

Concept / Meaning of Organisation.

Organisation is an important function of management. Implementation of policies and programmes requires an organisation in which people work as one body for a common objective or purpose.

Organisation is a dynamic process and a managerial activity which is necessary for bringing various factors together to achieve common objectives.

→ According to Allen: → "Organisation is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority and establishing relationship for the common purpose of goal."

→ According to Koontz and O'Donnell → "Organisation is structural relationship by which an enterprise is bound together and the framework together."

→ Definition of Business Organisation → Business organisation refers to the establish harmonious and functional relationship among them in the organisation. It is the group of people whose have same task to complete. The static sense of the term, organisation is the vehicle through which goals are to be completed."

CHARACTERISTICS OF ORGANISATION

Following are some important characteristics in all types of organisation:

- (1) Division of Work → Division of work is the most important element of any business organisation structure. The total effort is divided into logical groupings and each group has specified activities which are to be performed by qualified persons.
- (2) Coordination → Coordination is the most important function in the organisation. The process of organizing people or groups so that they work together properly and well, are known as coordination.
- (3) Common Objectives → An Organisation are formed to achieve certain goal. Each and every organisation have one common objective to complete the task. Every person focus on that goal because it is the ideal way of achieving objectives.
- (4) Communication → Every Organisation has certain well established lines and methods of communication. Communication ensures proper understanding between different persons working in an organisation.

OBJECTIVES OF BUSINESS ORGANIZATION

Following some important objectives of business organisation :-

→ Unity of Objectives :- All activities in an organization should aim at achieving common goal. All department goals must be clearly defined and should aim at achieving the overall goal of organisation.

→ Efficiency :- When employee is performing only part of job then he become expert in that job and results in less wastage of resources in the organisation.

→ The task with minimum cost, optimum utilisation

→ Division of Work :- According to this objectives of organisation the whole work must be divided into small unit and unit of work should be assigned to one person according to the capability, qualification and experience of the person.

→ Scalar Principle :- Scalar principle means line of authority or chain of superiors from highest to lowest rank. This chain must be followed strictly in the organisation. Every information must pass through every key of this chain, no skipping of any one key should be allowed.

→ Authority and Responsibility :- Authority means that power to take any decision in the organisation. Responsibility means obligation to complete the job assigned on time.

Unity of Command — Each person should receive orders from one boss superior and if he is receiving orders from more than one boss then he will get confused.

Unity of Direction — It means one unit one plan that is the efforts of all the employees of organisation must be directed towards the same objective.

SIGNIFICANCE OF BUSINESS ORGANISATION

- (1) Facilitates Administration — The function of organising is very much necessary for the performance of other functions of management like planning, staffing, direction and controlling.
- (2) Ensures Specialisation — The basic aim of business organisation structure is to put the right man in the right job according to their qualifications, talents and aptitude.
- (3) Employment Orientation — Business organisation the only means to increase employment opportunities in a country.
- (4) Optimum use of Technological Improvements.
- (5) Best utilisation of Physical and Human Resources.

- HCES.

Concept of Business

The term Business implies business or we can say that state of being busy but this is not proper concept or meaning of business it is covers every human activity. Business is an economic activity it is concerned with earning money and wealth. Business is the human activities it is directly related to the production and exchange of goods and service.

According to Wheeler → Business is an institution, organised and operated which provide goods and services to society with the motive of private gain.

According to Hancey → Business may be defined as human activity directed towards producing or acquiring wealth through buying and selling goods.

←: Features of Business:

A Business has got the following features:

- Dealings in goods and services → The most important features of Business is dealings in goods and services. A business is constantly and continuously engaged in the production and distribution of goods and services.
- Exchange, sell or transfer → We know that all business activities have one thing is common that all are engaged in selling or

exchanging the goods or services for value or motive of earning profit.

→ Regularity or continuity of dealings:-

Business continuity means that the activities of exchange are recurring in nature. Business requires series of transactions between producer and final consumer.

→ Profit Motive → Profit motive is a main feature of business which separates it from other activities of human beings. Profit is an important test of the success of business in normal times.

→ Uncertainty or risk → The elements of risk is found in almost all economic activities in a small or great. There is no business without risk.

