

THEME 1: COMMERCIAL OPERATIONS-

TOPIC 1- PRODUCTION AND THE FACTORS OF PRODUCTION

PRODUCTION AND THE FACTORS OF PRODUCTION

Production is the process of converting resources into goods and services with the intention of fulfilling the needs and wants of people.

Manufacturing is the process of using resources such as raw materials, fuel, machinery and labor to produce physical products in large scale.

- Consumer goods are the goods produced in order to be consumed by the final consumers to fulfill their needs and wants, ex's: Food and clothing
- Intermediate goods are the components produced in order to be used by other businesses and manufacturers, ex's: Sugar, nuts, bolts and wires
- Capital goods are the goods used in the production of other products and goods, Capital goods may include machinery, tools and equipment

THE PROVISION AND DELIVERY OF SERVICES

Direct services are personal services and they are aimed to be provided directly to consumers/ customers.

Examples of Direct services include:

- Financial services such as banking, insurance
- Telecommunication services
- Personal services such as Hairdressing and Drycleaning
- Care services such as day centers
- Educational services
- Public Transport

Commercial services are the services provided to support businesses with the distribution of products.