BASICS OF BUSINESS LAW

Dr. Arati Pant
Dr. Anoop Pant
Amit Verma

Basics of Business Law

Basics of Business Law

Dr. Arati Pant
Dr. Anoop Pant
Amit Verma

BOOKS ARCADE
KRISHNA NAGAR, DELHI

Basics of Business Law

Dr. Arati Pant
Dr. Anoop Pant
Amit Verma

BOOKS ARCADE

Regd. Office:
F-10/24, East Krishna Nagar, Near Vijay Chowk, Delhi-110051
Ph. No: +91-11-79669196, +91-9899073222
E-mail: info@booksarcade.co.in, booksarcade.pub@gmail.com
Website: www.booksarcade.co.in

Edition: 2022 (Revised)

ISBN: 978-93-90762-04-0

CONTENTS

CHAPTER 1

TRANSFORMATIVE SHIFTS: EVOLUTION OF INDIA'S ECONOMIC ENVIRONMENT AND GLOBAL INTEGRATION

Amit Verma, Associate Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- amitverma2@gmail.com

ABSTRACT:

This study explores the astonishing development of India's economic system, charting its shift from a mostly agricultural to a vibrant, internationally linked powerhouse. It looks at how important government initiatives like globalization, privatization, and economic liberalization have been in transforming India's economic environment. The research also provides a comparison analysis of the business climate in India with that in other nations. Additionally, it talks about how socio-cultural elements, consumer behaviour, and technical developments affect company tactics. The effects of geographical and ecological elements on various sectors and market dynamics are investigated. The abstract is summarized by pointing out important changes in India's economic ecology and their effects on enterprises doing business there. These seismic changes will be broken down in this study into three main categories: globalization, privatization, and liberalization. It examines their effect on the economic climate in India and what it means for modern firms. Additionally, it does a comparative examination of the business climate in India in comparison to that of other countries, illuminating the particular difficulties and possibilities that Indian enterprises confront.

KEYWORDS:

Business, Economic, Enterprises, Globalization**,** Liberalization**,** Privatization.

INTRODUCTION

India, a country with a long history and a wide variety of cultures, has seen a significant transformation in its economic landscape throughout time. The corporate environment of the country has changed as a result of this shift, which was sparked by altered governmental policies and global integration. India's economy was mostly rural and lacked a strong industrial basis at the time of its independence. The government implemented a number of measures, including as state ownership of certain businesses and economic planning, to solve economic issues and promote industrial development. However, with poor industrial development and growing prices, these initiatives had mixed consequences. With the abandonment of industrial licensing in the majority of situations, the promotion of private sector involvement, and the openness of the economy to foreign investors, India undertook a fundamental change in economic policy in 1991. This transition, often known as LPG (Liberalization, Privatization, and Globalization), set off a storm of modifications. Foreign companies were enticed to do business in India as a result of the liberalization process, which promoted efficiency, competition, and rapid expansion. The private sector expanded quickly as a result of privatization, and Indian businesses were compelled to enter foreign markets as a result of globalization, increasing their influence and market share.

Global integration and business environment

Due mostly to changes in the government's economic policies and partly as a result of global integration, the business climate in India has been evolving quickly. The Indian economy was mostly agricultural and had a little industrial basis at the time of independence. The government used a number of measures, including economic planning, state ownership of certain sectors, a diminished role for the private sector, etc., to accelerate industrial development and address a number of economic issues. The government implemented a number of controls on how private sector businesses operated. These initiatives have had a variable reaction. The net national product increased, as did per capita income and the infrastructure and capital goods industries. However, the pace of industrial expansion was sluggish, inflation rose, and the government had a severe foreign currency problem in the 1980s. As a consequence, the Indian government drastically altered its economic policy in 1991. The majority of industrial licenses were eliminated under this policy, private investment was permitted in the majority of industries, numerous public sector industrial firms were divested of their assets, and the economy was significantly opened up. To direct foreign capital investment into India, the Foreign Investment Promotion Board was established. Let's talk about the changes under the following three headings:

1. The liberalization
2. Privatization
3. The globalization

The Indian economy has opened up and greatly increased its interaction with the rest of the globe as a result of this liberalization process. Foreign commercial groups are now able to enter India more easily as a consequence of this. This has also led to fierce rivalry and increased productivity. In the end, liberalization has aided us in obtaining a high growth rate, easy access to commodities at affordable prices, a robust stock market, a large foreign currency reserve, low inflation, a strong rupee, decent labour relations, etc. Transfer of ownership and/or management of a company from the public to the private sectors is known as privatization, and it has become a global trend. It also refers to the state's partial or complete exit from a certain sector or business. The opening of a formerly public-sector-only industry to the private sector is another aspect of privatization. Privatization is a necessary historical response to the challenges brought on by the public sector's uncontrolled growth. It became an essential component of economic revival, even in "communist" nations [1], [2].

DISCUSSION

The public sector's development has almost stopped as a result of the policy changes announced in 1991, whereas the private sector had rapid growth in the post-liberalized period. Reduction in the number of public-access industries and introduction of selective competition within those sectors. Disinvestment of shares in a number of public sector industrial businesses in an effort to generate funds and promote more public and employee ownership involvement. Performance improvement via a framework that gives managements more liberty while yet holding them responsible for certain outcomes. As a consequence of these actions, the private sector in India has seen a significant boom throughout the post-liberalization period. Due to the stringent economic policies maintained till 1991, India's economic integration with the rest of the globe was severely constrained. Indian businesses mostly focused on their domestic market. Indian businesses made relatively little foreign investment. Nevertheless, things have changed since 1991, when a new economic strategy was introduced. In reality, globalization is now a hot topic among Indian businesses, and many are using a variety of tactics to grow their operations abroad.

There are two different levels at which globalization may be seen. at both the macro and micro levels, i.e., the globalization of the world economy and the company and enterprise. Quite clearly, the national economies must also be globalized in order to accomplish globalization of the international economy. Economic globalization and corporate globalization are highly interconnected. global time and distance are rapidly reducing due to quickening transportation, quickening communication, escalating financial flows, and quickening technology advancements. The domestic markets are insufficiently wealthy now. It is vital to establish manufacturing facilities abroad and to look for global markets. Businesses may decide to expand internationally in search of political stability, which is generally favourable in other nations [3], [4]. Companies often establish facilities abroad to save hefty shipping expenses. Some businesses establish manufacturing facilities abroad to be near their sources of raw materials and the customers for their final goods. expanding worldwide markets for banking, insurance, and transportation services. Deregulated new financial markets with new products like derivatives are operating around-the-clock, internationally, and around the clock. Decreasing enforcement of anti-trust legislation and an increase in mergers and acquisitions. Globalization of market economics is accompanied by a larger degree of privatization and liberalization than in previous decades. acceptance of democracy as the preferred political system on a large scale. The scope and number of signatories to human rights treaties and instruments are expanding, as is global awareness of these issues. Conventions and accords relating to environmental issues such as climate change, desertification, the ozone layer, and biodiversity. Multilateral commercial accords that now include additional objectives including social and environmental issues.

Analysis of the business environments of India and other nations

A firm's business environment is made up of all the elements that either directly or indirectly influence how a company or commercial venture operates. These include the company's clients, rivals, suppliers, investors, and creditors, as well as regulatory, legal, tax, political, and governmental impacts, as well as social, cultural, and technical challenges. The aforementioned elements may be roughly separated into two categories: the company's microenvironment and its macroenvironment. The micro environment is made up of elements that are unique to the firm, such as its clients, rivals, suppliers, investors, and creditors, which have an immediate influence on how the organization operates and performs. The macro environment is made up of elements that have an effect on all businesses or corporate organizations operating in a nation. These elements include political and governmental influences, social and cultural difficulties, technology advancements, and economic variables. The macro- and microenvironments that a nation offers to businesses operating there are unique in every single one. Corporate activity is impacted by variations in the micro and macro environments of each nation, which frequently result in varying degrees of social and economic development. India is the biggest democracy in the world by number of votes, and it has a parliamentary system of government with a two-tiered legislature, an executive branch, and a court system that all perform separate but linked duties.

