

Elaborate Study Notes: Foundations of Business

1. Introduction & Concept of Business

- **Definition:** The term 'business' originates from the word 'busy'. In a specific sense, it is an economic activity involving the regular production and/or purchase and sale of goods and services with the main objective of earning profit.
- **Human Activities:** All activities undertaken by humans can be classified into two main categories:
 - **Economic Activities:** These are undertaken with the objective of earning a livelihood or money. They are the primary focus of business studies.
 - **Examples:** A factory worker, a doctor in a clinic, a shopkeeper.
 - **Non-Economic Activities:** These are performed out of love, affection, sympathy, patriotism, or other sentiments, not for a monetary reward.
 - **Examples:** A person cooking for their family, helping an elderly person cross the street.
- **Types of Economic Activities:**
 1. **Business:** Production, procurement, and sale of goods/services for profit.
 2. **Profession:** Activities requiring specialized knowledge and skill, governed by a code of conduct (e.g., doctors, lawyers, chartered accountants).
 3. **Employment:** Working for others in exchange for a salary or wages (e.g., a bank employee, a government servant).

2. Characteristics of Business Activities

1. **An Economic Activity:** The fundamental purpose is to earn money, not emotional satisfaction.
2. **Production or Procurement of Goods and Services:** A business must produce or acquire the goods (e.g., pens, machinery) or services (e.g., banking, transport) it deals in.
3. **Sale or Exchange:** There must be a transfer of goods or services for value. Producing for self-consumption is not considered business.
4. **Regular Dealings:** A business must involve a series of transactions. A single sale (e.g., selling your old car) does not constitute a business.
5. **Profit Earning:** The primary motive of any business is to generate profit, which is essential for its survival and growth.
6. **Uncertainty of Return:** There is no guarantee of the amount of profit. The possibility of incurring losses is always present.

7. **Element of Risk:** Risk is the uncertainty associated with a potential loss. It is caused by factors like changing consumer tastes, competition, natural calamities, etc. Risk is an inherent and unavoidable part of business.

3. Historical Perspective: Trade and Commerce in Ancient India

- **Economic Prosperity:** Ancient India was renowned for its prosperity, largely driven by extensive trade and commerce.
- **Trade Routes:** Trade was conducted through both land (e.g., the Silk Route) and sea.
- **Major Trade Centers:**
 - **Pataliputra:** Export of stones.
 - **Peshawar:** Trade in wool and horses.
 - **Taxila:** A major hub on the India-Central Asia route with commercial banks.
 - **Varanasi:** Famous for textiles like gold silk.
 - **Surat:** A key western trade center, famous for textiles.
- **Major Exports & Imports:**
 - **Exports:** Spices, wheat, sugar, cotton, indigo, animal products.
 - **Imports:** Horses, Chinese silk, gold, silver, copper.
- **Indigenous Banking System:**
 - The surplus income from trade led to the development of a sophisticated indigenous banking system.
 - **Hundi and Chitties:** These were financial instruments (similar to bills of exchange) used for transferring money and facilitating credit transactions over long distances, reducing the risk of theft.
 - This system provided capital to manufacturers and traders, fueling further economic growth.

4. Classification of Business Activities

Business activities are broadly divided into two categories: **Industry** and **Commerce**.

A. Industry

Industry refers to economic activities concerned with the **conversion of resources into useful goods**. This typically involves production and processing.

- **Primary Industries:** Concerned with the extraction and production of natural resources and the reproduction of living organisms.

- **Extractive:** Extracting products from natural sources (e.g., mining, farming, fishing).
- **Genetic:** Breeding plants and animals for further reproduction (e.g., cattle breeding, nurseries, poultry farms).
- **Secondary Industries:** Use the materials produced by primary industries to manufacture finished goods.
 - **Manufacturing:**
 - **Analytical:** Separates different elements from the same material (e.g., oil refinery).
 - **Synthetical:** Combines various ingredients to create a new product (e.g., cement, soap).
 - **Processing:** Involves successive stages to manufacture a product (e.g., sugar, paper).
 - **Assembling:** Assembles different components to make a new product (e.g., cars, computers).
 - **Construction:** Involved in the construction of infrastructure like buildings, dams, roads, and bridges.
- **Tertiary Industries (Service Industries):** Provide support services to primary and secondary industries and facilitate trade.
 - **Examples:** Transport, Banking, Insurance, Warehousing, Communication, Advertising.

