University of Global Village (UGV), Barishal Department of Business administration

Course Title: Introduction to Business

Course Code : 0413-111	Credits: 03
Semester End Exam Hours (SEE): 03	CIE Marks : 90
	SEE Marks: 60

Course Learning Outcomes (CLOs): Upon completing this course, students should be able to

CLO1	Understand Fundamentals of Business, Environmental Aspects in Business, Forms of Business, Sole Proprietorship, Partnership Business, Partnership Deed, Dissolution of
	Business Understand Joint Stock Company, Registration of Joint Stock Company, Formation and Registration of Different Types of Business, Co-operative Society, Memorandum of Association (M/A) and Article of Association (A/A), Contents of MoA and AoA
CLO3	Understand Business Combination, Merger, Amalgamation and Acquisition
	Understand Business Ethics, Social Responsibility in Business, Environmental Aspects in Business, Entrepreneurship and Entrepreneurial Development Business Plan: Definition of Business Plan

Course plan specifying Topics, Teaching time and CLOs

Sl. no	Topic	Hours	CLOs
1	Fundamentals of Business, Environmental Aspects in	06	CLO1
	Business, Forms of Business		CLO2
2	Sole Proprietorship, Partnership Business, Partnership	06	CLO1
	Deed, Dissolution of Business		CLO2
			CLO3
3	Joint Stock Company, Registration of Joint Stock	05	CLO1
	Company, Formation and Registration of Different		CLO2
	Types of Business		
4	Co-operative Society, Memorandum of Association	05	CLO2
	(M/A) and Article of Association (A/A), Contents of		
	MoA and AoA		
5	Business Combination,	O7	CLO1
	Merger, Amalgamation and Acquisition		CLO2
			CLO3
06	Understand Business Ethics, Social Responsibility in	06	CLO2
	Business, Environmental Aspects in Business,		CLO3
	1		GT 0.4
	Entrepreneurship and Entrepreneurial Development	07	CLO2
	Business Plan: Definition of Business Plan, Venture	07	CLO3
	Capital and Venture Strategies		CLO4

Course plan specifying content, CLOs, co-curricular activities (if any), teaching learning and assessment strategy matching with CLOs

Week	Course Content	Teaching-Learning Strategy	Assessment Strategy	CLOs
	Fundamentals of Business: Understanding the Business/Characteristics of Business/Activities of Business/ Understand the Objectives of Business/Identifying Major Attributes of Business and Their Implications/ How to Start a Business/ Risks of Business/Howe to Analyze Business Risks/Potentiality of Business/SWOT Analysis in Business/ Identifying and Responding to Threats and Opportunities of Business/Role of Business Enterprises in Business Activity/Features of a Sound Business Enterprise/Stakeholders in Business/Qualities of a Good Businessperson	LectureDiscussionAssignment	 Question & Answer (Oral) Written Test 	CLO1 CLO2

2	Environmental Aspects in Business: Environment and Its Types/Duties Towards Environment/Role of Environment in Business/Impact of Environment on Business/Micro Environment and Macro Environment/Role of Political and Cultural Factors in Business/Role of Legal Aspects /Responding to Different Stakeholders of Business	•	Lecture Discussion Exercise	:	Question & Answer (Oral) Class Test Written Test	CLO1 CLO2
	Forms of Business: Understand Various forms of Business/Why Different Forms of Business Exist/Merits and Demerits of Forms of Business/ Different Characteristics for Different Businesses	:	Lecture Discussion Exercise	•	Question & Answer (Oral) Written Test	CLO1
	Sole Proprietorship: Understand the Meaning of Sole Proprietorship/Understand sole Proprietorship of Business/Characteristics of Sole Proprietorship/Understand Merits & Demerits of Sole proprietorship/Formalities and Operating Procedures/How to start a sole proprietorship business	•	Lecture Discussion Assignment		Question & Answer (Oral) Class Test Written Test	CLO2 CLO3
	Partnership Business: Definition of Partnership/Understand Partnership Business/ Analyze the Features of Partnership Business/Understand Formation and Registration of Partnership Business/Merits and Demerits of Partnership Business/Analyze the Types of Partners/Criteria to Be a Good Partnership Business/Qualities of Partners/	•	Lecture Discussion Problem Solving	• •	Question & Answer (Oral) Written Test	CLO1 CLO2
6	Partnership Deed: Definition of Deed/Understand Partnership Deed/Basic Features of Partnership Deed/Qualities of a Good Partnership Deed/Defaults in Partnership Deed/Legal Aspects of Partnership Deed	:	Lecture Discussion Problem Solving Exercise	•	Question & Answer (Oral) Written Test	CLO1 CLO2

7	Dissolution of Business: Understand the Dissolution of Business/Process of Dissolution/Types of Dissolution/Dissolution of Partnership Business/Dissolution of Joint Stock Companies/Dissolution of Limited Companies/Legal Aspects of Dissolution	•	Lecture Discussion Problem Solving	•	Question & Answer (Oral) Class Test	CLO2
8	Joint Stock Company: Definition of Joint Stock Company/Features of Joint Stock Company/Merits & Demerits of Joint Stock Company/Types of Joint Stock Company/Understand RJSC/Activities of RJSC	•	Lecture Discussion Problem Solving		Question & Answer (Oral) Class Test Written Test	CLO2
9	Registration of Joint Stock Company: Understand Registration of Company/Why Registration Needed/Legal Aspects of Registration/Formal Procedures of Registration/Legal Protection of Registration/Faults of Registration/Check points of Registration Process	-	Lecture Discussion Assignment	-	Question & Answer (Oral) Class Test	CLO1 CLO2
10	Co-operative Society: Understand and Definition of Co-operative Society/Features of Co-operative Society/Objectives of Co-operative Society/Types of Co-operative Society/Advantages of Co-operative Society/Limitations of Co-operative Society/Principles of Co-operative Society.	•	Lecture Discussion	• •	Question & Answer (Oral) Written Test	CLO2
11	Formation and Registration of Different Types of Business: Formation of Business/Understand Registration for Business Formation /Why Registration Needed/Legal Aspects of Registration/Formal Procedures of Registration/Legal Protection of Registration/Faults of Registration/Check Points of Registration Process.	•	Lecture Discussion Assignment	•	Question & Answer (Oral) Class Test Written Test	CLO1

12	Memorandum of Association (M/A) and Article of Association (A/A): Understand and Meaning of Memorandum of Association (M/A)/Contents of MoA/Legal Aspects of MoA/ Understand and Meaning of Article of Association (A/A)/Meaning of Prospectus/Share and Debenture. Business Ethics: Understand Business Ethics/Importance of Business Ethics/Performing Corporate Social Responsibility/Corporate Governance and Accountability/Ethical Standards/Components of Business Ethics	•	Written exam MCQ test Presentation	•	Written exam MCQ test Oral test	CLO1 CLO2 CLO3
13	Business Combination: Meaning of Business Combination. Objectives of Business Combination. Types of Business Combination/Why Business Combination Taken Place/Merits & Demerits of Business Combination/Aftermath Effects of Business Combination	•	Lecture Discussion Exercise	•	Question & Answer (Oral) Class Test Written Test	CLO2 CLO3
14	Merger, Amalgamation and Acquisition: Meaning of Merger and Amalgamation/Why Merger & Amalgamation Taken Place/ Advantages and disadvantages of Merger and Amalgamation/ Types of Amalgamation/ Understand Acquisition/ Advantages & Disadvantages of Acquisition	•	Lecture Discussion Problem Solving	•	Question & Answer (Oral) Written Test	CLO2 CLO3
15	Social Responsibility in Business: Meanings of Social Responsibility/Corporate Social Responsibility(CSR)/Social Responsibilities for Business organizations/Advancing Social Responsibility/	•	Lecture Discussion Exercise Assignment	•	Question & Answer (Oral) Class Test Written Test	CLO2 CLO3

16	Entrepreneurship and Entrepreneurial Development: Meaning of Entrepreneurship/ Entrepreneurship Development Process/ Challenges of Entrepreneurship Development/ Strategies to Develop Business Organizations/ Strategies to be a Good Entrepreneur/Qualities of a Good Entrepreneur/Major Functions of entrepreneur/ Role of entrepreneur in Economic Development		 Question & Answer (Oral) Written Test 	CLO2 CLO3
17	Business Plan: Definition of Business Plan/ Objectives of Business Plan/Importance of Business Plan/How to Prepare a Business Plan/Features of a Good Business Plan/Check Points of Business Plan	LectureDiscussionAssignment	 Question & Answer (Oral) Written Test 	CLO3 CLO4

Assessment and Evaluation

- 1) Assessment Strategy: Group Discussion, Class tests, Case Study, Term Paper, Presentation.
- 2) Marks distribution:
 - a) Continuous Assessment:
 - Class attendance is mandatory. Absent of 70% classes; disqualify the student for final examination only authority recommendation will be accepted with highly reasonable causes.
 - Late submission of assignments is not allowed. Late submission of assignments will be only taken with highly reasonable causes and 20% mark will be deducted.
 - To pass this course student will have to appear mid-term and final examination.
 - b) Summative:

❖ CIE- Continuous Internal Evaluation (90 Marks)

Bloom's Category Marks (out of 90)	Test (15)	Assignments (15)	Quiz (15)	External Participation in Curricular/ Co-curricular Activities (15)
Remember	05			Bloom's Affective Domain:
Understand	05	06	07	(Attitude or will)
Apply	05			Attendance:15
Analyze	10		08	Copy or attempt to copy: -
Evaluate	05	09		10
Create	10			Late Assignment: -10
	05			

SEE- Semester End Examination (60 Marks)

Bloom's Category	Test
Remember	10
Understand	10
Apply	10
Analyze	10
Evaluate	10
Create	10

3) Make-up Procedures: Dates for exams will be strictly followed. No makeup exam (Normal case), for exceptional case university rules and regulation should be followed.

Recommended Books:

- 1) Recommended Readings: Introduction to Business by Jeff Madura, 4th Edition
- 2) Supplementary Readings: Introduction to Business by A.T.M. Faizul Haque and Md. Liton Ali, 1st Edition, Abir Publication.





Objectives of the Chapter

At the end of the Chapter, The students will be able to –

- Remember the meaning of business.
- Understand the Objectives of Business.
- Remember the Features of Business
- Understand the Business Activities
- Analyze Business Risks.
- Understanding the meaning Business Environment and its types.
- Analyzing Stakeholders of Business.

Meaning of Business

Meaning

 The term "business" comes from the word busy which means doing things.

Definition

 Stephenson defines business as, "The regular production or purchase and sale of goods undertaken with an objective of earning profit and acquiring wealth through the satisfaction of human wants."