Since the start of the economic reforms in 1991, India has gradually transformed from a socialist democratic republic with a somewhat restricted economy to one with a fair amount of economic freedom. The government of the nation continues to be socialist, but it has opened up to both domestic and international private investment. Despite the global financial crisis, which affected a number of western nations, the Indian economy's GDP growth rate is still around 7% annually. India, a nation with a national GDP that exceeds US$ 2 billion, has a robust banking system and thriving capital markets. Public, private, and foreign banks, cooperative banks, regional rural banks, stock exchanges, mutual funds, insurance companies, pension funds, and national regulators like the Reserve Bank of India (RBI), the Insurance Regulatory Development Authority (IRDA), and the Securities & Exchange Board of India (SEBI), which includes the Forwards Markets Commission (FMC), and the Pension Funds Regulatory & Development Authority (PFR), are all part of India's financial system. Financial institutions, financial markets, financial instruments, and financial services are all part of the system. This superstructure offers a framework for conducting economic transactions, controlling monetary policy, and assisting in the investing of savings. The RBI and SEBI, our capital market and banking regulators, are ranked among the finest in the world [5], [6].

Based on newly streamlined processes in Mumbai and Delhi, the study said that businesses may now connect to the grid and begin operating 14 days' sooner than previously. Although the research notes that other steps taken in the previous year that made establishing a company simpler, the number of days it takes to launch a new firm has increased slightly from last year, from 28.4 to 29 this year. The legislative amendments that got rid of the minimum capital requirement and the need for a certificate to establish a firm were praised in the study. Regulations and legislation relating to environmental protection, consumer protection, labour rights protection, and investment protection have changed in India, as they have in the majority of other nations, as a result of liberalization. The introduction of new standards for product quality and packaging was prompted by developments in other affluent nations. others governments set minimal requirements for the items, such as the packaging they must have, to be sold in the nation; others even forbid the marketing of certain goods. Media advertising is not permitted in Libya, for example, and marketing operations are subject to different forms of limitations in many other nations. Similar restrictions apply to the use of children in commercial commercials in numerous European nations. Alcohol advertising is forbidden in several nations, including India. Advertisements and cigarette packaging are required by law to include a warning that smoking cigarettes is harmful to your health. Similar to this, baby food commercials must unavoidably let the consumer know that breastfeeding is beneficial for the kid. Advertising that compares products or uses adjectives like "best" or "excellent" is prohibited in several nations, such as Germany. In the US, the Federal Trade Commission has the power to demand that a business disclose the calibre, efficacy, or comparable costs of its goods.

India is a thriving market for autos, a variety of consumer and luxury items, and telecommunications equipment including mobile phones and internet connections. Competition raises customer awareness of a company's goods and also contributes to their quality improvement. A company's rivals may include other businesses who sell related items as well as businesses that compete for the consumers' discretionary spending. Additionally, some nations have rules that control competition between participants in certain businesses. After various foreign companies started producing their goods in India in the 1990s, India's automotive manufacturing saw a significant boost in quality. The Competition Commission of India (CCI) maintains watch on anti-competitive acts, including mergers and acquisitions, despite the fact that there are many legislative limits on business in India. Companies must convince the commission that their growth was fair and not anti-competitive if they want to grow their firm. However, after liberalization, India greatly reduced the need for industrial license, making it much simpler to establish manufacturing companies under the new "Make in India" government initiative [7], [8].

When comparing the business climate of India to that of other nations, it is vital to take into account the socio-cultural landscape. People's purchasing and consuming patterns, their language, their views and values, their rituals and traditions, likes and preferences, and their education are all aspects of society that have an impact on business. A company's strategy has to be suited for the socio-cultural context in order for it to be successful. The marketing mix will need to be created in a way that best suits the market's environmental features. Companies often exist as a result of their ability to provide their clients with goods or services. Customers generate income, thus it is crucial to keep them happy. Customers vary depending on the nation.

Customers in developing nations like India are very price conscious when purchasing even high-end technological items like cars, computers, and telecommunications equipment, but consumers in rich nations often choose high-quality goods. Recently, high-quality items have been introduced in India as well thanks to a burgeoning middle class. Customers in wealthy nations are often more informed and aware of their rights than those in emerging or impoverished nations. When releasing a product or service in a developed nation, it is often observed that businesses take more caution since there is a higher likelihood that consumers would take them to court or regulatory authorities if something goes wrong.

