CEP Phase -2 (2024-25)

Subject : Business Studies

Class : 10+1

1. What is Business?

Answer: Business refers to the organized effort of individuals to produce and sell goods and services for profit. It involves activities like production, marketing, and distribution of goods and services.

2. What are the two types of Business Activities?

Answer: The two types of business activities are:

- **Industry**: Concerned with the production of goods and services.
- **Commerce**: Deals with the buying and selling of goods and services, and the activities related to it (such as transport, insurance, banking, etc.).

3. What is the meaning of 'Trade'?

Answer: Trade is the activity of buying and selling goods and services. It can be classified into two categories:

- **Internal Trade**: Trade within the country (local trade).
- **External Trade**: Trade between different countries (international trade).

4. Differentiate between Commerce and Trade.

Answer: Commerce is a broader term that includes all activities related to buying, selling, and exchange of goods and services. It also covers activities such as transport, banking, insurance, and warehousing.

- **Trade** is a part of commerce that specifically deals with the buying and selling of goods and services.

5. What is Retail Trade?

Answer: Retail trade refers to the sale of goods in small quantities to the end customers for personal use. Retailers buy goods from wholesalers and sell them to consumers.

6. What is a Wholesale Trade?

Answer: Wholesale trade refers to the buying and selling of goods in large quantities, typically to retailers, for resale. Wholesalers do not sell directly to the final consumer.

7. What is meant by E-commerce?

Answer: E-commerce refers to the buying and selling of goods and services over the internet. It involves online transactions between businesses and consumers or between businesses.

8. What is an Industry?

Answer: An industry is a group of businesses that are involved in the production of similar goods or services. For example, the automobile industry or the textile industry.

9. Define the term 'Transport'.

Answer: Transport refers to the movement of goods and services from one place to another. It plays an essential role in trade and commerce, ensuring that goods reach their destination.

10. What is meant by 'Warehousing'?

Answer: Warehousing refers to the process of storing goods until they are needed for sale or distribution. It is an essential part of the supply chain

1. **Sole Proprietorship:** A sole proprietorship is a business owned and operated by a single individual. The owner has full control over the business and its profits but also bears unlimited liability.
2. **Partnership:** A partnership is a business organization where two or more individuals share ownership and management. Partners share the profits, losses, and responsibilities of the business. The liability of partners can be limited or unlimited, depending on the agreement.
3. **Corporation (Joint Stock Company):** A corporation or joint stock company is a legal entity that is separate from its owners. It has its own rights, can enter into contracts, and is owned by shareholders. Shareholders have limited liability, meaning their personal assets are protected.
4. **Cooperative Societies:** A cooperative society is a voluntary association of people formed to promote mutual welfare. It is based on the principle of self-help and mutual cooperation, where members contribute and share profits equally.
5. **Limited Liability Partnership (LLP):** An LLP is a hybrid form of business organization that combines the features of both a partnership and a corporation. Partners have limited liability, meaning they are not personally responsible for the debts of the business beyond their investment.

1. What is a Private Sector Enterprise?

Answer: Private sector enterprises are owned, managed, and controlled by private individuals or groups of individuals. The main objective of these enterprises is to earn profit. Examples include small businesses, partnerships, and private limited companies.

Characteristics:

- Owned and controlled by private individuals.
- The primary goal is profit maximization.
- Limited government interference.
- Flexibility in operations and decision-making

2. What is a Public Sector Enterprise?

Answer: Public sector enterprises are owned, managed, and controlled by the government. These enterprises are set up to serve the public interest and provide essential services that may not be profitable for private enterprises.

Characteristics:

- Owned and controlled by the government.
- Aimed at providing public welfare rather than just profit.
- Funded through taxpayers' money.
- Examples: Indian Railways, Oil and Natural Gas Corporation (ONGC), etc.

3. What are Global Enterprises?

Answer: Global enterprises are large companies that operate in multiple countries. They have a significant presence in various international markets and are involved in business operations across the globe. These companies are also called multinational corporations (MNCs).

Characteristics:

- Operate in several countries.
- Have a global reach and market.
- Often have subsidiaries, branches, or joint ventures in different countries.
- Examples: Apple, Microsoft, Coca-Cola, etc.

