

## MGT 211 Short Notes

### Lecture 01

#### ★ Business:

##### Definition:

- \* Any activity to earn profit.
- \* The word “business” is derived from the term “busyness.”

#### ★ Entrepreneurship

A phenomenon in which a person searches for an opportunity and try to avail it.

#### ★ Components of business

- \* Industry
- \* Commerce

#### ★ Industry

- \* Conversion of raw material into finished goods.
- \* This is a form utility.

#### ★ Types of Industry

##### \* Primary

##### Industry

- \* Extractive Industry \_ Extraction of underground resources.
- \* Genetics \_ People doing business by changing genes.

#### ★ Types of industries

##### \* Secondary

##### Industry

- \* Construction \_ Construction of buildings, roads, bridges etc.
- \* Manufacturing \_ Conversion of raw material into final goods.
- \* Services \_ Banking, consultancy, accountant, Lawyer, Interior decorator, designer, music composer etc.

#### ★ Commerce

All those activities which start from the warehouse of the manufacturer to the buyer.

#### ★ Types of commerce

##### \* Trade

- \* Trade means buying and selling

\* Aid to trade

- \* Institutions that are meant and build to assist and support the trading process.

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### ★ Factors of production

- \* Labor \_ People working in an organization.
- \* Capital \_ Amount invested by investor in the business.
- \* Entrepreneurship \_ Management ability of the people who are running the business.
- \* Physical Resources \_ Land, labor, building, vehicles, machinery etc.

### ★ Economic System

- \* A system for allocation of resources.

### ★ Types of Economic Systems

- \* Planned Economy
- \* Free market Economy

### ★ Types of environmental forces

#### ★ External Forces

- \* Factors found outside an organization.
- \* These factors are not controllable by the organization.

#### \* Types of environmental forces

#### ★ Internal Forces

- \* Factors within the organization.
- \* These are controllable by the organization.

### ★ SWOT Analysis

- \* Strengths
- \* Weaknesses
- \* Opportunities
- \* Threats

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### Lecture 02

### ★ External Factors

- \* Economy of the country
- \* Per capita income of the country
- \* General employment or unemployment
- \* Economic Growth
- \* Exchange rate
- \* Inflation rate

### ★ Demographic factors

- \* Demographic factor is a study of population
- \* Population brings customers.
- \* Population tells the size of market and nature of customers.

#### ★ Total Population

#### ★ Population Distribution

- \* Distribution on the basis of gender

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- \* In Pakistan female population is further divided into two categories:
  - \* Household Women
  - \* Working Women
- \* **Population growth rate**
  - \* The rate at which population of an area increases/decreases.
- \* **Political and Legal factors**
- \* **Political Factors**
  - \* Preference and priorities of the Government
  - \* Attitude of the Government towards Exports
  - \* Government taxation policy
- \* **Legal factors**
  - \* Laws related to Health
  - \* Laws related to Imports and Exports
  - \* Laws related to Taxation
  - \* Laws related to Packing
  - \* Laws related to Child Labor
  - \* Laws related to Labor Union
- \* **Technological Factors**
  - \* Business people have to pace with the technological advancements.
- \* **Socio cultural Factors**
- \* **Religion**
  - \* Followers of one religion have influence over the buying behavior of the society.
- \* **Natural Factors**
  - \* Act of God
  - \* Natural factors are out of our control
  - \* Business people will develop product considering natural resources

### Lecture 03

#### \* **Sole Proprietorship:**

##### **Definition**

Sole Proprietorship is that type of business which is owned by one person.

##### \* **Advantages of Sole Proprietorship**

- \* Freedom in formation
- \* The easiest to establish
- \* Individuals are allowed to decide without interference of any other person.
- \* Easier to transfer the ownership of the business
- \* People wholly solely enjoy the ownership of the business and profits
- \* Individual has unlimited opportunity to expand the size of the business
- \* Individual can keep the secrets of the business intact

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- \* Individual has personal interest in the business
  - \* Owners can make speedy decisions
  - \* Easy to dissolve

### ★ **Disadvantages of Sole Proprietorship**

- \* Limited amount of capital
- \* Continuity problem
- \* Sole Proprietorship has limited life and is dependent on the owner
- \* Owner of the business has unlimited liability towards people whom he has to pay

### ★ **Partnership**

- \* A relationship of the people to share investments and profits
- \* Partnership act 1932 governs all affairs of the partnership

### ★ **Advantages of Partnership**

- \* More capital
- \* Relatively easier to form
- \* Sharing of responsibility
- \* Light credit standing
- \* Business can have more loan from various sources
- \* Secrecy
- \* Public Confidence
- \* Better Decision
- \* Easy to dissolve

## Lecture 04

### ★ **Disadvantages of Partnership**

#### ★ **Unlimited Liability**

Partners will have to pay all the debts of the business even from their personal property.

#### ★ **Shorter Life**

Partnership ends when one of the partners dies or becomes insane

#### ★ **Limited Capital**

Partners run the business from their own capital. Sometimes, that capital becomes limited to meet the requirements of the business.

#### ★ **Lack of interest**

Profit is divided among the partners. So, partners do not take keen interest in the business.

#### ★ **Slow Decision Making**

Partners might have different point of view regarding a particular matter. So, decision making is relatively slow.

- \* It is difficult to transfer the rights of partnership.
- \* There is always a chance of conflict.

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### ★ **Types of Partners**

- ★ **Active Partner** is one who participates in all the affairs of the business.
- ★ **Secret Partner** is one who has invested in the business but he/she is not known to general public.
- ★ **Sleeping Partner** is one who is not very active in the affairs of the business.
- ★ **Senior Partner** is one who has invested the maximum amount in the business.
- ★ **Junior Partner** is one who has invested the minimum amount in the business.

### ★ **Types of Partnership**

#### ★ **Partnership at will**

Life of the partnership depends upon the will of the partners.

#### ★ **Limited Partnership**

- ★ That business in which at least one partner has the limited liability.
- ★ Investor is liable to the amount; he/she has invested in the business only.  
This is called **Limited Liability**

★ There will be at least one partner who has the unlimited liability.

#### ★ **Particular Partnership**

- ★ Partnership formed for a particular purpose.
- ★ It is dissolved automatically at the achievement of the purpose.

#### ★ **Termination of Partnership**

##### ★ **By Notice**

A partner can terminate partnership by giving notice to other partners due to any reason.