The ideas and ideals around colour vary greatly depending on the culture. While blue is seen as feminine and pleasant in Holland, it is manly and icy in Sweden. Although Malaysians connect the colour green with disease, it is a favoured hue throughout the Muslim world. In China and Korea, white denotes death and sadness; nevertheless, in certain other nations, it conveys pleasure and is the hue of the bride's bridal gown. Red is a common hue in communist nations, yet many African nations dislike the colour on a cultural level. Promoting certain goods, services, or concepts is hampered by social inertia and related causes. Such societal stigmas are present in the promotion of family planning methods, the use of biogas in cooking, etc. In these situations, the effectiveness of marketing is heavily reliant on the ability to successfully alter societal attitudes or value systems. When dealing with the social environment, we must also take into account the business's social environment, which includes its social duty and the attention or attentiveness of the public at large and its customers [9], [10].

Business is affected by geographical and ecological elements such as the availability of natural resources, weather and climatic conditions, topographical characteristics, locational considerations in the global perspective, port facilities, etc. The marketing mix may sometimes need to be changed due to variations in the regional circumstances of different markets. The placement of certain enterprises is also influenced by geographic and biological variables. For instance, industries with a high material index often have locations close to the suppliers of their raw materials. Climate and weather have an impact on where some sectors, like the cotton textile industry, are located. The demand pattern may be impacted by topographical considerations. For instance, SUVs may be more popular than automobiles in steep or challenging terrain places. Technology may sometimes cause issues. A business that cannot adapt to technological development may not survive. Additionally, diverse technology environments in various markets or nations may need product adjustments. For instance, users worldwide are shifting away from Symbian mobile phones and toward Android phones, which can run many apps at once.

CONCLUSION

Over time, changes in governmental policy and an increasing acceptance of global integration have profoundly changed the economic landscape in India. This shift has been greatly aided by the three pillars of globalization, privatization, and liberalization. Foreign companies now have access to the market thanks to liberalization, which also encourages competition and increases market effectiveness. India's strong growth rate, steady foreign currency reserves, and thriving industrial sector are all results of this, in turn. Privatization has sped up the expansion of the private sector and encouraged innovation and investment by weakening the government's influence on some sectors. Globalization has changed the game by bringing Indian enterprises on the international arena. Businesses have increased their operations abroad in search of new markets, stable political environments, and raw material suppliers. India's economic competitiveness and resilience have improved as a result of this global viewpoint. Our comparison examination also brought out the distinctiveness of India's business climate. It is a unique market because of elements including socio-cultural dynamics, consumer behaviour, and geographic circumstances. For organizations hoping to succeed in India, it is essential to comprehend and adjust to these nuances. Businesses must be flexible, creative, and sensitive to the constantly changing environment as India continues its economic revolution. Opportunities abound as a result of the changes in India's economic ecology, but success depends on the ability to negotiate the complexity and take use of this dynamic country's advantages.

REFERENCES:

[1] G. Clarke, Y. Li, and L. C. Xu, “Business environment, economic agglomeration and job creation around the world,” *Appl. Econ.*, 2016, doi: 10.1080/00036846.2015.1136392.

[2] B. Popesko, A. Ključnikov, D. Hrabec, and J. Dokulil, “Predictability of business environment within budgeting process – Is it connected with fluctuations of economy?,” *Econ. Sociol.*, 2016, doi: 10.14254/2071-789X.2016/9-2/6.

[3] M. Fabuš, “Current development of business environment in Slovakia and Czech Republic,” *Entrep. Sustain. Issues*, 2017, doi: 10.9770/jesi.2017.5.1(10).

[4] M. Escaleras and E. P. Chiang, “Fiscal decentralization and institutional quality on the business environment,” *Econ. Lett.*, 2017, doi: 10.1016/j.econlet.2017.07.019.

[5] G. Blakyta, O. Matusova, H. Lanovska, and V. Adamenko, “Integral assessment of business environment security,” *Probl. Perspect. Manag.*, 2017, doi: 10.21511/ppm.15(4-1).2017.12.