B. Commerce

Commerce includes all activities that are necessary for facilitating the exchange of goods and services. It acts as the bridge between producers and consumers.

- **1. Trade:** The core of commerce, involving the buying and selling of goods.
 - **Internal Trade:** Buying and selling within a country's geographical boundaries.
 - **Wholesale:** Buying in large quantities from producers and selling to retailers.
 - **Retail:** Buying from wholesalers and selling in small quantities to the final consumers.
 - **External Trade:** Trade between two or more countries.
 - **Import:** Purchasing goods from another country.
 - **Export:** Selling goods to another country.

- **Entrepot:** Importing goods for the purpose of exporting them to another country.
- **2. Auxiliaries to Trade (Aids to Trade):** Activities that support and facilitate trade. They remove various hindrances.
 - **Transport & Communication:** Removes the hindrance of *place* by moving goods and facilitating information exchange.
 - **Banking & Finance:** Removes the hindrance of *finance* by providing funds for business operations.
 - **Insurance:** Removes the hindrance of *risk* by providing cover against potential losses.
 - **Warehousing:** Removes the hindrance of *time* by storing goods until they are demanded.
 - **Advertising:** Removes the hindrance of *information* by informing consumers about products and persuading them to buy.

5. Objectives of Business

While profit is a primary objective, a modern business must pursue multiple objectives for long-term success.

1. **Market Standing:** Building a strong reputation and identity in the market relative to competitors.
2. **Innovation:** Introducing new products, services, or methods to gain a competitive edge.
3. **Productivity:** Achieving greater output from the same input by using resources efficiently.
4. **Physical and Financial Resources:** Acquiring and effectively utilizing physical assets (plants, machines) and financial capital.
5. **Earning Profits:** Generating a reasonable profit on the capital invested is crucial for survival, growth, and as a measure of efficiency.
6. **Social Responsibility:** The obligation to contribute to solving social problems and operate in a socially desirable manner (e.g., pollution control, fair employment).

6. Business Risk

- **Definition:** The possibility of inadequate profits or even losses arising from uncertainties or unexpected events.

- **Nature of Business Risk:**

1. **Arises due to Uncertainties:** Lack of knowledge about future events (e.g., natural calamities, policy changes).
2. **Essential Part of Business:** Risk cannot be eliminated, only minimized.
3. **Depends on Nature and Size:** Businesses dealing in fashion items have higher risk. Large-scale businesses generally have higher risk than small-scale ones.
4. **Profit is the Reward for Risk-Taking:** The principle of "no risk, no gain" holds true. Higher risk is associated with a higher potential for profit.

- **Causes of Business Risk:**

1. **Natural Causes:** Events beyond human control (e.g., floods, earthquakes, famine).
2. **Human Causes:** Actions or inactions of people (e.g., employee dishonesty, strikes, management inefficiency).
3. **Economic Causes:** Market-related uncertainties (e.g., changes in demand, competition, price fluctuations, technological changes).
4. **Other Causes:** Unforeseen events like political disturbances, mechanical failures, or fluctuations in currency exchange rates.

7. Starting a Business: Basic Factors

1. **Selection of Type of Business:** Deciding the nature of the industry or commerce to enter based on market needs, profit potential, and the entrepreneur's interest/knowledge.
2. **Size of Business:** Determining the scale of operations (small, medium, or large) based on demand forecasts and available capital.
3. **Location:** Choosing a suitable location based on proximity to raw materials, labor, power supply, and essential services.
4. **Financing:** Arranging for the necessary capital to invest in fixed assets (land, machinery) and current assets (stock, daily expenses).
5. **Physical Facilities:** Ensuring the availability of necessary machines, equipment, and buildings.
6. **Competent Workforce:** Recruiting, training, and motivating the right employees and managerial staff.
7. **Tax Planning:** Understanding and planning for tax liabilities as they significantly impact business decisions.

8. **Launching the Enterprise:** Mobilizing all resources, completing legal formalities, and starting production and sales promotion.

Answers to End-of-Chapter Questions

Short Answer Questions

1. Why is business considered an economic activity?

Business is considered an economic activity because it is undertaken with the primary objective of earning money or a livelihood by satisfying human needs. It is not performed out of love, affection, or other non-monetary sentiments.

