

BA101- study guide

Chapter 1

Economics: Social Science that deals with consumption, production, distribution of goods and services and with the theory and management of economies or economic systems

Demand: is the quantity of goods and services that consumers are willing to buy at different prices.

Supply: is the quantity of goods and services that businesses are willing to provide at those different prices.

Private enterprise requires 4 things:

1. Private Property
2. Freedom of choice
3. The right to keep profits
4. Fair competition

Specialization: is a measure of how broadly or narrowly defined the range of included activities are.

Economic Cost: the money spent implementing the decisions

Opportunity Cost: is the cost of what you gave up. not the sum of alternatives but the benefit of the single alternative.

Business: an organization that seeks a profit by providing goods that satisfy the needs or wants of people.

Product: good, service or idea that has tangible or intangible characteristics

Profit: basic goal of the business, the difference between what it cost to make a product and what the product sells for.

Stakeholders: a group of people who have an interest in the actions a business takes. four groups: owners, employees, customers, citizens.

Marketing: the activities that are designed to provide goods and services that satisfy the customers. (Market research, pricing promotion and distribution)

Accounting: the process that tracks, summarizes and analyzes a firm's financial position.

Production: the activities and processes that are used in making the products

Finance: the activities that are concerned with funding a business and using resources effectively

Planning: determining what the organization needs to do and how to get it done.

Organizing: arranging the organization's resources and activities in such a way to make it possible to accomplish a plan.

Operating: enacting the plan including guiding and motivating employees to work toward accomplishing necessary tasks.

Controlling: Measuring and comparing performance to expectations established in the planning process, and adjusting either the performance or the plan.

Effective: means doing the right thing

Efficient: means doing things right.

Chapter 2: Marketing

Marketing:

Defines your strategy for competing in the marketplace.

Market Research: To determine the need so fits customers

Market Mix: To determine how to satisfy those needs through addressing:
(the four P's of marketing mix)

1. product
2. price
3. place
4. promotion and service

Market Strategy: To analyze its competitive advantages, plans, and actions

Target Marketing: To select specific markets to serve.

5 areas of the marketing program:

1. *products and services.* (narrow product line, specialized services)
2. *Price* (allow customer to pay for it before or after the fact) Higher prices mean lower volume

3. *Promotion* (advertising, salesmanship,
4. *Place or distribution channel* (location or distributor)
5. *Service* (customer service)

Market research:

Systematic gathering of information about your customer base.

Steps:

1. define the problem/opportunity
2. assess available information
3. gather additional information
4. external data and secondary research
5. primary research
6. organizing and interpreting data
7. making decisions and taking action
8. assessing the results of the action

Target Marketing:

Geographic segmentation (focusing on the needs of the customer based on their geographic location)

Demographic Segmentation (focusing on the attributes of market based upon gender, age, income, education or other measurable factors)

Physiographic Segmentation (putting people into groups based on beliefs or ideas they have)

Sales Forecast: to attempt to predict your unit sales and revenue. The process begins by assessing how the total market will perform. you must look at how your competitors are doing.

Different types of forecasting?

Market forecast: take your sales and add the growth rate to it

potential forecast: what you should have sold your potential- in graph in fasttrack report

December customer survey score: add all the scores up and get a percentage of the one u want and use that percent to calculate how much to produce. make sure you make the increase by either 10/20% for the next years total sales.

Diminishing return : also referred to as the rate of diminishing return, states that adding additional investment beyond a certain threshold will not add proportional returns

for example???:

Chapter 3:Accounting