

Examrace

What is Business: Discussions in Commerce for Competitive Exams?

Doorsteptutor material for UGC is prepared by world's top subject experts: Get [detailed illustrated notes covering entire syllabus](#): point-by-point for high retention.

Business is defined as an activity involving regular production or purchase of goods and services for sale, transfer and exchange with an object of earning profit.

Scope of Business

- **Business is an important institution in society. It in**
 - **Supply of goods and services**
 - **Creation of job opportunities**
 - **Offer of better quality of life**
 - **Contributing to the economic growth of the country**
- **Society cannot do without business due to cruciality of business.**

[©Examrace. Report ©violations @https://tips.fbi.gov/](#)

Importance of Business

- Improves standard of living of people.
- Generates employment in India.
- Utilizes scarce resources of nation and facilitates mass production of goods and services.
- Enables people of a country to use quality goods of international standard.
- Gives better return to investors on their capital investment.
- Promotes social interest by:
 - Providing tourist services
 - Sponsoring cultural Programs

- Trade shows
- Facilitates exchange of culture among people of different nations.
- Helps in development of science and technology.

Objectives of Business

- Business organisation wants to achieve or accomplish over a specified period of time.
- To make profit is primary objective of business.
- Contributing to national goals and aspirations as well as towards international well-being.

Classifying Objectives of Business

(i) Economic objectives: Earning profit and those which have a direct impact on profit-earning objective of business.

(ii) Social objectives: Desired to be achieved for benefit of society are called as social objectives.

(iii) Human objectives: Safeguarding interest of its employees and their welfare.

(iv) National objectives: Fulfilling national goals and aspirations comes under this category.

(v) Global objectives: Facing challenges of global market is global objective of business.



©Examrace. Report @violations @<https://tips.fbi.gov/>

Classification of Business Activities

Most business activities are concerned with production and/or processing of goods and services or distribution of goods and services. Former is known as 'Industry' and later as 'Commerce'. Some can classify business as Industry and Commerce.

Types of business activities

- Extraction of oil, natural gas or minerals
- Manufacturing of commodities
- Buying of goods from one place/country and selling it at different place/country
- Construction of buildings, roads, and bridges etc.
- Providing services like ticketing, warehousing, transportation, banking, insurance etc.

Developed by: [Mindsprite Solutions](#)