

Summaries
For second-year business students

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Business Cards Plus

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Industrial Revolution (Lec-1)

The Industrial Revolution (1760s–1840s) marked the transformation of Great Britain from an agricultural society into a modern industrial economy. Before this, most people worked in small towns, producing goods through handicrafts and manual labor powered by people, animals, and waterwheels. Travel was slow, mostly on foot or by horse, and towns were small with poor infrastructure and hygiene.

A key factor in the revolution was technological advances, especially in the textile industry. Inventions like John Kay's Flying Shuttle (1730s) and James Hargreaves' spinning machines (1760s) revolutionized manufacturing. However, the most crucial invention was James Watt's steam engine (1763), which powered industries like coal and iron and revolutionized transportation with steam locomotives and ships. These advancements extended to communication with the invention of the telegraph and telephone.

Socially, birth rates rose, death rates declined due to better food and hygiene, and a new middle class or bourgeoisie emerged, consisting of bankers, lawyers, and manufacturers. The Industrial Revolution also caused urban migration, as people moved from villages to cities for factory work. Workers gained new skills and became machine operators, improving their living conditions.

The Victorian Era began in 1837, marking the end of the first Industrial Revolution in Britain, but the changes continued. Later advancements included chemical, motor, aircraft industries, and, much later, the Third Industrial Revolution with computers, and the Fourth Industrial Revolution involving robotics and renewable energy.

The Industrial Revolution raised the quality of life for many and significantly boosted Britain's wealth, though it also had its negative effects, such as harsh factory conditions. The global spread of industrialization soon followed, but why did it start in Britain first?

Industrial Revolution (Lec-1)

****1st Lesson: The Characteristics of a Good Teacher****

- 1. Teaching:** It's a challenging but rewarding profession, shaping young minds and making a difference.
- 2. Knowledge Transfer:** A good teacher effectively transfers knowledge and fairly grades students.
- 3. Adaptability:** Teachers should be sensitive to students' needs, treat them equally, and empathize with their feelings.
- 4. Flexibility:** Teachers should balance predictability with surprise to keep lessons engaging.
- 5. Quality over Quantity:** Teachers should inspire curiosity and a thirst for knowledge while promoting collaboration between students, teachers, and parents.

Lecture 2

Financial Statement

A summary report that shows how a firm has used its money and its current financial situation/position.

The balance sheet is a statement that shows the financial position of a company on a specific date (usually the last day of an accounting period).

Accounting and Accountancy

- The language of finance
- Buying and selling
- Analyze, report

Recording refers to the process of documenting, summarizing, and reporting business transactions between a buyer and a seller.

Business Finance

- Capital:** Investment from one trade.
- Project:** Money → capital → investment → return.

Shares: Often known as stocks, shares are one of the most well-known financial instruments. They refer to securities representing ownership in a company.

Shareholder: A person, company, or institution that owns at least one share of a company's stock. The money they provide is called share capital.

Bond: A fixed-income instrument issued by one party to another, such as a borrower issuing bonds to investors.

Debt: An amount of money borrowed by one party from another, often used for large purchases.

Liabilities: Unpaid debts or any other form of money owed to another party.

- Long-term:** Includes bonds.
- Short-term:** Debts to suppliers who provide goods.

Revenue: Incoming money.

•**Revenue** = (Cost of expenses + taxes) - profit/earnings/net income.

Dividend: A share of the after-tax profit of a company distributed to its shareholders.

Why the Industrial Revolution (IR) Began in Britain

According to traditional historiography, the Industrial Revolution first started in Britain in the second half of the 18th century. It then spread throughout Europe (Belgium, France) and the USA before reaching Japan by the end of the 19th century. Several important factors contributed to why the IR began in Britain:

Lecture 2

1. Economic Strength

- **Overseas expansion:** Britain's overseas expansion opened new markets for British goods and raw materials. Britain became a global commercial power, controlling a vast trading empire with colonies in North America, the Caribbean, and political influence on the Indian subcontinent.
- **New financial institutions:** Profits from overseas trade and colonies helped spur industrial growth. New financial institutions, like banks, offered business loans that financed industrial ventures, with the Bank of England (1694) being the most famous.

2. Geography and Natural Resources

- **Insulated island:** Britain, as an island nation, could protect itself from enemies with a strong navy and establish trade with the West and East.
- **Rivers:** Fast-flowing rivers powered machinery and provided inland transportation routes for industrial goods.
- **Natural harbors:** Excellent harbors benefited merchant ships.
- **Natural resources:** England's coal and iron mines were crucial. Coal powered machinery, and iron was used to make machines and products like tools and cookware.
- **Black Country:** West Central England became known as the Black Country due to the smoke clouds from factories burning coal and smelting iron.

3. Population Growth

- **Agricultural improvements:** Scientific farming advancements during the 1700s led to more food production and better yields, improving health and lifespan.
- **Population boom:** Between 1650 and 1820, Britain's population grew by 280%, from 5 million to 8 million.
- **Labor supply:** A larger population meant greater demand for goods and a more available workforce.

4. A Stable Government and Economy

- **Political stability:** While Britain participated in many wars during the 1700s, none occurred on British soil. The Glorious Revolution in 1688 marked the last major political upheaval, after which a period of peace and stability followed.
- **Legal system:** Britain's legal system encouraged trade and entrepreneurship. It allowed the formation of joint-stock companies, enforced property rights, and respected patents for inventions.