

Tender Heart High School

Class: 9th

Commercial Studies

Teacher: - Lokesh Arora

Date: 8-4-24

Page: 1

Ch-1 Commercial and Non-Commercial Activities

Good Morning Students

This lesson is for class 9th for the subject of Commercial studies. The topic for today is 'Human Activities and types of human activities' which is covered in Chapter 1 titled 'Commercial and Non-Commercial Activities' of your book of Commercial Studies.

This lesson is being submitted to you on 8-4-24 and the voice is of Mr. Lokesh Arora.

All the students now please open page number 1 of your book and listen carefully.

Human Activities :-

Human Activities mean all those activities which ^{human} beings undertake to satisfy human wants. These activities continue throughout life because human wants are unending, unlimited and recurring. Some of the human activities produce direct economic benefits, e.g. 'working' in an office or factory. Other human activities produce no direct economic benefits such as praying, playing, sleeping etc.

Characteristics of Human Activities:-

- (i) Human activities are undertaken only by human beings. i.e. men, women and children. These activities involve human efforts.

Class: 9th

Subject: - Commercial Studies

Teacher: Lokesh Arora

8-4-24

Ch-1 Commercial and Non-Commercial Activities

- (ii) Human activities are undertaken to satisfy human wants which are unlimited.
- (iii) Human activities continue throughout life.
- (iv) Human activities have a very wide range.
- (v) Human activities are performed both for earning money as well as for obtaining personal satisfaction.

Human Activities may broadly be classified into two categories:

1. Economic Activities! (Commercial Activities)

Economic activities are those activities which are undertaken with the object of earning money and acquiring wealth. Economic activities are concerned with the production, distribution and exchange of goods and services. These activities create utility and result in the production of wealth.

For example, a teacher teaches in a school, a doctor attends a patient and a shopkeeper sells goods to his customers.

Characteristics of Economic Activities

- (1) Economic Motive
- (2) Productive
- (3) Economic Resources
- (4) Rational Use
- (5) Economic Growth
- (6) Legal and Valid.
- (7) Socially Desirable.

For explanation refer to page number 2 of your book.

2. Non-Economic Activities!-

Activities which are undertaken to

Class! 9th
Subject!- Commercial Studies
Teacher! Lokesh Arora

Date 8-4-21
Page 3

Ch-1 Commercial and Non-Commercial Activities

Satisfy social, religious, cultural and sentimental requirements are called non-economic activities. The object of these activities is not to make monetary gain or earn a reward. People engage in non-economic activities for reasons of love, sympathy, religion, patriotism etc. for example, a mother looks after her children, a student donates blood, an old man goes to temple daily.

DISTINCTION BETWEEN COMMERCIAL AND NON-COMMERCIAL ACTIVITIES

S.No.	Point of Distinction	Commercial Activities	Non-Commercial Activities
1.	Objective	Economic objective-To earn a living and acquire wealth.	Sentimental and emotional objectives-To obtain some sort of personal satisfaction.
2.	Expectation	Money income is expected from these activities.	Money income is not expected from these activities.
3.	Relationship	Directly related to income and wealth.	Not related to income and wealth.
4.	Measurement of Outcome	Result can be measured in terms of money.	Result cannot be measured in terms of money.
5.	Logic	Guided by rational considerations of cost and benefit.	Guided by sentiments and emotions without regard to gain or sacrifice.
6.	Resources	Involve proper allocation and optimum use of resources.	Optimum allocation and use of resources is not essential.
7.	Types or examples	Business, profession and employment.	Family-oriented, religious, social, cultural and national.

Students before going further, let us take a short break. Answer the following questions during the break.

Ques! What are Economic Activities?

Ans! Give two features of human activities.

Ans! Explain the difference between Economic Activities and Non-Economic Activities. (3)

Class! 9th

Teacher! Lokesh Arora

Subject! - Commercial Studies

Date: 8-4-21

Page 4.

Ch-1 Commercial and Non-Commercial Activities

Types of Commercial/Economic Activities -
Economic activities are also known as 'occupations'. Economic activities may be classified into three broad categories

(i) Business -

Business includes all those economic activities which are concerned with production and exchange of goods or services with the object of earning profits. Business is an economic activity because it is undertaken for earning money and producing wealth. The persons who are engaged in a business are known as businessmen. A factory, a shop, a transport company, a warehouse, an insurance company, a bank are all examples of business activities

Business is regarded as an economic activity because it has all the features of economic activities such as:-

- (i) The objective of business activities is to sell goods and services for profit.
- (ii) Business activities require use of scarce resources like capital, labour, raw materials etc.
- (iii) Business activities satisfy the needs of businessmen and their families by generating income. Business activities also satisfy various needs of the general public by making goods and services available to people.

Class: 9th

Subject: - Commercial Studies

Teacher: - Lakesh Mehta

Date: 8-4-21

Page 5

Ch-1 Commercial and Non-Commercial Activities

(2) Profession:-

Profession means an occupation which involves application of specialised knowledge and skills to earn a living. The persons who are engaged in profession are called professionals. They render personal services of a specialised nature to their clients. Professionals receive fee for their services. Chartered Accountants, medicine, law, tax consultancy are examples of profession.

The main features of Profession are as follows:-

- (i) Specialised body of knowledge
- (ii) Formal Training
- (iii) Restricted Entry
- (iv) Professional Association
- (v) Code of Conduct.

For explanation refer to page 4.

(3) Employment:-

Employment means an economic activity where people work for others in exchange for some remuneration (wage or salary).

The person who works for others are called 'Employees'. The employee performs the work assigned to him by his employer as per the terms and conditions of employment. The employee acts under the guidance and control of his employer. Employment includes all types of jobs in government offices and private enterprises. Various examples of employment are:- A teacher teaching in a school, (5)

Class: 9th

Subject: Commercial Studies

Teacher: Lokesh Arora

Ch-1 Commercial and Non-Commercial Activities

Date: 2-4-24
Page: 6

a doctor working in hospital, Accountant working in accounts department of a company.

Distinction between Business, Profession and Employment

S.No.	Point of distinction	Business	Profession	Employment
1.	Objective	To earn profits	To render service for economic gains	To earn wages or salary
2.	Minimum qualifications	No qualifications are essential for starting a business	Minimum educational qualifications essential to enter a profession	Qualifications required depend upon the job
3.	Nature of work	Production, sale and exchange of goods and services	Providing specialised service	Work assigned by the employer
4.	Status	A businessman work for himself and is his own master	A professional works according to the guidelines prescribed	An employee works for his employer and has to follow the instructions of his master
5.	Reward or Return	Profit which is uncertain and variable	Professional fee which is certain but flexible	Wage or salary which is regular and fixed
6.	Risk and uncertainty	High risk from beginning to end	Risk is negligible	There is no risk
7.	Investment of capital	Adequate amount of capital is required, depending on the size of business	Limited capital is required to set up office	No capital is required
8.	Advertising	Advertisement is usually necessary	Advertisement is prohibited by the professional body	No advertisement is necessary at all
9.	Measurement of efficiency	Profitability of business is the sole criterion	Quality of service provided to the clients	Productivity and quality of work performed
10.	Regulation	Governed by business laws	Governed by the regulations and guidelines of the profession	Governed by the terms and conditions of employment
11.	Transfer of ownership	Ownership of business can be transferred	Transfer is not possible	Transfer is not possible.

Students, with this I am ending my topic here. I will give you some questions. You are requested to write the answers in your note-books.

- 1) What is Business?
- 2) Explain any two features of Profession.
- 3) Explain the difference between Business and Employment.

Last Page

6