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BRĂTUȘENI**

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BRĂTUȘENI

# 1. Overview of Economics

*Economics is the study of how individuals, businesses, governments, and societies allocate their limited resources to satisfy their unlimited wants and needs.* It seeks to understand how people make choices in a world with scarce resources and competing demands. Economics is often divided into two main branches: microeconomics and macroeconomics.

## *Economic Systems:*

Economic systems refer to the way societies organize and coordinate their economic activities. There are three main types:

### *Market Economy:*

In a market economy, most economic decisions are made by individuals and businesses in response to market forces. Prices are determined by supply and demand, and there is limited government intervention. Market economies are often associated with capitalism.

### *Command Economy:*

In a command economy, the government or central authority makes most economic decisions, including what to produce, how to produce, and for whom to produce. This system is often associated with socialism or communism.

### *Mixed Economy:*

Most modern economies are mixed economies, combining elements of both market and command systems. Governments regulate certain aspects of the economy, such as labor laws and environmental regulations, while leaving other areas to market forces.

### *Supply:*

*Supply refers to the quantity of a good or service that producers are willing and able to provide in the market at different prices over a specific period.* It is influenced by factors like production costs, technology, and the number of producers.

### *Demand:*

*Demand represents the quantity of a good or service that consumers are willing and able to purchase at different prices over a specific period.* Factors influencing demand include consumer preferences, income levels, and the price of related goods.

### *Price:*

*Price is the monetary value assigned to a good or service.* In a market economy, prices are determined by the interaction of supply and demand. When demand exceeds supply, prices tend to rise, and when supply exceeds demand, prices tend to fall.

### *Competition:*

Competition is a fundamental concept in economics. *It refers to the rivalry among sellers or buyers in a market.* Competitive markets tend to allocate resources efficiently, as businesses strive to offer better products at lower prices to attract customers.

### *Microeconomics:*

*Microeconomics is the branch of economics that focuses on the behavior of individual economic agents at the micro or small-scale level.* It examines how individuals, households, businesses, and industries make decisions regarding the allocation of limited resources to satisfy their

specific wants and needs. Microeconomics delves into topics such as consumer behavior, production, supply and demand for specific goods and services, market structures, pricing, and resource allocation within a particular industry. It is concerned with understanding the economic choices and interactions of individual actors in the economy.

*Macroeconomics:*

*Macroeconomics, on the other hand, is the branch of economics that deals with the overall performance, behavior, and trends of the economy as a whole, typically at the national or global level. It focuses on aggregates and key economic indicators such as gross domestic product (GDP), inflation, unemployment, government spending, and monetary policy. Macroeconomics seeks to analyze and explain the factors influencing the overall level of economic activity, growth, and stability within an entire economy. It explores the role of government policies, central banking, and other factors that impact the economy on a broader scale.*

## **2. Business ethics and social responsibility in business environment**

### **Issues of Ethics and Social Responsibility in Business**

In business, ethical issues revolve around making moral decisions in various aspects, including fair treatment of employees, honest advertising, and transparency in reporting. Social responsibility involves engaging in practices that benefit society, such as supporting local communities or reducing environmental impact.

Concern for the Environment and Basic Rights of Consumers:

Environmental concern entails adopting sustainable practices to minimize negative impacts, such as responsible resource management and pollution reduction. Fundamental consumer rights include ensuring safe products, honest advertising, fair pricing, and protecting consumer privacy.

Implementing Social Programs

Implementing social programs means involving businesses in charitable or social activities, supporting causes like education, healthcare, or community development. These programs may also include eco-friendly initiatives or supporting employee well-being through benefits and training.

## **3. Careers in business**

### **Career Planning and Preparation for Business Careers**

Career planning involves setting clear goals and identifying the necessary skills and qualifications.

Preparation includes gaining relevant education, networking, and gaining practical experience.

*Job interviews* are a crucial step, where you should showcase your skills, experience, and enthusiasm for the role.

### **Business Writing**

Business writing is a critical skill in the corporate world.

It involves effectively conveying information through written documents.

Clarity, conciseness, and professionalism are essential in business writing.

### Main Parts of Business Letters

Business letters typically consist of three main parts: the header, the body, and the closing.

The header includes sender's address, date, recipient's address, and salutation.

The body contains the message or content.

The closing includes a polite ending phrase and the sender's signature.

123 Main Street Prince George, BC V2L 3L6	_____	<b>your address</b>
June 9, 2015	_____	<b>date</b>
Ms. Pamela Brown, Principal Green Acres Elementary School 456 Alice Road Prince George, BC V2L 3L6	_____	<b>address of the person you are writing to</b>
Dear Ms. Brown:	_____	<b>greeting</b>
Please consider me for the position of Noon Hour Supervisor that you advertised in The Herald.		<b>body</b>
As you can see in the attached resume, I have three years of experience supervising children at Potter's Daycare. In addition, I have raised three children of my own and have learned to help young people make good choices and solve conflicts.		
I would appreciate an interview to discuss the position and the skills I would bring. Please contact me at 250-555-555 to set up an appointment.		
Thank you for considering my application.	_____	<b>closing</b>
Sincerely,	_____	<b>your signature</b>
<i>Ted Danson</i>	_____	<b>your name, typed</b>
Ted Danson	_____	

### Types of Business Letters

Common types of business letters include:

Cover Letter: Used with job applications.

Business Proposal: Outlines a business idea or partnership.

Thank-You Letter: Expresses gratitude for opportunities or favors.

Complaint Letter: Addresses issues or problems with a product or service.

Sales Letter: Promotes products or services to potential customers.

### Manners in Business

Good manners in business are crucial for building relationships and maintaining professionalism.

Key manners include being punctual, respecting others' time, and using polite language.

Effective communication, active listening, and ethical behavior are essential in business interactions.

## 4. Business ownership

There are several forms of business ownership, each with its own characteristics and legal structures. The most common forms include:

1. *Sole Proprietorship*: A business owned and operated by a single individual. The owner is personally responsible for all business debts and liabilities.
2. *Partnership*: A business owned and operated by two or more individuals who share profits, losses, and responsibilities. There are general partnerships and limited partnerships, each with different levels of liability for partners.
3. *Limited Liability Company (LLC)*: A hybrid business structure that provides limited liability to its owners (members) while offering flexibility in management and taxation.
4. *Corporation*: A legal entity separate from its owners (shareholders). Corporations provide limited liability to shareholders and can issue stock to raise capital. There are various types of corporations, including C Corporations and S Corporations, with different tax treatments.
5. *Cooperative (Co-op)*: A business owned and operated by its members, who share in the decision-making and profits. Co-ops can take various forms, such as worker cooperatives or consumer cooperatives.
6. *Franchise*: A business model where a franchisor grants a franchisee the right to operate a business using its brand, products, and systems in exchange for fees and royalties.
7. *Nonprofit Organization*: An entity that operates for a charitable, educational, or social purpose rather than for profit. Nonprofits have specific tax-exempt status and are governed by boards of directors.
8. *Joint Venture*: A temporary partnership formed for a specific project or business activity. Joint ventures involve collaboration between two or more parties for mutual benefit.

Each form of business ownership has its own advantages and disadvantages in terms of liability, taxation, management, and more. The choice of business structure depends on factors such as the business's size, goals, and legal considerations. It's important to consult with legal and financial professionals when selecting the appropriate form for your business.

**4.1** *Small businesses play a vital role in our economy and are closely tied to the concept of entrepreneurship.* Here's an overview of their significance:

**\*\*1. Job Creation:\*\*** Small businesses are significant contributors to job creation. They often hire locally, providing employment opportunities in communities, which, in turn, reduces unemployment rates.

**\*\*2. Economic Growth:\*\*** The cumulative impact of numerous small businesses can drive economic growth. They contribute to a diversified economy, fostering innovation and competition.

**\*\*3. Innovation:\*\*** Entrepreneurs who start small businesses are often at the forefront of innovation. They come up with new ideas, products, and services, which can lead to industry advancements.

