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Unit 1.1 Introduction to Business Management

A **business** is an organisation that is involved in the production of goods and/ or the provision of services

Needs are basic necessities for survival:

e.g.: clothing, food, water and shelter

Wants are things that people would like to have:

e.g.: car, large home

The role of a business is to meet the needs and wants of individuals or organizations through any of the following activities:

- producing crops or extracting raw materials from the earth
- creating a product
- providing a service.



Inputs are processed into **outputs**, which are goods or services

Inputs

- Human
- Physical
- Financial
- Enterprise

Processes turn inputs into provision of service or manufacture of goods

Outputs are the final good or provision of services

Added value is the difference between the value of inputs (cost of production) and the value of outputs (what is sold to the customer)

A capital-intensive industry is one whose major costs results from investments in equipment, machinery, or other expensive capital assets

+ cheaper

Labour intensive is needing a large workforce or a large amount of work in relation to output

+ Enterprise and innovation

