

The Business Management

The Needs

Definition:

Needs are perceptions for shortage, together with the wish to remove or minimise the shortage.

Material Needs

- Bed, Equipment

Immaterial Needs

- friendliness, fittings

Goods are made to satisfied needs

Free goods

- Everything which not based on human work (air)

economic goods

- human made goods

Fixed goods
(Objects)

Services
(Insurance's)

Rights
(Licenses)

<p>Production-Goods <i>Serve to produce other goods</i></p>	<p>consumer goods <i>Serve to direct consumer sale</i></p>
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Consumer good are all this things, which will use immediately (foodstuffs)

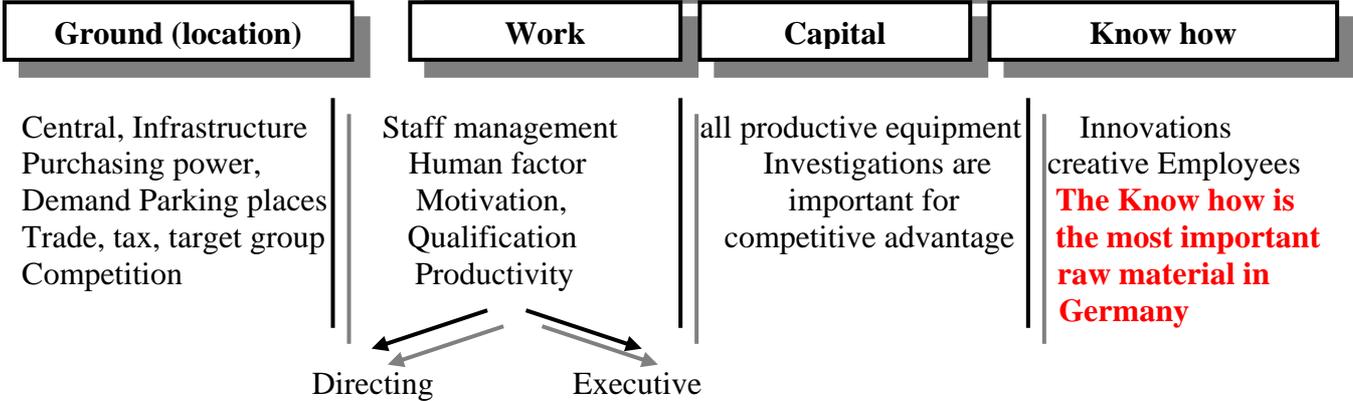
Use good are all this things, which have long term to use (furniture)

Necessity + Spending power = Needs (Demand)

Maximum principle: like the galley budget

Minimum principle: like for 18 people have to produce a fix limit of foods with the lowest expenditure

The Factors of production



Directing: Working is the leading of delegations

Executive: Working is the carry out organ

The factors have to be arranged for the company until the result comes close to the optimum. For example, change work to machines. But this is just correct for the mobile factor and it's not possible for buildings and others. For those who understand at the best ways to use these factors for their own profit, they will be successful on the market.

The Working Structure

- Primary Production (Agriculture, coal industry, Ore)
- Secondary Production (Industry and craft)
- Tertiary Production (Services and Insurance's)

The human factor is more and more replacing by the factor capital
Main reason of unemployment:

- Structure unemployment, because of using from new technologies and know how
- We are living in time where the society is changing very fast

The company numbers

These numbers have been made to adjust and regulate the companies. With their help we can measure the performances from companies. The most important are:

- **Profitability** = is the interest of our invested capital
- **Economic efficiency** = is relation between the invested measure and the profit we got
- **Productivity** = is the range for the productiveness from production factors

The national economy calculation

Gross national product shows how many goods and services were produced during one year in the national economy.

