

# Business: capitalism and social responsibility assignment



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Why is business so important to a country's economy? Business is important to a country's economy because it is its backbone. It is a constant battle for a better means of living. The economy gives individuals jobs and the ability to sustain themselves. 2. What is a private enterprise? What four rights are critical to the operation of capitalism? Why would capitalism function poorly in a society that does not ensure these rights for its citizen?

An economic system that rewards firms for their ability to identify and serve the needs and demands of customers, capitalism). Minimizes government interference in economic activity. 4 rights are private property, profits, competition, and freedom of choice 3. In what ways is entrepreneurship vital to the private enterprise system? Entrepreneurs take risks In our private enterprise system; driving economic growth and force current companies to continue to satisfy consumer's wants. Entrepreneurs often times bring a new product or service to the market (s) Entrepreneurs are a small force that propel private enterprise.

Entrepreneurs possess the desire to start a business despite the risks involved, " An entrepreneur is someone who sees a tangentially profitable opportunity and then devises a plan to achieve success in the marketplace and earn those profits" (Kurt). The private enterprise system would not function correctly if not for the entrepreneurs that pressure previous companies to compete for customers. Entrepreneurship is also a vital part of the free enterprise system because it creates job opportunities, " Every year, they create more than one of every five new jobs in the economy. (Kurt) The new start up companies also create more jobs by allowing business owners to be self employed. New technology and innovations are often produced by <https://assignbuster.com/business-capitalism-and-social-responsibility-assignment/>

these companies the most in areas that are new and have a low level of competition. Because of their limited resources, small businesses are forced to think of new and cheaper ways to do things, “ Often, they do this because they have to-?? they may not have enough money to build an expensive prototype or launch a nationwide ad campaign. (Kurt)Due to their small size, these companies are able to adapt quicker and easier than a big company. 4. Define partnership and strategic alliance. How might a motorcycle dealer and a local radio station benefit from an alliance? Partnership-association of two or more persons who operate a business as co-owners by voluntary legal agreement. Strategic alliance partnership formed to create a competitive advantage for the businesses involved. 5. What do the terms business ethics and social responsibility mean?

Why are they important components of a firm’s overall philosophy In conducting business? Business ethics are the standards of conduct and moral values governing actions and decisions in the work environment. Social responsibility is the enhancement of for businesses to gain the trust of consumers. Business ethics are essential if a seines wants to grow and succeed. Ethics are important because they are “ the standards of conduct and moral values governing actions and decisions in the work environment. ” (Kurt). These decisions have an impact on the environment, employees, and customers.

Social responsibility supports the welfare of a society by promoting ethical philosophies, policies, procedures, and actions. In an ethical business decision, “ businesses must find the delicate balance between doing what is right and doing what is profitable. ” (Kurt). Everybody involved with the <https://assignbuster.com/business-capitalism-and-social-responsibility-assignment/>

business should benefit. Usually, businesses go about ethics and social responsibility in three ways. They do this by embracing traditional corporate philanthropy, anticipating and managing risks, and spotting opportunities that profit and benefit the society. 6. In what ways do firms demonstrate their social responsibility?

By providing equal employment opportunities, respecting the cultural diversity of employees, responding to environmental concerns, providing a safe and healthy workplace, and producing high quality products that are safe to use. 7. What are the five major areas in which companies have responsibilities to their employees? What types of changes in society are now affecting these responsibilities? The 5 major areas in which companies have responsibilities to their employees are; workplace safety, quality-of-life issues, ensuring equal opportunity on the Job, avoiding age description, and preventing sexual harassment and sexism. . How does a company demonstrate its responsibility to investors and the financial community? A company demonstrates its responsibility to investors and the financial community by announcing information to the public, rather than first to selected major investors. The SEC rule of " fair disclosure" levels the playing field for all the shareholders. 9. How does microeconomics affect business? How does macroeconomics affect business? Why is it important for business people to understand the fundamentals of each?

Microeconomics is the study of individual consumers, families, and businesses. Small decisions made by individuals such as deciding what shampoo to buy or what car you want has a huge effect on businesses.

Macroeconomics is the study of a country's general economy. Laws made by <https://assignbuster.com/business-capitalism-and-social-responsibility-assignment/>

the government can help or hurt what a business is doing. Even laws passed in other countries can have a ripple effect on international transactions. It is important for business people to understand these terms because they shape everyday decisions that are made.

0. What are the four stages of the business cycle? In which stage do you believe the U. S. Economy is now? Why? The four stages of the business cycle are prosperity, recession, depression, and recovery. A recession is a contraction that last longer than six months in which consumers stray away from frivolous spending. Businesses also make changes by slowing production and making cuts in the oppression, the spending habits of consumers and businesses that were taking place in the recession become commonplace.

Food and necessities are difficult to get and jobs are hard to come by. The recovery phase is entered when consumers start to spend more money again. As consumers give more money to businesses, the businesses in term hire more employees. Both benefit the economy greatly. I think that the U. S. Is in the recovery phase because I have noticed more frivolous spending in the last few years. People are vacationing again and spending there money on things they don't necessarily need.