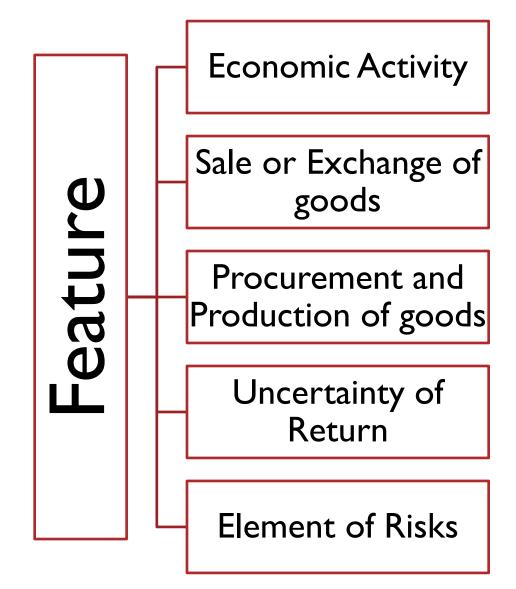
Definition

 According to **Dicksee**, "Business refers to a form of activity conducted with an objective of earning profits for the benefit of those on whose behalf the activity is conducted

Objectives of Business



Characteristics of Business

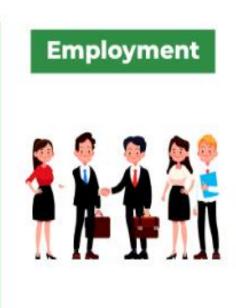


By Biplob 1990

Comparison between Business, Profession, and Employment







Comparison between Business, Profession, and Employment

Basis	Business	Profession	Employment
Meaning	An economic activity including activities related to sales and purchase of goods and services on a regular basis with the objective of earning profit.	An economic activity including activities requiring special skills and knowledge in their occupation.	An economic activity including occupation in which individuals work for their superiors with the motive of earning remuneration in return.
Mode of establishment	Starts after legal formalities like MOA, AOA, etc., are completed.	It requires membership of a professional body like bar council, etc., and a certificate of practice.	Employment starts after receiving an appointment letter.
Qualification	No minimum qualification is required in business.	Formal qualification, expertise, and training from a professional body are essential.	Qualification requirements in employment vary according to the type of job and training

prescribed by the

employer.

Comparison between Business, Profession, and Employment

Nature of work

It involves providing goods and services to society.

Profession involves rendering specialized services.

It includes work given by the employer as per the employment contract and the rules of service.

Reward

Profit

Professional fees

Salary and wages

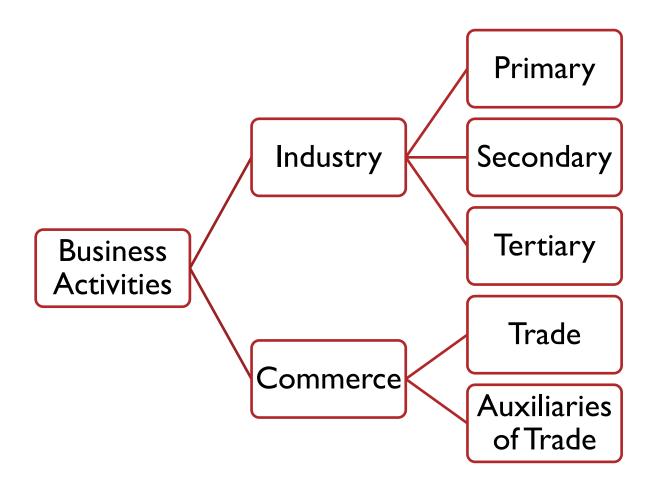
Capital

It depends on the nature and size of the business.

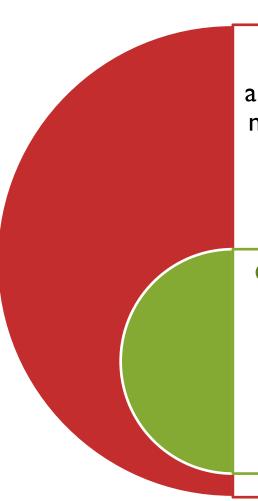
It requires limited capital.

Employment does not require any capital.

Classification of Business Activities



Classification of Business Activities



Industry is concerned with the processing and production of goods and services with the motive of earning profit. Simply put, it involves changing the raw materials into finished products for the purpose of selling them to the customers

Commerce is concerned with the activities involving taking goods and services from the manufacturers and delivering them to the users. The basic motive of commerce is ensuring the proper flow of goods and services in the market for the ease of manufacturers and consumers

Types of Industry

- **Primary**: This sector of a nation's economy includes agriculture, forestry, fishing, mining, quarrying, and the extraction of minerals.
- Secondary: The secondary sector consists of processing, manufacturing, and construction companies. The secondary sector produces goods from the natural products within the primary sector.
- Tertiary: The tertiary industry is the services sector of an economy, encompassing medical providers, educators, financial services, haircuts, and personal trainers, among many others.

Trade and Its Types

- Trade is the voluntary exchange of goods or services between different economic actors. Since the parties are under no obligation to trade, a transaction will only occur if both parties consider it beneficial to their interests.
- Barter Trade: Products with Products.
- Currency Trade: Currency with Products.
- Exchange Trade: Currency with Currency.

Input and Output of Business

Input

All the things that any organizations put into works. Such as-

- Human Resources
- Capital
- Managerial Resources.
- Technological Resources.

Input

Something that an organization produces Such as-

- Product.
- Services.
- Satisfaction.
- Profit.

Business Risks

- Business risk is any exposure a company or organization has to factor(s) that may lower its profits or cause it to go bankrupt.
- The sources of business risk are varied but can range from changes in consumer taste and demand, the state of the overall economy, and government rules and regulations.

Types of Business Risks

Strategic Risk: Strategic risk arises when a business does not operate according to its business model or plan and it may struggle to reach its defined goals

Compliance Risk: Compliance risk primarily arises in industries and sectors that are highly regulated.

Operational Risk: This risk arises from within the corporation, especially when the day-to-day operations of a company fail to perform.

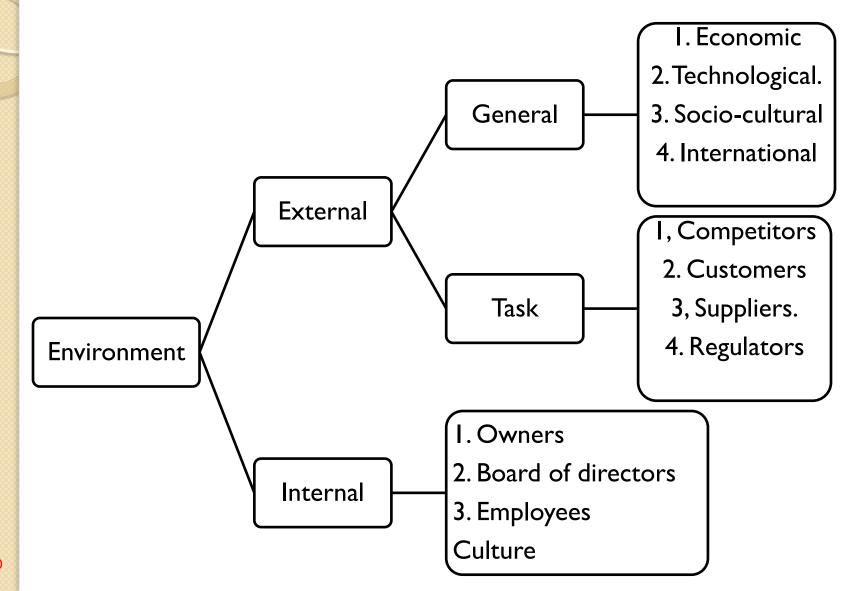
Reputational Risks: Any time a company's reputation is ruined, either by an event that was the result of a previous business risk or by a different occurrence, it runs the risk of losing customers and its brand loyalty suffering

Business Environment

A business environment is an ecosystem which consists of internal and external factors such as employees, customers needs and expectations, supply and demand, management, clients, suppliers, owners, activities by government, innovation in technology, social trends, market trends, economic changes, etc.



Types of Business Environment



Stakeholders of Business

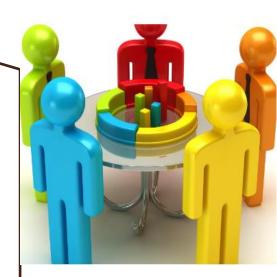
 Stakeholders are the people and groups of people who have an interest in what goes on in the organization.

External

- Customers.
- Suppliers.
- Government.
- Competitors.
- Labor Unions.

Internal

- Employees
- Owners
- Shareholders
- BoDs.



Factors Determining the Types of Business to start

Capital

- Amount of Fixed Capital
- Amount of Working Capital

Risk

 Amount of risk willing to undertake.

Control

Amount of authority owner can exercise.

Tax Liability

Amount of tax need to pay.

Time Requirement

- Time to operate in a day.
- Business Life Span.

Managerial Abilities

 Skills need to plan, organize and control the business.

THANKS





Sole Proprietorship and Partnership

Chapter Outlines

At the end of the chapter, the student will be able to

- Remember Various forms of organization
- Understand sole Proprietorship Business
- Analyze Merits & Demerits of Sole proprietorship.
- Understand Partnership Business
- Analyze the features and Partnership business
- Remember the Formation and Registration of Partnership.
- Analyze the types of partners.
- Understand the dissolution of Partnership.

Business Organization

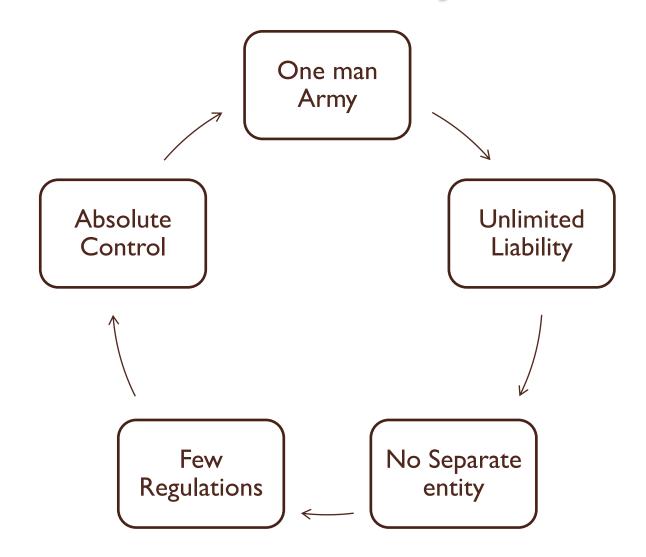
- The legal entity can be in any form of a business organization. The various forms of organization are as follows:
- I) Sole proprietorship
- 2) Partnership
- 3) Co-operative Society
- 4) Joint stock company (Private and Public).

