

FINANCIAL EDUCATION & BUSINESS LITERACY

Training Manual



Introduction

Training Manual Description	
Title	Financial Education and Business Literacy
Target Participants	Youth residing in the communities (Educated)
Pre requisite	Must have remained in the household for at least one year
No. of days of Training	(10 contact hours)

Regional Agricultural Marketing Office (Mongar) since its establishment in the year 2009 has been supporting farmers in the 6 eastern districts (Mongar, Lhuntse, Trashigang, Trashiyangtse, Pemagatshel and Samdrup Jongkhar) in the production and marketing of the agriculture and livestock products through various projects and programs over the years.

Over the decade Regional Agricultural Marketing Office (Mongar) has been able to create a lot of impact to the households in the administrative landscapes of the 6 Dzongkhags in terms of production capacity, paradigm shift on production of products in the livestock and agriculture sector as a source of livelihood, capacity building in terms of filling up the value chains of the products efficiently.

However over the decades with the change in the socio economic systems within the country and at the household levels in terms of access to modern facilities such as roads, television, banking system, consumer preferences, access to finance and credit, change in rural population dynamics, changes in household profile and management etc. has changed the whole household way of sourcing livelihoods.

RAMCO through their field observations and research identified the need to build the capacities of the household producers to source their livelihood efficiently in the changed circumstances of households having to secure consistent income for the purpose of servicing the household expenses such as loan equated monthly installments, children education expenses, household expenses of purchase of groceries, utility bills, communication expenses etc like any other modern household.

Figuring out that the key driver for rural households is to secure a consistent source of income to service the expenses through production of livestock and agricultural products, RAMCO in collaboration with CARLEP invested in the project (Developing the training manual on Financial education & business literacy) to build the capacities of the household producers to perform efficiently in the value chain system of the products that they produce, be it livestock or agricultural products.

Who can use the Manual?

Youths domiciled in the communities lead farmers (Educated) can use it to train its members (If operating on a group model) to instill in the sense of business literacy and financial education.

Further field marketing personnel of various agencies (Government, NGO, any other rural enterprise establishment investors) can use the manual with prior permission from the publishing agency. (Those who have attended the TOT Training provided by RAMCO). No digital publication of the manual shall be produced to protect the right delivery approaches and messages designed in the manual.

How to use the Manual?

A. Leadfarmers(Youthledruralenterprises)

Just by reading the manual, the training cannot be provided. All those youths (Identified either as lead farmers or pioneers) after attending the TOT training provided by RAMCO can deliver the training. RAMCO shall in a year organize one TOT training for potential trainers and authorize who attended the training with certification. Only RAMCO shall have the right to certify the trainers.

B. Trainers

For other trainers as well (Besides lead farmers -educated youths domiciled in the community), for the purpose of using the manual to train the communities on business education and financial literacy, it shall be mandatory to obtain the certificate of authorization from RAMCO after the TOT training that shall be held by RAMCO on an annual basis.

Note: *The due process is established to protect the intended knowledge and skills to be delivered to the producers in its intended form without misinterpreting and misuse of the contents of the manual.*

Who should be the trainers?

The training sessions are developed to support trainers who may not be experts in business or entrepreneurship but have good training and facilitation skills. People with good training and facilitation skills and familiarity with the community should be able to conduct the training. It is important to note that the training will however be more effective if it is conducted by trainers who have some knowl-

edge and experience in business, entrepreneurship and finance, besides having good facilitation skills and some experience in dealing with the rural communities.

What is the duration of the training?

The core training period is for a period of 10 contact hours, but however the mentorship role is perceived to stretch over a period based on the progress of the impacts created in the community.

Contents

of the training manual

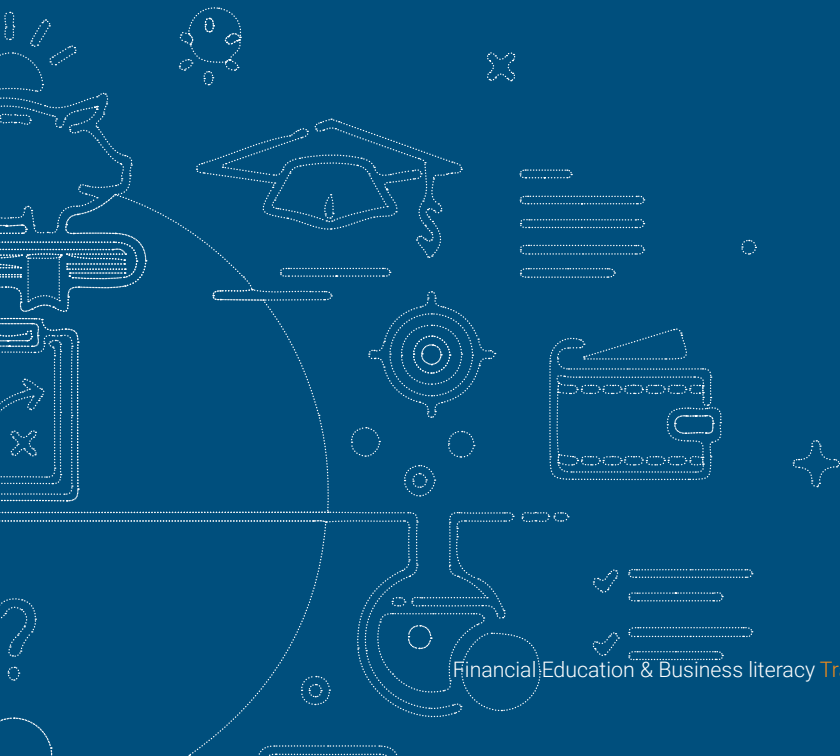
The training manual has two broad modules “Business literacy and Financial education” divided into several relevant units. The framework of the module and units are as follows:

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Module I: Business Literacy

- Unite 1 : Overview of the farming occupation
- Unite 2: Rural Enterprise structures
- Unite 3: Production planning
- Unite 4: Marketing
- Unite 5: Rural enterprise operation



UNIT I :

Overview of the farming occupation

Unit Background.

With modernization the labour force of the country is shifting towards the urban areas for various alternate occupations specifically youths and economically active populations of the community. Occupation in the agriculture sector appears unattractive to the youth population. However with the change in the economic dynamics post covid, various alternate occupations such as in the transport sector, tourism sector, hospitality sector, retail sector etc. have been affected and hence a lot of jobs have been lost and the livelihood of the employees have also been lost.

In the context of the un-sustainability of urban employment, “Farming” has the scope to provide sustainable livelihood for every individuals engaging in agriculture and livestock sector.