##### ★ **Upon Death**

Partnership will automatically be terminated at the death of any partner.

##### ★ **Partnership Deed**

A document that contains the terms and conditions of the business.

### ★ **Contents of Partnership Deed**

- ★ Date on which the agreement was made.
- ★ Name of the business.
- ★ Nature of the business.
- ★ This clause will cover the scope of the business.
- ★ Names, addresses, telephone Numbers and emails of the partners.
- ★ Capital of the business.
- ★ If duration is attached with any business that should clearly be mentioned in the partnership deed.
- ★ Duties of the partners.
- ★ Whether any partner is entitled to salary. If yes, how much amount should be given to him as salary.
- ★ Profit distribution ratio.

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\* Whether partners are entitled to withdraw money from the business. If yes, procedure of withdrawals should also be written in the partnership deed.

\* Arbitration

\* In case of a conflict, how that conflict would be resolved before going to the court.

\* The partner should read the partnership deed carefully, add as much clauses as possible and never take anything for granted.

### ★ **Rights of the partners**

\* **Every partner has the right to:**

\* Participate in all the affairs of the business.

\* Get his/her share of profit from the business.

\* Leave the partnership according to the terms and conditions of the partnership deed.

\* Claim the salary against his/her services.

\* Participate in the management of the business.

## **Lecture 05**

### ★ **Duties of Partners**

\* Partners have to maintain accounts which describe the true picture of the business.

\* Partners should use their powers within limits specified in the partnership deed.

\* Partners are responsible to provide accurate information to Government bodies.

\* Partners are responsible to pay their share in case of loss to the business.

\* It is duty of every partner to obey the decision that has been made in the partnership.

\* Partners should not disclose any secret information about the business to any other person.

\* It is a moral obligation and legal responsibility of the partners not to use firm's forum to take any advantage without intimating to other partners.

### ★ **Joint Stock Companies**

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- \* Joint Stock Companies are formed under the Companies Ordinance 1984.
  - \* Joint Stock Company is an association of persons for making profit.

### ★ **Advantages of Joint Stock Companies**

- \* We can expand the business
- \* Credit facility
- \* More capital
- ★ With more capital and more expertise, companies have more chances to earn more profit.
- \* Expansion in the scale of business
- \* Responsibility of investor is limited to the face value of shares. This is called **Limited Liability.**
- \* If one person dies or leaves the country, it does not have any impact on the business.
- \* Life of the joint stock company is longer than sole proprietorship and partnership.
- \* It is easy to transfer rights.
- \* Company can hire better experts which results in better management.
- \* Public place more confidence in companies rather than in any other form of business.
- \* Anyone can exit from joint stock company by selling his/her shares.

### ★ **Disadvantages of Joint Stock Companies**

- \* Formation of Joint Stock Company is very lengthy, very complicated and very technical job.
- \* Lack of interest.
- \* There is not much secrecy found in companies.
- \* Companies pay double taxation to the Government.
- \* Delayed decision making
- \* Power is centralized because there are few people who hold major portion of company's shares.

### ★ **Public Limited Company Vs Private Limited Company**

#### ★ **Number of members**

- \* For a public limited company, minimum numbers of members are seven.
- \* For a private limited company, minimum numbers of members are two.

#### ★ **Issue of shares**

- \* Public limited company is bound to promote issue of shares to general public through media.
- \* There is no such provision for private limited company.

#### ★ **Name of the company**

- \* Public limited companies add the word "Ltd." with their name.
- \* Private limited companies add the word "(Pvt) Ltd." with their name.

#### ★ **Annual report**

- \* Public limited companies have to present their data to general public.

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- \* There is no such provision for private limited company.
  - \* **Transfer of shares**
    - \* It is easy to transfer shares in public limited companies.
    - \* In private limited company, shareholder cannot transfer the shares without the consent of other members.
  - \* **Statutory meeting**
    - \* It is obligatory for the public limited company to hold statutory meeting.
    - \* There is no such obligation for private limited company
  - \* **Submission of annual report**
    - \* It is obligatory for the public limited companies to submit their annual report to registrar Corporate Law Authority.
    - \* It is not necessary for private limited company.
  - \* **Taxation**
    - \* Public limited company pays double taxation at different income tax rates.
    - \* Private limited company pays tax only once at different income tax rates.

### Lecture 06

- \* **Promotion Stage**
  - \* Initiation of idea
  - \* Further discussion with other people
  - \* Collection of further information regarding sales, profitability, availability of machinery, restrictions of the Government etc.
  - \* **Some other factors**
    - \* Is there a need for a license for this business?
    - \* Is N.O.C required from the Government?
    - \* Promoters have applied for license and permission.
    - \* If copyrights are involved, permission of the principal company is also required.
    - \* People started work for getting their own name and business registered.
    - \* Requirement of funds.
- \* **Preparation of Documents**
  - \* **Memorandum of the company**

A document that contains Name, address, objective and capital of the company.
  - \* **Articles of association**

A document that contains rules and regulations of the company.
  - \* **Prospectus**

Prospectus is an initiation for offer.
- \* **Incorporation Stage**
  - \* All the documents will be filed to the registrar joint stock companies to seek permission for the business along with the registration fee.

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- \* Experts will examine these documents and make sure that all claims are justified or not.
- \* If they are satisfied, a certificate of incorporation will be issued to the company.

### ★ **Collection of Capital**

- \* Promoters will inform the general public that business is going to be started.
- \* They will ask the people to invest in the business.
- \* This is capital subscription stage.
- \* Share or stock is the smallest unit of investment.
- \* Stock exchange is a market where people exchange their shares.
- \* Debenture is a kind of loan which is acquired from the market.
- \* Certificate of commencement is issued by the Government when commencement of business is allowed.

### **Clauses of Memorandum of Association**

#### \* **Name of the business**

- ★ We cannot suggest a name that has already been registered.
- ★ We cannot suggest a name after our National Heroes.
- \* Registered office of the company.
- \* Objective clause of the business.
- \* Authorized capital of the company.

#### \* **Liability clause**

- Liability of the investor is limited to the extent of investment in the business.
- \* Association clause.

### ★ **Articles of Association**

- \* Share capital of the company.
- \* Procedure to change the capital.
- \* Procedure for meetings.
- \* Procedure for voting.
- \* **Appointment of directors.**

Directors are the officials of the company who are appointed to run the affairs of the business.

- \* Duties and authorities of directors.
- \* Rights of shareholders.
- \* **Meetings.**

- ★ Meeting of shareholders.

