

What Is Business

1. What is the one modern definition of business?

It is production, distribution, and sale of goods and services for profit.

2. What does production involve?

It involves creation of service or the changing of materials into products.

3. How do goods differ from services?

Goods are products that people either want or need. Services are activities that person or group performs for another person or organization.

4. In addition to production, distribution, and sale, what other factor is important in defining business?

It is creation profit or economic surplus.

5. What is profit?

It is the money that remains after all the expenses are paid.

1. Business: production, distribution, sale of goods and services for profit.

2. Production: the creation of services or the changing of materials into products.

3. Distribution: moving product from the factory to the marketplace.

4. Sale: the exchange of products or services for money .

5. Goods: products that people either need or want.

6. Services: activities that a person or group performs for another person or organization.

7. Profit: the money that remains after all the expenses are paid.

1. ---T--- Business is not just one activity but a combination of different operations, such as production, distribution, and sale.

2. ---F--- From ancient to modern times the definition of business has remained the same.(increased)

3. --- F--- Moving a truckload of oranges from the orchard to the supermarket is an example of production. (distribution)

4. ---T--- A salesclerk provides a service by answering customer's questions.

<i>Goods</i>	<i>Services</i>
<i>Car</i>	<i>Medical diagnosis</i>
<i>Briefcase</i>	<i>Travel agency</i>
<i>Computer</i>	<i>Auto repair</i>
<i>Video cassette recorder</i>	<i>Financial; planning</i>
<i>Calculator</i>	<i>Management consulting</i>
<i>Suit</i>	<i>Accounting ledger</i>
<i>Forklift</i>	<i>Job placement</i>
<i>Time clock</i>	<i>Office equipment repair</i>
<i>Law book</i>	<i>Newspaper delivery</i>
	<i>Computer programming</i>
	<i>Income tax preparation</i>

- a. *Production of goods.*
- b. *Distribution of goods.*
- c. *Sale of goods.*
- d. *Sale of services.*

1. *Iron ore is made into metal car parts. (a)*
2. *A car is moved from a factory to a car dealership. (b)*
3. *A salesperson sells a car. (c)*
4. *An auto mechanic repairs a car. (d)*
5. *A shipment of grain is transferred from a boat to a truck. (b)*
6. *A chemical plant turns raw materials into fertilizer. (a)*
7. *A salesperson from a concrete manufacturer convinces the owner of a building materials company to buy a shipment of drainage pipe from his company. (c)*
8. *A warehouse ship books to a bookstore. (b)*
9. *A computer manufacturer receives silicon chips and puts them into minicomputers. (a)*
10. *A dentist repairs a child's broken tooth. (d)*
11. *A train moves truck parts across the country. (b)*
12. *A grocer exchanges groceries for money. (c)*
13. *A waitress takes your order for lunch. (d)*
14. *A farmer plants vegetables for harvest in the fall. (a)*

Careers In Business

1. what are five different fields of business?

They are management, marketing, accounting, finance and computers and data processing.

2. what are some specializations within the field of finance?

They are banker, financial analyst, and stockbroker.

3. what are some different types of managerial careers?

They are general manager, personnel manager and production manager.

Business Fields and Careers

1. Management: general manager, interpersonal manager, and production manager.

2. Marketing: researcher, advertiser, buyer, seller, distributor.

3. Accounting: bookkeeper, private accountant, public accountant, government accountant.

4. Finance: banker, financial analyst, stockbroker.

5. Computers and data processing: computer operator, computer programmer, system analyst.

1. *The opportunities for a business career have:*

- a. Not grown in variety or number.*
- b. Grown in variety and number.*
- c. Grown in number but not variety.*
- d. Grown in variety but not number.*

2. *A person working in computers and data processing may specialize in:*

- a. Computer programming.*
- b. Computer operating.*
- c. Systems analyzing.*
- d. All of the above.*

3. *A bookkeeper is a specialist within the field of:*

- a. Accounting.*
- b. Data processing.*
- c. Finance.*
- d. Marketing.*

4. *In choosing a business career, one might ask questions regarding:*

- a. One's area of interest.*
- b. One's aptitude.*
- c. Job opportunities.*
- d. All of the above.*