With the adoption of farm technology, introduction of quick growth crops, market infrastructure, substantial support from the Government, access to financing, road connectivity, communication connectivity, electricity connectivity, water supply connectivity, Television connectivity, schools, health facilities, incentives of tax exemption on cash crops, most rural settings in Bhutan has all the modern amenities like in the urban areas. Thus, farming is a safe employment avenue to sustain the livelihood throughout someone’s life. Further, unlike our forefathers, the conditions of work are not

very harsh with adoption of technology and modernization. Farmers can now carry out various commercial farming activities such as production of vegetables, mushroom, bee keeping, poultry production, dairy production, fruit production. The choice is diverse and youth and women can play a key role to empower themselves by engaging into sustainable livelihood activities at the farm.

The key objective of this unit is to advocate for farmers and youths (Male & Female) to engage into commercial farming unlike the conventional farming (Subsistence farming) as an employment option rather than seeking conventional employment into either private or government agency.

Note: *The background is provided to make the trainer aware of the current socio economic situation in the country so that the trainer can deliver the training of the unit in the context of safe employment of youths back at the households venturing into various rural enterprise operation or establishment as a way of employment rather than being unemployed in the urban areas.*

Unit Objective

By the End of the session the participants should be able to

- Derive the inspiration & confidence that they made the right decision to be at the community.
- Draw in the participants the zeal and enthusiasm to start up commercial farming and create their own employment
- Create the understanding that engagement into farming can be carried out in a rural business enterprise context.
- Incline the youths to opt for farming as an employment option for their livelihood.

Materials Required

1. The video materials (a. Unit 1-1 Youth attitude) Movie
Length-8.08 mins
2. The video materials (b. Unit 1-2 Advocacy on overall farming)
3. Projector and sound system or smart phones
4. Chart papers/white boards

Training setting:

The unit needs to be delivered in a formal setting.

Sessions:

- Session I:** (Video screening) (a. Unit 1-1 Youth attitude) Movie
Length-8.08 mins
- Session II:** Discussion on sustainable livelihood
- Session III:** The overview of farming as a means to employment.
- Session IV:** Micro Training (Exercise)
- Session V:** Micro Training Presentation

Estimated Time of the Unit I training session:

One hour

Trainer Action & Delivery approaches:

**Session I: (Video screening) (a. Unit 1-1 Youth attitude) Movie
Length-8.08 mins**

Session II: Discussion on sustainable livelihood

After screening the video, initiate the discussions with the following prompt question?

- In your community how many youths (Male & female) dropped out of schools are there?
- What are the youths that have dropped out of school or college from the community doing now?
- What is the household characteristics in terms of household size and working population?
- What made you reside at the community despite being educated?
- Why do you think youths of your age are not able to settle in the community?

Note: *Listen carefully to the responses and take note of the responses. Based on the responses, the trainer needs to highlight and emphasize how livelihood can be sourced at the community throughout the life and create impacts in the community being and educated community member.*

Session III: The overview of farming as a means to employment.

Screen the video on overall farming advocacy. (b. Unit 1-2 Advocacy on overall farming)

Explanation Note:

- *Immediately prompt a discussion on what their opinion is about on the advocacy messages. Take note of all the responses and then supplement the discussion with appropriate information.*
- *Farming or management of the parental household provides self employment opportunity*
- *Socio Economic dynamics of the communities have changed with access to modern facilities and access to all other facilities like households in the urban areas.*
- *Education is not for securing secured employment only, it is a tool to do things better no matter what occupation you opt for.*

Session IV: Micro Training (Exercise)

- In pairs, instruct them to design a 5 minutes training (Role play) on overall farming occupation in an casual environment to influence a youth in their community pursuing him to stay back at his household.
- Assume the youth has not qualified for any jobs or further education programs and is confused as to what to be doing in life to secure a livelihood. Caution that only mobile phone is the device that they can use during the demo training.

Session V: Micro Training Presentation

- Instruct that it has to be presented within 5 minutes role play. (Of the pair, one will act as the youth and other the trainer)

Explanation Note: *For every role play that is carried out, reinforce their performance and provide tips that could actually enhance their roles as influencers in communicating the message.*

UNIT 2:

Rural Enterprise structures

Unit Background

The value chain system is a set of functionaries linked together whereby the links are created from the producers to the consumers. In other words, for the products produced by the producers till it reaches the consumers, there are set of activities such as harvesting, adding value to the product such as packaging, grading, sorting, transporting, display, marketing and then selling.

In most of the communities producing agriculture and livestock products, the household producers assume all the roles of producing, value addition, transporting, marketing, and finally selling it to the consumers. When the producers assume all the roles at the different stage of functionaries, market inefficiencies are created thus not being able to earn the expected value for the products.

With the youths being educated, the youths can assume various roles in the value chain to establish rural enterprises as a source of livelihood using various skills.

For those who have the zeal and enthusiasm to produce can be producers. For those who have the creativity can establish rural enterprises to add value to the products. For those who have the skills to drive or interested to operate a transport system can be the

transporter and for those who wish to be the supplier can be the suppliers and for those who wish to export can be the exporters.

Thus, based on the value chain, youths can establish various rural enterprises to create self employment as a source of livelihood in the communities.

Note: *The background of this unit will facilitate the trainer to prospect the opportunities for establishing various rural enterprises in the communities.*

Unit Objective

The key objective of the unit is to:

- Instill in the youths (Lead Farmers & those domiciled in the communities) to scope out the business opportunities in the value chain system for both livestock and agricultural products.
- Create the understanding of different forms of rural business structures that could be carried out in the community
- Orient the participants on various rural business structures should they wish to venture out in establishing a rural enterprise.

Materials Required

1. The video materials (a. (unit 2-1 value chain)
2. The video materials (b. unit 2-2 Credit Cooperative)
3. Projector and sound system/smart phones
4. Chart papers/white boards

Training setting:

The unit needs to be delivered in a formal setting.

Sessions:

Session I: Screening of value chain movie (unit 2-1 value chain)

Session II: Discussion on value chain

Session III: Rural business structures

Estimated Time of the Unit I training session:

One hour

Trainer Action & Delivery approaches:

Session I: Screening of value chain movie (Estimor)

Session II: Discussion on value chain

- Ask what they have observed in the movie.
 - Ask whether there are different roles to be played till the products reaches the consumers
 - Take note of all the responses on a chart paper
- Based on the movie and the responses, define and explain the value chain as follows:

“In Bhutan, most of the households in the communities, produce, add value, transport, market and then sell agriculture and

livestock products”. The result is that it has lots of inefficiencies since the producers have very little knowledge about adding value to the products, transporting without spoilage, marketing to consumers, and selling to the consumers. A typical example that could be narrated is selling of potatoes without sorting and grading, bunching of ferns in one big lot, packing butter into fixed units of one kg etc.

