. Retail items-Rs.18,000
7. Advertisement- No cost. She will visit families in the neighborhood and talk with people.
8. A sign board of her retail shop-Rs.1,500

TOTAL-Rs.25,000

She will take a loan from the MFI of which she is a client.

### Estimating Fixed and Variable Monthly Expenses

Fixed Monthly expenses may include rent, utilities, phone, publicity, etc. Monthly variable costs may include commission on sales, production costs, raw materials, packaging and transport costs, etc.

#### Activity: 'My fixed and variable costs'

- The trainer will distribute a piece of paper to each participant. He will explain what fixed and what variable cost are for a retail shop, using Sita's example.
- The participants will make two columns and calculate fixed and variable cost for their businesses for a month.
- Two participants will present their calculations. The group will discuss their presentations, correct them if they have made any mistakes

Sita calculated her fixed and variable costs for the month of April as follows:

Fixed Costs	Rupees	Variable Costs	Rupees
Rent	0	Retail items	4,000
Electricity	300	Transport	300
Repayment of loan	600		
<b>Total</b>	<b>900</b>	<b>Total</b>	<b>4,300</b>
So, Rs.900 + Rs.4,300= Rs.5,200 Sita needed per month to run her business.			

### Estimating Monthly Sale of my retail shop

#### Activity: 'My monthly sale'

- Each participant will make a monthly sales estimation. She can take support from the other participant in her pair.
- This time two other participants will present their monthly sales estimation.

Lets' look at Sita's monthly sales. Here, Sita calculated how much money she will get by selling goods.

Items	Quantity	Price per item in Rs.	Total selling price in Rs.
Sugar	20 kg	44/kg	880
Tea	2 kg	240/kg	480
Rice	75 kg	20/kg	1,500
Dal	20 kg	60/kg	1,200
Biscuits	80 packets	5/packet	400
Oil	35 litre	55/litre	1,925
<b>Total</b>			<b>6,385</b>

### Activity: 'Putting everything together'

By putting the start-up cost, fixed and variable cost and monthly sales estimation together, we can make the budget.

- The trainer will distribute a copy of a six-month budget format to each participant. The participants will work in pairs or in trios.
- Each participant will put all her calculations into the format.

### A six-month budget of Sita is as below:

Precondition	Jan	Feb	Mar	Apr	May	Jun
Sales estimated						

Month	Jan	Feb	Mar	Apr	May	Jun	Total
<b>Income</b>							
Sales income	6,000	6,500	4,800	7,000	8,500	6,500	39,300
Loan	25,000						25,000
<b>Total Income</b>	31,000	6,500	4,800	7,000	8,500	6,500	64,300
<b>Expenses</b>							
Total Investment	25,000						25,000
Fixed costs	900	900	900	900	900	900	5,400
Variable costs	4,300	4,300	4,300	4,300	4,300	4,300	25,800
<b>Total expenses</b>	30,200	5,200	5,200	5,200	5,200	5,200	56,200
<b>Balance</b>	800	1,300	-400	1,800	3,300	1,300	8,100
<b>Balance - carried forward</b>		2,100	1,700	3,500	6,800	8,100	

### Presenting the budget

- Each participant will present her budget.
- The group will discuss on the budget.
- The trainer will give his/her inputs and conclude the point.

## **Session 7:**

### **Preparation for visiting shopkeepers**

The purpose of the visit is to meet some retail shop owners and talk about their experiences of starting and running the shops. The participants will ask various questions to the shopkeepers such as what was the investment, why they decided to start retail shops, what they do to attract customers, from where they buy things, how they decide sale price of different items, How much they are earning, what are the main challenges in running a retail shop, any advice for them, etc.

- The trainer will explain the purpose of the visit.
- The participants will prepare a role play in pairs. One participant will be the visitor and the other will be a shopkeeper. They will prepare matters like how they will introduce themselves to the shopkeepers and what they will ask.
- The participants will show their preparation through role plays.
- The trainer will suggest ways and questions.
- The participants will add or improve their questions as per the comments.
- The trainer will tell the participants about the program schedule for the next day's visit and ask them to get prepared themselves for that.

## **DAY 3**

## **Session 8:**

### **Visiting and talking with shopkeepers**

- The participants will visit individually or in pairs to shopkeepers and hear about their experiences on running the retail shop. They can ask some questions related to management of the retail shop and how to deal with customers etc. they had prepared before.
- During interaction, they will observe the setting of the shop and notice different things like; how different retail and other house hold items are organized in the shop, how the things are kept safe and handled comfortably.
- They will take down notes of the important things she learnt during their interaction.

