

3.4 - GOVERNMENT REVENUE & EXPENDITURE



National Budget

Definition

1. This is how the Government plans to spend the income they receive and how they are going to raise the finance for this expenditure.
2. It is their financial plan for the year

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Government Revenue

Definition

1. This is the money the government receives for example taxes
2. Revenue can be divided into two different types

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Current Revenue

Definition

1. This is money the Government receives every day.
2. It usually comes from taxation

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Capital Revenue

Definition

1. This is money that is received once off
2. For example sale of a state owned company

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Source of Government Current Revenue

The following are the main source of current revenue for the Government

Income Tax	USC	VAT
Corporation Tax	Excise Duty	
Custom Duties	Stamp Duty	
LPT	CGT	CAT
PRSI		

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Source of Government Capital Revenue

The following are the main source of Capital revenue for the government

1. Sale of state-owned companies
2. Borrowing
3. EU Grants

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Source of Government Current Expenditure

The following are the main source of current expenditure for the Government

1. Social Protection
2. Healthcare
3. Education
4. Justice
5. Agriculture

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Source of Government Capital Revenue

The following are the main source of Capital Expenditure for the Government

1. Public Transport
2. Health
3. Education

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Government Revenue

Definition

This is all the money that is spent by the Government

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Current Revenue

Definition

1. This is money spend by the Government on a regular basis.
2. This is usually day-to-day spending on essential services. For example, Health

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Capital Revenue

Definition

1. This is a once off spending by the Government

For example Building roads

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Infrastructure

Definition

1. These are all the service and structures that are needed for a country to function.

For example - Transport, Water

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National Budget

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Balanced Budget

1. This is when planned revenue (Income) equals planned expenditure (Spending)
2. Here the government is taking money out of the economy through taxation but is putting it back in the form of essential services

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Budget surplus

1. This is when planned revenue (Income) is higher than planned expenditure (Spending)
2. This is good as the Government has money left over so they can cut taxes, save or increase the level of services

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Budget deficit

Definition

1. This is when planned expenditure (Spending) is higher than planned revenue (Income)
2. This is not good as the government is living beyond its means and will have to cut spending, increase taxes and borrow to meet it needs

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MANAGEMENT



DIFFERENCE BETWEEN ENTREPRENEURS AND MANAGERS

Entrepreneur

1. They have the ideas, energy and initiative to start a new business
2. They give up their own time, take personal & financial risks
3. Like the excitement of setting up something new

Manager

1. They have few ideas new ideas. Their energy is put into routine tasks
2. They don't take financial risks. They don't have ownership in the business
3. Their day is routine and structured

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LEADERSHIP



LEADERSHIP

Definition

Involves giving staff direction and clear instruction so they will know what work must be completed. They set an example by demonstrating the behaviour that is expected by the company. They delegate work to workers. So they will have more time to spend on important tasks and the employee being trusted.

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LEADERSHIP



DELEGATION

Benefits

1. More time for important tasks
2. Less stress sharing the workload
3. Staff gain experience
4. Staff become more skilled and flexible
5. Work gets shared and completed faster

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LEADERSHIP



WHY MANAGERS DON'T DELEGATE

1. Managers think that employees won't be able to do the work up to their standard
2. Managers fear that employees will do a better job than they would.

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LEADERSHIP



AUTOCRATIC

Definition

This type of leader does not like sharing their authority and prefers to make the decisions themselves.

For Example - Chef

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LEADERSHIP



DEMOCRATIC

Definition

This type of leader is willing to discuss issues with staff and to delegate power and responsibility to them.

For Example - Nelson Mandela

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LEADERSHIP



Laissez-Faire

Definition

This leader gives employees general goals and targets. They also give them the authority to achieve these in whatever way they think is necessary.

For Example - Richard Branson

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LEADERSHIP



FEATURES OF AN AUTOCRATIC LEADER

1. Have little trust
2. Don't delegate
3. Ignore others when making decisions
4. Use their position to get what they want
5. Use intimidation and fear to get what they want

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LEADERSHIP



ADVANTAGES OF AN AUTOCRATIC LEADER

1. Decisions are made quickly
2. Useful in an emergency
3. Work gets done the way the manager wants
4. Useful where discipline is important.

