

MANAGEMENT

UNIT 1: Overview of Business

Topics covered:

- **Globalization**
- **Impact of Globalization in India**
- **Intellectual property rights**
- **Assignment**

GLOBALIZATION

- It helped in seeing the world without geographical boundaries.
- It is the process of international integration arising from the interchange of world views, ideas and other aspects of culture.
- **Reasons of Globalization:**
 - a) Better resources
 - b) Low cost of production
 - c) Operating internationally
 - d) Market expansion
 - e) Increased profit
- **Advantages of Globalization:**
 - Increased productivity
 - High standards of living
 - Increased flow of foreign capital
 - Increased competition
 - Induce domestic
 - Increase in foreign trade
- **Disadvantages of Globalization:**
 - Takeover of national firms
 - Bring instability
 - Impact on traditional industries
 - Affects small industries
 - Widens disparity
 - Cultural impact
- Types:
 - a) Economic: countries that trade with other countries and have few trade barriers are economically globalized.
 - b) Social: A measure on how easily information and ideas pass people in their own country and different countries.
 - c) Political: The amount of political co-operation there is between countries.

Impact of Globalization with respect to India

- In India globalization came in 1990s by then finance minister Dr. Manmohan singh and by then Indian economy has shown a gradual increase economically and also poverty reduction.
- However it has both advantages and disadvantages. Some are discussed as under:
- Advantages:
 - a) Increase in free trade across world.
 - b) Reduction of likelihood of war between developed nations.
 - c) Increase in quality of production.
 - d) Greater ease and speed of transportation for goods and people.

- e) Rapid flow of money and information.
 - f) Helped in raising living standards of people
 - g) It helped in alleviating poverty
 - h) It has insured food security
 - i) Technological development that resulted in reverse brain drain in developing countries.
 - j) Increase in flow of investment to India by developed countries.
- Disadvantages:
 - a) Increase in flow of skilled and non-skilled labours from India to other countries.
 - b) Difficult for small industries to compete with imported products.
 - c) Huge dependence on information technology.
 - d) Loss of culture.
 - e) Transportation of disease between nations.
 - f) It benefits wealthy more than poor.
 - g) Would create a new system of politics.
 - h) May not prevent resource consumption.
 - i) May make easier for people to cheat.
 - j) May negatively impact on environment.

Intellectual property Right (IPR)

- These are legal rights given to individual to prevent their ownership.
- It is the law that protects right of a person whose idea generates a product.
- It may include inventions, literary and artistic works, symbols, names, images and designs.
- There are several activities covered under this like:
 - a) Industrial designs
 - b) Protection against unfair competition
 - c) Trademarks, service marks, designations.
- It is further divided as:
 - a) Copyright: Concerns with protecting works of human intellect. Its areas include literary and artistic work, musical, fine arts, sculptures, paintings etc.
 - b) Patent: Right granted by law to an inventor or assignee to prevent others from benefiting from his/her invention without permission.
 - c) Trademarks: Sign that individualizes goods or services of a given enterprise and distinguish them from their competitors.
 - d) Trade name: Name that uniquely distinguish a business from others.
 - e) Trade secrets: Any information that are of commercial value.
- Advantages:
 - a) Provides exclusive rights to creators or inventors
 - b) Helps in social and financial development.
 - c) Encourage individuals to share and distribute information.
 - d) Provides legal defence.

ASSIGNMENT

A) Find the most accurate option of given questions:

1. Globalisation has improved living structure of
 - a) Workers in developing countries
 - b) People in developing countries
 - c) People in developed countries
 - d) All of the above

2. Tax on imports can be treated as:
 - a) Foreign trade
 - b) Terms of Trade
 - c) Collateral
 - d) Trade barriers

3. When did government remove the barriers for investment and investment in India:
 - a) 1990
 - b) 1991
 - c) 1992
 - d) 1994

4. The main reason behind MNC's investments are
 - a) To benefit foreign countries
 - b) To provide financial support to the country's government
 - c) For the welfare of underprivileged
 - d) To increase the assets and earn profits.