### **Concluding the learning of the day**

The participants will conclude the information gained from interactions with the shopkeepers during the field visit.

Each participant will:

- Present the learnings and own ideas to her colleagues.
- Make a writing on what she decides about own business; "starting and running a retail shop" on behalf of her learning.

## **DAY 4**

### **Session 9:**

#### **Finding a place for starting my retail shop**

It is important to find a place for opening of the shop to get a good profit from the business of 'starting and running a retail shop'. If there is no opportunity for opening a retail at your home, try to find such a place, to where much people would come, children, women and old aged people would reach to purchase products from the shop. It needs to look at own family condition and the budget. You can take suggestion from other members in the family.

- The participants will move around and meet different people. (they can visit individually or in pairs)
- While talking with people, they will note down some important things like location of the shop, its rent, other facilities, rent agreement papers etc. so that they can discuss on it later.
- On behalf of the interaction with the people, discussion in the family and previous information, each participant will decide, where she is going to open her retail shop and why she prefer that place.
- The participants will share ideas with each other and give suggestions.

#### **Concluding the learning of the day**

The participants will conclude the information about construction of cattle shed gained from interactions with people during the field visit.

Each participant will:

- Present the learnings and ideas to her colleagues.
- Make a writing on what she decides about getting a place for opening the retail shop.

## **DAY 5**

### **Session 10:**

#### **Visiting and talking with local whole sellers**

One of the important aspects of running a retail shop is to decide how to get hold of the best goods to the best price. The shopkeepers can buy products either from a local supplier or directly from wholesalers to get things in cheap prices. Some products like lentils can be bought from local farmers. To get information about this, one needs to visit to the whole seller in the small town or nearby market to talk about this things.

- The participants will meet the whole seller in the small town or nearby market and talk on behalf of own experience and the questions prepared before. (they can visit individually or in pairs).
- During meeting, they can discuss on the following things such as:
- What retail items she can find, how much margin will she can get, is there credit system for purchasing the retail items for the shop, does he/she provide transport also, is the transport cost included with the cost of items or it is separate, what are the goods that most shopkeepers buy, is it possible to return unsold items, and also talk about other conditions and facilities if any.
- The participants will write down notes of the important things they discussed so that, it can be discussed later.

## **DAY 6**

### **Session 11:**

#### **Visiting the village and talk to the people to know about their demands.**

- The participants will meet different people in the village. (they can visit individually or in pairs).
- During talking with people they will collect information like, which food items people consume much, what are the items that are of high demand among the people, and which range of quality products they prefer much etc.
- The participants will write down in their note books, the name of the products and some other important suggestions from the people so that, it can be discussed later.

- The participants will share their ideas with each other and give suggestions

### **Concluding the learning of the day**

The participants will conclude the information about construction of cattle shed gained from interactions with people during the field visit.

Each participant will:

- Present the learnings and ideas to her colleagues.
- Make a writing on what she decided after talking with the people about the items to keep in the shop for selling and how to attract the customers towards own shop.

## **DAY 7**

### **Session 12:**

#### **Sharing the experience of field visit**

- The participants will prepare for the conclusion and sharing of the 4 day field visit. (They can include if they have any case studies from the field; what are the challenges occurs in starting and running a retail shop, they can include successful stories of some of entrepreneurs they had met. They can also put some important points observed in the field or questions that came to their mind during the visit so that it can be discussed in the bigger group and get solution of that.)
- Each participant will share her individual experience of the field like challenges in running a retail shop and how to get solution to that, how they feel meeting with the successful businessmen and put before all if they have any queries or questions.
- The trainer and the participants together discuss about the solutions to the questions and learn from the stories of successful entrepreneurs.

#### **What are the information I can use that is gained from the field visit**

- The participants will discuss in pairs, on what are the information and learning from the field she can take use in starting and running her shop and how she is going to work on that.
- Each participant will present her ideas before the group.
- The trainer will conclude the discussion giving comments and feedbacks

### **Session 13:**

### Making a business plan for my retail shop

The participants have already known and understand how to make a business plan for a small business during the FEST (Fundamental Entrepreneurship and Skill Training). Here they will make a business plan specifically for 'Starting and running a retail shop'.

#### Activity: 'My Business plan'

- The trainer will distribute a business plan format to each participant and explain the business plan of Sita given as example.
- Each participant will make her business plan. The participants can support each other.
- The participants will use all calculations they have made today.
- Each participant will present her business plan and others will take part in the discussion of the plans.
- The trainer will give his/her inputs and conclude the point.

