

# Applied Economics

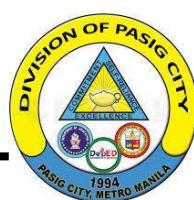
SENIOR  
HIGH  
SCHOOL

Service Industry

Self-Learning  
Module

6

Quarter 4



**Applied Economics**  
**Quarter 4 – Self-Learning Module 6: Service Industry**  
**First Edition, 2020**

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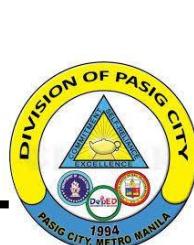
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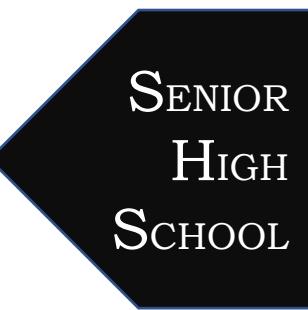
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# Applied Economics

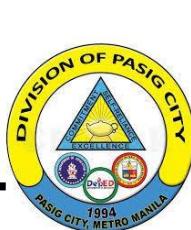


Self-Learning  
Module

6

Quarter 4

Service Industry



## Introductory Message

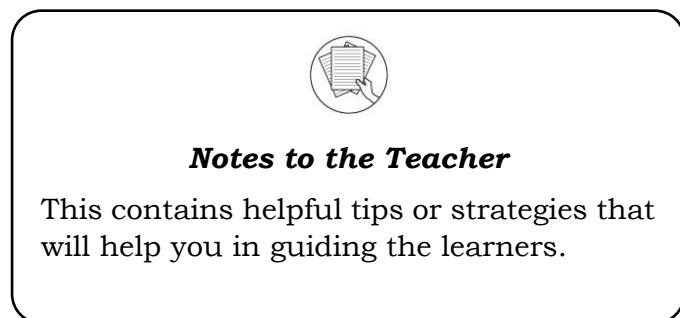
For the facilitator:

Welcome to the Senior High School – Applied Economics Self Learning Module on Service Industry!

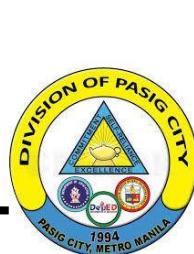
This Self-Learning Module was collaboratively designed, developed and reviewed by educators from the Schools Division Office of Pasig City headed by its Officer-in-Charge Schools Division Superintendent, Ma. Evalou Concepcion A. Agustin, in partnership with the City Government of Pasig through its mayor, Honorable Victor Ma. Regis N. Sotto. The writers utilized the standards set by the K to 12 Curriculum using the Most Essential Learning Competencies (MELC) in developing this instructional resource.

This learning material hopes to engage the learners in guided and independent learning activities at their own pace and time. Further, this also aims to help learners acquire the needed 21st century skills especially the 5 Cs, namely: Communication, Collaboration, Creativity, Critical Thinking, and Character while taking into consideration their needs and circumstances.

In addition to the material in the main text, you will also see this box in the body of the module:



As a facilitator you are expected to orient the learners on how to use this module. You also need to keep track of the learners' progress while allowing them to manage their own learning. Moreover, you are expected to encourage and assist the learners as they do the tasks included in the module.



For the learner:

Welcome to the Applied Economics Self Learning Module on Service Industry!

This module was designed to provide you with fun and meaningful opportunities for guided and independent learning at your own pace and time. You will be enabled to process the contents of the learning material while being an active learner.

This module has the following parts and corresponding icons:



**Expectations** - This points to the set of knowledge and skills that you will learn after completing the module.



**Pretest** - This measures your prior knowledge about the lesson at hand.



**Recap** - This part of the module provides a review of concepts and skills that you already know about a previous lesson.



**Lesson** - This section discusses the topic in the module.



**Activities** - This is a set of activities that you need to perform.



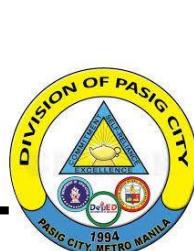
**Wrap-Up** - This section summarizes the concepts and application of the lesson.



**Valuing** - This part integrates a desirable moral value in the lesson.



**Posttest** - This measures how much you have learned from the entire module.





## EXPECTATIONS

After going through this module, you are expected to:

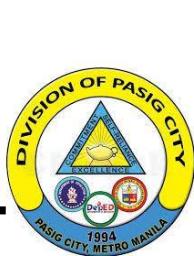
1. define service business;
2. understand the importance of the service industry on the economy; and
3. apply business principles, tools, and techniques in the service business.



## PRETEST

Directions: Choose the letter of the best answer and write it on a separate sheet of paper.

