BUSINESS MANAGEMENT

1. Match the word to its concept.

A business	are the people or organization that buy a product.
Needs	represent the potential benefits someone misses out on when choosing one alternative over another.
Wants	are the desires that people have, i.e. a new mobile phone.
A market	is simply a place whereby buyers and sellers meet to trade.
Customers	is an organization that uses inputs to produce goods and/or to provide services.
Consumers	are the people or organization that use a product.
Opportunity Cost	are the basic necessities that a person must have in order to survive.
The four functional areas (departments) of a business are:	human resources, finance and account, marketing, and operations.

2. Drag and drop the correct words to complete the chart.

Quaternary | Enterprise | Primary | Factors of production | Secondary

Business sectors | Labour | Land | Tertiary | Capital

LIVEWORKSHEETS

3. Drag and drop the correct words to complete the concept.

that went into making it | of the inputs | between | Value added | difference | a product's price | the total cost | and | is | the

4. Drag and drop the correct headings.

Sole traders | Partnerships | Companies (Corporations) | Non-profit organizations

- They are **owned by their shareholders**. Shareholders are individuals or other businesses that have invested their money to provide capital for a company.
- Companies are **incorporated** businesses.
- They have **limited liability**. Shareholders **do not have to bear the responsibility of a company's debts** and will not stand to lose personal belongings if the company goes into arrears.
- A board of directors is elected by shareholders to run the company on their behalf.
- The term "**limited companies**" is sometimes used to clarify the fact that all companies have limited liability.
- There are two types of (limited) companies: private limited companies and public limited companies.
- A **Private Limited Company** is a company that cannot raise share capital from the general public. Instead, shares are sold to private family members and friends.
- A **Public Limited Company** is able to advertise and sell it shares to the general public via the stock exchange. It must carry the letters "**PLC**" after its name.
- Limited companies **must produce an Annual Report and Final Accounts**. These accounts are scrutinized by an external auditor before they are distributed to shareholders.

- It is also known as **a not-for-profit-organization**.
- It is an establishment that is run in a professional and business-like manner but **without profit being the major objective**.
- NPOs return profits back into the business. In other words, any surplus they make must be reinvested.
- They don't issue shares of ownership like a stock (share).

- It is **unincorporated**, it means, the owner is legally the same as the business.
- Sole traders have **unlimited liability**. It means, they **could end up losing his or her personal possessions** if the firm collapses.
- Sole traders **may work alone or they may employ other people** to help run the business.
- The sole trader **receives all of the profits** made by the business.
- They **do not have to make their financial records available** to the public or other interested parties.

- It is a profit-seeking business that **is owned by two or more persons**.
- Partners have **unlimited liability**.
- Partners **may employ other people** to help run the business.
- Partners **receive all of the profits** made by the business.
- Partners can benefit from **division of labour** and **specialization**.
- Partnerships **do not issue shares** to the general public.
- They **do not have to make their financial records available** to the public.

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5. Write the words in the right box.

Shareholders / stockholders

Customers

Competitors

Suppliers

Special interest groups

Employees

Government

Managers and directors

internal stakeholders (3)

external stakeholders (5)

6. Watch the video and answer the following questions.

What is internal growth?

What is external growth?

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7. Read the text. Then, match the picture to the word.

EXTERNAL (INORGANIC GROWTH)

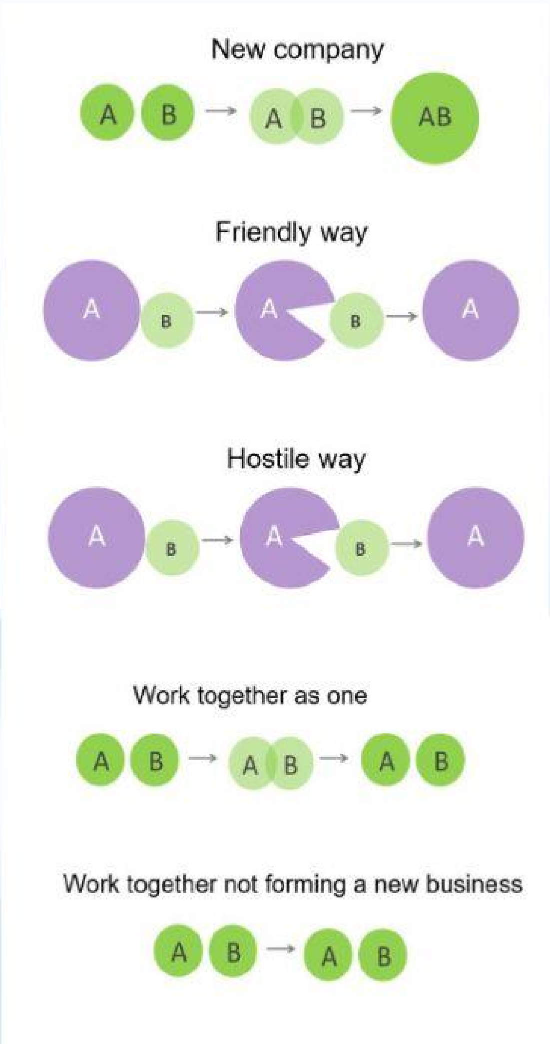
A **merger** is when two firms **combine with one another to form a new business** in an attempt to enhance profitability, productivity and market position (mother companies disappear to form the new business).

An **acquisition** is when **one business takes control of a major part of another business** in a friendly and agreeable way for the same reasons (only one company disappears).

A **takeover** is when **one business gains control of a major part of another business in a hostile way** (only one company disappears).

A **Joint Venture (JV)** occurs when **two businesses agree to form a new company** to work closely together **on a particular project** (mother companies do not disappear, they continue working separately)

A **Strategic Alliance (SA)** occurs when many businesses agree, **without forming a new company**, to commit resources to achieve a set of objectives which would not be possible otherwise.



Takeovers

Acquisitions

Strategic Alliances

Joint Ventures

Mergers

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