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Types of Business

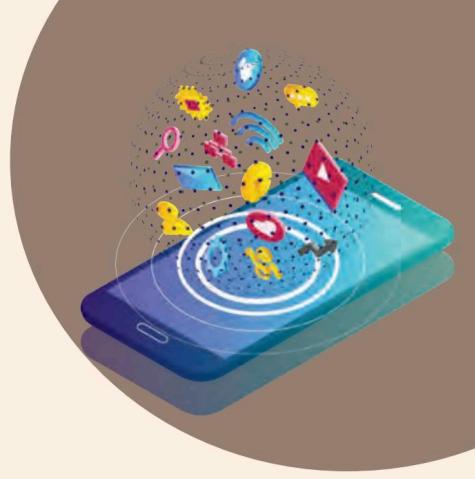
What you want to pursue further is the most common question that people ask after graduating from school. One has to make the choice of whether one wishes to explore more employment opportunities, prepare for interviews or competitions, take up private or government jobs, or start their own business. In order to decide correctly, we must first identify our areas of strengths and interests. This is because everyone has a different area of expertise. This enables us to determine our future aspirations.

Entrepreneur

An entrepreneur is a person who recognises potential opportunities, accepts the uncertainties of both successes and failures, and establishes and manages enterprises or initiatives to fulfil the needs of the market. They take the initiative of starting and managing a business with the goal of making a profit. They often possess the quality of innovation, vision, and a strong work ethic, seeking to bring their ideas to life, create value, and achieve financial success. Let us read about the journey of Manik, who became a successful entrepreneur by following his passion and vision.

Manik loved to cook and was well-known at school for his homemade sandwiches and shakes. He had an interest in food. He always wanted to open his own cafe. After finishing school, Manik enrolled in a Hotel Management program and upon graduating, he took a loan and started searching for a place to open his cafe. He also employed his friends, who helped him with managing social media, finances, marketing, and other services. Finally, he opened his own cafe, which quickly became a favourite hangout for all the students near that area. His venture became profitable because he followed his passion and vision, took the right decisions regarding his degree, choosing the correct place for his café, and making a tasty yet affordable menu. With the money earned from the cafe, he has now opened a big dine-in restaurant in the city.

An entrepreneur can be a person from any field, such as arts, education, sports, or culinary arts, who pursues his passion and uses it to transform his skill into an enterprise. An enterprise means a business, project, or endeavour, often involving activities aimed at achieving specific goals, growth, and success. Entrepreneurs have a substantial impact on our society through the generation of employment, the provision of products and services, and an increase in our country's national income.



Entrepreneurs Around You

Where can one find an entrepreneur, then? The answer is, all around us. If we look around, we can find many people who are self-employed and working on their own businesses. The dairy where we purchase milk, the grocery stores where we buy our essential goods, the salons where we go to groom ourselves, the boutiques where we have our clothes stitched, dry cleaners, chemist shops, and food outlets are all business entities. While some businesses operate on a small scale, others operate on a large scale, serving both local and global markets.



Error Alert!

No Money, No Business.

It is a common misconception that one needs a large sum of money to start a business, but this is untrue. One can start one's business with a small investment as well.

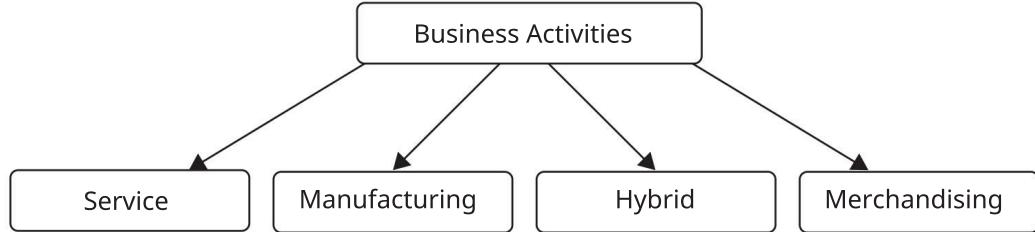


Types of Business Activities

A business is an organised body or activity that engages in commercial, industrial, or professional enterprise with the primary goal of generating profit.

It involves the production, sale, or provision of goods or services to meet the demands of the customers and achieve social or financial objectives.

There are four categories of business based on their activities:



Did You Know?

According to the World Bank, Small and Medium Enterprises (SMEs) are the backbone of the world economy. 90% of world businesses are SMEs and they provide 50% of employment opportunities worldwide.

Service Business

A service business is a type of business activities that primarily offers services that are not tangible in nature. These services are not in the form of physical goods. They cannot be touched but are experienced by the customers. In a service business, the primary focus is on delivering expertise, skills, knowledge, labour, or solutions to meet the specific needs and demands of the clients or customers.

For example, if you visit a salon for a haircut, then you pay for the service you receive.

Similarly, there are other service businesses like repair shops, housekeeping agencies, schools, coaching institutes, sports academies, hotels and resorts, gymnasiums, tourism services, accounting and law firms. In all these businesses, you don't get anything physical but pay for the services and expertise provided there.



Manufacturing Business

A manufacturing business is a type of enterprise that produces goods through various processes, often involving raw materials, labour, and machinery. Manufacturing firms acquire the necessary raw materials for the production or creation of goods, which are then processed into finished products with the help of labour and machinery. These finished goods are then distributed to wholesalers, who, in turn, supply them to retailers which in turn make them available to customers in the market.



For example, a coconut oil manufacturing unit in Kerala first collects dried coconut and with the help of labour and machinery, they extract coconut oil. The extracted oil is then refined, decolourised, and bleached before being transformed into a finished product. Then, the manufacturing units sell it to wholesalers who in turn sell it to the retailers. Finally, from the nearby retail shops, it reaches the consumer.

Merchandising Business

A merchandising business is the type of enterprise that buys products or goods from manufacturers at a wholesale rate (price paid for buying products in bulk) and sells them to consumers or other businesses at the retail price (price paid to buy an individual entity). The primary focus of a merchandising business is on buying, stocking, and reselling physical products rather than producing or manufacturing them. The difference between the wholesale rate and the retail rate is what a merchandising unit earns as a profit. These businesses play a crucial role in the supply of products by connecting manufacturers or wholesalers with end consumers.



Wholesale



Retail

For example, the famous e-commerce companies, such as Amazon, Flipkart, Ajio, and Meesho, purchase products from manufacturing units at wholesale rate and then sell them to us at a retail price. As a consumer, we are also ready to pay higher prices because we receive products in the comfort of our home.

Hybrid Business

A hybrid business is an enterprise that combines elements from the three business activities, i.e., service, manufacturing, and merchandising, to create a unique and adaptable approach to achieving its goals. Hybrid businesses blend characteristics from two or more types of business to address specific market needs or opportunities.

For example, a restaurant is an example of a hybrid business type. In restaurants, food is made with raw materials (manufacturing), and after it is prepared, they sell it to the consumer (service). In restaurants, they also engage in merchandising by offering bottled water and soft drinks to their customers.



Think and Tell

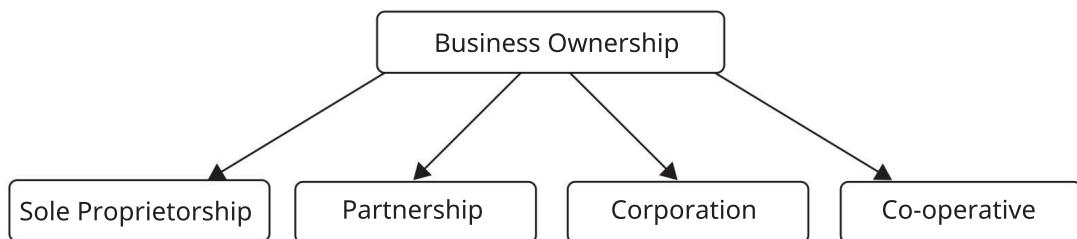
What kind of business would you establish if:

1. You had to produce stainless steel water bottles?
2. You had an agency providing household support?

Types of Business Based on Ownership

It is very essential to know what type of business you want to start. Different structures can be used to organise a business. Every company has a distinct ownership structure (state of possession). When you become an owner, you have a liability (a state of responsibility) and are accountable for both success and failure. Each type of organisation is subject to its own set of laws, regulations, and liabilities. It is necessary to know the different types of business organisations before starting a business.

The four main business organisations, based on ownership, are:



Sole Proprietorship

1. A sole proprietorship is a straightforward business structure where an individual single-handedly owns and manages the entire enterprise.
2. In this form of business organisation, the owner has complete control over all aspects of the business, from decision-making to daily operations.
3. The owner enjoys the whole profit; however, he is also solely responsible for the debt.
4. This business type can be started and closed at any time, as it only includes the investment and ownership of one person.
5. The owner is personally liable for all the legal obligations.
6. This form of ownership is advantageous for starting a business because it gives individuals complete control, and they are not obligated to follow strict legal procedures to start an enterprise.