2. How does business contribute to the economic development of a country?

Business contributes to economic development by producing goods and services, creating employment opportunities, generating income and wealth, contributing to government revenue through taxes, and fostering innovation and investment, which collectively raise the standard of living and grow the national economy.

3. State the different types of economic activities.

The three main types of economic activities are:

- **Business:** Production and/or sale of goods and services for profit.
- **Profession:** Services rendered by individuals with specialized knowledge and skills (e.g., doctors, lawyers).
- **Employment:** Working for others in exchange for a salary or wages.

4. State the meaning of business.

Business refers to an occupation in which people regularly engage in activities related to the purchase, production, and/or sale of goods and services with the main objective of earning profits.

5. How would you classify business activities?

Business activities are broadly classified into two categories:

- **Industry:** Concerned with the production or processing of goods and materials.
- **Commerce:** Includes all activities necessary for facilitating the exchange of goods and services, such as trade and auxiliaries to trade.

6. What are the various types of industries?

Industries are classified into three main types:

- **Primary Industries:** (Extractive and Genetic)
- **Secondary Industries:** (Manufacturing and Construction)

- **Tertiary Industries:** (Service industries like transport, banking, insurance)

7. Explain any two business activities which are auxiliaries to trade.

Two business activities that are auxiliaries to trade are:

- **Transport and Communication:** This removes the geographical barrier between producers and consumers by physically moving goods from the place of production to the place of consumption. Communication facilitates the exchange of information.
- **Banking and Finance:** This removes the problem of finance by providing the necessary funds for a business to acquire assets, purchase materials, and meet other expenses through loans, overdrafts, and other financial services.

8. What is the role of profit in business?

Profit is essential for a business as it serves as:

- A source of income for the business owner.
- A source of finance for expansion and growth.
- An indicator of the efficient working of the business.
- A means to build the reputation and goodwill of the business.

9. What is meant by business risk?

Business risk refers to the possibility of a business incurring inadequate profits or even losses due to uncertainties or unexpected events. It is an inherent element of business that cannot be completely eliminated.

10. State the causes of risks involved in business?

The main causes of business risks are:

- **Natural Causes:** Floods, earthquakes, famine, etc.
- **Human Causes:** Employee dishonesty, strikes, negligence, etc.
- **Economic Causes:** Changes in demand, competition, price fluctuations, etc.
- **Other Causes:** Political disturbances, mechanical failures, etc.

Long Answer Questions

1. Discuss the development of indigenous banking system in Indian subcontinent.

The indigenous banking system in the Indian subcontinent has ancient roots, developing as a direct consequence of flourishing trade and commerce. The surplus income generated from extensive domestic and international trade created a need for financial institutions to manage and mobilize this wealth.

- **Evolution:** The system evolved to finance trading activities and further

investments. Wealthy merchants and trading communities began to act as bankers.

- **Key Instruments:** The most significant instruments of this system were the **Hundi** and **Chitties**.
 - **Hundi:** A Hundi was a credit instrument, similar to a modern bill of exchange or promissory note. It was an unconditional order or promise for payment that allowed for the transfer of money between distant places without the physical movement of currency. This was crucial for reducing the risk of theft and robbery on trade routes. Hundis were widely accepted and honored, with some, like the 'Surat hundi', having international recognition.
 - **Chitties:** These were a form of chit funds or rotating savings and credit associations, which helped pool and distribute capital among members.
- **Functions:** This banking system performed several key functions: it facilitated credit for traders and manufacturers, enabled remittances of funds, and acted as money changers.
- **Impact on Economy:** The indigenous banking system was a cornerstone of India's economic prosperity. It provided the necessary capital for the expansion of agriculture, cottage industries, and trade. This robust financial network contributed to India's favorable balance of trade (exports exceeding imports) and its reputation as 'Swaran Bhoomi' (Golden Land). Over time, these indigenous practices laid the foundation for the evolution of modern commercial, industrial, and agricultural banks.

2. Define business. Describe its important characteristics.

Definition: Business is a broad term referring to an economic activity where an individual or organization regularly engages in the production, procurement, or sale of goods and services with the primary motive of earning a profit by satisfying human needs.

