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1.1. Types of Business · Service · Manufacturing · Trade 1.2. Industrial sectors Introduction to · Engineering industry · Process industry · Textile industry · Chemical industry · Agro industry · IT industry - Banking, Insurance, Retail, Hospitality and Health Care 1.3 Globalization · Introduction · Advantages & disadvantages w.r.t. India	02	06

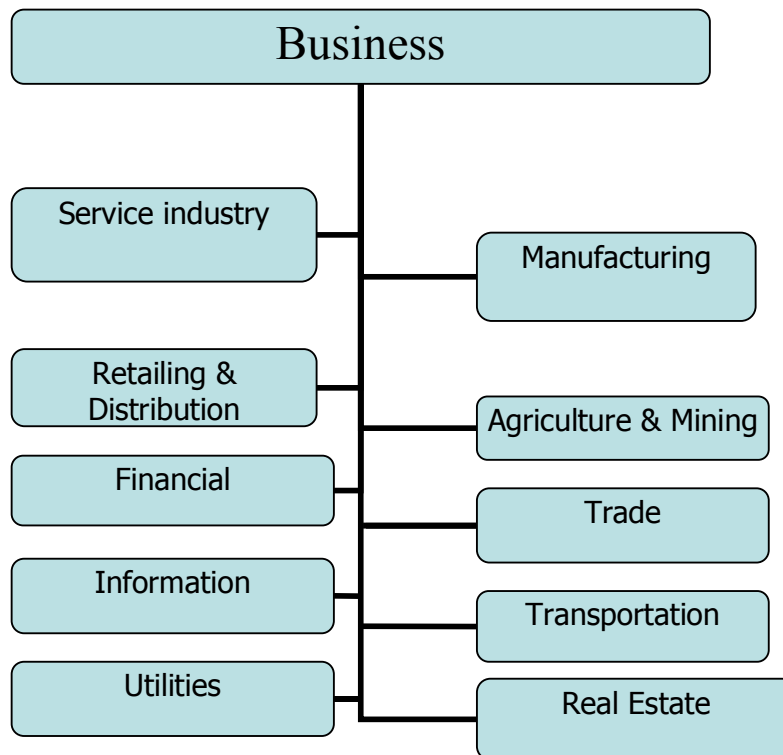
Q. What is meant by Business?

- It is defined as the organized efforts by certain persons to supply the consumers with goods and services.

Goods: - T.V., Refrigerators, cooking utensils and cloth etc.

Services: - Hospitals, maintenance, entertainment etc.

- Business includes three terms namely—Industry, Commerce and profit. It is a commercial activity to make profit.

Q. Which are the types of Business?**Q. Explain various types of business.**

1. Service Industry: These intangible services give a profit to service provider by charging for a labour or rent or on other aspect. The services may be provided to government or other businesses like individual consumers. e.g. Communication, Consultation, hospitality, maintenance and entertainment etc.



2. Manufacturing Business: products are produced from raw materials by using engineering technology and machinery. These products are sold at particular prices and profits are earned by the owners. e.g. chairs, paints, T.V., automobiles, Kitchenware, pen and computers etc.
3. Trade: It is willing exchange of goods and services or both. It is also called as commerce. e.g. Raw materials, consumables and standard parts etc. are traded in engineering industry.
4. Retailing & Distribution: Retailers & Distributors act as middle men in getting products produced by manufacturers to the intended customers. They generate a profit as a result of providing sales or distribution services. e.g. general stores, retailing shops and shopping malls.
5. Financial: Any business cannot run unless and until supported by finance. They generate profits through investment and management capital.
6. Information Business: A wide scale growth is seen in business based on information. Profits are generated primarily from the resale of intellectual property like copyright, patents etc. they include film and movie producers, publishers and packaged software companies.
7. Utilities: they produce public services such as water supply, electricity, sewage treatment etc.
8. Agriculture and mining: production of food crops, minerals and raw materials are possible only through Agriculture and Mining activities.
9. Transportation: Delivery of goods and individuals from one location to another location is the transportation business. Land transportation, Air transportation and sea transportation are the types where large numbers of private business partners are involved. e.g. Rail way, State transport and Airlines.
10. Real Estate: A lot of individuals and small or big firms entered into business of Real Estate. Profit is gained from selling, renting, developing the homes and buildings.



Q. List the various industrial sectors.

Passing out engineering students will get the idea about what is happening around them in various sectors as their future is concerned with all such happenings.

- A. Iron and steel industry
- B. Textile
- C. Cement
- D. Paper
- E. Petrochemical
- F. Automobile
- G. Jute
- H. Software
- I. Sugar
- J. Engineering
- K. Process
- L. Chemical
- M. Agro

Q. Explain various sectors of industry.

A) Iron and steel industry: It is the backbone of Indian Economy. Some of the richest iron ore mines with the highest iron content are found in India. This industry has taken lion's share in the Indian Economy.

Major Plants in India: TISCO, SAIL, Jindal Steels and Indian Seamless etc.