Example: Mohan toiled as a worker in a block printing factory, and after working for many years, he finally decided to open his own manufacturing unit. He started with his little savings and soon had a good consumer base. As Mohan is a single owner, he enjoys all the profit he makes and uses it to pay rent, bills, and salaries.

Partnership

- When two or more people or entities work together to jointly own and run a business enterprise, it is known as a partnership business.
- In a partnership, partners combine their skills, capital, and resources to accomplish common business goals.
- To regulate partnerships, legal partnership agreements, which specify the partners' obligations and rights, are used.
- Each partner contributes to the management and decision-making processes, and they may or may not have an equal share in the business's gains, losses, and liabilities.
- One key advantage of a partnership is the distribution of responsibilities and resources, which can lead to better output and growth. However, if there is a lack of clear communication or a well-drafted partnership agreement, then conflicts can arise between the partners.



Example: Rajiv, Jashn, and Manoj opened an accounting firm as partners and founders. Their firm offers services like auditing, accounting, tax advisory, and financial consulting to businesses and individuals. They worked together to pool their resources and created a successful venture.

Corporation

- A corporation is a legal business entity that is separate from its owners, known as shareholders.
- Shareholders hold shares of stock in the company, which represent ownership stakes in the corporation, and shareholders may buy or sell their shares, easily transferring ownership of the business.
- The most notable aspect of a corporation is its limited liability, meaning that shareholders are not personally liable for the corporation's debts and legal obligations.
- This separation of personal and corporate assets provides a level of financial protection for shareholders.
- A corporation is typically managed by a board of directors which is elected by the shareholders. The directors manage the strategic direction of the company and appoint officers to handle day-to-day operations.



Example 1: In 1964, Indian Oil Company Limited and Indian Refineries Limited merged to establish Indian Oil Corporation Limited, a Government of India company. The corporation is divided into five divisions, one of which is the Refineries Division.

Example 2: A well-known provider of life insurance is the Life Insurance Corporation of India (LIC of India). More than 245 insurance companies and provident societies united to establish this company.

Co-operative

- The co-operative type of business is a distinct type of business where the members who use its products or services also hold ownership stakes and actively participate in its governance.
- Co-operatives exist primarily to benefit their members rather than external shareholders.



- Co-operative members collectively make decisions through a democratic process, ensuring that the business's operations, policies, and profits align with their needs and goals.
- Members have the right to participate in the decision-making process by voting on important matters, such as electing a board of directors, setting policies, and making strategic decisions.
- The profits are typically reinvested into the cooperative to improve services or returned to members based on their level of participation or engagement.
- Co-operative businesses promote self-help ideas while ensuring economic sustainability, empowering communities, and allowing members to collaborate to meet their collective needs.

Example 1: The largest multi-state cooperative society in India, IFFCO, is wholly owned by Indian cooperatives and has its headquarters in New Delhi. It was established in 1967 with 57 members and has since grown to be one of the largest co-ops and a major producer of fertiliser in the nation. The mission of IFFCO is to quickly and efficiently deliver high-quality fertilisers to farmers all over the country while producing and manufacturing fertilisers sustainably to save energy and resources.

Example 2: The Indian Coffee House is a unique restaurant in all of India as the workers are also the employers. The All India Coffee Board laid off its class-four employees in 1957 after deciding to close its coffee houses across the nation. Under the direction of AK Gopalan, the leader of the All India Coffee Board Labour Union at the time, and Member of Parliament Subhadra Joshi, the workers who were laid off established their own co-operative society, which later became known as the "Indian Coffee Workers Co-operative Society". The cooperative society soon opened its own Indian Coffee House locations in numerous states.

It is very important to understand the type of business and who owns it since that influences how much planning is required to launch a venture. Every business model has unique advantages and challenges. Running a successful business involves various factors which impact on its operations, growth, and performance. These factors interact and require consideration and management to build and run a successful business.

Activity Time

Activity 1: Poster Making

(Individual Work)

Prepare a poster of business activities which are found in your city/village. You can use pictures from magazines, newspapers, and the internet. Pictures should be pasted and labelled properly on colourful chart paper.

Activity 2: Class Discussion

(Group Work)

In a group of 4-5 students, discuss various types of activities that are generally adopted by small businesses in your local community.

Activity 3: Shark Tank in Class

(Group Work)

Divide yourselves in groups of 5 students each. Make your own 'Best out of Waste' product. You must set a selling price for your product. Create an appropriate brand name and tagline for your product. Each group has to showcase their product in the class.

Activity 4: Service vs Product

(Group Work)

The class will be divided into two groups. One group will name Indian businesses that offer services in exchange for money, while the other group will name businesses that offer goods in exchange for money. Record your names on a chart paper by dividing it into two categories.

Chapter Checkup

A Select the correct option.

- 1 Which of the following is an example of a service business?
 a Grocery shop b E-commerce
 c Salon d Footwear shop
- 2 If you are buying a product from the grocery shop, then you become a?
 a Wholesaler b Manufacturer
 c Retailer d Consumer
- 3 Ramesh has a shoe store where he produces his own shoes, which he then sells to the customers. Which kind of ownership does Ramesh have?
 a Sole proprietorship b Partnership
 c Corporation d Co-operative

B Fill in the blanks with the most suitable words.

- 1 rate is the price paid for buying products in bulk.
- 2 is a mixed type of business with qualities of all three types.
- 3 When two or more people or entities work together to jointly own and run a business enterprise, it is known as a business.
- 4 Manufacturers use to make the final product.

C State whether the following is True or False. Correct the statements that are false.

- 1 Co-operatives are owned by shareholders.
- 2 The difference between the wholesale rate and retail rate is merchandising unit's loss.
- 3 Merchandising includes the characteristics of different types of businesses.
- 4 Co-operative business models empower communities.

D Answer the following questions. (Solved)

Q1. Differentiate between the types of business on the basis of their nature.

A1. The following is the difference between the types of business on the basis of their nature.

| Basis | Manufacturing | Service | Merchandising | Hybrid |
|--------|----------------------------|------------------------------|-------------------------|-------------------|
| Nature | Produces physical products | Provides intangible services | Buys and sells products | Combines features |

Q2. Differentiate between sole proprietorship and partnership business.

A2.

| Basis | Sole Proprietorship | Partnership |
|-------------------|--|--|
| Ownership | Owned by an individual. | Owned by two or more people. |
| Profit or losses | Owner enjoys the whole profit and also bears the whole loss. | Both profit and loss are shared equally by the number of partners based on the terms. |
| Liability | The owner has all the liabilities. | Split between the partners based on the terms. |
| Decision making | Owner can take each and every decision. | Decisions need to be taken after every partner or majority is in favour of them. |
| Legal obligations | Due to one owner, fewer and clear legal obligations. | If legal obligations are not clearly defined, then it can create differences among partners. |

- Q3.** Mukesh is a farmer who is a part of a small agricultural community that relies heavily on farming for income. Mukesh and his fellow community members have decided to establish a business organisation to improve the rates of crops and other resources. Suggest the type of organisation they can start.
- A3.** Mukesh and his fellow community members can consider starting a Farmers' Co-operative to collectively improve the rates of their crops and resources.
- By forming a cooperative, the community can negotiate better prices for their crops and agricultural resources when dealing with buyers, suppliers, and distributors.
 - Members can pool their resources to invest in better agricultural practices, equipment, and technology.
 - The co-operative provides a platform for knowledge sharing among farmers. Members can exchange information about best practices, innovative farming techniques, and crop management strategies, leading to improved agricultural outcomes.
 - A farmers' co-operative can contribute to the overall development of the community by generating income, creating jobs, and fostering economic stability.

Answer Key

- A** 1. c 2. d 3. a
- B** 1. Wholesale 2. Hybrid 3. partnership 4. raw material
- C** 1. False. Corporations are owned by shareholders.
2. False. The difference between the wholesale rate and retail rate is what a merchandising unit earns as a profit.
3. False. Hybrid includes the characteristics of different types of businesses.
4. True.

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Entrepreneurship

Business is an economic activity that involves the regular and ongoing production and distribution of goods and services to meet consumer demand. Businesses can be for-profit corporations or charitable institutions.

It involves the continuous and regular distribution of goods and services to satisfy the needs and demands of society. But occasionally, we discover a gap between what is needed and what is accessible and available. These gaps provide opportunities for those who are ready and prepared to take a chance and fill the gaps by providing the necessary products and services. They take the risk and mould the opportunity to their advantage. These individuals are entrepreneurs.

Understanding Entrepreneurship

Entrepreneurs are independent workers or a group of individuals with unique business ideas and the courage to take measured risks. They have the capability to transform their ideas into potential profits. **Entrepreneurship** is the process of creating a business plan, taking a risk to start a company, or managing it innovatively to serve customers and turn into profit.



Did You Know?

The term “entrepreneur” was first coined in 1755 by economist Richard Cantillon in his book “Essay on the Nature of Trade in General”.