<i>Member</i>	<i>Class</i>
<i>Buyer, banker, seller, distributor.</i>	<i>Marketing careers</i>
<i>Banker, financial analyst, stockbroker, accountant.</i>	<i>Finance</i>
<i>Computers and data processing , finance, marketing, general manager.</i>	<i>Business fields</i>
<i>Computer operator, computer programmer, data processing, systems analyst.</i>	<i>Computer and data processing</i>
<i>General manager, management, production manager, personnel manager.</i>	<i>Management</i>
<i>Advertising, management, marketing, accounting.</i>	<i>Business fields</i>
<i>Private accountant, banker, government, accountant, bookkeeper.</i>	<i>Accounting</i>

The Four P's

1. What is marketing?

It is the movement of goods and services from manufacturer to customer in order to satisfy the customer and to achieve the company's objectives.

2. What are the four main elements of marketing?

They are product, price, placement, promotion.

3. What are the three pricing option that a company may take?

They are above, with or below the prices that company's competitors are charging.

4. What does placement involve?

It involves getting the product to the customer.

5. What are some advertising media besides magazines and newspapers?

They are TV, radio, internet, publications.

6. What is a common channel of distribution?

It is manufacturer ----- wholesaler ----- retailer ----- customer

7. What is promotion?

It is communication between buyer and seller about the product.

Marketing: *movement of goods and services from manufacturer to customer in order to satisfy the customer and to achieve the company's objectives.*

4 P's: *product, price, placement, promotion.*

Product: *goods or service that a company wants to sell. This involves research and development of a new product, research of the potential market, testing of the product to insure quality, and then introduction to the market.*

Price: *3 option the company may take to charge for its product: above, with, or below the prices that its competitors are charging. Most companies price with the market.*

Placement: *getting the product to the customer. A common channel of distribution is manufacturer ----
-- wholesaler ----- retailer ----- customer.*

Promotion: *communication about the product takes place between buyer and seller. 2 major ways promotion occurs: through personal selling (as in a department store), and through advertising (as in a newspaper or magazine)*

1. The four main elements of marketing are popularly known as:
 - a. The movement of goods and services.
 - b. The four P's.
 - c. The four M's.
 - d. Buying, selling, market research, storage.
2. The product element refers to:
 - a. The four P's.
 - b. Testing of a product to insure quality.
 - c. The good or service that a company wants to sell.
 - d. Getting the product to the customer.
3. Most companies price:
 - a. With the market.
 - b. Below the market.
 - c. Beyond the market.
 - d. Above the market.
4. A common channel of distribution is:
 - a. Wholesaler ----- retailer ----- manufacturer ----- customer.
 - b. Manufacturer ----- retailer ----- wholesaler ----- customer.
 - c. Retailer ----- manufacturer ----- wholesaler ----- customer.
 - d. Manufacturer ----- wholesaler ----- retailer ----- customer.
5. The two major forms of promotion are:
 - a. Radio and television.
 - b. Personal selling and advertizing.
 - c. Personal selling and newspapers.
 - d. Selling advertisements.

	Product	Price	Placement	Promotion
1. The advertising gives false information				*
2. The product is dangerous.	*			
3. The product is not available in enough stores.			*	
4. The product is too expensive.		*		
5. A salesclerk is rude.				*
6. The product is sold during the wrong season.			*	
7. The product is of poor quality.	*			
8. The advertising is offensive.				*
9. The price of a product increases faster than the rate of inflation.		*		
10. The product is not available in your favorite stores.			*	

The Target Market

١. What is the marketing mix?

It is the combination of four P's (product, price, placement, promotion) .

٢. What do the elements of the marketing mix focus on?

They focus on the consumer.

٣. What does the successful marketing mix depend on?

It depends on the knowledge about consumers and their buying habits, gained through market research as well as correct identification of the target market.

٤. What is the target market?

It is the group of customers or consumers who will probably buy product.

١. ---T--- Knowledge about consumer buying habits is essential in developing a successful marketing mix.

٢. ---F--- The company focuses on production in its marketing strategy. (consumer)

٣. ---F--- Product and promotion combine to form the complete marketing mix. (+price + placement)

٤. ---T--- The company directs its marketing efforts toward the target market.