- Based on the explanation, point out the scope that exist in the value chain for both agriculture and livestock products that the youths can assume to establish or operate rural enterprises.

Session III: Rural business structures

A. Screen the movie clip (unit 2-2 Credit Cooperative)

- After the movie has been finished screening, ask the participants “Who all are participating in the credit cooperative?”
- List out the answers and prompt to get the correct answer that “ The members of the households from the community are involved”.
- Ask the participants “Whether they would be able to venture into farming groups like the credit cooperative involving the whole community?”
- Ask the participants what are the potentials in their community of working cooperatively and accruing the benefits individually.
- Take note of all the responses and move to the next session

A.1 Screen the animation video (unit 2-3 Mr. Budi)

- Mr. Budi is a sanitary entrepreneur in a village, like Mr. Budi ask the participants what other rural enterprises they can think of.
- Ask the participants to list one business idea each or what they wish to carry out besides convention farming.

- Take note of all their responses and conclude to state that what ever is being done, the ultimate driver is the generation of cash and sourcing livelihood.

B. Identifying structures of rural enterprises

- Display the following diagram on a chart, project it or draw it based on the situation. Even single sheet hand out of the diagram can be handed out to the participants in groups.



One farmer taking up all the roles from producer to transporter, middlemen, salesman till the product reaches the consumers hand.



One farmer producing the products and selling the products directly from the farm to a middlemen.



Farmers producing individually but supplying to a group that has been formed in the community.



Farmers producing individually but supplying to a youth led enterprise (Aggregators).

- Just for Fun, ask every one to make a count at each stage.
- Once they finish counting, randomly point at one stage and ask how many members are there?
- Some could get right some to get wrong, but it's just a few seconds exercise to alert the participants.

- After the game, explain to the participants the different modes of farming modality and rural enterprises could be established.
- Ask the participants which mode they feel is convenient and easy.
- List out their answers and then stress the advantages of being at the producer level only.

Discussion points

- Production based on your ability (In the circumstance of shortage of labour)
- Not necessary to assume all the roles in the value chain
- Avoiding the risk of spoilage of the agri and livestock product till it reaches the market
- Having gained in terms of opportunity cost (Saving time not having to cover the whole value chain)
- Disadvantage of playing all the roles in the value chain by a single person from producer to consumer.

Expected outcome : *Participants should demonstrate the understanding that to remain at the producer level only or to assume any certain roles efficiently (By establishing rural enterprises) has more advantages than assuming all roles in the value chain.*

UNIT 3:

Production planning

Unit Background

At the communities, it has been identified that especially in the cropping pattern that the herd mentality is very omnipresent. If few start planting radish, all the households plant radish. If few start planting cabbages, all the households go into the production of cabbages. Owing to this pattern during the harvest season, with supply from the communities produced in large quantities, the prices for the commodities drop automatically based on the law of supply and demand.

Consequent to it the producers are not satisfied with the price obtained and at times does not even cover the cost of production and incur loss.

Thus, for the household producers to fetch a good price of what they produce, it is essential to cooperate right from the crop planning phase since the market place for sale by the community is the same place.

Having have to share the same market place, it is essential to control the production supply in order to fetch a better market price.

Thus, the unit is instituted for the benefit of the households for the purpose of specializing on certain crops or vegetables.

Unit Objective

The key objective of this unit is to

- let the participants grasp the idea not to fall into the herd mentality
- Inculcate the idea of cropping differently in the community in discussion with the community households
- Produce varieties of crops and products from the community
- Control the supply of crops and products in the market to fetch better price .
- Avoid product loss and price loss in the market.

Materials Required

1. The video materials (a. Unit 3-1 advocacy to be a producer)
2. The video materials (b. Unit 3-2 His Majesty's address clip to 13th RUB Convocation)
3. Projector and sound system
4. Chart papers/white boards

Training setting:

The unit needs to be delivered in a formal setting.

Sessions:

Session I: Discussion

Session II: Screen the advocacy movie

Session III: Discussion on planned production

Estimated Time of the Unit I training session:

One hour

Trainer Action & Delivery approaches:

Session I: Discussion

- Ask the participants why would the households produce or carry out agriculture and livestock activities besides house hold consumption.
- Note all the key discussion points and after few minutes of discussion play the following advocacy movie.

Session II: Screen the advocacy movie (Unit 3-1 Advocacy movie)

- Ask the participants, after screening the movie, what they observed in the household characteristics.
- Make a note of all the discussions and based on the discussion points explain the changes in the household profiles with changes in the socio economic in the country.

Note: *Explanation to point out the key driver of production*

- Rural households have changed with the changes in the socio economic context.
- All the households have access to roads, electricity, television, mobile and internet networks.

- Like any other urban households, children from the households go to schools.
- Rural households have access to credit and many have accessed the credit for various purposes
- Rural households have to make purchases of groceries and other essentials for running the household.
- With all the changes “Rural households now are tied to the modern economic system” which many households do not realize.

Session III: Screen the Speech Clip (Unit 3-1.1 His Majesty's 114th National day address)

Explanation Note:

- Thus, to make expenses for the changed socio economic household profile, “The key driver for the households is to generate CASH”
- To generate cash, consistent cash income on a periodic basis is necessary and this can be done only through careful planning of activities.
- Planned production of varied produces stimulates the demand in the local market
- Planned production of varied produces can reduce the risk of not being able to sell.
- Planned production of varied produces can generate cash quickly in the local market.

Session III: Discussion on planned production

Project the following story line on the projector and narrate the story.

A man kept praying, wishing to win a big sum of lottery one day. He kept praying for many years while his wife kept toiling.



Every time, he saw someone with a big win, He kept wondering "Why am I not winning like him?"



Reflection of the story

- Ask the participants to reflect on the story, What has one have to do to earn money?
- Listen to their reflections
- Explain to them while wishes could be wished without any efforts
- Realistic wishes should be such that where you also need and can exert efforts to reap the fruits

Session IV: Screening of His Majesty's address of 13th RUB convocation Unit 3-2

- Screen the address clip
- Ask the participants to reflect on the speech
- Take note of their responses and supplement the theme of the story.