The Rise of OYO Rooms



We all know Ritesh Agarwal, the founder and CEO of OYO Rooms, a hospitality and hotel aggregator company. OYO has rapidly expanded internationally and is one of the largest hotel chains in India. Ritesh recognised the gap that many budget hotels and guesthouses in India lacked consistency in terms of quality, cleanliness, and amenities. He wanted to standardise these accommodations. He realised the need to provide budget-friendly accommodation to a wide range of travellers by streamlining the ease of booking.

His entrepreneurial journey began at a young age when he started a budget accommodation platform called Oravel Stays in 2012. Oravel Stays eventually evolved into OYO Rooms in 2013. OYO, short for “On Your Own”, aimed to provide standardised and affordable accommodation to travellers in India. Under Ritesh Agarwal’s leadership, OYO Rooms rapidly expanded its presence not only in India but also internationally, becoming one of the world’s largest and fastest-growing hotel chains.

OYO diversified its services to include a range of hospitality solutions, including OYO Townhouse, OYO Home, and OYO Workspaces, catering to various customer needs beyond traditional hotel stays.

His innovative approach and dedication to improving the hospitality industry in India and beyond contributed to the rapid growth and success of OYO Rooms.

Entrepreneurship Development

Entrepreneurship development refers to the process of enhancing and honing the knowledge, skills, and resources of individuals to create and manage successful businesses or ventures. It involves activities and initiatives intended to foster entrepreneurial ability and support individuals in starting, growing, and managing their own businesses.

Stages in Entrepreneurship Development

Entrepreneurship development includes several stages, from nurturing the entrepreneurial idea to supporting the growth of startups and established businesses.

- 1. Interest and Awareness:** This stage helps generate interest in entrepreneurship among individuals. It may include educational programs, awareness campaigns, and exposure to successful entrepreneurs to inspire potential future entrepreneurs.
- 2. Education and Training:** Aspiring entrepreneurs often need education and training to develop the necessary knowledge and skills. This stage includes entrepreneurship courses, workshops, and mentoring to help individuals understand the basics of starting and managing a business.
- 3. Ideation and Evaluation:** In this stage, individuals generate business ideas, often by identifying unmet needs or demands and treating them as opportunities in the market. They conduct market studies and analyses to understand the scope of their ideas.
- 4. Business Planning:** After the ideation phase, entrepreneurs develop a detailed business plan. This plan outlines the business's goals, strategies, financial projections, and operational details.
- 5. Resource Acquisition:** Entrepreneurs need access to resources to turn their plans into reality. This stage involves securing funding, finding suitable locations, acquiring equipment, and recruiting the necessary talent.
- 6. Startup Launch:** This phase comprises the actual launch of the business, where the entrepreneur brings the product or service to the market and starts operations.
- 7. Growth and Expanding:** The next stage is focused on growth and scaling. Entrepreneurs seek to expand their customer base, reach new markets, and increase revenue.
- 8. Mentorship and Support:** Entrepreneurs often pursue guidance from experienced mentors, business advisors, or industry experts to sail through the challenges and make informed decisions.
- 9. Networking and Partnerships:** Building a network of contacts is essential for entrepreneurs. They connect with potential partners, customers, investors, and other businesses that can help their ventures grow.
- 10. Innovation and Adaptation:** As the business evolves, entrepreneurs need to continually innovate and adapt to changing market needs, emerging technologies, and customer choices.

These stages are not always linear, and entrepreneurs may cycle through them repeatedly as they expand and refine their businesses.

Characteristics of Entrepreneurship

There are specific qualities that define successful entrepreneurship.

- 1. Ability to take a risk:** Any new business initiative carries a considerable chance of failure. As a result, being a successful entrepreneur requires the zeal and ability to weigh the pros and cons of taking risks. Only then will the entrepreneur be able to take the desired risk.

Example: Vijay Shekhar Sharma, the founder of Paytm, ventured into the digital payment and mobile commerce industry when it was relatively new in India and involved a high level of risk.



Vijay Shekhar Sharma

- 2. Innovation:** The entrepreneur's idea should be an innovative and pathbreaking approach towards the opportunity identified. This will increase the chance of making a good profit.

Example: Bhavish Aggarwal is the co-founder and CEO of Ola, one of India's leading ride-sharing and mobility companies. Ola has been at the forefront of innovation in the transportation and mobility sector, by venturing into electric vehicles (Ola Electric) and unique services like Ola Bike. Bhavish Aggarwal is an exemplary and innovative entrepreneur in the Indian startup ecosystem.



Bhavish Aggarwal

- 3. Leadership Skills:** Entrepreneurs need to lead their teams and inspire others to share their vision. Effective leadership and communication skills are essential.

Example: Falguni Nayar is the founder and CEO of Nykaa, India's leading e-commerce platform for beauty and cosmetics. She has shown great leadership in building Nykaa into a successful and rapidly growing brand. Under her leadership, Nykaa expanded its product offerings and entered offline retail stores, becoming a dominant player in the beauty and cosmetics industry in India.



Falguni Nayar

- 4. Open-Mindedness:** Open-mindedness is an essential quality for entrepreneurs as it allows them to be receptive to new ideas, feedback, and different perspectives. They see every event and situation as a business opportunity. For instance, during demonetization, there were companies that took advantage of the circumstances and increased their business. Such companies also understood the seriousness of the situation and improved the necessity for online transactions.



Kunal Bahl

Example: The founders of Snapdeal, Kunal Bahl and Rohit Bansal, recognised the potential of e-commerce growth during demonetization. They worked on offering a wide range of products online, enabling people to make purchases without using cash.



Rohit Bansal

- 5. Resilience and Persistence:** Entrepreneurs bounce back from setbacks and failures. Entrepreneurship is full of ups and downs, and the ability to persevere in the face of adversity is crucial.

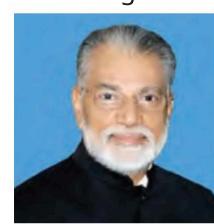
Example: Amit Agarwal, the Global Senior Vice President and Country Head of Amazon India, is known for his resilience and persistence. When Amazon entered the Indian e-commerce market, it faced fierce competition and regulatory challenges. Amazon India has maintained a strong emphasis on customer satisfaction, even in the face of intense competition.



Amit Agarwal

- 6. Vision:** Successful entrepreneurs have a clear vision for their businesses. They can see opportunities and future possibilities.

Example: Dr. K. Radhakrishnan was the former Chairman of the Indian Space Research Organisation (ISRO). Dr. Radhakrishnan's visionary leadership played a pivotal role in India's space exploration endeavours, including the Mars Orbiter Mission (Mangalyaan), which was a remarkable achievement.



Dr. K. Radhakrishnan

- 7. Adaptability:** Successful entrepreneurs adapt to changing circumstances. They are flexible and open to change. They can pivot when necessary and adjust their strategies in response to changing market conditions.

Example: Mukesh Bansal is the co-founder of Cure.fit. Mukesh Bansal has demonstrated adaptability by successfully transitioning from the e-commerce industry to the health and fitness sector.



Mukesh Bansal

Role of Entrepreneurship

Entrepreneurship and society share a dynamic and mutually influential relationship. Entrepreneurship, the process of identifying, creating, and pursuing opportunities, has a far-reaching impact on various facets of society. It contributes to the economic growth of the country, leading to development and growth in society by generating employment opportunities.

Think and Tell

Think and tell the name of an entrepreneur you know about. What qualities of the person would you like to have?

Entrepreneurship benefits society in three ways: economic, psychological, and social.

Economic

- Creation of Jobs:** Entrepreneurship is an important way to create jobs. By starting a new business, entrepreneurs create massive opportunities for themselves and others, which results in a decrease in unemployment.
- Optimal Use of Resources:** One of the greatest advantages of entrepreneurship is making use of natural resources and using them judiciously.
- Managing Economic Independence:** Entrepreneurship offers economic independence, and by creating new businesses or any small businesses, they take care of the economic health of the country.
- Adds to National Income:** Entrepreneurs drive economic growth by identifying and exploiting opportunities, introducing innovative products and services, and contributing to increased productivity. They contribute to national income by earning revenue and paying taxes.

Psychological

- Boosts Confidence:** The entrepreneurs are the change agents. When their innovative ideas are well accepted, they help boost the confidence of the people involved in the process.
- Instils Drive for Achievement:** Entrepreneurs are driven by the passion to achieve and innovate, thereby bringing about changes and development in society.

Social

- Raising the Standard of Living:** Raising the standard of living is one of entrepreneurship's most important contributions to economic growth. It not only fosters wealth creation by creating opportunities for new jobs and enterprises, but it also increases the scope of employment for both individuals and communities.
- Creates Social Change:** Social change denotes significant alterations in societal norms, behaviour, or structures. Entrepreneurs drive social change by introducing innovations that challenge existing practices.
- Community Development:** Community development refers to initiatives aimed at enhancing the well-being of a local community. Entrepreneurs contribute by supporting local causes, schools, and charities.