Importance of Business

→ Improvement Standard of Living -

Business improve standard of living by providing high and good quality of products and services at the right time on the right place that improvement take place in living. If business is increases our daily life also become standard.

↳ Generates Employment — It is a long-term process which requires the human resource to function correctly. Business creates job opportunities. Large scale business creates large employment.

↳ Exploitation of natural resources — In a nation use of natural resources is very helpful in production more and more goods and services. Natural resources play an important role in production.

↳ Economic Growth → It is essential for the economic growth of a country since high revenue means higher tax collection which is improve economic growth of a nation.

↳ Market Expansion — A good strategy and high customer satisfaction lead to a strong customer base giving it market expansion.

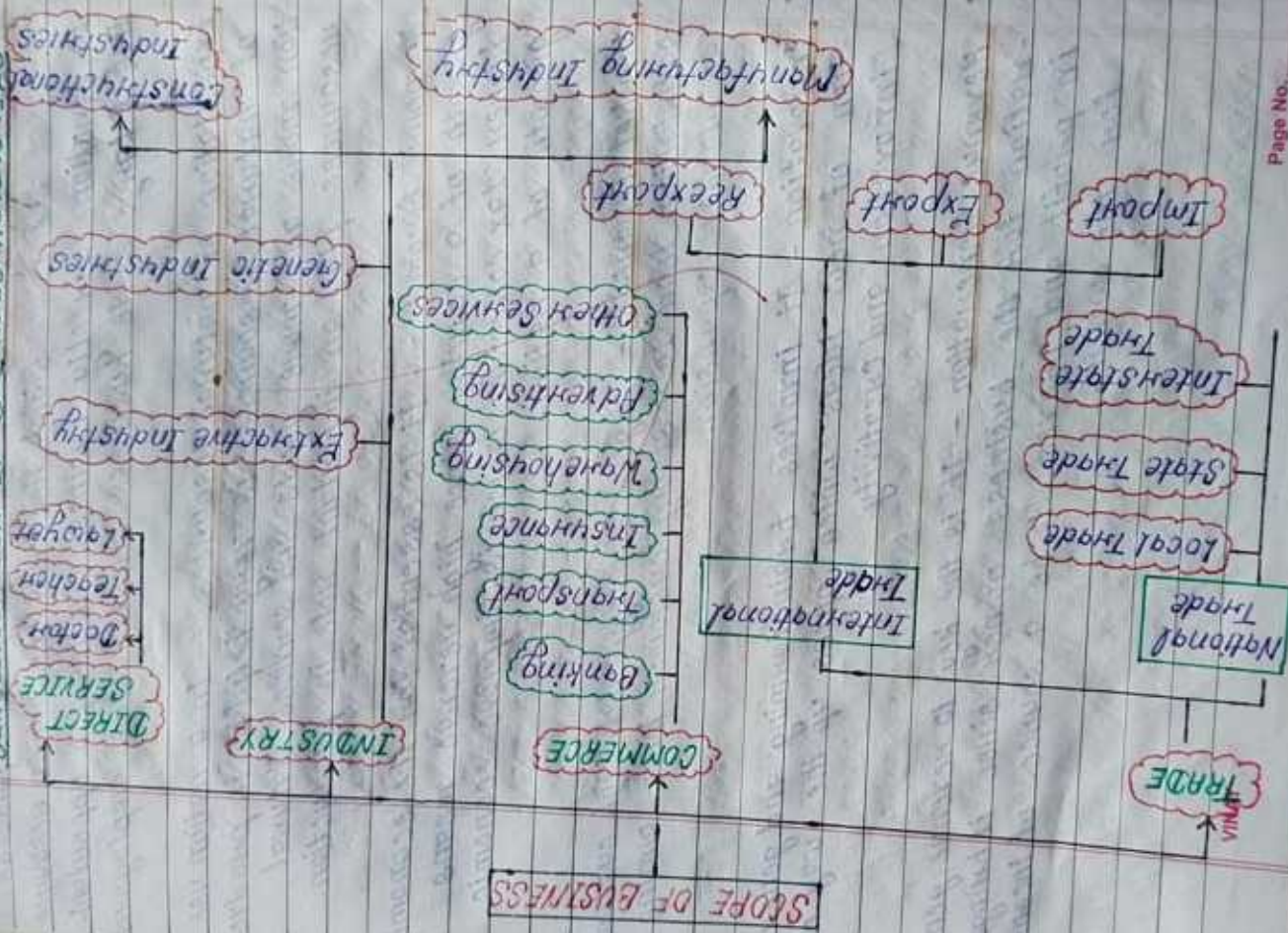
↳ Innovation — It involves brainstorming and generation of new ideas which opens up the way of innovation and creativity.