٥. ---F--- The marketing strategies of product, price, placement, and promotion are planned separately. (are not separately)

Target market: elementary school children (boys & girls)

Product:

Price:

Placement:

Promotion:

Why Nations Trade

1. What are the various markets in which the sale of goods and services takes place ?

They are local, regional, and national markets.

2. What is international trade ?

It is exchange of goods and services in the world market (global market).

3. What is the first benefit of international trade?

It is that international trade makes scarce goods available to nations that need or desire them.

4. What are the two economic principles that help explain how and when specialization is advantageous ?

They are the theory of absolute advantage and the theory of comparative advantage.

5. According to the theory of absolute advantage, what should a nation do ?

A nation should specialize in the goods that it can produce more cheaply than its competitors or in the goods that no other nation is able to produce.

6. According to the theory of comparative advantage, what should a nation do ?

A nation should concentrate on the products that it can produce most the efficiently and profitably.

1. Nations import goods they:

- a. Produce efficiently.
- b. Specialize in.
- c. Lack or cannot produce efficiently
- d. Do not need or desire

2. Specialization often results in:

- a. Increased output
- b. Decreased costs
- c. Higher standard of living
- d. All of the above

3. The United States is able to specialize in the computer industry because of its -----
recourses :

- a. Natural.
- b. Technical.
- c. Human.
- d. International.

- ξ. According to the theory of comparative advantage, a nation should concentrate on the product that;
- It can specialize in.
 - No other nation can produce
 - It can make efficiently.
 - It can produce most efficiently and profitably..
- ο. The European Community is based on:
- Cooperation.
 - One company.
 - Competition.
 - Political differences.
-

Global – domestic – suit – expertise – resource – output – enables – lack – efficiently – scarce

- Diamonds are found in only a few places in the world; they are rare. (scarce)
 - The production of the factory increased when ten new workers were hired. (output)
 - Nations that are without technological resource cannot produce their own computer systems. (lack)
 - International trade has affected worldwide conditions in numerous ways. (global)
 - Specialized knowledge is necessary to design fax machines. (expertise)
 - Many small businesses focus only on the home market. (domestic)
 - Oil is a valuable asset (resource)
 - International trade makes it possible for countries to import goods that they cannot produce. (enables)
-

	Importing nation	Exporting nations
Advantage	1 / 3	4 / 5 / 6 / 12
Disadvantage	2 / 7 / 9 / 10	8 / 11

- A greater variety of goods is available.
 - Foreign competition endangers domestic industries.
 - A larger market is now available.
 - A nation becomes too dependent upon its foreign markets.
 - More jobs are created.
 - Gross National Product (GNP) is increased.
 - A nation becomes too dependent on foreign products.
 - For economic reasons, a country prefers to sell to foreign markets rather than deal with its domestic market.
 - Domestic workers lose employment.
 - .A nation imports natural resources rather than depleting its own sources.
 - .The international market gets flooded.
 - .The national standard of living is raised.
-

Multinational Corporations

1. What is the first step in the development of a multinational business?

It is establishing international trade relationships (exchanging goods or services with another country).

2. What is a multinational corporation?

It is a company that is primarily based in one country and has production and marketing activities in foreign countries.

3. Why does a multinational corporation need a basic understanding of foreign business environment ?

In order to operate successfully.

1. ... T ... *Multinational corporations have grown rapidly since 1945.*

2. ... F ... *Any company engaged in international trade is a multinational business. (the first step in development of multinational business)*

3. ... T... *In order to operate successfully, a multinational company needs to be aware of national and international business environments.*

4. ... F ... *A multinational corporation focuses on its "home country" or domestic market. (outside "home country")*

5. ... F ... *A multinational company does not established factories in foreign countries. (/)*

Word	Meaning
1. ---j--- Corporation	a) Chiefly; principally
2. ---e--- Expand	b) Function in; work in
3. ---g --- View	c) Change
4. ---i--- Stage	d) A company having more than half of its stock owned by another company
5. ---a--- Primarily	e) Increase the dimensions of
6. ---h--- Base	f) Growth; expansion
7. ---c--- Vary	g) See; look at
8. ---d--- Subsidiary	h) Foundation
9. ---b--- Operate in	i) A step in development
10. ---f--- Development	j) A type of business organization formed by an association of stockholders

An Income Statement

The Balance Sheet

Management Functions

1. What do the duties of managers include ?

They include making sure company objectives are met and seeing that the business operates efficiently.

