

GCSE Business Business Activity

Providing Goods and Services

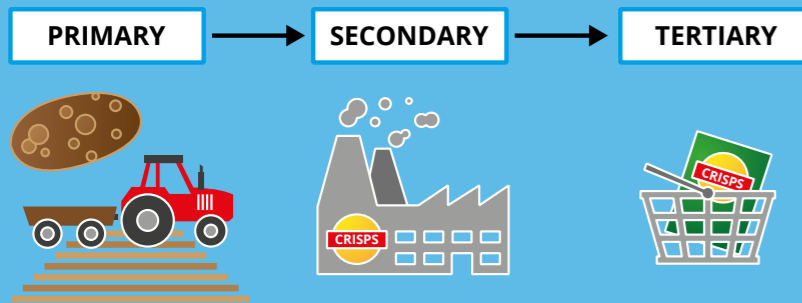
Sectors of Industry

Primary: Where the *raw materials* are produced, e.g. farming, mining, forestry.

Secondary: Where the raw materials are *manufactured* into goods, e.g. factory.

Tertiary: Businesses in this sector *provide a service*, e.g. retailer, hotel, school.

Chain of Production: This process links the primary, secondary and tertiary sectors together in the production process.



Factors of Production

Land: The natural resources that are needed to produce goods.

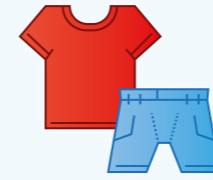
Labour: Physical and mental element that is needed to produce goods and services.

Capital: The money (working capital) and fixed capital that is needed to produce goods and services.

Enterprise: These people have the ideas to start a business and organise the other 3 factors of production.

Consumers

Definition: Are the final users of goods and services. They are at the end of the distribution channel.



Needs

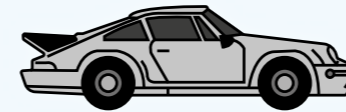
Definition: Items that you have to have in order to survive.



Examples: Food, Water, Warmth, Clothing, Shelter

Wants

Definition: Items that you would like to have but are not necessary to your survival. They enhance your lifestyle.



Examples: TV, mobile phone, holidays, cars

Goods

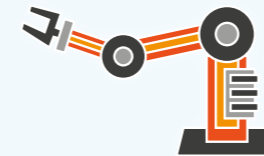
Definition: These are *tangible* items that you can physically touch.

Consumer Goods: Goods which are produced for the final consumer.

Examples: cars, food, clothes

Producer (Capital) Goods: Goods which are produced for other businesses to be able to produce other goods and services.

Examples: vehicles, computers, robots, furniture & fixtures



Durable: Are consumer goods which are not used at once and do not have to be bought frequently because they last for a long time.

Examples: TV, mobile phone, washing machine

Non-Durable (Single Use): are goods which are immediately consumed or which have a lifespan of less than three years.



Services

Definition: Things you cannot touch; they are non-physical intangible items.



Examples: hairdressing, taxi service, education

Personal Services: Services provided for individuals. They include services for personal grooming, house maintenance, car repair etc.

Commercial Services: Services that provide mainly to businesses such as transport and warehousing, but they may also be available to individuals such as insurance and banking.

Markets

Definition: Where buyers and sellers meet in order to exchange goods and services, often for money.



Retailers

Definition: Sells goods to consumers. Small retailers buy their stock from wholesalers but large-scale retailers buy directly from manufacturers.

Functions of a Retailer:

- Display goods
- Promote goods
- Sell to consumers / sell goods and services
- Give customers advice / provide customer service
- Deal with faulty goods / complaints
- Distribute goods / deliver goods
- Buy from wholesalers / manufacturers / suppliers
- Break bulk / buy in large quantities and sell in small quantities
- Closer to consumer / Local
- Can offer credit