- ★ Meeting of directors.

- \* Disqualifications.

- \* Seal of the company.

- \* **Distribution of dividend.**

Profit distributed among shareholders is called dividend.

- \* **Decision for retained earnings.**

- ★ Retained earning is a part of the profit retained by the company for future operations.

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- \* Appointment of auditors.
  - \* Winding up of companies.

## Lecture 07

### ★ Shareholders' meetings

- \* Statutory Meeting is the first meeting after commencement of business.
- \* Annual General Meeting is the meeting of the company once in a year.
- \* Extra Ordinary General Meeting.

### ★ Statutory Meeting

- \* Section 77 of The Companies Ordinance 1984 deals with such type of meeting.
- \* The company must give 21 days notice to shareholders prior to the meeting.

#### \* Matters to be Discussed:

- \* Amount of capital acquired.
- \* Details of machinery purchased.
- \* Details of development in all areas of the business.
- \* Sometimes, issue of share capital does not give minimum amount set by the company.
- \* Underwriters are those organizations which guarantee the company to buy the remaining shares, if minimum requirement is not met.
- \* Statutory report will also tell about the underwriters and commission paid to them.
- \* Information about arrears to be received by the company.

### ★ Annual General Meeting

- \* All shareholders will participate in this meeting which is held once in a year.
- \* The company must give 21 days notice to shareholders prior to the meeting.

#### \* Objectives of Annual General Meeting

- \* Election of directors for the next year.
- \* Appointment of auditors.
- \* Auditors will review the annual accounts of the company and report on the accuracy of these accounts.
- \* Shareholders will elect and approve the appointment of auditors.
- \* If auditors are already hired, the shareholders will review their performance and decide whether to continue with current auditors or to change them.
- \* Auditors will also be asked whether they are willing to work with the company or not.
- \* Declaration of dividend.
- \* Decision for directors' remuneration.

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- 
- \* Auditors will report on the companies accounts in terms of:
  - \* Accuracy
  - \* No fraud found
  - \* Conformity with the Companies Ordinance 1984.

### ★ **Extra Ordinary General Meeting**

- \* **This meeting will be called when there are:**

- \* Some extra ordinary circumstances.
- \* Some special type of business.
- \* Decision for debentures.
- \* The company can change its memorandum and articles of association in extra ordinary general meeting.

### ★ **Share Capital**

- \* The capital with which the company gets registration is called Authorized Capital of the company.
- \* The part of capital that has been offered to general public is called paid up or issued capital.
- \* The part which has not yet been issued to general public is called un issued capital.
- \* If people have applied for more capital than required, the company will issue the shares by balloting and return the excess money to the general public.
- \* If people have applied for less capital than required, whatever amount has been received will be the paid up capital of the company.

### ★ **Winding up of the company**

#### ★ **Voluntary winding up**

- \* The members of the company decide about winding up of the company.

#### ★ **Special Resolution**

- \* Members will present special resolution in the extra ordinary general meeting regarding winding up of the company. If approved by the members, the company will be dissolved.

#### \* **Winding up by court**

- \* Members have applied to the court for winding up of business.

#### \* **If court feels that:**

- \* Business is not in the benefit of the society.
- \* Objective of the business is not in line with the culture of the country.
- \* Business is deceiving the general public.
- \* The court will order that business should be closed immediately.

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**Lecture 08**

★ **Co-operative Societies**

- \* Co-operative societies are group of people who form the business to co-operate with each other.
- \* The main purpose of co-operative societies is to co-operate with each other through self help.
- \* People join these organizations as volunteers.

★ **Advantages of Co-operative Societies**

- \* This system provides high standard of life due to sharing of resources.
- \* Formation is easy because Government support these kind of organizations.
- \* People running the business have equal rights in decision making regardless of number of shares or amount invested in the business.

\* **Economic Democracy**

- ★ People sit together and decide about the business of the society.
- \* Elimination of middle man results in cheaper products.
- \* Government gives financial assistance to these type of businesses.
- \* Friendly atmosphere is developed in the society due to close relationship in the people running the business.
- \* Employment opportunities are created by such businesses.
- \* A sense of mutual co-operation is developed in the society.
- \* An opportunity to keep demand and supply in balance.
- \* This kind of business requires less expenditure.

★ **Disadvantages of Co-operative Societies**

- \* People do not have sufficient capital to start such business.
- \* **Unavailability to hire professional manager because:**
- ★ People do not have money in remote areas.
- ★ There are no such people in those areas.
- \* People do not have experience of such business.
- \* Lack of secrecy.
- \* Unavailability of new technology.
- \* These are not businesses in true sense. People might not have confidence in these businesses.

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- \*Banks might not provide loans to these businesses.
  - \*Interference of the Government.

### ★ **Entrepreneurship**

Entrepreneurship is that ability in which an individual tries to find the opportunity, take risk and avail these opportunities.

### ★ **Who are Entrepreneurs?**

- \* **People have more entrepreneurial abilities who:**
- \*Have aspiration.
- \*Are more strategic.
- \*Have the vision.

### ★ **Characteristics of Entrepreneurs**

- \*Resourcefulness
- \*Abilities
- \*Concern of being good.

## Lecture 09

### ★ **Entrepreneurial Characteristics**

#### ★ **Personal Interest**

- \*Interest for their own development.

#### ★ **Customer Relationship**

- \* Long term relations with the customers.
- \*Desire to establish own business.
- \*Need of control.
- \*Ability to deal with uncertainties.

#### ★ **Business Plan**

A document which contains the objectives of the business and the ways to achieve these objectives.

#### ★ **Components of Business Plan**

There are two situations:

##### ★ **Buying a business.**

##### ★ **Starting from the scratch.**

- \*Objectives of the business.
- \*Marketing Components.
- \*Financial Components.

#### ★ **Components of Business Plan started from scratch**

##### ★ **Objectives of the business:**

- \*Name of the business.
- \*Name should indicate the type of business.

