



According to Minimum Uniform Syllabus Prescribed by
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Business Organisation

Dr. Pardeep Kumar



SULTAN CHAND & SONS

Business Organisation

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PREFACE

“The entrepreneur always searches for change, responds to it, and exploits it as an opportunity”.

Peter F. Drucker

Businesses create wealth in the economy by adding value to the inputs they use. The mission of business development is to generate profits. The focus is identifying business opportunities in the marketplace. The goal is to generate profits by creating businesses to exploit market and business opportunities. The creation of economic activity is of secondary importance. Any business is a risky endeavor with an uncertain life expectancy. It has been, and should remain, a driver of innovation, a creator of wealth, a harbinger of economic freedom. The fundamental role of business has remained relatively constant: providing the goods and services that people need or want. What has changed dramatically over time are the expectations placed on businesses. Business derives its social legitimacy and right to operate from the economic value it creates for society at large, from its performance for investors and a wider network of constituencies, its partnership with governments and other agents in solving social problems, and the trust its leadership inspires in employees and society as a whole. The existence and expansion of business are justifications of the importance of business. Business provides a lot of services to the human beings that highlight its significance. Business makes the best possible use of scarce resources such as men, machines and materials for the production of goods. Business is basically a group activity and management plays an important role in making it more effective. A business enterprise operates in a constantly changing environment and this creates risk as well as provides opportunities for growth. A conducive and encouraging environment is indispensable for any business. Today, businesses are competing in a very different environment than they were only a few years ago. Rapid changes such as global competition, e-business, the Internet, and advances in technology have required businesses to adapt their standard practices. Business organization is critical to understand through which companies can succeed in this competitive landscape. The 21st century has brought with it a new workplace, one in which everyone must adapt to a rapidly changing society with constantly shifting demands and opportunities. The economy has become global and

is driven by innovations and technology; organizations have to transform themselves to serve new customer expectations. Today's economy presents challenging opportunities as well as dramatic uncertainty. Fundamental to the success of any business organization is its relationship with customers. In this century, the relationship between companies and their customers is in a period of profound change. Technology, globalization, ethical concerns, corporate strategic decisions, and a host of other issues have created a revolution in the business environment. The book provides an in-depth study of all aspects of business which is relevant to today's business environment.

This text book has been written in a simple, concise and comprehensive manner so that the readers get a better idea about this field. This book has been designed to be an effective learning tool. The pedagogical features of this edition include:

- (a) This text book is written with a minimum of technical terminology and the format is clearly structured in accordance with the syllabus of University of Delhi. Attention has been focused on the overall plan and sequence of contents between and within chapters for a clearer, more succinct format. The subject matter has been presented in a simple language to provide better understanding of business organisation concepts and practices.
- (b) Adequate emphasis has been given to conceptual clarity and application of basic concepts to satisfy the learning outcomes: (i) Understand the dynamics of business organisations. (ii) Describe the various forms of business organisations. (iii) Understand varied perspectives related to business environment and entrepreneurship. (iv) Appreciate the change in working pattern of modern organisations.
- (c) Learning outcomes in the beginning of each chapter to give a bird's eye view of the contents.
- (d) The important aspects of this book are the use of diagrams, exhibits, tables, and figures to make the complex topics self-explanatory. The examples have been given at appropriate places in the book to make the subject more interesting for the students. The textual matter is liberally interspersed with illustrations taken from the Indian context. Examples provide an additional elaboration of complex theoretical issues and offer the students a wider coverage of practical tools to understand the management as a subject.
- (e) Important questions are given at the end of each chapter for students to test their knowledge and understanding of the topics covered in the chapter. Theory-based text questions enable the readers to analyse, evaluate and predict the prospects for various marketing concepts and practices.
- (f) Practical Exercises/Small Project in accordance with the syllabus have been given at the end of each chapter to understand the practical aspect of marketing.