↳ Revenue Generation — It is the key to revenue generation for the business owner since it brings in profit and enables to be a source of income for the owner.

SCOPE OF BUSINESS ACTIVITIES

OR

CLASSIFICATION OF BUSINESS ACTIVITIES



Trade — Trade is that branch of commerce which means that transfer or exchange of goods and services.

Types of Trade

- National or Internal or Domestic Trade
- International or Global Trade

→ National Trade — National Trade are those trade in which the purchase and sale of goods within the boundaries line of a country. For example → Mumbai to Goa, UP to MP, Bihar to Punjab etc.

(1) Local Trade — Local trade means which trade limited in a specific or particular place. For example → Milk, Sweets, Vegetables, Card and Grass etc.

(2) State Trade — State Trade means that those trade in which the purchase and sale of goods within the boundaries line of a state. For example — Jammu to Chandigarh, Varanasi to Gorakhpur etc.

(3) Interstate Trade → Interstate trade those trade in which the purchase and sale of goods out side the boundaries line of a state. For example → Goa to UP, MP to Kashmir etc.

→ International Trade → It refers to the purchase and sale of goods by the traders located in

foreign countries. Here payments are required to be made in foreign currency.

International trade may be classified into three types:-

- (a) Import Trade - It relates to the purchase of foreign goods for home consumption.
- (b) Export Trade - It relates to the supply of domestic goods to foreign buyers.
- (c) Entrepot - It involves the import of foreign goods for exporting them to foreign countries. For example - India may purchase unpolished diamonds from South Africa and export them to European countries after cutting and polishing.

3. COMMERCE -> Commerce is concerned with the exchange of goods all that is involved in the buying and selling of goods at any stage in their progress from raw materials to finished goods ultimately placing the goods in consumer's hands. "It bridges the gap between producers and consumers of the product."

The elements of commerce given below :-

1. Transportation -> Various means of transport

carry goods from producers to traders and finally to consumers. Transportation bridges the geographical distances and play an important function in commerce. It provides the wheels of commerce, and creates 'place utility'.

(2) Warehousing - It refers to the holding and preservation of goods until they are finally consumed. When goods are stored after producing and sold when in demand are known as warehousing. Warehousing creates 'time utility'.

(3) Insurance - It facilitates trade by providing a cover against the loss or damage of goods in the process of transit and storage. Insurance avoids the risk of loss due to fire, theft, pilferage etc.

(4) Packaging - It helps to protect goods during transit and storage and also provides a beautiful shape to them.

(5) Banking - Banks help in the purchase and sale of goods by providing a convenient and safe mode of payment. Banks also provide credit to businessmen with which they can carry on larger volumes of trade.

(6) Advertising - It brings goods and services to the knowledge of prospective buyers.

Stock Exchange → Sale of industrial securities is facilitated through this institution. Market information can also be gathered through Stock Exchanges.

INDUSTRY :-

The term 'Industry' is used to refer to the processes by which useful things are produced from the environment and transformed, processed and turned into useful products.

(1) Extractive Industries - These industries used to raise their products from earth, water or air. In most cases the products of extractive industries are used by manufacturing and construction industries for producing finished goods, agriculture, afforestation, mining, fishing etc.

(2) Genetic Industries - The examples of genetic industry are poultry farming, cattle breeding, sapling etc. These industries are engaged in breeding and multiplying certain species of plants and animals.

(3) Construction Industry - The industries engaged in the construction of buildings, dams, bridges, roads, canals etc. are called construction industry.