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- \* Name should be simple.
  - \* Uniqueness of name.
  - \* **Legal considerations:**
  - \* Avoid the names not encouraged by the law. e.g. National Heroes, religious personalities etc.
  - \* Location of the business.
  - \* **Marketing Part:**
  - \* Who will be the customers of the business?
  - \* Where are they located?
  - \* What would customers like to pay for the product or service?
  - \* What are the benefits, the customers are expecting from the product or service?
  - \* **Analysis of competitors:**
  - \* What is the nature of competition in the market?
  - \* Who are the competitors of the business?
  - \* How product of the business is different from product of the competitors?
  - \* **Promotional Part**
  - \* How will the message of the business be promoted in the general public?
  - \* How will the business be launched?
  - \* **Financial Part**
  - \* What will be the investment of the business and how much should be borrowed?
  - \* What are going to be expected revenues in a given period of time?
  - \* What would be the expected expenses of the business in a given period of time?
  - \* What would be net income or net profit in a given period of time?
  - \* Is the business feasible or not?
  - \* **Administrative Part**
  - \* What would be the structure to handle the business?

## Lecture 10

### \* Franchising

- \* An agreement between two parties in which one party passes on the rights to the other party.
- \* **Rights include:**
- \* Right to use the trade mark.
- \* Right to use the name.
- \* Right to use systems, methods and researches.
- \* Right to use packing material.

### \* Parties to Franchise agreement

There are two parties:

- \* Franchiser
- \* Franchisee

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\*Franchiser is one who sells the rights to franchisee.

### ★ **Advantages of Franchising**

- \*Franchiser gets a huge amount of money from franchisee without doing anything.
- \*Franchisee gets access to big business.
- \*Failure rate of franchise business is lower than any other business.
- \* Franchisee uses world wide tested brand and tested procedures that is why failure rate is lower in this type of business.
- \*Franchiser provides guidance to franchisee in all affairs of the business.
- \*Choice of location
- \*Franchiser is always there to support the franchisee in all kinds of matters.

### ★ **Disadvantages of Franchising**

- \*High cost.
- \*Proportionate profit is given to franchiser by franchisee every year.
- \*There are too many restrictions from franchiser on the franchisee.

### ★ **New Trends in the Business**

#### ★ **E-Commerce or E-Business**

- \*Using internet for marketing products.

#### ★ **Women in business**

- \*So many women have come in so many areas of business.
- \*Business will be better displayed, well mannered staff, more knowledge of the needs of customers and more market oriented.

#### ★ **Global opportunities**

- \*People have the awareness of global market.
- \*Internet has played major role in accessing global markets.
- \*In Pakistan, people got huge success globally but could not make a brand name in global market.

### ★ **Factors for lower failure rate**

- \*Government's preferences and priorities.
- \*Government is convinced to support corporate sector.
- \*Businesses are now being set up on more professional grounds.
- \*Support from financial institutions.
- \*General economy of the country.
- \*People are acquiring professional knowledge about business.
- \*Government has developed many training centre to train people related to business.
- \*Skills development.
- \*Institutions to develop man power.

## Lecture 11

### ★ **Causes of Failure in Business**

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- \* Causes of Failure in People are not capable of handling business.
  - \* Some people are not capable enough to know markets.
  - \* People should try to learn the abilities to run the business.
  - \* People do not have experience required for a business.

★ **We need to have control over:**

- \* Production Process
- \* Cost
- \* Wastage
- \* Complaint handling
- \* Quality
- ★ Insufficient capital
- ★ Bad Luck
- ★ National Disaster

★ **Reasons for Success in Business**

- \* Hard work
- \* Dedication and Commitment
- \* Response of Market
- ★ Competence – The ability to work
- \* Knowledge of Market
- \* Knowledge of Product
- \* Knowledge of Systems
- ★ Luck and Act of God
- \* Law of Government
- \* Law related to health
- \* Climate change
- \* Disaster

★ **Joint Venture**

- \* Two or more people or organizations join hands and decide to do a business.

★ **Advantage of Joint Venture**

- \* Combination of skills and abilities.

★ **Strategic Alliance**

- \* Two or more than two organizations collaborate for mutual profit.

★ **Decision involved in Strategic Alliance**

- \* Profit Sharing
- \* Client Handling

★ **Merger**

- \* Two or more organizations combine together and form a new organization.

★ **Acquisition**

- \* One business acquires the other business.

★ **Advantages of Acquisition**

- \* Expansion of size
- \* To reduce competition

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## Lecture 12



### Imports

- \* Goods produced somewhere else and sold domestically.
- \* Chemicals
- \* Technology (Machinery, Software & Hardware, Expertise)



### Factors to be considered while importing

- \* Identification of products to be imported.
- \* Procedures, methodologies, technical processes and documents for imports.



### Exports

- \* Goods produced domestically and sold in some other country.



### Advantages of Exports

- \* Support of Government.
- \* High Profits.
- \* Pride for the country.
- \* Utilization of production capacity.



### GATT – General Agreement on Tariff & Trade.

- \* An agreement between the countries that encourages international trade.



### WTO – World Trade Organization

- \* Scope of WTO
- \* WTO insists on removing the artificial barriers to encourage international trade.
- \* WTO was organized on January 01, 1995.



### Per Capita Income

Per Capita =  $\frac{\text{Total income of the country/}}{\text{Total population}}$



### Tools for measuring economies of the world

- \* World can be divided in to three major categories on the basis of per capita income.



### High income countries

- \* Those countries where people are earning US \$9000 or more.



### Middle income countries

- \* Those countries where people are earning between US \$765 and \$9000.
- \* Tools for measuring economies of the world



### Lower income countries

- \* Those countries where people are earning below US \$765.



\* Pakistan has a little below than US \$765 income line and is moving towards middle income class countries.



### Pakistan is exporting

- \* Sports items
- \* Agricultural products (rice)
- \* Textile products (Bed Sheets, T-Shirts, Towels etc.)

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★ **Import and Export Balance**

- ✧ Gap between imports and exports is called surplus and deficit.
- ✧ It varies from country to country.

★ **Balance of Payment**

- ✧ Balance of payment = Total receipts - Total payments
- ✧ If receipts are greater, balance of payment is favorable.
- ✧ If payments are greater, balance of payment is unfavorable.

★ **Level of involvement in international business**

★ **Imports or Exports**

- ✧ We can be importer and exporter.
- ✧ We try to see opportunity in international market to consume surplus products.
- ✧ This is called exports.

★ **International Firms**

- ✧ International firms have operations world wide.
- ✧ These firms are also called multinationals.
- ✧ Multinationals design products separately for each country.

★ **Global Organizations**

- ✧ Those organizations which consider the whole country as single market are called global organizations.
- ✧ These organizations have standardized products all over the world.