The course aims to familiarize the students with the forms of business organisation and contemporary issues. Substantive coverage has been given to the topics like Business as a System, Business and Environment Interface, Business Ethics, Social Responsibilities of Business, Forms of Business Organisation, MNC's Business Combination, Dimensions of Business Environment; Uncertainty and Business; Environmental Analysis and Diagnosis, Environment Scanning Techniques, Entrepreneurial Ideas and Opportunities in Contemporary Business Environment; Process of Entrepreneurship; Forms of Entrepreneurship; Skill India, Start Up India, Make in India, Globalisation, Emerging Issues and Challenges; Innovation

in Organisational Design; Learning Organisations, Workforce Diversity, Franchising, Outsourcing, and E-commerce; Government and business interface; Sustainability; Digitalisation and Technological innovations Government and Business Interface. This book “Business Organisation” presents a comprehensive treatment of concepts, principles, postulates and techniques involved in managing the business organisation.

The subject of business organisation is important and exciting one. One can learn about the workings of business organisations, how they function, and how they interact with the environment. Studying these issues by following the course as it is designed should ensure that although challenging, it will also be an enjoyable and satisfying experience. The course aims to familiarize the students with the forms of business organisation and contemporary issues.

This text book has incorporated all the components of the syllabus of University of Delhi Undergraduate Curriculum Framework-2022, B.Com (Hons) Generic Elective BCH: GE- 1.1.(GE 1) and B. A (Programme) Commerce Courses for Undergraduate Programme of study with discipline as one of the Major: This text book has been designed and written as a standard text book for B.Com (Hons) BCH: Generic Elective (GE) and B.A (Programme) Commerce Courses for UGCF-2022. Business Organisation as a Subject/Paper is introduced for the B. A. (Programme) Commerce Courses University of Delhi and B.Com (H) Generic Elective (GE) paper. This book has been designed and written especially for both of course and paper. I am fully confident that the present edition of the book meets all the requirements of the syllabus of Generic Elective paper B.Com (H) and B.A. (Programme) Commerce Courses. The present edition would be found useful for the other professional courses. The book is written with a minimum of technical terminology and the format is clearly structured in accordance with the syllabus of University of Delhi. This text book is structured in five units with fourteen chapters:

Unit 1: Introduction

Unit 2: Business Enterprises

Unit 3: Business Environment

Unit 4: Entrepreneurship: Founding the Business

Unit 5: Contemporary Issues of Business Organisations

The text book covers all the topics included in the new syllabus designed under NEP. The special features of this book relate to the chapter-wise coverage of all aspects which are clearly explained, and no effort has been spared in updating the information. Each chapter begins with an introduction to the topic concerned. The various aspects of each topic are then explained clearly and concisely in different paragraphs. Questions are given at the end of each chapter. Practical exercises are given at the end of each chapter. Written in a simple and easy-to-understandable manner, this book focuses on presenting the concepts and their applications with great clarity. The text is supplemented with real-life case studies and those from simulated environments. This book would essentially meet the requirements

of Business Organization for the Students of B.Com (H) Generic Elective BCH: GE- 1.1. (GE 1) and B. A (Programme) Commerce Courses (Major).

I gratefully appreciate the valuable contributions of several people who helped me to make this Edition possible and have been a great source of inspiration and support personally and professionally.

I owe a lot to Prof. A.K. Singh, Head and Dean, Department of Commerce, Delhi School of Economics for enlightening me and always being a source of inspiration. I specially express my deep gratitude to Dr. (Professor) R.K. Singh, Department of Commerce, Delhi School of Economics, for their appreciation of my academic pursuits.

I also owe a great deal to the people at Sultan Chand & Sons who helped me to write this book. I also owe a mighty debt of gratitude to Mr. G.D. Chaudhary (Sales & Marketing) and the entire team for their tireless work and dedication on this edition. I admit that this book would never have been written without the constant support and encouragement of my family members.

Suggestions and feedback from the teaching fraternity and the students are earnestly solicited and will be highly appreciated to improve further the quality of this book.