(4) Manufacturing Industry - These industries are concerned with the conversion of raw materials or semi-finished products into

finished goods. They supply most of the products of daily use like oil, soap, toothpaste, Sugar, Salt etc.

→ Direct Service → Direct service is an occupation which involves the rendering of personal service of a specialised services in return for payment of fees.
For example → A lawyer, a doctor, a chartered accountant etc.

OBJECTIVES OF BUSINESS

They can be classified into four categories.

(i) Economic Objective → The economic activities discuss below:

(i) Earning Profits— Profits are needed to provide reward to the owner of the business and to provide funds for future growth. Every businessman will like to see that business he is managing should grow. This is possible only if the business earns sufficient profits for investing them into the business for expansion.

(ii) Satisfaction of Customers— The survival of the business depends upon the satisfaction of customers.

Peter F. Drucker has rightly said, "There is only one valid definition of business purpose to create a customer." and delivering them 'want satisfac-

(iii) Innovation - Innovation means developing new technology, new products and their multiple uses. Business cannot succeed without designing new products and finding their new uses.

(iv) Effective Utilisation of Resources - Business requires the use of men, machines and materials which are considered scarce resources. This objective can be achieved by employing efficient personnel, making full utilisation of machines and reducing wastage of raw materials.

→ Human Objective - This objective is most important objective of business organisation. No all know that customers and employees have a feeling of having been treated as human beings by the business enterprise.

(i) The employees are treated as partners in the business and as inferior lot. They should get fair wages and healthy working condition.

(ii) They are able to acquire and develop new skills in the process of employment. They have to feel job satisfaction.

→ National Objectives → Every business man must contribute to the national goals such as:

- Achievement of self-sufficiency in production of goods and services.
- Import substitution and export promotion.
- Development of small scale industries and backward regions and Economic development of the nation.
- Social objective → Social objectives are most important objective of the business organisation.

1) Supply of Quality Goods at Fair Prices — The business must supply quality products as wanted by the customers. The products should be durable, genuine and safe. The prices charged for the goods should also be reasonable.

2) Adoption of Fair Trade Practices — The business should follow fair business practices at all times. It should avoid anti-social practices like hoarding, black marketing, over charging the buyers etc. It should also not follow Fair Trade Practices.

3) Employees' Welfare — It is an important responsibility of the business to promote the welfare of its employees. By providing fair wages, the business should also provide good working conditions, housing, transport and medical facilities to the employees.

4) Protection of Environment — Every business house should ensure safety of the local surroundings and the protection of neighbourhood environment.

Modern Business and their Characteristics

A modern company has a traditional business modern business has witnessed many changes, because of changing environment. The main changes are:

→ Giant size of Business Houses - Business today is done on massive scale, production and marketing is done on large scale. Firms now deal globally. We can say that business has unlimited network of users.

→ Diversification - Business houses now do not confine their activities to one or two fields, they believe on diversification that is include in many type of industries and activity services.

→ Change in fashion and tastes due to technological advancement -

The demand of consumers is changing because of technology advancement. There is change in style of living and standard of living. People expect the businessmen to supply useful and quality goods.

→ Technical Revolution - Improvement in science and technology has brought more impact on business, fast moving trains and planes, development in information technology and use of computers have made doing business easy.

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Competition has Increased → Large business houses are competing with one another to capture markets. Every businessman here not only to face local ones, they want to capture international competition. People always want to get better quality goods at lower prices.

Communication and Information Methods - In the present time transfer of information is possible at very speed with the help of computers. Information can be sent from one place to another in fraction of second with many types of electronic systems.

Change in Marketing Methods - Now big business houses do different types of marketing according to consumers demand. Present time customers become more lazy they want goods at their door. Then online stores supply any kinds of goods at low rates right time at the doors of customers.

Government Control - In most countries government control business organisations for the protection of the nation and the consumers, government made laws and regulations. Example - The Consumer Protection Act, 1986, The Companies Act, 2013, Foreign Exchange Act, 1999.

Stages of Business Development

The life cycle of a business like that of a human beings, goes through many stages. Just as a person is born, grows to maturity and dies business also go from some stages.