Challenges:

- I. Inefficiency of public sector units
- II. The problem of metallurgical coal
- III. Under utilization of capacity
- IV. Sickness of mini-steel plants
- V. The problem of Administered prices of steel.

B) Textile industry: It is one of the oldest industries in India. It is primarily cotton based. But today, Cotton, polyester, Synthetic textile, Blended fabrics are the raw materials for textile production.



Textile Mills: Bombay Dyeing, Raymond, Arvind mills, Century Textiles and Welspun India etc.

Challenges:

- I. Competition from foreign manufacturers
- II. Inadequate design and engineering capability
- III. Requirement of huge investment for mill set up
- IV. Imports of cheap textiles from other Asian neighbours.
- V. Heavy excise duties.

C) Cement Industry: House construction, Road construction and Public Works etc use bulk amount of cement. In India, constructions are in boom phase and so the cement demands are also huge and continuous. The important raw material, limestone is found almost throughout India.

Major companies: Ambuja, Aditya, J.K. and L&T.

Challenges:

- I. Shortage of coal
- II. Power cuts
- III. Limited furnace oil
- IV. Rigid and tight policies of Government.

D) Paper industry: When Britishers came to India; paper industry became part of Indian industry. Paper industry is largely owned by private sector companies. Today there are more than 500 units engaged in paper manufacturing. It needs modernization, revival of the forest policy and quality improvements.

Manufacturers: Ballarpur Industries Ltd, ITC, J.K. paper

Challenges:

- I. Inadequate quality of raw material
- II. Heavy set up cost
- III. Tough competition
- IV. Old machinery

E) Petrochemical industry: polymers, fibers and rubber are the products of petrochemicals. The discovery of crude oil and natural gas has given new dimension to this industry.



Plants: Reliance, ONGC, GAIL, Bharat petroleum, IBP, Hindustan petroleum and shell etc.

Challenges:

- I. Heavy custom duty and sales tax
- II. Limited resources available
- III. High cost of petrochemicals
- IV. Environmental issues.

F) Automobiles industry: Indian automobiles industries manufacture trucks, buses, passenger cars, defence vehicles, two wheelers etc.

In India, there are 100 people per vehicle, while this figure is 82 in china. Foreign manufacturers are now entered into Indian auto Industry. India is the largest 3-wheelers market in the world. Also India is the largest 2-wheelers manufacturer in the world.

Automobile production plants: Ashok Leyland, Fiat, Honda, Mahindra, Suzuki, Tata, Toyota, Kinetic, Bajaj, Force motors etc.

Challenges:

- I. Fuel shortages
- II. High cost of fuel
- III. Pollution due to automobiles
- IV. Economy of fuel consumption

G) Software industry: Field of computers has changed industrial scenario since last few years. Indian software professionals proved their utility in global market. Numerous foreign projects are dependent on Indian software industry for their design, development and completion. Software industry has really boosted Indian Economy in last few years.

Software companies: TCS, Infosys, Wipro, KPIT, Persistent, IBM, ADP, Tech-Mahindra, L&T InfoTech etc.

Challenges:

- I. Complete dependency on U.S. market.
- II. If no projects are available then scenario becomes tough and tight.
- III. Competition from China.
- IV. Increasing cost of highly salaried officials.



H) Engineering industry:

1. Primarily deals with design, manufacture and operation of structures, machines and devices.
2. Engineering industry comprises of sectors like civil, industrial, mechanical and chemical.
3. Modern technology and innovation techniques specifically like sectors in electronics add to the prosperity of engineering industry.

I) process industry:

1. Mainly concerned with chemical industry, sugar industry, salt manufacturing, powder manufacturing, pharmaceutical production etc.
2. Automation is largely introduced in process industry.
3. It is associated with formulas and manufacturing recopies.

J) Chemical industry:

1. It is one of the fastest growing industries in India.
2. Large customers and the distribution channels buy these chemicals.
3. It has various sectors like petrochemicals, inorganic chemicals, organic chemicals, drugs, agrochemicals, paints etc.
4. Industries: Reliance, RCF, Kargil Company, Cipla etc.

K) IT industry:

Banking: Initiation of Information Technology and Communications networking system is set to change the operating environment of banks drastically. Technology has already enabled some of the banks to introduce innovative products to their customers in the form of ATM facility, Tele-banking, Home Banking, 'Anytime' and 'Anywhere' banking, etc. Technology can also be harnessed in automating and networking the branches that will ensure timely flow of information and aid decision making process.

Insurance: The use of technology in insurance improves every aspect of an agency's data management system and processes. Insurance agents can quickly respond to the needs of customers, using state-of-the-art technology that can instantly provide accurate information to clients regarding insurance issues.



