



CHAPTER- 01

Concepts in Business



Topics

- Definition of Business
- Characteristics or features of business
- Basic elements of Business:
- Objectives of Business
- Major differences among industry, commerce and trade
- How to Start a Business?

Business

- Business means state of being busy or engaged in any work. Any kind of legal activities for the intention to earn profit is called business. The word '**Business**' is come from the English words '**Busi+Ness**' that means business is concerned to all human activities with earning profit.
- Business is related all kinds of legal works of producing, marketing and exchanging products and services with the intension to earn profit.
- **According to skinner and Ivancevich**, "Business is the exchange of goods, services or money for mutual benefit or profit."

Characteristics or features of business

- **Production or acquisition of goods**
- **Economic activities**
- **Sale or transfer of title**
- **Creation of utility**
- **Dealings in goods and services**
- **Service motive**
- **Regularity of dealings:**
- **Uncertainty or risk about future:**
- **Flexibility**

Basic elements of Business

- Production
- Distribution
- Profit
- Risk
- Financing
- Value

Objectives of Business

- Profit Earning
- Market Share / Creation of Customers
- Innovation & Utilization of Resources
- Increasing Productivity
- Providing Goods & Services at Reasonable Prices
- Employment Generation
- Fair Remuneration to Employees
- Community Service

Major differences among industry, commerce and trade

Industry	Trade	Commerce
It involves manufacturing activities such as extraction, construction and production of goods.	It involves transfer or exchange of products distributed by commerce.	It involves distribution of products produced by industries.

How to Start a Business?