4. What are the Objectives of Public Sector Enterprises?

Answer: The main objectives of public sector enterprises are:

- **Economic development**: Contributing to the development of various sectors of the economy.
- **Welfare of citizens**: Ensuring equitable distribution of resources and services to all sections of society.
- **Employment generation**: Creating jobs for a large section of the population.
- **Providing essential goods and services**: Supplying goods and services that are important for national development (e.g., defense, infrastructure).

5. What are the Types of Public Sector Enterprises in India?

Answer: In India, public sector enterprises are categorized into the following types:

- **Departmental Undertakings**: These are government departments that carry out commercial activities. Example: Indian Railways, Posts and Telegraphs.
- **Public Corporations**: Established by the government but have a separate legal identity. Example: Air India, State Bank of India (SBI).
- **Government Companies**: These are companies in which the government holds more than 51% of the equity. Example: ONGC, Bharat Heavy Electricals Limited (BHEL).

6. What is the Role of Private Enterprises in the Economy?

Answer: Private enterprises play a crucial role in the economy, including:

- **Economic Growth**: They contribute to GDP growth by producing goods and services.
- **Employment**: They create job opportunities for skilled and unskilled labor.
- **Innovation**: They are often at the forefront of innovation and technological advancements.
- **Efficient Resource Utilization**: Due to profit motives, private enterprises are more efficient in utilizing resources.

7. What are the Advantages of Global Enterprises?

Answer: Global enterprises provide several advantages:

- **Economies of Scale**: Larger scale operations lead to cost savings.
- **Market Expansion**: They have access to global markets.
- **Capital Availability**: They can raise capital from international markets.
- **Transfer of Technology**: They bring advanced technology to various regions.
- **Employment Opportunities**: MNCs often create jobs in multiple countries.

8. Difference Between Private and Public Sector Enterprises

Criteria	Private Sector	Public Sector
Ownership	Owned by private individuals or companies	Owned by the government
Control	Controlled by private owners	Controlled by the government
Objective	Profit maximization	Public welfare and service
Funding	Private capital or loans	Government funds (taxpayers' money)
Examples	Reliance Industries, Tata Group	Indian Oil Corporation, BSNL

9. What is the Significance of Global Enterprises?

Answer: Global enterprises have a significant impact on both the global economy and local economies. Their significance includes:

- **Promoting Trade**: They enhance international trade by providing products and services across borders.
- **Technology Transfer**: They introduce new technologies to developing countries.
- **Cultural Exchange**: They often contribute to cultural exchange and global awareness.

- **Job Creation**: They generate employment in various countries where they operate.
- **Q:** What is the process of offering services to satisfy customer needs? **A:** Service Marketing
- **Q:** What is the term for the right to use a trademark, patent, or brand name for a period of time? **A:** Franchise
- **Q:** What is the term for a service that cannot be seen or touched but can be experienced? **A:** Intangibility
- **Q:** Which service helps in the transfer of funds from one place to another? **A:** Banking
- **Q:** What is the process of delivering goods or services to consumers on a timely basis? **A:** Logistics
- **Q:** What do we call a business entity that provides services related to health and well-being? **A:** Healthcare
- **Q:** What is the term used for services that help customers obtain their desired goods? **A:** Retailing
- **Q:** What refers to the process of managing and transferring risks? **A:** Insurance
- **Q:** What is the term for the assistance provided in the form of information about products and services? **A:** Customer Support
- **Q:** What is the type of service which includes communication services like telephone, internet, etc.? **A:** Telecommunication
- **Q:** What is the term for an agreement between two parties where one party provides services in exchange for payment? **A:** Contract
- **Q:** What do we call a professional who assists in managing legal matters? **A:** Lawyer
- **Q:** What is the term used for a written agreement between an employer and an employee? **A:** Employment Contract
- **Q:** What do we call a business that provides financial services, including loans and deposits? **A:** Bank
- **Q:** What is the term for services provided by educational institutions? **A:** Education

Emerging Modes of Business refer to the new and evolving ways in which businesses operate and interact with customers in the modern world. With technological advancements and globalization, businesses are adopting innovative methods to enhance efficiency, reach wider markets, and adapt to changing consumer preferences. Some emerging modes of business include:

1. **E-Business**: Conducting business transactions over the internet. This includes e-commerce (buying and selling goods online) and e-services (providing services like online banking, education, and consulting).
2. **Digital Marketing**: The use of digital channels such as social media, search engines, websites, and email to market products and services.
3. **Mobile Commerce (M-Commerce)**: The buying and selling of goods and services through mobile devices like smartphones and tablets.
4. **Social Entrepreneurship**: Businesses that are created to address social issues, combining profit-making with social value creation.
5. **Freelancing and Gig Economy**: Independent workers offering their services on a temporary or contract basis, often through digital platforms (like Uber, Upwork, etc.).
6. **Cloud Computing**: Businesses are increasingly using cloud platforms for storing data, running software applications, and managing resources remotely.

