

# Chapter 1 Basic Economic Concepts

## Section 1.2 Business Activities

### Section Summary with Key Terms and Academic Vocabulary

**Business Activities** Businesses supply goods and services with the motivation of making profits. Companies thrive on competition, the contest between businesses to win customers. All businesses undertake these activities: identifying opportunities, evaluating demand, obtaining money, managing production, marketing to consumers and businesses, and keeping records. Consumers affect businesses by deciding what kind of goods and services to buy. Businesses affect consumers by making decisions about what products and services to offer and by providing jobs.

#### Key Terms

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**business** Any commercial activity that seeks profit by providing goods and services to others in exchange for money

**profit** The money left over after a business has paid the cost of providing its goods and services

**competition** The contest between businesses to win customers

**market research** The gathering and analysis of information on the size, location, and makeup of a product market

**consumer** Person who uses goods and services

#### Academic Vocabulary

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**analyze** To study or determine the nature and relationship of component parts

**respond** To react in response

**affect** To produce an effect upon

**modify** To make fundamental changes in, often to give a new orientation to or to serve a new end