Important Characteristics of Business:

- **An Economic Activity:** The core purpose of business is economic—to earn a livelihood or generate wealth, not to fulfill social or emotional needs.
- **Production or Procurement of Goods and Services:** A business must supply goods or services. It either manufactures the goods itself (like a car company) or procures them from producers to sell (like a retail store). Goods can be consumer goods (pens, sugar) or capital goods (machinery), and services are intangible facilities (transport, banking).
- **Sale or Exchange of Goods and Services:** Business involves the transfer of goods and services for a price. If goods are produced for personal consumption

(e.g., growing vegetables in a home garden for family use), it does not constitute a business activity.

- **Dealings on a Regular Basis:** Business is characterized by regularity and recurrence of transactions. A single transaction of purchase or sale is not considered a business. For example, selling one's old furniture is not a business, but a furniture shop engages in business.
- **Profit Earning:** The primary objective of a business is to earn profit. Profit is the reward for the effort and risk undertaken by the entrepreneur and is essential for the survival, growth, and expansion of the business.
- **Uncertainty of Return:** While the aim is profit, the return on investment is always uncertain. There is no guarantee of profit, and there is always a possibility of incurring losses, no matter how well-planned the business is.
- **Element of Risk:** Risk is a fundamental characteristic of business. It refers to the uncertainty associated with an exposure to loss, caused by unfavorable or unexpected events such as changes in consumer preferences, increased competition, strikes, natural disasters, or theft. Risk cannot be eliminated, only minimized.

3. Compare business with profession and employment.

Basis of Distinction	Business	Profession	Employment
1. Mode of Establishment	Starts after the entrepreneur's decision and completion of legal formalities, if any.	Membership of a professional body and a certificate of practice are required.	Begins after receiving an appointment letter and entering into a service agreement.
2. Nature of Work	Provision of goods and services to the public.	Rendering of personalized, expert services.	Performing the work assigned by the employer as per the service contract.
3. Qualification	No minimum qualification is mandatory.	Specialized knowledge, training, and professional qualifications are	Qualification and training are as prescribed by the

		essential.	employer.
4. Reward or Return	The return is profit .	The return is a professional fee .	The return is salary or wages .
5. Capital Investment	Capital investment is required, depending on the size and nature of the business.	Limited capital is required for establishment (e.g., for a clinic or office).	No capital investment is required.
6. Risk	Profits are uncertain and irregular. Risk is high and always present.	Fees are generally regular and certain. The risk is relatively low.	Pay is fixed and regular. There is no or very little risk.
7. Transfer of Interest	Ownership can be transferred with some formalities.	Transfer of interest is not possible (e.g., a doctor cannot transfer their license).	Transfer of employment is not possible.
8. Code of Conduct	No prescribed code of conduct, though businesses are expected to follow ethical practices.	A professional code of conduct, laid down by the professional body, must be followed.	The norms of behavior are laid down by the employer in the service contract.
9. Example	A shop, a factory, a trading company.	A doctor, a lawyer, a chartered accountant.	A job in a bank, a government department, or a private company.

4. Define Industry. Explain various types of industries giving examples.

Definition: Industry refers to the part of business that is concerned with the production, processing, or manufacturing of goods. It involves the extraction of raw materials and the conversion of those materials into finished or semi-finished products, thereby creating form utility.

Types of Industries:

Industries are classified into three broad categories:

- **1. Primary Industries:** These industries are engaged in the extraction, production, and processing of natural resources. They provide the raw materials for secondary industries.
 - **a) Extractive Industries:** These industries extract or draw out products from natural sources like soil, water, or air. **Examples:** Mining (coal, iron ore), farming (wheat, cotton), lumbering, fishing, and hunting.
 - **b) Genetic Industries:** These industries are engaged in the breeding and multiplication of certain species of plants and animals with the object of earning profit from their sale. **Examples:** Nurseries, cattle breeding farms, poultry farms, and fish hatcheries.
- **2. Secondary Industries:** These industries use the raw materials produced by primary industries to create finished goods. They are also known as manufacturing or construction industries.
 - **a) Manufacturing Industries:** These industries are engaged in converting raw materials or semi-finished goods into finished products.
 - **Analytical Industry:** Analyzes and separates different elements from the same material. **Example:** An oil refinery separating crude oil into gasoline, diesel, and kerosene.
 - **Synthetical Industry:** Combines various ingredients to manufacture a new product. **Example:** The cement industry combining limestone, gypsum, etc.
 - **Processing Industry:** Involves successive stages for manufacturing a finished product. **Examples:** The sugar industry and the paper industry.
 - **Assembling Industry:** Assembles different finished components to make a new product. **Examples:** The manufacturing of cars, televisions, and computers.
 - **b) Construction Industries:** These industries are involved in the construction, erection, or fabrication of buildings, dams, bridges, roads, tunnels, and canals. They use products from manufacturing industries like cement, iron, and steel.
- **3. Tertiary Industries:** Also known as service industries, these provide support services that facilitate the activities of primary and secondary industries as well as trade.