Explanation note:

- Thus, to make expenses for the changed socio economic household profile, “The key driver for the households is to generate CASH”
- To generate cash, consistent cash income on a periodic basis is necessary and this can be done only through careful planning of activities.
- Planned production of varied produces stimulates the demand in the local market
- Planned production of varied produces can reduce the risk of not being able to sell.
- Planned production of varied produces can generate cash quickly in the local market.

Exercise:

- Ask the participants to “Re think about their production plans” in the context of whether they can exert efforts given their current household, community, and social circumstances.
- Discuss their refined ideas thoroughly in the context of their household, community, and social circumstances.
- Based on their reflection, encourage the participants to plan their production from the very next cropping season.
- Instruct to draw up a simple production plan in the community in the following format.
- Note a careful estimation has to be made with through discussion with the producer.

- Caution not to impose what to produce and what quantity to produce.

Crop Production Plan			Village/ Community /Group Name:			
Sl. No.	Name of the Producer	Phone No.	Crops to be Produced	Estimates Quality of Production	Estimates Harvest Month	Signature of the Producer

UNIT 4:

Marketing

Unit Background

In most of the local markets and highway market sheds household producers sell their produce with very conventional methods. While they try to add value to the products by packaging it and bunching it, the additive principles are not used.

Thus, butter is packaged in one kilogram unit, cheese are packed in pieces of six balls, asparagus are bunched in Nu. 250/- value, milk and curd are bottled in one liter pet bottles, honey is bottled in 750 ml (Used Alcohol bottles), eggs are packed in dozens, cane shoots are sold in one meter length stick, vegetables are sold in units of one kg etc.

Several inefficiencies prevail in the marketing of the products because such value addition methods instead of stimulating the demand deters the demand from the consumers. For the purpose of affecting sales effectively and quickly stimulating the demand from the customers, the marketing process should commence from the value addition at the household till it is sold to the customers.

It has been identified that for reasons that could not be identified, households try to fill up all the functions in the value chain (Producer, transporter, sales man) but however in most of the cases for the lack of the knowledge and skills the key components of marketing mix of product, price, place and promotion are not integrated by the households.

The unit is incorporated for the purpose of broadening the knowledge and skills on marketing mix to be able to stimulate demand quickly.

Unit Objective

The key objective of this unit is to

- Instill in the participants the concept of marketing mix
- Develop innovative skills in differentiating products through various simple value addition measures
- Broaden the skills to stimulate demand for the products through various marketing techniques

Materials Required

1. The video materials (a. Unit 4-1 Marketing advocacy video)
2. The video materials (b. Unit 4-2 potato auctioning video)
3. Projector and sound system
4. Chart papers/white boards

Training setting:

The unit needs to be delivered in a formal setting.

Sessions:

Session I: Discussion

Session II: Value addition, demand stimulator, packaging, pricing

Session III: (Marketing Mix)

Estimated Time of the Unit I training session:

One hour

Trainer Action & Delivery approaches:

Session I: Discussion

- Ask the participants to describe how products are sold by the households in the local market or at the highway market sheds.
- Note their responses and check out for key points that actually deters demand from the consumers.

Session II: value addition, demand stimulator, packaging, pricing

- Display the following picture and ask the participants to note all the inefficiencies on value addition.
- Note their responses





Session III: (Marketing Mix) (Unit 4-1 marketing advocacy video clip)

- Screen the video on marketing mix
- After screening the video ask for their opinion and initiate the discussion on marketing

Discussion of points:

- Importance of grading the products (How grading can add value to the products)
- The way products could be packaged such as bunching or packing into small units (Using the additive principles)
- Pricing of the products based on its perishability while selling at the market. The price cannot be the same till all the lot is being sold out.
- Advantages of selling through aggregators or middlemen not having to play all the roles in the value chain for the products.
- The expectation of earning the market price at the farm gate is misconstrued.
- Emphasize to sell at the farm gate at a price that covers the cost of production and certain margin.
- Emphasizing the key advantage of being at the producer level only and to fix their own value chains such as through aggregators or farmers groups.

Note:

- Screen the BBS video clip of the farmers on the potatoes being rotten at the auction yard.
- Emphasize again the importance of integrating all the marketing mix of product, price, place and promotion to earn better prices.

UNIT 5:

Rural enterprise operation

Unit Background

Over the years, especially during the pandemic many youths were laid off from their employment and had returned to their communities. Prior to the Covid-19 pandemic 27% of the youths (13-24 years old) were working in the tourism and hospitality industry and various other sectors such as construction, manufacturing, mining etc. Only 10% were working at the households of their origin.

With the hit by the pandemic and the reduced aggregate demand for labour in various sectors in the country many youths had to return to their households and had to depend on the household activities for their livelihoods. Most of the youths were working as unpaid family workers and had no venture and independent source of livelihood for themselves.

Thus, to encourage the youths to venture into various economic activities, the unit for rural enterprise operation is developed with the aim to startup independent source of livelihood besides being unpaid family workers in the household creating opportunities for further development in the near future.

Unit objective

The key objective of the unit is to:

- Encourage the youths to startup rural enterprises within the current given community farming pattern
- Develop the skills in the youths to startup a rural household within the current given household context
- Create the interest in the youths to create their own long term sustainable livelihood source

Materials Required

1. The video materials (a. Unit 5-1 Graduate couple into farming)
2. The video materials (b.....)
3. Projector and sound system
4. Chart papers/white boards

Training setting:

The unit needs to be delivered in a formal setting.

Sessions:

Session I: Youth engagement in poultry farming

Session II: Discussion on protected farming

Session III: Planning a rural business

Session IV: Mapping out their business process for establishing a rural enterprise

Session IV: Mapping out their business process for establishing a rural enterprise

Session V: Working cooperative

Estimated Time of the Unit I training session:

One hour

Trainer Action & Delivery approaches:

Session I: Youth engagement in poultry farming

- Screen the video clips of youths venturing into poultry farming (Zhemgang & Bumthang)

Session II: Discussion on protected farming

- Ask the participants what do they think about the source of livelihood that was projected.
- Note their responses, challenges, and community circumstances.
- Based on their responses, ask what kind they wish to venture into besides “Conventional farming” as carried out by their parents.
- Note all the business ideas generated and then ask them to describe their ideas.
- Take note of all their explanations

Note: List all the pertinent points and from the discussion pick up the topic of developing youth led enterprises such as mushroom production, operation of MPUs, forming an aggregator group for agriculture and livestock products in the communities, Forming a group to cater to the school feeding programs, year round vegetable production group, milk production group, NWFP gathering group, egg production group, farm machinery service group.

