

how enterprises transform inputs into outputs through the market.

Business acquire resources, transform them and then sell good and services, all through markets

There are some inputs in the market (resources the business needs to produce) that the business pay and some inputs that the business don't pay for example:

- RAW MATERIALS
- CAPITAL
- WORK FORCE

Education skill

infrastructure

EX WORKERS ARE ALREADY TRAINED

ES. ROADS

The inputs in the market can be different

GOALS!

maximise the satisfaction level of its members

They're existence doesn't depend on the fulfillment of the economic goal

to produce goods and services for consumption units

They're existence is strictly connected to the fulfillment of his economic goal in fact if they do not achieve they're economic goal they do not survive

In fact the goods and services that they produce and sold must have a value equal or higher than the value of factors of production given by the consumption entities

value of good and services > value of factors of production

HONEY AND VALUE

money is used to quantify the value in the market and it has a financial aspect moreover money is immediate and measurable, used to express and exchange that value

Has more economic aspect and is measured in money. The value is not always tied to the moment it's consumed or used it can also be over time so that means that the value can change over time

Production business entities and consumption business entities work together.

There is an exchange: The consumption business entities provide instruments/goods, work, monetary capital and the production business entities provide them with the good and service that they need

MONETARY EXCHANGE

It happens in the market and it can also happen between two production entities

The market is where every entity that wants a product (demand) meets every entity that offers a product (supply).

Business Administration

A business entity is a tool through which ppl satisfied their human needs.

- and the aim of a business entity is to provide economic good and services

not every kind of needs but just needs connected with the consumption of economic good and services (material needs) which are limited in nature

Kind of business entities

CONSUMPTION

it was the first to be created when ppl understood that they needed an organisation to satisfy their needs

- usually consumption business entities are social organisation viewed from an economic point of view (state, town, family, church) who provides needs just for their members so if u are not part of this entity it won't provide u any needs

- Their existence, however, is not strictly dependent on the success of their economic function. Even if they fail to achieve their economic goals, they still continue to exist as social organizations so their aim is not to generate profit

- moreover the consumption business entities change as the human social organisation changes.

PRODUCTION

When consumption organization decided not to provide by themselves those food and services production business entities were born

has the function to produce good and services required by the consumption entities but at the same time it has its own economic goal to survive. while the consumption organization still survive even if it doesn't satisfy its economic goal

a social organisation operates like a consumption business entities when

- they decide the needs of their members and prioritise them
- they provide their members with goods and services
- and they share goods and services among their members

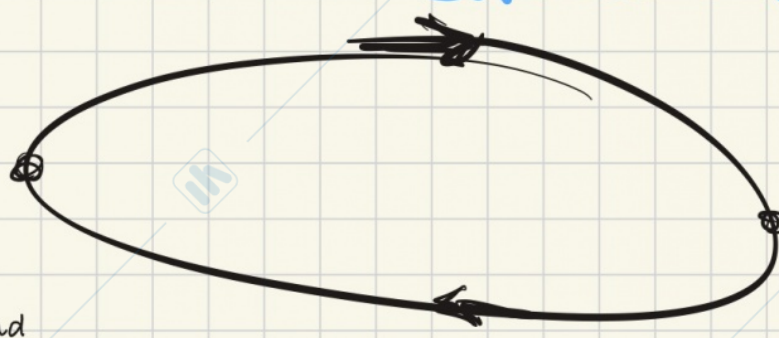
EXCHANGE CIRCULATION

COMPUSSION

Families provides labor capital and productive goods and productions entities pay them

PRODUCTION

While production entities provide them goods and services and compsuption entities pay them



That doesn't happens always because also a compsuption entities may need labour (State)

They do not consume in terms of resources but in terms of material needed to provide goods and services

ECONOMIC PURPOSE

effiency

Refers the relationship between the amount of resources employed, and the quantity of services obtained

↳ Reduce the resources

- Enterprises are efficient when they achieve their goal of using saw the resources that they have in the best possible way for example, by minimizing the use of the resources
- Consumption, business, or efficient when they minimize the amount of money spent to buy goods and services

↳ efficient if you pay less!

↳ Related to the quantity and the quality

EFFECTIVNESS

Refers to the Relationship between the goods and services, and the quality and quantity of human needs satisfied

- Enterprises are effective when they maximize the quality of the quantity level of good and services produced
- They make it the satisfaction level of remember more if they maximize the quality and the quantity of the goods and services

COMPETITIVE: in the market if someone becomes more efficient than you ^{you are not efficient anymore} ~~effluent~~ is connected to the price COMPETITION OR The use of the resources (PRODUCTION)