

Important Topics Exposition:

[The important information of this chapter has been provided here at a glance.]

1. Concept of Business and Its Features:

Generally, economic activities with a view to earn profit are termed as business. All the economic activities operated to earn profit shall be treated as business if it is done legally and in right ways.

The features of Business:

- Monetary value
- Profit gaining
- Independent occupation
- Risk factor
- Investment
- Service providing perception
- Sense of morality
- Social responsibility

2. Steps of Business Evolution:

Primitive Age	Middle Age	Modern Age
<ul style="list-style-type: none"> • Hunting • Fishing • Collecting Fruits • Cultivation • Bartering 	<ul style="list-style-type: none"> • Usingscarce snail, shell, Kori and stones as medium of exchange • Using coins of metal like gold, silver etc. • Introduction of paper notes • Formation of market and towns • Evolution of business organization 	<ul style="list-style-type: none"> • Industrial revolution • Technological development • Spread of different industries • Introduction of large scale of production and distribution process • Expansion of the business of Banking and Insurance • Introduction of ATM card • Introduction of Mobile banking

3. Classification of business:

Today's business is not stipulated to buying and selling goods only. Business is the combination of production of goods and services, exchanging and its other supportive activities. Transportation, Insurance, Banking, Warehousing/Storing and Advertisement plays significant roles as a supportive element of exchanging products and goods. Modern business can be classified in the following three types:

- Industry
- Commerce
- Direct Services

Business		
Industry	Commerce	Direct Service
<ul style="list-style-type: none"> • Breeding Industry • Extractive industry • Construction industry • Service oriented Industry • Manufacturing Industry 	<ul style="list-style-type: none"> • Exchange of goods (buy-Sell) • Transportation • Warehousing • Banking • Insurance • Advertisement 	<ul style="list-style-type: none"> • Lawyer • Doctor • Engineer • Audit Firm

4. **Industry and its classification:**

Industry is considered as the means of production. Industry is the process of collecting natural resources, converting it to raw material and through processing the raw materials finished goods are prepared for uses. Industry is mainly divided into five categories:

- **Genetic Industry:** Product produced in this industry are used for further production process
- **Extractive Industry:** Through this industry natural resources are being collected from the nature, such as earth, air and water. For example – mining.
- **Construction Industry:** Through this industry roads and highways, bridge, culvert etc are constructed
- **Manufacturing Industry:** This industry refers to the industry where labor and machine is used to process raw material to make finished goods. Such as textile mills,
- **Service Industry:** Service industry includes those economic activities which make the general life of individual easy and comfortable. Production and distribution of Electricity, Gas, Banking and Health Services etc.

5. **Commerce:**

Commerce is treated as the wing of business for distribution of products and services. Commerce includes all the activities from serving raw materials to the producer for the purpose of manufacturing or delivering goods and services to the consumer.

6. **Roles of various elements of commerce is depicted in the following chart –**

Various Constraints in Business	Elements of Business	Role
Possession	Exchange of goods and services	Removes the constraints of ownership
Placement	Transportation	Removes the constraints related to place
Timing	Storing	Removes the constraints related to time
Finance	Banking	Removes the constraints related to money
Riskiness	Insurance	Removes the risk related to business
Information	Advertisement	Removes the impediments related to information and circulation.

7. **Importance of Business:**

- Though business is considered as economic activities, it has special contribution to the development of the socio-economic and political condition of a country.
- Through business, proper utilization of resources is possible and it quickens the development of the economic condition of a country.
- Business contributes in savings, formation of capital is thus seems possible and national income increases.
- Business helps to generate employment for the unemployed.
- Business develops the research and creative activities.
- Business helps to exchange cultural views in addition to exchange of goods and services.

8. **Business Environment:**

Environment influences our life style, behavior, learning, culture, economy and business. Environment is the combination of all the elements influencing the lifestyle and economic activities of the people of a particular region. The elements include – Geography, Weather, Rivers, Mountains, Forests, Nationality, Religion, Education etc. Business environment thus can be defined as the combination of all the natural and artificial elements; directly or indirectly influencing the formation of business organization, its activities and development or deterioration.

Though there is various types of business environment, but they can be classified as the following six main categories:

- Natural Environment
- Economic Environment
- Political Environment
- Social Environment
- Legal Environment
- Technical Environment

In this competitive world, it is difficult to sustain in business if the environmental elements are not supportive. The environmental elements of business are discussed below in context of Bangladesh:

Natural Environment: Most of the elements of natural environment in Bangladesh are positive for business. There is river in most of places in the country. As a result, raw materials for various agro based industry and consumer products can easily be grown. We have natural gas for business and industry. Existing Coal, Lime Stone, Hard Rock, and Crude Oil is helpful for establishing industry. Though our forest is decreasing, we are also rich in forest resources. Since we have numerous rivers and bounded by sea, suitable environment for development of fisheries industry also prevails here.

Economic Element: Prevailing effective money and banking system, contribution of agriculture and industry, savings and investment mentality of people and government assistance, work as a strong element for economic environment. In Bangladesh, some of the economic elements have strong base but most of them are very weak. Lack of sufficient capital, insufficient availability of banking facility, administrative complexity and upward inflation are main constraints for development of business. If all these constraints are possible to remove, Bangladesh can advance more rapidly for development of business.