7. **Blockchain and Cryptocurrencies**: Blockchain technology and digital currencies are emerging as new business tools for secure transactions and decentralized business models.

Social Responsibilities of Business

1. **What is meant by social responsibility of business?**
   Answer: Social responsibility of business refers to the obligation of a business to act in ways that serve the interests of society as well as the business. It involves contributing to economic development while improving the quality of life of employees, their families, and the community.
2. **Why is social responsibility important for businesses?**
   Answer: Social responsibility is important because it helps businesses:
   - Build trust and reputation.
   - Contribute to societal well-being.
   - Gain customer loyalty.
   - Ensure environmental sustainability.
3. **Mention any two examples of social responsibility of business.**
   Answer: Ensuring safe and fair working conditions for employees.
   - Reducing environmental pollution by adopting sustainable practices.
4. **State the four areas of social responsibility of business.**
   Answer:
   - Responsibility towards owners.
   - Responsibility towards employees.
   - Responsibility towards consumers.
   - Responsibility towards the community and environment.
5. **What are the arguments against social responsibility?**
   Answer:
   - It diverts focus from profit maximization.
   - Increases the cost of doing business.
   - Social responsibility is the government's role, not businesses'.

Business Ethics

6. **What is meant by business ethics?**
   Answer: Business ethics refers to the moral principles and standards that guide behavior in the world of business. It involves doing what is right and fair in business practices.
7. **Why are ethics important in business?**
   Answer: Ethics are important because they:
   - Build customer trust.
   - Foster employee loyalty.
   - Prevent legal issues.
   - Enhance the company’s reputation.
8. **Mention two examples of ethical business practices.**
   Answer:
   - Providing accurate and transparent information to customers.
   - Avoiding exploitation of workers or child labor.

9. **What are the main principles of business ethics?**
   Answer:
   - Honesty and transparency.
   - Respect for all stakeholders.
   - Accountability for actions.
   - Fair treatment of employees and customers.
10. **Differentiate between ethics and law in business.**
    Answer:

- Ethics refers to moral guidelines, while the law refers to legal rules.
- Ethics is voluntary, while laws are mandatory and enforceable by authority.

Stages in the Formation of a Company:

1. **Promotion Stage**:
   - **Promoter's Role**: A promoter is a person or a group who takes the initiative to form a company. They are responsible for identifying business opportunities, raising capital, and drafting the necessary documents.
   - **Preparation of Documents**: The promoter prepares a feasibility report, drafts the Memorandum of Association (MOA), and Articles of Association (AOA) which outline the objectives and rules of the company.
2. **Incorporation Stage**:
   - **Application for Registration**: Once the documents are ready, the promoter applies for the registration of the company with the Registrar of Companies (ROC).
   - **Filing of Documents**: The following documents are submitted:
     - Memorandum of Association (MOA)
     - Articles of Association (AOA)
     - Consent of directors
     - Declaration of compliance
   - **Certificate of Incorporation**: Upon verification of the documents, the ROC issues a **Certificate of Incorporation**, which marks the formal birth of the company. This certificate includes the company’s name, registration number, and date of incorporation.
3. **Subscription Stage**:
   - **Allotment of Shares**: Once the company is incorporated, the promoter invites the public to subscribe for shares in the company. This is called the subscription of shares, where investors purchase shares in return for ownership.
   - **Minimum Subscription**: The company must meet the minimum subscription requirements for it to commence operations. If the minimum is not met, the company cannot begin business.
4. **Commencement of Business**:
   - **Certificate of Commencement**: For a public company, after obtaining the certificate of incorporation, the company can apply for a certificate of commencement of business from the ROC.
   - **Start of Operations**: Once this certificate is issued, the company can commence its business activities.

- **Sale of Assets**: Selling any non-essential assets can provide funds for business growth.
  - *Sample Question*: How does the sale of assets serve as a source of business finance?
  - *Answer*: The sale of assets provides immediate cash flow, which can be used for business expansion or other financial needs. It reduces long-term liabilities but may affect business operations if critical assets are sold.