1. A business that provides professional support to its clients.
  - A. Merchandising
  - B. Manufacturing
  - C. Retail
  - D. Service
2. Below are the examples of service, EXCEPT.
  - A. Education
  - B. Auditing
  - C. Laundry
  - D. None of the above
3. These services support the daily operation and activities of any business.
  - A. Business Services
  - B. Personal Services
  - C. Social Services
  - D. None of the above

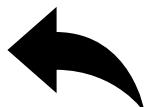


4. These services are not profiting motive but as a social cause.

- A. Business Services
- B. Personal Services
- C. Social Services
- D. None of the above

5. These services are engaged in commercial activities that provide needs to individuals.

- A. Business Services
- B. Personal Services
- C. Social Services
- D. None of the above



## RECAP

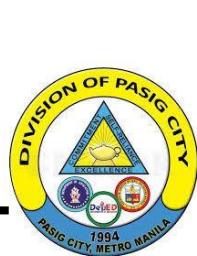
Directions: Enumerate and discuss the typical types of retail trade business.

1. \_\_\_\_\_.

2. \_\_\_\_\_.

3. \_\_\_\_\_.

4. \_\_\_\_\_.





# LESSON

## Service Business

A service business is a company that provides professional support to its clients. From a business standpoint, service businesses are those that provide an activity or work with a commercial purpose. This kind of business offers tasks related to consulting, accounting, transportation, cleaning, hospitality, traveling, or maintenance, among others.

These businesses are now delivered not just physically but also through virtual platforms like web-based systems or mobile apps. This industry hires a bigger portion of the labor force as compared to manufacturing or trade businesses.

### Types of Services

#### 1. Business Services

The most basic definition would be, business services support the daily operation and activity of any business. For example, giving technical support and services to businesses, which nowadays is needed in the day-to-day operation. Other business services are banking, warehousing, insurance, telecommunication, transport, etc.

#### 2. Personal Services

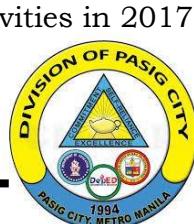
These services are engaged in commercial activities which intended for individual needs. The service is uniquely offered and intended for each customer. Some examples of personal services are catering, hotel and accommodation, medical, beauty clinic and spa, and any kind of artistic endeavor such as painting, sculpting, etc.

#### 3. Social Services

These services are linked to public services. They are provided by the government or non-profit organizations. The service is not a profit motive but for a social cause. Social services mostly offer in the sectors of education, sanitation, medical facilities, housing, etc.

## Service Industry in the Philippines

From an economic perspective, service businesses are also known as tertiary industry or sector. The latest Annual Survey of Philippine Business and Industry (ASPBI) showed that a total of 6,398 establishments in the formal sector of the economy were engaged in professional, scientific, and technical activities in 2017.



This represents a decrease of 9.2% compared with the 7,048 establishments recorded in 2016. Among the industry groups, photographic activities recorded the highest number of establishments of 1,426 or 22.3% of the total. This was followed by legal activities with 1,168 establishments.

Moreover, it was reported that a total of 1,872 establishments with total employment of 20 and over in the formal sector of the economy were engaged in administrative and support service activities in 2017. This is the same as the number of establishments reported in 2016. Among the industries, call centers and other related activities had the highest number of establishments of 580 followed by private security activities with 380 establishments. Temporary employment agency activities ranked third with 308 establishments.

A total of 6,663 establishments in the formal sector of the economy were engaged in human health and social work activities in 2017. This reflects a decrease of 18.4% from the 8,170 establishments reported in 2016. Among the industry groups, medical and dental practice activities led the sector with 4,774 establishments or 71.6% of the total. This was followed by hospital activities with 1,112 establishments and other social work activities without accommodation with 421 establishments.



## ACTIVITIES

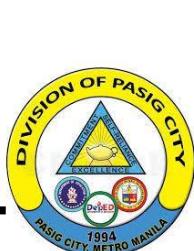
### Activity 1: Name It!

Directions: Name at least five (5) service businesses that operate in your area or within Metro Manila.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### Activity 2: Business Tool

Directions: From the list above, choose one (1) service business and identify its business environment and competitiveness using any of the business tools (Environmental Scanning, SWOT Analysis, or Porter's Five Forces Model). Use a separate sheet for your answer.





## WRAP-UP

To summarize what you have learned in the lesson, answer the following questions:

1. What is a service business?
2. What is the importance of the retail trade industry on the economy?



## VALUING

Reflect on this!

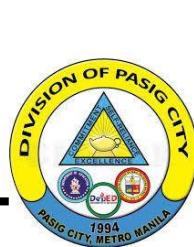
*"Life is for service." – Fred Rogers*



## POSTTEST

Directions: Read each statement carefully. Write **T** if the statement is correct, otherwise write **F**.

- \_\_\_\_\_ 1. Social services include services in the sector of education, sanitation, medical facilities, housing, etc.
- \_\_\_\_\_ 2. Service businesses are also known as tertiary industry or sector.
- \_\_\_\_\_ 3. A total of 6,663 establishments in the formal sector of the economy were engaged in human health and social work activities in 2016.
- \_\_\_\_\_ 4. Personal services include catering, hotel and accommodation, medicine, beauty clinic and spa, and any kind of artistic endeavor.
- \_\_\_\_\_ 5. A service business is a company that provides merchandise to its customers.





## KEY TO CORRECTION

PRETEST:	1. T 2. T 3. F 4. T 5. F
POSTTEST:	1. D 2. D 3. A 4. C 5. A

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