Rewards for Entrepreneurship

Entrepreneurship offers a range of potential rewards, both intrinsic and extrinsic, that can motivate individuals to start and grow their own businesses.

- Financial Rewards:** Successful businesses can generate profits and provide entrepreneurs with substantial income and wealth.
- Independence and Autonomy:** Entrepreneurship allows individuals to be their own boss. They have the freedom to make decisions, set their own direction, and have control over their work.

- Creativity and Innovation:** Entrepreneurs have the opportunity to bring their creative ideas to life and innovate in various industries. This freedom to innovate and create can be personally fulfilling.
- Personal Growth:** Running a business often requires individuals to continuously learn, adapt, and grow. Entrepreneurship can lead to personal development, improved problem-solving skills, and increased self-confidence.
- Impact and Fulfilment:** Many entrepreneurs are motivated by the desire to have a positive impact on their communities, industries, or society as a whole. A sense of purpose and fulfilment can be a significant reward.
- Recognition and Reputation:** Successful entrepreneurs often gain recognition and build a strong reputation in their industries. This recognition can open doors to new opportunities and partnerships.
- Building of Legacy:** Entrepreneurs have the potential to leave a lasting legacy, whether it's through their innovative products or services, the businesses they build, or the positive impact they have on their communities.

Error Alert!

It is a common misconception that entrepreneurs have no bosses. But the truth is, entrepreneurs are answerable to their customers, investors, and sometimes even to their competitors.

Activity Time

Activity 1: Entrepreneurship vs Wages

(Pair Work)

In pairs, discuss and elucidate the advantage of entrepreneurship over wages. You may list your thoughts in a presentable manner.

Activity 2: Entrepreneurial Quality and Responsibility

(Group Work)

In groups of 4-5 students, discuss the characteristics of a good entrepreneur and the role that they play in the economy and society.

Activity 3: Skills Set of My Entrepreneur

(Pair Work)

In pairs, choose an Indian entrepreneur you wish to research. Find out and present the core skill displayed by the entrepreneur you have chosen.

Activity 4: A Special Visit

(Whole Grade)

Invite an entrepreneur to your school to share their journey, experiences, and success stories.

Chapter Checkup

A Select the correct option.

- What do you think entrepreneurship is?
 - An entrepreneur is a person who creates a new business and is self-employed
 - An entrepreneur is a person who takes risks and brings new ideas
 - Both a and b
 - None of the above

- 2** Which of the following is the role and benefit of being an entrepreneur?
- Contributing to the development of the economy
 - Adding to new ideas
 - Creating a business plan
 - Making minor adjustments
- 3** Which of the following is not a reward for entrepreneurship?
- Earning a profit
 - Dissatisfaction
 - Personal growth
 - Confidence and motivation

B Fill in the blanks with the most suitable words.

- Businesses are an activity.
- is an important way of creating jobs.
- Rani has left her organisation and is planning to start a bakery business. She is an
- A successful entrepreneur possesses qualities, which help them guide and navigate the business through challenges.

C State whether the following is *True* or *False*. Correct the statements that are false.

- Open-mindedness and innovation are characteristics of entrepreneurship.
- Entrepreneurship's most important contribution to the society and economy is to not raise the standard of living.
- Entrepreneurs don't have to know and understand their products properly.
- Entrepreneurs get demotivated by the rewards and recognition that they get from society.

D Answer the following questions. (*Solved*)

Q1. List any 4 characteristics of entrepreneurship.

A1. There are specific qualities that define successful entrepreneurship. Below are a few of them.

- Ability to take a risk:** Any new business initiative carries a considerable chance of failure. As a result, being a successful entrepreneur requires the bravery and ability to weigh the pros and cons of taking chances. Only then will the entrepreneur be able to take the required risk.
- Innovation:** To come up with fresh ideas, launch a business, and make money from it, one must be very innovative.
- Leadership quality:** The business owner needs to have a distinct vision for his new endeavour to succeed. However, a lot of resources and hard work go into making the vision a reality.
- Open-mindedness:** Every situation in business may be turned into an opportunity and can be utilised to a company's advantage.

Q2. Explain in your own words what entrepreneurship is and describe any two roles of entrepreneurship in detail.

A2. An entrepreneur is an independent worker who owns a unique business idea and has the courage to take calculated risks. Entrepreneurship is the process of creating a business plan, starting a company, or managing it innovatively to serve customers and turn a profit.

Below are two roles of entrepreneurship.

Raising the standard of living: Raising the standard of living is one of entrepreneurship's most important contributions to economic growth. It not only fosters wealth creation by giving opportunities for new jobs and enterprises, but it also increases the scope of employment and better living for both individuals and communities.

Social Change: Entrepreneurs have the ability to bring about changes and innovation in society. Their innovative ideas may bring about social reform.

Q3. Nagma is the owner of a successfully operating bakery. She has been in the business for the past 5 years and is not getting opportunities for growth and expansion. But before that, she feels the need to hone and develop her entrepreneurial skills. She is confused as to what she should do. Suggest to her what should she do.

- A3.** Entrepreneurship development includes several stages, from nurturing the entrepreneurial idea to supporting the growth of startups and established businesses. These stages are not always linear, and entrepreneurs may cycle through them repeatedly as they expand and refine their businesses.

Since Nagma is looking for growth and expansion of her business, she can undergo education and training through webinars, workshops and seminars.

She can also pursue guidance from experienced mentors, business advisors, or industry experts to sail through the challenges and make informed decisions.

Answer Key

- A** 1. c 2. a 3. b
- B** 1. Economic 2. Entrepreneurship 3. Entrepreneur 4. Leadership
- C** 1. True.
2. False. Entrepreneurship's most important contribution to the society and economy is to raise the standard of living.
3. False. Entrepreneurs need to know and understand their products properly.
4. False. Entrepreneurs are motivated by the rewards and recognition that they get from society.

Unit Reflection

Key Terms

Business: A business is an organised body or activity that engages in commercial, industrial, or professional enterprise with the primary goal of generating profit.

- **Service business:** A service business is a type of business activity that primarily offers services that are not tangible in nature. They cannot be touched like physical goods but are experienced by the customers.
- **Manufacturing business:** A manufacturing business is a type of enterprise that produces goods through various processes, often involving raw materials, labour, and machinery.
- **Merchandising business:** A merchandising business is the type of enterprise that buys products or goods from manufacturers at a wholesale rate and sells them to consumers or other businesses at the retail price.
- **Hybrid business:** A hybrid business is an enterprise that combines elements from the three business activities, i.e., service, manufacturing, and merchandising, to create a unique and adaptable approach to achieving its goals.

Enterprise: An enterprise means a business, project, or endeavour, often involving activities aimed at achieving specific goals, growth, and success.

Entrepreneur: Entrepreneurs are independent workers or a group of individuals with unique business ideas and the courage to take measured risks. They have the capability to transform their ideas into potential profits.

Entrepreneurship: It is the process of creating a business plan, taking a risk to start a company, or managing it innovatively to serve customers and turn it into profit.

Entrepreneurship development: Entrepreneurship development refers to the process of enhancing and honing the knowledge, skills, and resources of individuals to create and manage successful businesses or ventures.

The four main business organisations, based on ownership, are: sole proprietorship, partnership, corporation, and co-operative.

- **Sole proprietorship:** A sole proprietorship is a straightforward business structure where an individual single-handedly owns and manages the entire enterprise.
- **Partnership:** When two or more people or entities work together to jointly own and run a business enterprise, it is known as a partnership business.
- **Corporation:** A corporation is a legal business entity that is separate from its owners, known as shareholders. Shareholders hold shares of stock in the company, which represent ownership stakes in the corporation, and shareholders may buy or sell their shares, easily transferring ownership of the business.
 - **Co-operative:** The co-operative type of business is a distinct type of business where the members who use its products or services also hold ownership stakes and actively participate in its governance.

Things to Remember

- Entrepreneurs make a substantial impact on our society through the generation of employment, the provision of products and services, and an increase in our country's national income.
- There are four categories of businesses based on their activities: service, manufacturing, hybrid, and merchandising.
- Entrepreneurship development includes several stages, from nurturing the entrepreneurial idea to supporting the growth of startups and established businesses, such as interest and awareness; education and training; ideation and evaluation; business planning; resource acquisition; startup launch; growth and expansion; mentorship and support; networking and partnerships; and innovation and adaptation.
- A successful entrepreneur should take risks, innovate, be open-minded, resilient, persistent, have a vision, and be adaptive to the changing market conditions.
- Entrepreneurship and society share a dynamic and mutually influential relationship.
- Entrepreneurship benefits society in three ways: economically, psychologically, and socially.
- Entrepreneurship offers a range of potential rewards, both intrinsic and extrinsic, that can motivate individuals to start and grow their own businesses, like financial rewards, independence and autonomy, creativity and innovation, personal growth, impact and fulfilment, recognition and reputation, and allows the entrepreneur to build his own legacy.

