

work and motivation

theory X → traditional approach to workers, people are lazy and dislike work, have to be threatened and rewarded

theory Y → people have psychological need to work and want achievement and responsibility; demands for responsibility and achievement may be excessive for many people – need protection against the burden of responsibility;

satisfiers → labour relations, good working conditions, good wages and benefits, job security – dissatisfiers where they do not exist

motivators → having a challenging and interesting job, recognition and responsibility, promotion, etc.

motivating people with boring jobs → give responsibility as part of a team; change every couple of hours (repetitive jobs); company's shared values or corporate culture to identify staff like best hotel chain, hamburger restaurant chain, etc;

marketing

selling marketing → resisting consumers has to be persuaded by vigorous hard-selling techniques to buy non-essential goods or services

marketing concept → producer's task is to find wants and fill them; you don't sell what you make, you make what will be bought; filling unsatisfied needs or creating new ones; market segmentation; competitors; market research;

four Ps' → **product** (quality, features, style, brand name, size, packaging, services, guarantee); **place** (distribution channels, locations of points of sale, transport, inventory size); **promotion** (advertising, publicity, sales promotion, personal selling); **price** (basic list price, discounts, length of payment period, possible credit terms)

industrial vs consumer market

accounting and financial statements

most common accounting system historical → **cost accounting**; assets (original purchase price) minus accumulated depreciation charges – net book value;

profit and loss account → shows earnings and expenditure; turnover, costs, expenses and overheads; profit goes to taxation, shareholders retained by the company

balance sheet → financial situation on a particular date, last day of financial year; assets, long and short term liabilities, shareholders' funds; includes

debtors, creditors, intangible assets (goodwill, patents, copyrights); assets = liabilities + owners' equity (net assets)

funds flow statement → flow of cash in and out of the business between balance sheet dates; distinguish between operating, financing and investment activities

banking

retail banks → receive and hold deposits, pay money according to customers' instructions, lend money, offer investment advice, exchange foreign currencies; make profit from difference (margin) between interest rates they pay and they charge;

investment banks → also called merchant banks (Britain); raise funds for industry, finance international trade, issue and underwrite securities, deal with takeovers and mergers, issue government bonds; offer stockbroking and portfolio management;

universal banks → only in some European countries; combining deposit and loan banking with share and bond dealing and investment services; forbidden in the US and Britain till the 1990s (underwriting securities); financial conglomerates;

central banks → fix a country's minimum interest rate

eurocurrency → currency held outside its country of origin; first significant US-Dollar in Europe;

companies

unlimited liability for debts → creditor can declare bankrupt; this is why most people do business form **limited companies** → legal entity separate from its owner and only liable for the amount of capital that has been invested in it;

private limited company → memorandum of association (name, purpose, registered office or premises, amount of authorized share capital); articles of association (duties of directors, rights of shareholders);

public limited company → smaller companies join „over-the-counter“ markets (Nasdaq); successful businesses are listed on major stock exchanges; requirements: sending an independently-audited report, trading results and statement of financial position to shareholders every year;

issuing shares/stocks the first time → float a company; investment banks underwrite the issue; money for expansion – issuing new shares; shareholders can vote at a company's annual meeting, can sell their shares on the secondary market and receive a dividend