



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



Tshwane South
TVET College

"achieve the future"

SUBJECT: INTRODUCTORY ENTREPRENEURSHIP

LEVEL: N4

MODULE 1 : THE BUSINESS WORLD

MODULE 1: THE BUSINESS WORLD

After you have completed this module, you should be able to:

- Explain the term business management with reference to:
 - Competent management
 - Functional management
 - The free market system
- Explain the concept of needs with reference to;
 - The kinds of needs
 - Satisfying needs
 - The goods and services that satisfy needs
- Consumer goods
- Industrial goods
- services

MODULE 1: THE BUSINESS WORLD

- Name, identify and brief describe the factors that make production possible:
- Describe how the factor of production interact.
- Classify, name and describe the activities that satisfy needs –
- Primary.
- Secondary.
- Tertiary.
- Services.

MODULE 1: THE BUSINESS WORLD

Contents

Unit 1.1: the field of business management

Unit 1.2: needs

Unit 1.3: the factors of production

Summary of module 1

Summative assessment for module 1

MODULE 1: THE BUSINESS WORLD

The field of business management

Business management deals with the management of the whole business. It refers to how managers run a business on a daily basis to ensure that it reaches its objectives and goals.

competent management

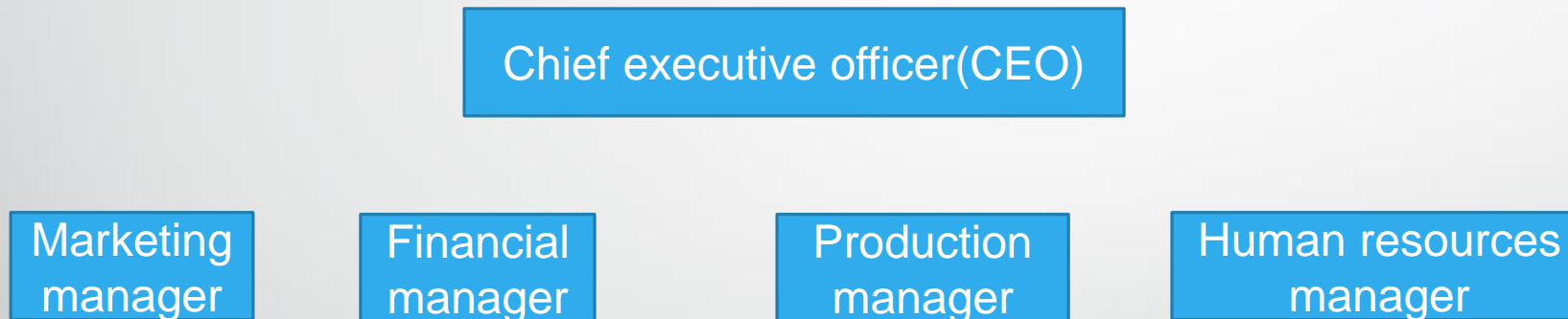
Managers need many basic skills to be competent. Managers must be able to

- Plan.
- Organise.
- Lead (or direct).
- Control.
- Choose staff.

MODULE 1: THE BUSINESS WORLD

Functional management

larger business use a functional management system. All departments have their own managers, according to their functions.