**\*\*4. Community Development:\*\*** Small businesses are deeply rooted in their communities. They sponsor local events, support charitable causes, and contribute to community development, creating a sense of belonging.

**\*\*5. Flexibility and Adaptability:\*\*** Small businesses can adapt quickly to changing market conditions. Their small size allows for more flexibility in decision-making, enabling them to seize opportunities and navigate challenges effectively.

**\*\*6. Competition:\*\*** Small businesses enhance market competition, which can lead to better prices and choices for consumers. They prevent monopolies and promote fairness in the marketplace.

**\*\*7. Entrepreneurship:\*\*** Small businesses are often the result of entrepreneurial endeavors. Entrepreneurship fuels creativity, ambition, and a willingness to take risks, which can lead to business success and economic growth.

**\*\*8. Globalization:\*\*** In an era of globalization, small businesses can access international markets more easily. E-commerce and digital tools have enabled even the smallest companies to compete on a global scale.

**\*\*9. Resilience:\*\*** Small businesses exhibit resilience during economic downturns. Their ability to adapt, cut costs, and pivot can help them weather challenging times.

**\*\*10. Tax Revenue:\*\*** Small businesses contribute to government revenues through taxes, both directly and indirectly. This revenue helps fund public services and infrastructure.

In conclusion, small businesses and entrepreneurship are integral to the economic fabric of any society. They bring innovation, create jobs, and foster competition, ultimately contributing to economic growth and community development. Supporting small businesses and nurturing entrepreneurship is vital for a thriving economy.

**4.1.1A "sole proprietorship,"** also known as "întreprindere individuală" in Romanian, is a type of business structure in which a single person owns and operates a business. This is one of the simplest and most common forms of business organization. Here are some important characteristics of a sole proprietorship:

**\*\*1. Sole Owner:\*\*** In a sole proprietorship, there is a single owner who is responsible for all aspects of the business. This owner can make all decisions and retains all the profits and losses.

**\*\*2. Personal Liability:\*\*** A crucial aspect of a sole proprietorship is that the owner is personally liable for the debts and obligations of the business. This means that in case the business encounters financial difficulties or debts, the owner can be personally held responsible with their own assets.

**\*\*3. Administrative Simplicity:\*\*** A sole proprietorship is very simple to administratively. There are no complex legal formalities required for its establishment, as in the case of other business forms like corporations or limited liability companies.

**\*\*4. Full Control:\*\*** The owner of a sole proprietorship has full control over the business and can make decisions quickly without the need for consent from other owners or shareholders.

**\*\*5. Direct Profits:\*\*** All profits earned by the sole proprietorship belong to the owner and are not shared with other shareholders or partners.

**\*\*6. Personal Resources:\*\*** The owner can use their personal resources to finance the business, such as personal savings or personal loans. There is no need to issue shares or involve other investors.

**\*\*7. Limitations:\*\*** However, a sole proprietorship may have limitations in terms of the ability to attract capital or expand rapidly. It can also be more challenging to secure external funding or attract investors, as all risks are borne by the owner.

In conclusion, a sole proprietorship is a suitable option for those who want to start a business in a simple manner and have full control over it. However, the owner should be aware of personal liability regarding the business's debts. It is important to consult with a lawyer or accountant to properly understand the legal and tax implications of a sole proprietorship in the specific jurisdiction.

**4.2 Partnership** in business is a legal structure in which two or more individuals or entities collaborate to run a business together. Partnerships are characterized by shared ownership, shared responsibilities, and shared profits or losses. There are several types of partnerships:

1. **\*\*General Partnership (GP):\*\*** In a general partnership, all partners have equal management authority and share both profits and liabilities equally. Each partner is personally liable for the partnership's debts and obligations.

2. **\*\*Limited Partnership (LP):\*\*** Limited partnerships have both general partners and limited partners. General partners have management authority and are personally liable for the partnership's debts, while limited partners have limited liability, meaning they are not personally responsible for the partnership's debts beyond their initial investment.

3. **\*\*Limited Liability Partnership (LLP):\*\*** LLPs combine elements of partnerships and corporations. Partners in an LLP have limited personal liability for the partnership's debts, but they also enjoy the flexibility and flow-through taxation benefits of partnerships.

4. **\*\*Joint Venture:\*\*** A joint venture is a temporary partnership formed for a specific project or business activity. It allows two or more parties to collaborate while maintaining their separate legal identities.

Partnerships offer various advantages, such as shared decision-making, flexibility, and simplified taxation (profits and losses pass through to individual partners). However, they also come with risks, such as personal liability for general partners and potential conflicts among partners. It's

crucial to have a well-drafted partnership agreement that outlines the terms and conditions of the partnership to mitigate potential issues.

Before entering into a partnership, it's advisable to seek legal and financial advice to choose the most suitable partnership structure and ensure that all parties understand their roles and obligations.

**4.3 A corporation** in business is a legal entity that is separate from its owners (shareholders) and is one of the most common business structures. Here are some key characteristics and features of a corporation:

1. **Legal Entity:** A corporation is considered a legal entity independent of its owners. This means it can own assets, incur debts, enter contracts, and sue or be sued in its own name.
2. **Limited Liability:** Shareholders of a corporation generally have limited liability, which means their personal assets are protected from the company's debts and legal obligations. In most cases, shareholders are only liable for the amount they have invested in the corporation.
3. **Ownership through Shares:** Ownership in a corporation is represented by shares of stock. Shareholders own these shares, and their ownership is proportionate to the number of shares they hold.
4. **Separation of Management and Ownership:** Shareholders elect a board of directors to oversee the corporation's management. These directors, in turn, appoint officers (e.g., CEO, CFO) to run the day-to-day operations. Shareholders are not directly involved in the company's management unless they hold positions as directors or officers.
5. **Capital Raising:** Corporations have the advantage of being able to raise capital by selling shares of stock to investors. This allows them to access substantial amounts of funding for growth and expansion.
6. **Double Taxation:** One downside of corporations is the potential for double taxation. Corporate profits are taxed at the corporate level, and then shareholders may be subject to additional taxes on any dividends they receive.
7. **Complexity and Regulation:** Corporations are subject to more complex legal and regulatory requirements than other business structures, such as partnerships or sole proprietorships. They must adhere to corporate governance rules and file various reports with government authorities.
8. **Perpetual Existence:** Unlike some other business structures, corporations have perpetual existence. They can continue to exist even if ownership changes or shareholders pass away.

There are different types of corporations, including C Corporations (C Corps) and S Corporations (S Corps), which have different tax structures and eligibility requirements. Choosing the right type of corporation depends on factors like taxation, ownership structure, and growth plans.

Overall, corporations are often favored for larger businesses and those seeking significant capital investment and growth opportunities, but they come with added administrative and regulatory responsibilities. Consulting with legal and financial professionals is advisable when considering this business structure.

**4.4 Developing a business plan** is a critical step in starting or growing a business. It serves as a roadmap outlining your business's goals, strategies, operations, and financial projections. Here are the key steps to create a comprehensive business plan:

1. **Executive Summary:**

- Start with a concise executive summary that provides an overview of your business, its mission, and its primary objectives.
- Highlight key points from each section of the business plan.

2. **Business Description:**

- Explain your business concept and the problem it solves.
- Describe your industry, target market, and competition.
- Share your unique selling proposition (USP).

3. **Market Research:**

- Present the results of your market research, including data on your target market's size, demographics, and trends.
- Analyze your competitors and their strengths and weaknesses.

4. **Organization and Management:**

- Outline your company's legal structure (e.g., sole proprietorship, LLC, corporation).
- Introduce your management team and their roles.
- Discuss your advisory board or mentors, if applicable.

5. **Products or Services:**

- Detail your products or services, including their features and benefits.
- Explain your pricing strategy.
- Discuss any intellectual property or patents.

6. **Sales and Marketing:**

- Describe your sales strategy, including channels and tactics.
- Outline your marketing plan, including advertising, branding, and online presence.
- Explain your customer acquisition and retention strategies.

