

# 1st Monthly Review

## Common terms of answers

- Define: [2']
- Outline/identify/state:
  - [2'] Outline to features
  - [4'] Outline and case application
- Explain 100% case application
  - Define+explain
  - FULL SENTENCE
- Analyze/Examine [6'+]
  - 2 for (advantage)
  - 2 against (disadvantage)

## Definitions

### Business Activity

- the purpose of businesses: is to use **factors of production** to create **goods and services** in order to satisfy the **needs and wants** of people, organizations and governments.
- Factors of production:

Type of factors	Description/Define
Land	All nature resources, e.g. physical land, water, wood, minerals, fields, oil, forests
Labour	The employees

Type of factors	Description/Define
Capital	The finance, machinery, equipment
Enterprise/ entrepreneur	People prepared to take the risk of setting up businesses and organize the land, labour and capital

- Goods v.s. Services
  - Consumer goods: goods sold to the general public rather than to other business
    - Durable consumer goods: last a long time and can be used repeatedly
    - Non-durable consumer goods: consumed shortly and cannot be reused
  - Capital goods/producer goods: products sold to other businesses to help them in their production process, e.g. buildings, machinery, specialist equipment
  - Services: intangible products, e.g. health care, transportation, dining, legal advice, education
- Needs v.s. Wants
  - Needs: basic necessities that a person must have to survive
  - Wants: any goods or services which people would like to have

## Business Objectives

- Business Objectives: An objective is a statement of a specific target to achieve the aim of a business
- Aims: are general and long-term goals of an organization

## Stakeholders

- Stakeholders: A stakeholder is any person or organization with an interest in, and is affected by, the activities and performance of a business
- Shareholders: A shareholder is any person or organization that own shares

## Business sectors

- Business sectors based on [Business Activity](#)

- primary sector: the industry that grow and gather raw materials
- second sector: the industry that transfer raw materials into products
- tertiary sector: the industry that involves providing service to the final consumers or businesses
- The chain of production: the production and supply of goods to the final consumer involves activities from primary, secondary and tertiary sector businesses
- Business sectors based on [Ownership](#)
  - Public sector: the owner of the industry is the government
  - Private sector: the owner of the industry is individuals or enterprises

## Details

### Business activities

Type of factors	Description/Define
Land	All nature resources, e.g. physical land, water, wood, minerals, fields, oil, forests
Labour	The employees
Capital	The finance, machinery, equipment
Enterprise/ entrepreneur	People prepared to take the risk of setting up businesses and organize the land, labour and capital

### Business Objectives

business objective 的坏处：没有及时改变BO或者是不SMART的话会不太sing

- The importance of objectives:
  - Good objectives should be SMART
    - Specific
    - Measurable

- Achievable/ Agreed
- Realistic/relevant
- Time constrained

e.g. At the end of this month, our blog will see an 8% lift in traffic by increasing our weekly publishing frequency from 5 posts per week to 8 posts per week

- Provide direction for all individuals and departments of a business
- Help to motivate staff
- Provide basis for measuring and controlling the performance of a business
- Different business objectives
  - Survival
  - Increase sales revenue
  - Profit maximization
  - Growth
  - Market share
  - Image and reputation
  - Provide quality products/services
  - Customer satisfaction
  - Corporate social responsibility (CSR)

## Stakeholders

Internal stakeholders	External stakeholders
Work within an organization	Not employed by an organization but get affected by its activities
Primary stakeholders	Secondary stakeholders

Stakeholders	Interests/objectives	Internal/ external
employees	Salary(fixed)/ wage based on productivity variable / promotion/job security/ working condition	In

Stakeholders	Interests/objectives	Internal/ external
Managers and directors	Bonus/ perks/ fringe/ growth/ social status	In
Shareholders	Dividends (分红) / share price	In
Customers	Quality/ price/ service	Ex
Supplies	One or long, price, regular orders, prompt payment	Ex
Government	Encourage competition/ taxes/ cooperation social responsibility/ local GDP increase/ employment	Ex
Lenders/ financiers	Loan/ interest profit	Ex
Local community	Job opportunity	Ex
Competitors	they compete for the same opportunities to profit within the same market. Having strong competitors can motivate an organization to innovate better products and services, improve marketing to their audience and increase its profit over other companies in its industry.	Ex

## Business Sectors

	Private sector	Public sector
Ownership	Individuals or enterprises	Government
What to produce	Consumer decides	The government decides
How to produce	Firms want to make a profit	The government decides
For whom to produce	Customers' buying power	The government decides

### Public sector

- Provide goods and services for the general public
- Increase special needs provision in school
- Increase the number of students entering higher education
- Increase response time of the emergency services
- Reduce specific crime rates

- Reduce waste sent to landfills

## **Private sector**

- Survival
- Sales maximization
- Profit maximization
- Growth and wealth creation
- Increase market share
- Image and reputation
- CSR