[6] M. Ištvanić, D. C. Milić, and Z. Krpić, “Digital marketing in the business environment,” *Int. J. Electr. Comput. Eng. Syst.*, 2017, doi: 10.32985/ijeces.8.2.4.

[7] H. Maupa, N. Brasit, S. Sulawesi, and I. Jusni, “The Effects of Business Environment, Market Orientation, Strategy, and Product Innovation on Business Performance in the Real Estate in Makassar City Nur Naninsih,” *Sci. Res. J.*, 2017.

[8] G. Mahdavi and A. A. Daryaei, “Attitude toward business environment of auditing, corporate governance and balance between auditing and marketing,” *Contaduría y Adm.*, 2017, doi: 10.1016/j.cya.2017.04.005.

[9] B. Gavurova, M. Packova, M. Misankova, and L. Smrcka, “Predictive potential and risks of selected bankruptcy prediction models in the Slovak business environment,” *J. Bus. Econ. Manag.*, 2017, doi: 10.3846/16111699.2017.1400461.

[10] E. M. Akhmetshin, V. L. Vasilev, S. I. Bakhvalov, A. N. Prikhod’ko, and A. V. evich Kazakov, “Internal control in the system of innovation management in the modern business environment,” *Int. J. Econ. Res.*, 2017.

CHAPTER 2

DYNAMIC BUSINESS ENVIRONMENT: UNDERSTANDING ITS ELEMENTS AND IMPACT ON CONTEMPORARY BUSINESSES

Sourabh Batar, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- battarsourabh@gmail.com

ABSTRACT:

The modern corporate environment is marked by ongoing change and development, which is influenced by a wide range of internal and external forces. For businesses across sectors, this changing business climate offers both possibilities and problems. Businesses need to have a thorough awareness of the components of the business environment and the significant influence they have on their operations if they are to succeed in this constantly altering climate. The essential components of the dynamic business environment are examined in this abstract, which also covers sociocultural and demographic impacts, quick technical development, economic ups and downs, ecological responsibilities, and the complex web of political and legal laws. It explores how these factors influence contemporary firms' strategy, choices, and overall performance. The abstract also emphasizes how crucial a role technology plays in disrupting markets and changing consumer habits. It highlights the importance of economic circumstances and the need for firms to be watchful and adaptable in the face of market swings. Organizations are encouraged to implement sustainable practices in response to urgent environmental challenges by acknowledging the ecological and physical environment as a crucial factor.

KEYWORDS:

Businesses, Corporate Environment, Economic, Management, Political.

INTRODUCTION

Environment, in Barnard's words, "consists of atoms and molecules, agglomeration of things in motion, alive, of men and emotions, of physical and social law, social ideas, social norms, of forces and resistance." They are ever-present and always changing, and there are an unlimited number of them. Any firm operates under the constraints set forth by the many facets of society. The word "environment" refers to all the conditions and situations that surround an organization or any of its parts. There is business all around us. It is involved in every facet of our existence. Every human action includes commerce in order to fulfill his endless needs and desires. Even though it is a fundamental aspect of human life and is universal, business is difficult to describe precisely. The systematic efforts of an entity to provide customers with products and services at a profit may be seen as business. Businesses may range in size depending on factors like the number of workers, sales volume, etc. But all companies have the same objective, which is to make money [1], [2].

The abstract also emphasizes how important politics and the legal system are to companies, where obstacles and possibilities are presented by government rules and policies. It highlights the significance of internal elements including human resources, financial management, marketing, and management structures in enhancing overall performance and gaining a competitive edge. The abstract concludes by emphasizing how crucial it is for modern enterprises to comprehend and successfully navigate the shifting business environment. Those who can successfully adapt to the constantly shifting environment will not only survive, but also lead, innovate, and positively impact society and the global economy. Organizations aiming to expand steadily, be resilient, and remain relevant in a world that is becoming more complicated and competitive must have this knowledge. Beyond generating money, businesses have the following objectives:

1. A significant social institution
2. In order to provide products and services
3. Generating employment opportunities
4. Providing improved living conditions
5. Contributing to the nation's economic growth

As a result, it is clear how important business is from the perspective of both people and the wider national community. There would be no society without commerce. It also doesn't need to be emphasized how important society is to business. Business nowadays is dynamic. 'Change' is the one term that, if there is one, best captures the nature of business today. In order to thrive in the market, businesses must invest heavily in research and development (R&D). The term "environment" refers to all factors that affect how a firm operates. Aside from internal organizational pressures, they might also be those of external elements such as economic, social, political, and technical influences [3], [4].

