

BUSINESS

UNIT ONE: QUESTION AND ANSWER

1. Mention parts of business study?

Parts of business study are: **BUAINESS** and **STUDY**



2. Where is derived from the word business?

The word business is derived from word "busy"

3. Define the follow terms

- a) **Business**
- b) **Study**
- c) **Business study**
- d) **Products**
- e) **Services**
- f) **Business functions**
- g) **Manager**
- h) **Management**
- i) **Efficiently**
- j) **Effectiveness**

Answer

- a) **Business** refers to any activity that looks to profit by providing goods and services required by the society to fulfill their needs.
 - b) **Study** mean to make a close examination of the subject to gain knowledge and understand
 - c) **Business study** is a subject or area of study that teaches the principle of business, management and economic activities
 - d) **Products** are tangible objects or materials manufactured by the business to satisfy human wants.
 - e) **Services** are social actions or non-physical or intangible parts of our economic activities.
 - f) A **business function** is a core process or set activities carried out within a company department.
 - g) **Manager** is a person who manages or is in charge something.
 - h) **Management**: is the act of getting people together to a accomplish desired goals, and objectives using available resources efficiently and effectively
 - i) **Efficiently** refers doing things right.
 - j) **Effectiveness** refers to doing right things.
4. List some business activities?
-  Selling vegetables
 -  Shop keeping

-  Farming
-  Tailoring
-  Marketing
-  Financing

5. List business characteristics?

- ✓ Human activities
- ✓ Production of goods and services
- ✓ Economic activities
- ✓ Risk and uncertainty
- ✓ Profit motive
- ✓ Continuous processing
- ✓ Satisfaction of customer.
- ✓ Organizing

6. List business activities?

- a) Extraction
- b) Processing
- c) Manufacturing
- d) Construction
- e) Trading
- f) Services

7. Write and demonstrate the levels of management?

- a) Top management
- b) Middle management
- c) Executive management.

8. List three roles of business studies in society?

- Business studies helps to provide an opportunity for self-development
- It offers a chance to make appropriate career selection
- It helps individuals to make a better investment decisions

9. List business organization?

- ❖ Sole proprietorship
- ❖ Partnership
- ❖ Limited company or corporation
- ❖ Nonprofit corporation
- ❖ Cooperative

10. Write down four importance of business activity?

Answer:

- Economic development of a country.
- Utilization of natural resources.
- Improvement of quality life.
- Employment generation.

11. Discuss the reason why a business exists in society?

- ✓ To utilize extra resources.
- ✓ To be an own boss

- ✓ To learn a profit.
- ✓ To utilize spare time.

Put a correct sign (✓) in front of the correct phrase and error sign (✕)

In front of the wrong statement for all of the following

1. (✓) any activity which provides goods or service to satisfy human needs and wants is called business
2. (✓) every business that does not result in a free and fair exchange of goods and services are considered haram.
3. (✕) A business study is a subject or area of research that teaches the principles of law, social science and math activities.
4. (✕) middle management is the highest ranking executive responsible for the entire organization.
5. (✓) before starting a business one of the main decisions you will need to make is what kind of business organization you will create.
6. (✕) when activities have done without the intention of earning a profit, they called business activities.
7. (✕) business activities can be performing without human efforts.
8. (✕) human acts which can be mental or physical called trading.
9. (✕) the processing activities involve the obtaining of natural resources from the earth.

LESSON TWO: QUESTION AND ANSWER

1. Define the following

- a) Business environment is a force that affects organizational performance.
- b) Internal environment is a set of elements that define the atmosphere within the company's structure.
- c) External environment consist of all outside factors that affect the operations of the business.

2. List the internal environment?

- a) Managers environment
- b) Employs environment
- c) Physical environment
- d) Internal system environment
- e) Organization and culture.

3. List types of external environment and classify each one?

a) Special environment.

- Customers
- Suppliers
- Competitors

b) General environment

- Political and legal

- Demographic
- Technological
- Social and culture.