Start-up Stage — The start-up stage represents the "birth" of the business. The owner much like as parents, they give a lot of time, money and emotional investments in launching their new business. At this early stage, the owners use much of their energy to establish a sizable customer base, purchase raw materials, open bank accounts and hire employees. Like as our parents, owner give many sleepless nights to their business to standing and development in the future.

Growth Stage — The growth stage come after start up stage a successful business often achieves a level of expanded capabilities. The company establishes a reputation, encounters increased demand stabilizes its business practices. This growth require capital due to increased in demand. Then company issues their shares and opportunities. The company also increase their total sales and they get better profit margins in the market.

Maturity Stage — Just as a young person reaches adulthood, a owner of business also reaches a more mature stage during its life cycle. At this stage, the owners no longer need to pour their energy into every aspect of the company. They can choose a manager and give their its operations furnish properly and maintain every type of work in the department.

Decline Stage — The Decline stage just like death of a person. In business also a time come when a

businesses often see declining sales, decreased in profit, or steep losses, government rules and regulations change in the industry. Any of these issues can lead to the company's decline and closure.

EVOLUTION OF BUSINESS ORGANISATION

The economic development of a country is measured by the development of commerce and industry. The development of business activities in India has been going on with the changes in civilisation.

→ Barter System - Barter is a system of exchange of goods for goods. The earlier system of producing only for one's needs gave way to barter system when the increase in demand for more and more goods and surplus in one's own production, there was a search for those who wanted to exchange goods for goods.

→ Village Economy - People started setting up particular places and started to sow seeds and rearing cattle on the land which they shared with community. There was a system of Village Economy exchange of goods for satisfying family needs. It was a system of self-sufficiency. After some time families started specialising in producing different goods or taking up specific jobs.

→ Introduction of Money - The difficulties faced in barter system then people to find out some common medium for exchange.

The commodities like stones, shells, cattle, feathers etc. were used to value the goods to be exchanged. Metals like iron, copper, bronze, silver and gold used to medium of exchange. The metals were weighed and stamped to fix their value. The metal money facilitated trade not only in the country but also with foreign countries. The use of paper currency which led to all-round development of business activities.

⇒ Town Economy — With the use of money for exchange purpose, the volume of trade started increasing. The system of self-sufficiency gave way to division of labour. Producing for family needs people started meeting needs of the whole village. There used to be weekly markets or fairs where people from nearby villages would come to sell their surplus products and buy goods for their needs.

⇒ Industrial Revolution — The word 'Industrial Revolution' is used to describe a series of changes in the industrial field in England during the period between 1760 and 1850. The changes of far reaching effects took place during this period.

The machinery was used for production, division of labour was introduced and the modes of transport were improved. The use of steam-engine in place of labour helped to increase production manifold.

The use of machines required more capital investments and it led to the change in ownership from a sole proprietorship to a joint stock company.

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FUNCTIONS OF BUSINESS ORGANISATION

Manufacturing Activities — Manufacturing activities usually involve changing the form of raw material to make it more useful. Manufacturing activities are related to improving the utility of form. The success of this work is related to its supporting activities.

Example - fulfill the requirement of raw material, electricity and power.

The management of the company depends on the arrangement of workers. The completing of this task, a production planning and control department is established in almost all manufacturing organizations.

Financial Activities — In the success of business arrangement of capital is important. Therefore, arranging adequate capital is an important task of a business organisation. Both excess and minimum capital are dangerous situations. A financial manager makes proper arrangements of capital based on his experience and foresight.

Financial needs are fulfilled by many financial institute which provide fund to the company. Financial activities are fulfilled by financial management.

Purchasing Activities — Under these activities, raw materials, finished goods and other goods are purchased. In both manufacturing and trading organizations, a separate purchasing department is opened for manufacturing.

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The work of this department is to purchase the goods at the minimum price and in the right quantity, at the right time by investing minimum capital. The administrative meeting is carried out successfully to manage the purchasing activities of the department.

→ Selling Activities → The selling process is related to the center of ownership and transfer of the goods.

It is believed that the goods will not be considered ready at that time until it reaches the consumer. This is possible only on sale of goods. To do this work in business organization art and science of salesmanship is used.

→ Engineering Activities - Engineering Activities has an important place in a business organisation. Almost all the manufacturing organisations have an engineering department. The work of this department can be divided into two parts.