Test Your Knowledge

A. Select the correct option.

1. An entrepreneur is a person who
 - a. recognises potential opportunities
 - b. accepts uncertainties about successes and failures
 - c. manages enterprises to fulfil the needs of the market
 - d. always looks for an easy way out
2. What is NOT the role of an entrepreneur?
 - a. creation of jobs
 - b. management of economic independence
 - c. zero contribution to the national income
 - d. optimal use of resources
3. Which of the following is not a service business?

| | | | | |
|--|------------------------|--------------------------|------------------------------|--------------------------|
| | a. repair shops | <input type="checkbox"/> | b. online shopping platforms | <input type="checkbox"/> |
| | c. coaching institutes | <input type="checkbox"/> | d. salon | <input type="checkbox"/> |
4. In what way does entrepreneurship affect society?

| | | | |
|-------------|--------------------------|------------------|--------------------------|
| a. economic | <input type="checkbox"/> | b. psychological | <input type="checkbox"/> |
| c. social | <input type="checkbox"/> | d. all of these | <input type="checkbox"/> |
5. Which of the following is not a stage in the process of entrepreneurial development?

| | | | |
|---------------------------|--------------------------|----------------------------|--------------------------|
| a. interest and awareness | <input type="checkbox"/> | b. no resource acquisition | <input type="checkbox"/> |
| c. startup launch | <input type="checkbox"/> | d. growth and expansion | <input type="checkbox"/> |

B. Fill in the blanks with the most suitable words.

1. A merchandising business buys products or goods from manufacturers at a rate.
2. is the process of creating a business plan, taking a risk to start a company, or managing it innovatively to serve customers and turn it into profit.
3. A is an example of a hybrid business type.
4. Entrepreneurship and society share a dynamic and mutually relationship.
5. An can be a person from any field who pursues his passion and uses it to transform his skill into an enterprise.

C. State whether the following is *True* or *False*. Correct the statements that are false.

1. A partnership is a straightforward business structure where an individual single-handedly owns and manages the entire enterprise.
2. Entrepreneurs have the capability to transform their ideas into potential profits.
3. Every new business initiative is always successful.
4. Co-operative businesses promote self-help ideas while ensuring economic sustainability.
5. Entrepreneurs negatively impact economic growth by identifying and exploring opportunities.

D. Short answer-type questions.

1. What do you mean by a corporation?
2. Define entrepreneurship development.
3. What is the function of an entrepreneur?

E. Long answer-type questions.

1. Classify the businesses into different types based on the activities they perform.
2. What are the characteristics of entrepreneurship?
3. What are the rewards of entrepreneurship that can motivate an individual to?

F. Competency-based questions.

1. Ragini has always aspired to have her own fashion boutique. She has a great understanding of fabrics and fashion. Her career as a Fashion Manager at a well-known clothing retail store has given her insights into the market and has helped her generate capital.

She has resigned from her job now to open her own boutique, but she is confused about what type of business she should own. What, according to you, would be the best possible ownership option for her?

2. Rajat owns a successful startup. With the help of the uneducated tribal women of his village, he creates eco-friendly gift boxes. His boxes have started going far and wide. He has been awarded for his sustainable initiative and the ability to generate employment. How has he contributed to the society and himself through his role as an entrepreneur?

13

Environmental Balance

All facets of our lives are influenced by the environment around us, and all our daily actions also have an impact on the environment as well. We rely heavily on the community of plants (flora) and animals (fauna) to provide us with food and other resources necessary for our survival.

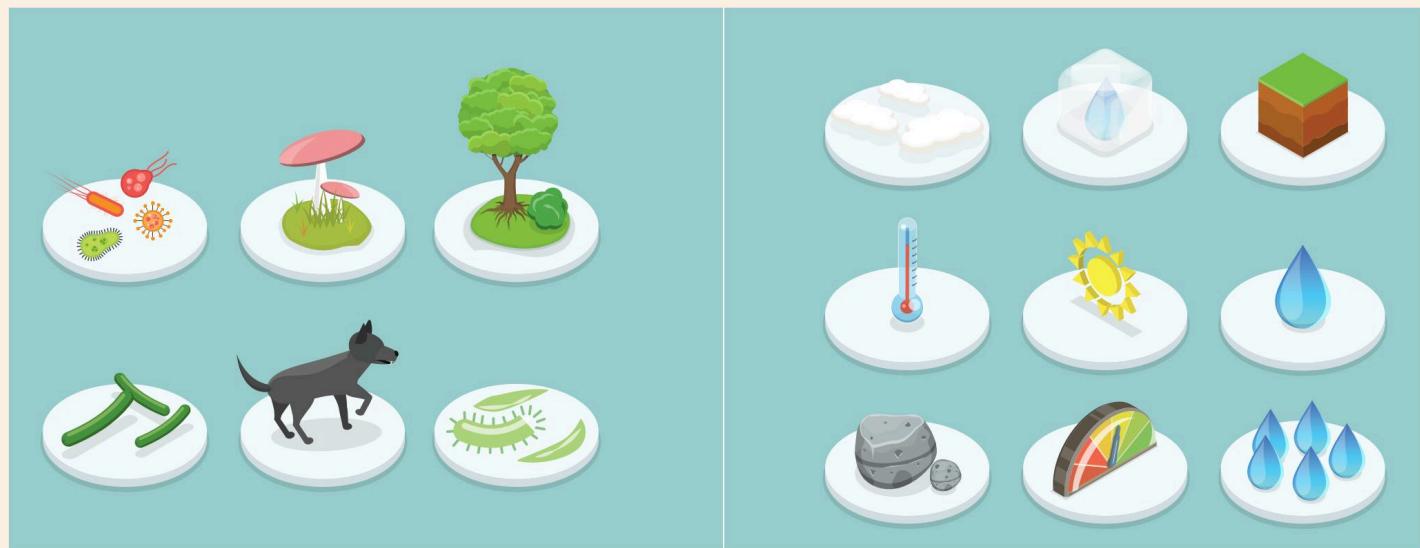
Environment

The word “environment” comes from the French word “environ” which means “to surround”. It includes the surroundings or conditions in which all living organisms exist.

The environment can be classified into two types:

- Natural Environment:** It includes all the living (biotic) components like plants, animals, birds, insects; and non-living (abiotic) components like water, air, soil, and sunlight, which occur naturally on Earth. Both the components are dependent on each other for their survival.
- Man-made Environment:** It includes the components and structures created by humans to satisfy their needs and requirements like buildings, houses, schools, parks, markets, roads, factories, etc. These components are affected by physical, social, biological and cultural factors.

The natural environment provides humans with resources that they require for their growth and development. The natural environment offers all essential elements necessary for human life such as sun, soil, water, and air.



Society and Environment

There is a strong relationship between our society and the environment. They interact and influence each other in multiple ways. This kind of interaction affects the ecological balance.

Humans depend on the natural resources for fulfilling their basic needs like food, water and shelter. With the increase in population, human beings have modified their surroundings according to their needs and economic benefits. These modifications have impacted significantly on our natural environment. Industrial development and the exploitation of natural resources, like the extensive use of fossil fuels, deforestation etc. have created an imbalance in the environment. People do not use natural resources judiciously and thus it has caused a scarcity of these resources. It is important to strike a balance between both the components to avoid harmful consequences.



Ecosystem

An ecosystem is formed when the living (plants, animals, and other organisms) and the non-living components (air, water, sunlight, soil, weather, temperature etc.) interact and co-exist with each other in a physical environment. These biotic and abiotic components are interdependent on each other. All the organisms play a specific role in an ecosystem and every ecosystem is unique in itself.



Roles of Organisms in Ecosystem

Organisms in ecosystems have diverse roles:

1. Producers (like plants) create energy via photosynthesis.
2. Consumers eat other organisms as herbivores, carnivores, or omnivores.
3. Decomposers (bacteria, fungi) break down organic matter, recycling nutrients.
4. Detritivores (e.g., earthworms) accelerate decomposition.
5. Predators regulate prey populations, maintaining balance.
6. Prey species develop adaptations to avoid predators.
7. Herbivores impact on plant distribution and structure.
8. Pollinators aid in plant reproduction.

Factors That Cause an Imbalance in the Environment

In the present scenario, with increasing population, urbanisation, economic growth and the self-centred approach of humans, resources are not being used judiciously.

This has caused irrecoverable loss to the environment and created an imbalance in the ecosystems.

Overexploitation of Resources With the increase in population, human beings have started to exploit natural resources at a fast pace. This is a huge threat to biodiversity and has resulted mainly in the extinction of species, further affecting, directly or indirectly, the ecological cycle of the environment.

