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## **Question No (1)**

**(A)**

**Define Industry? Explain the two major types of Industry?**

**Industry:**

It is a place where the raw material is converted into finished or semi-finished goods, which have the ability to satisfy human needs or can be used in another industry as a base material.

### **There are two major types of Industry**

Primary Industry

Secondary Industry

### **Primary Industry**

Primary Industry is engaged in the production or extraction of raw materials which are used in secondary industry.

Primary industry can be divided into two different parts.

Extractive Industry

Genetic Industry

### **1, Extractive Industry:**

Extractive Industries are those industries which extract, raise or produce raw material (which are used in the secondary industry) from below or above the surface of the earth.

**For Example:** Oil, Gas, and coal etc.

### **2, Genetic Industry:**

Genetic Industries are those industries which are engaged in reproducing and multiplying certain species of animals and plants.

**For Examples:** Poultry farming, fishing, dairy farming, plant nurseries etc.

## **Secondary Industry**

These industries use raw material and make useful goods. Raw material of these industries is obtained from primary industry.

Secondary industry can be divided into three parts.

- i. Constructive Industry
- ii. Manufacturing Industry
- iii. Service Industry

### **Constructive Industry:**

All kinds of constructions are included in this industry.

**For Example:** Buildings, Canals, Roads, Bridges etc.

### **Manufacturing Industry:**

In this industry, material is converted into some

finished or semi-finished goods.

**For Example:** Textile Mills, Shugar Mills etc.

**Service Industry:**

These industries include those industries, which are engaged in providing services of professionals. **Such as** lawyers, doctors, teachers etc.

**(B)**

**what are the basic factors of Production? Explain any two?**

**Basic Factors Of Production:**

Factors of production are the inputs available to supply goods and services in an economy.

Economics divided the factors of production into four categories land, labour, enterprise, and capital.

**Explain two Factors of Production**

**Labor:**

People who work in an organization and provide physical and mental efforts in production process.

**Entrepreneurship:**

A person who sets up business or businesses, taking on financial risk in the hope of profit.

**Question No (2)**

**Explain SWOT Analysis.**

**Definition:**

SWOT analysis (strengths, weaknesses, opportunities and threats analysis) is a framework for identifying and analyzing the internal and external factors that can have an impact on the viability of a project, product, place or person.

SWOT analysis, also known as the SWOT matrix, is an acronym for:

### **Strengths**

Positive characteristics that give an advantage to it's being.

### **Weaknesses**

Critical characteristics that give a disadvantage to it's being.

### **Opportunities**

A set of circumstances that makes it possible to do something in advantage.

### **Threats**

A set of circumstances that could have a negative influence on the desired goal.

## **Question No (3)**

**(A)**

**What is Sole Proprietorship? Write down its five characteristics, five advantages and five disadvantages?**

**Definition of Sole Proprietorship:**

- **According to D.W.T. Stafford**

"It is the simplest form of business organization, which is owned and controlled by one man."

- **According to G. Baker**

"Sole Proprietorship is a business operated by one person to earn profit."

## **Five Characteristics of Sole Proprietorship**

Following are the main Characteristics of Sole Proprietorship.

### **1, Capital:**

In sole proprietorship, the capital is normally provided by the owner himself. However, if additional capital is required, such as capital can be increase by borrowing.

### **2, Easy Dissolution:**

The sole proprietorship can be easily dissolved, as there are no legal formalities involved in it.

### **3, Easily Transferable:**

Such type of business can easily be transferred to another person without any restriction.

### **4, Ownership:**

The ownership of business in sole proprietorship is owned by one person.

### **5, Profit:**

The single owner bears full risk of business, therefore, he gets total benefit of the business.

## **Five Advantages of Proprietorship**

- Ease and Cost of Formation
- Secrecy
- Distribution and use of Profits

- Cotrol of the Business
- Government Regulation

### **Five Disadvantages of Proprietorship**

- Ulimited liability
- Limited Sources of Funds
- Limited Skills
- Lack of Cotinuity
- Lack of Qualified Employees

**(B)**

**What is Partnership? Write down the characteristics and advantages of Partnership?**

**Defiition of Partership:**

The defiition of partnership is a relation between two or more individuals. An example of partnership is a marraige.

**or**

Partnership is the relation between person who have agreed to share the profits of a business carried on by all or any of them acting for all."

### **Characteristics of Partnership**

Following are the main characteristics of partnership.

**1, Agreement:**

Agreement is necessary for partnership may be written or oral. It is better that the agreement is in written form to settle the dispute.

### **3, Nnumber of Partnership:**

In partnership there should be atleast two partner, but in ordinary business the partners must not exceed 20 and in case of banking business it should not exceed 10.

### **3, Object:**

Only that business is considered as partnership which is established to earn profit.

### **4, Agent:**

In partnership every partner acts as an agent of another partner.

### **5, Dissolution:**

Partnership is a temporary form of business. It is dissolved if a partner leaves, dies or declared bankrupt.

### **6, Partnership Act:**

In pakistan all partnership businesses are running under partnership Act 1932.

## **Advantages of Partnership**

Following are the advantages of partership

### **Easy to Form**

- No leagle formality required to start
- Even regestration not compulsory

### **Larger Financial Resources**

- All partners contribute some amount

### **Risk Sharing**

- All partners share risk in some ratio as they share the profit

## **Division of Work**

- Divide the work among partners acc, to their skills of knowledge
- It leads to specialization of efficiency

## **Social Benefit**

Two or more Partners with their resources ca build a strong business. This factor is very helpful in solvig social problems like unemployment.

## **Motivation**

- Partner get share in profit
- Work more profit so they gets motivated

## **Secrecy**

- Not required to publish
- Only partners take decisions of firm, so no chace of leakage of info

## **Flexibility**

It is flexible business and partners can change their business policieswith mutual concultion at ay time.

**The End**