Dr. Pardeep Kumar

CONTENTS

UNIT I: INTRODUCTION

| | |
|--|-----------|
| 1. Concept, Nature and Scope of Business | 3 |
| 1.1. Diversification of Activities | 4 |
| 1.1.1. Non Economic Activities | 4 |
| 1.1.2. Economic Activities | 4 |
| 1.2. Types of Economic Activities | 5 |
| 1.3. Distinction Between Business, Profession and Employment | 5 |
| 1.4. Business: Concept and Definitions | 6 |
| 1.5. Nature of Business | 7 |
| 1.6. Scope of Business/Spectrum of Business of Activities | 8 |
| 1.7. Industry | 9 |
| 1.8. Commerce | 11 |
| 1.8.1. Scope of Commerce | 11 |
| 1.9. Trade | 12 |
| 1.9.1. Auxiliaries to Trade | 13 |
| 1.10. Interrelationship Between Industry, Commerce and Trade | 14 |
| Test Question | 15 |
| Practical Exercises | 16 |
| 2. Business System | 17 |
| 2.1. System Concept | 18 |
| 2.2. Business System | 18 |
| 2.2.1. Concept of Business System | 19 |
| 2.2.2. Characteristics of Business System | 19 |
| 2.3. System View of Organization Theory | 20 |
| 2.3.1. Open vs Closed System | 21 |
| 2.3.2. Elements of System Approach | 22 |

| | |
|--|-----------|
| 2.3.3. Contributions of System Approach | 23 |
| 2.4. Subsystem of Business Organisation | 24 |
| 2.5. Interaction between Subsystems | 25 |
| 2.5.1. Problems in Integration | 27 |
| 2.5.2. Techniques of Achieving Integration | 27 |
| 2.6. Structure of Business System | 28 |
| Test Question | 30 |
| 3. Business Objectives | 31 |
| 3.1. Objectives Meaning | 31 |
| 3.2. Business Objectives | 32 |
| 3.3. Nature/Characteristics of Business Objectives | 32 |
| 3.4. Types of Business Objectives | 34 |
| 3.5. Profit Objectives | 39 |
| 3.5.1. Profit Objectives: Meaning | 39 |
| 3.5.2. Role and Importance of Profit Motive | 40 |
| 2.5.3. Arguments Against Profit Maximization | 42 |
| Test Questions | 44 |
| Practical Exercises | 44 |
| 4. Business and Environment Interface | 45 |
| 4.1. Business-Environment Interface: Introduction | 45 |
| 4.2. Business Environment | 46 |
| 4.2.1. Characteristics of Business Environment | 48 |
| 4.3. Types of Business Environment | 48 |
| 4.4. Interface between Business and Environment | 50 |
| 4.5. Nature of Interface between Environment and Business | 51 |
| 4.6. Strategies to deal with the Environment | 52 |
| 4.7. Business and Economic System | 54 |
| 4.7.1. Business as a Part of Economic System | 55 |
| 4.7.2. Types of Economic System | 56 |
| Test Questions | 60 |
| 5. Social Responsibility of Business and business Ethics | 61 |
| 5.1. Social Responsibility of Business: Introduction | 62 |
| 5.2. Concept of Social Responsibility | 62 |
| 5.3. Need for Social Responsibility/Rationale of Social Responsibility | 63 |
| 5.3.1. Arguments for Favour Social Responsibility | 64 |
| 5.3.2. Arguments against Social Responsibility | 65 |

| | |
|--|----|
| 5.4. Reality of Social Responsibility | 66 |
| 5.5. Kinds of Social Responsibility | 68 |
| 5.6. Social Responsibility Towards Different Interest Groups | 69 |
| 5.7. Business Ethics | 71 |
| 5.7.1. Ethics Meaning | 72 |
| 5.7.2. Concept of Business Ethics | 72 |
| 5.7.3. Elements of Business Ethics | 73 |
| 5.7.4. Nature of Business Ethics | 74 |
| 5.7.5. Unethical Business Practices | 75 |
| 5.7.6. Importance of Ethics in Business | 75 |
| 5.7.7. Two Broad Areas of Business Ethics | 76 |
| 5.7.8. Ethical Issues/Considerations in Business | 76 |
| 5.7.9. Principles of Business Ethics | 78 |
| Test Questions | 79 |
| Projects/Assignments | 80 |

