

## Let's get down to business...

**Business** is the production and sale of goods or services to consumers

The business world revolves around two interest groups:

- 1) **Producers:** makes goods or produces services
- 2) **Consumers:** purchases goods or services to satisfy needs and wants

Most businesses are both producers and consumers, for example, Levis has to purchase denim from a supplier to make jeans

Can you think of any businesses who are not consumers, only producers?



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## 5 Functions of Businesses

- 1) **Production:** land, capital, labor, information, entrepreneurship
- 2) **Marketing:** includes much more than advertising
  - Research (planning)
  - Pricing
  - Promoting
  - Distribution
- 3) **Finance:** all businesses must keep an accurate financial records in order to know whether they are making profit
- 4) **Human Resources**
- 5) **Management:** managers plan, organize, and control all business activities

Business is a major and influential part of Canadian society. Everyone is involved in the business world to some extent

### Apple vs. Samsung



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## The "Interdependence"

There is an interdependent relationship between consumers and producers

Consumers have needs and wants. They **NEED** producers (businesses) to fulfill those needs and wants

Hence, businesses create goods and provide services to consumers

At the same time, producers **NEED** consumers to buy their goods and services

Another interdependent relationship within business is the **Business-Worker** relationship!



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## Producers.. Up Close and Personal

There are two main groups of producers:

- 1) **Manufacturer**
- 2) **Supplier**

A manufacturer is **the actual company that makes the finished good.**

Ex. Nike makes (or manufactures) NIKE footwear and clothing

A supplier is **the business that makes the finished goods available to the consumer**

Ex. Wal-Mart, Canadian Tire, Sportcheck

NIKE does not sell directly to the customer, they sell to other businesses



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## Goods and Consumers.. Zoom In

There are two main groups of consumers:

- 1) Consumer Goods & End Consumer
- 2) Business-to-Business Goods & Business-to-Business Consumers

Consumer goods are items purchased by consumers and used for personal use. The person who purchases a product for their own use is called the end consumer (ultimate consumer)

Ex. Ms. McCormack purchased an iPhone 5 for personal use

Business-to Business goods are items purchased by a business to use in the business or in other products. AKA producer goods

Businesses that buy goods to use in their products or in operating their business is referred to as business-to-business consumers or industrial consumers

Ex. A restaurant purchases a toaster to make toast for its customers



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## The Market Place

The Market is any place where buyers (consumers) and sellers (producers) meet to make an exchange and do business

- Consumer Markets
- Business-Business Markets

What are some examples of each??

## Demand

Demand: the consumer side of the market

Consumer demand for a product is directly related to price

Generally speaking, consumers are willing to buy more of a good or service when the price is low

Ex. Costco <3



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# Standard of Living

Standard of Living refers to the number of goods and services that the residents of that country enjoy

The more money a country has, the higher its standard of living

In general, the citizens of industrial countries like Canada and the United States have a higher standard of living than the citizens of developing countries



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# GDP & Per Capita

**Gross Domestic Product (GDP):** the annual total value of final market goods produced and services provided in a country, it is a measure of a country's standard of living

**Per Capita:** which is the total GDP divided by the number of people in a country or region

**Comparison of Annual GDP Per Capita in Different Countries**

Country	GDP
Argentina	\$9070
Brazil	\$4930
Canada	\$20 082
China	\$745
Ethiopia	\$104
France	\$23 843
India	\$402
Ireland	\$20 603
Kenya	\$356
Mexico	\$4265
Russia	\$3028
South Africa	\$3331
United States	\$28 789

**Source:** United Nations, InfoNation, CyberSchoolbus, 1997 figures.

**Figure 3-5** Compare the annual GDP in this selection of countries. Which countries have the highest and the lowest standards of living? How would these differences affect the lives of the people living in these countries?

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## Quality of Life

**Quality of Life:** this includes peoples' material standard of living, but also includes a number of social and environmental factors

**United Nations quality of life indicators:**

- Life expectancy of its citizens
- Illiteracy rate
- Amount spent on education
- Communications, facilities
- Population density
- Infant mortality rate



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## Dumpster Diving

Dumpster diving is a practice where by people obtain items from the garbage and reuse them - this includes eating found food

This practice is becoming more common among financially stable people, intertwined with the growing freegan movement

The name "freegan" was derived from a combination of "free" and "vegan"

Freegans embrace practices like dumpster diving as a way of protesting an increasingly wasteful consumerist society and unethical corporations.

Dumpster diving shows that North Americans enjoy a high quality of life because we can literally live out of the garbage

<https://www.youtube.com/watch?v=FZoUlekIjX4>

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