Session III: Planning a rural business

Simplified logical process

- Display the following picture



- Ask the participants what they wish to eat for a meal.
- The expected answer is “Ema Datshi”.
- Next ask the participants what are the required items to make the dish besides the above ingredients
- List down all including cookeries
- Explain to the participants that all that has been listed so far are the “Inputs” to make the dish.
- After gathering the ingredients, ask the participants “How they will make it?”
- The trainer needs to prompt while they explain the process of preparing the dish.
- After the process, ask what they will get.
- The obvious answer being the name of the dish “Ema Datshi”

Explaining the logical concept

Display the following chart



- Categorize the activities and results and then explain the logical process of input-process-output as “To get the output of ema datshi dish, the input required are chilly, cheese, etc and the process of cooking is to stir gently with a constant watch” such that it would result into the dish.
- Caution that of the three components, the “Process” component is the most critical component which has to be carried out with commitment, care, diligence and monitoring to get the right output.
- Explain to the participants the universal applicability of the “Logic” in carrying out any activity and then state that the logic applies for the business idea that they already have in mind.

Note:

- Based on the logical process, any activity has to be planned using the logical process tool of input, process and output.
- Caution the participants not to venture into activities without having a proper plan set beforehand.

Exercise

- To check out their understanding of the logical process approach, ask the participants what they will have to do to achieve the following outputs.
 1. Growing different varieties of crops
 2. Adding value to the products that they have produced (Agriculture & Livestock)
 3. Pricing their products at the local market or at the farm.
- Note their responses and check if it fits into the logical model, correct the ones that do not fit into the model.

Session IV: Mapping out their business process for establishing a rural enterprise

- Provide the following worksheet to the participants

INPUT. →	PROCESS →	OUTPUT
WRITE HERE	WRITE HERE	WRITE HERE

- Ask the participants to carry out the exercise for their business ventures that they have thought about in the logical format.

Trainer Action:

- The trainer has to review the exercise carefully and bring about all the logical chains for the business venture.
- This is one of the important trainer action, since this will guide how the business venture will be carried out in the near future.
- Once the trainer refines the logical links, it has to be clearly explained to the participants of priorities of activities.
- For example in the input and the process side, there can be a list of activities specified, the trainer has to prioritize in consultation with the participants and explain to them the stages and phases of activities.

Session V: Working cooperative

- Ask the participants how they work cooperative
- Take note of their responses

Explanation Note: (Use the Group bye laws template to explain the following)

1. Background
2. Aim of the group
3. Objectives of the group
4. Membership Admission
5. Membership Exit
6. Admission Fees:
7. Management
8. Governance
9. Group Seed Fund
10. Monthly Member contribution
11. Income Sources



Module II:

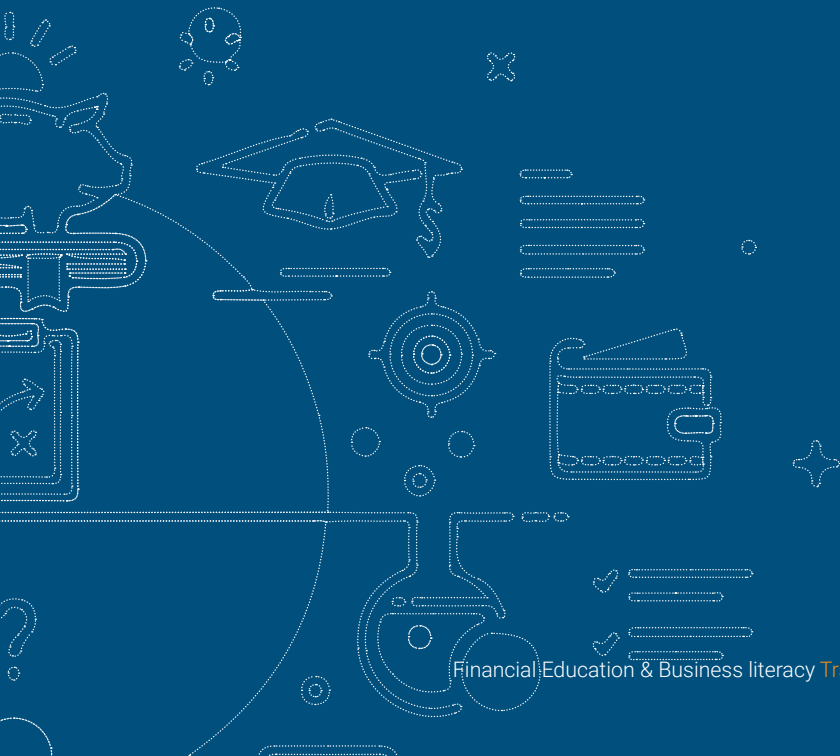
Financial Education

Unit 1: Financial literacy

Unit 2: Record keeping Member registration, minutes of meeting,
Recording of attendance

Unit 3: Stock Register

Unit 4: Cash book



UNIT I:

Financial literacy

(Savings, expenses, investment, borrowings, debt, financial decisions)

Unit Background

With the change in the socio economic condition and households tied to the modern economic system, it has become important for household to have a clear understanding of earning and managing funds at the household level. Many a times with the internet frauds occurring, innocent households lose a lot of their hard earned funds. Also lack of financial planning and investment understanding have led many households to invest in unproductive and toxic investments incurring huge financial losses.

In the modern world, the way to source a livelihood also needs to be planned, besides planning for all the expenses that had to be done through the life of a person. Without the lack of proper fund and investment management, many households avail credits from the financial institutions and micro financial institutions and invest in non income generating activities thereby creating resource gap at the household level.

Unit Objective

The key objective of the unit is to

- Advocate the participants on earnings, savings, expenses, credit and investments
- Make inclusion of the participants to the mainstream digital banking
- Create a clear understanding of management of money

Training Materials

1. Projector
2. Sound system
3. Posters

Session I (Financial literacy definition video)

- Ask the participants how they manage their money?
- Take note of their attitude and behaviors on money management from their response
- Next screen the financial literacy definition video

Explanation Note

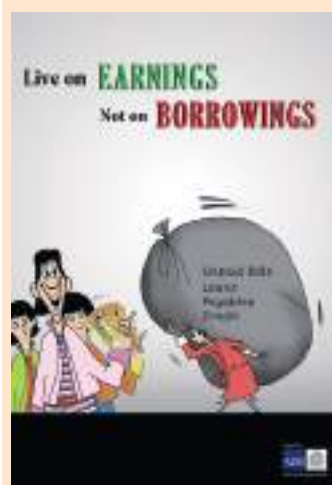
“Financial literacy is “ a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decision and ultimately achieve individual financial well being”

- **Awareness:** The ability to demonstrate the understanding that money has to be earned, spent, saved and then eventually have to make investments.
- **Knowledge:** The possession of the understanding that money has to be earned, have to spend sensibly, have to avail credit based on the ability to payback, have to invest based on calculated risk.