UNIT II: BUSINESS ENTERPRISES

| | |
|--|-----------|
| 6. Forms of Business Ownership - I | 83 |
| 6.1. Sole Proprietorship | 84 |
| 6.1.1. Features of Sole Proprietorship | 85 |
| 6.1.2. Merits of Sole Proprietorship | 85 |
| 6.1.3. Demerits of Sole Proprietorship | 87 |
| 6.2. Partnership | 88 |
| 6.2.1. Features of Partnership | 88 |
| 6.2.2. Merits of Partnership | 90 |
| 6.2.3. Demerits of Partnership | 90 |
| 6.2.4. Types of Partnership | 91 |
| 6.2.5. Types of Partner | 92 |
| 6.3. Distinction between Partnership and Sole Proprietorship | 93 |
| 6.4. Joint Stock Company | 94 |
| 6.4.1. Salient Features of a Company | 94 |
| 6.4.2. Merits of Joint Stock Company | 95 |
| 6.4.3. Demerits of Joint Stock Company | 96 |
| 6.4.4. Types of Companies | 97 |
| 6.4.5. Private and Public Company | 99 |
| 6.5. Distinction between Company and Partnership Firm | 101 |
| 6.6. Distinction between Public Company and Private Company | 102 |
| 6.7. One Person Company | 103 |
| 6.7.1. Features of One Person Company (OPC) | 103 |

| | |
|--|------------|
| 6.7.2. Terms and Restrictions of OPC | 104 |
| 6.7.3. Merits of One Person Company | 104 |
| 6.7.4. Demerits of One Person Company | 105 |
| Test Questions | 106 |
| Practical Exercise | 108 |
| 7. Forms of Business Ownership - II | 109 |
| 7.1. Cooperative Society | 109 |
| 7.1.1. Salient Features of Cooperative Society | 110 |
| 7.1.2. Advantages of Cooperative Society | 111 |
| 7.1.3. Disadvantages of Cooperative Society | 112 |
| 7.1.4. Types of Cooperative Societies | 113 |
| 7.2. Limited Liability Partnership | 114 |
| 7.2.1. Salient Features of LLP | 115 |
| 7.2.2. Merits of LLP | 116 |
| 7.2.3. Demerits of LLP | 117 |
| 7.3. Multinational Corporations | 118 |
| 7.3.1. Salient Features of MNC's | 119 |
| 7.3.2. Reasons for the Growth of MNC's | 120 |
| 7.3.3. Role of Multinational Corporation/Benefits of MNC's | 121 |
| 7.3.4. Demerits of MNC's | 122 |
| 7.3.5. Forms of Multinational Corporations | 124 |
| 7.4. Factors Affecting Choice of Form of Organisation | 125 |
| Test Questions | 126 |
| Practical Exercises | 127 |
| 8. Business Combinations | 129 |
| 8.1. Concept of Business Combinations | 130 |
| 8.2. Objectives of Business Combinations | 131 |
| 8.3. Causes of Business Combinations | 131 |
| 8.4. Benefits of Combinations | 133 |
| 8.5. Evils of Business Combinations | 133 |
| 8.5.1. Evaluations Benefits and Evils of Business Combinations | 134 |
| 8.6. Types of Business Combinations | 134 |
| 8.7. Forms of Business Combinations | 136 |
| 8.8. Mergers | 137 |
| 8.8.1. Reasons for Mergers | 137 |
| 8.8.2. Causes of Failure of Mergers | 138 |
| 8.8.3. Guidelines for Making Mergers Effective | 138 |
| 8.8.4. Limitations of Merge | 138 |

| | |
|--|-----|
| 8.8.5. Benefits of Mergers | 139 |
| 8.8.6. Types of Mergers | 139 |
| 8.9. Takeovers | 140 |
| 8.9.1. Reasons for Takeovers | 140 |
| 8.9.2. Objective of Takeovers | 141 |
| 8.9.3. The Risks and Drawbacks of Takeovers | 141 |
| 8.9.4. Kinds of Takeover | 141 |
| 8.10. Acquisitions | 142 |
| 8.10.1. Different Types of Acquisitions | 142 |
| 8.10.2. Reasons for Acquisition | 142 |
| 8.10.3. Benefits of Acquisition | 143 |
| 8.10.4. Challenges with Acquisitions | 143 |
| 8.11. Differences Between Merger and Acquisition | 144 |
| 8.12. Takeover vs Acquisition | 145 |
| Test Questions | 145 |