7. **Funding Request (if applicable):**

- If you're seeking external funding, specify the amount you need and how you'll use it.
- Provide a breakdown of your current funding sources and future financial needs.

8. **Financial Projections:**

- Include detailed financial forecasts, such as income statements, cash flow statements, and balance sheets.
- Project your revenue, expenses, and profitability for at least the next three to five years.
- Consider creating multiple scenarios to account for different market conditions.

## 9. **Appendix (optional):**

- Include any additional documents or information that supports your business plan, such as market research data, resumes of key team members, or product/service literature.

## 10. **Review and Revise:**

- Proofread and edit your business plan for clarity and consistency.
- Seek feedback from mentors, advisors, or potential investors.
- Revise and update your plan as needed to reflect changes in your business or market conditions.

Remember that your business plan should be tailored to your specific business and goals. It's a dynamic document that should evolve as your business grows and changes. A well-crafted business plan not only helps you secure funding but also serves as a valuable tool for guiding your business strategy and decision-making.

# ***5. Management***

## **5.1. Management Process**

- The process Management is a process of planning and controlling the activities of a business or other organization. One key aspect of the management process is **project**.

There are several features associated with this tool which include: identifying problems within an organization, analyzing them accordingly, and resolving them by implementing solutions through various methods, such as training employees on new technologies while also evaluating time constraints before finalizing any decision made by top-level management members.

The product management process is very crucial for an organization. It is a set of activities that must be performed to achieve organizational goals.

### **5.1.1. Functions of managers**

- Managers play an important role in the overall success of a company. They are responsible for leading a team of employees to meet goals and achieve performance metrics..

Here are the main functions:

**1. Planning-** entails deciding on suitable goals and actions to take for the entire project.

**2. Organising-** after the planning stage is complete, the next step is to organise, arrange and prioritise the different requirements.

**3. Staffing-** this step entails enlisting and recruiting individuals for positions and forming different teams in an orderly way.

**4. Leading-** once a team has been assembled, it's necessary for the manager to lead them.

**5. Controlling-** refers to monitoring the progress of the project.

### 5.1.2. Types of managers

The four most common types of managers are:

- **Top-level managers** are those who represent the highest level of executive management. Top-level managers often have the word “chief” in their job titles, such as chief executive officer, chief financial officer, and so on.
- **Middle managers** usually report to the top-level managers, yet they still have a lot of autonomy to make decisions within their area or department of the company. These managers often have job titles that include the word “director.” They may also be department heads.
- **First-Line Managers**- this role represents an entry-level position for management professionals. First-line managers work directly with non-management employees and project team members. Their overarching role is to supervise employee productivity and hold employees accountable for achieving company goals.
- **Team leaders** are managers who specialize in a particular task, product, or project. Their role is to oversee all the logistics of their assignment, which may include completing a project on time, onboarding new employees, and assigning specific tasks to various team members.

*In addition to there being different types of managers, there are also different management styles:*

- **Visionary** managers can paint a picture of what the future could look like.
- **Participative** leaders actively court feedback and try to involve their employees in the decision-making process
- **Coaching** - managers using the coaching style focus on developing their team members, helping them hone the skills they need to perform at an optimal level.
- **Authoritative** - finally, there are the “take-charge” leaders who provide their employees with constant monitoring and direction.

### 5.2. People and Motivation

Workplace motivation can be a vital part of a company's success and retention rate. Having a manager who helps employees work their hardest can create a positive and more enjoyable work environment for everyone.

*Motivation in management* refers to the steps managers can take to inspire their teams to achieve more and to support their workplace experience. When a company has managers who motivate their teams, they may find an overall increase in productivity and achievement.

Every employee is different, with their own needs, desires and difficulties. Despite this, there are certain common motivators that you can employ as a manager to connect with your team and improve their overall performance. The following are some strategies you can use to motivate your team members:

1. **Foster a positive atmosphere**- if staff are comfortable being themselves at work, they are better able to focus on their tasks rather than performing for the people around them
2. **Provide a comfortable environment**- if the surroundings are comfortable and welcoming, your team will settle into their jobs and focus on their work better.

3. ***Have open communication and achievable goals***- employees who understand the tasks you set them and feel comfortable talking to you about them are likely to be more productive and produce better results.
4. ***Get to know your team***- your team members are people just like you, and connecting with them on a human level can be a great way to foster trust and motivation.
5. ***Uphold the company's values***- demonstrating the values that the company represents to employees is a good way to inspire your team to follow your lead.
6. ***Invest in your team***- a company's success can depend on the skills of its employees.
7. ***Create healthy competition***- while you don't want your team to be in ruthless competition with each other, fostering a healthy competitive environment can be a good motivational tool.

### **Examples of motivation in management**

There are many strategies that you can use to show motivation in your management. This includes policies, actions and verbal communication with your team. Here are some examples to motivate employees:

- **Organising team catch-ups**
- **Communicate with your team about an ideal time to involve everyone in a team meeting.**
- **Discussing employee's career goals**
- **Talking with your team members one-on-one can help foster a sense of trust between you and show that you support their career goals.**
- **Showing appreciation.** But it's important to spread your praise across the team evenly, so everyone feels valued.

### **5.3. Business Negotiation. Socializing**

- ***Business negotiation*** is the process of discussing the terms of a business deal. This type of negotiation can involve two or more parties, depending on the subject and the organizations involved.
- ***A Business Negotiation*** is a process between two or more parties (each with its own aims, needs, and viewpoints) seeking to discover a common ground and reach an Agreement to settle a matter of mutual concern, resolve a conflict and exchange value.

#### ***How does a business negotiation work?***

Here are the possible phases a negotiation process can follow:

- **Preparing for the negotiation**- preparation requires defining the purpose and scope of the negotiations, meaning the parties might need a plan of action before beginning.
- **Exchanging basic information**- this process involves introducing yourself and your team, if you have one.
- **Delivering presentations**- all parties can start the negotiation process by delivering their presentations and explaining the main arguments, interests, needs, and offers.
- **Negotiating the deal**- this stage involves listening to what the other party thinks about your proposal and explaining how you feel about their idea.
- **Closing the negotiations**- after concluding negotiations, the parties can allow the negotiator to read the arrangement and confirm that all the parties have agreed.

**Socializing** is important because it is how business people establish relationships and earn trust from their partners. Nowadays more and more companies recognize that socialization among employees can promote company coherence and harmony

**Organizational socialization** is the process through which a new member of an organization learns the required attitudes and behaviors that are necessary to be an effective member of an organization

*5 Tips for Business Socializing Skills That Win Friends and Influence People:*

- 1. Cultivate Your Workplace Personality**
- 2. Make Sure You Have Stuff to Talk About**
- 3. Offer to Help Your Colleagues Whenever You Can**
- 4. Ask Intelligent Questions**
- 5. Exchange Contact Details for Long-term Social Connections**

#### **5.4. Telephoning in Business Contexts**

- Telephoning is an important part of doing business. Next to talking to your customers face-to-face, a phone call is the best way to connect with them on a personal level.

An efficient business telephone system streamlines good communication between organisation and customers. The telephone offers a faster interaction than email, is more personal, and easy and quick to use. With a suitable telephone system in place, your customers will be able to contact your business directly and get answers to their queries often quicker than if communications are handled through email or online platforms

How to lead a business conversation on the phone:

- **Prepare for a call**
- **Introduce yourself**
- **State the main reason for your call**
- **Listen actively without interrupting**
- **Practice your business phone etiquette**
- **Give thanks**
- 

From a business perspective, a failed telephone conversation can cost you productivity, time and even money. If you want your calls to bring good results, you should prepare for each of them. Try to keep the conversation as light and positive as possible and don't forget about business telephone etiquette.

## **6. Overview of marketing**

### *6.1 Marketing Concepts*

Marketing, more than any other commercial activity, deals with customers. Creating value and customer satisfaction is the very heart of modern marketing thinking and practice.

The dual purpose of marketing is, on the one hand, to attract new customers by promising superior value and, on the other hand, to maintain and cultivate relationships with existing customers by providing satisfaction.

