

FUNCTIONS OF BUSINESS

Module _I

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PRODUCTION FUNCTION

- Converting of raw materials into finished goods

Sub-functions:

- Production planning & control
- Quality control
- Research & development
- Maintenance of plant & machinery

Inventory management

Inventory : raw materials, semi-finished goods, finished goods, spare parts, consumables etc.

Activities:

- ❖ Materials planning
- ❖ Issuing of orders
- ❖ Purchasing & store keeping
- ❖ Issuing of materials
- ❖ Monitoring of materials

Marketing function

- o Identification and satisfaction of consumer wants/requirements

Activities:

- ❖ Marketing research
- ❖ Product packaging
- ❖ Pricing
- ❖ Promotion
- ❖ Product positioning
- ❖ Creating brand image
- ❖ Distribution channels

Sales function

- o Concerned with selling activities of the firm
- o It receives orders from dealers or customers and then distribute the goods through distribution channels (P-W-R-C)
- o It works in close coordination with marketing department

Finance function

o Finance is the lifeline of business

o Functions:

- ❖ Determining the sources of funds
- ❖ Application of funds
- ❖ Working capital
- ❖ Fixed capital

Human resource management

o Management of people in an organisation

Activities:

- ❖ Human resource planning
- ❖ Recruitment & selection
- ❖ Performance appraisal
- ❖ Training & development
- ❖ Promotion & transfers

Public relations

- o To maintain cordial relations with consumers, creditors, local community, employees, press etc.
- o To reply to public criticism
- o To reply to press queries
- o To build corporate image.

Corporate Social Responsibility

- o Responsibility towards the society – to consumers, employees, society in general
- o By way of
 - ❖ donations, rural development camps,
 - ❖ training the weaker sections
 - ❖ undertaking social awareness campaign
 - ❖ supporting educational initiatives.