UNIT III: BUSINESS ENVIRONMENT

| | |
|---|------------|
| 9. Business Environment | 149 |
| 9.1. Environment: Meaning and Concept | 149 |
| 9.2. Business Environment: Meaning and Concept | 150 |
| 9.3. Nature/Characteristics of Business Environment | 151 |
| 9.4. Significance of Business Environment | 152 |
| 9.5. Dimensions of Business Environment | 153 |
| 9.5.1. Macro-Environmental Factors | 154 |
| 9.5.2. Micro-Environmental Factors | 159 |
| 9.5.3. Internal Environment | 160 |
| Test Questions | 163 |
| 10. Environmental Analysis and Diagnosis | 165 |
| 10.1. Environmental Analysis and Diagnosis: Meaning and Concept | 165 |
| 10.1.1. Environmental Analysis | 166 |
| 10.1.2. Environment Diagnosis | 166 |
| 10.2. Importance of Environmental Analysis | 166 |
| 10.3. Advantages of Environmental Analysis | 167 |
| 10.4. Limitations or Disadvantages of Environmental Analysis | 167 |
| 10.5. Environmental Scanning: Meaning and Importance | 168 |
| 10.5.1. Importance of Environmental Scanning | 168 |
| 10.5.2. Factors considered in Environmental Scanning | 169 |
| 10.6. Environment Scanning Techniques | 170 |

| | |
|--|-----|
| 10.6.1. SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats Profile) | 170 |
| 10.6.2. ETOP Analysis (Environmental Threat and Opportunity Profile) | 173 |
| 10.7. Uncertainty and Business | 176 |
| 10.7.1. Four levels of Business Uncertainty | 177 |
| 10.7.2. Causes of Business Uncertainty | 177 |
| 10.7.3. How to deal with Business Uncertainty? | 177 |
| 10.7.4. Understanding the Types of Uncertainty in Business | 178 |
| Test Question | 179 |
| Practical Exercises | 180 |

UNIT IV: ENTREPRENEURSHIP: FOUNDING THE BUSINESS

| | |
|---|------------|
| 11. Entrepreneurship: Founding The Business | 183 |
| 11.1. Meaning of Entrepreneur | 184 |
| 11.2. The Concept of Entrepreneurship | 184 |
| 11.3. Enterprise: Meaning and Concept | 185 |
| 11.4. Nature of Entrepreneurship | 186 |
| 11.5. Importance of Entrepreneurship | 187 |
| 11.6. Entrepreneurial Opportunities in Contemporary Business Environment | 188 |
| 11.7. Process of Entrepreneurship | 190 |
| 11.8. Functions of Entrepreneur | 192 |
| 11.9. Forms of Entrepreneurship | 193 |
| 11.10. Types of Entrepreneur | 195 |
| 11.11. Difference between Entrepreneur and Entrepreneurship | 197 |
| Test Questions | 199 |
| Practical Exercises | 200 |
| 12. Skill India, Startup India, Make in India, and Globalization | 201 |
| 12.1. Skill India Programme | 202 |
| 12.1.1. Skill India Programme: Introduction | 202 |
| 12.1.2. Different Schemes Introduced for the Implementation of the Skill India Mission across India | 202 |
| 12.1.3. Components of Skill India PMKVY | 203 |
| 12.1.4. Features of Skill India | 203 |
| 12.1.5. Objectives of 'Skill India' | 204 |
| 12.1.6. Skills Under the Skill India Mission | 205 |
| 12.1.7. Advantages of Skill India | 205 |

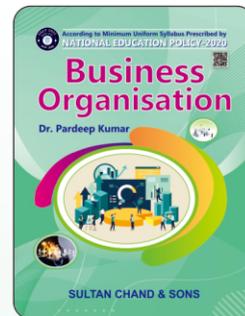
| | |
|--|-----|
| 12.2. Startup India | 206 |
| 12.2.1. Startup India: Introduction | 206 |
| 12.2.2. Definition of “Startup”/ Eligibility for Registration under Startup India | 207 |
| 12.2.3. Benefits from DPIIT | 207 |
| 12.2.4. Objective of Startup India Scheme | 208 |
| 12.2.5. Benefits Provided under Startup India | 209 |
| 12.2.6. Challenges faced by Startup India | 210 |
| 12.3. Make in India Movement | 211 |
| 12.3.1. Make In India: Introduction | 211 |
| 12.3.2. Importance of Make In India | 212 |
| 12.3.3. Objectives of Make in India Scheme | 212 |
| 12.3.4. What are the Eligibility Criteria & Registration Process for Make In India? | 213 |
| 12.3.5. Why Make in India? | 213 |
| 12.3.6. Make in India – Schemes | 214 |
| 12.3.7. Advantages of Make in India | 215 |
| 12.3.8. Challenges and Limitations of Make in India Programme | 216 |
| 12.3.9. Prominent Milestones of The Make in India Initiative | 217 |
| 12.4. Globalization | 218 |
| 12.4.1. Characteristics of Globalization | 218 |
| 12.4.2. Elements of economic globalization | 219 |
| 12.4.3. Factors that have enabled Globalization | 220 |
| 12.4.4. Benefits of Globalization: | 222 |
| 12.4.5. Challenges of Globalization | 223 |
| 12.5. Glocalisation | 224 |
| 12.5.1. Meaning of Glocalisation | 224 |
| 12.5.2. Product and Price Glocalization strategies | 225 |
| 12.5.3. Importance of Glocalization | 225 |
| 12.5.4. How does glocalization work? | 227 |
| 12.5.5. Advantages of Glocalization | 228 |
| 12.5.6. Disadvantages of Glocalization: | 229 |
| 12.5.7. Similarities and Dissimilarities between Globalization and Glocalization | 230 |
| Test Questions | 231 |
| Practical Exercises | 232 |
| Case Study | 232 |
| Questions | 232 |