Marketing is very important for the success of every organization - big or small, profitable or non-profit, national or international.

Many people think of marketing as only selling and advertising. However, nowadays, sales and advertisements are only the tip of the marketing iceberg. Although important, these are only two of the functions of marketing and often, they are not the most important.

The basic concept of marketing is represented by human needs. Human needs are states of felt deprivation. These include:

1. physical needs for food, clothing, warmth and safety;
2. social needs for housing and health;
3. individual needs for knowledge and self-expression.

Marketing occurs when people decide to satisfy needs and wants through exchange.

Exchange is the act of obtaining the desired object from someone by offering something else of value instead. Exchange is only one of the ways through which people can obtain the desired object.

Relationship marketing is more long-term oriented. The goal is to provide the customer with long-term value, and the measures of success are customer satisfaction and retention

### *6.1.1 Evolution of Marketing*

In primitive and naive forms, marketing has existed since the time of the Primitive Commune, from the first forms of exchange between people, proving useful wherever and whenever these changes occur.

In studying the evolution of marketing, a representative of the British school of marketing. M. Baker highlighted a very important paradox: "The enigma of marketing consists in the fact that it is one of the oldest human activities and yet it is regarded as the most recent of the economic disciplines."

There were a number of economists who were particularly concerned with studying the evolution of marketing and structured this evolution on different stages:

Robert L. King proposes the following stages:

- v The production orientation stage between 1900 and 1930;
- v The sales orientation stage between 1930 and 1950;
- v The actual marketing stage starting from 1950 and up to now.

The IT and technological revolution of the last decade has also left its mark on the evolution of marketing, which has enriched its toolkit with new techniques and high-performance methods, which allow the processing, analysis and transmission of information at a much more advanced level and as accurately as possible.

In Romania, marketing appeared as a science in 1960, but it was approached and developed quite a bit during the socialist period. Later, marketing established itself as a science and was adopted by both theory and economic practice. Professors J.C.Dragan, M.C.Demetrescu, Constantin Florescu, D. Patriche made special contributions to the development and promotion of marketing in Romania. P. Malcomete and many others. In 1971, the Romanian Marketing Association, AROMAR, was founded, which in the same year became a member of the International Marketing Federation.

After 1989, with the collapse of the communist regime, marketing has a wider development as well as the freedom to apply all its concepts at the level of the Romanian economy. In this sense, it is necessary to train specialists in the field, there are several universities that deal with their training.

### *6.1.2 Marketing strategies*

A marketing strategy is a plan designed to make your job easier and help you grow your business.

When you think about promoting your business and creating a marketing strategy, you need to know what your goals are, what costs you will be able to bear, what are the right channels of communication and promotion, how you act and what results will appear from the actions.

The delineation of all these elements build a marketing strategy. And based on a well-constructed marketing strategy, you can start promoting your business in various ways to enjoy the results.

To ensure that you have an effective marketing strategy, it must take into account a number of factors on which the success of your business will depend. Basically, whatever marketing strategies you will use, they must clearly contain 4 extremely important elements:

- Target market – market segment
- The ideal customer – the avatar
- The marketing budget
- Marketing objectives

### *Marketing strategies with examples*

#### 1. Promote with those who have the same target audience and related products

You probably also saw the association I had at DoAds with Doru Pelivan when we launched the course on your turnkey online marketing agency. Well, Doru has been sharing a common passion with us for a very long time. And I miss running an online marketing agency, so we have a common market and a lot of related products and services. So, we thought we could join forces to provide even more value to the market in this direction.

#### 2. Use a marketing strategy by offering free tools

This way you will be able to build a large community very quickly and you will be able to motivate people to follow you, knowing that they will receive value every time they open an email from you or read a post.

#### 3. Use sales funnels as marketing techniques

If you're speaking to a cold audience that doesn't know you, you'll use a certain language, then when people interact with you they'll move on to the next stage of the sales funnel. Use this lead filtering process to ensure the success of any campaign. From stage to stage it uses different ads, different language and communicates with people in a personalized way based on the stage of the funnel they are at.

#### 4. Use social media marketing

Social Media has become one of the most powerful sources of information in the world. In Romania alone, there are over 11 million people who have Facebook accounts. By using social media marketing techniques, both organically, by posting valuable content, and paid, through Facebook ads, you can ensure sustainable growth for your business.

#### 5. SEM / PPC

These online marketing ideas refer to the use of search engine marketing tools or pay per click as it is also known. PPC refers to online advertising on platforms like Facebook or Google, where you pay per interaction. Such advertisements are extremely beneficial for online businesses as they deliver measurable results. You can also see a case study of this type of advertising [here](#).

#### 6. Use remarketing methods

Remarketing is one of the most powerful online marketing tools. It targets with ads people who have already interacted with your website or Facebook page but didn't end up taking the action you wanted.

#### 7. Increase reputation through PR

PR campaigns can ensure a favorable image of your brand to help you sell more when using paid advertising. It is very important to be seen well by your audience, and PR campaigns can help you do that.

#### 8. Use affiliate programs

There are so many online stores that manage to sell their products on their own platform, but choose to also sell on Emag or other platforms. This is how affiliate marketing works. You sell through external distribution channels, paying a percentage of each sale made externally to grow your market.

#### 9. Attend industry events

The fact that you are in front of your target audience and in the offline environment, by participating in an event or a conference in the field, helps you enormously to ensure visibility and memorability of your brand.

#### 10. Create free webinars

Similar to the free content technique, these webinars help you provide value to people and prepare them for the sales stage, convincing them that what you're offering them is worth the price they're going to pay.

#### 11. SMS Marketing

This is an extremely powerful technique because it appeals to intimacy. When you send a message over the phone to your customer, they're basically having a one-on-one conversation with you. The conversion rate of these messages is extremely high.

#### 12. Storytelling

When you turn to stories in marketing you can increase sales significantly. How you make the customer identify with the story and thus with your brand is a unique way of selling. You can make a sale without looking like you actually want to sell. We all know that we like to buy things, but we don't like to be sold them.

### 13. Automated Email Marketing

Email marketing is still one of the most powerful ways to promote yourself. Use a sequence of personalized and fully automated emails to make your offers known to your target audience.

### 14. Inbound and Outbound marketing

Inbound marketing involves attracting customers to your products through valuable content and persuasive sales techniques. Outbound involves direct marketing, when you are the one who initiates the sale, you promote the product. These techniques are also known as pull marketing and push marketing.

### 15. Guest post

Use celebrity blogs to guest post articles that provide information and value to that person's potential customers to convert them into potential customers for your products and services.

### 16. Podcasts

Participating in the podcast, even as a guest, can easily position you as an expert in the field being discussed. Organize or attend such events to promote yourself effectively and position yourself as an expert in your niche.

### 17. Educate the market through ebooks, guides, infographics and content

Content is still KING! Use the free content you post on your blog or website to educate your market. One such article you are reading right now, a guide to +20 marketing strategies that work for your business. You can also create an ebook or an infographic with information about your field of activity, which you can use to promote yourself successfully.

### 18. Influencers

We all know the Fashion Days campaigns with Adelina Pestiřu. The Fashion Days brand has chosen to turn to a personality who has authority in the field of fashion to promote its products. You can also use this marketing strategy and use influencing to promote your brand.

### 19. Contests and Giveaways

Although there is a separate policy for such events on Facebook, if you are sure that you do not violate the standards, you can try to put into practice such marketing ideas to promote yourself. However, it would be best to turn to a specialist in this case, because most of the online contests violate the standards and you can find yourself with the suspension of the page and the account.

### 20. Video tutorials

You can use your company's YouTube channel to create video tutorials about your field, positioning yourself as an expert in the field. Promotion through such online marketing methods is effective especially in technical fields.

In the end, all you need to know to set up the right online marketing strategy is:

- Who are you addressing? Who is your customer?
- What do you want to offer? What is the unique offer you have for your customers?
- Who are you? What gives you authority and what makes you an expert in that area?