Sole Proprietorship

- The sole proprietorship is a form of business that is owned, managed and controlled by an individual.
- ☐ He has to arrange capital for the business and he alone is responsible for its management.
- ☐ He is therefore, entitled to the profits and has to bear the loss of business,
- ☐ however, he can take the help of his family members and also make use of the services of others such as a manager and other employees



Features of Sole Proprietorship



Proprietorship Formation in Bangladesh

In Bangladesh it is very straightforward to start a proprietorship business. The procedure for starting a proprietorship business is outlined below:

- I. Choose a Name for the business in Bangladesh
- 2. Rent a commercial space for starting the business
- 3. Fill out the trade license application form from your local government/city corporation/union etc.
- 4. Apply and obtain a trade license
- 5. Apply for e-tin certificate
- 6. Open a Bank Account in the name of the business

Merits of Sole Proprietorship

Easy to open or Close

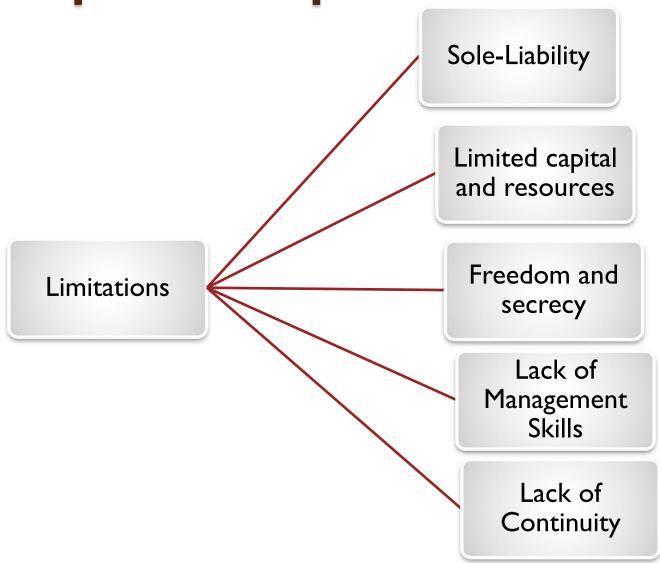
Sole Beneficiary of Profit

Freedom and secrecy

Small Scale Operation

Inexpensive Management

Limitations of Sole Proprietorship





- The Nature of business is Simple.
- Customers are given personal attention.
- Able to reach the consumers at remote area.
- Can be found at close to hand.
- Manual skills are required for this kind of business.

Partnership

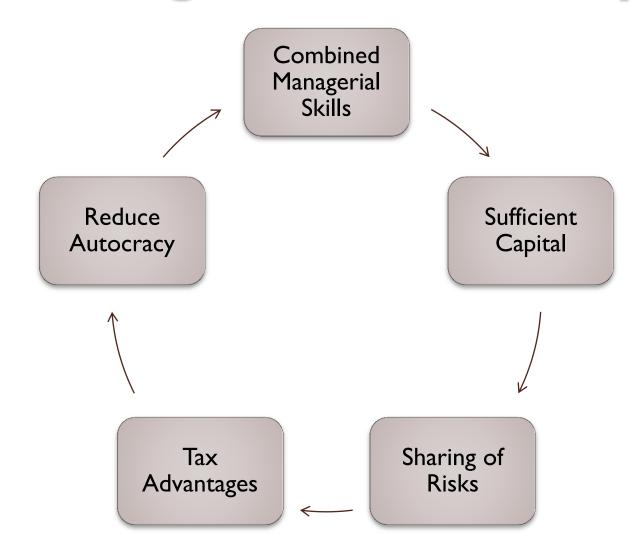
- ☐ The Indian Partnership Act defines partnership as "Partnership" is the relation between persons who have agreed to share the profits of a business carried on by all or any one of them acting for all.
- ☐ The persons who have agreed to join in partnership are individually called "Partners" and collectively a 'firm'.
- ☐ A partnership firm can be formed with a minimum of two partners and it can have a maximum of twenty partners.



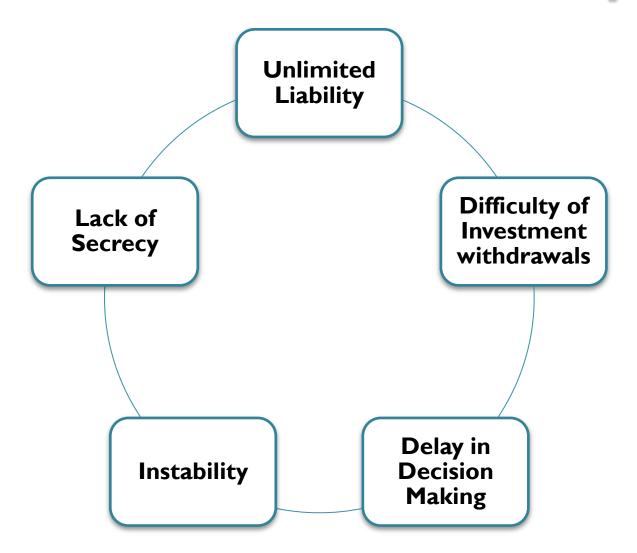
Features of Partnership Business

Mutual Agreement Sharing of Common Profit and Management Loss Restriction **Unlimited** on **Features** transferability Liability of shares

Advantages of Partnership



Limitations of Partnership



Formation of Partnership

Partnership Deed: Partnership is based on mutual agreement and Partnership Deed lays down the terms and conditions of partnership and the rights, duties and obligations of partners. The following points are generally covered in the Deed:

- (i) The nature of business.
- (ii) Name of the firm and the place where its business will be carried on.
- (iii) Amount of capital to be contributed by each partner.

Formation of Partnership

- (iv) Duties, powers and obligations of all the partners.
- (v) Method of preparing accounts and arrangement for audit.
- (vi) Whether loans will be accepted from a partner over and above the capital also, if so, at what rate of interest.
- vii) The amount to be allowed as private drawings by each partner and the interest to be charged thereon.
- (viii) The ratio in which profits are to be shared.
- (ix) Whether a partner can be expelled and, if so, the procedure for the same.
- (x) Method for the settlement of disputes.

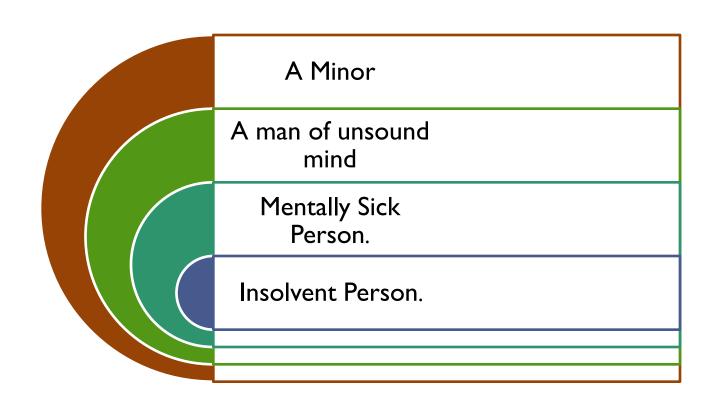
Registration of Partnership

Registration of a partnership firm is not compulsory. However, it is better to register. In order to register, Partners need to make application to the Registrar of the Firms. The application should includes-

- (i) Name of the firm.
- (ii) The principal place of business of the firm.
- (iii) The name of any other place where the firm is to carry on business:
- (iv) Date of admission of the partners in the firm.
- (v) Names and permanent addresses of the partners.
- (vi) Duration of the firm.

Who can not be a Partner?

A person who is adult. He must be physically, mentally and Financially fit make an agreement.



Types of Partners

General

Quasi

Dormant

Limited

Nominal

Dissolution of Partnership

 Dissolution of partnership may occur in the following reasons -

- ☐ When one of the partner ceases to be a partner.
 - ☐ If a partner resigns or expel.
 - ☐ If a partner dies.
- ☐ When a partner is declared as bankrupt.
- ☐ If partnership is made for illegal business

Types of Dissolution

By Court

- If partners become unsound mind.
- Become physically incapable.
- If a partner breaks the partnership.
- If partnership can not be carried out except loss

By certain situations

- Completion of the partnership period.
- Completion of a particular adventure.
- By the death of one or more partners.
- By the retirement and insolvent of a partner.



Thanks



Joint Stock Company and Cooperative Society



Part A-Joint Stock Company

Chapter Outlines (Part A)

At the end of the chapter, the student will be able to understand about-

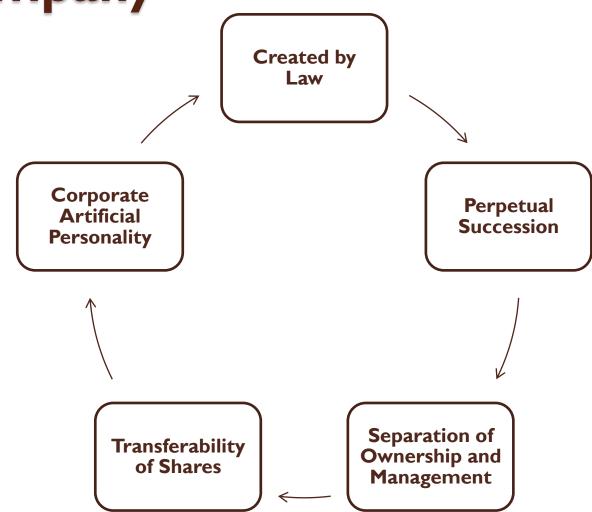
- Definition of Joint Stock Company
- Features of Joint Stock Company
- Merits & Demerits of Joint Stock Company.
- Types of Joint Stock Company.
- Memorandum of Association (M/A).
- Article of Association (A/A).
- Meaning of Prospectus.
- Share and Debenture.

Joint Stock Company

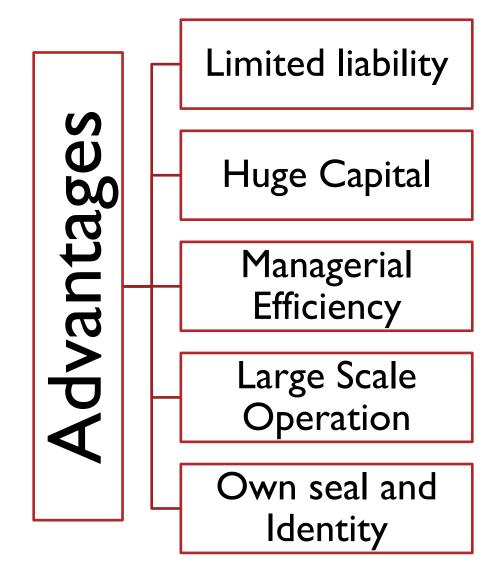
- ☐ A company is defined as a voluntary association of persons having separate legal existence, perpetual succession and a common seal.
- ☐ According to Companies Act 1994, Company means a company formed and registered under this act.



