

Meaning :

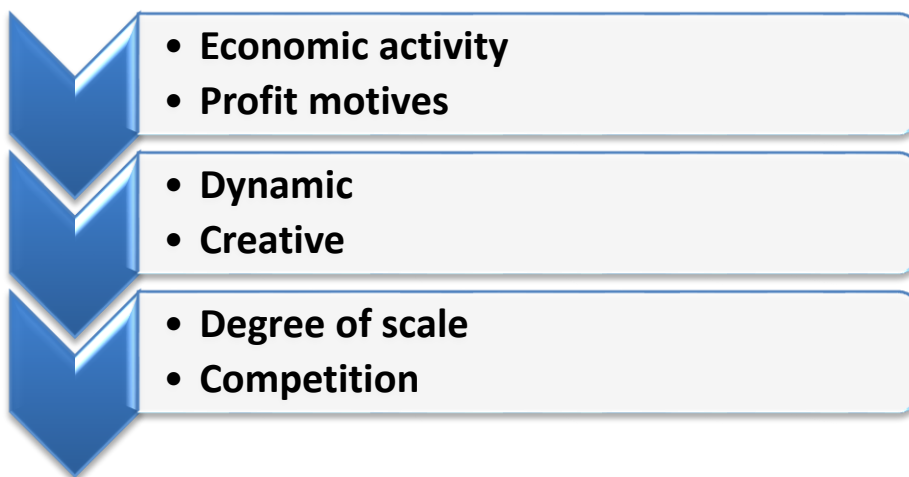
Business is an economic activity. It is concerned with the continuous and regular production and distribution of goods or services for satisfying human wants. It also involves exchange of things.

Business means buying and selling of goods and services for profit.

Definition of Business:

According to B.O. Wheeler, “Business is an institution organised and operated to provide goods and services to society under the incentive of private gain.”

According to L.H. Haney, “Business is a human activity directed towards producing or acquiring wealth through buying and selling activities.”



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Economic activity :

Business is a form of an economic activity. It is the fruitful occupation for millions of people around the world like traders, bankers, industrialists, manufacturers and many more including professionals and those employed.

Profit motives :

Business is an income oriented activity. Every businessman expects profit from the transactions. The main object of business is to earn profit. Businessman earns profit from the business transactions and the buyer satisfies his wants of goods and services

Dynamic :

Business is a dynamic activity. There is a certainty of change in the environmental factors like new products, methods, innovations in management, government regulation, war, changing consumer income and new development in science and an art. Hence, Business has to be dynamic in order to survive in this changing circumstances.

Creative :

Modern business is creative in nature. These days, consumers can't be satisfied with the same type of goods and services. Hence business organizations have to be innovative or constantly search new ideas and proposals.

Degree of scale :

Business can be undertaken at varied degree of seals of operation. Some firm like Sole trading concerns may undertake business on a small scale and that too in a local area. However, some firms, like joint stock companies may undertake business on a large scale, even at a global level.

Competition :

The present business world is called as competitive world. The basis of survival is to face the competition and make the place in this modern business world.



Buying and Selling :

All business activities are directly or indirectly connected with transfers or buying and selling of goods and services. Business is useful to buyers and sellers. Businessmen as Seller of goods and services, provide convenience and satisfaction to buyers through provision of form utility, place utility and time utility. In return for the supply of utilities, businessmen receive profit benefit from the buyers.

Risk and Uncertainties :

Business activities are always risky and uncertain. A business is likely to suffer huge loss due to a number of possible reasons such as change in fashion, tastes, preferences, government policies, technology, recession in the economy, natural calamities etc. All business risks can't be insured. A business, however, can minimize risks through proper foresight and planning.

Social Responsibility :

Professional business firms are conscious of their social responsibility. The firm try to fulfill their social responsibility towards various groups i.e. investors, employees, consumers, creditors and so on. It can't function without an active participation from these social groups. This feature of business is getting more importance in today's era of a globalization.

Government Control :

Business organizations are subject to government control. The government of each country enacts laws and regulations to control and regulate business activities. Business organizations are expected to adhere to such laws.