2. What does planning involve ?

It involves determining overall company objectives and deciding how these goals can best be achieved.

3. Why is planning the first management function ?

Because other management functions depend on it.

4. Which skills do managers need to perform effectively?

They need interpersonal, organizational, technical skills to perform effectively.

5. What are the four basic management functions?

They are planning, organizing, direction and controlling.

6. What is the planning, organizing, directing, controlling?

Planning: The determination of overall company objectives and how they can best be achieved.

Organizing: The process of putting the plan into action.

Direction: The day-to-day direction and supervision of workers.

Controlling: The evaluation of how well company objectives are being met.

Management And Human Resources Development

1. Why is it important to have employees who are motivated?

Because is an essential component of good management.

2. What is the meaning of motivation in the workplace?

It is the stimulus that directs the behavior of workers toward the company goals.

3. How do many managers believe workers are motivated?

By satisfying their fundamental needs for material survival.

4. What happens when fundamental needs are not satisfied?

That's will result in poor morale and dissatisfaction.

5. For which workers is satisfaction of fundamental needs not a primary motivation?

For workers in highly industrialized societies at the professional or technical levels.

6. What is job enrichment?

Job enrichment gives workers more authority in making decisions related to planning and doing their work.

7. What is job enlargement ?

Job enlargement increases the number of tasks workers perform by allowing them to rotate positions or by giving them responsibility for doing several jobs.

--- T --- There is a close relationship between worker performance and motivation.

--- F --- In highly industrialized societies satisfaction of fundamental needs results in motivated employees who work more effectively. (+ personal needs)

--- F --- The desire for more interesting work is a fundamental need . (personal needs)

--- T --- A manager using the job enlargement approach might consider rotating employees.

--- T --- Managers attempt to improve the quality of work life through satisfaction of fundamental and personal employee needs.

Statement	Job enrichment	Job enlargement
Workers check quality of work produced.	*	
Workers rotate positions.		*
Workers are given more authority.	*	
Workers schedule work flow.	*	
Workers are responsible for assembling an entire fuel system of a car.		*
Workers help plan their work.	*	
Workers perform a greater number of tasks.		*
Workers make sure deadlines are met.	*	

Steps In The Decision Process

1. **What is decision making?**

It is the process of choosing a course of action (when alternatives are available) to solve a particular problem.

7. What are the six steps of the ideal decision-making process?

They are: define problem, define expectation, gather data, develop alternatives, evaluate alternatives, and choose best alternatives.

3. Defining the problem involves two steps. What are they?

They are: careful analysis of a situation in order to state the problem, and determine its cause.

4. What follows the six step outlined in the decision-making process?

It is followed by: implementation of the chosen alternative (putting it into action), and evaluation of that alternative.

[illegible]

1. ... T ... *Defining the problem can be one of the most difficult steps in the decision-making process.*
2. ... T ... *Computers provide valuable support for decision makers.*
3. ... F ... *Another feasible alternative in the problem of low production might be to replace all the factory workers. (the current supervisor)*
4. ... T ... *Time and money are considered in the evaluation of alternatives.*
5. ... F ... *The alternative selected in step 6 (choose best alternative) always solves the problem. (/)*

[illegible]

The Reality Of Decision Making

1. What often influences the final decision ?

It influenced by social background, culture background, flexibility, available recourses, data, important of the decision being made, time, creativity, risk.

7. *Is risk lessened when a group, rather than an individual decision maker, takes a particular course of action?*

Yes.

Decision-making environment:

1. *Social background.*
2. *Culture background.*
3. *Flexibility,*
4. *Available recourses.*

- 2. *Data.*
- 7. *Important of the decision being made.*
- 7. *Time.*
- 1. *Creativity.*
- 1. *Risk.*