2. External Sources

- **Short-Term Sources**
  - **Bank Overdraft**: A facility that allows a business to withdraw more than what is available in its bank account.

: A bank overdraft is a credit facility offered by banks that allows businesses to withdraw more money than they have in their accounts up to a certain limit. It is a short-term financing tool that helps businesses manage liquidity issues.

  - **Trade Credit**: This involves buying goods or services on credit, where the business pays after a certain period.
    - *Sample Question*: What is trade credit? How is it beneficial to businesses?
    - *Answer*: Trade credit is an arrangement where a supplier allows the business to buy goods and pay for them later, usually within 30 to 90 days. This helps businesses maintain working capital and manage cash flow efficiently.
- **Long-Term Sources Equity Shares**: Issuing shares to the public to raise capital. The shareholders become part-owners of the company.
    - *Sample Question*: How do equity shares act as a source of finance for a business?
    - *Answer*: Equity shares allow a company to raise capital from the public by selling ownership stakes. This is a long-term source, as shareholders have ownership and receive dividends. However, it does not create an obligation for the company to repay the money raised.
  - **Debentures**: Bonds issued by a company that promise to pay interest periodically and return the principal amount after a specified period.
    - *Sample Question*: What are debentures? How do they help in raising long-term finance?
    - *Answer*: Debentures are debt instruments issued by a company to raise capital. They promise regular interest payments and repayment of the principal amount after a certain period. Unlike equity, debenture holders are creditors, not owners.
  - **Loans from Financial Institutions**: Businesses can borrow funds from banks and other financial institutions for a longer period.
    - *Sample Question*: Explain how loans from financial institutions help a business.
    - *Answer*: Loans from financial institutions provide long-term funding to businesses for expansion, capital expenditure, or other investments. These loans are repaid in installments, with interest, over a set period.

3. Other Sources

- **Venture Capital**: Investment by private investors in businesses, especially start-ups, in exchange for equity.
    - *Sample Question*: What is venture capital? How does it work as a source of business finance?
    - *Answer*: Venture capital is investment provided by private equity firms or individual investors to start-ups or early-stage companies with high growth potential. In return, the investors receive equity shares in the company.
- **Public Deposits**: Money raised from the general public through fixed deposits.
    - *Sample Question*: What are public deposits, and how do they serve as a source of finance for business?
    - *Answer*: Public deposits involve collecting funds from the public through deposits. These are typically short to medium-term funds that are used by companies to meet financial requirements.

1. What do you understand by MSME?

Answer: MSME stands for Micro, Small, and Medium Enterprises. These are businesses categorized based on their investment in plant and machinery (for manufacturing enterprises) or equipment (for service enterprises). MSMEs are crucial for economic development because they contribute significantly to employment, innovation, and GDP.

- **Micro Enterprises**: Investment in plant and machinery does not exceed ₹1 crore.
- **Small Enterprises**: Investment in plant and machinery ranges from ₹1 crore to ₹10 crore.
- **Medium Enterprises**: Investment in plant and machinery ranges from ₹10 crore to ₹50 crore.

2. What is the role of MSMEs in the Indian economy?

Answer: MSMEs play a vital role in the economic development of India by:

- Providing employment to a large section of the population.
- Contributing to the GDP of the country.
- Promoting rural entrepreneurship.
- Reducing regional disparities by encouraging local industries.
- Boosting exports and fostering innovation.

3. What are the challenges faced by MSMEs?

Answer: MSMEs face several challenges, such as:

- **Financial Constraints**: Difficulty in accessing credit and high-interest rates.
- **Lack of Technology**: Limited access to advanced technologies and innovation.
- **Marketing Problems**: Difficulty in reaching global markets and brand recognition.
- **Regulatory Hurdles**: Complicated paperwork and compliance with government regulations.

- **Competition from Large Enterprises**: Struggling to compete with larger companies with more resources.

4. What do you understand by Entrepreneurship?

Answer: Entrepreneurship is the process of identifying a business opportunity, gathering necessary resources, and taking risks to create a new business or venture. An entrepreneur is someone who identifies opportunities, organizes resources, and leads the business to success.

5. Explain the characteristics of an Entrepreneur.

Answer:Key characteristics of an entrepreneur include:

- **Innovation**: Ability to introduce new ideas, products, or services.
- **Risk-taking**: Willingness to take calculated risks to achieve business goals.
- **Decision-making ability**: Ability to make quick and effective decisions.
- **Leadership**: Ability to lead, motivate, and manage a team.
- **Vision**: Focused on long-term goals and growth.
- **Persistence**: Overcoming failures and challenges to reach business goals.