Environmental influences are mostly, if not entirely, external and outside of the administration and control of specific industrial businesses. The business climate may put a company in danger or provide vast chances for market exploitation. Every firm must adjust to the environment in which it operates if it is to succeed. For instance, when a change in government regulations occurs, the firm must adjust in order to comply with the new regulations. Similar to how the arrival of computers replaced typewriters and how colour television has rendered black and white television out of style, a shift in technology may make old items obsolete. Once again, a movement in consumer preferences or fashion may affect the market demand for a certain product. For instance, the popularity of jeans may have decreased the sales of other conventional clothing. These are all outside variables that the company has no control over. Thus, in order for the business units to survive and prosper, they must adjust to these changes. Consequently, it is important to comprehend the notion of the business environment and the nature of its numerous components.

Characteristics of the business environment

Being aware of the environment in which the firm will function is crucial for its success. Following are a few characteristics of the business environment:

(i) **Totality of External Forces:** The business environment is an aggregate of all factors that are external to business companies.

(ii) **Particular and General Forces:** Particular and general forces are present in the business environment. Specific factors (including investors, consumers, rivals, and suppliers) have a direct and immediate impact on individual businesses' day-to-day operations. All commercial businesses are impacted by general influences (such as social, political, legal, and technical circumstances), which means that an individual organization may only be affected indirectly.

(iii) **Dynamic Environment:** The business world is dynamic. It is always evolving due to advancements in technology, changes in customer tastes, or the arrival of new competitors into the market.

(iv) **Uncertainty:** The business environment is highly unpredictable since it is extremely difficult to foresee the future, particularly in businesses where environment changes occur too often, such information technology or the fashion industry.

(v) **Relativity:** Since it varies from nation to nation and even region to region, the business environment is a relative notion. For instance, political climates in China or Pakistan are different from those in the United States. Similar to this, the demand for sarees may be rather strong in India but almost nonexistent in France.

(vi) **Multifaceted:** Business environments vary often and are influenced by businessperson expertise and presence. Different people may have different perspectives on changes. It could provide an opportunity or a danger depending on who you ask.

Value of the Business Environment

The company and its surroundings are closely and continuously interconnected. This engagement contributes to the business firm's growth and more efficient resource use. As previously said, the business environment is complex, unpredictable, and dynamic in nature, all of which have a significant influence on the continuation and expansion of the company. To be more precise, having a thorough awareness of the social, political, legal, and economic components of the business environment benefits the company in the following ways. Being the first to capitalize on possibilities when they are discovered helps a business avoid losing out to rivals. For instance, since Maruti Udyog was the first to discover the demand for compact automobiles in India, it rose to the top of the market for small cars [5], [6].

Threat identification enables competitors to improve and implement corrective measures to stay competitive. For instance, if an Indian company notices that a foreign multinational is entering the Indian market, it may respond to the danger by taking actions such as raising product quality, cutting manufacturing costs, ramping up advertising, and so on. Businesses of all stripes are operating in an environment that is becoming more dynamic. Businesses must comprehend and analyze the environment in order to establish appropriate strategies for dealing with these big changes. Businesses that consistently keep an eye on their surroundings and employ sensible business practices not only enhance their current performance, but also last longer in the market. The interaction with the environment results in the opening of new horizons for business companies' development. It helps the company to pinpoint potential places for expanding its operations. In order to contend with the quickly escalating rivalry, it aids businesses in analysing the plans of their rivals and developing their own strategies appropriately.