– What should the customer do? What are the steps people take to get to your products?

Answer these questions honestly and create a marketing strategy to position your business in the eyes of your target audience, even using some of the marketing ideas in this article.

The results will not be long in coming.

### *6.1.3 Marketing Mix and Marketing Environment*

In general, the term "marketing mix" refers to the 4 main elements or dimensions around which the marketing activity is focused, namely:

- product (product);
- price (price);
- promotion;
- distribution (place).

In order to build an adequate and effective marketing mix, companies must consider the following aspects:

You should never act on the market and the environment with the help of a single means or instrument, but with a multitude of means and instruments which, in fact, constitute the components or elements of the marketing mix;

The degree of integration of the means, methods and tools used must be high. Using them in an isolated way, without an interdependence relationship, drastically reduces the efficiency of the mix;

The allocation of resources and investments will take into account the specifics, size and strength of the firm and will focus on the correct and judicious distribution across all elements of the marketing mix. Only through a judicious allocation of resources (material, financial and human) to each element of the marketing mix can firms avoid excessive consumption of resources.

An essential concept of modern marketing theory, the marketing mix represents "the set of controllable tactical marketing tools that the company combines with the aim of producing the desired reaction on the target market.

It brings together the characteristic properties of the organization, the elements that it can use to influence the demand for its product in general, sales in particular, namely:

- the product
- the price level
- promotional activity
- product distribution or placement

This set of variables controllable by the organization, also known as the 4Ps, has the role of detailing marketing strategies and influencing the market in order to ensure maximum efficiency at the right time, and exactly at the right time, to transform the recipe into a delicious tasting. The ingredients of the recipe being represented by the P's of the marketing mix, Eugen McCarthy's 4 P's (Price, Product, Promotion, Placement) these representing the essential tools of the mix that are still used successfully both in theory and in practice.

The Marketing Environment of an enterprise consists of all the economic, social, demographic, political, cultural, legal, administrative factors that act on the enterprise's activity and all the internal resources of the company that are subject to this action.

The Marketing Environment of a company has two parts:

a). external and has two components:

1. Microenvironment (those factors that have a direct connection and influence);= the totality of material, financial, human resources, etc. of the company responding to the action of external factors.

2. Macroenvironment (those factors that have an indirect influence).

b). internal: the response capacity of internal factors to the complex action of external factors = enterprise synergy.

2. The external environment of the enterprise (components)

a. Goods suppliers = legal / natural persons who offer businesses various products and services they need;

b. Service providers = legal / natural persons who perform one or more services for the enterprise for good performance of its activity (carriers of goods, merchants who sell products on behalf of the manufacturer, banks, insurance companies, various consulting firms - market studies, marketing research);

c. Labor providers = certain institutions that provide labor (employment offices, people looking for work, educational institutions);

d. Customers = legal/natural persons who benefit from the company's products (individual consumers, industrial users); for productive consumption, various bodies (schools, army, hospitals -> for collective consumption), government markets, international markets;

e. Competitors = legal/natural persons that offer the same type of products that satisfy the same needs:

Direct competitors (offer products of the same type and characteristics, with the same needs);

Indirect competitors (offer products of the same type but with different characteristics);

Newcomers (offer new products in a richer assortment and for other needs).

f. Public bodies = various persons with whom one comes into direct contact (customs, financial, local, administrative, information bodies - mass media). Customs bodies are part of the microenvironment.

#### *6.1.4 Marketing Planning and Research*

Marketing research is the action of collecting information from the customer or potential customer through various methods, the short, medium and long term benefits are as follows:

effective marketing campaigns;

improving the product or service by adding new functionalities or modifying existing ones;

rapid increase in sales if the above steps are followed exactly.

What is marketing research?

How does wikipedia define it? As a process of collecting, recording and channeling quantitative and qualitative data on aspects of products and services.

A comprehensive and comprehensive definition of marketing research is provided by the American Marketing Association:

Marketing research connects the consumer, customer and audience to marketing through information used to identify and define marketing opportunities and problems; refine and evaluate marketing actions; actively and constantly monitor marketing performance; improves understanding of the marketing process.

In fewer words and more comprehensible to everyone, marketing research is the process by which we use several techniques in order to gather information that helps us understand our target audience, the business we promote, more specifically the product or services we offer we offer.

Businesses use the information obtained through marketing research to create better products, to launch new ones, to improve the consumer experience, and to outline/implement a strategy that brings in leads and increases conversion rates.

To summarize the importance of marketing research, we can say that it consists of the details that you know, but others don't, details that will make a difference in your brand awareness and increase your conversion rate.

Planning at the level of each strategic business unit focuses on a single product/service or a line of products/services that satisfy a specific market need and refers to:

- determining the products and services to be developed;
- determination of target market segments;
- identifying an advantage over the competition;
- determining how the needs of customers will be met.

At this level, each strategic business unit has its own manager, who bears the responsibility of fulfilling only the objectives of the related strategic activity unit and not those of the organization as a whole, and who pursues the identification and exploitation of the competitive advantage within the reference market.

Functional level

The third level of strategic planning refers to the functions of the organization. Thus, at the level of the marketing function, strategic planning refers to:

establishing annual objectives;

the development of short-term strategies;

developing plans for each product/service;

development of the marketing mix for each product/service separately;

The stages of the strategic planning process

I. Defining the strategic context

mission definition

defining overall objectives (quantitative and qualitative)

## II. Analysis of the company's situation

marketing audit

the SWOT analysis

formulating hypotheses

## III. Marketing strategy formulation

formulation of marketing objectives and strategies

estimating the results

identifying alternative variants of marketing strategies

## IV. Resource allocation and control

marketing program

establishing the budget

control

The planning process at the level of the marketing function is summarized in the marketing plan

The marketing plan

it is the tool with which the organization's activity and resources are directed to fulfill their marketing objectives role of guiding the company in fulfilling its mission and its overall objectives, using specific means of marketing

strategic plan: 2-3 years in the medium term, 5 years in the long term

tactical plan: 3 months, 6 months, 1 year

In general, the structure of a marketing plan is the following:

The managerial summary

The current marketing situation

SWOT analysis (strengths, weaknesses, opportunities, threats)

Hypotheses

The objectives of the marketing plan

Marketing strategies

Marketing programs

budget

The methods of control (how the application of the marketing plan will be monitored)

### 6.1.5 Types of Marketing Behavior

Types of buying behavior

The purchase decision differs depending on the type of purchase decision. Complex and high-value purchases involve a longer deliberation process and the existence of several participants.

H. Assael identified four types of buying behavior based on the degree of buyer involvement and the differences between brands.

## 1 Complex buying behavior

Consumers show such behavior when they are deeply involved in the buying process and are aware of the significant differences between brands. Consumers become deeply involved if the product is expensive, is not purchased frequently and presents some risks.

As a rule, the consumer does not know much about the respective product category, needing more information about it. This type of purchase will go through a learning process, first forming certain beliefs about the product, then attitudes, in order to finally choose the desired product knowing the cause.

## 2 Buying behavior aimed at reducing inconsistencies

Sometimes the consumer gets deeply involved in the buying process, but notices few differences between the brands. The strong involvement is again determined by the fact that the purchase is expensive, less frequent and risky.

In this case, the buyer will visit several stores to see what products are available, but will buy much faster, because the differences between the brands are not so pronounced. The buyer will react more quickly to an attractive price or ease of purchase.

## 3 Usual buying behavior

Many times, the consumer gets a little involved in buying the necessary products, in the situation where there are no significant differences between the brands.

The consumer's behavior in these cases does not follow the usual "trajectory", belief-attitude-behavior. He does not inform himself extensively about the brands, does not evaluate their characteristics and does not weigh all the consequences of his decision to choose a certain brand. Buyers are only passive receivers of the usual information from television or commercials.