6. What are the different types of entrepreneurship?

Answer: Entrepreneurship can be categorized into several types:

- **Small Business Entrepreneurship**: Involves small-scale businesses serving local markets.
- **Scalable Startup Entrepreneurship**: Entrepreneurs who build companies to scale rapidly.
- **Large Company Entrepreneurship**: Large companies that establish new divisions or subsidiaries to develop innovative products.
- **Social Entrepreneurship**: Focuses on solving social problems while making a profit.
- **Innovative Entrepreneurship**: Involves introducing new products or services to the market.

7. What is the difference between an Entrepreneur and a Manager?

Answer: **Entrepreneur**: A person who starts and manages a business venture, often taking risks and innovating.

- **Manager**: A person who is employed to manage the operations of a business, ensuring the efficient use of resources and the achievement of organizational goals.

8. What is the importance of Business Plan for an Entrepreneur?

Answer: A business plan is essential because:

- It provides a clear roadmap for the business.

- Helps attract investors and secure funding.
- Defines the business's goals, strategies, and financial projections.
- Guides decision-making and risk management.
- Helps in monitoring progress and performance.

9. What are the steps involved in starting a new business?

Answer: The steps include:

1. **Identifying a Business Idea**: Research and identify an opportunity.
2. **Creating a Business Plan**: Outline goals, resources, and strategies.
3. **Securing Finance**: Seek funding through loans, investors, or personal savings.
4. **Choosing a Business Structure**: Decide on the legal structure (sole proprietorship, partnership, etc.).
5. **Registering the Business**: Register with the relevant government authorities.
6. **Setting up Operations**: Arrange for the location, suppliers, and equipment.
7. **Marketing and Promotion**: Plan marketing strategies to attract customers.

1. What is International Business?

Answer: International business refers to the commercial activities that involve the exchange of goods, services, or resources across national borders. This includes trade, investment, and the establishment of foreign subsidiaries or branches.

2. What are the types of international business?

Answer: **Import Trade**: Buying goods and services from foreign countries.

- **Export Trade**: Selling goods and services to foreign countries.
- **Entrepot Trade**: Goods are imported into one country and then re-exported to another.
- **International Investment**: Investment in foreign countries through foreign direct investment (FDI) or foreign portfolio investment (FPI).

3. What is the difference between International Trade and International Business?

Answer: **International Trade** is a part of international business that focuses only on the buying and selling of goods and services between countries.

- **International Business** encompasses a wider range of activities including trade, investment, and licensing across borders.

4. What is the role of the World Trade Organization (WTO)?

Answer: The World Trade Organization (WTO) is an international body that governs global trade. Its role includes:

- Facilitating trade negotiations and agreements between countries.
- Resolving trade disputes.
- Setting rules for international trade and promoting fair competition.
- Ensuring that trade flows smoothly, predictably, and freely.

5. What are the factors affecting International Business?

Answer: **Economic Factors**: Exchange rates, inflation rates, and economic stability.

- **Political Factors**: Government policies, political stability, and regulations.
- **Legal Factors**: Laws governing trade, intellectual property rights, and tariffs.
- **Cultural Factors**: Differences in language, values, customs, and business practices.
- **Technological Factors**: Advancements in communication, transportation, and technology.

6. What is Foreign Direct Investment (FDI)?

Answer: Foreign Direct Investment (FDI) refers to an investment made by a firm or individual in one country into business interests located in another country. This can be through the acquisition of assets or establishing a subsidiary or joint venture.

7. What is Multinational Corporation (MNC)?

Answer: A Multinational Corporation (MNC) is a company that operates in more than one country, managing production or delivering services in multiple countries. MNCs have offices, branches, or subsidiaries in several countries and often influence global markets.

8. What is the importance of International Business?

Answer: International business is important because:

- It helps in the growth of economies by facilitating trade and investment.
- It enables companies to access new markets and resources.
- It fosters global cooperation and cultural exchange.
- It enhances competition, which leads to better products and services.

9. What is the meaning of 'balance of trade'?

Answer: The balance of trade refers to the difference between the value of a country's exports and imports over a specific period. If exports exceed imports, it is a trade surplus, and if imports exceed exports, it is a trade deficit.

10. What are the barriers to international trade?

Answer: **Tariffs**: Taxes imposed on imports to protect domestic industries.

