

**Business and
Accounting Studies**

Grade 10

First term

Unit 1



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Background of business

Unit 01

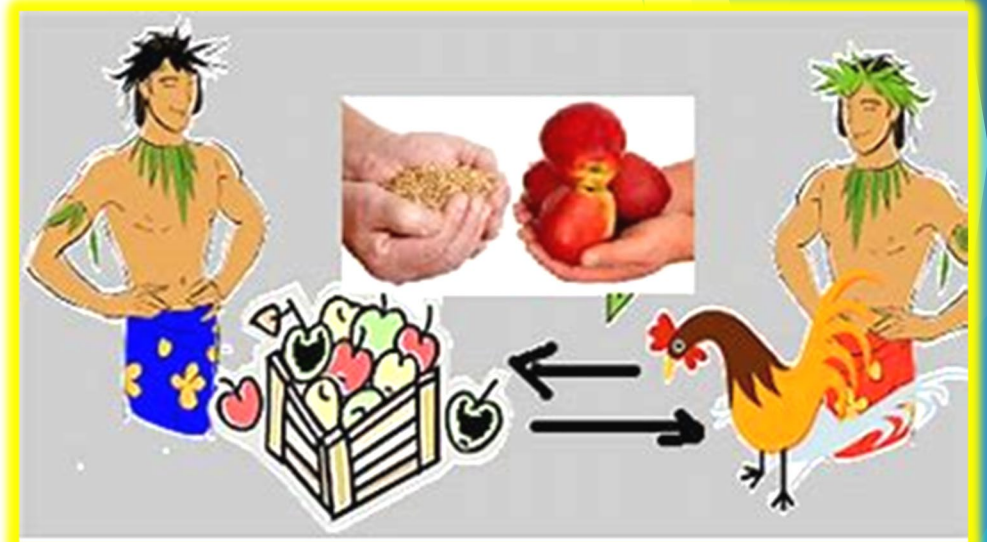
Basic Concept of Business



“BARTER “ IS A SYSTEM OF EXCHANGE IN WHICH PARTICIPANTS IN A TRANSACTION DIRECTLY **EXCHANGE GOODS OR SERVICES** FOR OTHER GOODS OR SERVICES **WITHOUT** USING A **MEDIUM OF EXCHANGE**, SUCH AS MONEY.

An excess of goods was created ,Then people exchanged their excess good with others to obtain other goods they wanted .

System of exchanging goods was known as the ‘ Barter System ‘

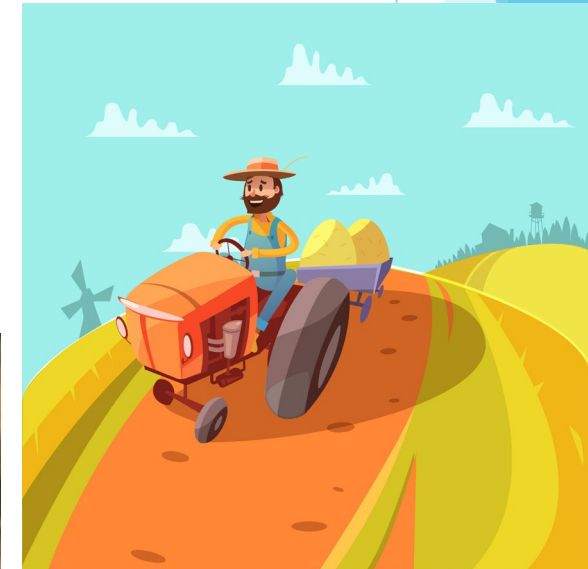


Basic concept about business .



- ▶ The farmer produces rice ,
- ▶ Carpenter makes furniture,
- ▶ the teacher teaches ...
- ▶ producers and consumers fulfill their needs and wants through business .

Business are given immense importance the modern society.



- ▶ A business is an economic activity which manufactures or provides different goods and services in order to fulfill human needs

Business concept

The way businesses manufacture and distribute goods and services and the way man fulfills his needs and wants have become different and complex today .



What is a Business ???