★ **International Organizational Structure**

- ★ Independent Agent
- ★ A person or an organization that works for an exporter or importer.
  - ✧ Appointment of representative abroad.
  - ✧ Licensing agreement,
  - ✧ Independent Branch Office.
  - ✧ Strategic Alliance.
  - ✧ Direct Foreign Investment.

**Lecture 13**

★ **Barriers to International Trade**

- ✧ Social and Cultural Changes.
- ✧ Different countries have different life styles.
- ★ Religion.
  - ✧ Every religion has its own set of rules for its followers.
  - ✧ Religion asks for spending on certain things and stops from spending on certain things.
- ✧ Climate

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- ★ Laws
  - ★ There are different laws in different parts of the world.
  - ★ These include laws related to:
    - ★ Health
    - ★ Safety
    - ★ Customer Relationship
    - ★ Pricing
    - ★ Packing
    - ★ Environment
  - ★ Economic Differences
  - ★ Per Capita Income is different in different countries.
  - ★ Different people have different economic systems.
  - ★ People preference for a particular product
  - ★ Political System
  - ★ **Tariff**
  - ★ Tax levied on goods entering into a country.
  - ★ It is also used as a measure to reduce imports in a country.
  - ★ **Quota**
  - ★ Limit imposed by one country on importing commodities from another country.
  - ★ **Subsidies**
  - ★ Concessions provided by a country to its producers in order to protect economy.
  - ★ **Business Ethics**
  - ★ Ethics are basic beliefs, a company decides to pursue and implement during a course of action.
  - ★ **Ethical Behavior**
  - ★ A system that confirms the beliefs of the society.
  - ★ Business is being run within that system.
  - ★ Corporate Citizenship is a practice of the company confirmed by the society.
  - ★ Ethical Behavior in Managerial Practices include:
    - ★ Responsibility towards employees.
    - ★ Relationship with other organizations.
    - ★ Interaction with Government.
    - ★ Plans to initiate ethical behavior towards people.
    - ★ To initiate ethical programs.
  - ★ **Corporate Social Responsibilities**
  - ★ To think about benefiting the society and avoid harmful activities for the society is called Corporate Social Responsibilities.
  - ★ These include:
    - ★ Ethical attitude towards customers.
    - ★ Dealing with employees.

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- \* Ethical communication with Government and local bodies.
- \* Ethical behavior towards stake holders.

## Lecture 14

### \* Stake Holders

- \* People who are interested in the affairs of the business in one way or the other.
- \* Stake holders include:
  - \* Customers
  - \* Employees
  - \* Suppliers
  - \* Bankers
  - \* Government
  - \* Society at large

### \* Rights of Customers

- \* Consumerism
- \* Protecting the rights of customers.
- \* To get a product which is up to the expectations of the customers.
- \* Customer Safety.
- \* Right to get information about:
  - \* Product
  - \* Supplier
  - \* System
  - \* Procedures
  - \* Standards
  - \* Ingredients of the product
  - \* Origin of the company
- \* Right to get information about:
  - \* Method of manufacturing
  - \* Quality standards
- \* Right to be heard
- \* Right to choose
- \* Quality Service

### \* Responsibilities of the Organization towards Environment

- \* Reprocessing of waste water.
- \* Recycling of waste material.
- \* Processing of smoke.
- \* Reprocessing of heat.

### \* Ethics for Advertising

- \* Truthful or Truth less Communication
- \* Objectionable Products
- \* Objectionable Appeals
- \* Fear Factor
- \* Sexual Connotations

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- \* Objectionable Timings
  - \* Smoking
  - \* Selling product to underage customers
  - \* Legal Commitments
  - \* Discriminations
  - \* Health and Safety of Employees
  - \* **Whistle Blowers**
  - \* People who see irregularities and bring them in the knowledge of the management.
  - \* **Management**
  - \* Getting things done through others.
  - \* **Manager**
  - \* A person who practices the functions to achieve management's objectives.

### \* **Functions of Managers**

- \* **Planning**
- \* Thinking for the future.
- \* **Organizing**
- \* Decision about activities performed by the workers.
- \* Grouping the activities
- \* Delegation of authorities
- \* **Staffing**
- \* Filling out the vacant positions.
- \* **Coordination**
- \* **Communication**
- \* Receiving information from various sources.
- \* Processing of information.
- \* Dissemination of information.
- \* Distribution of information.
- \* **Conflict handling**
- \* **Negotiation**
- \* **Resource Allocation**
- \* **Controlling**
- \* To make sure that organization is moving towards the right direction.

## Lecture 15

### \* **Managerial Skills**

- \* **Conceptual Skills**
- \* Abilities to think at planning and organizing stage.
- \* **Interpersonal Skills**
- \* Abilities to deal with others.
- \* **Technical Skills**
- \* Knowledge of processes and operations.

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★ **Goals**

★ Destination where a company wants to reach.

★ **Strategy**

★ Set of plans for long term orientations.

★ **Levels of Strategies**

★ **Corporate Level Strategies**

★ The strategies that cover all the operations, processes and units of organizations.

★ **Strategic Business Unit (SBU)**

★ A part of organization that requires separate planning.

★ **Functional/Operational Level Strategies**

★ The level at which all functions or operations are performed.

★ **Objectives of Goal Setting**

★ Goals give us directions.

★ Resource Allocation.

★ Setting culture of the organization.

★ Assessment of performance.

★ **Mission Statement**

★ The purpose for survival of an organization.

★ Mission Statement describes life time objectives of the organization.

★ Mission statement is a general statement.

★ It is written in terms of:

★ Customer satisfaction

★ Quality of life

★ Service of humanity

★ Mission statement is a long term plan.

★ **Types of Goals**

★ Long Term Goals

★ Medium Term Goals

★ Short Term Goals

★ **Short Term Goals**

★ A plan for less than one year.

★ **Medium Term Goals**

★ A plan for one year to three years time.

★ **Long Term Goals**

★ A plan for more than three years.

★ Length of plan depends upon type of activities.

★ Research shows that people, who plan, have higher rate of success in life.

★ **Human Resource Management (HRM)**

★ Human Resource Management is an area that deals with people who work in organizations.

★ HRM deals with the activities of people.

