



RAMA UNIVERSITY

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FACULTY OF COMMERCE AND MANAGEMENT

COURSE: BBA & BCH

SUBJECT: BUSINESS ORGANIZATION

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BCH204

LECTURE: 4

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LECTURE-4



CHARACTERISTICS OF BUSINESS

From the above discussion, we can draw certain characteristics of today's business which are as follows:

(i) It is a Human Activity

(ii) Continuous Economic Activity

(iii) Profit Motive

(iv) Entrepreneurship

(v) Creation of Utility

(i) It is a Human Activity:

Business is a human activity which makes available goods and services to the society. It is not only dependent on making available the goods and services or the mere production of these but also depends on the exchange of value which is provided in return because if you are engaged in giving gifts to somebody then it will not be treated as business.

(ii) Continuous Economic Activity:

In business an economic activity must be repeated again and again because if an entrepreneur does not do that it will not be treated as business. For example, if a person sells his own house, this activity does not come under the framework of business.

(iii) Profit Motive:

Any economic activity which leads to generation of profit is considered as business. Therefore, intension should be to earn profit otherwise if a person is engaged in social service or preaching about the religion cannot be treated as business.