

Introduction To Business

Short Questions

What is the definition of a business?

A business is defined as an organization or enterprising entity engaged in commercial, industrial, or professional activities. Businesses can be for-profit entities or non-profit organizations. Business types range from limited liability companies to sole proprietorships, corporations, and partnerships.

What are types of business organisation?

There are four main types of businesses: Sole Proprietorships, Partnerships, Limited Liability Companies (LLC), and Corporations. Before creating a business, entrepreneurs should carefully consider which type of business structure is best suited to their enterprise.

Define business environments?

A business environment is all the components that affect a business. These include both internal factors, like employees and resources, and external factors, like customers and markets. Each of these contributes to a company's working environment and can influence how the business functions.

What is territory activities?

Activities which require moving as a team to advance an object into the other team's zone in order to score points. Territory activities require control to keep the object away from the opposing team.

What are the primary activities of a business?

There are three main types of business activities: operating, investing, and financing. The cash flows used and created by each of these activities are listed in the cash flow statement. The cash flow statement is meant to be a reconciliation of net income on an accrual basis to cash flow.

What is trade?

Trade as a noun can refer to the action of buying-selling or exchanging goods and services between people, companies, countries, and other entities.

What are unlimited liabilities?

Unlimited liability typically exists in general partnerships and sole proprietorships. It provides that each business owner is equally responsible for whatever debt accrued within a business if the company is unable to repay or defaults on its debt. An owner's personal wealth can be seized to cover the balance owed.

What is disadvantage of unlimited liability.

In a business with unlimited liability, both the business and personal assets of the owners may be at risk.

What is the meaning of sole tradership?

A sole trader, also known as a sole proprietorship, is a simple business structure in which one individual runs and owns the entire business. A sole trader is entitled to keep all profits after taxes have been deducted but is also liable for all losses the business incurs.

Define crowd funding?

Crowdfunding is a way to raise money for a small business or project through donations and investments from many people. It's an alternative to traditional business loans and can connect you with potential customers and supporters as early as the fundraising stage.

Define SWOT (analysis)?

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and so a SWOT analysis is a technique for assessing these four aspects of your business. SWOT Analysis is a tool that can help you to analyze what your company does best now, and to devise a successful strategy for the future.

Define good business man?

A good businessman must possess the core skill of leadership. It includes the capacity to encourage, inspire, and direct people. Also, teams toward attaining shared objectives. A successful businessman understands the need for good leadership in developing their firm.

What do you mean by a successful business?

Successful businesses are concerned with making long-term profits and generating sustainable growth, rather than achieving short-term gains. Successful companies effectively meet the changing needs of their customers by developing new products or services that will make people happy.

What Is Active Partner?

An active partner is an invested person who is involved in the daily operations of the partnership. An active partner helps run the business to enhance his or her returns and is therefore considered a material participant.

An active partner is also known as Ostensible Partner. As the name suggests he takes active participation in the firm and the running of the business. He carries on the daily business on behalf of all the partners.

Define Nominal Partner?

A partner who allows the partnership firm to use his/her name but does not contribute any capital or take part in the management and affairs of the business.

Define Quasi Partner?

A quasi partner is one who was once a partner of the business but left his share capital to be used in the business. Such a partner acts as a creditor to the business, and he has to be paid interest on his share capital.

Define arbitrator?

Arbitrators are responsible for settling disputes between two parties and coming to a fair decision. They play a crucial role in the justice system as they encourage communication between both parties to ensure that both claimants receive equal treatment.

Define hybrid investment?

They are complex financial products that combine the features of bonds and shares. They can provide income, like a bond, but their value can fall dramatically, like shares. Hybrids can also have features that impact the future value of your investment.

Dissolution of partnership firm?

Dissolution of partnership firm is a process in which relationship between partners of firm is dissolved or terminated. If a relationship between all the partners of firm is dissolved then it is known as dissolution of firm. In case of dissolution of partnership of firm, the firm ceases to exist.

Define Entrepreneur?

An entrepreneur is an individual who starts and runs a business with limited resources and planning. This individual is responsible for all the risks and rewards of their business venture. The business idea usually encompasses a new product or service rather than an existing business model. Examples of well-known entrepreneurs include Bill Gates, Steve Jobs, Mark Zuckerberg, Pierre Omidyar, Arianna Huffington and Caterina Fake.

What is a hybrid entrepreneur?