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- 
- ★ These Include:
  - ★ Attracting people in the organization
  - ★ Maintaining them
  - ★ Recruitment
  - ★ Selection
  - ★ HRM deals with the activities of people.
  - ★ These Include:
  - ★ Training
  - ★ Performance appraisals
  - ★ Compensation
  - ★ Health and Safety

### ★ **Scope of HRM**

- ★ Human Resource Planning
- ★ Type of people required
- ★ When required
- ★ How many people required
- ★ Job Analysis
- ★ Recruitment
- ★ Training
- ★ Compensation
- ★ Health and Safety
- ★ Labor Union

### ★ **Job Analysis**

- ★ Collecting all the information related to a job.
- ★ It is divided into two parts:
- ★ **Job Description**
- ★ **Job Specification**
- ★ Job description describes the activities of a particular job.
- ★ It includes:
- ★ Job Title
- ★ Job Location
- ★ Working Environment
- ★ Supervision
- ★ **Job Specification**
- ★ Job Specification describes human skills required to perform a job.
- ★ It includes:
- ★ Qualification
- ★ Gender
- ★ Age
- ★ Experience
- ★ Special Skills
- ★ attitude

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## Lecture 16



### Human Resource Planning

#### ★ HR Planning Includes:

★ What is the gap between human Resource demand and supply in the market.

★ What is the condition of human resource supply in the market.

#### ★ Sources to find people

★ Internal Sources

★ External Sources

#### ★ Skills Inventory

★ A chart that shows skills of workers in the organization.

#### ★ Replacement Chart

★ A chart that shows turnover in an organization.



### Turnover Rate

★ Tendency to leave jobs in an organization.

★ Retention.

★ To retain the people in the organization.

★ Expansion Plans..

★ Replacement on the basis of performance.



### Recruitment

★ The process of attracting the people for the job.

#### ★ Advantage of recruitment within the organization

★ People are already trained.

#### ★ Advantages of recruitment outside the organization

★ Variety of Talent

★ Variety of Abilities

★ Variety of Qualifications

#### ★ Equal Employment Opportunity

★ No discrimination on any grounds for hiring people.



### Sources to find People

#### ★ Informal Search

★ This method is used when reference is also required.

#### ★ Job Posting

★ Putting notices for job on various places in the organization

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\* Places can be:

\* Cafeteria

\* Fair Price Shop

\* Sports Field

\* Putting notices for job on various places in the organization

\* Places can be:

\* Reception Desk

\* Notice Board

\* Union Office

\* **Educational Institutions**

\* Consulting educational institutions for suitable candidates for the job.

\* Educational Institutes are consulted when:

\* Fresh Graduates are required.

\* There are not many institutions for a particular job.

\* Short Listing of institutions.

\* Organizations involve teachers in the selection process.

\* **Professional Associations**

\* This method is used when people for senior posts are required.

\* **Recruitment Agencies**

\* These are the organizations which have expertise in selecting people.

\* These agencies are used when:

\* Time span for selection is short.

\* Jobs are highly technical in nature.

\* Employer and employee are at a distant place.

\* **Advertisement**

\* Giving advertisement in media.

\* Media is used when:

\* Large numbers of jobs are available.

\* **Disadvantages of using media**

\* Large numbers of applications are received.

\* It is difficult to handle large number of applications.

\* Costly

\* **Selection**

\* The most important stage in HRM process.

\* It includes:

\* Filling up forms

\* Interviewing people

\* Developing tests

\* **Application Blank**

\* A form designed by the employer for the prospective employee to fill it out.

\* It records data according to the requirement of the organization.

\* **Test and Interview**

\* Use of test and interview depends upon the nature and level of the job.

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### ★ **Types of Tests**

#### ★ **Achievement Test**

★ Test of knowledge acquired by the candidates in educational institutions.

#### ★ **Psychological Test**

★ To determine the attitude and traits of the candidates.

#### ★ **Skills Test**

★ Aptitude test

★ Test of prior learning

★ Skills test

#### ★ **Medical Test**

★ To keep in record the physical condition of the candidate before joining the organization.

★ To make sure that candidate does not have any transferable disease.

### ★ **Considerations for Test Development**

#### ★ **Validity**

#### ★ **Reliability**

#### ★ **Validity**

#### ★ **Content Validity**

★ Contents of the test should be relevant to the requirement.

#### ★ **Construct Validity**

★ Sequence of the questions.

#### ★ **Face Validity**

★ Appearance of the test.

## Lecture 17

### ★ **Infrastructure for Test**

★ Space

★ Proper Temperature

★ Enough Quantity of Stationary

★ Evaluation of Test

#### ★ **Interview**

★ Any verbal interaction is called interview.

#### ★ **Job Interview**

★ A method of selection in which we interact with the candidate verbally.

#### ★ **Types of Job Interview**

★ Telephonic Interviews

★ Preliminary Interviews

★ Selection Interviews

#### ★ **Techniques for Final Interviews**

#### ★ **Pattern Interview**

★ Pre-decided questions are asked in a pre-defined sequence.

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✳ **Non Pattern Interview**

- ✳ Questions are asked according to the situation

✳ **Shortcoming of Pattern Interview**

- ✳ Interviewer can not ask any question other than pre-defined questions.

✳ **Shortcoming of Non Pattern Interview**

- ✳ Possibility of non-professional and irrelevant questions.

✳ **Mix Interview**

- ✳ An interview in which some questions are pre-defined and some are situational.

✳ **Ways to conduct Interview**

- ✳ One person interview
- ✳ Panel Interview
- ✳ A group of people related to the job conduct interview.

✳ **Arrangements for conducting Interview**

- ✳ Proper place
- ✳ Preparation for questions
- ✳ Read out the resumes of candidates.
- ✳ Human Resource Development
- ✳ Human Resource Development is done through training.

✳ **Methods for Training**

- ✳ On job Training
- ✳ Learning while working
- ✳ Off job Training

✳ **Difficulties in On Job Training**

- ✳ In certain jobs, on job training is not possible.

✳ **Methods for Off Job Training**

✳ **Lectures**

- ✳ Cheaper method of training.
- ✳ For some jobs, it is the most appropriate method.

✳ **Vestibule training**

- ✳ Artificial situation created for training people.
- ✳ Role Play
- ✳ Business Games
- ✳ Case Studies

✳ **Performance Appraisals**

- ✳ Evaluation of performance

✳ **Reasons for performance appraisals**

- ✳ Validation of Human Resource Program
- ✳ Pay for performance

✳ **Compensation**

- ✳ Compensation can be:
- ✳ Monetary reward
- ✳ Non Monetary reward

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## ★ Incentives

★ Plans for encouragement of employees in the organization.

