

16-5-25

## BOM 1st Paper

### Ch-01 (Basic Concept of Business)

#### ■ Business

Literal meaning - ~~To be busy~~

- \* Business is an economic activity that covers the production, purchase and sale of goods and services with the main aim of earning profit.
- \* Economic activity is that activity which involves the production, distribution and consumption of goods and services.

Q.W. 2

18/01/23

BOM 1<sup>st</sup> paper

Ch - 01 (Basic Concept of business)

### Features of Business

1. Monetary value

2. Profit motive

3. Legal validity

4. Risk and uncertainty

5. Social Responsibility

6. Transfer/exchange with external

7. Dealing in goods and services.

8. continuity in dealings.

9. Creating various types of utility,

\* Industry creates form utility.

Tertiary: Service types of industry.

## Scopes of business

Businesses can have scope of business

### Scope of business

domestic firms strategy for internationalization

→ intent to expand operations of

Industry

Commerce

Direct Service

Businesses can have participation in the supply chain

### Primary

→ Genetic

→ Extractive

→ Agriculture

### Secondary

Manufacturing

Construction

Service

→ Synthetic

→ Assembling

→ Processing

→ Analytical

Tertiary industry

Industry refer to the process where useful things are extracted or collected from nature and transformed, fabricated, process and multiplied into finished / other products.

Primary industry refers to the industry that is directly involved in using natural resources.

\* Collects raw materials from nature.

Genetic industry:

Genetic industry refer to the industry that involves breeding and reproduction of plants and animals to produce more of them.

Agriculture Industry refers to growing crops and raising animals for food and other products.

### Types of Industry

Genetic Industry, refers to primary economic activities that involves the selection, selective breeding and cultivation of plants and animals to improve desirable traits and produce offspring with specific characteristics.

1.

2. Selective breeding

3. Long term production

## Extractive

This industry are concerned with raising materials from natural sources?

Extractive - Sustainable

Genetic - Not sustainable

Agriculture Industry: [cotton cultivation, rubber, jute, tobacco etc.]

It refers to growing crops and raising animals mainly for food and other products.

## Secondary Industry:

It refers to the type of industry that converts raw materials [Primary Industry] into finished goods or semi finished products through manufacturing or construction.

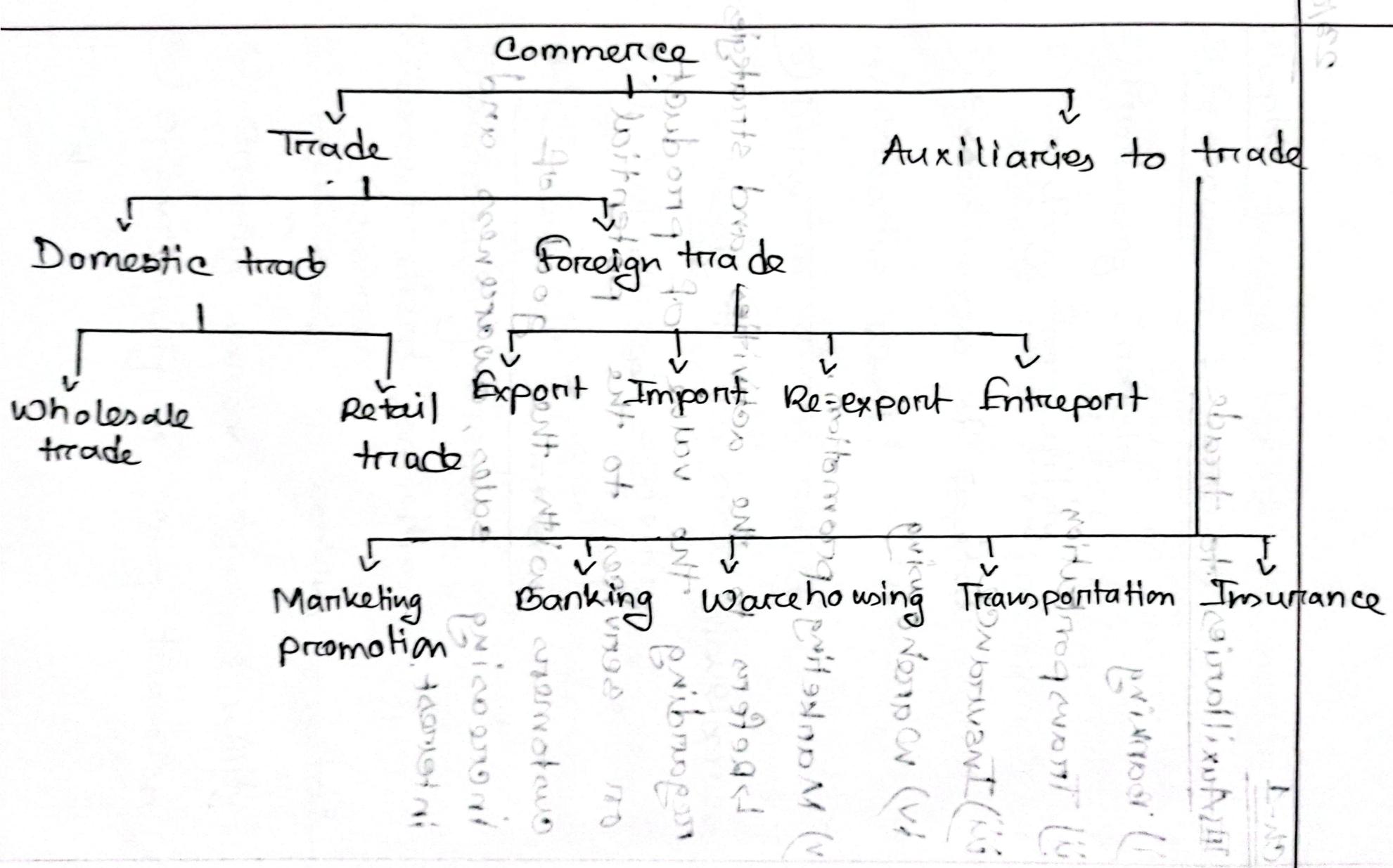
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## Analitical