## 4 The buying behavior oriented towards assortment variety

The marketing strategy is different in this case for the market leader and for minor brands. The market leader will try to encourage the usual buying behavior by occupying the maximum display space in the stores, avoiding the exhaustion of stocks and a reminder advertising. Competing companies will try to encourage the search for variety, offering price discounts, coupons, free samples and focusing their advertising on highlighting the reasons why something new is worth trying.

Due to the fundamentally different nature of the acts and processes that define consumer behavior, the way people behave economically is not a summation of mechanically repeated acts, but the result of the accumulation of life experience.

The simple recording and quantification of consumer acts is not enough, the psycho-physiological processes that determine these acts and explain the interdependence between them must also be researched. Since consumer behavior is manifested on the market, its study becomes an important chapter.

Based on the analysis of the buying behavior of consumers, producers and traders will have to take into account:

- the consumer's reaction to the company's marketing strategy, which has an impact on its success on the market

- the company's marketing mix, which must satisfy consumers

- the possibility of predicting how consumers will respond to the company's strategies

- the high cost of this research, the difficulty of carrying it out and the risk of obtaining incorrect information

Research in the field of consumer behavior highlights that the way the consumer responds to numerous stimuli can be structured into 4 behavioral stimuli:

- the behavior of routine responses, which the consumer practices frequently, to buy low-cost and current consumption items, for which he does not spend too much time and effort to select a brand or product

- making the decision at the limit, when he buys an occasional product, for which he needs a moderate amount of time to search for information and deliberate

- making the extensive decision, when buying expensive non-family products, therefore implies a complex decision. Several criteria are used to evaluate the possible alternatives, which requires a longer time

- impulsive buying behavior, determined by a strong and consistent incentive to buy something immediately

For some individuals, buying behavior is dominant, although it often causes emotional conflicts. If, in a routine purchase, the brand, until then preferred, no longer satisfies him, he will make a decision at the limit or an extensive one, to switch to a new brand.

## *6.2 Product and Price*

Price the most mobile component of the marketing mix. It can be changed quickly, unlike the other components of the marketing mix, and price changes usually attract an immediate response from the market. At the same time, price is also the component of the marketing mix less controllable by the company.

These two characteristics, which represent the main advantage and disadvantage for this policy, make this component of the marketing mix a "touchstone" of any company management.

### Defining elements of the price policy

Price manipulation is much more frequent and visible in case of major changes in the life of society. Due to its flexibility, in markets where the game of supply and demand operates, the price tends to occupy, in such periods, a priority place in the company's strategic and tactical arsenal.

The price policy of the enterprise can be fully used for the benefit of the enterprise only if it benefits from a perspective view on the evolution of the target market, just as things are in the case of the other components of the marketing mix.

### Price strategies

The level and price structure of the products offered by the company represent the way of expressing the conditions inside the company (in other words, its potential) and the situation at the market level. The mechanism of price formation knows a wide variety of particular situations depending on a whole series of economic factors. They generally reflect the specifics of each economy, the nature and intensity of competition between bidders, the degree of state involvement in the market mechanism, and the needs of potential consumers (their number, degree of concentration and organization, purchasing power, etc.).

The company can orient itself, in setting the price level for its own products, according to: costs, demand (value perceived by the consumer) and competition.

The orientation of the price according to costs seems to be the most rational. It starts from the premise that the price must fully cover the costs and allow a net profit to be obtained. Setting the price in this way, although it is very simple, cannot be used often, due to the fact that it takes too much into account the internal environment and too little of the external environment of the enterprise.

Orientation by price competition is another variant, having, as a rule, the highest frequency in practice. In an increasingly competitive market, it is not practically possible to ignore competitors' prices. By comparing the prices of the company's products with those of other competitors (of course taking into account the level of costs the company has), the optimal level of prices to be charged for its own offer results.

Orientation by demand is a less frequently used way, because it assumes the existence of certain conditions at the market level (competition is absent or at a low level, as a result of a relative stability in the delimitation of the market potential between competitors). In this case the prices can intervene like tool for balancing demand with supply.

The foundation of the price strategy at the enterprise level, so that an optimal level can be ensured between the resources spent and the results obtained, must be done by going through certain stages. The main criteria underlying the differentiation of price strategy variants are: level, diversity and mobility.

The level of prices, which most often depends on the penetration of products into consumption, can be considered the dominant criterion for choosing strategic options. Any invocation of the price concerns first of all its level and only then other characteristics of it or of the corresponding product. The strategic variants corresponding to this criterion are:

High price strategy. Among the main types of high prices that the company can use are: the prices of fruition of the market advantage (or skimming prices), brand prices, prices with a role of protection (umbrella prices) or prices for performance of the exception (premium prices). The strategy of moderate prices has as its main form of manifestation psychological prices ("bait" or "magic").

The low price strategy allows the use of various types of prices, such as promotional prices, keep-out prices, penetration prices, etc.

The degree of diversification of the prices practiced is another criterion for differentiating the strategies, closely related to the previous criterion. Depending on the degree of assortment diversification of the products with which it addresses the market and the degree of homogeneity

of the latter, the company can propose the use of a range of prices of different widths. Her option in this regard is visibly conditioned by the product strategy and implicitly by the market strategy. The variants available to the company are aimed at the strategy:

Relatively stable prices

Prices changed frequently

The degree of price mobility, its stability over time, represents a last analyzed criterion that differentiates the strategies of companies. It is about the extent to which the stability or mobility of prices can be decided or at least influenced by the companies in question. The strategic variants resulting from this criterion are:

High mobility pricing strategy

Price strategy with medium mobility

Pricing strategy with low mobility.

## **BRANDING, PACKAGING AND LABELING**

A brand is a name, image, design, or symbol, or a combination of those used by a seller to identify and distinguish its products from rivals. **Branding** is the collection of actions intended to establish and position a brand in the minds of customers.

Branding is the process of providing a specific brand to a single seller's product or set of products. Branding is the process of identifying and establishing a method of identification. In other words, branding is the process of designating a thing, similar to naming a newborn. Parents have children, and manufacturers are interested in learning about the character and capability of their goods from birth, but not in their names.

Purpose of Branding:

- The brand is a huge asset.
- A brand is a marketing tool.
- The brand is a market-protection weapon.
- The brand is an antidote to middle-class survival.
- Customers use brands to identify themselves.

**Packaging** is an activity concerned with protection, economy, convenience, and promotional consideration. Packaging may be described as the broad set of operations in product planning that includes designing and manufacturing the product's container or wrapper.

Packaging Functions:

- It facilitates and improves product identification and differentiation.
- Package features convey product message and encourage consumers to purchase.
- Changing product packaging design and message makes it easier to execute its product/brand repositioning plan.
- The selling message is repeated.
- It advertises the goods at the point of sale and generally aids in the purchasing decision.

Types of Packaging:

- Consumer Packaging.

- Family Package.
- Re-use Package.
- Multiple Packages.
- Transit Packaging.

A **label** is a product component that conveys linguistic information about the product or seller. It may be a tiny scrap of paper or a written statement. It may be part of the packaging or connected to a product. It provides spoken information about the goods and the vendor.

Classification of Labels:

- Brand Labels.
- Grade Labels.
- Descriptive Illustrative Label.

Purpose of labeling in packaging:

- To emphasize the product's features.
- To make the exchange process easier.
- To promote the use of self-service.

## PRICING

**Pricing** can be defined as the value customers sacrifice to benefit from receiving and using a good or service. Price is, therefore, the element of the marketing mix that leads to revenues, unlike the other elements which incur costs. Pricing is also important as a strategic tool as it creates customer value.

Before deciding on a pricing strategy, the company needs to consider its pricing objectives. Pricing objectives should be aligned with the company's overall marketing and corporate objectives.

Some of the different types of pricing objectives may include:

- Attracting new customers to increase revenues,
- Retaining existing customers,
- Preventing competitors from entering the market,
- Preventing competitors from gaining market share,
- Attracting customer attention to the release of a new product or brand,
- Increasing sales of a specific product line.