### ★ Types of Incentives

#### ★ Organizational Level Incentives

★ Paid to everyone in the organization.

#### ★ Individual Incentives

★ Paid to individual employees who have done good job.

## Lecture 18

### ★ Individual Incentives

★ Employees are paid for:

★ Good performance on job.

★ Good performance during training.

### ★ Collective Incentives

★ Incentives are paid to whole department.

★ Incentives for the whole organization can be:

★ Profit Sharing.

★ Benefits other than salaries and wages.

### ★ Compensation

★ Salary is paid for longer period. e.g. for a week, for a fortnight, for a month or for a year.

★ Wages are paid for short term period. e.g. for a day or for an hour or on the basis of units completed.

★ Other ways for compensation can be:

★ Free or cheaper food.

★ Retirement Plans.

★ Pensions.

★ Medical Facilities.

★ Transportation Facilities.

★ Assistance for children education.

### ★ Equal Employment Opportunity (E.E.O)

★ No employee on any base will be discriminated for offering job opportunities.

★ Base can be:

★ Gender

★ Nationality

★ Religion

★ Area

★ Life Style

★ Race

★ In many countries, it is against the law and ethics.

★ Some people are perceived fit for a particular job. This concept is known as Stereotyping.

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\* Managers should not evaluate performance on the basis of:

\* Gender

\* Nationality

\* Race

\* Religion

**\* Why do we need Equal Employment Opportunity (E.E.O)?**

\* Job description does not provide any base for discrimination.

\* If law requires, we have to obey the law.

\* Ethics.

\* Research has shown, variety of people can perform better in an organization. This phenomenon is called Work Force Diversity.

\* Managers should encourage different types of people to join organization in order to enhance productivity.

**\* Collective Affairs of Employees**

\* Employees form labor unions in the organization.

\* There could be more than one labor organizations in the company.

\* Collective Bargaining agent (CBA) is a person who has been elected by all the workers in the organization through legal procedures.

**\* Negotiations can be on:**

\* Salary

\* Working Conditions

\* Timings

\* Facilities

\* Benefits

\* Attitudes

**\* Motivation**

\* Motivation is a force that forces people towards a task.

**\* Classical Theory of Motivation**

\* People are motivated because of money or material objects.

**\* Fredrick Taylor's Theory of Scientific Management**

\* Every job should be studied scientifically.

\* Jobs should be divided on the basis of tasks and skills of labor.

\* Pay should be attached with productivity.

**\* Time & Motion Studies**

\* Time spent on jobs should be studied using scientific devices and motions of machines or human motions.

**\* Objection on Fredrick Taylor's Theory of Scientific Management**

\* This theory considers human beings as machines.

**\* Hawthorn Studies**

\* Basic purpose of these studies was "Effect of light on productivity".

\* Productivity depends upon human relations.

\* Shortcoming of this theory was that human moods, human behavior, human liking and disliking and human interest were ignored.

\* Hawthorn Studies became a base for behavioral studies in organizations.

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**Lecture 19**

★ **McGregor Theory - X**

- ★ Every normal human being dislikes work by nature.
- ★ People work because of some pressure.
- ★ Pressure can be:
  - ★ Salary
  - ★ Advancement
  - ★ Respect
  - ★ Some other force

★ **McGregor Theory - Y**

- ★ People inherently like to work.

★ **McGregor Theory – X & Y**

- ★ X-Type managers might:
  - ★ Use punishment and threat to make people work.
  - ★ Control activities of the work very closely.
- ★ Y-Type managers will identify the barriers which are causing problems for workers and try to eliminate those barriers.
- ★ In some situations, managers have to adopt X-type behavior and in some situations, they have to adopt Y-type behavior.
- ★ Culturally, in societies, managers are moving towards Y-type behavior from X-type behavior.

★ **Why do People work?**

- ★ Need
- ★ A state of felt deprivation.

★ **Maslow's Hierarchy Of Needs**



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★ **Biological Needs**

★ Biological needs are related to human body's survival. e.g. food, drink, air, sleep etc.

★ **Safety Needs**

★ Safety from:

★ Cold

★ Heat

★ Sand

★ Storm

★ Earthquake

★ Animals

★ Enemies

★ **Social Needs**

★ **Self Esteem**

★ Worth attached by human beings to themselves.

★ People who have high self esteem are more productive.

★ **Self Actualization**

★ Fullest utilization of one's potential.

★ **Use of Hierarchy in Motivation**

★ Biological needs can be fulfilled by:

★ Giving salaries.

★ Providing free or cheaper food to employees.

★ Providing routine items at concessional prices.

★ **Safety Needs**

★ Organization can provide safety devices to employees. For instance:

★ Helmet

★ Glasses

★ Gloves

★ **Safety Needs**

★ Organization can provide safety devices to employees. For instance:

★ Special purpose shoes

★ Medical Facilities

★ Houses

★ House rent

★ Pick & drop service

★ Insurance

★ Pension plans

★ Preventing people from accidents

★ **Social Needs**

★ Organizations encourage informal organizational activities.

★ These include:

★ Combined lunch or dinner

★ Sports

★ Fun fair

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\* Musical Programs

**Lecture 20**

**\* Use of Hierarchy in Motivation**

**\* Self Esteem**

\* Worth of human beings.

\* These include:

\* Designation of Individuals.

\* Status in the organization.

\* Recognition of employees in the organization.

\* Self esteem has direct relationship with productivity.

\* Various techniques can be used to make self esteem of employees high.

These can be:

\* Finding titles for employees

\* Recognition

\* Awards

\* Cash rewards

\* Increment in the salary

\* Promotion

\* Raising status of employees

**\* Self Actualization**

\* Fullest utilization of one's potential.

\* These include:

\* High Challenges

\* High position in the organization

**\* Criticism on Maslow's hierarchy theory**

\* It is possible that human needs may deviate from the order given by Maslow.

\* There is a question mark whether needs finish after self actualization or not.

**\* Two Factor Theory or Hygiene theory**

\* Herzberg presented this theory by taking the phenomenon of human hygiene.

\* Two factors work in the organization:

\* Hygiene factors

\* Motivators

\* Factors required to keep employees in the organization are called hygiene factors.

\* Factors used to get high productivity from workers are called motivators.

\* Hygiene factors fall with the biological needs, safety needs and partially with social needs of Maslow's hierarchy theory.