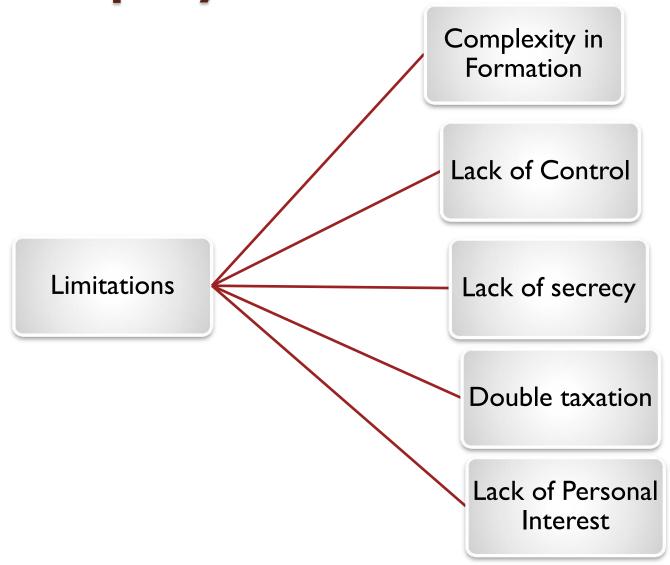
Features of Joint Stock Company



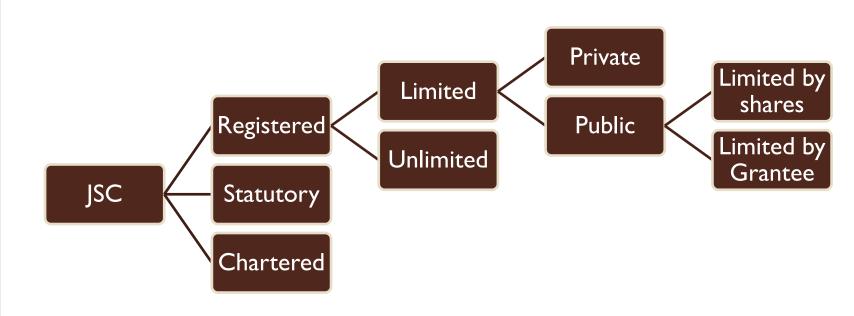
Merits of Joint Stock Company



Limitations of Joint Stock Company



Types of Joint Stock Company (JSC)



Types of Joint Stock Company (JSC)

- Chartered Company: Formerly in Great Britain, the government, through Royal Charter formed for specific purposes e. g East India company.
- **Statutory Company**: A company formed by an act of the legislature called statutory company. e. g Reserve bank of India. Life insurance Corporation.
- Registered Company: Registered Under the company act.

Private and Public Limited Company

Private Limited

- Restrict the right to transfer the shares.
- Number of members or shareholders limited to 2 – 50.
- Prohibits any Invitation and subscription of shares to the publics

Public Limited

- No Restriction on transfer the shares.
- Number of members or shareholders at least 7 and maximum is limited to number of shares.
- Invitation and subscription of shares to the publics are allowed.

Memorandum of Association (M/A)

A Memorandum of Association (MOA) is a legal document prepared in the formation and registration process of a limited liability company to define its relationship with shareholders. The MOA is accessible to the public and describes the company's name, physical address of registered office, names of shareholders and the distribution of shares. It also contains-

- Legal Name of the Company
- Physical Address of the Registered Office
- Objectives of the Company
- Liability of Shareholders
- Authorized Share Capital
- Association and Formation of a Company

Article of Association (A/A)

Articles of association (A/A) is a legal document that outline the rules and regulations of a company or organization. These articles exist to explain the details of a company's operations and also include financial records and information about key tasks that a company aims to complete.

- Name of the directors.
- Share capitals
- Annual Meetings
- Shareholders and number of shares.
- Accounting and auditing techniques.
- Transfer and Transmission of shares.
- Voting rights
- Dividend policy and Reserves.
- Forfeiture of shares.

Define Prospectus

- A prospectus is a formal document required by and filed with the <u>Securities and Exchange</u> <u>Commission (SEC)</u> that provides details about an investment offering to the public.
- A prospectus is filed for offerings of stocks, bonds, and <u>mutual funds</u>.
- It is an appeal to the Public to subscribe shares or debentures offered to them.



Contents of Prospectus

- Details of the company, such as name, registered office address, and objects
- Details of signatories to the Memorandum and their shareholding particulars
- Details of the directors
- Details of shares offered and the class of the issue as well as voting rights
- Minimum subscription amount
- The amount payable on application, on allotment, and on further calls
- Underwriters of the issue
- Auditors of the company
- Audited reports regarded profit and losses of the company

Share and Debenture

Share

- ✓ A share is referred to as a unit of ownership which represents an equal proportion of a company's capital.
- ✓ A certificate that indicates the ownership.
- ✓ Those who buy shares known as shareholders

Debenture

- ✓ A debenture is referred to as a unit of debt issued by a company to raise capital.
- ✓ A certificate that indicates the liability of the company.
- √ Those who buy debenture known as shareholders.

Differences between Share and debentures

BASIS FOR COMPARISON	SHARES	DEBENTURES
Meaning	The shares are the owned funds of the company.	The debentures are the borrowed funds of the company.
What is it?	Shares represent the capital of the company.	Debentures represent the debt of the company.
Holder	The holder of shares is known as shareholder.	The holder of debentures is known as debenture holder.
Status of Holders	Owners	Creditors
Form of Return	Shareholders get the dividend.	Debenture holders get the interest.
Payment of return	Dividend can be paid to	Interest can be paid to



Part B : Co-operative Society

Chapter Outlines (Part B)

At the end of the chapter, the student will be able to understand about-

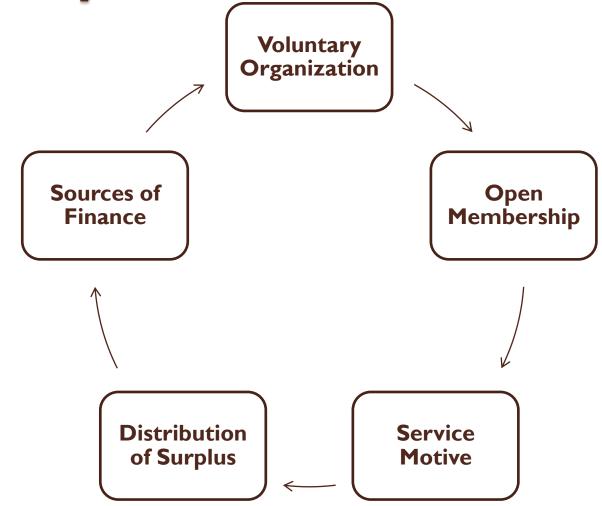
- Definition of Co-operative Society.
- Features of Co-operative Society.
- Objectives of Co-operative Society.
- Types of Co-operative Society.
- Advantages of Co-operative Society.
- Limitations of Co-operative Society.
- Principles of Co-operative Society.

Co-operative Society

- A cooperative society is a voluntary association that started with the aim of the service of its members.
- ☐ It is a <u>form of business</u> where individuals belonging to the same class join their hands for the promotion of their common goals.
- A cooperative society is a special type of society, which is established by an economically weak person for the betterment and upliftment of their economic condition through mutual help.



Features of Co-Operative Society



Objectives Co-Operative Society

Creating Savings

Bringing economic Welfare

Creating Unity and Solidarity

Protection against Financial loss

Development of Efficiency

Types of Operative Society



Types of Operative Society

- Consumer's Co-operative: established by consumer of Certain locality for the purpose of social and upliftment of their members. The main purpose is to ensure a steady supply of essential commodities of standard quality to the members at fair price.
- **Producer's Co-operative**: Formed for the benefits of small producers who have difficulty in collecting various factors of production and face market problems. The objective is to stimulate higher quality production by utilizing idle man power.
- Marketing Co-operative: Formed to enable their members to secure fair prices for their goods. The objective is to ensure steady, ready and favorable market for the products of different members.

Types of Operative Society

- Housing Co-operative: established to provide residential accommodation to their members either an ownership basis or at fair price.
- Farming Co-operative: These societies are voluntary association of small farmers, who join hands with the objectives of achieving the economics of large scale farming and maximizing agricultural output.

Principles of Co-operative Society

Unity: Members should have the mentality to work together.

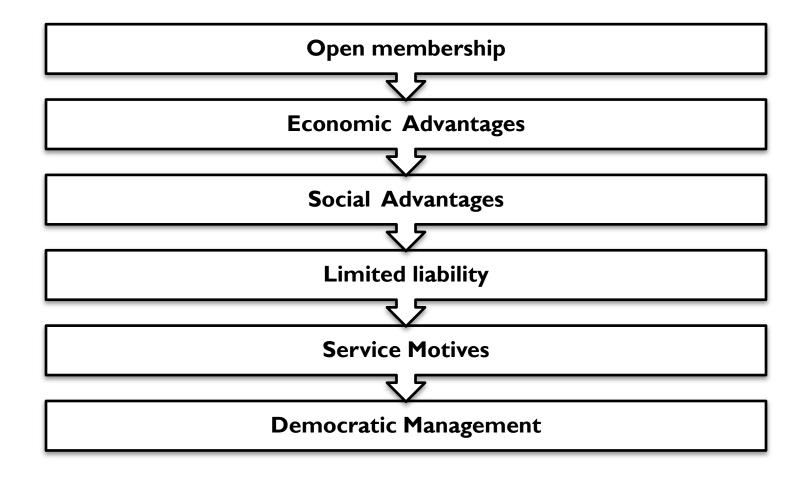
Co-operation: Members should work for each other.

Democracy: Member should have respect on democratic rules and regulations

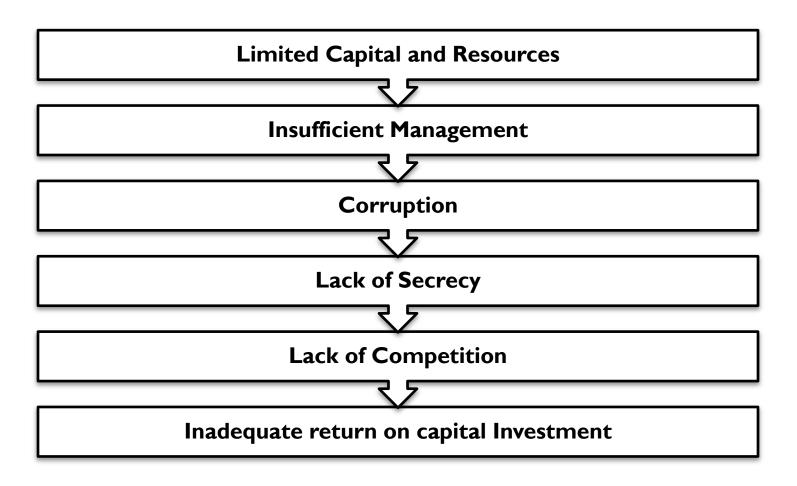
Equality: Every member should be treated equality irrespective of number of shares held.

Voluntary Association: Based on voluntary membership. Persons having common interest can joins as members.