- ▶ Definition 01
- ▶ A business is an economic activity which manufactures or provides different goods and services in order to fulfill human needs.
- ▶ Definition 02
- ▶ A business is an organization or any other entity engaged in commercial, professional, charitable or industrial activities.
- ▶ Definition 3
- ▶ A business is a commercial activity which involves providing goods or services with a primary motive of earning profits.



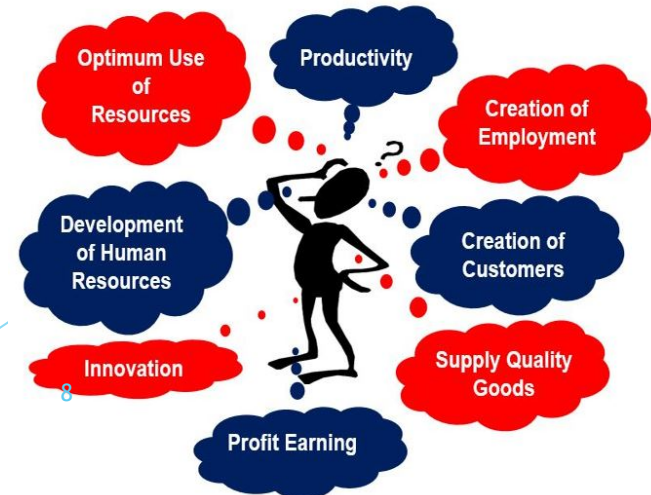
Objective Of The Business

- ▶ The business objective is what makes the business go on and conduct its activities in a long run. It is the reason why the business exists.

Traditional concept, business exists only to earn profits by providing the goods and services to the customers.

- ▶ Modern concept, the objective of every business is customer satisfaction as this is what results in most profits. If the customer is satisfied, business excels

Business Objectives



Customer / consumer objectives

A consumer objectives is to obtain a quality product at a reasonable price to satisfy a need .

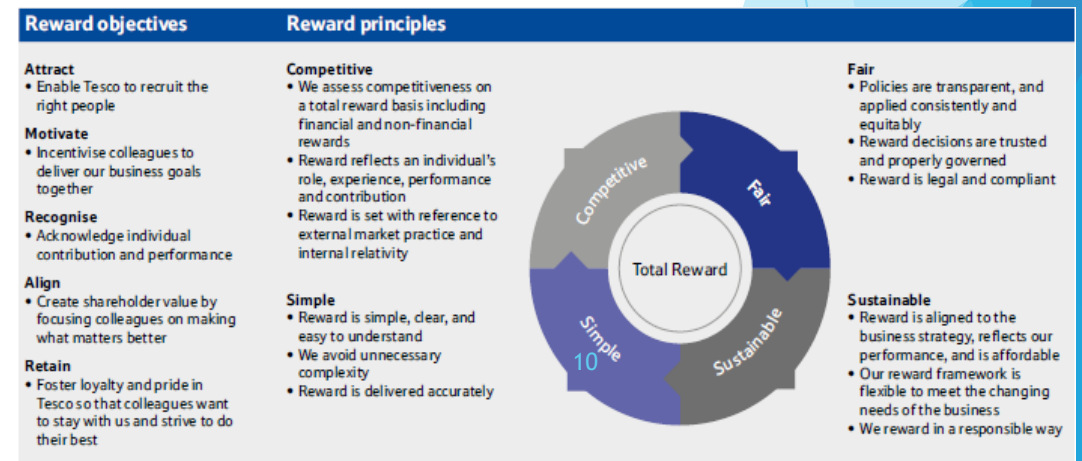
CUSTOMER
SERVICE



Common Objectives of profit oriented business

- ▶ **01. Earning profits**
- ▶ Profit earning objective is essential to pay a sufficient return to the owners for their investment.

- ▶ **02. Increasing customer satisfaction**
- ▶ The survival of a business depends on how it satisfies the needs and wants of its customers.



Sub objectives

- ▶ Increasing the quality of goods and services
- ▶ Generating employment opportunities
- ▶ Employee welfare .



WELFARE POLICIES



Consumer needs and wants .

Needs



- Human needs are requirement that must be fulfilled essentially for existence.
- **Food , Clothing and shelter** are considered as the basic human needs .