- **Examples: Transport** (moves goods), **Banking** (provides finance), **Insurance** (covers risk), **Warehousing** (provides storage), and **Advertising** (provides information).

5. Describe the activities relating to commerce.

Commerce encompasses all those activities that are necessary to bring goods and services from the place of their production to the place of their consumption. It acts as the vital link between producers and consumers and is concerned with overcoming the various hindrances that arise during the process of exchange. The activities relating to commerce are divided into two main categories: Trade and Auxiliaries to Trade.

- **1. Trade:** Trade is the central activity of commerce and refers to the buying and selling of goods and services. It removes the hindrance of *persons* by making goods available to those who need them.
 - **Internal Trade:** Occurs within the geographical boundaries of a country. It can be **Wholesale Trade** (buying in bulk from producers to sell to retailers) or **Retail Trade** (selling in small lots to final consumers).
 - **External Trade:** Occurs between two or more countries. It can be **Import Trade** (buying from another country), **Export Trade** (selling to another country), or **Entrepot Trade** (importing for the purpose of exporting).
- **2. Auxiliaries to Trade (Aids to Trade):** These are the support services that make trade possible and smooth. They remove various barriers in the exchange process.
 - **Transport and Communication:** Removes the hindrance of *place*. Transport (road, rail, sea, air) moves raw materials to the factory and finished goods to the markets. Communication (postal services, telephone, internet) facilitates the quick exchange of information between producers, traders, and consumers.
 - **Banking and Finance:** Removes the hindrance of *finance*. Banks and financial institutions provide the necessary funds through loans, overdrafts, and credit facilities, which are essential for business operations. They also facilitate payments.
 - **Insurance:** Removes the hindrance of *risk*. Business is subject to risks like fire, theft, accidents, and damage. Insurance companies provide protection by compensating for losses in return for a nominal premium.
 - **Warehousing:** Removes the hindrance of *time*. There is often a time gap between the production and consumption of goods. Warehousing provides storage facilities to hold goods safely until they are demanded in the market, ensuring a steady supply.

- **Advertising and Public Relations:** Removes the hindrance of *information*. It is impossible for producers to personally contact every potential customer. Advertising informs consumers about the availability, features, and price of products, persuading them to buy.

6. Explain any five objectives of business.

While earning profit is a fundamental objective, a business must pursue a set of multiple objectives to ensure its long-term survival, growth, and prosperity. Five key objectives are:

1. **Market Standing:** This refers to the position of an enterprise in relation to its competitors. A business aims to build a strong identity and reputation in the market by providing competitive products and satisfying its customers. A good market standing helps in building goodwill and earning the trust of customers, which is crucial for long-term success.
2. **Innovation:** Innovation is the introduction of new ideas, methods, or improvements. It is essential for a business to survive and grow in a competitive environment. Innovation can take two forms: (i) innovation in products or services (offering new or improved goods) and (ii) innovation in the skills and activities needed to supply those products and services (e.g., new production techniques, new marketing strategies).
3. **Productivity:** Productivity is a measure of the efficiency of a business, calculated by comparing the value of its output with the value of its inputs. Every business must aim for greater productivity through the optimal use of its available resources (manpower, machines, materials, money). Higher productivity leads to lower costs and higher profits, ensuring the continuous survival and progress of the enterprise.
4. **Earning Profits:** Profit is the lifeblood of a business. One of the main objectives of any business is to earn a reasonable profit on the capital employed. Profit is essential for several reasons: it is a source of income for entrepreneurs, it provides funds for growth and expansion, it is an indicator of efficient performance, and it helps build the reputation of the business.
5. **Social Responsibility:** A business is a part of society and utilizes society's resources. Therefore, it has an obligation to operate in a socially desirable manner. This includes producing and supplying quality goods at fair prices, avoiding unfair trade practices, ensuring the safety of the environment, generating employment, and contributing to the general welfare of the community. Fulfilling social responsibilities helps a business gain public support and ensures its long-term sustainability.