Advantages of Co-operative Society



Limitations of Co-operative Society





Thanks



Chapter 4: Business Combination

Chapter Outlines

At the end of the chapter, the student will be able to understand about-

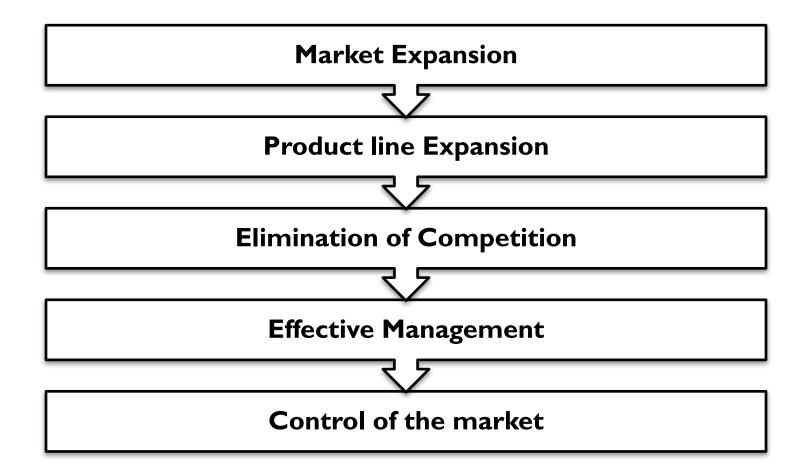
- Meaning of Business Combination.
- Objectives of Business Combination.
- Types of Business Combination.
- Meaning of Merger and Amalgamation.
- Advantages ad disadvantages of Merger and Amalgamation.
- Types of Amalgamation.

Meaning of Business Combination

- ☐ When two or more business organizations combine together with some common purposes then, it is termed as business combination.
- ☐ Business combinations are a common way for companies to grow in size, rather than growing through organic (internal) activities. Combinations can be used to rapidly acquire market share, fill out product lines, and gain access to new markets.



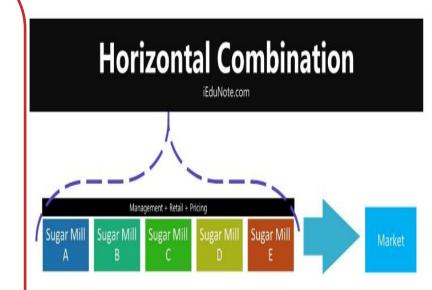
Objectives of Business Combination



Types of Business Combination

Horizontal Combination

A horizontal combination comes into being when units carrying on the same trade or pursuing the same productive activity join together with a common end in view.



Horizontal Combination

Characteristics

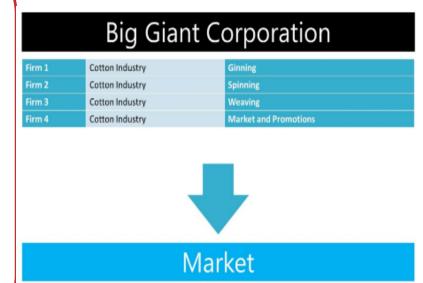
- Engaged in same type of business
- > Comes into single Ownership and Control.
- Same Types of goods Produced.
- Existence of Perfect combination

Example: Facebook's 2012 acquisition of Instagram.

Vertical Combination

Vertical Combination

Under Vertical Combination, the combining units represent various successive stages of productive activities either of the same industry or of various industries connected in a sequence.



Vertical Combination

Characteristics

- Different ownership and control.
- > Different stage of production.

Objectives

- Elimination of wasteful expenses.
- Elimination of unnecessary expenses.
- Securing economic advantages.
- Quality control.

Horizontal Versus Vertical

Meaning	When two firms combine, whose products and production level is same, then this is known as Horizontal Integration.	Vertical Integration is when a firm takes over another firm or firms, that are at different stage on the same production path.
Figure	Firm A B	Firm X
Objective	Increasing the size of the business	Strengthening the supply chain
Consequence	Elimination of competition and maximum market share.	Reduction of cost and wastage.
Capital	Higher	Lower

Merger (One Survivor)

Merger

Simply defined as the joining of two or more business units/firms under a single ownership and control.

Causes of Merger

- Combining resources
- Removing trade barriers
- Taking away competition
- Creating a stronger company

Advantages of Merger

Expansion of Market share Reduce cost of operation **Avoids Replication** Expand business in new geographical area Prevent closure of an unprofitable business

Disadvantages of Merger

I. Raises prices of products or services

A merger results in reduced competition and a larger market share. Thus, the new company can gain a monopoly and increase the prices of its products or services.

2. Creates gaps in communication

The companies that have agreed to merge may have different <u>cultures</u>. It may result in a gap in communication and affect the performance of the employees.

3. Creates unemployment

In an aggressive merger, a company may opt to eliminate the underperforming assets of the other company. It may result in employees losing their jobs.

Disadvantages of Merger

Prevents economies of scale

In cases where there is little in common between the companies, it may be difficult to gain synergies. Also, a bigger company may be unable to motivate employees and achieve the same degree of control. Thus, the new company may not be able to achieve economies of scale.

Amalgamation (No Survivor)

Amalgamation

 A new company is formed to take over all the amalgamating companies.

Causes of Amalgamation

- To acquire new <u>technologies</u>.
- To enter a new market.
- To increase the customer base.
- To expand the business in new geographical areas.
- To eliminate competition in the market.
- customers.
- To introduce a <u>new product</u> in the market.

Advantages of Amalgamation

- The operating cost of the business can be curtailed by opting amalgamation.
- Research and <u>development</u> facilities can be improved.
- The controlled price of goods in the market.
- <u>Diversification</u> can be achieved.
- The goodwill of a company increases in the market when it associates with a more prominent company.
- Managerial <u>effectiveness</u> can be achieved by opting for amalgamation.
- The last but not least advantage of amalgamation is the tax advantage.



- Amalgamation may lead to elimination of healthy competition
- Reduction of employees may take place.
- There could be additional debt to pay.
- Business combination could lead to monopoly in the market, which is not always positive.
- The goodwill and identity of the old company is lost

Acquisition (Two Survivors)

Acquisition

- The purchasing company acquires more than 50% of the shares of the acquired company and both companies survive.
- Acquiring company the power to make decisions concerning the acquired assets without needing the approval of <u>shareholders</u> from the target company

Causes to happen

- As a Way to Enter a Foreign Market.
- As a Growth Strategy.
- To Reduce Excess
 Capacity and Decrease
 Competition.
- To Gain New Technology

Benefits of Acquisition

- A company is able to enter into new markets and product lines instantaneously with a brand that is already recognized.
- An acquisition can help to increase the market share of your company quickly.
- New competencies and resources.
- After an acquisition, access to <u>capital</u> as a larger company is improved.
- Acquisition often helps put together a new team of experts with fresh perspectives and ideas.

Challenges of Acquisition

Cultural Cash between two companies.

It may lead to employees duplicating each other's duties

The two companies involved in the acquisition may have distinct objectives

Poorly matched business

Pressure on Supplier due to increasing demand of rawmetrials



Thanks



Chapter 5: Social Responsibility and Business Ethics

Chapter Outlines

At the end of the chapter, the student will be able to understand about-

- Meanings of Social Responsibility .
- Social Responsibilities of Business organizations.
- Advancing Social Responsibility

Social Responsibility

- Social responsibility means that businesses, in addition to maximizing <u>shareholder</u> value, must act in a manner benefiting society, not just the bottom line.
- Social responsibility has become increasingly important to investors and consumers who seek investments that not only are profitable but also contribute to the welfare of society and the environment





Responsibility to Customer

- I. Right to be sure about safety about Product possession.
- 2. Right to receive available information about product.
- 3. Right to choose variety of products at reasonable price.
- 4. Right to hear from customer before production of goods and services

Responsibility to Employee

- I. Equity in the workplace.
- 2. Safety in the workplace.

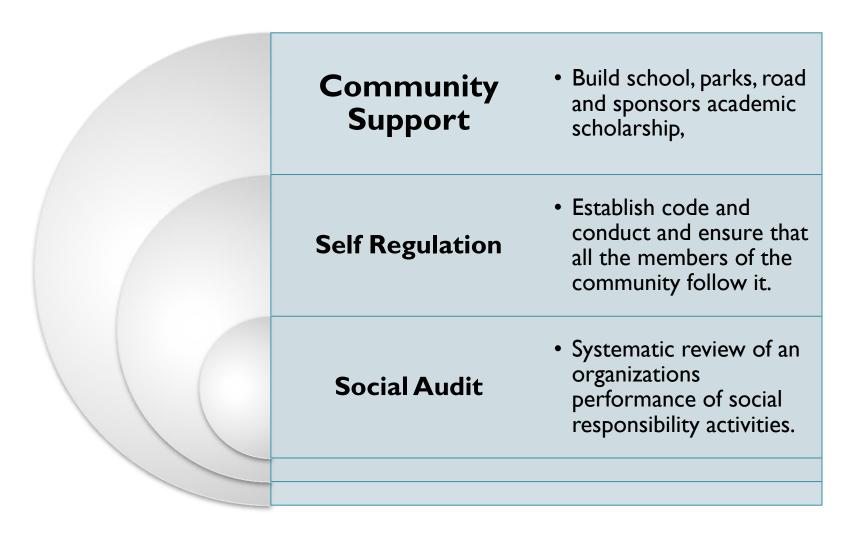
Responsibility to Environament

- I. Preventing Air pollution
- 2. Water pollution.
- 3. Land pollution

Responsibility to Investors

- I. Proper management of funds.
- 2. Access to information.
- 3. Executive compensation.

Advancing Social Responsibility



Meaning of Business Ethics

- Ethics is a subject of social science that is related with moral principles and social values.
- 'Business Ethics' can be termed as a study of proper business policies and practices regarding potentially controversial issues, such as corporate governance, insider trading, bribery, discrimination, corporate social responsibility, and fiduciary responsibilities.
- According to Crane, "Business ethics is the study of business situations, activities, and decisions where issues of right and wrong are addressed

Features of Business Ethics

- Code of Conduct: Business ethics is actually a form of codes of conduct. It lets us know what to do and what not to do.
- Based on Moral and Social Values: Business ethics offers some moral and social principles (rules) for conducting a business.
- **Protection to Social Groups**: Business ethics protect various social groups including consumers, employees, small businesspersons, government, shareholders, creditors, etc.

Features of Business Ethics

- Offers a Basic Framework. It constructs the social, cultural, legal, economic, and other limits in which a business must operate.
- **Voluntary**: Business ethics is meant to be voluntary. It should be self-practiced and must not be enforced by law.
- Requires Education & Guidance: Businessmen should get proper education and guidance about business ethics.
- **Relative Term**: Business ethics is a relative term. It changes from one business to another.

Principles of Business Ethics

- Avoid Exploitation of Consumers: Do not cheat and exploit consumer with measures such as artificial price rise and adulteration.
- Avoid Profiteering: Unscrupulous business activities such as hoarding, black-marketing, selling banned or harmful goods to earn exorbitant profits must be avoided.
- Encourage Healthy Competition: A healthy competitive atmosphere that offers certain benefits to the consumers must be encouraged.
- **Ensure Accuracy:** Accuracy in weighing, packaging and quality of supplying goods to the consumers has to be followed.