- **Non-Tariff Barriers**: Restrictions like quotas, subsidies, and licensing requirements.

- **Cultural Barriers**: Differences in language, religion, and consumer preferences.
- **Political Barriers**: Trade restrictions imposed by governments for political reasons.
- **Economic Barriers**: Currency fluctuations, inflation, and economic instability.

Social Responsibility of Business and Business Ethics

Both **Social Responsibility of Business** and **Business Ethics** are important concepts in modern business practices. They focus on the ethical and social obligations that businesses have toward society, the environment, and their stakeholders. In Class 11, these topics are often discussed in the **Business Studies** curriculum under chapters related to business environment and responsibilities.

1. Social Responsibility of Business (CSR)

Social Responsibility refers to the obligation of businesses to contribute to the welfare of society, beyond their profit-making objectives. It involves considering the impact of business operations on various stakeholders and the environment.

Categories of Social Responsibility:

1. **Economic Responsibility**:
    - Businesses must be profitable and create value for their shareholders, customers, and employees. However, profits should not be generated at the expense of unethical practices or exploitation.
2. **Legal Responsibility**:
    - Businesses should comply with all applicable laws and regulations, such as labor laws, environmental laws, tax regulations, etc.
3. **Ethical Responsibility**:
    - Businesses should operate in an ethically sound manner, going beyond legal compliance. This includes fair treatment of employees, fair competition, honest advertising, and avoiding any form of corruption or dishonesty.
4. **Discretionary Responsibility**:
    - This is the voluntary or philanthropic aspect, where businesses contribute to society through charitable donations, community development programs, or environmental sustainability efforts.

Importance of Social Responsibility:

- **Enhances public image**: Ethical practices improve the business's reputation.
- **Builds trust with stakeholders**: Customers, investors, and employees are more likely to support socially responsible businesses.
- **Sustainability**: It helps in promoting environmental sustainability and preventing long-term ecological damage.
- **Attracts better talent**: Many employees prefer working for companies that align with their values.

2. Business Ethics

Business Ethics refers to the moral principles and standards that guide the behavior of businesses in the marketplace. It involves distinguishing between right and wrong and ensuring that business practices align with societal values and expectations.

1. Owner's Funds (Internal Sources)

- **Equity Capital**: Money invested by the owners or shareholders.
- **Retained Earnings**: Profits not distributed as dividends but kept for reinvestment.
- **Sale of Assets**: Selling old or unused assets to generate cash.

2. Borrowed Funds (External Sources)

- **Loans**: Borrowing money from banks, financial institutions, or individuals for a fixed period at a predetermined interest rate.
- **Overdrafts**: A short-term loan where businesses can withdraw more money than their account balance, usually with a higher interest rate.
- **Debentures**: Debt instruments issued by companies to raise funds. They promise repayment with interest over time.

3. Trade Credit

- This is credit extended by suppliers allowing businesses to buy goods and pay for them later. It's a short-term source of finance.

4. Advances from Customers

- Businesses receive payments in advance from customers for goods or services that will be delivered in the future.

5. Public Deposits

- Businesses can raise funds by accepting deposits from the general public for a fixed period, with interest paid to the depositors.

6. Venture Capital

- Investments made by venture capital firms in a business in exchange for equity. This is especially useful for startups.

7. Factoring and Forfeiting

- **Factoring**: Selling receivables (accounts receivables) to a third party (factor) at a discount.
- **Forfeiting**: Selling export receivables to a forfaiter to raise funds.

8. Issue of Shares

- Companies can raise funds by issuing equity or preference shares to the public or existing shareholders. This is a long-term source of finance.

9. Grants and Subsidies

- Financial assistance provided by the government or non-governmental organizations for specific purposes like research, development, or expansion.

10. Crowdfunding

- Raising small amounts of money from a large number of people, typically via online platforms, for a business venture or project
- **Differences Between Social Responsibility and Business Ethics:**

Aspect	Social Responsibility	Business Ethics
Definition	The duty of businesses to contribute to the welfare of society.	The moral principles that guide business behavior.
Focus	Focuses on society and environmental issues.	Focuses on individual business practices and moral conduct.
Scope	Broad – includes economic, legal, ethical, and discretionary duties.	Narrow – focuses on ethical issues in daily business operations.
Examples	Charitable contributions, sustainability programs.	Fair treatment of employees, anti-corruption policies.