GAC034 Personal Finance & Entrepreneurship

GAC Business

What this module is, and how it is marked

GAC034 turns business ideas towards your own money and your own venture: budgeting, spending, credit, and then a start-up from marketing plan to financial plan.

Assessment is practical — a **personal budget** 个人预算, usually for studying abroad, and a **business plan** for a start-up, plus a test and coursework.

- The budget is the module's most useful hour. Most students underestimate the cost of a year abroad by leaving out exactly the same four items.
- △ A business plan is judged on whether the **numbers are consistent with the story**. A plan forecasting 400 customers a month in a shop that seats twelve fails on arithmetic, not on ambition.

Budgeting and saving

- A **budget** 预算 lists income and expenditure over a period. **Fixed costs** 固定成本 stay the same; **variable costs** 可变成本 change with what you do.
- Budget **net**, not gross: what actually arrives, after tax and deductions.
- The four items students leave out: **insurance** 保险, **visa and travel** 签证与差旅, **textbooks and equipment** 教材与设备, and a **contingency** 应急储备 of about 10%.
- **Saving** is a line in the budget, not what is left over. Left-over savings are zero savings.

Worked example. A year of study abroad.

Tuition and rent are fixed and easy. Food, transport and phone are variable. Then insurance, visa and flights, books, and 10% contingency.

A budget without the last four is short by roughly a fifth — which is the gap between a plan that works and a call home in March.

Spending and investing

- A **decision-making model** 决策模型 for a purchase: define the need, set criteria, compare options against the criteria, decide, then review.

- **Opportunity cost** 机会成本 is the best thing you gave up. Every purchase has one, and naming it is what makes a comparison real.
- **Credit** 信贷 is borrowing. Its **cost** is interest plus fees, and the **APR** is what lets you compare two offers honestly.
- △ A "0% for six months" offer usually has a rate afterwards that is far above average, and the question that tests this asks for the total paid, not the headline.
- **Investing** 投资 trades certainty for expected return. Higher expected return always carries higher **risk** 风险, and any offer that denies this is the one to walk away from.

Entrepreneurship

- An **entrepreneur** 创业者 spots an unmet need and organises resources to meet it, carrying the risk.
- A **business model** 商业模式 states who pays, for what, and why they choose you.
- A **value proposition** 价值主张 is one sentence: for whom, what problem, why better.
- Start from the **problem**, not the product. A solution looking for a problem is the commonest failed student venture.

Marketing and sales plan

- The **target market** 目标市场 must be describable and reachable: "students at three campuses in this district", not "young people".
- **Market research** here is primary and small: twenty conversations teach more than a hundred guesses.
- The **marketing mix** — product, price, place, promotion — must be consistent. A premium price with cheap packaging sold through a discount channel contradicts itself.
- **Pricing** 定价 has three anchors: cost, competitors, and what the customer will pay. Only the third decides whether you sell anything.

Operations and personnel

- **Operations** 运营 is how the thing actually gets made and delivered, and it is where student plans are usually thinnest.
- Map the **process** from order to delivery, and mark where it breaks if demand doubles.

- **Personnel** 人员 planning asks who does the work, at what cost, and what happens when one person is ill.
- **Suppliers** 供应商 are a dependency. One supplier is a risk; naming the alternative is the answer.

Financial plan

- **Start-up costs** 启动成本 are one-off; **running costs** 运营成本 recur. Confusing them is the most common error in a student plan.
- A **cash flow forecast** shows money in and out by month. A profitable business with no cash in month three still closes.
- **Break-even** tells you the volume at which you stop losing money: $\frac{\text{fixed costs}}{\text{price} - \text{variable cost pe}}$
- A **profit and loss** 损益 statement summarises a period; a **balance sheet** 资产负债表 is a snapshot of what you own and owe.

Worked example. A student coffee cart.

Cart and equipment 12,000 (start-up). Rent, supplies and insurance 3,000 a month (running). A coffee sells for 15 and costs 5 to make.

$$\frac{3\,000}{15 - 5} = 300 \text{ cups a month}$$

Fifteen cups a working day to cover running costs — before the 12,000 has been repaid at all. Separating the two questions is the whole point of the financial plan.