UNIT V: CONTEMPORARY ISSUES OF BUSINESS ORGANISATION

| | |
|---|----------------|
| 13. Contemporary Issues of Business Organisation - I | 235 |
| 13.1. Emerging Issues and Challenges | 235 |
| 13.1.1. Innovation in Organisational Design | 241 |
| 13.1.2. Learning Organisation | 244 |
| 13.1.3. Workforce Diversity | 246 |
| 13.1.4. Franchising | 248 |
| 13.1.5. Outsourcing | 251 |
| 13.1.6. E-Commerce | 253 |
| Test Questions | 257 |
| 14. Contemporary Issues of Business Organisations - II | 259 |
| 14.1. Government and Business Interface | 259 |
| 14.1.1. Objective of Government Intervention | 260 |
| 14.1.2. Rationale of Government Role in Business | 261 |
| 14.1.3. Forms/Nature of Government and Business Interface | 262 |
| 14.1.4. Forms of Government Participation in Business | 265 |
| 14.2. Sustainability | 268 |
| 14.2.1. Why Sustainability is Important in Business | 268 |
| 14.2.2. What are the Three Pillars of Sustainability? | 269 |
| 14.2.3. Benefits of Sustainability in Business | 270 |
| 14.3. Digitalization | 271 |
| 14.3.1. Importance of Digitalization | 271 |
| 14.3.2. Challenges of Digitalization | 271 |
| 14.4. Technological Innovations | 272 |
| 14.4.1. Technological Innovation Issues | 273 |
| 14.4.2. Technological Innovation Process | 274 |
| 14.4.3. Why is Innovation in Technology Important? | 275 |
| Test Questions | 276 |
| Practical Exercise | 277 |

About the Book

The book aims to familiarize the students with the forms of business organisation and contemporary issues. Substantive coverage has been given to the topics like *Business as a System, Business and Environment Interface, Business Ethics, Social Responsibilities of Business, Forms of Business Organisation, MNC's Business Combination, Dimensions of Business Environment; Uncertainty and Business; Environmental Analysis and Diagnosis, Environment scanning techniques, Entrepreneurial ideas and opportunities in contemporary Business Environment; Process of Entrepreneurship; Forms of Entrepreneurship; Skill India, Start Up India, Make in India, Glocalisation, Emerging Issues and Challenges; Innovation in Organisational Design; Learning Organisations, Workforce Diversity, Franchising, Outsourcing, and E-commerce; Government and Business Interface; Sustainability; Digitalisation and Technological Innovations Government and Business Interface*. This text book has incorporated all the components of the syllabus of University of **Delhi Undergraduate Curriculum Framework-2022, B.Com. (Hons.) Generic Elective BCH: GE- 1.1 (GE 1) and B.A. (Programme) Commerce Courses for Undergraduate Programme of study with discipline as one of the Major**. This book has been designed to be an effective learning tool. The pedagogical feature of this edition includes:



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This text book is structured in Five units with Fourteen Chapters:

- Unit I : Introduction
- Unit II : Business Enterprises
- Unit III : Business Environment
- Unit IV : Entrepreneurship: Founding the Business
- Unit V : Contemporary Issues of Business Organisations

About the Author



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