• Production Product design - Its main function - sense of product, size determine the type and properties holds back or control.

Innovation →

Under this is the number of machines to be installed in the institution. Provision has been made to replace the old machines with new machines.

→ Works or Functions Related to Employees

Accounting Activities → In the accounting activities accounts of various transactions in business, it is also necessary to collect many important information by analyzing the account. In order to concentrate the necessary information, the cost and management get the information and these with these used provide information to the owner.

Official Activities → Official Activities works as a lifesaver in business because all the information related to business is collected through these activities. Using paper sorting, filtering, time information, leading and laborious devices. All these activities are done as the main work of Business Organisation.

Personnel Activities → In one business organisation works related to employee includes his recruitment, selection, remuneration, testing, promotion, labour welfare etc.

To ensure successful completion of these activities, a separate personnel department is established in organisation.

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PROMOTION OF BUSINESS

Meaning of promotion →

"Promotion may be defined as the discovery of business opportunities and the subsequent organisation of funds, property and managerial ability into a business concern for the purpose of making profits therefrom."

☞ Considerations in establishing new business :-

Under promotion following decisions are to be taken as follow -

- (i) Selection of line of business.
- (ii) Preparation of the feasibility of project report
- (iii) Choice of form of business organisation.
- (iv) Financing the proposition.
- (v) Location of business
- (vi) Size of the proposed unit
- (vii) Machines and equipments required
- (viii) Plant layout
- (ix) Labour force needed
- (x) Anticipate and complete the procedural formalities
- (xi) Launching the enterprise, Tax planning and completion of legal formalities.

Promotion may be undertaken for any of the following purposes :-

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- (a) For starting a new business to exploit some natural resources, use some new inventions, or to produce some goods or services.
 - (b) For expanding an existing enterprise, or
 - (c) For combining two or more existing enterprises.

→ Methods / Stages in Promotion

- (i) Discovery of Idea
- (ii) Investigation and Verification
- (iii) Assembling
- (iv) Financing the proposition.

Meaning And Types of Promoters

Meaning - The term 'promoter' stands for a person who conceives the business idea and takes various steps to bring the enterprise into existence. A promoter may be an individual, a firm or a company.

Types -

1. **Occasional Promoters** - They are those entrepreneurs who promote a business enterprise and manage its affairs after it comes into existence.
2. **Professional Promoters** - These persons are specialists in promoting new business ventures. Promotion is their whole-time occupation.

3. Financial Promoters - The main job of such promoters is to float new companies during favourable conditions in the security market.

4. Technical Promoters - They are expert in technical matters. They make use of their specialised knowledge and training in promoting new business ventures.

5. Specialised Institutions - These institutions float new business enterprises either of their own or by collaborating with other entrepreneurs.

6. Government - The Union Govt. and state govts. also act as promoters. A large number of business enterprises have been floated by the govt. in the public sector.

⇒ Important/Functional Merits of Promotion -

(A) Procedural Functions -

(1) Selection of the line of Business - The first procedural function involved in promotion is to select the nature and type of business. For the purpose of finding out the profitability of the idea the promoter will have to analyse in detail and find out risk and amount of capital to be required.

(2) The size of the unit - Determination of the size of the unit or scale of operations is another important area in the establishment of an

enterprise. By this we can size at which the average cost per unit is minimum.

- (3) Location of Business — Location of Business is also most important by which we decide where we are established our business. Selection of geographical area where the proposed unit is to be established.
- (4) Choice of form of organisation — On the basis of ownership, a business organisation may take the form of a sole proprietorship, partnership or a joint stock company.
- (5) Financial Planning — The promoters have to make available sufficient amount of capital for the established a new business. Managerial decisions are required to be taken
- (i) The amount of long-term capital needed.
 - (ii) The amount of short term capital needed.
- The cost of raising fund.
Determination of an optimum capital structure.
Return on investment.
- (6) Plant Layout (7) Physical Facilities needed
(8) Internal Organisation (9) Personnel Problems (10) Tax Planning
- (11) Project report (12) Launching the enterprise.
- (B) Legal Functions — Under legal function included the legal formalities pertaining to promotion. For example the promoters should manage to get the permission from the appropriate authorities before launching the project.

