

# BAL BHARATI PUBLIC SCHOOL PITAMPURA

---

SESSION 2020-21

# Business Studies

---

CLASS XI



# CHAPTER-1

## ***NATURE AND PURPOSE OF BUSINESS***

# Types Of Human Activities

Human activities can be classified into two activities–

- Economic activities
- Non–economic activities





# Economic Activities

Human activities which are performed in exchange for money are called economic activities.

In other words, economic activities are those efforts which are undertaken by man to earn Income, Money, Wealth for his life.

# EXAMPLE -

Practicing as a  
lawyer...  
Production of goods in  
a factory...

## **New Bonus Payouts in Factories!**

Factories are now paying out even more premium goods. Build your factory today!





# Non-economic Activities

---

Meaning ↓

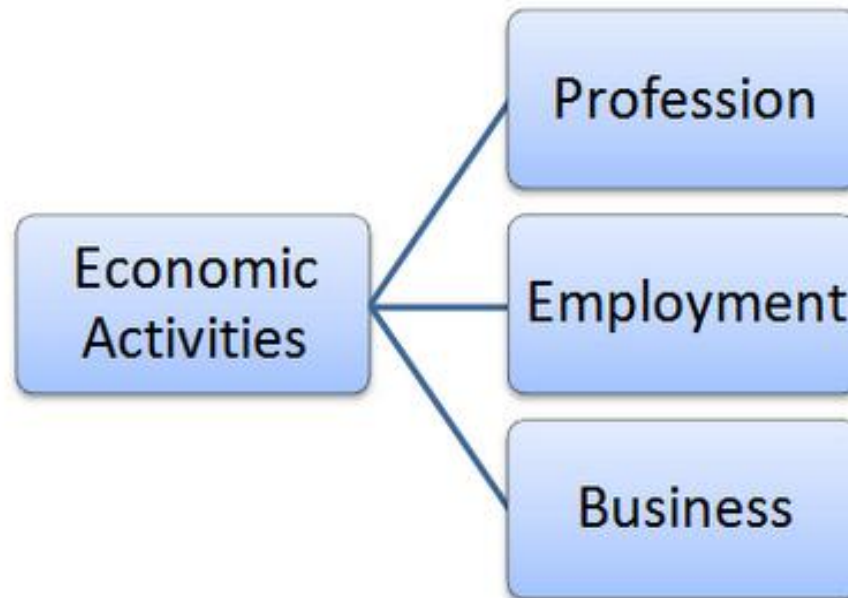
"Human activities which are not performed for money or money's worth are called non-economic activities."

Here, there is no monetary consideration in exchange for such activities.

E.g. A person goes to temple, a person helps his friend in studies, etc.



# TYPES OF ECONOMIC ACTIVITIES





# 1. Profession

Profession is an occupation carried on by professional people like Doctors, Lawyers, etc. They provide specialised services in return for fees. To become a professional, a man requires specialized knowledge and professional qualification. For e.g. Doctor needs specialised knowledge in medicine, a lawyer needs a degree in law, etc.





# 2. Employment

Employment is a type of occupation under which person works for others ,in return for which he gets salary or wage. The person who employs is called employer and the person who is employed is called employee.



# 3. Business

Business is an economic activity concerned with production and distribution of goods and services with the aim to earn profits.





# Difference between business, profession and employment

## ***1. Mode of establishment:***

Business is established when the entrepreneur decides.



Profession is started after getting the certificate of practice from the professional body.



Employment begins

after getting the appointment letter from the employer.



# Difference between business, profession and employment

**2. Nature of work:** Business includes buying and selling of goods and services.



Profession involves rendering personalized services of expert nature.



Employment includes performing the work as per the service contract.





# Difference between business, profession and employment



**3. Qualification:** No minimum qualification is required for business.



A professional degree in a specific field is required for profession.



An employee needs the qualification and training as prescribed by the employer.

# Difference between business, profession and employment



**4. Return or reward:** Business gets returns in the form of profits.

Professionals charge fees for their services.

Employees get salary or wages in return for their work.





# Difference between business, profession and employment

## ***5. Capital investment:***

Business needs investment as per its size and nature.

Only initial investment is required in case of a profession.

No capital investment is needed for employment.



# Difference between business, profession and employment

**6.Risk:** In business, profits are uncertain and irregular; so risk is present.

Professionals face less risk; as the fee charged is generally regular and certain.

No risk is there in employment; as they get a fixed and regular pay.





# Difference between business, profession and employment

7. Transfer of interest: in business transfer possible with some formalities whereas in profession and employment transfer of interest is not possible.

# Difference between business, profession and employment

8.code of conduct

in business no code of conduct is prescribed.

in profession professional code of conduct is to be followed whereas

in case of employment norms of behaviour laid down by the employer are to be followed