Deforestation Deforestation, or the thinning of forests, is one of the largest issues. This includes the removal of trees for wood products, grazing lands, and creating huge buildings in the name of development. This is a serious environmental concern as it can result in the loss of the natural environment, damage the homes of animals, and create disturbances in the water cycle.

Pollution Pollution can harm human health and the environment in many ways. Pollutants can be found in water, air, and soil. Also, there are different kinds of pollution that impact on the environment in various ways. There can be various causes of pollution like the burning of fossil fuels, smoke from industries and factories, improper industrial waste disposal, increasing number of vehicles on roads, mining etc.

Overpopulation Due to the rapid increase in population, resources are being over-utilised and production of waste is also high. People make extensive use of plastic which is harmful for marine life, street animals and also disrupts food chains, thereby, impacting on the environment.

Global Warming Due to the increase in greenhouse emissions, temperatures are rising, glaciers and polar ice caps are melting, and various species are becoming extinct. The level of carbon dioxide and other harmful gases like methane, nitrous oxide etc. in the air is increasing which also leads to depletion of the ozone layer.

Climate Change Human activities, particularly the burning of fossil fuels, contribute to the release of greenhouse gases, leading to global warming and climate change. These have far-reaching impacts on ecosystems and weather patterns.

Water Scarcity Overuse and contamination of water resources can lead to water scarcity, which has a cascading effect on ecosystems, agriculture, and human populations.

Loss of Biodiversity The extinction and decline of species due to habitat loss, pollution, climate change, and other factors can disrupt ecosystem dynamics and reduce overall resilience.



Natural Resources

Natural resources are the resources drawn from nature like water, land, soil, rocks, forests, animals, fossil fuels, or minerals which are used by humans to meet their needs and requirements. These resources can be consumed directly or indirectly and can be in any form, such as solid, liquid, or gas. Various types of natural resources are land resources, forest resources, water resources, mineral resources, food resources, and energy resources.

Conservation of Natural Resources

The act of protecting and managing natural resources so that everyone will benefit from them including current and future generations is referred to as the conservation of natural resources. The necessities for our survival are gifts from nature and cannot be substituted. Resource management is another aspect of conservation that aims to stop resource exploitation, deterioration, and destruction. Less waste should be produced, and the resources should be used wisely.

We should try and follow the three R's and contribute towards the environment.

Reduce: We should be mindful of what we are buying and not stack up stock up on unnecessary things. It is an effective way to save resources. Avoid the use of plastic and any such products which have a negative impact on our environment.

Reuse: Instead of throwing away items or discarding them, we should reuse them creatively. For example, glass jars can be used for storing things, old clothes come in handy when you need to clean your home etc. You can share your old things with those who need them.

Recycle: Recycling is a way to reduce our carbon footprint (total amount of greenhouse gases generated by any of our activities). Cans, paper products, glass etc. are all recyclable materials. They should be separated from non-recyclable materials while disposing of them. Community recycling efforts should also be encouraged.



Reduce



Reuse



Recycle



Think and Tell

1. Think about a few steps that you practice in your daily life to preserve the environment.
2. Think about a few steps which you can practice as a community to conserve and protect our environment.

Environmental Protection and Conservation

Environmental conservation is a practice to protect the environment and manage natural resources for the present and future use. Humans should pay attention to their activities and ensure that they do not adversely affect the environment in any way.

A few steps to conserve the environment are:

1. More and more trees should be planted everywhere especially in the areas where forest cover is decreasing due to human activities. They are called life-savers as they convert the excess carbon dioxide in the air to oxygen which is important for our survival.
2. Saving water resources is another important aspect of environment conservation. Turn off the taps when not in use, repair leaky faucets, and install water-efficient appliances.
3. Discharge only clear water into the rivers after treating sewage. Waste from the industries should not be directly disposed of in water bodies as it pollutes the water.
4. To save resources or energy, they must be used effectively. Switch off lights, fans, TVs, and other electrical items when not in use.
5. Use energy efficient bulbs and tube lights that save energy rather than normal filament bulbs.
6. We can use energy-saving strategies, such as cleaning the dust from the tube lights to increase light, routinely servicing and maintaining home appliances etc. Saving money and fossil fuels are additional benefits of energy conservation.
7. Use renewable sources of energy like solar, wind, water, geothermal etc. as they can be replenished over a period of time. Non-renewable sources of energy have a limited supply and cannot be readily replenished.
8. Use public transport, bikes, car pools, bicycles etc. to travel from one place to another instead of personal vehicles. It will reduce your carbon footprint.



- Create awareness about environmental protection and conservation in your community. Learn about environmental issues and share information with each other.
- Make sustainable choices in your daily life and encourage others to do the same. Even individual actions can be multiplied and you can contribute to a healthier planet.

Activity Time

Activity 1: Poster Making

(Group Work)

Divide into groups of five. Each group will create a poster on how to conserve the environment. Once completed, every group will present it in front of the class.

Activity 2: Group Discussion

(Group Work)

Divide the class into groups of four. Every group will discuss any one of the following topics:

- The impact of the deteriorating environment on the lives of human beings.
- Various factors that impact on our environment.

Chapter Checkup

A Select the correct option.

- Why should we conserve our natural resources?
 - All living beings can benefit from them
 - They are being depleted at a fast rate
 - To make the resources available for present and future generations
 - All of the above
- Which factor has caused an imbalance in the environment?
 - Pollution
 - Wise use of resources
 - Rainwater harvesting
 - Forests
- 'Environment' is derived from which French word?
 - envion
 - environ
 - envron
 - envirn

B Fill in the blanks with the most suitable words.

- The clearing or thinning of forests is called
- The increase in greenhouse gases leads to the depletion of the layer.
- An is formed when living and non-living components interact with each other in a physical environment.
- Make choices in your daily life and encourage others to do the same.

C State whether the following is *True* or *False*. Correct the statements that are false.

- Water pollution is caused by throwing waste into the waterbodies.
- We should throw away or discard items after using them.
- Pollution can harm human health in many ways.
- Discharge dirty water from the industries directly into the rivers.

D Answer the following questions. (*Solved*)

Q1. Define ecosystem.

A1. An ecosystem is formed when living (plants, animals, and other organisms) and non-living components (air, water, sunlight, soil, weather, temperature etc.) interact with each other in a physical environment. These biotic and abiotic components are interdependent on each other. All the organisms play a specific role in an ecosystem and every ecosystem is unique in itself.

Q2. What are the two types of environment?

A2. The environment can be classified into two types:

- **Natural environment:** It includes all the living (biotic) components like plants, animals, birds and insects, and non-living (abiotic) components like water, air, soil, and sunlight, which occur naturally on Earth. Both the components are dependent on each other for their survival.
- **Man-made environment:** It includes the components and structures created by humans to satisfy their needs and requirements like buildings, houses, schools, parks, markets, roads, factories etc. These components are affected by physical, social, biological and cultural factors.

Q3. Reema, who resides in Wazirabad, has decided to start an 'Environmental Protection Club' with her friends in her society. List a few steps that she can take to make other people aware of ways to conserve the environment.

A3. Ways to conserve the environment are:

- More and more trees should be planted everywhere especially in the areas where forest cover is decreasing due to human activities.
- Turn off the taps when not in use, repair leaky faucets, and install water-efficient appliances.
- Use public transport, bikes, car pools, bicycles etc. to travel from one place to another instead of personal vehicles.
- To save resources or energy, they must be used effectively. Switch off lights, fans, TVs, and other electrical items when not in use.
- Use energy-efficient bulbs and tube lights that save energy rather than normal filament bulbs.

Answer Key

A 1. d 2. a 3. b

B 1. deforestation 2. ozone 3. ecosystem 4. sustainable

C 1. True.

2. False. Instead of throwing away or discarding the items, we should try to use them in a creative way.

3. True.

4. False. Discharge only clear water into the rivers after treating sewage.

14

Green Economy

Earth is said to be the only known planet that can sustain life. This is because of its natural environment. But sadly, our environment is at great risk because of the growing population and the rapid consumption of natural resources. With increasing urbanisation, industrialisation, and commercialisation, natural resources are being severely depleted. Mankind has been ungrateful to nature in their usage of natural resources. Thus, various adverse effects have become prominent in the natural environment.

The environment and human activities are closely linked, as one impacts on the other. Human activities like the burning of fossil fuels, forest fires, and poor waste management affect the environment and cause climate change, which in turn causes serious threats to human life. Thus, it is highly important to foster the attitude of love and care for the environment, which can be achieved by developing **green skills**.

Green skills are the knowledge, abilities, values, and attitudes needed to live, flourish in, develop, and support a society that believes in preserving and conserving resources for the future through their optimal and efficient utilisation. The need to transition towards more environmentally sustainable modes of living has become a necessity for developed as well as for developing countries.