Let's look at Sita's business plan:

BUSINESS PLAN		
1	Name of the business woman	Sita
2	Name and type of business	SITA Retail Shop
3	Address	Ainlapali, Patnagarh, Balangir, Odisha
4	Sales... (A) per month	Rs.9,500
5	Other expenses.... (B) per month Other than fixed expenses like rent, electricity bill, etc.	Rs.4,300
6	Sales minus Other expenses..... (A-B)	Rs.5,200
7	Fixed cost..... (D) per month	Rs.900
8	Profit..... (A-B-D) per month	Rs.4,300
9	Loan required	Rs.25,000
10	Interest expenses..... (E) per month	Rs.500
11	Profit after Interest.... (Profit-E) per month	Rs.3,800

### Deciding selling price of things

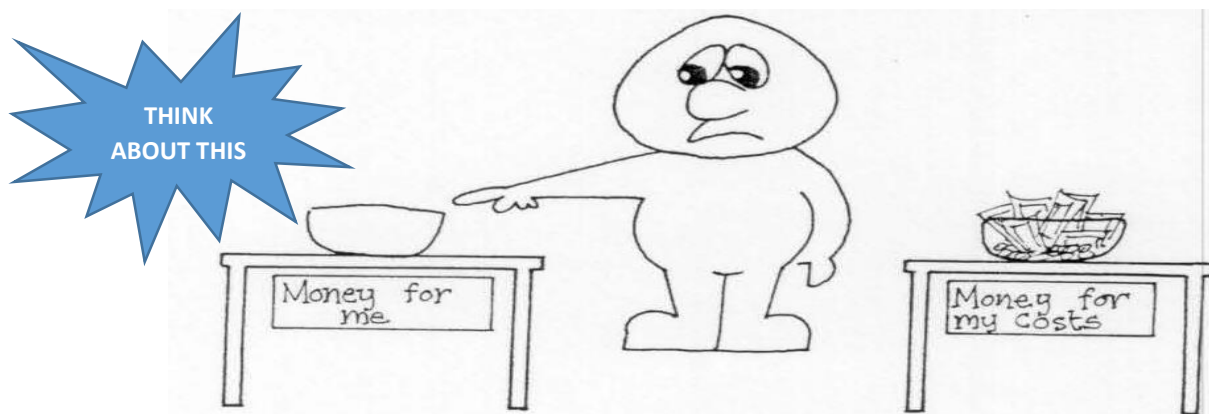
Deciding selling price means to work out how much you have to charge for the product you sell to cover all costs and make a profit for yourself. Each shopkeeper needs to know how much she has paid for each item that is bought for sell and must calculate her total costs very carefully.

**Activity: 'How much I paid for 1 item, and how much I should cost to sell it?'**

- The trainer will distribute a piece of paper to each participant and give each of them the following exercise.

**Exercise:**

1. Turmeric powder 12 packets cost Rs.108. How much you paid for 1 pkt?
  2. You paid Rs.24 for 1 packets (12 pcs) of candle. How much you paid for 1 pc.
  3. A 10 kg bag of daal cost Rs.500. How much you paid for 1 kg of daal?
  4. For taking all these things you spent Rs.30 for transport.
- Each participant will calculate how much she paid per item or per kg using the exercise.
  - Each participant will divide the transport cost with every goods.
  - The participants will take support from others to do this exercise. The trainer will also help the participants.



**Remember:**

- You should always try to charge **LESS** than the other shops near you, so that people will buy from you instead of buying from other shops.
- Always charge **MORE** than you bought your goods for plus your other expenses, for example transport.

Let's look at Sita's costing sheet:

Products' name	Quantity/ number of item	Purchasing cost				Selling price per kg / item		
		Cost	Price per kg	Transport	Total	Item price	Margin	Sell price
<b>Sugar</b>	1 bag (25 kg)	Rs.750	Rs.30	Rs.2	Rs.32	Rs.32	Rs.5	Rs.37
<b>Rice</b>	1 bag (50 kg)	Rs.1,250	Rs.25	Rs.2	Rs.27	Rs.27	Rs.5	Rs.32
<b>Onion</b>	10 kg	Rs.150	Rs.15	Rs.2	Rs.17	Rs.17	Rs.3	Rs.20
<b>Potato</b>	10 kg	Rs.100	Rs.10	Rs.2	Rs.12	Rs.12	Rs.3	Rs.15

**Session 14:**



## Keeping track of my money

It is very important for a retail shop owner to be able to calculate if she is earning a profit or losing money. When she knows the facts, she can make a plan for making changes that will help her to stay in business.

