

## Meaning, Definition, Nature & Scope

- \* Business simply means "The state of being busy"
- \* It study only to those human being activities in relation to exchange of good & services for money
- \* A no. of authors and authorities have attempted to define the term business in so many ways., All focus their attention on one particular aspect i.e- Satisfaction of human wants.
- \* With the passage of time, human wants became more & more.

## Nature of Business

1. Sale, Transfer or Exchange of Goods & Services for Value
  - \* Production or purchase of goods or services for personal consumption is obviously outside the scope of business because, "there is no sale or transfer for value!"
  - \* Production or purchase for one's own consumption is not a business activity. On the other hand, if he produces for others it is considered as a business activity.
2. Continuity of Dealing
  - \* The exchange of goods and services should be undertaken continuously.
  - \* A casual transaction doesn't constitute business.  
ex- If a person sells his television set and gains some ~~profit~~ profit it's not constitute business. But if he regularly deals then such an act is treated as business.

### 3. Profit Motive

\* Profit is the ultimate aim of any business.

It's may have other motives also.

But, if this motive is absent, it's not a business activity at all.

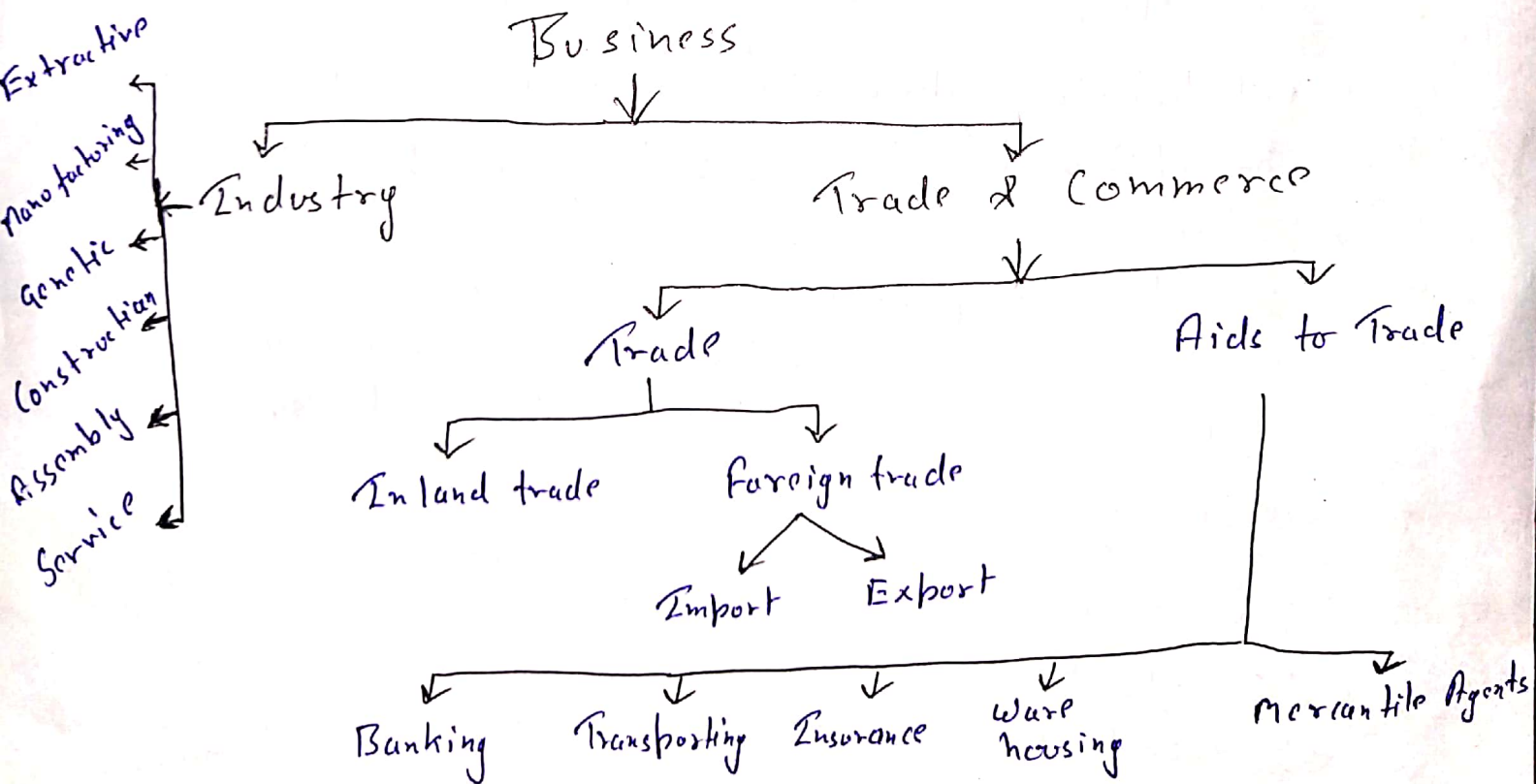
### 4. Uncertainty and Risks.

\* Profit for any business depends not only on the factors over which the businessman has control but also on factors over which he has no control or less control.

Thus, some element of risk & uncertainty in respect of business.

### Scope of Business

The scope of business is wider than that of the terms "Trade" and "Commerce".



\* Trade is one of the branches of Commerce. It is concerned with exchange of goods and services, from the producer to the consumer.

\* Industry is referred to as production of goods & material.