



Sabaragamuwa Provincial Department of Education-
Weekly School

Subject – Business Studies

Week- 2

Grade - 12

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Competency 01- Inquires the basis of business and the environment in which it operates.

Competency Level 1.1-Analyses the concept of business.

The characteristics of a business-

- 1.Exchange or selling takes place.
- 2.Transaction of goods and services takes place.
- 3.Continuous transactions will take place.
- 4.Motivated by profit.
- 5.Has a risk.
- 6.Creates wants.
- 7.An economic activity.

There are two main activities of a business.

- 1.Fulfilment of needs and wants.
- 2.Adding value to the resources.

Value addition –

Value addition is the increment of the value of resources which happens when the nature of the resource is changed during the production of goods and services.When business change the nature of the resources there will be a value addition.Accordingly the value addition to the resources will be an activity of the business.

Exercises

- 1.Write five goals of a business.

2. Why businesses are considered as economic activities?