Let's look at the two situations through stories!

### Story 1:

*"Radhika, from Khampada, Patnagarh, Odisha, was staying with her husband and five other family members, started a grocery shop. The business took off as the single shop in her village. She was keeping records of customers buying things on credit, but not keeping records of things she was using in her own house. This created a problem in her cash flow. She could not know how much she is making profit and if her business is going well. She could not manage her economy and after sometimes, she had to close the shop."*

### Story 2:

*"Sarita, another woman, had a grocery shop. She was also making good business. Day-by-day her sells was increasing. She had a big family of 10 members. She had a good habit of taking notes of sold things, things sold on credit and maintaining stock every day. She was also writing how much things she used in her family every day. This was giving a good picture of her business all the time. She continued to run her grocery shop successfully for a long time."*

- The participants will read one story each in two groups.
- Each group will discuss the following: What happened in the above case study? Is this the right way to manage a grocery shop? Will it lead to profit or loss? Can you suggest any changes?
- Each group will present their discussions on each of the questions and the whole group will discuss.
- The trainer will conclude the point by giving examples of good business practices with this list: Keeping daily records, keeping money safe, avoid giving credit as much as possible, collecting long standing debts, routinely look at the expenses and income, etc.

So, let us learn how to keep track of the money we earn. To monitor a business, the following steps can help:

- Calculating how much money is received in the week.
- Calculating what is paid for stock or materials.
- Calculating what is paid for running expenses.
- Calculating what is owed from customers as credit.
- Calculating what is owed to the whole seller.
- Calculating how much money is left by the end of the week.
- Deciding how to use the money.

A good method is to monitor the business economy **every week**, so that it becomes clear if the business is making money or losing money.

Let's learn all the steps mentioned above one by one!

Let's understand all the steps through the example of Sarita!

Example statement:

Sarita lives in a village in Madhya Pradesh. She has a small grocery shop in her own house. She sells different items that people need on a daily basis like sugar, tea powder, rice, dal, bathing soap, detergent powder, etc. She buys items from a nearby town 12 km away from her village.

### Calculating how much money is received in the week

#### Activity: 'How much money I received in the last week?'

- The trainer will explain how to calculate income of a week by giving example of Sarita's calculation.
- The participants will imagine and calculate their income day-by-day for a week and then add all incomes to get their weekly calculations. Each participant will practice this individually.
- Each participant will present what she has done.

#### Sarita's Record keeping

Monday		Tuesday	Wednesday		Thursday		Friday		Saturday		Sunday	
Item	Price Rs		Item	Price Rs	Item	Price Rs	Item	Price Rs	Item	Price Rs	Item	Price Rs
Sugar 1kg	44	Shop was closed	Rice 4 kg	80	Tea powder	25	Sugar 2 kg	88	5 soaps	60	Biscuit 5 packets	25
Rice 3 kg	60				Detergent powder	20	Rice 6kg	120			Tea powder 250 gm	90
3 soaps	30										Rice 3 kg	60
<b>Total</b>	<b>134</b>	<b>0</b>		<b>80</b>		<b>45</b>		<b>208</b>		<b>60</b>		<b>175</b>
<b>Receipts total in the week</b>			Rs.134+Rs.80+Rs.45+Rs.208+Rs.60+Rs.175 = Rs.702									

### Calculating what is paid for stock or materials

To calculate the payments, we need to calculate what is **paid for stock or materials** and what is **paid for other running expenses**.

Payments in a week = Payments for stock or materials + Payments for other running expenses

Let's understand this by taking an example.

#### Payments for stock or materials

Date	Item bought	Quantity	Price in Rs.	Cost per kg (Rs.)
18/03/2019	Sugar	3 kg	120	40
20/03/2019	Biscuit	20 packets	70	3.50

	Detergent powder	1 kg	50	50
Total Payments for stock or materials = Rs.120 +Rs.70+Rs.50 = Rs.240				

### Payments made for running expenses

Date	Expense	Price in Rs.
20/03/2019	Transport by bus	24
22/03/2019	Repaired a table fan what she uses in her shop	45
Total Payments for running expenses = Rs.24 + Rs.45 = Rs.69		

So the total Payments of the last week = Rs.240 +Rs.69 = Rs.309

### **Activity: 'My Payments-What I have paid last week?'**

- The trainer will explain how to calculate payments of a week by giving the above examples.
- The trainer will distribute the suggested format.
- Each participant will imagine and practice for her own situation.
- Each of the participants will present her calculations.
- The group will discuss the presentations.