Social Element: Nationality, religious belief, consumers perception, education and culture, science and technology most of these social elements in Bangladesh is positive for expansion of business. People of this country are liberal, industrious and creative in respect of nationality, historically and culturally. The future generation shall be able to show their brilliance in industry, commerce, trade, research etc. if it is possible to break the system of memorizing and make them competent and efficient by coming out from the present education system. Besides, use of technology should be emphasized in all sectors of commerce and trade.

Political Environment: Sound law and order situation and positive industry and trade policy, good relationship with neighboring countries and others helps to expand business. On the other hand, political instability, frequent government changes, Hartal, strike and lack of business friendly industry and trade policy etc. are negative elements of political environment which hinders the development of industry and trade. Foreign investors also become disinterested to invest in such environment. The above mentioned elements of political environment in Bangladesh are not in a position of optimum level. By removing all the negativity, such as labor unrest, strike and hartal etc. the political elements for business can be improved in Bangladesh.

Legal Elements: Though some of the elements of legal environment in Bangladesh is modern and up to date, most of them are primitive and old. The business development of our country can be improved by designing and strongly implementing law relating to preservation of environment and consumer law. Preparing law friendly to industry and investment, through strong implementation of laws for Anti Corruption, Anti Nepotism, Anti tolling can also be ensure to develop our business and trade.

Technological Environment: For the development of business and trade, it is necessary to have efficient labor, high tech machineries and technology. It is evident that the countries having highly developed in science and technology are also developed in business. Technological development makes the production process easier. As a result, both quantity and quality of production also increases. In Bangladesh, most of the elements of technological environment are positive. Use of technology is increasing every year.

9. For More Information:

- The appeal of Jamdani is still there for historical reputation.
- Haliashahar and Patenga of Chittagong were famous for ship-building industry.
- Shaptagram was called as Porto Pingueno or small port, situated at West Bengal.
- Arabs – came to this country and established business relationship with our ancestors for business fame.
- Muslin clothes made in Sonargao used to be exported to countries in Europe and Africa.

Board MCQ:

1. Which one is included in manufacturing industry?
 - a) Produce plant from seed
 - b) Produce cloth from yarn
 - c) Produce electricity from solar power
 - d) Produce cycle from parts
2. Which is one of the following function is include in business?
 - a) Function related to earn profit
 - b) Function related to social development
 - c) Cultivation of fish in your own pond
 - d) Function related to earn profit with legal way
3. Which one of the following is industrial entrepreneurship?
 - a) Commercially poultry farming
 - b) Initiative to form grocery shop
 - c) Initiative for share business
 - d) Initiative for establishing soap industry
4. What type of utility does transportation create?

<ol style="list-style-type: none"> a) Time b) Risk 	<ol style="list-style-type: none"> c) Place d) Knowledge
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5. Industry can be classified into how many types?

<ol style="list-style-type: none"> a) 3 b) 5 	<ol style="list-style-type: none"> c) 4 d) 6
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Extra MCQ:

1. Bartering system is the indicator of which age?

<ol style="list-style-type: none"> a) Primitive b) Middle 	<ol style="list-style-type: none"> c) Modern d) Pre-Historical age
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2. The symbol of modern age of business is –
 - i) Banking and insurance
 - ii) ATM card
 - iii) Industrial revolution
 Which one is correct?

<ol style="list-style-type: none"> a) i & ii b) ii & iii 	<ol style="list-style-type: none"> c) i & iii d) i, ii & iii
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3. In primitive age of business evolution, the initiating steps of the age are –
 - i) Bartering
 - ii) Cultivation
 - iii) Introduction of ATM card
 Which one is correct?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii
4. Which of the following is included in direct service–
 - i) Fisherman
 - ii) Engineer
 - iii) Advocate
 Which one is correct?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii
5. Steps of business evolution –
 - i) Primitive age
 - ii) Middle age
 - iii) Modern age
 Which one is correct?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii
6. Business is –
 - i) The production and distribution of product
 - ii) Cultivating fish to get profit
 - iii) Produce food for the family
 Which one is correct?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii
7. in which age did formation of Market and towns happen?
 - a) Primitive age
 - b) Middle age
 - c) Modern age
 - d) Pre-Historical age
8. Badsha Mia is the owner of Badsha Furniture shop. He makes different types of furniture from wood. What type of industry it is?
 - a) Manufacturing Industry
 - b) Construction Industry
 - c) Service Industry
 - d) Direct Industry
9. Which one is not included in the responsibility towards employee?
 - a) Housing
 - b) Good working environment
 - c) Right product at right price
 - d) Discard the system of layoff unnecessary
10. Which one of the following function is included in business?
 - a) Function related to earn profit
 - b) Function related to social development
 - c) Cultivation of fish in your own pond
 - d) Function related to earn profit with legal way
11. Religious belief is an element of which environment?
 - a) Natural
 - b) Legal
 - c) Political
 - d) Social
12. Collecting pearl from the sea is included what type of industry?
 - a) Service
 - b) Extractive
 - c) Manufacturing
 - d) Construction
13. What is the meaning of 'Porto Piqueno'?
 - a) Small port
 - b) Big port
 - c) Small ship
 - d) Big ship
14. Business is inherited with –
 - a) Certainty
 - b) High profit
 - c) Less profit
 - d) Risk
15. The collection of coal from ground-surface is included in which industry?
 - a) Extractive
 - b) Production
 - c) Service
 - d) Marketing
16. Government policy is the element of which environment?
 - a) Natural
 - b) Political
 - c) Social
 - d) Legal