- Skill: To be frugal and to have a clear understanding between needs and wants and to spend accordingly. To invest credits availed into productive income generating activities than investing into consumption such as purchase of household items.
- Attitude: The demonstration of the understanding that money has to be earned and has to be managed carefully for one's individual financial well being.

Session II (Earnings, savings, investment, debts, financial decisions)

- Display one poster at a time
- Once a poster is displayed use the explanation note to elaborate the message on the poster.
- After ever poster message elaboration, spend about five minutes to discuss on the message.



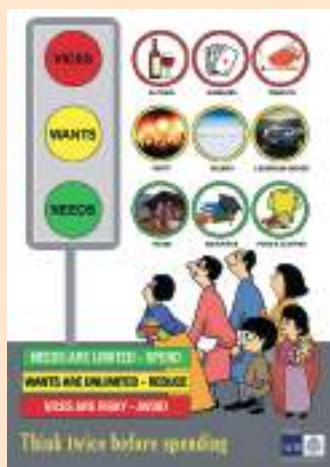
Explanation Note:

- All human activities are tied to economic activities in the world.
- All humans have to work to earn a livelihood
- The cash in hand you have is not your money if borrowed from the bank.
- Do not spend on your needs, wants and vices with other's money.
- For meeting your needs, the money you spend should have been your actual earnings and not borrowings from others.
- Without carrying out any economic activity, no one in this world can survive.



Explanation Note:

- Savings habit is an attitude and the amount you save need not be huge.
- Savings have to be affordable meaning you don't have to make big sacrifices to save
- Many a times people save making big sacrifices and then are not able to continue saving.
- Savings has to be consistent, affordable and without causing much pain to the saver.
- Little drops of water make the mighty ocean.



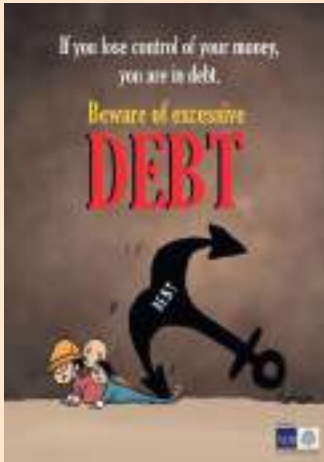
Explanation Note:

- It is not wrong to spend if the expenditure is made on the needs of a person.
- It is wrong to spend on wants and vices since it just provides the psychological satisfaction and nothing beneficial to the household.
- Human needs are limited and there is no harm spending on it based on your income
- Human wants are unlimited thus, the crave for the same has to be reduced and kept to the minimum.
- Human pleasures should be kept cheap without much investment into wants.
- Vices such as gambling and lottery are very risky and as far as possible it should be avoided.



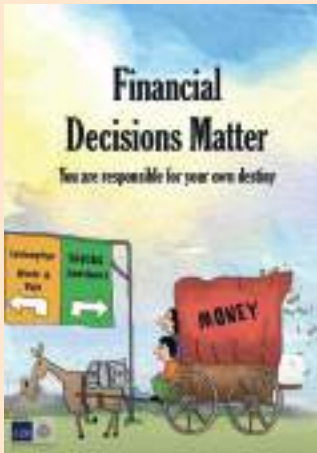
Explanation note:

- With unemployment conditions worsening, the chance to secure a job is very unlikely.
- As a long term plan, create your own rural enterprise and make investments in it.
- The rural enterprise created and managed properly can result into a long term money making establishment making your livelihood secure throughout your life till you die.
- However, before making an investment careful planning needs to be carried out.
- The return you should be able to earn should cover
 1. The principal amount
 2. The interest on the principal amount
 3. Your calculated monthly salary
 4. Cost of all expenses made in the business



Explanation Note:

- While availing loans from the banks, ask for amount that is required for your investment and not for whatever amount the bank has sanctioned.
- Loans are not free and like any other products it has a cost too, which is the interest amount.
- Take loans for amounts for which returns could be made from the investment.
 - Excessive loans can lead to higher interest and cost.
 - Keep the loan limit to the minimum manageable.
 - Diversion of loans for consumption can lead to inability to generate the returns from the investment and can lead to investment failure



Explanation Note:

- Taking calculated financial decision right from the earning process till the investment process is very essential be it at the household level or in the business.
- Unthought financial decisions can create disaster in one's life or at the household.
- Examples of unthought financial decisions are investment of loans into non income generating activities such as building rural homes, investment into consumption such as purchase of jewelry and household items.
 - Certain amount of income earned from the investment should be retained in the business for investment into the business in the future.
 - Wrong financial decision creates trouble.

Session III (Video advocacy on savings and investment)

- Screen the financial literacy short film on savings and investment

Reflection

- Check on the understanding of the participants through soliciting their reflections on various topics such as
 1. Savings
 2. Investments
 3. Debts
 4. Financial discipline
 5. Consumption/ Expenditure

Trainer Action

The trainer need to check on the understanding of the participants on various financial literacy topics and review, evaluate and correct their understandings.

UNIT 2:

Record keeping Member registration, minutes of meeting, Recording of attendance

Unit Background

In the farming context of Bhutan, while most of the youths migrate abroad or to the cities to seek employment certain percentages of youths reside in the communities. With the level of their knowledge and skills, investments are also being made by the Government encouraging youths to venture into various rural enterprises independently or in groups. The key reason for such investments being that the youths are not able to carry out the conventional ways of farming such as cattle rearing and cereal crop cultivation etc.

Thus, while youths are interested and encouraged to engage in alternate source of livelihood besides the conventional farming, it is necessary to place in system certain record and bookkeeping processes facilitating the operation of the business.

Without proper system of record and bookkeeping, decades of experiences of rural enterprises has revealed that there were no basis of measure of progress or failure. As a result, progress or failures could not be established and this impeded the assessment of the needs of the households in the communities.