4. **Put a correct sign (✓) in front of the correct phrase and error sign (✗) in front the wrong statement.**

- a) (✓) external factors are the things that affect the business from the outside.
- b) (✗) employees are factoring that influence business performance negatively only.
- c) (✓) everything that surrounds a system, therefore refers to the factors which influence a business.
- d) (✗) an external environment is a set of elements that define the atmosphere within the company's structure.
- e) (✗) the environment is also known as the competitive environment.
- f) (✗) people who buy the goods or services provided by a business are called suppliers.
- g) (✗) changes in social factors do not affect the way people live, work or even the consumer goods and service.
- h) (✓) business that provides similar goods or services to the some customers as the given market is called competitor.
- i) (✗) currency rates unemployment and inflation is the political and legal environment.
- j) (✗) organizational culture are the customs, traditions and beliefs which are affects the business externally.

LESSON THREE: QUESTION AND ASNWER.

1. Define business ethics?

Business ethics are values and moral principles that guide the way business behave.

2. Define ethics?

Ethics is a set of values custom and traditions that are greed up by individuals in a group.

3. Define values?

Values are the rules and standards that enable individuals to distinguish between right and wrong.

4. Define social responsibility?

Social responsibility refers to the general way that is through which institutions tries to balance its obligation.

5. List sources of ethics in business organization?

- ❖ Religion
- ❖ Family
- ❖ School
- ❖ Education system
- ❖ Media
- ❖ Law
- ❖ Government

- ❖ Value
- ❖ Community cultures
- ❖ Customs and cultures

6. List benefits of business ethics in management.

- ✓ Reducing crimes that occurs due to unethical behaviors and this reducing loses.
- ✓ Promoting the company and raising its commercial reputation in society and thereby increasing its profit.
- ✓ Improving relations.

7. List principles of Islam ethics?

- AL-IKHLAS (sincerity)
- AL-ADAL (justice)
- AL-QASD (moderation is to follow the middle path)
- SILAT-RAHM (keeping the ties of kinship)
- ATA' (generosity)
- AL-AFW (forgiveness)
- FIKR (thinking and reflection)
- DIKR (remembrance and speaking Allah)
- IBRAH (learning and taking lessons)

Put a correct sign (✓) in front of the correct phrase and error sing (✕) in front the wrong statement.

- a) (✓) work of ethics relate to the general way in which an organization tries to balance its obligations which individuals and groups related to its social responsibility.
- b) (✓) often work of ethics can be learned by practice and experience.
- c) (✓) social responsibility is achieved by the moral dealing of the institution with the individuals and groups that has relationship and an interest with it.
- d) (✓) moral principles are fixed principles that remain the same for every long time and are not renewed.
- e) (✕) among the responsibility towards customers is to support the country's infrastructure such as streets, schools, hospitals, employing several individuals with a special need.

Many institutions commonly use the social responsibility weather in public sector

And private sector

UNIT TWO: QUESTIONS AND ANSWER

1. Define economic?

Economic is defined as a social and human science because it is interested in studying individuals, societies and governments.

2. What are the main types of economic?

- a. Microeconomic
- b. Macroeconomic

3. Define microeconomic and macroeconomic?

- a. **Microeconomic** is the study of individuals, households and firms behavior in decision making and allocation of resources.
- b. **Macroeconomic** is a branch of economics that studies how overall economy the market systems that operate a large scale behaves.

Macroeconomic examines economy wide phenomena such as inflation, price levels, rate of economic growth, national income, gross domestic products (GDP) and unemployment change.

4. List the goals of economic?

- ❖ Optimal explosion and full utilization of scarce economic resources.
- ❖ Satisfy the needs and desires of individuals and society

5. Define economic resources?

The production of goods and services that societies need requires inputs to production process.

Such as raw materials, workers, machinery etc.