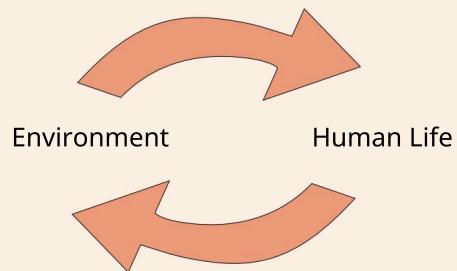
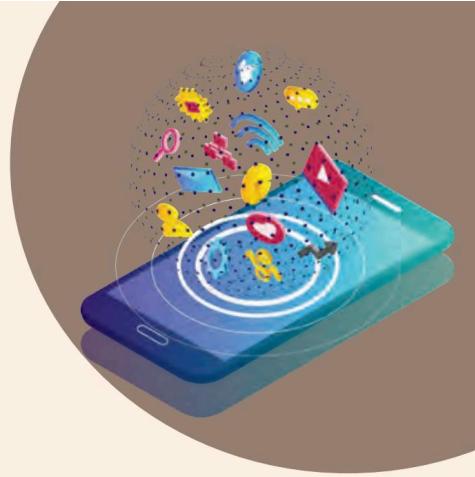
Due to the pace at which we are consuming and exploiting our resources, the world has begun to witness scarcity of many resources. Keeping in mind the lurking environmental threat, environmental scientists are advocating the need to make a shift towards **green economy**.

Green Economy

Green economy is a kind of economy that aims to establish a system that balances human well-being and economic growth while reducing environmental risks and replenishing our resources. The core objective is to promote a sustainable mode of production and consumption without causing any harm to the environment.

The United Nations Environment Program (UNEP), a global organisation that works under the United Nations, defines green economy as “one that results in improved human well-being and social equity while significantly reducing environmental risks and ecological scarcities. It is low carbon, resource efficient, and socially inclusive”. It aims at sustainable development.

The term “green” in green economy refers to the environmentally friendly and sustainable practices it promotes. Its principle is growth, balance, renewal, and sustainability. The emphasis is on reducing waste, conserving resources, and adopting clean technologies. In essence, it is all about finding innovative and sustainable ways to live, work, and produce goods and services that are kinder to our planet.

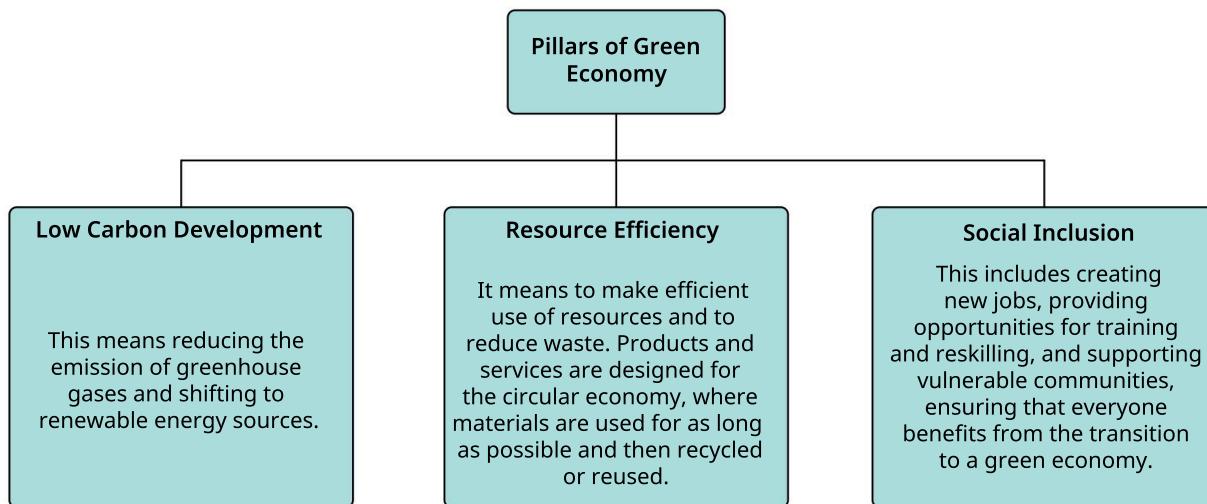




Remember

Sustainable means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

There are three pillars of a green economy:



These three pillars are interconnected. For example, low-carbon development can lead to efficient utilisation of resources and their circulation in the economy, since the enterprises invest in innovative technologies and processes to reduce their emissions. This will enable new training and creation of new jobs and thereby, inclusion of the people in society.



Did You Know?

There is another intriguing concept gaining momentum worldwide—the Blue Economy. It focuses on promoting sustainable approaches in relation to our oceans, seas, and coastal areas. Its goal is to safeguard marine ecosystems and leverage their potential for economic growth.

Importance of Green Economy

The green economy is important for a number of reasons:

- Mitigating Climate Change:** Climate change is one of the most pressing concerns being faced by humanity today. A green economy can help to reduce greenhouse gas emissions that would impact on climate change.
- Protecting the Environment:** The green economy aids the sustainable use of natural resources and the protection of biodiversity. This is crucial for ensuring the well-being of our planet.
- Creating Job Opportunities:** The transition to a green economy is expected to create myriads of new jobs in various sectors, like waste management, renewable energy, and resource management. This, in turn, will boost economic growth.
- Improving Public Health:** Air pollution caused through burning of fossil fuels is a major cause of respiratory and other health problems. A green economy can help to reduce air pollution and improve the quality of life on Earth.
- Reducing Poverty and Inequality:** A green economy can create new opportunities for people in marginalised communities. It can also help to reduce the cost of living for everyone by making energy and transportation more affordable.
- Ensuring Economic Stability:** Green economy can lead to more stable economic conditions by reducing the exploitation of resources and price fluctuations. This will also reduce the cost of living associated with environmental degradation.
- Innovation and Technological Advancement:** Striving towards green economy encourages innovation in technology and sustainable practices, leading to economic growth and competitiveness in a fast-evolving global market.
- Consideration of Moral Ethics:** Adopting sustainable and responsible ways of producing and consuming aligns with ethical values and responsibility towards future generations.
- Better Resilience to Challenges:** As the world faces challenges like climate change, resource scarcity, and biodiversity loss, a green economy provides a proactive approach to adapt to and curb these challenges effectively.



Did You Know?

A study by the International Labour Organization found that the transition to a green economy could create up to 24 million new jobs globally by 2030.

Think and Tell

Could there be any drawbacks in the shift towards green economy? In your opinion, do the benefits of green economy outweigh these drawbacks?

Green Economy and India

In India, there is a growing emphasis on embracing the principles of a green economy, placing significant importance on achieving sustainable development and transitioning towards cleaner energy sources.

- Renewable Energy:** India has set ambitious targets for renewable energy deployment, and has made significant progress in recent years. The country is now one of the leading markets for solar and wind power.

- Energy Efficiency:** India is also investing in energy efficiency measures to reduce its energy consumption. This includes programs to promote energy-efficient appliances and buildings.
- Sustainable Transportation:** India is promoting electric vehicles and other sustainable modes of transportation. The country is also investing in public transportation and infrastructure for pedestrians and cyclists.
- Sustainable Cities:** India is developing sustainable cities that are more energy-efficient, less polluted, and more livable. This includes initiatives to promote green buildings, waste management, and public transportation.
- Sustainable Agriculture:** India is promoting sustainable agricultural practices to reduce its environmental impact. This includes initiatives to reduce pesticide use, improve water management, and promote organic farming. Programmes like PM KUSUM Yojana and Gobardhan Yojna are supporting green farming and sustainable practices in villages.

The transition to a green economy is creating new jobs and opportunities in India. The Indian government has estimated that the green economy could create up to 50 million new jobs by 2030.

Error Alert!

Green Economy is Expensive

There is a misconception that shifting to a green economy is excessively expensive. Though some initial investments may be required, the long-term economic benefits, such as reduced healthcare costs and increased energy efficiency, often outweigh the upfront costs.

Green Skill Advocate

As a young learner and future professional, you have a unique opportunity to learn green skills and contribute to the green economy.

- Embrace Lifelong Learning:** Stay curious and open to learning about sustainability and green practices. The more you know, the better equipped you are to make a difference.
- Be an Agent of Change:** Encourage sustainability in your workplace or community. Small actions, like reducing waste or promoting energy efficiency, can have a big impact.
- Pursue Green Careers:** Consider careers that directly align with the green economy, such as renewable energy, environmental conservation, or sustainable agriculture. But remember, green skills are relevant across all professions.
- Advocate for Education:** Promote the integration of green skills and sustainability into educational curricula. Advocate for more educational opportunities that focus on sustainability and its applications.
- Embody Sustainability:** Live a sustainable lifestyle by making conscious choices in your daily routines, from reducing plastic use to conserving energy.

Activity Time

Activity 1: Promoting Green Economy

(Pair Work)

Work with your partner to prepare a poster that communicates the significance of the green economy. Use newspaper and magazine cuttings to make your poster appear informative and creative.

