

PREFACE

Business activities consist of industrial and commercial activities. The units which undertake these activities are known as business organisations, business undertakings, business enterprises, business concerns or business firms. It is essential for the enterprises to choose the right form of business organisation and also organise it properly as it largely affects the success of the enterprise. The appropriateness of the form of organisation enables a business to achieve its objectives.

Organising a business, carrying out business activities to achieve profits requires bringing together all the resources (financial, human and physical) and putting them together systematically to ensure coordination and control of these activities.

While sole proprietary business can be established by simply obtaining permission from the competent authority, corporate, enterprises go through lengthy legal formalities to set up their business.

Though profit maximisation is an important business objective, business organisations pursue a number of non-economic objectives also to ensure their survival and growth in the long-run. Business combinations take place through mergers and acquisitions to create huge business empires and also safeguard the interests of business community.

Where to locate, what size and plant layout, sources from where funds shall be raised and making financial plans for optimum use of financial resources are important business decisions to be made by business entrepreneurs.

This book provides a useful guide and insight into the various concepts of business organisation. The modern business operates in the ever-changing dynamic environment consisting of economic and non-economic environmental variables. Interface of business with environment, forms of business organisations, nature and scope of business activities, stock exchange dealings have been discussed in the book in a student-friendly manner. Concepts related to business objectives, business combinations, location, layout, size etc. have also been explained in detail.

It has taken care to explain business concepts in the ever-changing world of knowledge where new theories and concepts keep developing. The book is written in a student friendly language and self-taught students can also

understand it easily. Each paragraph is distinctly numbered for easy reference and understanding.

Though best efforts have been made to present the book in a useful form, errors may still have crept in. The errors are deeply regretted and suggestions for improvement are warmly welcome.

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