6. List factors of production?

- Land
- Labor
- Capital
- Entrepreneurship

7. Define land?

The land is short for all natural resources available to create supply.

8. What is rent?

The income earned by owners of the land and other resources is called rent.

9. Define labor?

Labor is the work done people.

10. What is wages?

The reward or income for labor is wages.

11. List the characteristics of economic resources?

- ✓ Relativity scarcity.
- ✓ An effort is needed to find them.
- ✓ It has an economic value or price to get it.

12. Discuss the economic activity aspects?

Economists try to solve the economic resources represented by the scarcity of the resources in the force of multiple and renewable need by allocating the available economic resources and directing them towards the best uses which is known as economically.

13. What are the three economic activities?

- ❖ Production
- ❖ Distribution(exchange)
- ❖ Consumption

14. What is the other name of economic resources?

- Factors of production
- Elements of production

15. List other subjects related to economics?

- Sociology
- Political
- Psychology
- Statistics

16. Define the following terms?

- a. **Human wants** : can refers to the desires that human beings strive to satisfy by using goods and services
- b. **Needs**: Is something that is a person must have to survive.
- c. **Wants**: the desires which backed by cash and willingness to purchase
- d. **Economic wants**: are the wants that can be meet by such products and services by purchasing
- e. **Non-economic** wants: are the things that we do not want to buy from market by paying the price

Example: air to breath and rainwater for agriculture.

17. Differentiate between needs and wants according to their meaning and change?

comparison	Needs	Wants
Meaning	Refers to the basic requirements of human life in order to survive	Refers goods which individual like to have
change	May remain constant overtime	May change overtime

18. List characteristics of human wants?

- Unlimited
- Competitive
- They are recurrent
- Varied intensity and urgency
- Require resources
- Complimentary
- Universal

19. Define the following terms?

- a. **Scarcity**: the term scarcity used to describe the limited nature of economic resources
- b. **Choice**: the term choice used here means deciding what wants to satisfy first with the scarce or in adequate resources available
- c. **Opportunity cost**: choosing a goods and services means scarifying another
- d. **Economic system**: the economic system defined as a set of financial and legal relation that govern manage and organize that societies life economically at particular time and commercial operations have increased.

20. List and define types of economic system?

- a. **Capitalism**: capitalism is also known as the private enter price system, it based on the competition in the market place and private ownership of production factors.
- b. **Socialism**: it is economic system in which the primary industries are owned reliable government control.
- c. **Mixed economy**: mixed economy deals with the economic problems by combining the capitals and socialist system between the free market mechanism (the forces of supply and the demand) and the government intervention (central planning)
- d. **Islamic economic system**: is the collection of rules values and standards of conduct that organize economic life.

21. What are the economic questions?

- What to produce
- How to produce
- For whom to produce.

22. Define the following terms?

- a. **Household sector**: represent individuals who provide the elements of production in exchange for cash return
- b. **Business sector**: represent the individuals or institutions that invest the factor of production for producing goods and services in exchange for cash.
- c. **Complimentary goods**: are goods those are used with other products to satisfy a need or want.
- d. **Alternative goods**: are goods those that can be replaced with other assets to meet human needs and wants.

23. Distinguish between goods and services according to?

- a. **Nature**: it divide into two types of **tangible goods** and **intangible goods**
- b. **Usage**: it divides into **Capital (productive) goods** and **consumer goods**.
- c. **Relationship**: it divides into **complimentary goods** and **alternative goods**.