Activity 2: Group Discussions

(Group Work)

Get into groups of 4-5 students and discuss the importance and benefits of green economy. Take turns to present your point of view. On an A3 size sheet of paper, summarise the points discussed by the group.

Chapter Checkup

A Select the correct option.

- 1 What is the primary aim of a green economy?
 - a To maximise economic growth at any cost
 - b To strike a balance between human well-being and economic growth while reducing environmental risks
 - c To focus solely on environmental protection without considering economic factors
 - d To minimise social equity for the sake of environmental preservation
- 2 The three pillars of a green economy are , , and
 - a low carbon, resource deficiency, and social inclusion
 - b high carbon, resource efficiency, and social inclusion
 - c low carbon, resource efficiency, and social inclusion
 - d low carbon, resource efficiency, and social exclusion
- 3 What does the term "green" in the green economy refer to?
 - a A colour representing waste and pollution
 - b Sustainable and environmentally friendly practices
 - c Economic growth without any regard for the environment
 - d Lack of growth and innovation

B Fill in the blanks with the most suitable words.

- 1 The United Nations Environment Program (UNEP) defines the green economy as one that results in improved and social equity.
- 2 The emphasises using finite resources wisely.
- 3 Green skills encompass the , , and attitudes needed to thrive in, contribute to, and promote a sustainable and resource-efficient society.
- 4 The transition to a green economy is expected to create more in varied sectors.

C State whether the following are *True* or *False*. Correct the statements that are false.

- 1 The green economy focuses solely on economic growth without considering environmental risks.
- 2 Green skills are only relevant in specific "green" job sectors.
- 3 Pursuing a green career is one way to contribute to the green economy.
- 4 India is promoting sustainable agricultural practices to reduce its environmental impact.

D Answer the following questions. (*Solved*)

Q1. Explain the three pillars of green economy.

A1. The three pillars of green economy are:

- **Low Carbon Development**

This means to reduce the emission of greenhouse gases and shifting to renewable energy sources

- **Resource Efficiency**

It means to make efficient use of resources and to reduce waste. Products and services are designed for the circular economy, where materials are used for as long as possible and then recycled or reused.

- **Social Inclusion**

This includes creating new jobs, providing opportunities for training and reskilling, and supporting vulnerable communities, ensuring that everyone benefits from the transition to a green economy.

Q2. Define the term green skills.

A2. Green skills are the knowledge, abilities, values, and attitudes needed to live and flourish in, develop, and support a society that believes in preserving and conserving resources for the future through their optimal and efficient utilisation. The need to transition towards more environmentally sustainable modes of living has become a necessity, for developed as well as for developing countries.

Q3. Rohan wants to contribute to the Green Economy and promote green skills in his future career. What can he do?

A3. As a young learner and future professional, Rohan has a unique opportunity to learn green skills and contribute to the green economy.

- **Embrace Lifelong Learning:** Stay curious and open to learning about sustainability and green practices. The more you know, the better equipped you are to make a difference.
- **Be an Agent of Change:** Encourage sustainability in your workplace or community. Small actions, like reducing waste or promoting energy efficiency, can have a big impact.
- **Pursue Green Careers:** Consider careers that directly align with the green economy, such as renewable energy, environmental conservation, or sustainable agriculture. But remember, green skills are relevant across all professions.
- **Advocate for Education:** Promote the integration of green skills and sustainability into educational curricula. Advocate for more educational opportunities that focus on sustainability and its applications.
- **Embody Sustainability:** Live a sustainable lifestyle by making conscious choices in your daily routines, from reducing plastic use to conserving energy.

Answer Key

A 1. b 2. c 3. b

B 1. human well-being 2. green economy 3. knowledge, values, abilities 4. job opportunities

C 1. False. The Green Economy focuses on promoting economic growth with consideration of reducing environmental risks.

2. False. Green skills are relevant in a wide range of job sectors.

3. True.

4. True.

Unit Reflection

Key Terms

Ecosystem: An ecosystem is formed when living (plants, animals, and other organisms) and non-living components (air, water, sunlight, soil, weather, temperature etc.) interact and co-exist with each other in a physical environment.

Environment: Environment includes the surroundings or conditions in which all the living organisms exist.

Green economy: It is a kind of economy that aims to establish a system that balances human well-being and economic growth while reducing environmental risks and replenishing our resources.

Green skills: It is the knowledge, abilities, values, and attitudes needed to live and flourish in, develop, and support a society that believes in preserving and conserving the resources for the future through their optimal and efficient utilisation.

- **Natural environment:** It includes all the living (biotic) components like plants, animals, birds, and insects, and non-living (abiotic) components like water, air, soil, and sunlight, which occur naturally on Earth.
- **Man-made environment:** It includes the components and structures created by humans to satisfy their needs and requirements like buildings, houses, schools, parks, markets, roads, factories etc.

Conservation of natural resources: It is an act of protecting and managing natural resources so that everyone can benefit from them including current and future generations.

Natural resources: They are the resources drawn from nature like water, land, soil, rocks, forests, animals, fossil fuels, or minerals which are used by humans to meet their needs and requirements.

Things to Remember

- We rely heavily on the community of plants (flora) and animals (fauna) to provide us with food and other resources necessary for our survival.
- There is a strong relationship between our society and the environment. They interact and influence each other in multiple ways.
- Modifications in the environment caused by human beings have impacted our natural environment significantly.
- Industrial development and the exploitation of natural resources like extensive use of fossil fuels, deforestation etc. have created an imbalance in the environment.
- Organisms perform the diverse roles of producers, consumers, decomposers, detritivores, predators, herbivores, pollinators, and so on.
- The imbalance in the environment is caused by multiple factors like: overexploitation of resources, deforestation, pollution, overpopulation, global warming, climate change, water scarcity, and loss of biodiversity.
- The three Rs to conserve natural resources are reduce, reuse, and recycle.
- The three pillars of green economy are: low carbon, resource efficiency, and social inclusion.

- A green economy would help to mitigate climate change, reduce poverty and inequality, bring innovative technologies and advancements, ensure economic stability, create more job opportunities, and protect the environment.
- The Indian government has estimated that the green economy could create up to 50 million new jobs by 2030.
- In order to become a green skill advocate, one should embrace lifelong learning, be an agent of change, pursue green careers, advocate for education, embody sustainability.

Test Your Knowledge

A. Select the correct option.

1. Which of the following is not one of the 3Rs of conservation of natural resources?

- a. Reduce
c. Reuse

- b. Refund
d. Recycle

2. Which organisation defines a green economy as "one that results in improved human well-being and social equity while significantly reducing environmental risks and ecological scarcities"?

- a. United Nations Environment Program (UNEP)
b. United Nations Industrial Development Organization (UNIDO)
c. United Nations Economic and Social Council (ECOSOC)
d. United Nations Development Programme (UNDP)

3. Which organisms break down organic matter in the soil and recycle nutrients?

- a. Producers
c. Decomposers

- b. Consumers
d. Predators

4. As a green skill advocate, you should

- a. never embrace lifelong learning
b. not be an agent of change
c. not embody sustainability
d. pursue green career

5. Which of the following items cannot be recycled?

- a. cans
c. vegetable peels

- b. paper products
d. glass

B. Fill in the blanks with the most suitable words.

1. The of species due to habitat loss, pollution, climate change, and other factors can disrupt ecosystem dynamics.

2. The term "green" in green economy refers to the environmentally friendly and practices it promotes.

3. are the resources drawn from nature like water, land, soil, rocks, forests, animals, fossil fuels, or minerals.

4. are the knowledge, abilities, values, and attitudes needed to live, flourish in, develop, and support a society that believes in preserving and conserving the resources for the future.

5. There is a strong relation between our and the environment.

C. State whether the following is True or False. Correct the statements that are false.

1. Trees are called life-savers as they convert the excess oxygen in the air to carbon dioxide.

2. Mankind has been ungrateful to nature in its usage of natural resources.

3. Red economy focuses on promoting sustainable approaches in relation to our oceans, seas, and coastal areas.

4. The word "environment" comes from the French word "environ" which means "to surround".

5. The green economy creates hurdles in the sustainable use of natural resources and the protection of biodiversity.

D. Short answer-type questions.

1. Define environmental conservation. Write any two steps to conserve our environment.
2. What do you mean by green economy?
3. How is an ecosystem formed?

E. Long answer-type questions.

1. Describe a few factors which cause an imbalance in our environment.
2. List a few steps taken by India towards a green economy and achieving sustainable development.
3. How are society and the environment dependent on each other?

F. Competency-based questions.

1. Kanika is devastated by mankind's overexploitation of natural resources. She wishes to make a difference and take a step towards conservation of the natural resources. What reforms and transitions should she practise in her life to conserve natural resources?
2. Vipin doesn't understand why the government has been promoting the transition towards the green economy. He continues to operate his fabric manufacturing company using chemical dyes and deposits the contaminated water in the water bodies. His friend, Yogesh decides to explain to him the importance of the green economy. What should Yogesh tell him?