

Tender Heart High School

Class: 9th
Subject: - Commercial Studies
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CLASSMATE
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Ch-2 Business Activities

Good Morning Students,
This lesson is for class 9th for the subject of Commercial Studies. The topic for today is 'Business Activities and its types' which is covered in chapter 2 titled 'Business Activities' of your book of Commercial Studies. This lesson is being submitted to you on 22-4-24 and the voice is of Mr. Lokesh Arora.

All the students now please open page number 9 of your book and listen carefully.

Business:-

Business is an economic activity. It involves sale, transfer or exchange of goods and services with the purpose of earning money. Business is an occupation and it comprises a wide range of activities. It is sum total of all those activities by which desirable things are extracted from the nature (like iron, coal etc), transformed and processed by man and machine (production), carried from place to place (transportation), stored through time (warehousing) and placed in the hands of those who are willing to pay for them (trade).

"Business is an enterprise engaged in the production and distribution of goods for sale in market or rendering services for a price".

A person engaged in business is known as Businessman. The unit formed for the purpose of carrying on some business is called a business firm or enterprise.

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Features/Nature/Characteristics of Business:-

(1) Sale, Transfer or Exchange:-

All business activities involve sale or exchange of goods and services for some consideration. If there is no sale, transfer or exchange for price, it will not be called a business activity. For instance, cooking food for personal consumption does not constitute business.

(2) Regular Dealings:-

Business involve a series of dealings. A single transaction cannot be called business. For instance, if a person sells his old scooter, it is not business. But if he sells scooters on a regular basis, it will become business.

(3) Profit Motive:-

A business is not a charity. The primary objective of business is to earn money and acquire wealth. A business that does not earn profits cannot survive for long.

(4) Creation of Utilities:-

A business makes goods more useful to satisfy human wants. It adds time, place, form and possession utilities to various types of goods.

(5) Risk :- Risk is an essential part of business.

It implies the uncertainty of profits or the possibility of loss. In business, risk arises due to several factors such as change in demand, theft, fire, natural calamities etc.

(6) Economic Activity:-

Business is an economic activity as it

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Involves production and distribution of goods and services for the satisfaction of human wants.

(7) Dealings in Goods and Services:-

Every business enterprise produces or buys goods and services for selling them to others.

Goods:- All material or physical commodities which can be seen, touched and transferred are called goods. All those things that have value and can satisfy human wants are called goods. Goods may be:-

(i) Consumer Goods:-

Consumer Goods are those goods which are directly consumed by the consumers to satisfy their wants. e.g. milk, rice, vegetables, books, clothes etc.

(ii) Producer Goods:-

Producer goods are those goods which are used for producing other goods. All raw materials, machines etc. are examples of producer goods. Producer goods are also called as Capital Goods.

Services:-

Services refer to those intangible benefits, utilities and satisfactions which are offered for sale. For example, transportation, communication, banking, insurance, warehousing and advertising etc. Activities of professionals such as doctors, lawyers, chartered accountants and consultants are also services. (3)

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Types of Business Activities:-

- (1) Industry (2) Commerce.

Industry :-

Industry means production of products with the help of human beings and other resources. Industry is concerned with the processes of extraction, multiplication, processing, conversion, fabrication and construction. Industry can also be defined as a group of firms producing similar goods.

Industry is of the following types :-

- (i) Primary Industries (ii) Secondary Industries
(iii) Tertiary Industries.

(1) Primary Industries:-

Industries which are involved in the extraction and multiplication of natural resources are known as primary industries. Primary industries are of two types:

(a) Genetic Industries :-

Genetic industries are engaged in reproduction or multiplication of certain species of plants and animals to earn profit from their sale. Plants, nurseries, poultry farm, cattle breeding farms are the main examples of genetic industries.

(b) Extractive Industries:-

These industries are engaged in the extraction of useful materials from beneath the surface of the earth and sea. In these industries the products gifted by nature are extracted

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and collected for the benefits of human beings. Agriculture, mining, fishing, quarrying, forestry are main examples of extractive industries.

The only difference between Extractive and Genetic industries is that extractive industries cannot add to the wealth which are withdrawn from the earth, sea and air, but in case of genetic industries, man not only contributes to the growth but also to reproduction of natural goods.

Students, before going further. let's take a short break. Write the answers of the following questions during the break.

Ques 1. Give any two features of Business.

Ques 2. What are Extractive Industries?

Ques. What are Primary Industries?

(2) Secondary Industries:-

The industries which are engaged in the conversion of the materials provided by the primary industries are called secondary industries. Secondary industries are of following types!

(1) Manufacturing Industries:-

These industries are concerned with the processing or transformation of raw materials and semi-finished products into finished products. Such industries change the shape and form of materials produced by genetic and extractive

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Industries. Engineering, Cement, Sugar, textiles, fertilisers etc. are main examples of manufacturing Industries. Types of Manufacturing Industries are:-

- (a) Analytical Industries (b) Synthetic Industries
(c) Processing Industries (d) Assembling Industries

for explanation refer to page 12 of your book.

(ii) Construction Industries:-

These industries are engaged in the construction of buildings, bridges, roads, dams etc. These industries create basic infrastructure for economic and social development of the country through the process of fabrication.

The main feature of these industries is that their products remain fixed at one place and cannot be taken physically to the market for sale. Products of construction industries are very durable.

Difference between Heavy Industries and Light Industries.

Heavy Industries	Light Industries
(i) Heavy industries involve huge capital investment.	(i) Light industries involve little capital investment.
(ii) These industries use complex technology and have a long gestation period.	(ii) These industries use simple technology and have a small gestation period.
(iii) e.g. Machines, ships, aircraft building industries etc.	(iii) e.g. stationery, cosmetics, jewellery, food products etc.

Difference between large scale Industries and small scale Industries

Large Scale Industries Small Scale Industries

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| (i) Capital intensive technique of production is used. | (i) Labour intensive technique of production is used. |
| (ii) Investment is more than ₹ 1 crore. | (ii) Investment is upto ₹ 1 crore |
| (iii) Goods are produced in large quantities. | (iii) Goods are produced in small quantities. |

(3) Tertiary Industries:-

Tertiary Industries are concerned with the provision of services to facilitate and assist primary and secondary industries. Transportation, warehousing, banking, advertisement and packaging are examples of services provided by the tertiary industries. These industries are collectively known as the service sector.

Students, with this I am ending my topic here. I will give you few questions. Write: the answers of following questions in your note books.

- Qn 1. What are assembling Industries?
2. What are Construction Industries?
3. Give two difference between Heavy Industries and light industries.