Principles of Business Ethics

- Pay Taxes Regularly: Taxes and other duties to the government must be honestly and regularly paid.
- Get the Accounts Audited: Proper business records, accounts must be managed. All authorized persons and authorities should have access to these details.
- Fair Treatment to Employees: Fair wages or salaries, facilities and incentives must be provided to the employees.
- Avoid Injustice and Discrimination: Avoid all types of injustice and partiality to employees. Discrimination based on gender, race, religion, language, nationality, etc. should be avoided

How to promote ethical behavior in Workplace

- Create a code.
- Engage with your employees and customers.
- Reinforce the benefits of the code.
- Be a good role model.
- Train your employees.
- Reward ethical behavior.
- Learn from your mistake.



Thanks



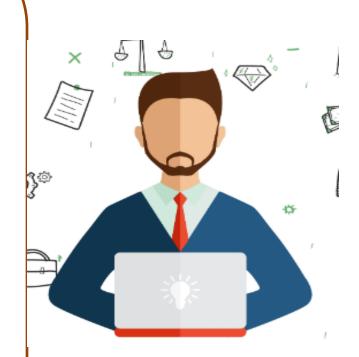
Chapter Outlines

At the end of the chapter, the student will be able to understand about-

- Meaning of entrepreneurship
- Define entrepreneur.
- Qualities of entrepreneur.
- Types of entrepreneurs.
- Major Functions of entrepreneur.
- Role of entrepreneur in economic development.
- Social Responsibilities of Business organizations.
- Entrepreneurial Skills
- Entrepreneurship development process.
- Challenges of entrepreneurship development.

Entrepreneurship

- ☐ Essentially, entrepreneurship is the process of developing, organizing, and running a new business to generate profit while taking on financial risk.
- ☐ Entrepreneurship is the process of identifying opportunities in the market place, arranging the resources required to pursue these opportunities and investing the resources for long term gains.



Who is a Entrepreneur?

Entrepreneur is a person who -

- is Able to recognize potential Profitable opportunities.
- is Able to conceptualize the venture strategy.
- is a risk taker.
- has lots of energy, idea and dream
- > is an innovator.
- decision maker.

Finally, he is person who takes the risk necessary to organize and manage a business and receives the financial profits.

Qualities and Traits of an Entrepreneur

I. Self Confidence: Must be dynamic, committed and independence. 2. Originality: must be innovative, creative and resourceful. **3. People Oriented:** Responsive to suggestions and criticisms. 4. Task Result Oriented: Profit oriented, persistence, and hardworking 5. Risk Taking

6. Future Oriented

Types of Entrepreneur

- The individual entrepreneur: An individual entrepreneur is someone who started; acquired or franchised his/her own independent organization.
- Intrapreneur: An Intrapreneur is a person who does entrepreneurial work within large organization. The process by which an intrapreneur affects change is called Intrapreneurship.
- The Entrepreneurial Organization: An organization can create an environment in which all of its members can contribute in some function to the entrepreneurial function. An organization that creates such an internal environment is defined as entrepreneurial organization



- 1. Organizing functions
- 2. Conceptualizing new opportunities and possibilities
- 3. Risk taking
- 4. Decision-making
- 5. Technology transfer
- 6. Implementation of innovations
- 7. Utilization of experience
- 8. Managerial role

Role of Entrepreneurs in Economic Development

Improvement in per capita Income

Generation of Employment Opportunities:

Inspire others Towards Entrepreneurship

Enhance the Number of Enterprise

Balanced Regional Development

Entrepreneurial Skills

A skill is simply knowledge which is demonstrated by action. It is an ability to perform in a certain way. An entrepreneur is someone who has a good business idea and can turn that idea into reality. There two major types of skills required for the Entrepreneur.

- I. General management skills and
- II. People management skills

General management skills

- **Strategy Skills** An ability to consider the business as a whole, to understand how it fits within its market place, how it can organize itself to deliver value to its customers, and the ways in which it does this better than its competitors.
- **Planning Skills** An ability to consider what the future might offer, how it will impact on the business and what needs to be done to prepare for it now.
- Marketing Skills An ability to see past the firm's offerings and their features, to be able to see how they satisfy the customer's needs and why the customer finds them attractive.

General Management Skills

- Financial Skills An ability to manage money; to be able to keep track of expenditure and to monitor cash-flow, but also an ability to assess investments in terms of their potential and their risks.
- **Project Management Skills** An ability to organize projects, to set specific objectives, to set schedules and to ensure that the necessary resources are in the right plat of the right time.
- **Time Management Skills** An ability to use time productively, to be able to priorities important jobs and to get things done to schedule

People Management Skills

- Communication Skills An ability to use spoken and written language to express ideas and inform others.
- Leadership Skills An ability to inspire people to work in a specific way and to undertake the tasks that are necessary for the success of the venture.
- Motivation Skills An ability to enthuse people and get them to give their full commitment to the tasks in hand.
- Delegation Skills An ability to allocate tasks to different people. Effective delegation involves more than instructing

The Entrepreneurial Tasks

Owning Business

Founding new Business organizations

Encouragement to upcoming entrepreneurs.

Entrepreneurship Development

- Entrepreneurship development is the means of enhancing the knowledge and skill of entrepreneurs through several classroom coaching and programs, and training.
- In simple words, the entrepreneurship development process is about supporting entrepreneurs to advance their skills with the help of training and coaching classes. It encourages them to make better judgments and take a sensible decision for all business activities.

Entrepreneurship Development Process

- **Discover** Any new process begins with fresh ideas and objectives, wherein the entrepreneur recognizes and analyzes business possibilities.
- **Evaluation** The evaluation of an opportunity can be done by asking several questions to oneself. For instance, questions like whether it is worth taking a chance and investing in the idea, will it attract the consumer.
- Developing a plan After the identification of an opportunity, an entrepreneur has to build a complete business plan

Entrepreneurship Development Process

- **Resources** The next step in the process of entrepreneurial development is resourcing. Here, the entrepreneur recognizes the source of finance and from where the human resource can be managed. In this step, the entrepreneur also tries to find investors for his new business.
- Managing the company All the entrepreneur will decide on the management structure that will be assigned to resolve the operational problems whenever it occurs.
- **Harvesting** Here, an entrepreneur determines the future growth and development of the business. Here, real-time development is compared with the projected growth,

Challenges to Entrepreneur Development

Frequent Chnage of Government and Policy.

Lack of Priority.

Lack of Coordination among institutions.

Lack of training facilities.

Insufficient Financial and Credit support.

Lack of confidence among related parties.



Entrepreneurship and Entrepreneurial Skills: Origination and Development

Presented By:

Syed Muhammad Nizam Uddin, BBA,MBA,ACBA, DIB, DAIBB, PGDIR, CS (Executive Level), DBA(Thesis Part)

Who is an Entrepreneur.....



The term 'Entrepreneur' means to undertake certain activities:

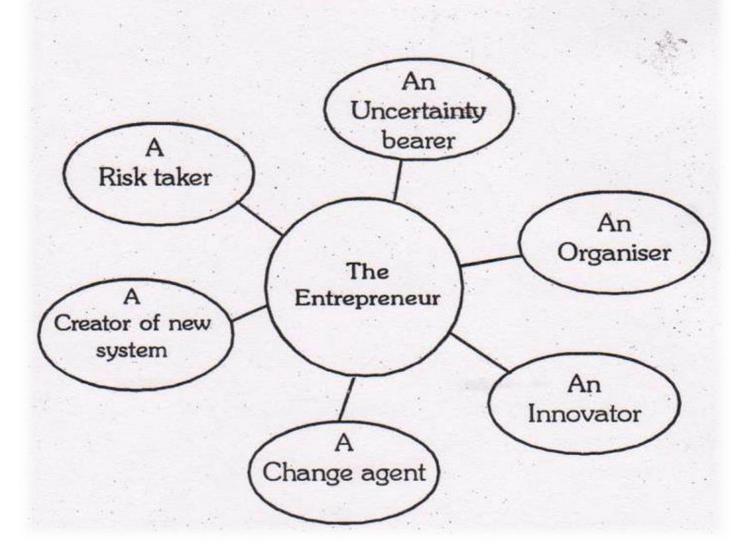
- 1) Produces a product
- 2) Sells & market the product
- 3) Bear overheads like :-
- * Pays rent of Land and building
- * Wages to labor
- * RR (Rate of Return) on capital
- * Generate profit

Working Definition

An entrepreneur is a person who combines various factors of production, processes raw material, converts the raw material into a finished product and creates utility and sells the produce in the market to earn profit.

ENTREPRENEURS ARE MADE AND NOT BORN.

The Entrepreneur



ENTERPRISE:

Entrepreneurial activity, especially when accompanied by initiative and resourcefulness.

ENTREPRENEURSHIP

may be defined in various ways, but the four key elements involved in it are:

- i. Innovation.
- ii. Risk-taking.
- iii. Vision.
- iv. Organizing skill.

The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses.

Entrepreneurial Characteristics

Being an entrepreneur requires specific characteristics and skills that are often achieved through education, hard work, and planning.

Risk Taker

Businesses face risk. Entrepreneurs minimize risk through research, planning, and skill development.

Perceptive

Entrepreneurs view problems as opportunities and challenges.

Curious

Entrepreneurs like to know how things work. They take the time and initiative to pursue the unknown.

Entrepreneurial Characteristics

Imaginative

Entrepreneurs are creative. They imagine solutions to problems that encourage them to create new products and generate ideas.

Persistent

True entrepreneurs face bureaucracy, make mistakes, receive criticism, and deal with money, family, or stress problems. But they still stick to their dreams of seeing the venture succeed.

Goal-setting

Entrepreneurs are motivated by the excitement of staring a new business. Once achieved, they seek out new goals or ventures to try.

Entrepreneurial Characteristics

Self-confident

Entrepreneurs believe in themselves. Their self-confidence takes care of any doubts they may have.

Flexible

Entrepreneurs must be flexible in order to adapt to changing trends, markets, technologies, rules, and economic environments.

Independent

An entrepreneur's desire for control and the ability to make decisions often makes it difficult for them to work in a controlled environment.

Hardworking

Entrepreneurs need a great deal of energy to see a venture start and succeed. Yet they are not deterred by the long hours to achieve their goal.

- DOERS : Achievers
- DREAMERS: Doing something through executing dreams into actions

Stage One – The Dreamer.

This is where the idea for a business is born. The dream is the culmination of the entrepreneur's life experiences and passions.

Stage Two – The Architect.

This stage is where the dream is interpreted into a business model which becomes the blueprint of the venture. The Dreamer typically does not make a good Architect.

Stage Three – The Builder.

This is the stage where the dream can first become reality. The Builder then literally turns the dream into reality. We are now at a critical juncture of the venture.

Stage Four – The Cultivator.

This is the growth stage. Once the business is launched the Cultivator's primary role is to guide the business through the various levels of growth.