The economic circulation and the economic calculation

- ◆ Private House holds
 - ◆ Banks
 - ◆ Foreign countries (Import and Export business)
 - ◆ The state
 - ◆ The companies
- } Everything moves between these factors

Gross national product [GNP] is the most important company number

- ◆ **Recession** - if the GNP drop down compared with the previous year
- ◆ **Expansion** - if the GNP growth up compared with the previous year
- ◆ **Stagnation** - if the GNP has no changes compared with the previous year
- ◆ **Inflation** - is the loss from purchasing power compared with the previous year

Labour's share in national income:

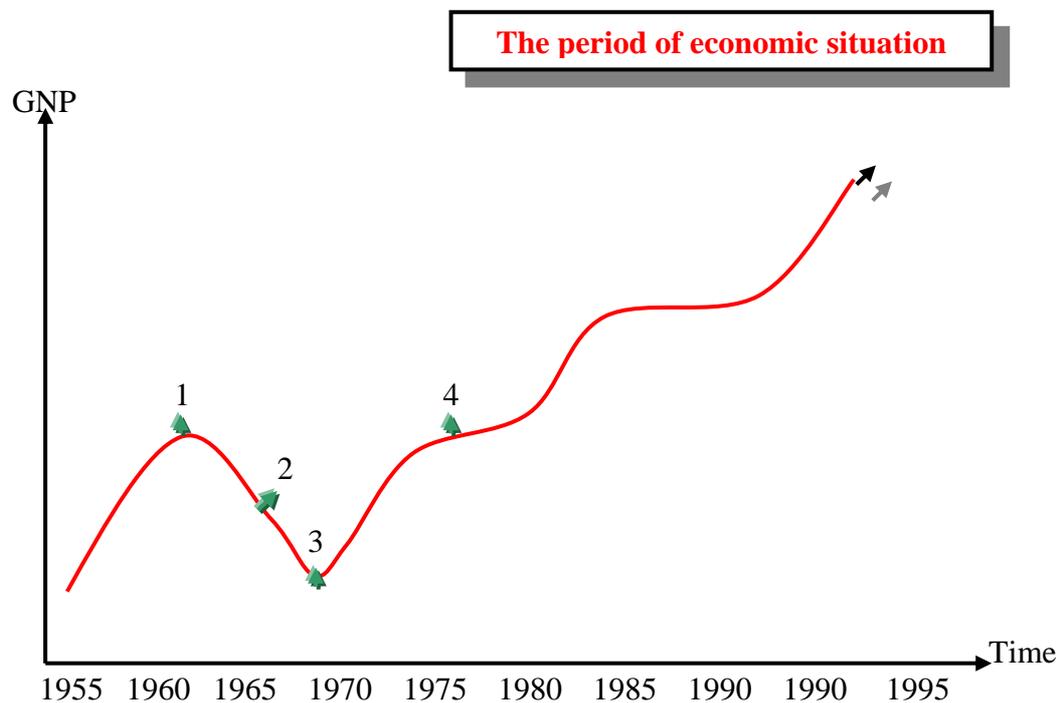
Part of wage earners (dependent employee) at the national income

Savings rate:

Inform about which kind of saving the people use like: insurance's, shares or savings book

State rate:

Tells about the governments right of codetermination for distribution of economic goods. Such higher it is as poor is it for the free economics. In the Federal Republic of Germany the percent rate is about 45% (and its also still to high)



1. **Boom**
2. **Recession**
3. **Depression**
4. **Expansion**

- If the boom continue to long it could be also some negative results, therefore the government should support on this point with tax raise and interest rise too, to get down the purchase power of the population. **Disadvantage are for example that, with a high purchase power the prices are going up too and therefore everything become more expensive**
- In case of recession the government have to bring down tax and interest to strengthen the purchase power.

The steering of economic situation

Fiscal politics (State)

- Tax politics
- Depreciation
- Export supporting
- Public instructions

European Central Bank (EZB)

- Central-bank discount rate
- Lombard margin rate
- Open market politic
- Minimum reserve requirements

Minimum reserve requirements means, all the banks have to keep reserves. That must be at least 10% from the entire volume. This sum cannot use for credit or others

Open Market politic, it mean to say that the government doesn't imposed any import duties or there will be no protectionism against other countries.

Lombard margin rate, the interest rate that the banks pay if they get money from the European Central Bank (Federal Reserve in the United States)

During the high demand term, ECB will lift up the interest rate for savings at statutory notice to keep the inflation down and to strengthen the market.

If ever the economic situation is low, ECB will reduce the interest rate for savings at statutory notice to put into circulation more capital and to support a positive purchase behave.

Such lower the banks interest rates are, such better it is for the economic situation and the share markets, because during low equity capital interest, the people will give there money to higher interest-bearing places, like share markets.