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which is subjected to fractional distillation. After fractional distillation it is separated into petrol, diesel, kerosene, gasoline and lubricating oil etc.

### **(b) Synthetic industries**

Synthetic industries are those industries where two or more than two materials are mixed together in a manufacturing process to make a new product. Products like various chemicals, drugs, soaps, cosmetics, paints, fertilizers, pesticides, cement etc. are produced by synthetic industries.

### **(c) Processing industries**

Processing industries are those industries in which the raw materials are processed through different stages of production to produce the final product. In the processing industries the analytical and synthetic methods may also be used. Drugs and pharmaceutical industries, paper, textile, sugar and steel industries are some of the examples of processing industries.

### **(d) Assembling industries**

Assembling industries are those industries where the parts or components are assembled to make a useful product. The parts or components required in assembling may be produced by the assembling industry itself or obtained from other industries engaged in the manufacture of required components. Such industries are known as ancillary industries. For example production of cars, scooters, watches, television, radio, computers, X-ray machines, E.C.G. machines etc. are the typical examples of assembling industries.

## **4. Construction industries**

Construction industries are those industries which are engaged in the construction of roads, buildings, canals, bridges, dams etc. The products of other manufacturing industries such as iron, cement, bricks, stones, marble, wood, glass, rubber etc. are used by the construction industries. Construction industries are extremely important and useful for the economic development of any nation.

## **B. COMMERCE**

The main object of an industry is to produce goods and services for the satisfaction of human wants whereas commerce is concerned with the distribution of goods to the consumers and users according to their tastes, needs and conveniences. It includes all those activities which are related to the transfer of goods from the place of production to the ultimate consumers. Thus commerce serves as a valuable link between the producer and the consumer. Now a days commerce consists of a complex well developed system of transport, insurance, warehousing and other similar activities which facilitate trade.

In the words of Evelyn Thomas "Commercial occupations deal with the buying and selling of goods, the exchange of commodities and the distribution of the finished products."

Production is done at certain places but consumers are scattered far and wide.

### 3. Staffing

It is the function of the management that the right persons are selected for specific kind of job. The staffing functions involve recruitment, selection, training, development, compensation, dismissal etc.

The staff of hospital pharmacy comprises of registered pharmacists, skilled persons, lay persons and clerical staff. All the staff members must know their duties and place of work. They should discharge their duties and responsibilities in the best way because all of them are engaged in the health care of the patient in one way or the other. All the employees must have good relations with both intra- and inter-departmental employees.

### 4. Directing

After planning, organising and staffing it is in the foremost function of the management to give proper direction to its employees to work efficiently and effectively to fulfill the objectives of the organisation. To give proper direction and command to its employees, a manager must be in a position to command or control a group of persons. For this purpose he must have leadership qualities and must be able to influence, motivate and persuade the people.

### 5. Controlling

The manager should have full control on the workers working under him, that means everything is done according to the rules and instructions issued to them. At the same time there should not be undue interference in their work which is likely to lose all initiative and enthusiasm to do work sincerely and honestly.

### 6. Co-ordination

Co-ordination means that all the working units as well as employees/workers of the organisation work in complete harmony to fulfill the goals of the organisation. The management should watch carefully that everybody in the organisation understands the objectives of the organisation and work in full co-ordination with others to achieve the business objectives.

## REVISION QUESTIONS

### (A) Multiple choice questions

Select the right answer and put the correct word in the respective squares given below :

1. Business means :
 

(a) Trade and commerce	(b) Buying and selling of goods
(c) Commerce	(d) Industry and commerce
2. Business is concerned with :
 

(a) Economic activity	(b) Non-economic activity
(c) Both (a) and (b)	(d) None of the above

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### **(c) Nominal partner**

Nominal partner is that partner who neither contributes capital nor takes active part in the conduct of business of the firm but only lends his name and reputation for the benefit of the firm. A nominal partner does not share the profits of the business but he is liable to outsiders for the debts of the firm.

### **(d) Partner in profits only**

Partner in profits only is that partner who contributes money with the idea of getting share in the profits only and does not share the losses of the firm but is fully liable to the creditors of the firm. As a rule such a partner has no voice in the management of the business. The object of having such a partner in the firm is to make use of his money and goodwill.

### **(e) Secret partner**

A secret partner is that partner who does not want to be known as partner of the firm to the outsiders, though in reality he is a partner. Such a partner can take part in the conduct of business of the firm. However, he is liable to outsiders like any other partner of the firm.

### **(f) Partner by estoppel**

Partner by estoppel is that person who has neither contributed any capital to firm nor takes part in the management of the firm but behaves or talks to the outsiders in such a manner that he creates an impression in their minds that he is a partner of the firm. With this impression, the third parties may grant credit to the firm whereas in reality such a person is not a partner in that firm. Because he has given wrong impressions of being partner of the firm so he will be liable for the debts of the firm to the third parties who might have entered into contract with the firm.

### **(g) Partner by holding out**

When a person is declared as a partner of the firm in written or spoken words by others and the concerned person does not deny or contradict the partnership relationship, then he is considered as a partner of the firm and becomes liable to such third parties who deal with the firm in the belief that he is a partner of that firm. Such a person is known as partner by holding out and is not entitled to any profit.

### **(h) Minor as a partner**

A person below the age of 18 years is considered as minor. According to law a minor is not competent to contract therefore he cannot become a partner in a partnership firm, however he can be admitted as a partner provided all other partners agree to it. He is entitled to the share in the profits and property of the firm. So long he remains a minor his liabilities remain limited to the extent of his share in the profits and property of the firm.

- (a) Brokers
- (b) Commission agents
- (c) Auctioneers

#### **(a) Brokers**

Brokers are those agents who bring the buyers and sellers together and negotiate purchase and sale of goods on behalf of buyers and sellers, the terms of which are acceptable to both the parties. They are called selling agent if they are engaged by the seller and buying agent if they are engaged by the buyer for the negotiation of terms. They neither get the possession nor acquire ownership of the goods. They simply get certain percentage of commission (known as brokerage) on the business transacted by them.

#### **(b) Commission Agents**

Commission agents also sell goods on behalf of the seller but they differ from brokers that they not only negotiate the sale of goods but also take possession of the goods and make arrangements for the transfer of title to the goods. They make necessary arrangements for warehousing, grading, packing, assembling and dispersion of goods. If need arises they lend money in advance to the sellers. A commission agent may also be employed for the purchase of goods on behalf of the purchaser. For their services the commission agents get a certain percentage of commission on sales.

#### **(c) Auctioneers**

Auctioneers are the merchantile agents who sell goods on behalf of their principals by undertaking auction of goods. The auctioneers take possession of goods from the sellers, displays them before the intending buyers and receives bid from the purchasers (bid means the price which the buyer is willing to pay for the goods being auctioned). The bidder who gives the highest bid gets the goods provided the highest bid is at least equal to the minimum reserve price fixed for the purpose. If the highest bid happens to be lower than the minimum reserve price fixed then the auctioneer can cancel the auction. An auctioneer receives a certain percentage of commission on sale proceeds of goods for the services rendered by him.

#### **(ii) Merchant Middlemen**

Merchant middlemen are the merchants who purchase the goods to resell them for a margin of profit. They take possession and become owner of the products and transfer title of ownership to the buyer when the goods are sold. The merchant middlemen may be classified as follows :

- (a) Wholesaler
- (b) Retailer

### **B. Indirect Selling**

The indirect selling is done through :