Unit Objective

The key objective of the unit is to

- Instill in the participants a sense of record keeping while working in groups, cooperatives, or in any rural enterprise business.
- Create the understanding of importance of record keeping to check on the activity level
- Develop the skills of record keeping to create transparency if operating in groups or cooperatives

Session I:

- Ask the participants if they are members of any groups, cooperatives or do have an established rural enterprise.
- Let the participants share their experiences and ask how they maintain their records such as
 1. Registration of membership
 2. Recording of the minutes
 3. Recording the attendance
 4. Recording of the Asset
 5. Recording of the production stocks
- Once the discussion is over introduce the participants to the following form:Member Registration form

Sl. No	Name	Gender	Age	Household ID	Phone No.	Designation	Address	Signature

Explanation Note:

- Explain that the member registration form is relevant for those operating in groups or cooperatives.
- For independent rural enterprises, suggest that this could be used for registering their household members.
- For independent rural enterprises, the need for registering the household members will facilitate in creating household data while availing loans from the banks or micro financial institution.
- Further it will also help while seeking various support from the local Government.
- Brief the participants that it is necessary to have such a member registration form to formalize the agreement of working in groups.
- Tell the participants that this document could be used as proof while soliciting various kinds of support from the relevant government and NGO agencies that the listed number of members are included in the group.

Form Highlights Note:

- The Gender section will provide the data on inclusion of women and the balance of gender. (For agencies providing support to rural enterprises, this is one of the key component)
- The age section will provide the data on economically active population, age old members-marginalized members and inclusion of youth. This data is also looked upon by various supporting agencies.
- The remaining column data, household id., phone number, designation, address and signature authenticates the form and formalizes it into a binding contract agreement.

Session II: Recording of Minutes

- Introduce the participants to the following form

Date:	Total Members present:	Male:	Female:
Sl.No.	Issues/Point of Discussion	Meeting resolutions (Describe actions: By whom? When? Where?)	
		Group Management Signatures	

Explanation note:

For rural enterprises operating in groups

- For those enterprises operating in groups, for every meeting or discussion held, it is necessary to record and authenticate the resolutions with signatures.
- The key benefit is to protect group management team from any future allegations of not abiding to the resolutions of discussions.
- The record will facilitate the group management team to administer the group as discussed.

For independent rural enterprises

- While no minutes have to be taken for independent individual decisions, the form can be used by the individual rural enterprise operator when visitors from various agencies visit the rural enterprise.
 - Slight modifications may have to be carried out as follows
 - The key benefit is follow ups can be carried out at a later date either through email or phone if certain discussions has resulted into certain resolutions during their support.

Caution Note:

- The first part should be filled after the visitors exit by the rural enterprise.
- Collect only the details of the second part during the visit.

Date:	Agency		
Sl.No.	Issues/Point of Discussion	Resolutions if any.	
Name of Visitor	Designation	Phone #	Email Id:

Session III: Recording of the attendance

Provide the following format:

Date:	Meeting purpose:		
Sl. No	Name	Phone Number	Signature

Explanation note:

For rural enterprises operating in groups

- Explain to the participants the importance of having to record the attendance of every meeting for the record.
- Maintenance of attendance will provide the data on the level of participation by the members. C
- Through the attendance, performing members and non performing members can be segregated and administrative decisions could be moved by the group management team.
- Further this data will provide the vitality of the group through the number of meetings or discussions held.

For independent rural enterprises

- This form can be used while hiring workers for certain amount of work and with payments being made.
- The form can be modified as follows:

Date:		Purpose			
Sl. No	Name	Phone Number	No. Of days	Total Amount paid	Signature

Explanation Note:

- The key benefit is that, the total amount of labour input cost can be calculated while calculating the periodic profit and loss.
- A record of the labour cost will show how labour intensive the rural enterprise is. Based on the labour cost certain decisions to hire or not to hire can be made for the rural enterprise.
- The data collected can be used as a base line for calculating and estimating future labour requirement in the event of upscaling the production capacity.

Session IV: Asset Register

- Ask the participants, how do they keep record of the assets that they have purchased.
- Note their responses and based on their responses figure out the deficiencies for clarification after the introduction to the asset register form, be it a group, cooperative or an independent rural enterprise establishment.
- Display the form on a screen

Asset register

Sl. No	Item Description (Photographs can be also be inserted)	Date of Purchase	Bill No. & Date	Purchase price	Transport charges	Installation charges	Total value	Remarks/ Signature

Explanation note:

- All bills for the purchase of the assets needs to be in it's original form and filed.
- Based on the bills, till the purchase price column, the information can be obtained from the bill.
- Transportation charges should also be recorded and the supporting bills can either be a simple hand receipt with the vehicle number, drivers name, license number signed by the driver or the screen shot of the digital transfer of money.
- Installation charges such as supply of electricity or water supply etc should also be recorded.
- The total value of the asset shall include all the charges incurred till the machinery or equipment is able to operate
- For livestock segment, Day old Chickens, chicken shed, expenses incurred in fencing are all considered as asset and same goes with dairy farms. The cost of the cow, transport, quarantine expenses, cow shed construction etc.

The need to record the assets

- The record will reveal the total value of the rural enterprise in monetary terms of the total investments made.
- The asset register is a supporting document for sourcing any type of additional support either from the banks or other relevant government agencies.
- Should circumstance dictate to sell the enterprise, it is the basis upon which the floor pricing for the enterprise can be determined.

UNIT 3:

Stock Register

Unit background

Be it the agricultural production or the livestock product production, ultimately certain products are generated. It has been observed that for the ease to carry out the marketing activities no stock of the products produced, collected or sold are taken stock of. This habit results in the inability to check the volume of production, collection and sales of the products. Thus, for the reason to understand the production performance, it is imperative to take stock of the products either produced, collected or sold.

This feature of bookkeeping can help the users plan for the future cropping season, calculate the crop or product loss and also be able to calculate the gains and losses from the production, collection and sale of the products.

Unit objective:

By the end of the unit, after attending the training a participant should be able to

- Write a stock book of the products produced, collected or sold.
- Maintain a stock book of the products produced, collected or sold.
- Calculate the product loss from production to sales

Session I:

- Ask the participant if they do keep any record of what they produce, collect and sell.
- Note the responses and identify the reasons for their inability to keep the same.
- Display the stock register form.

Item/Product Name:								
Date	RECEIPT			ISSUED			Balance	Remarks
	Description (From Whom)	Quantity	Price (Nu.)	Description (From Whom)	Quantity	Price (Nu.)	Product balance	

Explanation Note

- A stock register is a record listing of the quantity of a certain product that you have in “stock”.
- A stock register allows the group to trace who provided products (receipt) and to whom products were issued (sold) over different time periods.