7. Explain the concept of business risk and its causes.

Concept of Business Risk:

Business risk refers to the possibility of a business earning inadequate profits or even incurring losses due to uncertainties or unforeseen events. It is the chance that the actual return on an investment will be lower than the expected return. Risk is an inherent and unavoidable component of every business activity. The guiding principle "no risk, no gain" signifies that entrepreneurs undertake risks with the expectation of earning a profit as a reward. While risk

cannot be eliminated, it can be minimized through careful planning and strategies like insurance.

The nature of business risk is that it arises from uncertainties, is essential to business, its degree depends on the nature and size of the business, and profit is the reward for bearing it.

Causes of Business Risk:

Business risks arise from a variety of causes, which can be categorized as follows:

- **1. Natural Causes:** These are risks that arise from natural phenomena over which humans have little to no control. They can lead to heavy losses of life, property, and income in business.
 - **Examples:** Floods, earthquakes, lightning, heavy rains, famine, and other natural calamities.
- **2. Human Causes:** These risks are associated with the actions or inactions of people, including employees, customers, or the general public. They are often the result of unexpected events like human error or intent.
 - **Examples:** Dishonesty or carelessness of employees (e.g., theft), strikes and riots by the workforce, work stoppages due to management inefficiency, or power failures.
- **3. Economic Causes:** These risks are related to uncertainties in the market and the economy. They arise from changes in market conditions that can affect the profitability of a business.
 - **Examples:** Fluctuations in the demand for goods, increased competition, changes in prices of raw materials or finished goods, customers defaulting on payments, or changes in technology or production methods that make existing products obsolete. Financial problems like rising interest rates on borrowing or higher taxes also fall under this category.
- **4. Other Causes:** This category includes unforeseen events that do not fit into the above classifications.
 - **Examples:** Political disturbances that disrupt business operations, mechanical failures of critical machinery (like a boiler bursting), and fluctuations in currency exchange rates that can affect the profitability of import/export businesses.

8. What factors are to be considered while starting a business? Explain.

Starting a business is a complex process that requires careful planning and consideration of several key factors to ensure its success. The most important factors are:

1. **Selection of Type of Business:** The first step is to decide the nature and type of business to be established. This decision should be based on an analysis of customer

requirements in the market, the potential for profit, and the entrepreneur's own technical knowledge, interest, and experience.

2. **Size of the Business (Scale of Operations):** The entrepreneur must decide whether to set up a large-scale or a small-scale enterprise. This decision depends on the entrepreneur's confidence in the demand for the proposed product and their ability to arrange the necessary capital and other resources.
3. **Choice of Form of Ownership:** The legal form of the business must be chosen, such as a sole proprietorship, partnership, or a joint-stock company. This decision is critical as it affects aspects like liability, control, capital raising, and legal formalities.
4. **Location of Business Enterprise:** The choice of location is a crucial factor that can impact the cost and convenience of operations. It should be based on the availability of raw materials and labor, power supply, and essential services like banking, transport, communication, and warehousing.
5. **Financing the Proposition:** Finance is the lifeblood of any business. The entrepreneur must carefully plan the total capital required for the business. This includes funds for fixed assets (land, buildings, machinery) and working capital for current assets and day-to-day expenses. The sources from which this capital will be raised must also be determined.
6. **Physical Facilities:** This involves deciding on and arranging for the physical assets required for the business, such as machines, equipment, buildings, and other supportive infrastructure. This decision depends on the nature and size of the business, the production process, and the availability of funds.
7. **Competent and Committed Workforce:** No business can run without people. The entrepreneur needs to plan for the recruitment, selection, training, and motivation of skilled and unskilled workers, as well as managerial staff, to ensure they give their best performance.
8. **Tax Planning:** Tax laws have a significant influence on business operations and profitability. The entrepreneur must consider the various tax liabilities (e.g., GST, income tax) and plan accordingly in advance to optimize the tax burden.
9. **Launching the Enterprise:** After making decisions on all the above factors, the entrepreneur can finally launch the business. This involves mobilizing all the resources, completing the necessary legal formalities, starting the production process, and initiating a sales promotion campaign to bring the product to the market.