

# Business concepts

For English practice

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# I. INTRODUCTION

- I. **Business Basics**
  - 1. What is Business?
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# WHAT IS BUSINESS

- Business is a word that is commonly used in many different languages. But exactly what it mean? The concepts and activities of business have increased in modern times. Traditionally, business simply meant exchange or trade for things people wanted or needed. Today it has a more technical definition.
- One definition of business is the production, distribution, and sale of goods and services for a profit. To examine this definition, we will look at its various parts.
- First, production is the creation of services or the changing of materials into products. One example is the conversion of iron ore into metal car parts. Next, these products need to be moved from the factory to the marketplace. This is known as distribution. A car might be moved from a factory in Detroit to a car dealership in Miami.
- Third is the sale of goods and services. Sale is the exchange of product or services for money. A car is sold to someone in exchange for money.

# WHAT IS BUSINESS

Goods are products that people either need or want; for example, car can be classified as goods. Services, on the other hand, are activities that a person or group performs for another person or organization. For instance, an auto mechanic performs a service when he repairs a car . A doctor also performs a service by taking care of people when they are sick.

Business, then, is a combination of all these activities: production, distribution, and sale. However, there is one other important factor. This factor is the creation of profit or economic surplus. A major goal in the functioning of an American business company is making a profit. Profit is the many that remains after all the expenses are paid. Creating an economic surplus or profit is , there fore, a primary goal of business activity.

# Comprehension

- A. Answer the following questions about the meaning of business

1. What is one modern definition of business?

**One definition of business is the production, distribution, and sale of goods and services for a profit.**

# Comprehension

- 2. How does this modern meaning of business differ from the traditional one?

**Traditional business relies on sales and exchanges, but modern business is based on the production, distribution and sale of goods and services**

# Comprehension

- What factors have brought about these changes

Factors that have brought about these changes are:

- Industrial development and industrial renaissance
- Multiple Products and Services
- Factories far from the consumer



- **B.** Determine which of the following statements are **true** and which are **false**. Then put T or F in the blanks. Rewrite false statements to make them true.

.....**T**..... **Business is not just one activity but a combination of different operations.**

.....**F**..... **From ancient to modern times the definition of business has remained the same.**

.....**F**..... **Moving a truckload of oranges from orchard to the supermarket is an example of production.**

.....**T**..... **A salesclerk provides a service by answering customers' questions.**



# Vocabulary Exercises

- C \* complete the sentences with the noun and verb forms provided.
- 1. **sales/salls**
  - a. An annual report includes the .....**sales**..... figures of the company for the current fiscal year.
  - b. An auto dealership.....**salls**..... Cars, trucks, vans, and sometimes recreational vehicules.
- 2. **distribution/ distribute**
  - a. Some companies hold exclusive.....**distribution**..... right for specific products.
  - b. Factory representative.....**distribute**..... Products to wholesalers and retailers.

# Vocabulary Exercises

## 3. Production /produces

- a. how efficiently a company.....**produces** Its products will in large measure determine its success.
- b. the .**production** Of high-technology instruments is one of the most rapidly growing industries in 1990.

## 4. Classification/ are classified

- a. Items .....**are classified**..... In order to show the relationship between them.
- b. ....**Classification**..... Means the grouping of items to show the differences between them

# Vocabulary Exercises

## 5. Conversion / convert

a. when traveling from country to country, people **convert**..... one rency to another.

b. The production process often involves the **conversion**..... Of raw materials into finished products