## MARKETING INTERMEDIARIES

**Marketing intermediaries**, or distribution intermediaries, are companies, organisations or individuals that assist manufacturers with operations to distribute products to consumers. These firms typically specialise in one aspect of a business's operations, such as logistics, marketing or product management.

## WHOLESALE AND RETAILING

**Wholesaling** is the process of acquiring products from manufacturers at a large scale and distributing them at a smaller scale to retailers or other businesses. **Retailing** is the process of purchasing products from wholesalers and distributing them to end-users.

## PROMOTION

**Promotion** is a marketing tool, used as a strategy to communicate between the sellers and buyers. Through this, the seller tries to influence and convince the buyers to buy their products or services. It assists in spreading the word about the product or services or company to the people. The company uses this process to improve its public image. This technique of marketing creates an interest in the mindset of the customers and can also retain them as a loyal customer.

There are three objectives of promotion. These are:

- To present information to consumers and others.
- To increase demand.
- To differentiate a product.

## ADVERTISING MEDIA

**Advertising media** is the group of various media channels through which advertising message is delivered to the target audience. Advertising media is used for showcasing promotional content which communicated in various forms such as text, speech, images, videos using TV, radio, online, outdoor etc. Basically they are channels through which companies can advertise their products and services to reach to customers.

For every type of advertising media, there are different parameters based on which they can be measured:

1. For a print or a TV/radio ad, a phone number or email can be given for customers to contact the company if they want, and through the number of people who have tried to contact, we can measure the impact of the ad.
2. For an internet ad which is placed on different website homepages, if the company or brand has an online website too, the number of clicks which direct the customer to the company website measures the impact of the ad. But if the company does not have a website, contact information can be displayed on the banner as in the case of print ads, and the impact can be measured similarly.

## DEVELOPING AND ADVERTISING

Small businesses may shy away from spending money on advertising, but doing so could mean the difference between success and failure. **Advertising** enables companies to reach a large number of consumers who may be interested in their products and services. Advertising also helps small companies differentiate their product and service offerings from competitors. An ad campaign is designed to get the attention of readers or listeners, build their interest and prompt them to act.

## CAMPAIGN

A **campaign** is a planned set of activities that people carry out over a period of time in order to achieve something.

## 7. INFORMATION TECHNOLOGIES IN BUSINESS

### ***7.1 THE IMPACT of IT on Business***

The Benefits of IT in Business are numerous; from increased operational efficiency to improved security and the ability to automate daily tasks. With information technology, businesses can get more work done in less time and with better accuracy.

#### ***Typical PC***

A typical personal computer assemblage consists of a central processing unit (CPU), which contains the computer's arithmetic, logic, and control circuitry on an integrated circuit; two types of computer memory, main memory, such as digital random-access memory (RAM), and auxiliary memory, such as magnetic hard disks.

A personal computer (PC) is a multi-purpose microcomputer whose size, capabilities, and price make it feasible for individual use.

Personal computers are intended to be operated directly by an end user, rather than by a computer expert or technician.

#### ***Networks. Internet security***

What is network security?

- Network security encompasses all the steps taken to protect the integrity of a computer network and the data within it.
- Network security is important because it keeps sensitive data safe from cyber attacks and ensures the network is usable and trustworthy.
- Successful network security strategies employ multiple security solutions to protect users and organizations from malware and cyber attacks, like distributed denial of service.

#### ***E-Mail***

Electronic mail, commonly shortened to "email," is a communication method that uses electronic devices to deliver messages across computer networks. "Email" refers to both the delivery system and individual messages that are sent and received.

#### ***Chatting and Video Conferencing***

Video conferencing is an online technology that allows users in different locations to hold face-to-face meetings without having to move to a single location together.

This technology is particularly convenient for business users in different cities or even different countries because it saves time, expenses, and hassles associated with business travel.

When a video conference is held for informal purposes, it is called a video call or video chat.

#### ***On-Line Shopping***

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser or a mobile app.

Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers

#### ***On-Line Banking***

Online banking, also known as internet banking, virtual banking, web banking or home banking, is a system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website or mobile app.

#### ***The Changing Pattern of Employment***

Corporate organisations are changing rapidly and in apparently contradictory ways.

It is recognised that the most important asset of any organisation is its people.

This is because value is added to goods and services by the quality of the individuals producing or supplying them.

Excellent employees are aware of the need to respond to customer needs.

However, increasingly firms are looking at ways to reduce their human resource cost base to remain competitive, especially with the rise of lower cost firms in the developing world particularly from Asia.

Since the 1990s, some of the following trends have taken place in an attempt to reduce and rationalise human resources in an organisation:

- Downsizing
- Disposal of peripheral activities,
- Outsourcing of support activities.

## **8. Accounting**

- 1. Accounting or bookkeeping**
- 2. Financial statements**
- 3. The balance sheet**
- 4. Trial balance**

### ***1. Accounting or bookkeeping***

- Accounting is the process of recording, classifying and summarizing financial transactions.
- Accounting is the process of keeping track of all financial transactions within a business, such as any money coming in and money going out.
- Bookkeeping is the recording of financial transactions, and is part of the process of accounting in business and other organizations.

#### *Types of Accounting:*

##### 1. Financial Accounting

This is the practice of recording and reporting financial transactions and cash flows

##### 2. Managerial Accounting

This focuses on the use and interpretation of financial information to make sound business decisions

##### 3. Cost Accounting

This is the process of tracking, analyzing and understanding the costs involved in a specific business activity

##### 4. Tax Accounting

This is the act of tracking and reporting income and expenses related to your company's taxes.

### ***2. Financial statements***

Financial statements are a set of documents that show your company's financial status at a specific point in time. They include key data on what your company owns and owes and how much money it has made and spent.

There are four main financial statements:

- Balance sheet
- Income statement
- Cash flow statement
- Statement of retained earnings

What are the elements of financial statements?

1. Balance sheets

Shows what the company owns and how much it owes at the end of the period. It is based on the equation:

$$\text{Assets} = \text{Liabilities} + \text{Shareholders' Equity} (\text{Active} = \text{pasive} + \text{capitaluri proprii})$$

2. Income statement

Shows the profitability of your business.

3. Cash flow statement

Shows how money has moved through your business during the period.

4. Statement of retained earnings

Shows the cumulative earnings of the business after any dividends or distributions to shareholders.

5. Notes to the financial statements

Disclose the assumptions made in preparing the statements and help interpret and analyze the information.

**3. The balance sheet**

In financial accounting, a balance sheet (also known as statement of financial position or statement of financial condition) is a summary of the financial balances of an individual or organization, whether it be a sole proprietorship, a business partnership, a corporation, private limited company or other organization such as government or not-for-profit entity.

The 3 types of core financial statements are:

Balance sheet

Income statement

Cash flow statement

The balance sheet may also be called the Statement of Financial Position or Statement of Financial Condition because it presents assets, liabilities, and shareholders' equity as a snapshot in time, on a date at the end of the accounting period.

The income statement shows revenues, costs of goods or services, expenses, and net income (loss) for an accounting period. The income statement may also be called a Profit and Loss Statement. Net loss is shown as a negative number.

The cash flow statement shows beginning and ending cash and cash equivalent balances, including restricted cash and operating activities, investing activities, and financing activities for an accounting period.

**4. Trial balance**

A trial balance is a bookkeeping worksheet in which the balances of all ledgers are compiled into debit and credit account column totals that are equal. A company prepares a trial balance periodically, usually at the end of every reporting period. The general purpose of producing a

trial balance is to ensure that the entries in a company's bookkeeping system are mathematically correct.

### How a Trial Balance Works

Preparing a trial balance for a company serves to detect any mathematical errors that have occurred in the double entry accounting system. If the total debits equal the total credits, the trial balance is considered to be balanced, and there should be no mathematical errors in the ledgers. However, this does not mean that there are no errors in a company's accounting system. For example, transactions classified improperly or those simply missing from the system still could be material accounting errors that would not be detected by the trial balance procedure.

## 9. Finance and Investment

**Money** is a medium of exchange that facilitates transactions. It also acts as a store of value and a unit of measure. The evolution of money is a series of development in the form of the acceptable medium of exchange throughout history.