Rules for using a stock register:

- Every product shall be recorded on a separate leaflet of the stock register. Every item with different characteristics is a different product (e.g. small potatoes, big potatoes, cauliflower, half kg butter, one kg butter, small oranges, big oranges etc. is a different product). Thus, all products cannot be entered on a single leaflet.
- Every product with its distinct character has to be listed separately.
- Every time products are received/collected/harvested or issued/sold, the balance of the remaining quantity of the product is calculated and recorded.
- For the prices column, note it only if a price for it is paid when collecting or received when selling it

Explanation Note:

Why use a stock register?

- To trace all supplies to the specific supplier (who supplied what in what quantity?).
- To trace to whom the products were issued or sold.
- To determine the total balance of products at any time.
- To use as a tool for internal control of product management.
- To use as a source of information on the receipts and issues of stock over time.
- To use as a source of information for product planning to better address market demand and trends.

Exercise: Simple exercises could be designed for the purpose of practice by the trainer for a specific product and guide and check on the work of the participants.

UNIT 4:

Cash book

Unit background:

While digital banking is widespread across the country, many farmers still make the transactions through physical cash only. As a result in the rural communities, cash is still the medium of exchange for sale of goods and services. Thus, the unit on cash and bank book is instituted.

Unit Objective:

By the end of the unit a participant should be able to

- Write a cash book
- Maintain a cash book
- Calculate the surplus cash and extract the balance of cash

Session I:

- Ask the participants how they keep record of their cash movement either for their group or for their own rural enterprises.
- Make note of their responses and introduce the following form.

CASH BOOK								
Date	RECEIPT			PAYMENT			Balance	Remarks
	Description (From Whom & For what reasons)	Ref. No.	Amount (Rs.)	Description (To Whom & For what reasons)	Ref. No.	Amount (Rs.)		
							Cash in hand (Balance amount)	

Explanation Note:

- A cash book is a book in which all receipts and payments of cash only are recorded. It is considered the principal book to be maintained by any business, rural enterprise or groups and cooperatives
- Cash books can trace the inflow and outflow of physical cash for the rural enterprise or groups and cooperatives.
- The cash book shows the balance of cash in hand, the total amount received and total amount paid for various transaction.
- Cash books is an effective tool for financial monitoring and controlling in any enterprise operations.

Rules of using and maintaining cash book

- Only cash transaction shall be recorded in the cash book.
- Receivable- what you ought to receive (Sales made on credit) and payables (Unpaid bill like electricity bill), what you out to pay but have not paid shall not be recorded in the cash book.
- All transactions shall be entered at the date of the transaction, with their date, a short description of the transaction under “Description” a reference to documentary evidences (receipt no/ bill no/ ref. no) and the amount.
- After every transaction, the current balance shall be calculated.
- In principle, the cash book shall be closed every month but can be done any time any day after a transaction.
- Total the amount of receipts, total the amount of payments and check if the difference of these totals (closing balance) equals the balance as per the last entry date.
- Under any circumstance, the balance of cash cannot be “Negative” but can be Zero.
- The balance at the closing date becomes the opening balance for the next period and is entered as “To opening balance” under receipt in the cash book.

Exercise

A new youth led enterprise at the beginning of the year 1.1.2029 did not have any cash balance.

- On 5.1.29, the group collected a membership fees of Nu.500 each from 5 members amounting to Nu. 2,500.
- On 9.3.29, the group paid a sum of Nu. 500 to Samsara (Chairman) as telephone & internet expenses.
- On 16.3.29 the group received a sum of Nu. 21,800 from Mongar Central School for supply of vegetables in cheque and Samsara withdrew the amount.
- On the same day also paid the Bolero driver Nu. 5700/- for transporting the vegetables.
- On 31.3.29 the treasurer closed the cash book.
- “What is the cash balance?”

Exercise Instruction:

- First hand over a cash book form each to the participants.
- Spend 5 minutes and let them fill up the form.
- Based on the exercise they carried, display the following answer sheet.
- Explain how the details needs to be filled.

CASH BOOK									
Date	RECEIPT	AMOUNT		PAYMENT		BALANCE		REMARKS	
	Description (From Whom & For what nature)	Ret. Nu.	Amount (Nu.)	Description (To Whom & For what nature)	Ret. Nu.	Amount (Nu.)	CASH or BANK (Balance forward)		
1/1/29	To opening balance		0.00				0.00		opening
5/1/29	Membership fee from	500x5							
	Nalgot Khotang		500						
	Dag. Yabesa		500						
	Khatyachan		500						
	Khatu Daji		500						
	Khatu Dama		500						
	Total		2500					2500	
9/3/29				Telephone & internet	500.00				
				expense paid to Samsara		500			
16/3/29	Received from Mongar Central school & withdrawn by Samsara	21,800							
			21,800					21,800	
16/3/29				Transportation for vegetables		5,700			
				paid to Bolero driver					
31/3/29	To closing balance						16,100		
							16,100		16,100

Session II: Receivable & Payables

Explanation note:

- Receivables are the amount that ought to be received by the rural enterprise but not have actually received the cash.
- Example : supply of vegetable to Mongar Central School and having to wait for a week to receive the cheque.
- Payables are the amount that ought to be paid but not have paid such as receipt of electricity bill but not have paid since the due date is not over.
- Display the following forms to the participants.
- Hand out a copy each for their own reference.

Receivables : Recording of sales that are made on credit (that is supply to schools and getting paid at a later date)

Date	Description	Quantity	Rate (Rs.)	Total amount (Rs.)	Remarks

Payables : Recording of expenses that ought to be paid but have not paid (such as electricity bill received but not paid)

Date	Description	Quantity	Rate (Rs.)	Total amount (Rs.)	Remarks

Explanation note:

- In the description column clear descriptions shall be written like in the cash book.
- The rest of the column are self explanatory.

Session III: Profit/Loss

- For the purpose of calculating the profit or loss for the rural enterprise or groups or cooperatives, instruct the participants as follows:

Explanation note:

- Profit= Receipts (Total Cash +Total received in the bank directly through digital banking + Total Receivables) - Payments (Total cash paid + Total payment made through the bank directly with digital banking + Payables)
- In short the formula for the calculation is
$$\text{Profit} = (\text{Receipts} + \text{Receivables}) - (\text{Payment} + \text{Payables})$$
- Before calculating the profit instruct that the following has to be done.
- The balance of cash has to be done by closing the cash book.
- The bank balance has to be extracted through the digital banking.
- The total of receivables has to be extracted.
- The total payment has to be extracted from the cash book
- The total payment made directly through digital banking has to be extracted from the bank statement.
- The total amount of payables has to be extracted by totaling the payables form.