***ALL SAINTS' SECONDARY SCHOOL, OYIGBO***

***SUBJECT: BUSINESS STUDIES***

***CLASS: JSS1***

***TOPIC: COOPERATIVE SOCIETY***

***MEANING***: Cooperative Society is a business organisation formed by group of persons with common interest.

Cooperative society has a unique feature because they main aim is to make profit for members and not for the business. Cooperative Society may be a union or a society and the main aim of such union is to render services or distribute goods to their members.

***FEATURES OF COOPERATIVE SOCIETY***

1. It can be formed by two persons but has no maximum number of members.

2. It is democratic: Each person has one vote during election.

3. Cooperative Society is managed by elected members known as Committee of Association.

4. Profits are shared according to patronage.

5. Cooperative Society is mainly formed to promote the welfare of members.

***TYPES OF COOPERATIVE SOCIETY***

***1. Consumers Cooperative Society:*** This associate is formed by consumers. They contribute money to buy goods in large quantities at reduced prices. These goods are sold to members less than market prices. At the end of the period, the profit realized is shared to members according to patronage.

***2. Producers Cooperative Society:*** This kind of cooperative society is commonly formed by producers who manufacture similar products. With this association, the Cooperative will have enough resources to produce goods in large quantities, promote the sale of their products, buy raw materials at cheaper rates, hire machine and equipment that will help them facilitate production.

***3. Thrift And Credit Cooperative Society:*** This cooperative society is very common nowadays. It can be formed at any level, e.g. traders in the market, in a community, employees of different companies. Here members contribute money periodically and from this money contributed members can obtain loan at reduced rate of interest. The profit realized from the loan is shared by the members at the end of the period.

***4. Multipurpose Cooperative Society***: This kind of cooperative society has the benefit of engaging in different business activities. They are allowed to go into any business that will benefit the members and the society. E.g. buying and marketing of consumer goods, production of agricultural products, contributing money and giving loan to members.

***5. Farmers Cooperative Society:*** This is an association of farmers who contribute their resources inorder to produce agricultural products in large quantities. Farmers in this association get government assistance in form of loan and allocation of fertilizers than an individual farmer. Members also benefit by hiring machine and equipment at reduced rate.

***ADVANTAGES OF COOPERATIVE SOCIETY***

1, Each member has only one vote irrespective of his contribution.

2, Members have equal rights to benefit from the Association.

3, Members are customers.

4, Profits are shared according to patronage.

5, Government renders help to some cooperative societies to achieve their aims, e.g. farmers.

6, It encourages savings.

***DISADVANTAGES OF COOPERATIVE SOCIETY***

1, Elected members may not have the managerial skill to pilot the affairs of the association.

2, Members may find it difficult to pay their shares.

3, Lack of proper planning may affect the progress of the cooperative.

4, Members enrollment is not based on experience, competence or managerial skill and this affects the success of the business.

5, Illiteracy on the part of members makes them not to understand the workings of the business.

6, Open membership gives room for dishonest people to join the cooperative.

***ASSIGNMENT***

1. What is Cooperative Society?

2. Outline three features of Cooperative Society.

3. Cooperative Society is managed by elected members called ..................

4. Mention three advantages and three disadvantages of Cooperative Society.