\* Motivators are almost similar to social needs, Self esteem needs and self actualization needs of Maslow's hierarchy theory.

\* Both factors should be present in the organization at the same time to get productivity from workers.

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### ★ **Expectancy Theory**

- ★ People in the organization are motivated with:
- ★ Expectations about reward.
- ★ Assurance of getting reward by doing a particular task.

### ★ **Equity Theory**

- ★ Equivalence in inputs and outcomes.
- ★ Inputs of employees in an organization are:
  - ★ Level of education
  - ★ Skills
  - ★ Experience
  - ★ Reputation
  - ★ Hard work
  - ★ Connections
- ★ Outcomes of employees in an organization are:
  - ★ Salaries
  - ★ Designations
  - ★ Promotions
  - ★ Benefits
  - ★ Social Status
  - ★ Respect in the organization
  - ★ Opportunities

### ★ **Equity Theory**

- ★ Individual will also compare his input/outcome with other individual's input/outcome.
- ★ **How can Equity Theory be implemented?**
- ★ Managers have to explain reasons for the difference of outcomes of employees in order to keep them motivated.
- ★ People compare their rewards with the market as well.

## Lecture 21



### **Reinforcement Theory**

- ★ To strengthen desired behavior at work place.
- ★ To force the workers to adopt that behavior.
- ★ There are two ways for reinforcement:
  - ★ Positive reinforcement
  - ★ Negative reinforcement
- ★ Positive reinforcement means to encourage a particular behavior.

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\* Negative reinforcement means to discourage a particular behavior.

★ **Human Relations**

\* Human Relations can be:

\* Employee to employee

\* Employee to employer

\* Purpose of human relations is to give a feeling of a family.

★ **Job Enrichment**

\* This is needed when people are under performing.

\* Job enrichment means adding something into the job.

\* To provide opportunities to employees to apply their talent, knowledge and creativity for performing more in the organization.

★ **Job Re-designing**

\* To re-design a task.

★ **Job Sharing**

\* People share the work.

★ **Management by Objective (MBO)**

\* Idea of MBO is opposite to the traditional management.

\* Decision and planning is made in collaboration with the subordinates.

★ **Difficulties with MBO**

\* People do not understand the philosophy of MBO.

★ **Application of MBO**

\* Subordinates set their goals by themselves with the consultancy of top management.

★ **Psychological Contract**

\* A contract between employee and the organization.

\* With the achievement of psychological contract, workers will have high level of morale and satisfaction.

★ **Leader**

\* A person who influences people for the achievement of pre-defined goals.

★ **Leadership**

\* Ability of an individual to influence others.

★ **Difference between a leader and a manager**

<u>Leader</u>	<u>Manager</u>
Leader is a change agent.	Manager is more concerned with the status co.

★ **Leadership**

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- \* Powers of leaders
- \* Position powers
- \* Personal powers
- \* All those powers/authorities which are attached to a position are called position powers.
- \* Position powers are transferable.
- \* Powers attached with some person are called personal powers.
- \* These are non transferable.
- \* **Types of leaders**
- \* **Autocratic leaders**
- \* Leaders who take decisions by themselves.
- \* This type of leadership is used in those circumstances when there is not much time for decision making.
- \* These types of leaders have more centralized powers.
- \* Managers take more powers when:
  - \* Managers do not trust their subordinates.
  - \* Subordinates might not have enough training.
- \* **Democratic Leaders**
- \* Democratic leaders share the ideas.
- \* In this style, leaders will encourage more communication.
- \* **Free-Rein leaders**
- \* Managers depend more upon subordinates.
- \* Encourage the subordinates to make decisions by themselves.
- \* This approach is practiced when:
  - \* Staff is highly motivated.
  - \* People are working in synergistic environment.
  - \* Fully trained people.
- \* **Difference of communication in leadership styles**
- \* In autocracy, there will be downward communication but no upward communication. i.e. one way communication.
- \* In democracy, there is both way communications. I.e. upward and downward communication.
- \* In free rein, there will be more communication among subordinates and occasional communication among subordinates and managers.
- \* Method of decision making depends upon the situation.
- \* **Contingency approach of Leadership**
- \* Every job has its own uniqueness.
- \* With the change in task, different type of leaders and different leadership style is required.

## Lecture 22

### Marketing

- \* All those activities which make the exchange possible.
- \* Exchange includes:

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- 
- \* Exchange of goods, services and ideas from one person, organization and place to another person, organization and place.
  - \* A system of business activities designed to plan, price, place and promote goods, services and ideas to potential customers.

**\* Potential Customers**

- \* A person, a body, an institution or a firm who has:
- \* Need
- \* Money
- \* Willingness to spend money.

**\* System**

- \* A set of interrelated and interdependent activities.

**\* Planning for marketing**

- \* What should be marketed?
- \* When should be marketed?
- \* Where should be marketed?
- \* Distribution
- \* Pricing
- \* What is going to be the price of the product?
- \* Promotion
- \* Should the product be promoted or not?

**\* Marketing**

- \* Product is:
- \* Anything that is offered for sale in the market.
- \* All those things which are tangible.
- \* Services are intangible. i.e. which are not touchable.
- \* Marketing of ideas.

**\* Marketing**

- \* Marketing ideas can be applied on non business activities. This is called social/societal marketing.
- \* This includes:
- \* Asking for donations.
- \* Drive slow.
- \* Say your prayers.
- \* Need is a state of felt deprivation.
- \* Marketers satisfy the needs through products, services, objects and ideas.
- \* Market is a place where people exchange goods, services and ideas.



**Stages in Marketing**

**\* Production oriented stage**

- \* All the efforts are made to produce more and more.

**\* Product oriented stage**

- \* Management focuses on quality of product rather than quantity of product.

**\* Sales oriented stage**

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\* Sellers feel the need of an organized institution that coordinates all activities related to sales.

\* **Marketing oriented stage**

\* Unsatisfied needs of the customers are satisfied.

\* **Societal Marketing stage**

\* Benefits of society are considered by the organizations.

\* **Value**

\* Difference between cost and benefits of the product.

\* **Utility**

\* Ability of any commodity to satisfy the needs.

\* **Forms of Utility**

\* **Time Utility**

\* Customers get the commodity when they want.

\* **Form Utility**

\* Converting the shape of the product from one form to another.

\* **Place Utility**

\* Transportation of product from one place to another.

\* **Ownership Utility**

\* Product owned by the manufacturer is distributed to the end buyers through different steps.

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