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3 Essentials or Requisites of Business Success -

Qualities of a Successful Promoter -

- (1) Winning Personality with Leadership Qualities -
Developing personality is very big asset. A promoter should possess all the qualities of an effective leader. He should have self-discipline, presence of wide mind, sense of justice, regard for others and above all a high moral character.
- (2) Wide knowledge - A promoter should have wide knowledge and experience of the economic and non-economic environment of business. Knowledge of commerce, management and law would be an asset.
- (3) Initiative and Foresight - A promoter must have initiative, so that he may not miss any opportunity. As business is full of risks and uncertainties, he should have proper foresight also.
- (4) Dynamic Outlook - A successful promoter should be dynamic in nature. He should have the capacity to take quick and correct decisions on various problems of business.
- (5) Adaptability - He must possess the art and science of managing the change. He should never have resistance to change.

- (6) Self-confidence - Self-confidence is reflected in courage. If the owner have self-confidence and leadership style then he success in their business.
- (7) Business Ethics and Social Responsibility - A good promoter will never indulge in unethical practices. He should always be a strong supporter of the principle of social responsibility.
- (8) Business connections and Goodwill - Success of a promoter depends considerably on his connections with other businessmen and his goodwill in the trade.
- (9) Aptitude for research, analysis and growth - Analytical ability and scientific outlook are essential qualities of a good promoter. An aptitude for creativity and innovation will help him in introducing innovations.

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QUALITIES OF A SUCCESSFUL BUSINESSMAN

Prof. Dicksee - Business success depends on three things:
Skill and energy, necessary capital, means of
speedily requiring commonsense and reputation.

A successful businessman should possess the following
qualities -

(1) A fine type of Man → A fine type of man is the
first requirement of business success. An ideal
businessman must develop himself physically, mentally and
morally.

(2) Initiative and capacity to take decisions - Success in
business depends, to a great extent, on initiative
i.e. the capacity to start new projects and quickness
of decision. The more important for a businessman
to develop the capacity to take decisions.

(3) Discipline - Discipline is a great quality of a man.
A disciplined man can achieve success in every field
of his life. A disciplined man can keep his workers
in discipline easily.

(4) Value of time - Time is money in business. A succe-
-ssful businessman must know the value of his
time. Those who know the value of time can
make proper use of business opportunities.

For success in business every work should be done at the proper time.

- (5) Ability to Solve problem — The customer is the soul of the business. Every business have need to solve the problem. The function of attending to the customer studying his varying needs and requirements, is essential for the success of business.
- (6) Independent thinking — Independent thinking is a most necessary quality for a successful businessman. Those people who become habitual to consult others and do not use their own mind reason, cannot solve any problem promptly.
- (7) Goodwill of Business — It includes many qualities of a man such as high ideals, honesty, foresightedness, good behaviour, regularity, sympathy and so on. These qualities build the character of man.

There is a saying about character →

☞ "If wealth is lost nothing is lost, if health is lost something is lost, if character is lost everything is lost."

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Complete 3

1. What do you mean by business organisation?

Ans → * A business organisation is an establishment of harmonious and functional relationship between them in the organisation.

* It is the group of people whose have same task to complete.

* A business organisation is a structure that produce goods or services to meet customer needs, and is governed by a set of standards and rules.

2. What is called Promotion? Briefly describe the functions of promoters.

Ans →

→ Promotion → Promotion refers or means the act of taking steps for the formation of something.

* Promotion refers to the discovery of business opportunities and the organisation of capital, fund, property and good managerial persons for the purpose of earning profit, when the ideas take place in the mind of any group peoples then we take some decision for starting business enterprise.

* These ideas also related to sell or purchase of raw materials are known as promotion of business.