You can use a cash book for putting your receipts and payments. Inner pages of a cash book look like this:

DATE	DESCRIPTIONS	Income	Expenses	Balance
JAN 16	Opening Balance			0-00
01/01	Funds introduced	200-00		200-00
01/10	Stationery		45-00	155-00
01/20	Stock Purchases		140-00	15-00
01/21	Bank Charges		5-00	10-00
	Closing Balance			10-00
FEB 16	Opening Balance			10-00
02/05	Sales	50-00		60-00
02/09	Gas		25-00	35-00
02/15	Packaging		40-00	(5-00)
02/28	Drawings	20-00	20-00	(25-00)
	Closing Balance			(25-00)
MAR 16	Opening Balance			(25-00)
03/02	Funds introduced	35-00		0-00
03/12	Sales	100-00		100-00
03/15	Advertising		70-00	30-00
03/22	Gas		25-00	45-00
03/21	Bank Charges		10-00	35-00

### **Calculating what is owed from customers as credit and what is owed to the Wholesaler**

#### **Activity: What is owed from customers?**

For a small business, it is not good to sell things on credit. If any case you have to give credit, then you should agree with the customer on a date when he will pay the bill. The credit sales can be written in another notebook. The format can be:

Name of the customer	Item bought	Date	Price in Rs.	Agreed date of payment
Jhandu Singh	1 kg sugar	11/03/2019	44	27/03/2019

Meena	5 packets biscuits	11/03/2019	25	18/03/2019
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### Activity: What I owe to the wholesaler?

Here you will write, what you have bought for your stock or materials from the whole seller on credit. The format can be:

Name of the whole seller	Date	Item bought	Quantity	Price in Rs.	Agreed date of repayment
Babulal	12/03/2019	Rice	5 kg	75	17/03/2019
Mahesh	12/03/2019	Bathing soap	25 pieces	125	23/03/2019

These two figures will not come in the weekly calculation. It will enter to the 'Receipts' when the customer will really pay the dues and to the 'Payments' when you will pay to the whole seller.

- The trainer will explain how to keep records of the things a shopkeeper sold on credits and how to write what the shopkeeper owe to the wholesalers from where she bought things on credit.

### Calculating how much money is left by the end of the week

By putting the 'income' and 'Payments' together we can find out how much money we have at the end of the week.

#### Money left with me this week = Total income – Total Payments

Total income = Cash left from the last week + income from this week

Total Payments = Payments for stock or materials + Payments for running expenses

Let's calculate it through an activity, 'I have...'

#### 'I have....'

If the cash left from the last week is Rs.132, then

**Total income** will be:

Cash left from the last week	Rs.132
Receipts from this week	Rs.702
<b>Total Receipts</b>	<b>Rs.834</b>

**Total Payments** will be:

Payments for stock or materials	Rs.240
Payments for running expenses	Rs.69
<b>Total Payments</b>	<b>Rs.309</b>

So, Money left with me this week

Total Receipts	Rs.834
Total Payments	Rs.309
<b>Total Receipts-Total Payments</b>	<b>Rs.525</b>

**Activity: 'I have....'**

- The trainer will explain it through the above example.
- The trainer will distribute the formats to each participant to use for the calculations.
- The participants imagine and calculate their own individually.
- Each participant will present her calculations to the group.

**Deciding how to use the money**

Now, we have the money left with us at the end of the week. To decide what to do with the money, we need to consider the following:

- How much money is needed to be saved for monthly expenses like rent, electricity, etc.?
- How much money is needed to buy materials for next week?
- How much money is needed for running expenses?
- How much money is needed to be saved for later use?
- How much money can be used for myself and my family?

**Activity:**

- The trainer will explain how to decide the use of surplus money by using the above questions.
- The participants will discuss the above questions in pairs: Is it the right thing to do and why?

**Session 15:****Concluding the training**

- The trainer will ask and encourage the participants to share their experiences and learnings from the 7 day training program.
- The participants will share their experiences from the 7 day training and how they will use it in starting and running their retail shop businesses.
- The trainer will conclude the training by giving thanks and good wishes for a successful business.

**Materials required for the training**

- A board and chalk
- A writing pad and pen for each participant to be used throughout the training. They will use it during the preparations for field visit and during the interaction with the people in the field.