Retail: Use of the information Technology in the retail sector has increased considerably. It plays an important role in managing the complexity of retail operations, however most of retailers do not have integrated IT systems today. Out of the total organized retailers, many have a few IT systems in the areas of supply chain management, vendor development, merchandising and inventory management. IT is involved in retail to increase the company's ability to respond to the evolving market place through enhanced speed and flexibility

Hospitality: The accommodation, restaurant, travel, transport and attractions sectors are hospitality providers. They use IT in all the internal departments. It is used in Rooms Division to accomplish all check in, checkout, and billing functions; in the engineering department for the building management system and internal guest complaint system; in the Food & Beverage department for restaurant sale accounting; in finance for the accounting functions; in materials for all the materials-related functions; and in HR for payroll.

Health Care: Health information technology (HIT) is information technology applied to health care. It provides the umbrella framework to describe the comprehensive management of health information across computerized systems and its secure exchange between consumers, providers, government and quality entities, and insurers. Health information technology (HIT) is in general increasingly viewed as the most promising tool for improving the overall quality, safety and efficiency of the health delivery system. Broad and consistent utilization of HIT will:

- Improve health care quality or effectiveness;
- Increase health care productivity or efficiency;
- Prevent medical errors and increase health care accuracy and procedural correctness;
- Reduce health care costs;
- Increase administrative efficiencies and healthcare work processes;



Q. What is Globalization?

The worldwide movement toward economic, financial, trade and communications integration.

Globalization (or globalisation) is the process of international integration arising from the interchange of world views, products, ideas and other aspects of culture. Advances in transportation and telecommunications infrastructure, including the rise of the telegraph and its posterity the Internet, are major factors in globalization, generating further interdependence of economic and cultural activities.

In 1991, Indian Economy was thrown open to Liberalisation, Privatization and Globalisation. It can be termed as turning point of Indian Economy.

Q. What are the advantages and disadvantages of Globalisation with respect to India?

Advantages:

- Greater employment opportunities for people.
- Availability of greater variety of goods and services to the consumers.
- More competitive price to the competitors.
- Ability of companies to achieve lower costs.
- Access to bigger markets to business firms.
- Faster and wider spread of new technologies across the world.

Globalization has some disadvantages also:

- Unrestricted globalization hampered the development of less developed countries like India.
- Low cost products of other countries are becoming threat to Indian producers.
- Multinationals are making Indian people habitual of using their products.
- Smaller firms are lacking the resources to compete internationally and therefore may be forced out of business.



- Countries like India become increasingly dependent on other countries for meeting their needs for goods and services. This can become a major disadvantage in situations like war.
- Pollution and environmental issues are the causes of Globalisation.
- Globalization may also lead to faster spread of infectious disease, for people animals and plants. Such infection may be carried through, people or goods.

HELPFUL LINES FOR ONLINE EXAM

1. Indian economy has recorded an annual growth rate of **28%** during the last five years.
2. Many other businesses are dependent on **manufacturing business.**
3. **Trade** is willing to exchange of goods, services or both.
4. **Trade** is also called as **commerce.**
5. **Retailers and Distributors** act as middle men in getting goods produced by **manufacturers** to the intended customers.
6. Any business cannot run unless and until supported by **finance.**
7. Production of food crops, minerals and raw materials are derived through **Agriculture and Mining business.**
8. **The transportation business** delivers goods and individuals from one location to another.
9. The abbreviation of SEZ is **Special Economic Zone.**
10. TISCO is the abbreviation of **Tata Iron and Steel Company.**
11. The problem of administered prices of steel is the major challenge to the **Iron and Steel industry.**
12. **Steel Authority of India Limited (SAIL)** is the apex authority of Government of India in Iron & Steel industrial sector.
13. Indian Textile Industry is predominantly **cotton** based.
14. In last 25 years, there is decline from **73% to 27%** in the share of cotton cloth.
15. Use of modern fabrics has increased from **27% to 58%.**



16. Textile industry earns **27%** of foreign exchange from exports of textiles.
17. **Engineering industry** deals with design, manufacturing and operation of structures, machines and devices.
18. **Engineering industry** comprises of sectors like civil, industrial, mechanical and chemical.
19. **Process industry** is mainly concerned with chemical, sugar industry, salt manufacturing, powder manufacturing pharmaceutical production etc.
20. **Process industry** is associated with formulas and manufacturing recopies.
21. In **process industry**, once output is produced, it cannot distill back to basic components.
22. **Chemical industry** comprises of sectors like petrochemical, inorganic chemicals, organic chemicals, drugs, agrochemicals, paints etc.
23. In India, food market is **2, 50,000 crores.**
24. In India, market of value added food product is **80, 000 crores.**
25. LPG means **Liberalization, Privatization and Globalization.**
26. GATT means **General Agreement on Tariff and Trade.**
27. **GATT** started in **1948** at **Geneva.**
28. **In 1995,** name of **GATT** is replaced by **WTO.**
29. India is a member of **World Trade Organization (WTO).**
30. World Intellectual Property rights day is celebrated on **April 26.**
31. Copy right is expressed as **©.**
32. A trademark is identified by the symbols **TM and ®**