



**Pakistan School**  
**Kingdom of Bahrain**

# Welcome *May* *Blessings..*

*May You be happy.*

*May You be well.*

*May You be safe.*

*May You find comfort.*


*May You have strength.*

*May You have courage.*

*May You find healing.*


*May You have peace.*

*May You be blessed.*



We are going to start our online commerce class today. I hope we all will enjoy and learn.

❖ Rules for class:

- 1) Be on time for all your classes.
  - 2) Respect all the participants of the class.
  - 3) Do not create any disturbance.
  - 4) Pay attention to your teacher.
  - 5) Raise hand if you have a question.
  - 6) Enter the class with your actual name to mark your attendance
  - 7) Ask any relevant question according to topic taught only.
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# Unit # One

Concept of Business.





# Lesson Objectives:

- By the end of this part of lesson, students will be able to:
    1. Analyse the essential steps for establishing a new business.
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must have the latest information about his customer's liking and disliking.

### 18. Social Responsibility:

A good businessman tries to provide quality products at low prices to his customers. Because he thinks that it is his social responsibility to earn profit with reasonable margin.

## STEPS/ESSENTIALS FOR ESTABLISHING A NEW BUSINESS

While planning and constructing an idea for starting a new business, following factors should be kept in mind. The successful running and establishment of business entirely depends upon them.

### Steps for Starting a Business

#### For Doing Business

- Nature of Business
- Govt. Restriction
- Size
- Organization
- Place
- Govt. Incentives

#### For Running Business

- Management
- Capital
- Machines
- Raw Material
- Power Resources
- Labour Force
- Experts
- Means of Transportation
- Distributors

#### Result of Business

- Future of Business
- Chances of Loss
- Chances of Expansion

### [WITH A VIEW TO DO BUSINESS]

#### 1. Nature of Business:

Before starting a new business, its nature is always decided. A business may be engaged in trading, manufacturing or rendering services.

#### 2. Govt. Restrictions:

It must be taken into consideration before the establishment of business that the government imposes no restriction to conduct this particular business. If license is necessary for starting the business then the trader must get the required license.

### **3. Size of Business:**

It is important to decide the volume, scale or size of the business before its establishment. A business may be of small, medium or large scale. However, following factors help in this connection:

- (i) Amount of capital.
- (ii) Quantity of production.
- (iii) Demand for the goods.
- (iv) Market scope.

### **4. Organizational Structure:**

The form of business organization may be sole proprietorship, partnership or joint stock company. The suitable organizational structure must be decided before starting the business.

### **5. Selection of Place:**

Selection of site or place is another important factor. Success or failure of the business is mostly based on location or the site selected for it. Proper care must be taken of the following requirements while deciding the site for business:

- (i) Availability of raw-material.
- (ii) Outlet (market) for the goods produced.
- (iii) Availability of auxiliary services.
- (iv) Availability of experts and labourers.

### **6. Government Incentives:**

Some areas are declared as tax free zones or interest free loan is provided for particular business. The government policies regarding the import of raw material, machinery and export of goods produced must be observed carefully while starting a new business.

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**[WITH A VIEW TO RUN BUSINESS]**

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**7. Management:**

It must be decided before the start of business that how the affairs or working of business shall be managed. The policy of hiring employees and distributing work should be framed. Moreover it is also decided that either owners will take part in management or not.

**8. Availability of Capital:**

In present modern scientific era, success and prosperity of business depend on the quantity of capital. Every business transaction or activity depends upon it (e.g.) purchase of land, building, machinery, raw material and payment of wages etc. No business can be started or run without capital.

**9. Availability of Machines:**

Use of the latest machinery is the key to success for a business, especially in tough competition. In the present age of competition, manual work and use of old machinery may result in failure of the business. Proper planning is required to make the machines available according to nature of the business.

**10. Availability of Raw Material:**

Availability of standard and cheap raw material is essential to produce the goods of better quality at lower cost. Sometimes raw material has to import for this purpose. Hence, the planning should be made accordingly.

**11. Power Resources:**

Power resources like water, oil, coal, gas and electricity must be easily available according to the needs and nature of business.

**12. Availability of Labourers:**

The area where business is going to be established, availability of labourers on reasonable wages is necessary to run the business efficiently and effectively. In present industrial age, the use of modern and automatic machines has increased to great extent. Therefore, both skilled and unskilled workers are required to work on these machines.



**13. Availability of Experts:**

Availability of technical experts according to the nature of business is essential for the formation and profitable performance of business. Some departments of business require services of highly qualified and trained professionals and it becomes difficult to run business successfully without them.

**14. Means of Transportation:**

Fast and cheap means of transportation play vital role in making the raw material available and sending the finished goods to the markets. Means of transportation increase the probability of success in business.

**15. Selection of Distributors:**

The trader has to select distributors before the start of business for the distribution of produced goods. The goods can be easily transferred to consumers through middlemen.

**[WITH A VIEW OF RESULT]****16. Future of Business:**

The future of business must be assessed very precisely. The factor of technology is important in this regard. New inventions, innovations are continuously coming up. Today's technology rejects yesterday's. Consumer taste is also on the change. So, the businessman should make the careful analysis of business conditions, both local and abroad.

**17. Chances of Loss:**


In business, there is always an element of uncertainty or risk. Though, it is inevitable for a business yet factors involving chances of loss should be kept in mind to avoid the chances of loss in future.


**18. Chances of Expansion:**

All the aspects of business growth and expansion must be taken into consideration before the establishment of business. So all these factors should be paid proper attention. With the expansion in business, more capital, space and power resources etc. may be required.



# Closure:

- Key points.
  - With a view to start business.
  - Nature of business.
  - Govetvrestrictions.
  - Size of business.
  - **For running business.**
  - Management.
  - Capital.
  - Machines.
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Thank you. See  
you in the next  
lesson.