

**COM C. 1.5**



**F. Y. B. Com**

**Semester - I**

**Revised Syllabus as Per NEP 2020**

**Introduction to Business**

# MOST IMP QUESTIONS

## FY B.Com – Introduction to Business

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### ● UNIT / MODULE I (VERY VERY IMPORTANT)

#### ■ Chapter 1: INTRODUCTION TO BUSINESS

1. Explain the **Traditional and Modern Concepts of Business**.
2. Explain the **Functions of Business** in detail.
3. Explain the **Objectives of Business**.
4. Explain the **Steps in Setting Business Objectives**.
5. Explain the **Scope and Significance of Business**.
6. Explain the **Features of Business**.
7. Explain the **Meaning and Definition of Business**.
8. Explain the **Profit motive and Risk in business**.

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### ● Chapter 2: BUSINESS ENVIRONMENT

14. Explain the **Meaning and Importance of Business Environment**.
15. Explain the **Constituents of Business Environment**.
16. Explain the **Micro and Macro Environment**.
17. Explain the **Internal Environment of Business**.
18. Explain the **Economic Environment**.

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### ● MODULE II (SELECTIVE BUT SCORING)



## Chapter 3: PROJECT PLANNING

23. Explain the **Concept and Importance of Project Planning**.

24. Explain **Feasibility Study – Types and Importance..**

25. Factors determining **Location of Business**.

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## Chapter 4: BUSINESS STRATEGY

29. Explain the **Concept of Business Strategy**.

30. Explain the **Impact of LPG (Liberalization, Privatization & Globalization) on Business**.

31. Strategy Alternatives.

32. Turnaround Strategy.

# **FY B.Com – Introduction to Business**

## **MOST IMPORTANT QUESTIONS – EXAM NOTES (Easy Language)**

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### **Chapter 1: INTRODUCTION TO BUSINESS**

#### **1. Meaning of Business**

Business means all economic activities involved in the production and distribution of goods and services for earning profit. It includes activities like manufacturing, trading and providing services.

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#### **2. Definitions of Business**

- L.H. Haney: “Business may be defined as human activity directed towards producing or acquiring wealth through buying and selling of goods.”
- R.N. Owens: “Business is any enterprise engaged in the production and distribution of goods for sale in a market.”

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#### **3. Features of Business**

1. Economic activity
2. Production or distribution of goods and services
3. Exchange of goods and services
4. Profit motive
5. Risk and uncertainty
6. Continuous activity
7. Creation of utility
8. Customer satisfaction

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#### **4. Traditional Concept of Business**

The traditional concept of business focuses mainly on profit maximization. According to this concept, the main objective of business is to earn maximum profit by producing goods and services. Social responsibility and customer welfare were not given much importance.

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## **5. Modern Concept of Business**

The modern concept of business focuses on profit through service. It gives importance to customer satisfaction, social responsibility, employee welfare and long-term survival of business. Profit is considered a reward for serving society.

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## **6. Difference between Traditional and Modern Concept**

- Traditional concept focuses on profit only.
- Modern concept focuses on service and profit.
- Traditional concept ignores social responsibility.
- Modern concept considers social responsibility.

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## **7. Functions of Business**

1. Production function – creation of goods and services
2. Marketing function – buying, selling, promotion and distribution
3. Finance function – raising and managing funds
4. Human resource function – recruitment and training of employees
5. Research and development – innovation and improvement

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## **8. Objectives of Business**

### **A. Economic Objectives**

1. Earning profit
2. Growth and expansion
3. Innovation

### **B. Social Objectives**

1. Supply of quality goods
2. Fair prices
3. Employment generation

### **C. Human Objectives**

1. Fair wages
2. Good working conditions
3. Employee development

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### **9. Steps in Setting Business Objectives**

1. Studying business environment
2. Fixing overall objectives
3. Setting departmental objectives
4. Periodic review

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### **10. Scope of Business**

The scope of business includes Industry and Commerce. Industry is related to production of goods while commerce deals with distribution of goods.

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## **Chapter 2: BUSINESS ENVIRONMENT**

### **11. Meaning of Business Environment**

Business environment refers to all internal and external factors that affect the functioning of business enterprises.

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### **12. Importance of Business Environment**

1. Helps in planning
2. Identifies opportunities and threats
3. Helps in coping with changes
4. Improves performance

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### **13. Internal Environment**

Internal environment includes factors within the organization such as management, employees, company culture and policies.

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## **14. Micro Environment**

Micro environment includes factors close to the business like customers, suppliers, competitors and intermediaries.

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## **15. Macro Environment**

Macro environment includes external forces such as economic, social, political, technological and global factors.

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## **16. Economic Environment**

Economic environment consists of economic policies, inflation, interest rates, income levels and economic growth.

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## **17. Social Environment**

Social environment includes customs, traditions, values, lifestyle and education level of society.

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## **18. Political Environment**

Political environment includes government policies, laws, stability of government and regulations affecting business.

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## **19. Technological Environment**

Technological environment refers to changes in technology affecting production, marketing and communication.

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## Chapter 3: PROJECT PLANNING

### 20. Meaning of Project Planning

Project planning is the process of preparing a detailed plan before starting a business project.

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### 21. Importance of Project Planning

1. Reduces risk
2. Proper use of resources
3. Helps in decision making
4. Improves chances of success

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### 22. Feasibility Study

Feasibility study is an evaluation of a project to determine its viability.

#### Types of Feasibility Study

1. Technical feasibility
2. Financial feasibility
3. Market feasibility
4. Managerial feasibility

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### 23. Project Report

A project report is a written document showing the feasibility, cost, resources and profitability of a project.

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### 24. Location of Business

Factors affecting location of business include availability of raw material, labour, transport, power and market.

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### 25. Role of Government in Business Promotion

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1. Financial assistance
2. Infrastructure facilities
3. Subsidies and incentives
4. Training and guidance

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## Chapter 4: BUSINESS STRATEGY

### 26. Meaning of Business Strategy

Business strategy is a long-term plan adopted by a business to achieve its objectives and face competition.

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### 27. Liberalization

Liberalization means reducing government control and giving freedom to business enterprises.

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### 28. Privatization

Privatization means transfer of ownership from public sector to private sector.

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### 29. Globalization

Globalization means integration of domestic economy with global economy.

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### 30. Impact of LPG on Business

1. Increased competition
2. Growth opportunities
3. Technological advancement
4. Expansion of markets

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### 31. Turnaround Strategy

Turnaround strategy is adopted to revive a sick or failing business.

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## **32. Strategy Alternatives**

1. Stability strategy
2. Expansion strategy
3. Retrenchment strategy
4. Combination strategy

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