The free market system

MODULE 1: THE BUSINESS WORLD

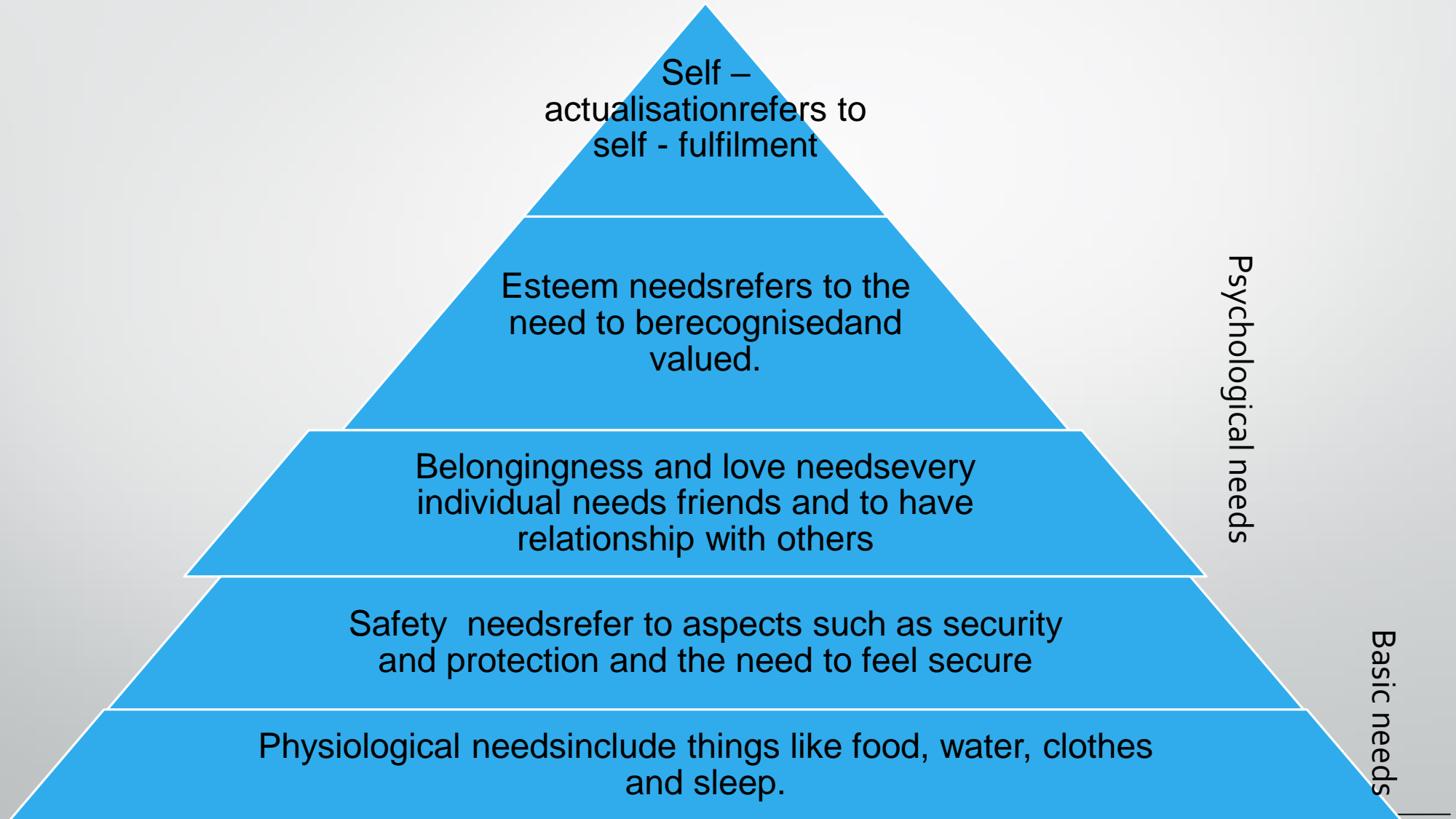
Unit 1.2: Needs

Needs are the forces that motivate people to act in order to satisfy them. In business, needs are the key driving forces behind the motivation to buy products and services.

Kinds of needs

All people have needs that must be satisfied. Maslow's hierarchy of needs explain them best.

MODULE 1: THE BUSINESS WORLD



MODULE 1: THE BUSINESS WORLD

Satisfying needs

People must work to earn money to satisfy the basic needs before

Summary of consumer goods, industrial goods and services.

Consumer goods	Industrial goods	Services
<ul style="list-style-type: none">• Tangible in nature• Ready for immediate consumption• Final products.• Categories Shopping goods Speciality goods Convenience goods	<ul style="list-style-type: none">• Tangible in nature• Used in the manufacturing of other goods – not ready for consumption.• Not final product, but used to manufacture final products.• e.g machinery and raw materials.	Intangible in nature Produced and consumed at the same time. Cannot be stored. Cannot be transferred

MODULE 1: THE BUSINESS WORLD

Interaction between the factor of production

The four production factors must be combined to produce goods and service

You will need wood to start. The land yields this natural resource.

You need money to start the business and to buy machinery. This is capital

You need employees to help in the manufacturing process and in the business. This is a labour.

The entrepreneur, who is willing to take the risk, needs to combine all the factor. This is entrepreneurship.

MODULE 1: THE BUSINESS WORLD

classifying activities that satisfy needs

Business generally fall into three sector namely, a primary, secondary and tertiary sector. These can be summarized as follows

Sector	Industry	Examples
Primary sector Involves the extraction, cultivation, processing and harvesting of natural resources.	Minerals Forestry Fishing Agriculture	gold, diamond, copper and iron and ore mining wood cutting. Fresh water and deep sea fishing Producing fruit, vegetables and milk.

MODULE 1: THE BUSINESS WORLD

Sector	Industry	Examples
Secondary Involves processing and manufacturing to transform the raw materials into finished products.	Manufacturing Processing Construction	Manufacturing furniture and cars Processing grains into breakfast cereals and grapes into wine. Building houses and other buildings.
Tertiary sector Involves the transfer of goods from supplier to final consumer.	Trade	Trade and shopkeepers.
Services Involves the provision of services.	Services.	Providing banking and education services, as well as the personal services of dentists, doctors and lawyers.