

**Class Activity**

**Entrepreneurship**

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**Due Date:** 19th April, 2023

**Questions to attempt:**

**1. What is the nature of a corporation? Is it a legal entity or a social construct?**

A corporation is both a legal entity and a social construct. It is recognized as a separate entity from its owners or shareholders in legal terms and has the ability to conduct business activities, own assets, enter into contracts, pay taxes, and have its own rights and liabilities.

However, a corporation is also a social construct, as it is a product of social and economic factors. It is formed when individuals come together to pool resources and create an organizational structure to achieve a common goal. The corporation reflects the societal values, norms, and expectations, and it has a significant impact on the social and economic landscape.

**2. What is the purpose of a corporation? Is it solely to maximize profits for shareholders, or does it have broader responsibilities to society and the environment?**

Historically, the primary purpose of a corporation has been to maximize profits for its shareholders, known as shareholder primacy. However, in recent times, there has been a growing understanding that corporations have broader responsibilities beyond solely generating profits for shareholders.

According to stakeholder theory, a corporation should consider the interests of all stakeholders, including employees, customers, suppliers, communities, and the environment. This perspective suggests that a corporation's purpose is to create value not just for shareholders but also for all stakeholders.

**3. How do corporations influence political systems and shape public policy? Is this influence ethical or problematic?**

Corporations can influence political systems and public policy through various channels, including lobbying, campaign financing, and funding of advocacy groups. While some may see their involvement as an ethical way of advocating for their interests, it also presents ethical concerns. On the one hand, corporations have the right to participate in the political process and use their resources and expertise to inform policy decisions. Such efforts can have beneficial outcomes for society.

On the other hand, their influence may result in policies that prioritize corporate interests over the public interest, creating an uneven playing field that benefits the economically powerful. Moreover, this influence can erode public trust in the political system, questioning the integrity of the policymaking process.

**4. How do corporations impact the natural environment? Are there sustainable alternatives to current business practices?**

Corporations can cause damage to the natural environment through their production and operational practices, such as the use of natural resources, waste generation, and greenhouse gas emissions. These practices can lead to environmental problems such as deforestation, pollution of air and water, and soil degradation.

However, there are sustainable alternatives to current business practices that can minimize these environmental impacts. For instance, corporations can adopt eco-friendly practices such as reducing waste, employing renewable energy sources, and implementing sustainable sourcing and production methods. They can also invest in research and development to create innovative technologies and products that are more environmentally sustainable.

**5. How does corporate power affect consumer choice and individual freedom?**

The impact of corporate power on consumer choice and individual freedom can be significant. Corporations can shape consumer preferences through marketing and advertising, controlling what products and services are perceived as desirable.

Moreover, corporations can restrict consumer choice and individual freedom by using their economic power to engage in anti-competitive practices and limit consumer privacy. Additionally, corporate influence can lead to public policies that prioritize corporate interests over the public interest, such as weak environmental regulations. However, individuals can still resist corporate power and exercise their freedom of choice. By supporting small businesses and socially responsible companies, consumers can push back against corporate influence.