Classification of Entrepreneur

Innovative entrepreneur: -

Such entrepreneurs introduce new goods or new methods of production or discover new markets or reorganize the enterprise. Examples of first movers include innovative companies such as eBay and Coca-Cola. eBay was the first company to take the auction process online, kicking off operations in 1995.

Imitative or adoptive entrepreneur:-

Such entrepreneurs don't innovate, they copy technology or technique of others.. Such entrepreneurs are significant for under-developed economies because they put such economies on high rate of economic development`EX: Chinese mobiles.

Prime mover :-

This entrepreneur sets in motion a powerful sequence of development **expansion and diversification** of business

Manager:-

Such an entrepreneur doesn't initiate expansion and its content in just staying in business.

The artists:-

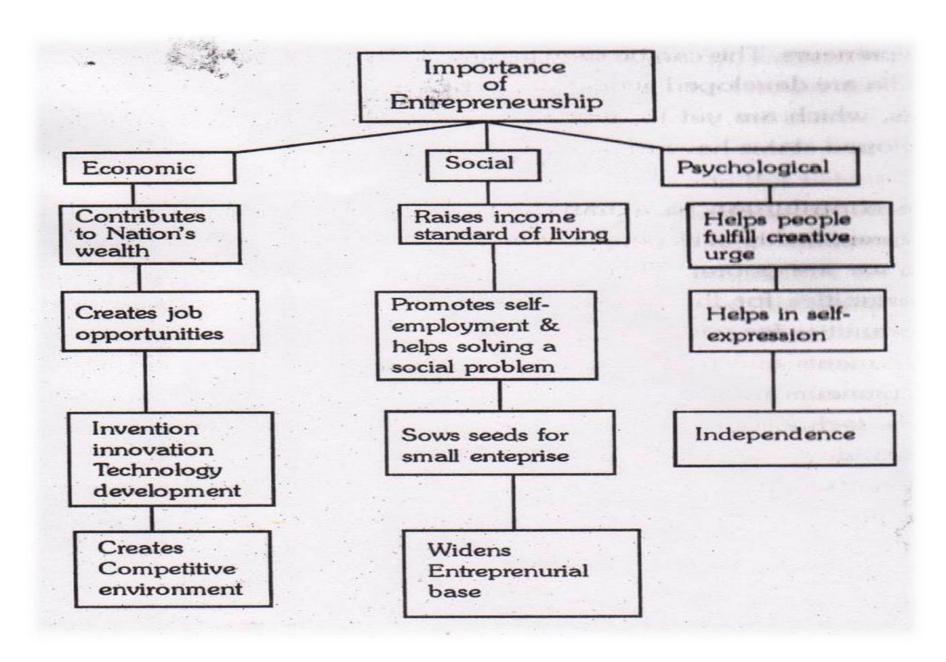
Are highly creative type, very conscious about business.

EX: Aamir Khan, Michael Dell (Dell),

The visionary:-

Too focused on dreams with little focused on reality.

EX: Jack Welch (GE), Bill Gates (Microsoft), Warren Buffet (Berkshire Hathaway), Sam Walton(Wall Mart).



Problems of Entrepreneurship Development Programmes (EDPs) are:

- 1. No Policy at the National Level.
- 2. Problems at the Pre training Phase.
- 3. Over Estimation of Trainees.
- 4. No fixed Duration of EDPs.
- 5. Non Availability of Infrastructural Facilities.
- 6. Improper Methodology.

Steps to Promote Entrepreneurship

- Setup Entrepreneurial Development Institutes in district level.
- Recognize and celebrate entrepreneurship among youth as a preferred career.
- Enhance access to finance for start-ups in every possible way.
- Reduce the time of starting a business and ease down the complex procedures of Govt licensing and other such activities like finance and banking etc.
- Promote entrepreneurship.

Every Big Enterprises Starts with a small Dream



So Keep Dreaming

Now, we shall Discuss on <u>Business Plan</u> with example

Business Plan

- :A business plan is a formal statement of a set of business goals.
- It may contain background information about the organization or team attempting to reach those goals.
- The business goals being attempted may be for profit or non-profit. For-profit business plans typically focus on financial goals.
- A business plan having changes in perception and branding as its primary goals is called a marketing plan.

Business plans may be internally or externally focused.

- Externally focused plans target goals that are important to external stakeholders, particularly financial stakeholders. With for-profit entities, external stakeholders include investors and customers.
- Internally :Internally focused business plans target intermediate goals required to reach the external goals. Business plans that identify and target internal goals, but provide only general guidance on how they will be met are called strategic plans.

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Steps of Developing the Business Plan: Make the commitment to go into a business for yourself.

- Analyze your strength and weakness paying special attention to your business experience.
- Choose the production.
- Search the market for product or services.
- Forecast share of the market.
- Choose a site of the market.
- Develop the Production plan.
- Develop the Marketing plan.
- Develop the Organizational plan.
- Develop the Legal plan.
- Develop the Accounting plan.
- Develop the Insurance plan.
- Develop the Computer plan.
- Develop a program of Technological Quality Management (TQM)
- Develop Financial plan.
- Write a cover letter for summering a business plan

Objective of Business Plan:

- To continue our strategy of controlled growth and through improved management to continue to increase our net margin.
- To increase client satisfaction, through improved reporting, accuracy, timeliness and estimates of cost and value.
- To learn how to formulate an effective Business Plan.
- To continue our strategy of controlled growth and through improved management to continue increasing our net margin.
- Operating the firm efficiently.
- Funding the firm.
- Seeking financing.
- Arranging strategic alliances.
- Obtaining large contracts.
- Testing the viability of our plans.
- Attracting key employees.
- It can be used as a selling tool in dealing with important relationships including our lenders, investors and banks.
- Completing mergers and acquisitions.
- To help banks and others who might lend us money.
- Starting international operations

Example: Starting a Restaurant Business

Description of the Restaurant :

- Company Name: "New & Tasty Restaurant"
- Mission Dialogue : Tempted to try something
- Product Type : Thai & Chinese Foods
- **Vision:** Our vision is to capture the restaurant business in Bangladesh & become the highest ranking restaurant.

Mission:

- To sell delicious and remarkable food and drinks.
 To create and maintain a restaurant that is comprehensive and exceptional in its attention to every detail of operation.
- To keep our concept fresh, exciting and on the cutting edge of the hospitality and entertainment industry.
- To use our restaurant to improve the quality of life in the Dhanmondi region.

12

- Goal :
- Our goal is to sell 80, ,00,000 TK. & to capture customers daily.
- To make a good impression of our restaurant, we will hire experienced employees.
- To keep a good relation with the customers, we will provide better services.
- **Description of Premises & Facilities**: Our Restaurant will be located in Dhanmondi. We are buying 3000 sqft area for our New & Tasty Restaurant. 1 basement is for Parking Lot which can hold approximately 15 cars.
- Our restaurant can hold almost 100 people.
- Basement: The basement is mainly for car parking.. There will be also a lift access to the basement so that, the customers can easily communicate to car parking.

Partnership Agreement

The agreement is made within the following Two persons:

- i. Mr X, Address: ----, Mobile:----
- ii. Mr. Y, Address:, Mobile:,
- **Partner's Share :** Mr X 60 % , Mr Y 40 %.

Reasons for choosing Dhanmondi Location :

- Dhanmondi is a crowded area. Most of the schools, universities, banks, residence are located in Dhanmondi. Moreover, Dhanmondi lake is a popular place & people often used to visit this place.
- The raw material such as chicken, beef, rice, vegetables etc can be found in Mohammadpur Town Hall, Kauran Bazar near to the Dhanmondi 11/A. The transportation of these raw materials is also easy & low cost. Work forces are also available in Dhanmondi. Employee can be located in Rayerbazar, Hazaribag, West Dhanmondi, Mohammadpur, Zigatola.
- **Publicity**. We are also providing home delivery. People can order different food items via telephone, . We will also have an internet domain of our restaurant. We also provide credit-card facilities. We will advertise our restaurant via TV media, radio media, newspaper, magazine, internet, banner, and billboard.
- **Advertising**: Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- Our advertising massage is our food quality is better than other restaurants' food quality and we are based on customer satisfy.
- Advertising media: We shall choose the advertising media, which are the advertising outlets, including newspapers, television, direct mail,, brochures, telephone, internet, billboards and outdoor displays.

SWOT Analysis:

• **Strengths** We have sufficient employers to operate our restaurant business. We will hire well known chef to provide best quality food to the customers. One of our members is highly trained in marketing expertise which will helps us to focus our restaurant to the customers. We are focusing on high quality food items with high quality raw materials. We have home service facilities.

Weakness

- Not enough money to operate business. We have short space, not enough places to parking. We do not have training facility for our employees. We have not employee's transportation facility.
- Opportunities: Many customers live in Dhanmondi A crowded place due to Dhanmondi Lake, Offices, Hospitals, Schools, Universities etc. Technology advancement. Employers are available in Dhanmondi
- **Threats**: Price inflation Insufficient Electricity and water. Political instability Huge number of restaurant in Dhanmondi

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Ending Notes of New & Tasty Restaurant

- New & Tasty Restaurant is very much promising to give a better services & high quality of foods.
- The calculation shows a high margin of safety, which is a good sign for our business.
- The initial estimation was made for 85 150 customers. But if we can fulfill our goal, we can capture 200 300 customers, which will make more profits than we imagine.
- If we calculate the CM Ratio, Sales per unit variable expense per unit
- Sales per unit= 27.84%. This is a good value for our company.
- The analysis shows that, the business is profitable & can bring a good community to the people who live in Dhanmondi.

Next to Business Plan, Marketing Strategy is a must

Steps of Developing a Marketing Strategy:

- Identifying needs of customers
- Making products/services
- Market Segmentation
- Target Market
- Market Positioning

Types of Market Positioning:

- 1. Cost Leadership Strategy
- 2. Focus Strategy
- 3. Niche Marketing Strategy
- 4. Differentiation Strategy

Differentiation Strategy:

- 1. Product Differentiation
- 2. Price Differentiation
- 3. Image Differentiation
- 4. Personnel Differentiation

Customers: The Most Valuable Input

Customers go through the Stages:

- Potential Customers
- 1st time customer
- Repeat Customer
- Loyal Customer
- Brand Loyal Customer
- Life Time Customer

Value for Customers

What is Quality?

Offered Value = Perceived Value (Quality)
Offered Value> Perceived Value (Extra Quality)

Offered Value < Perceived Value (Low Quality)

Thanks a Lot!

Any Question Please

 https://courses.lumenlearning.com/wmintroductiontobusiness/chapter/powerpoints/

Chapter 8:Introduction to Emerging Modes of Business

What are the Emerging Modes of Business?.....



Digitization,

Outsourcing, and

Globalization

are some of the strongest trends that are shaping business across the world.