*Functions of Money* : Money has three main functions.

Medium of exchange-Money functions as a medium of exchange by facilitating

Unit of account-Money serves as a common tool for measure for economic transactions. transactions between buyers and sellers.

Store of value-Money holds its value in comparison to other commodities..

*The banking system* is a combination of various types of national banks and credit organizations operating within the framework of a common monetary mechanism.

Modern-day *American banks* have been built on the foundations of the banks created by Hamilton and subsequently Lincoln's administration.

*The Bank of England* is the central bank of the United Kingdom and the model on which most modern central banks have been based. Established in 1694 to act as the English Government's banker, and still one of the bankers for the Government of the United Kingdom.

The role of insurance in risk management is this: insurance is a component of risk management, not a substitute for it. In exchange for the payment of a known loss (the premium), insurance transfers the financial consequences of covered loss exposures from the insured to the insurance company.

Risk -is the activity associated with the transition

uncertainty in a situation of inevitable choice

Risk elements:

- the possibility of deviation from the intended goal,

- the likelihood of achieving the desired result;

- lack of confidence in achieving the set goal;
- the possibility of material, moral and other losses associated with

implementation of an alternative chosen under conditions of uncertainty.

The global insurance industry is among the biggest industries in the world and is in fact among the five biggest industries in the world.

An *insurance company* is a historically defined social form of functioning of an insurance fund; it is a separate structure that carries out the conclusion of insurance contracts and their servicing.

## **10.GOVERNMENT ASSISTANCE IN BUSINESS. REGULATION AND TAXATION**

### **\*10.1 Business Law**

Certainly, let's discuss business law in a more narrative manner.

Business law, often referred to as commercial law, is a multifaceted field that intersects with nearly every aspect of commerce. At its core, business law provides the legal framework for conducting business activities, ensuring fairness, transparency, and accountability.

One of its fundamental aspects is contracts. Contracts serve as the foundation for business agreements, outlining the rights and responsibilities of all parties involved. Business law guides the formation, interpretation, and enforcement of contracts, crucial for maintaining trust and reliability in commercial relationships.

Liability is another critical dimension of business law. It determines who is responsible in legal disputes and cases of harm caused by a business. Whether it's a breach of contract, product liability, or corporate misconduct, understanding liability is essential for businesses and individuals.

When entrepreneurs embark on a business venture, business law aids in choosing the appropriate legal structure. Options like sole proprietorships, partnerships, corporations, and limited liability companies (LLCs) each come with their advantages and legal obligations.

Intellectual property protection is paramount in an information-driven economy. Business law safeguards intellectual property rights, including trademarks, copyrights, patents, and trade secrets. This protection enables businesses to safeguard their innovations and creative works.

Employment law is crucial in defining the employer-employee relationship. It encompasses hiring, termination, labor laws, workplace discrimination, wage and hour regulations, and workplace safety standards. Compliance with these laws is vital for maintaining a healthy work environment.

Taxes are an inescapable part of doing business. Business law encompasses tax codes and regulations at various levels, including income tax, sales tax, and corporate taxes. Understanding and adhering to these regulations is essential for financial planning and compliance.

Regulatory compliance is an ongoing challenge for businesses. Different industries and regions have specific regulations that must be followed. Business law helps navigate this complex landscape, ensuring businesses operate within the boundaries of the law.

Antitrust and competition laws promote fair competition and prevent monopolistic practices that harm consumers. These laws are designed to maintain a level playing field and encourage innovation.

Environmental regulations address environmental concerns, such as pollution control, waste disposal, and sustainable practices. Complying with these laws is not only a legal requirement but also a corporate responsibility.

In an increasingly globalized world, international trade plays a significant role in business. Business law extends to international trade agreements, tariffs, customs regulations, and dispute resolution mechanisms.

In times of financial distress, business law provides guidance on bankruptcy proceedings, debt restructuring, and liquidation, offering businesses options for recovery or closure.

Ethical behavior and corporate governance are essential in maintaining public trust. Business law encourages ethical conduct and ensures that corporations follow principles of good governance, safeguarding the interests of shareholders and stakeholders.

In cases of disputes, business law facilitates the resolution process through litigation or alternative methods like arbitration and mediation. Efficient dispute resolution is critical for minimizing disruptions in business operations.

As data becomes increasingly valuable, business law addresses data privacy and security concerns, requiring companies to protect sensitive information and comply with privacy regulations.

For businesses using franchise models or distribution networks, business law governs franchise agreements, distributorship contracts, and related legal matters.

## ***10.2. Customs System***

The customs system, also known as customs administration or customs procedures, is a comprehensive framework that governs the import and export of goods between countries. It encompasses the rules, regulations, and processes for the movement of goods across international borders. Here is a detailed overview of the customs system:

**\*\*Customs Authorities:\*\*** Each country has its own customs authority responsible for enforcing customs regulations and collecting duties and taxes on imported and exported goods. These authorities can be government agencies or specialized customs organizations.

**\*\*Customs Duties and Taxes:\*\*** A fundamental aspect of the customs system is the collection of customs duties and taxes. These are fees imposed by the government on goods entering or leaving the country and can vary based on factors such as the type of goods, their value, and their origin.

**\*\*Goods Classification:\*\*** All goods must be classified using a standardized coding system, such as the Harmonized System (HS) code, to determine the applicable customs duties and taxes. The HS code is a global classification system that ensures uniformity in categorizing goods.

**\*\*Customs Documentation:\*\*** Proper customs documentation is essential for the movement of goods across borders. This documentation includes commercial invoices, bills of lading, certificates of origin, and other specific documents required for different types of goods and trade agreements.

**\*\*Customs Inspections:\*\*** Customs authorities may conduct inspections of goods to verify compliance with customs regulations. These inspections can vary depending on the type of goods, their value, and the level of risk associated with them. Inspections may involve physical examination, X-ray scans, or other inspection methods.

**\*\*Tariff Preferences:\*\*** Some countries offer tariff preferences or exemptions to certain goods based on trade agreements or treaties. These preferences can result in reduced or waived customs duties for eligible goods.

**\*\*Customs Valuation:\*\*** Determining the value of imported goods is critical for assessing customs duties and taxes. Customs authorities follow established valuation methods, such as the transaction value method, to determine the customs value of goods.

**\*\*Trade Facilitation:\*\*** Many countries have implemented trade facilitation measures to streamline customs processes and reduce delays at the border. This includes the use of technology for customs declarations, automated clearance procedures, and risk-based inspections.

**\*\*Customs Compliance:\*\*** Importers and exporters must adhere to customs regulations and requirements. Non-compliance can result in penalties, fines, or the seizure of goods. Customs compliance also involves ensuring that goods comply with safety, health, and environmental standards.

**\*\*Customs Technology:\*\*** Advanced technologies, such as electronic data interchange (EDI) systems, e-customs platforms, and customs management software, are used to facilitate and expedite customs procedures, making trade more efficient.

**\*\*Anti-Smuggling Measures:\*\*** Customs authorities work to prevent and combat illegal activities, including the smuggling of prohibited or restricted goods, narcotics, counterfeit products, and intellectual property violations.

**\*\*Customs Security:\*\*** In a post-9/11 world, customs systems have increasingly focused on security measures to prevent terrorism and protect national security. This includes the inspection of cargo for security risks.

**\*\*Special Customs Programs:\*\*** Some countries offer special customs programs for specific industries or goods, such as free trade zones, bonded warehouses, and customs clearance for temporary imports.

In summary, the customs system is a complex and multifaceted framework that ensures the orderly flow of goods across international borders. It plays a crucial role in regulating trade, collecting revenue, and ensuring the security of nations while promoting legitimate international commerce. Understanding and complying with customs regulations is essential for businesses engaged in international trade.

### ***10.3. Taxes and Tax Collection in Business***

The customs system, also known as customs administration or customs procedures, is a comprehensive framework that governs the import and export of goods between countries. It

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