Hybrid entrepreneurs are people who start businesses whilst they have salaried jobs. About fifty percent of all new businesses are started by hybrids. Hybrid entrepreneurship is a low-risk way of testing business ideas, gaining entrepreneurial experience and developing business management skills.

What Is a SWOT (Analysis)?

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and so a SWOT analysis is a technique for assessing these four aspects of your business. SWOT Analysis is a tool that can help you to analyze what your company does best now, and to devise a successful strategy for the future.

What it means to be a company?

A company is a type of business structure that is a separate legal entity from its owners. It's a complex business structure, with higher set-up and administrative costs because of extra reporting requirements and higher-level legal obligations.

In general, a company is an artificial person, created by law that has a separate legal entity, perpetual succession, and common seal and has limited liability. It is a voluntary association of person who together contributes in the capital of the company to do business.

Define characteristics of company.

- Incorporated association
- Artificial person
- Spread legal entity
- Perpetual secession
- Common seal
- Limited liability
- Number of members
- Transfer ability of shares

Which are the shareholders?

Shareholders are owners of the company, technically part-owners if there's more than one, but they aren't always involved in the day-to-day running of the business – that duty is left to the directors and company management. However, company directors can also be shareholders.

What is a director in a company?

A company director is someone who sits on the board of a company. As a director, they are legally responsible for the company's business and can be held accountable for its actions. As a director, you need to be aware of your fiduciary duties and responsibilities.

What is the concept board of directors?

A board of directors is a group of people who represent the interests of a company's shareholders. It also provides guidance and advice to an organization's CEO and executive team. A board provides general oversight of operations without getting involved in day-to-day operations.

Define preliminary Expenses

The expenses which are incurred before the incorporation of a company or the start of a business are known as preliminary expenses. These include expenses such as legal or professional fees, logo designing cost, printing, registration fees, stamp duty, etc.

Written the Four Stages of Formation of Public Company?

- Promotion Stage
- Incorporation/Registration Stage
- Capital Raising Stage
- Certificate of Commencement of Businesses Stage

Define Share and Share Capital.

The capital of a company is divided into shares. Each share forms a unit of ownership of a company and is offered for sale so as to raise capital for the company.

Share capital is the funding a company has raised through issuing common or preferred stock.

Define business combination.

A business combination is defined as an entity obtaining control of one or more businesses. The most common business combination is a purchase transaction in which the acquirer purchases the net assets or equity interests of a business for some combination of cash or shares.

What is purpose/causes/objectives of business combination?

Combinations are created to secure steady market. Sometimes, combinations are created to control the entire market and create a monopoly which is detrimental to the interest of the consumers. By controlling the market, they can sell their products at higher prices and earn huge profits.

Define merger of two or more the two businesses.

A merger is a combination of two or more business entities in which the assets and liabilities of all the entities are transferred to one, which continues in existence, while all the others cease to exist.

What does takeover/acquisition mean?

A takeover occurs when one company makes a successful bid to assume control of or acquire another. Takeovers can be done by purchasing a majority stake in the target firm. Takeovers are also commonly done through the merger and acquisition process.

Define business organisation.

A business organisation is an establishment intended to carry commercial business by producing goods or services and meet the customers' needs. Most of the organisations have a standard such as social structure, purpose goals, utilisation of resources, rules and regulations, etc.

Write down the forms of business organisation.

An overview of the four basic legal forms of organization: Sole Proprietorship; Partnerships; Corporations and Limited Liability Company follows.

Define Cooperative society.

Cooperative societies are formed with the aim of helping their members. This type of business organisation is formed mainly by weaker sections of the society in order to prevent any type of exploitation from the economically stronger sections of the society.

A cooperative is an association of persons (organization) that is owned and controlled by the people to meet their common economic, social, and/or cultural needs and aspirations through a jointly-owned and democratically controlled business (enterprise).

What are the aims of cooperative business?

A cooperative tends to have values ventured around mutual benefit. They also concentrate their efforts on equality and fairness. This is with a long-term aim of generating jobs and concern for community. They operate more for the benefit of its members rather than with the end goal of earning profit.

Why Cooperative societies are organized?

Cooperative societies organised to;

- Improve bargaining power
- Reduce costs
- Obtain products or services otherwise unavailable
- Expand new and existing market opportunities
- Improve product or service quality
- Increase income etc.