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Functions of a promoter :-

- Identifying a business idea - A promoter analyzes the risk and capital required to identify profitable investment avenues.
- * Investigating the business - A promoter conducts a detailed investigation of the business with the help of experts and prepares a project report.
- * Assembling resources - A promoter makes contacts to purchase land, plant, machines etc.
- * Preparing documents - A promoter prepares the essential documents required for the registration of the company.
- * Deciding on company details :- A promoter decides on the company's name, registered office location, share capital, bankers, auditors, and legal advisers.
- * Proposing directors - A promoter proposes director who will sign the company's Memorandum of Association and Articles of Association.
- * Negotiating - A promoter negotiates for the purchase of an existing business.
- * Making preliminary contracts - A promoter makes preliminary contracts with vendors and underwriters.

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Explain the forms of Business organisation and comparative study?

Here are some different forms of business organisations.

① Sole proprietorship — A single person owns and manages the business, and is responsible for all debts and liabilities. This is a popular and traditional form of business organisation.

② Partnership — Two or more people share ownership, responsibilities, and profits. There are many different types of partnerships like as particular partnership and partnerships for a fixed time duration.

"The Indian Partnership Act, 1932 defines 'Partnership' as "the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all."

③ Joint Stock Company :-

According to Companies Act, 2013, Section 2(20) "Company" means a company incorporated under this Act or under any previous Company Law.

A company is an artificial person created by law with a perpetual succession and a common seal.

Company owned by a large numbers of people are known as shareholders.

A joint stock company is a business entity where multiple investors own the company and can buy and sell shares of the company's stock. Date: / /

Co-operative Organisation - A co-operative organisation is a business that is owned, controlled, and run by its members. Cooperatives are based on the idea of people coming together to meet their common needs and aspirations.

Difference on the basis	Sole Proprietorship	Partnership	Joint Stock Company	Co-operative Org.
Formation	It is started without the formalities of registration	It is formed by 2 or more persons.	A company is formed by Companies Act	It is formed under Companies Act 1912
Registration		It is optional in Partnership	It is compulsory in Joint Stock comp.	It is not compulsory in cooperative Org.
Management and control	It is controlled by the owner of business	All or any of them with consent of partners	It is controlled by Board of directors	It is also controlled and managed by Board of directors.
Members	Single	2 Minimum Maximum 10 Banking 20 other	2 Minimum maxi - unlimited	Minimum 7 Maxi 10 50
Liabilities	unlimited	unlimited	limited	limited or unlimited also unlimited

Cut throat Competition :- is * Cut throat competition

is business terms refers to a sat situation where competition reaches high peak of its mountain.

* In cut throat competition prices are set below cost because the business man want to establish in the market.

* This can happen when supply of goods are increases in the market compare to demand of customers.

Yes, cut throat competition can lead to industrial and business combinations :-

* Cut throat Competition - When competition is so high that prices do not cover the production costs it is called cut throat competition. This can lead to over production, wasteful advertising which can lower the profit margins.

* A Business Combination - A business combination is when companies join together to crack the competition and take advantage of scale production.

This can help companies ^{to} ^{large} ~~form~~ become out of market and increase the development of companies.

Partnership Deed should contain following details:-

- ① Name of the firm and the names of the partners who start it.
- ② Nature of business
- ③ Duration of partnership
- ④ The amount of capital.
- ⑤ Whether loans will be accepted from a partner over and above the capital and if so at what rate of interest.
- ⑥ Sharing ratio of profit and losses
- ⑦ The amount allowed to the partner drawing and also interest of drawing.
- ⑧ The duties, powers and obligations of all the partners.
- ⑨ The method of preparing accounts.
- ⑩ Management of business.
- ⑪ The authority for signing cheques and other documents.
- ⑫ The method by which partner may retire.
- ⑬ The method by valuation of goodwill.
- ⑭ The method of revaluation of assets and liabilities.
- ⑮ Arrangements in case a partner becomes insolvent.

Partnership के Features, Advantage and disadvantage by Youtube:-

Features or characteristics of a company:-

- ① Association of Persons
- ② Artificial Legal Person
- ③ Common seal
- ④ Perpetual Succession
- ⑤ Limited liability
- ⑥ Large membership

Nationalisation →

* Nationalisation is a policy of the government to take over and manage the case of an industry which are not being manage by private and nationalisation by the government.

- alisation by the government.
* Government is fight against the misuse of power by the public private firm.

* The owners' ownership and management is transferred from private entrepreneurs organisation to government undertakings.