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LEADERSHIP



DISADVANTAGES OF AN AUTOCRATIC LEADER

1. Can be overworked
2. Staff get demotivated
3. Can lead to Industrial Relations.

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LEADERSHIP



FEATURES OF A DEMOCRATIC LEADER

1. Have trust in workers
2. Delegate Authority
3. Discuss before making decisions
5. Use reasonable argument to persuade others

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LEADERSHIP



ADVANTAGES OF A DEMOCRATIC LEADER

1. Better Decisions
2. Less Stress
3. Motivated Staff
4. Promotes staff initiative and intrapreneurship

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LEADERSHIP



DISADVANTAGES OF A DEMOCRATIC LEADER

1. Slower decision making
2. Decision may be of poor quality

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LEADERSHIP



FEATURES OF A LAISSEZ FAIRE LEADER

1. Have a lot of trust
2. Delegate power and responsibility
3. Let staff make the decisions
4. Listen before making decisions

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LEADERSHIP



ADVANTAGES OF A LAISSEZ FAIRE LEADER

1. Speedy decisions
2. Challenges and motivates staff
3. Intrapreneurship is encouraged

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LEADERSHIP



DISADVANTAGES OF A LAISSEZ FAIRE LEADER

1. Inexperienced staff may not be able to handle to responsibility
2. Lack of control may result in poor decisions

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MOTIVATION



IMPORTANCE OF MOTIVATION

1. **Increase productivity** - Staff are happier so work harder
2. **Greater Intrapreneurship** - staff will become more creative and innovative
3. **Improved Industrial Relations** - motivated staff are less likely to strike as they are happy
4. **Easier to retain and recruit staff**- This can save costs
5. **Repeat Business** - Customer are more likely to come back

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MOTIVATION



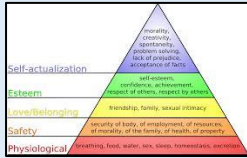
MASLOW HIERARCHY OF NEEDS

Definition

This says that all humans' needs can be arranged in a hierarchy (pyramid) in order of importance

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MOTIVATION



MASLOW HIERARCHY OF NEEDS

1. Is in a pyramid with the basic needs for at the bottom leading up to more complex needs of self-actualisation
2. When one level of need is satisfied the next level becomes the motivating factor.
3. Maslow says that a person is motivate by a need. For a manager to motivate their employees they need to know the need
4. If lower needs are not being meet the employee will be demotivate

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MOTIVATION

HOW MANAGERS CAN MOTIVATE STAFF USING MASLOW HIERARCHY OF NEEDS

Need	Description	Satisfied
Self-Actualisation	your full potential	challenging work,
Esteem	Status, respect form others	Providing praise, perks,
Social	Relationships in the workplace	friendly work environment
Safety	Security	secure employment
Physical	Basic needs - food	canteen

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MOTIVATION



ADVANTAGES OF MASLOW HIERARCHY OF NEEDS

1. People are motivated by more than money
2. Different things motivate people
3. Way for manager to identify needs of their employees

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MOTIVATION

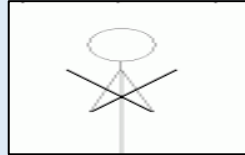


DISADVANTAGES OF MASLOW HIERARCHY OF NEEDS

1. People are complex
2. People don't just satisfy one need at a time

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MOTIVATION

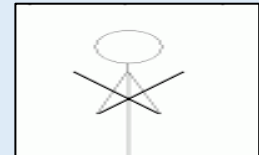


THEORY X MANAGERS BELIEVE EMPLOYEES ARE

1. Lazy and dislike work
2. Have no ambitions
3. Dislike change
4. Motivated by money

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MOTIVATION



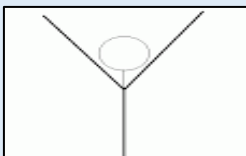
THEORY X MANAGERS OFFER EMPLOYEES THE FOLLOWING

1. Financial incentives
2. Supervise Closely
3. Avoid consulting staff
4. Threaten staff

STYLE OF MANAGEMENT
Controller (Autocratic)

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MOTIVATION

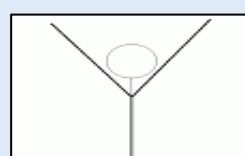


THEORY Y MANAGERS BELIEVE EMPLOYEES ARE

1. Enjoy work
2. Have ambitions
3. Open to change
4. Motivated by more than money

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MOTIVATION



THEORY Y MANAGERS OFFER EMPLOYEES THE FOLLOWING

1. Interesting and challenging work
2. Freedom
3. Consult regularly
4. Provide plenty of encouragement

STYLE OF MANAGEMENT
Facilitator (Democratic)

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MOTIVATION



ADVANTAGES OF McGregor THEORY X AND THEORY Y

1. High motivation
2. More creativity
3. Better Business reputation
4. Lower staff turnover
5. Positive Industrial Relations
6. Increased Productivity

NOTE- DEPENDS IF IT IS THEORY X OR THEORY Y

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MOTIVATION



ADVANTAGES OF McGregor THEORY X AND THEORY Y

1. Reduced motivation
2. Less creativity
3. Poor Reputation
4. Higher staff turnover
5. Reduced profitability

NOTE- DEPENDS IF IT IS THEORY X
OR THEORY Y