UNIT THREE: QUESTION AND ANSWER

1. Define the following terms

- a. **Entrepreneurship**: is a process for creating business or new business or developing or changing it to seize new opportunities in the market.
- b. **Leadership**: is a systematic approach that consists of identifying ideas or opportunities planning to implement them. Collecting the necessary resources for that and then implementing effectively and responsibility towards society

- c. **Entrepreneurs:** are those who search for opportunities and innovation.
2. **What is the role of entrepreneur in economic and social development**
- ❖ Creating new job opportunities in society
 - ❖ Creating productivity and product diversification, because of the different talents and creativity of entrepreneurs
 - ❖ Find new markets for goods and services
3. **List the most common risks of entrepreneurial work**
- ❖ Uncertainty of income
 - ❖ The possibility of entrepreneur can loss all or part of the investment
 - ❖ The entrepreneur exposes to high levels of stress, because of the possibility of project failure
 - ❖ Long hours and hardworking
 - ❖ Discontinuation of work
4. **When the business is considered new?**

The business is considered new if it achieves the entrepreneurship elements mentioned below.

- ❖ Working with systematic approach
 - ❖ Planning to implement a business ideas
 - ❖ Collecting financial and human resources to implement the concept
 - ❖ Effective implementation of the concept
5. **List factors encourage entrepreneurship?**
- ❖ Culture and social value
 - ❖ Environmental capabilities
 - ❖ Economic factors
 - ❖ Technological development
 - ❖ Independent life

TRUE AND FALSE

1. (T) Optimistic person with a leadership but a modest one is called entrepreneur.
2. (T) entrepreneurship is born with man and it grows by honing talents with the scientific qualification and work experience and interacts with the environment
3. (T) an entrepreneur is someone who has the ability to participate difficulties to guard them and to find alternatives to solutions occasion
4. (F) every entrepreneur is supposed to the owner of the business
5. (T) leadership is both individual and group work
6. (T) the successful entrepreneur knows, where, when, how and what his project begin
7. (T) the most important characteristic of entrepreneur is risky taker
8. (T) The entrepreneur always seeks to make his business run like other business in the labor market.

LESSON 2: QUESTION AND ASNWER

1. Define entrepreneurial goal?

The entrepreneurial goal can be defined as what the entrepreneur seeks to achieve through his project.

2. List characteristics of entrepreneurial goals?

- ❖ Creative
- ❖ Passionate
- ❖ Motivated
- ❖ Optimistic
- ❖ Future oriented
- ❖ Flexible
- ❖ Resourceful
- ❖ Decisive
- ❖ Specific
- ❖ Measurable
- ❖ Achievable
- ❖ Realistic
- ❖ Time bounded

3. Analysis the term SMART as an entrepreneur goal?

S= specific

M= measurable

A=achievable

R= realistic

T= time bounded

4. Define decision making?

Decision making is the process of choosing between several options and committing to future course of action

5. Define decision making process?

The decision making process is the one of the most critical methods in your company.

6. List the most common used appraising in the decision making process?

- ❖ Identify problem
- ❖ Gathering relevant data
- ❖ Identify the alternatives
- ❖ Evaluation of alternatives
- ❖ Choosing and implementing an alternatives
- ❖ Following up and evaluation
- ❖ Implementing the decision

7. List the principles of choosing and implementing an alternatives

- ❖ Experience
- ❖ Experiment
- ❖ Data analysis

8. Define brainstorming?

Brainstorming: is the way to involve staff in decision making

9. Define incubator?

An incubator is an organization designed to help start up business grow and succeed by providing free or low-cost workspace

10. What are the main goals of business incubator?

- ❖ Goals related for start up new business grow
- ❖ Goals related to economic and social development

11. Outline the four goals related to economic and social development?

- a. Creating and increasing job opportunities for those have creativity and innovation
- b. Increasing the number of small business and encouraging industries, especially those based on modern technology
- c. Raising income levels of the local communities and thereby raising their standard living and social welfare
- d. Supporting the cooperation and coordination efforts between the private sectors, universities, research, development centers and government agencies

12. List types of business incubator?

- Public business incubators
- Specialized business incubators
- Technological business incubators

13. Define business incubator?

Business incubator: support the development of start up by providing them with advisory and administrative supports services

14. Outline the four goals related for start up a new business grow?

- a. Helping small businesses providing all services and assistance related to the establishment at the stages of growth
- b. Reducing business risks and costs associated with the early stages of activity
- c. Reducing the time required to start up a businesses and develops its production
- d. Improving opportunities for business success and encouraging innovative ideas.