5. The IPR covers
 - a) Ethical value
 - b) Moral value
 - c) Social value
 - d) Commercial value

6. The following can be patented:
 - a) Machine
 - b) Process
 - c) Composition of matter
 - d) All of the above

7. Symbol of Nike is
 - a) Copyright
 - b) Patent
 - c) Trademark
 - d) All of the above

B) Answer the following.

1. Explain the impact of globalization on following with Indian context:

- a) Agriculture sector.
- b) Industrial sector.
- c) Financial sector.

2. Write short notes on:

- a) Copyright
- b) Trade mark
- c) Patent

3. Explain the types of IPR.

Link: <https://www.youtube.com/watch?v=lpZ04gs6HI8>

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MANAGEMENT

UNIT-1

TOPIC DISCUSSED:

- 1. Business and its types**
- 2. Industrial sector and some of its types**

MANAGEMENT

UNIT 1: OVERVIEW OF BUSINESS

- **BUSINESS**

- It is an organization where people work together to make and sell products or services.
- Buying and selling as a way of earning money.
- Types: Business may be categorised as:
 - a) Service
 - b) Manufacturing
 - c) Trade

- a) **Service Business:**

- It provides the services which are intangible i.e. cannot be broken down.
- It is major type of business running in India.
- Examples: Call centres, entertainment, BPO, KPO etc that provide services.

- b) **Manufacturing Business:**

- Many other business depends on this business.
- -It produces products from raw materials.
- Examples: Cell phones, furniture, computer etc.

- c) **Trade Business:**

- It is concerned with distribution of products i.e. sale, transfer or exchange of goods to business houses or final customers.
- Example: Wholesale, Import and Export houses etc

INDUSTRIAL SECTORS

- Industrial sectors include sectors like:
 - a) Cement
 - b) Drugs and Pharmaceuticals
 - c) Jute
 - d) Petrochemical
 - e) Electronics and IT
 - f) Tea
 - g) Sugar
 - h) Soaps
 - i) Beverage etc.
- It is also called secondary sector
- It is one of three sectors that make up a country's economy.
- The other two are:
 - i. **Primary sector:** It includes agriculture, fishing and mining
 - ii. **Service sector:** It provide services rather than products.
- This sector makes a complete product which can then be utilized.
- Example: Manufacturing industries and construction.
- It thus takes raw materials from primary sector and converts them into end user products.
- Some sectors in brief are:

- i. **Engineering Industry:** Industries creating engineering products. Industries primarily includes sectors like:
 - a) Civil
 - b) Chemical
 - c) Mechanical
 - d) Electrical
 - e) Computer engineering industry

- ii. **Process industry:** These industries do different processes on raw material to produce the final product. Example: food, textile, chemical etc.

- iii. **Textile Industry:** This industry deals with design and manufacturing of clothing products. Sub sectors in this field are Cotton sector, jute sector, man-made fibre etc. Pros and cons of this industry are:

Pros:

 - Availability of cheap and skilled labour.
 - Great demand in local markets due to huge population.
 - Production capacity is high.
 - Huge capacity to export and less to import.

Cons:

 - Huge global competition
 - Poor management
 - Lack of modern technology
 - Unorganized and decentralized sector.

- iv. **Chemical industry:** These industries comprises those companies that produces industrial chemicals like industrial salts, dye stuffs etc. Example: Cipla, Reliance Chemicals.

- v. **Agro Industry:** It deals with supply, processing and distribution of farm products. In India this industry plays an important role as this industry is known as extended arm of agriculture and most of India's population are farmer.

Q) Answer the following questions:

1. List the difference between manufacturing and service sectors.
2. Make a note on textile industry with Indian context.
3. What do you understand by secondary sector and how it is different from primary sector?

Link: <https://www.youtube.com/watch?v=LTgwWy288u0>

<https://study.com/academy/lesson/what-is-a-manufacturing-business-definition-examples.html>

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