

## Consumer Needs and Wants

Table 1.1

Needs	Wants
Requirements that must be fulfilled essentially for existence.	Different ways of satisfying needs.
e.g. Food, Clothing, Housing, Education and Health.	e.g. Need for food: Rice, Bread, Cake, Buns.
Limited / Essential.	Unlimited / Not essential.
Common.	Diverse (Vary from person to person).
Cannot be created.	Can be created.

## Business

An economic activity, which provides different goods and services in order to fulfil human needs.

## Business Concepts

- Barter System (Exchanging goods).
- Using new technology to produce goods instead of using manual system.
- Using information and communication technology to do business activities.

## Global Village

Individuals in any country are now consuming different goods produced in different countries in order to fulfill their needs and wants due to electronic media.

# Business Objectives

## Main objectives

- Earning Profits.
- Increasing Customer Satisfaction.

## Sub objectives

- Increasing the quality of goods and services.
- Generating employment opportunities.
- Employee welfare (Food, Accommodation, Transportation, Medical facilities).

## Business classification (Based on the nature of the product)

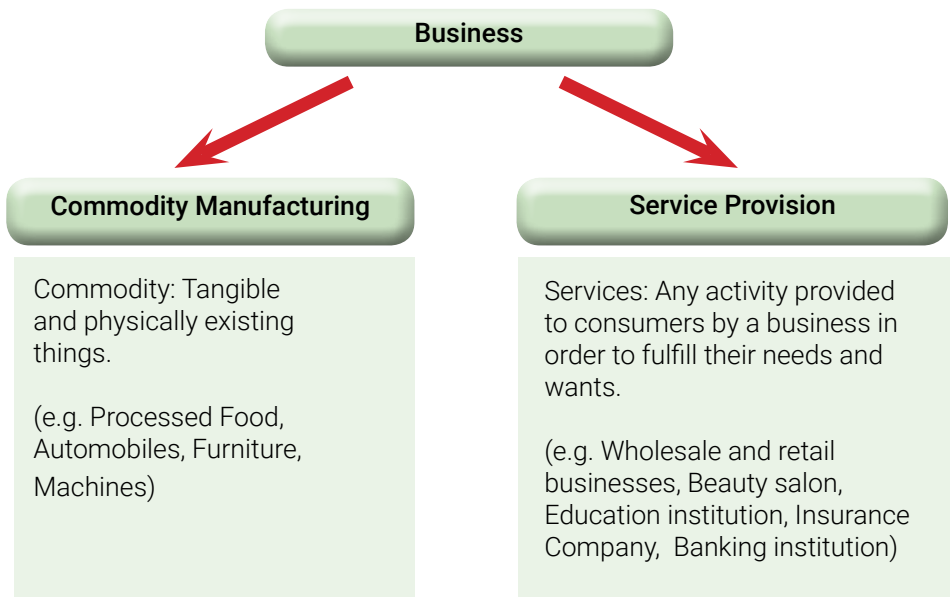


Figure 1.1

## **Factors of production (Resources to produce goods and services)**

### **Land:**

All the natural resources (e.g. Minerals, Forest, Soil, Water, Timber, Gems).

### **Labour:**

Mental and physical efforts of individuals (e.g. Accountants, Managers, Sanitary workers).

### **Capital:**

Anything that confers value or benefit to its owner (e.g. Money, Building, Motor vehicle).

### **Entrepreneurship:**

An entrepreneur takes all the decisions regarding the business, takes risks and creates innovation (Organising factors of production).

## **Stakeholders (Different parties who are interested in the business activities)**

Contribution of stakeholders towards business.

- Owners                      → Contributing adequate capital, supervising business activities, committed to business activities.
- Managers                      → Implementing business plan properly, taking correct decisions.
- Employees                      → Appropriately completing the tasks assigned, increasing labour productivity.
- Suppliers                      → Supplying quality raw materials continuously on time.
- Government                      → Providing business – friendly incentives.

## Objectives of stakeholders

Table 1.2

Stakeholder	Description	Objectives
Owners	Providing resources to the business.	Earning profit. Security of investment. Growth of the business.
Managers	Conducting the business operations. Implementing owner's decisions.	Taking and implementing decisions, career development and Job satisfaction.
Employees	Performing the business operations.	Receiving fair salary. Job security.
Customers	Buying goods and services from a business (for resale purpose or own consumption).	Obtaining quality products at a reasonable price.
Suppliers	Provides raw materials and transport facilities to a business.	Securing orders continuously. Obtaining money without delay.
Competitors	Other businesses producing or selling similar goods or services.	To gain competitive advantage. Determining the prices of own products.
Financial Institution	Providing required loans, consultancy services to a business.	Providing loans. Follow-up of loans.
Government	Imposing required policies to achieve economic growth of a country.	Collecting taxes. Generating employment opportunities. Increasing the domestic production.
Community	The population living outside of the business in the society.	Analysing whether the business activities are conducted in an environmentally friendly manner and contribution to social welfare.