A analytical industry is a manufacturing industry where basic raw materials are separated into a number of products. For example :-  
petrol, diesel, kerosene, Octane, lubricating oil, jet fuel  
comes from Crude oil

## Construction industry

The industry which is involved in infrastructure development (buildings, roads, bridge) and etc.



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## Types of Commerce:

Wholesale trade

Retail trade

## Foreign trade :-

# Export

# Import

# Revenue

# Entrepreneur

What is Re-export?

→ Export is concerned with selling of domestic goods in foreign market or buyers that is export.

## Re-export

When goods are exported from one country not for consumption in the domestic country but to sell to third country by processing or changing the quality of goods then it is called re-export

## Wholesale Trade

It refers to the purchase and sell of goods of specific characteristics in bulk (large quantity).

## Retail Trade

It involves the sell of goods to the ultimate consumers.

Trade is that branch of commerce which is concerned with the transfer of exchange of goods and services. It involves buying and selling of goods and services. It is the nucleus of commerce because all commercial services like :- transportation, storage, insurance , banking , advertisement and etc.

## Auxiliaries of Trade

In addition to trade, commerce includes several ancillary services which facilitate/ assist exchange of goods and services.

C.W

## Auxiliation of Trade:

The activities which preitate, trades or assist  
auxiliation of trade.

## Marketing Promotion

It refers to the activities and strategies  
regarding the value of product or services to  
the potential customer with the goal of increasing  
Sells, awareness and interest.



## Features Industry :-

1. Production branch
2. Creating form utility
3. Excessiveness of fixed capital
4. Centralized work
5. Delay in gaining result
6. Gateways of economic development.
7. Centralized activities

## Feature of Commerce

1. Distributing branch
2. Decentralized activities.
3. Creating personal and auxiliary utilities.
4. Excessiveness of working capital
5. Opportunity of easy transfer of investment

## Types of Direct Service

Teachers of direct services -

- 1) Activities or benefits
- 2) Intangible nature
- 3) Ownership not transferable
- 4) Not storable
- 5) Organization nearer to customers

## Direct Services:

Various self-employed professionals like doctors, architects, lawyer, CA, engineers provides their specialized services in exchange of money as a mode of their earning.

## Types of Direct Services

1. Professional Services

2. Personal

3. Distributive

4. Healthcare

5. Education

6. Information

7. Merchandising

## Functions of Business

1. Production of goods and services.

2. Purchasing raw materials and elements

3. Selling

4. Financing

5. Transporting

6. Warehousing

7. Standardizing

8. Insuring

9. Innovation

10. Risk taking

# Production is the main and primary aim of business.

# Standardization is the process of determining standard of goods according to size, shape, color, weight so that goods are produced in accordance with previous set standard.

H/w

Scope of business

Ch-1

## Concept of Social Business

According to Dr. Muhammad Yunus, "social business is a non-loss, non-dividend company designed to address a social objective within the highly regulated marketplace".

⇒ Social business is a business model designed to address social cause or problem in financially sustainable way.

In this type of business, the investor invests money not for seeking profit rather the profit earned from the business is re-invested in the business for business expansion. The investors only take back their invested capital after a certain period of time.

~~loss~~ Dr. Muhammad Yunus has addressed principles of social business.

1. The business objective is to overcome poverty/elevate property/one or more social problems that threaten people and society.

2. The company will attain financial and economic stability.

3. Investors get back only their invested amount. No dividend is given beyond the original investment.

4. When the investment amount is paid back, profit stays with the company for expansion and improvement.

Action 6

Ans

5. The company will be environmentally conscious.

Environment

6. The workforce gets market wage with better than standard working conditions.

working conditions

7. Do it with joy!

joyful motives

joyful atmosphere

joyful working environment

joyful working environment

joyful organization

joyful atmosphere

joyful atmosphere

joyful working environment

joyful working environment