

## Summary of Chapter 3.1: Introduction to Business

### What is Business?

#### - Meaning:

- Literary: The term "business" means being busy.
- Technical: All commercial and industrial activities providing goods and services for profit.

#### - Components of Business:

- Human resources, capital resources, natural resources, and technology.

### Activities Not Included in Business:

- Social services.
- Personal consumption.
- Religious activities.
- Illegal activities.

### Characteristics of Business:

- Entrepreneurial efforts.
- Deals with goods and services.
- Aims for profit.
- Involves risk.
- Creates utility.

### Objectives of Business:

#### 1. Economic Objectives:

- Earning profit.
- Creating markets.

- Innovating to stay competitive.

## 2. Social Objectives:

- Providing employment opportunities.
- Avoiding anti-social practices.
- Supplying quality products.

## 3. Human Objectives:

- Proper rewards for employees.
- Ensuring healthy working conditions.
- Fostering job satisfaction.

## Components of Business:

- Industry: Involves extraction and production of goods.
  - Types: Extractive, genetic, manufacturing, construction.
- Commerce: Buying and selling of goods/services, facilitating the transfer from producers to consumers.
  - Divisions:
    - Trade: Retail, wholesale, internal trade, and external trade.
    - Aid to Trade: Transport, insurance, warehousing, banking, advertisement, mercantile agents.

## Qualities of a Successful Businessman:

- Knowledge of the business.
- Planning and organizational skills.
- Foresight.
- Ethical standards.
- Creativity and technical skills.
- Financial management.

## Business Risk:

- Definition: The chance of suffering loss due to unforeseeable events.
- Causes:
  - Natural factors.
  - Competition.
  - Mismanagement.
  - Changes in demand or government policies.