**1.PUBLIC AND PRIVATE SECTOR**

* PUBLIC SECTOR→is made up of organizations which are owned or controlled by central or local government. Public goods are provide by public sector. Public goods are goods where consumption by one person doesn't reduce the amount available to others. The public sector consist of public corporations, natinalised industries, local authority services, central government departments.
* PRIVATE SECTOR→includes all those businesses which are set up by individuals or groups of individuals. Businesses are divided into businesses with unlimited liability (sole proprietorship, partnership) and limited liability (private limited company, public limited company)

**2. PRIVATISATION**

Privatisation means relying less on government to meet people's needs for good and services, and more on private institutions such as market place. An oft-stated aim is to bring more effeciency out of enterprise being privatized, make the economy in general more productive, raise money. Disadvantage of privatisation are layoffs of workers.

**3. ECONOMICS VS. ECONOMY**

Economics→the study of the way in which wealth is produced and used. The law of scarcity tell us that people want to consume more than an economy can produce and that economic goods are scarce or limited in supply.

Economy→an organized system for the production, distribution and consumption of wealth. Economy tell us to be thrifty, careful and efficient use of money, goods etc.

**4. ENTREPRENEURSHIP**

Entrepreneurs are people who are dreamers, unemployables. By the time they have earned the respect of the bussiness community. Entrepreneurs needs to see goal. And tho goal is simple; you get an idea, you identify your costumer, you make a sell.

Entrepreneur must have some qualities. They must be driven, intuitive, determined, dynamic, self-confidence... Some most famous entrepreneurs are: Anita Roddick, Steve Jobs, Oprah Winfrey, Richard Branson, Nicolas Hayek etc.

**5. COMPANY STRUCTURE**

Most organizations have a hierarchical structure, with one person or a group of the people at the top, and an increasing number of people below them at each successive level.There is a clear chain of command running down the pyramid. All people know who are their superiors and who are their subordinates. Some people in organization have collegues who help them. This is known as staff position. Functional structure of organization is type of organization which include production, finance, sales, human resources. Large organizations have divisions. Each division had it own engineering, production and sales departments. The matrix structure is structure in which people report to more than one superior. And temporary groups or teams are responsible for an entire project.

**6. MANAGEMENT**

Five functions of managers are setting objectives, organizing, measuring the prefomance of their staff, develop people and practise the social skills of motivation ana communication. The job of top manager is to consider the needs of the future, they take resposibility for innovation, they have to manage a business relation with costumers, distributors, bankers etc. Top managers are appointed and supervised and dismissed by company's board of directors.

**7. RECRUITMENT**

When job candidate want to get a job, he:

1. read ads about about vacancies
2. study the job description
3. decide to apply for a job
4. write a letter of a job application
5. enclose a CV
6. provide references
7. hope to be short-listed i.e. selected for an interview
8. attend an interview
9. fill a vacancy

What companies do?

1. advertise the vacancy
2. receive applications , CV, and make preliminary selection
3. follow up the references of candidates who seem interesting
4. invite short-listed candidates for an interview
5. write to all the other candidates to inform the that they have been unsuccessful
6. make a final selection

**8. Theories of motivation**

Douglas McGregor outlined two opposing theories of motivation→theory x, theory y.

Theory X tell us that people are lazy and dislike work, and they have to be threatened and rewarded. People don't want to take responsability. On the other hand Theory Y assumes that people have psychological need to work and want achievement and responsibility. Then there are things which satisfy and motivate workers. Satisfiers are things like good labour relations, good working conditions, good wages and benefits, job security. Motivators include things such as having a challenging an interesting job, recognition and responsibility, promotion etc.

Maslow shows his theory which tell us something more about peoples needs. In his hierarchy he shows physiological needs, safety, love/belonging, esteem, self-actualization.

**9. MARKETING**

Marketers have to identify, anticipaty and satisfy a consumer need. They develop product, persuade target customers to try the product. The aim of marketing is to make selling superfluous i.e. not necessery, redundant. Marketing is distinguish between selling and marketing. Selling concept assumes that resisting consumers have to be persuaded by hard-selling techniques to buy non-essential goods. Products are sold rather than bought. Marketnig concept assumes that the producer's task is to find wants and fill them. You don't sell what you make, you make what will be bought. There is marketing mix which includes „Four Ps“: price, promotion, place and product.

**10. PRODUCTS**

Product is any thing capableof satisfying a need or want. Physical products can usually be augmented by benefits such as costumer advice, delivery, warranty, maintenance. Brand is a distinguishing symbol, mark, logo that company use to distinguish their product from others in the market. Multi-brand strategy allows producers to compete in various market segments, and to fill shelfs in shops, thereby leaving less room for competitors. Large numbers of products are divided into producto lines. Product lines consist of severla product, often distinguished by brand names. Product mix consist of company's name, brands and products. Product has four stages in his life cycle :introduction, growth, maturity and decline. Line-stretching is lenghtening a product line by moving either up-market or down-market. Line filling means adding further items in that part of a product range which a line already covers. Niche is small but specialize part of market.

**11. ADVERTISING**

Advertising informs customers about the existance and benefits of products and services, and attempts to persuade them to buy them. The best form of advertising is probably word-of-mouth advertising, which occurs when people tell their friends about the benefits od product. Prestige advertising is designed to build up their reputation rather than sell products. The client company gives to advertising ageny an agreed budget,a brief and an overall advertising strategy. The ageny creates advertisments and develops media plan specifying which media will be used in which proportions. Then there is treshold effect which represent the point at which advertising become effective. To spend on advertising companies use two metods. One of them is comparative-parity method in the other hand they set their ad budget at a certain percentage of current sales revenue.

**12. PROMOTIONAL TOOLS**

Promotional tools are divided into four tools: advertising, public relations, sales promotion and personall selling. Public relations is concerned with maintaning, improving or protecting the image of a company or product. The most important element of PR is publicity. Sales promotions such as free samples, coupons, price reduction and so on, are temporary tactics designed to stimulate either earlier or stronger sales of a product. Personal selling prospects for costumers, spreads information information about company's products or services. Also it the most expensive tools.

**13. LABOUR RELATIONS**

Labour unions are organizations that attempt to represent workers' interests.

They negotiate with employers about the wages, working hours and working conditions of their members. There is some industrial actions: strike, work-to-rule, go-slow, picketing, collective bargaining. Strike is a stoppage of work, as a protest against working conditions. Work-to rule deliberately obeying every regulation in an normal organization, which severaly disrupts normal operations. Go-slow is a deliberate reduction in the rate of production. Picketing is to protest outside a factory or other work place, and try to persuade workers and delivery drivers not to enter. Collective bargaining is negotiations between unions and employers about workers wages and working conditions.

**14. EFFICIENCY AND EMPLOYMENT**