A. When the society develops,

B. Education

C. Health

D. Security

E. Transportation

F. Communication

G. Entertainment

H. Also considered as Needs



Characteristics of needs

- Being essential
 - It is essential to fulfill the needs for existence.
- Being common
 - Needs are common to every individual.
- Cannot be created
 - Needs will arise naturally hence cannot be created by businessmen.
- Being limited
 - Needs are relatively very low in number.



Wants

➤ Wants are different ways of satisfying needs. A single need can be satisfied in different ways.

Examples :-

- | | |
|-------------|--------------------------------|
| • Needs | Wants |
| ❖ Food - | string hoppes, ice cream, cake |
| ❖ Clothes - | sarees, uniforms, shoes |



Businesses that make production .

It is necessary to generate various products and services arising from needs .

The task of production is implemented by businesses .

The production of business goods can be classified as production businesses and services business.

► Businesses that produce goods .

E.g. : Tyre production

Bakery production

Fabric production



Businesses that produce services .

Business And Accounting Studies

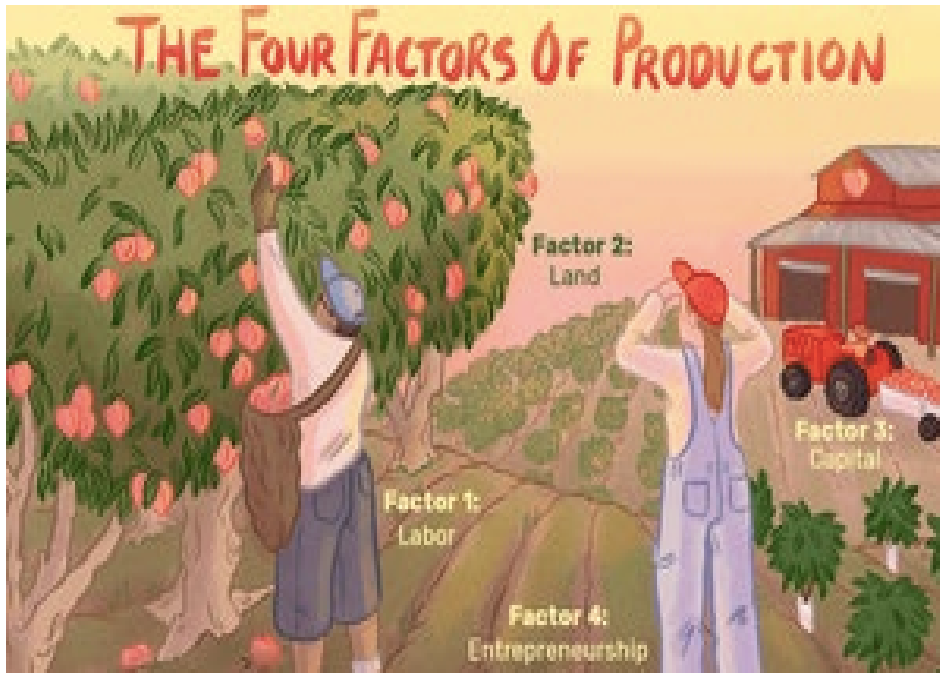
- ▶ Salons
- ▶ Tailor shops
- ▶ Post office
- ▶ Banks
- ▶ Garages
- ▶ Hospitals
- ▶ Groceries

Background of business



Factors of productions

- ▶ Land : Land ,natural resources
- ▶ Labour : Employees, managers
- ▶ Capital : Money, Machines ,buildings
- ▶ Entrepreneurship : Owners , Organization



E.g. : Owner / Owners

Managers

Workers / Employees

Competitors

Consumers

Banks and Financial Institution

The State /Government

Community / The public

Stakeholders in business .

“ Different parties interest in business activities are called stakeholders.”



Aims of each party.

- ▶ **Owner** : Inquiring whether an adequate profit has made , and whether goodwill has been acquired .
- ▶ **Manager** : To inquire whether management activities have been successful and whether managerial decisions be implemented .
- ▶ **Workers/Employees** To inquire whether one`s employment is secure and whether a reasonable wage could be earned .
- ▶ **Customers** : Can quality goods and services be obtained ?
can goods and services be obtained easily and expeditiously ? Reasonable price .



THANK
YOU