



Nature and characteristics of business:-

These are the basic nature and characteristics of business of all size or nature

(i) Sale, Transfer or exchange:- The basic feature of a business is exchange or transfer of goods and service for a price or value. Goods used for own purpose or gift is not business, as no value or price is involved in the transfer.

"Any organisation that fulfils itself through marketing a product or service is a business.

Any organisation in which marketing is either absent or incidental is not business.

(ii) Dealing in goods and services :-

It is another feature of business. Every business comes to existence to provide goods or service to society. The goods and services may be procured by an enterprise through production or purchase. It may be consumable goods or capital or producers goods such as machineries or tools etc. & services are intangible (अदृश्य वस्तु) and invisible like electricity, gas insurance etc.

(iii) Regularity in dealing :- Dealing in goods or services constitute business only when it is regular. A single dealing can not be defined as business. Selling of ~~of~~ for example :- Selling of old scrap from house is not business, but a person who buys and sells scrap does business.

(iv) Profit motive :- Every business is carried to make a profit. We can say that for earning money and acquiring ~~wealth~~ wealth, but the profit must be earned through legal and fair means, or by serving society not by exploiting it.

So - gambling, cheating, smuggling and black marketing cannot be called business.

(v) Risk :- The element of risk is present in every economic activities, but it is more significant in the case of business. Business is carried on for profit but loss can also incur due to various factors such as :-

- (a) Change in consumer's taste, fashion and demand
- (b) Change in technology
- (c) Changes in the degree of competition.
- (d) Shortage of raw material, power, fuel etc.
- (e) Deterioration in industrial relations leading to strikes, shut down etc.
- (f) Wrong decisions taken in business
- (g) fire, thefts and natural calamities
calamities etc.

from the above characteristics business may be defined as

"An economic activity concerned with the regular production and/or ~~the~~ exchange of goods and services with the objective of earning profits through the satisfaction of human wants and involving an element of uncertainty or risk."