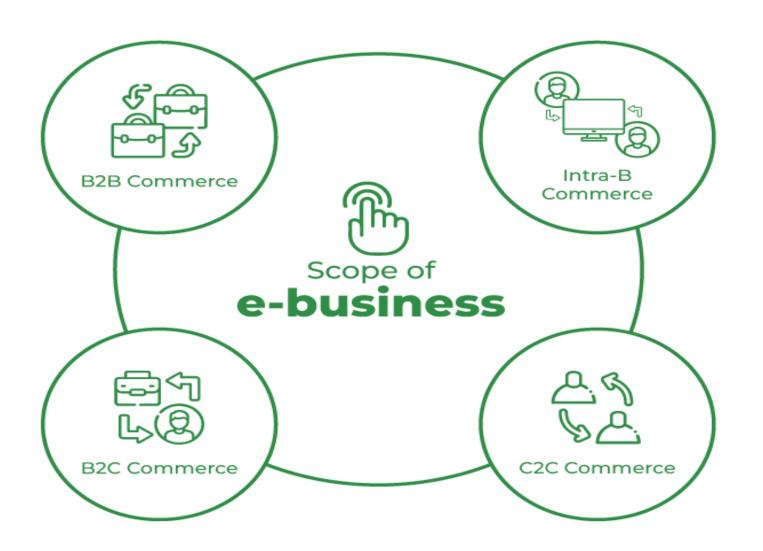
The way business is done has undergone some fundamental changes, in the last decade or so we are introduced to some different types and modes of business.

'Mode of Business' can be defined as the manner of conducting business. Digitization of business has helped sellers to reach new highs in terms of reach and no physical barrier.

Electronic Business (E-Business):

- E-Business can be defined as the conduct of Industry, Trade & Commerce using the computer networks. It includes all the electronically conducted business functions such as production, inventory management, product development, accounting & finance, and human resource management.
- E-Commerce: It can be defined as the firm's interactions with its customers and suppliers over the internet. E-Commerce is a part of E-Business, E-Business is a broader term than E-Commerce.

Scope of E-Business:



• The scope of E-Business is quite vast. Almost all the business & management functions can be carried out over computer networks. Viewing from the perspective of people and parties involved in the electronic transactions and networks the scope of E-Business is further visualized into four directions. They are-

- 1. B2B Commerce: B2B refers to Business to Business. Here, the parties involved in the E-Commerce transactions are business firms. With an injection of the internet into business, a network of computers is used for placing orders, monitoring production, delivery of components, and making payments between two businesses.
- 2. B2C Commerce: As the name implies. Business Commerce transactions have business firms at one end and its customers on the other end. B2C Commerce entails a wide range of activities including marketing, promotion, and delivery of the products. Further, the B2C variant of E-commerce enables a business to be in touch with its customers on a clock basis.
- 3. Intra-B Commerce: Here, the parties involved in the electronic transactions are from within the organization. E-Business is a much wider term and includes the use of intranet for managing interactions and dealing among various departments and functions within the organization. The use of computer networks makes it possible for the firm to go in for flexible manufacturing, marketing department to interact constantly with the production department or any other department for effective and efficient management.

• 4. C2C Commerce: Consumer to Consumer business originates from the consumer and the ultimate destination is also consumers. When there is no established market mechanism for a product, the vast space of the internet allows persons to globally search for potential buyers on their own. Additionally, E-Commerce technology provides market system security to such transactions.

Benefits of E-Business:

- 1. Ease of Formation and Lower Investment Requirement: E-Business is relatively easy to start, it doesn't require heavy investment on the procedural requirement for setting up an industry.
- 2. Convenience: The Internet offers the convenience of time and place. You can use the internet from anywhere and at any time. So, E-Business is enabled and enhanced by electronics and offers the advantage of accessing anything, anytime and anywhere.

- 3. Speed: Much of the buying and selling through the internet involves the exchange of information that is allowed at the click of a mouse. Cycle Time i.e. the time taken to complete a cycle from the origin of demand to its fulfillment is substantially reduced due to the transformation of the business processes from being sequential to becoming parallel or simultaneous.
- 4. Global Reach/Access: The Internet is true without boundaries. It allows the seller access to the global market and it also affords the buyer the freedom to choose products from all over the world.

• 5. Movement Towards Paperless Society: The dependence on paperwork has been considerably reduced with the increase in the use of the internet. Maintaining records, getting permissions, approvals, licenses, etc. all are done through computers and electronic filing which helps reduce the use of paper.

Limitations of E-Business:

- **1. Low Personal Touch:** E-Business lacks the warmth of interpersonal interactions. So, it is low preferable for products that demand high personal touch.
- 2. Order Fulfilment Speed: Information can flow at the click of a mouse but the physical delivery of the products takes time. So, the incongruence between order taking/giving and order fulfillment speed is a major hindrance.
- 3. Need for Technology Capability and Competence: E-Business requires a fairly high degree of familiarity with the world of computers, this imposes a digital divide among people.
- **4. Increased Risk:** Due to the anonymity and non-traceability of parties, there is an increased risk.
- 5. People Resistance: The process of adjustment to new technology and a new way of doing things causes stress and a sense of insecurity. People may resist accepting new things.
- **6. Ethical Fallouts:** The Internet can cause a breach of privacy. Any organization can keep an electronic eye on everything that is happening on its portal, which can go out of the boundaries sometimes.

Online Transactions:

 The exchange of information in the traditional business model can only be done at severe time and cost constraints but in the presence of the internet, information or delivery of any information-intensive products and services such as software and music can take place online. There are three steps involved in online transactions. Firstly, the pre-purchase/sale of the stage includes advertising and information seeking, secondly, the purchase/sale stage is comprised of steps such as price negotiation, the closing of purchase/sale deals and payment, thirdly, the delivery stage.

- C1 to C2 Cycle
- C2> C1
- C To C Cycle
- Cash to Cash Cycle
- Out of Pocket Cash
- In of Pocket Cash

- 1, Registration: Before online shopping one has
 to register with the online vendor by filling up a
 registration form, this process is done to have an
 'account' with the online vendor.
- 2. Placing an Order: We can select items that we want to buy and place them in the shopping cart.
 A shopping cart is an online record of what you have picked up while browsing the online store.
 After being sure of what you want to buy, you can 'checkout' and choose the payment option.

- **3. Payment Mechanism:** The payment for the purchase can be done in several ways-
- Cash on Delivery(COD)- Payment of goods ordered online may be made in cash at the time of delivery.
- **Cheque-** The online vendor may arrange for the pickup of the Cheque from the customer's end.
- Net-Banking- Payment can be done through electronic transfer of funds over the internet.
- Credit or Debit Cards- Also known as plastic money, the majority of online transactions are done through credit or debit cards.
- Digital Cash- It is a form of electronic currency that exists only in cyberspace. This type of currency has no physical property but offers to use real currency in an electronic format.

Security and Safety of E-Transactions: E-Business Risks-:

- Online transactions unlike physical transactions are prone to several risks. Risk refers to the probability of any mishappening that can result in financial, reputational, or psychological losses to the parties involved in a transaction. We will discuss them one by one-
- 1. Transactional Risk: Online Transactions are vulnerable to the following types of transaction risks-

- Seller denies that the customer ever placed the order or the customer denies that he ever placed the order. This is called 'default on order taking/giving'.
- The delivery does not take place or the wrong product was delivered. This is a case of 'default on delivery'.
- Seller does not get the payment for the goods supplied but the customer claims that the payment was made. This may be referred to as 'default on payment'.

- 2. Data Storage and Transmission Risks: Data stored in the systems and en-route is exposed to several risks. Vital information may be stolen or modified.
- 3. Risks of Threat to Intellectual Property and Privacy: Once the information is available over the internet, it moves out of the private domain. It then becomes difficult to protect it from being copied.

Outsourcing:

- Outsourcing refers to a long-term contracting out generally the non-core and of late even some of the core activities to captive or third party specialists to benefit from their experience, expertise, efficiency, and even investment. Its features include:
- Outsourcing Involves Contracting Out
- Generally, Non-core Business Activities are Outsourced
- Processes may be Outsourced to a Captive Unit or a Third Party

Need for Outsourcing:

- There can be many reasons behind the importance and need of outsourcing. They are-
- Focusing of Attention
- Quest for Excellence
- Cost Reduction
- Growth through Alliance
- Supports Economic Development

Concerns Over Outsourcing:

- Some of the concerns that outsourcing is besieged with are-
- Confidentiality
- Sweat-shopping
- Ethical Concerns
- Resentment in the Home Country

• Thanks

Chapter 9: Summary of Business Management

What are the ways to succeed in Business?.....



Foundations to Business Knowledge

er 1: The Foundations of Business
Introduction
Getting Down to Business
What Is Economics?
Perfect Competition and Supply and Demand
Monopolistic Competition, Oligopoly, and Monopoly
Measuring the Health of the Economy
Government's Role in Managing the Economy
Cases and Problems
er 2: Business Ethics and Social Responsibility
Misgoverning Corporations: An Overview
The Individual Approach to Ethics
Identifying Ethical Issues
The Organizational Approach to Ethics
Corporate Social Responsibility
Environmentalism
Stages of Corporate Responsibility
Cases and Problems
er 3: Business in a Global Environment
The Globalization of Business
Opportunities in International Business
The Global Business Environment
Trade Controls
Reducing International Trade Barriers
Preparing for a Career in International Business
Cases and Problems

Managing People

er 7: Recruiting, Motivating, and Keeping Quality Employees		
Human Resource Management		
Developing Employees		
Motivating Employees		
What Makes a Great Place to Work?		
Performance Appraisal		
Labor Unions		
Cases and Problems		

Marketing & Communication

t	er 8: Teamwork and Communications
	The Team and the Organization
	Why Teamwork Works
	The Team and Its Members
	The Business of Communication
	Communication Channels
	Forms of Communication
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į	er 9: Marketing: Providing Value to Customers
	What Is Marketing?
	The Marketing Mix
	Pricing a Product
	Placing a Product
	Promoting a Product
	The Product Life Cycle
	1 1 1 V 1 1 V M M V 1 1 1 1 1 V V V V V
	The Marketing Environment

Product Offer & Management

Knowledge in Business Disciplines

	er 12: The Role of Accounting in Business
	The Role of Accounting
	Understanding Financial Statements
	Accrual Accounting
	Financial Statement Analysis
	Challenges Facing the Accounting Profession
	Cases and Problems
•	er 13: Managing Financial Resources
	The Functions of Money
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	The Federal Reserve System
	The Role of the Financial Manager
	Understanding Securities Markets
	Financing the Going Concern
	Careers in Finance
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Contd.

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Financial Planning
Time Is Money
The Financial Planning Process
A House Is Not a Piggy Bank: A Few Lessons from the Subprime Crisis
Cases and Problems
r 15: Managing Information and Technology
Data versus Information
Managing Data
Types of Information Systems
Computer Networks
Data Communications Networks
Security Issues in Electronic Communication
Careers in Information Management
Cases and Problems
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Legal Environment

Get Ready

- Personal Development
- Decision
- Planning
- Investment
- Time Management
- Discipline
- Never say No

Thanks