15. Mention the business incubator services?

- ✓ Administrative services
- ✓ Secretarial services
- ✓ Special services
- ✓ Financial services
- ✓ Public services
- ✓ Follow-up and personal services

16. What is the benefits of public business incubators

Contributing to overall economic development of the region in which the business operates

17. What is the benefits of specialized business incubator

Contributing to the development of some economic activities for the region in which you located

18. What are the criteria and control of business acceptance of business incubator

- a. The business must provide new job opportunities
- b. The business uses appropriate and updated technology
- c. Doesn't result in pollution or damage to the surrounding environment
- d. Its products characterized by quality and market ability
- e. To be active in the industrial or services field

UNIT 4: QUESTION ANSWER

1. What is accounting?

Accounting is the process identifying recording, classifying, summarizing, interpreting and reporting the financial transaction of the business entities

2. Who uses accounting information?

There are two groups of users of financial information and there are

- Internal users
- External users

3. What are the main objectives of accounting?

- ❖ To know whether the business has earned an adequate profit
- ❖ To know whether the financial position of the business is sound
- ❖ To fulfill legal requirements

4. Name and explain branches of accounting?

- a. **Financial accounting:** involves recording and classifying business transaction and preparing and presenting financial statements to internal and external users
- b. **Cost accounting:** refers to the recording, presentation and analysis of manufacturing costs
- c. **Managerial accounting:** intended to serve the specific and varied needs of management
- d. **Tax accounting:** helps clients follow the rules set by the tax authority
- e. **Governmental accounting:** it's concerned with recording all financial receipts and expenditure made by the government agencies.

5. What is Auditing and state types of auditing?

Auditing: is an examination of accounting and financial records that is undertaken independently

There are two types of Auditing

- Internal Auditing
- External Auditing

6. Classify internal and external Auditing?

- **Internal Auditing:** focuses on evaluating the adequacy of a company's internal control system by testing segregation of duties, policies and procedures by management
- **External Auditing:** refers to the examining financial statements by an independent party to express an opinion of fairness presentation and compliance with GAAP

7. Define

- a. **Assets:** Are the resources that are generated as a result of past transaction expected for future economic benefit.
- b. **Capital:** wealth in the form of money or other assets owned by a person or organization or available for a purpose such as starting a company or investing.
- c. **Liability:** is the payable of a business that has risen as a result of past transaction.
- d. **Equity t-account:** refers to the purest form of an account.
- e. **Profit:** is the difference between income and expense, it means $P = I - E$

8. What are the main importances of T-account?

- Differentiate between debits and credits
- To teach accounting
- To clarify more difficulty in accounting transactions

9. Record the following transactions by using accounting equation

- Ahmed started a new business worth of 8,000\$
- Ahmed purchase a furniture for a 1,000\$
- Obtained bank loan of 3,000\$

Solution

ASSET	=	Liabilities	+	Equity
cash	8,000\$	3,000\$		8,000\$
furniture	1,000\$			
cash	-1,000\$			
loan	3,000\$			
Total	11,000\$	Asset= Liabilities + Equity		
		11,000\$= 3,000\$+ 8,000\$=		Total: 11,000\$

10. Analyze and record the following financial transactions

- Omar invested 15,000\$
- Purchase equipment for cash 7,000\$
- Omar purchase supply for 1,000\$ on credit

ABLAAL PRIMARY AND SECONDARY SCHOOL

Solution

ASSET	=	Liabilities	+ Equity
Cash	15,000\$	1,000\$	15,000\$
Equipment	7,000\$		
Cash	-7,000\$		
Supply	1,000\$		
Total	16,000\$	Asset= liabilities + Equity 16,000\$= 1,000+ 15,000	Total: 16,000\$