DISCUSSION

By demonstrating their awareness of the environment in which they operate, corporate organizations may enhance their perception of themselves. For instance, many businesses have installed captive power plants (CPP) in their facilities to satisfy their own energy needs and reduce energy loss during transmission as a result of the current energy crisis. Continuous Learning: Managers' jobs are made simpler while dealing with corporate difficulties thanks to environmental analysis. To keep up with the anticipated changes in the corporate environment, managers are encouraged to regularly refresh their knowledge, comprehension, and abilities. No matter the size of the company, its future development and success depend heavily on its vision and goal. In addition to directing the company's operations and its personnel, the vision and purpose are crucial when promoting your brand to clients. The intended future position of the organization is outlined in the vision statement. A company's business, aims, and strategy for achieving those objectives are all outlined in the mission statement. To create a declaration of the aims, goals, and values of the business, elements of the mission and vision statements are often blended.

Internal and external business environments are the two basic categories. While a corporation has no influence over the external environment, it has complete control over its own internal environment. As a result, firms must alter their internal environment in response to external demand. Businesses have given the internal environment a lot of thought. The owner of the firm, the shareholders, the managing director, the non-managers, the workers, the clients, the organizational infrastructure, and the culture all make up the internal environment [7], [8].

Nature and Structure of Management

These elements are often within the control of company. According to changes in how an organisation operates, business may alter these characteristics. Since it affects both an organization's strengths and weaknesses, human resources are a crucial component. Any organization's human resource must possess qualities like expertise, quality, good morale, dedication to the job at hand, attitude, etc. varied levels of an organization's workforce may exhibit varied degrees of initiative and participation. They are influenced by the overall environment and corporate culture. It is an internal aspect that an organization has complete control over to change in accordance with external pressures and the demands of the business.

Another crucial internal aspect that significantly affects how well a corporation operates and performs is its financial policies, financial situations, and capital structure. The organization must have the necessary financial resources to launch and run. Share capital, banks and other financial institutions, as well as unorganized capital markets, serve as the sources of funding. Recent developments in the Indian capital market show that both financial institutions and the common population have enough of money available. A helpful internal component is the availability of financing together with numerous incentives connected. Resources like the marketing organization, the calibre of the marketing staff, brand equity, and the distribution network have a direct influence on the company's marketing effectiveness, which in turn affects the management's decision-making function. This, instead, has a significant influence on the business's internal environment.

Facilities like manufacturing capacity and technology are a few of the elements that affect a company's ability to compete. For an organization to operate effectively, the assets must be acquired and used properly. When an organization invests in equipment, it does so because it anticipates a future period of positive rate of return over cost. The money earned from the usage of the equipment should be adequate to pay for the capital expenditures, cover operational expenses, and provide a profit that will satisfy the organization. The country's technological advancement and the government's policy toward international technical cooperation determine the availability of equipment. Business choices are also influenced by the organizational structure. Organizational structures, such as the make-up of the board of directors, have an impact on company choices since they are internal factors. A firm's ability to make choices is strongly impacted by the organizational structure and management style. For efficient operation and functioning, they must be controlled properly. An organization's structure affects the tactics it can use.

Different tactics work well in certain contexts. Therefore, for an organization to succeed, its structure must match the commercial environment in which it grows. Some environments and marketplaces change more quickly than others. A company operating in a high-tech setting, for instance, has to have a quick response time since its rivals are constantly launching new goods. Organizations may find it challenging to keep up with all the changes and ramifications of their own operations and activities in environments that are changing quickly. Businesses in stagnant markets often have inflexible hierarchical structures, while businesses in dynamic marketplaces are more adaptable. To address new problems, they might add new divisions to their management structure. The following are some more internal elements that affect the business environment:

1. **Research and development:** Although the majority of the organization's demands for R&D are met by external sources, these sources nonetheless have an effect on how the organization works, operates, and makes decisions. The company's capacity for innovation and competition is largely determined by this factor. R&D mostly affects the business environment via technology advancements. The totality of knowledge offering approaches to solving problems is referred to as the technical environment. It may include innovations and methods for creating, manufacturing, and distributing goods that have an impact on how things are done. A certain technology has an impact on an organization's structure and competitiveness [9], [10].
2. **Firm Image and Brand Equity:** The internal environment of the firm is impacted by the company's reputation in the external market. It aids in obtaining funding, setting up joint ventures and other alliances, expanding and acquiring businesses, concluding sale and purchase agreements, introducing new goods, etc. Brand equity benefits the business in a similar way.
3. **Value System:** An individual's or an organization's recognized moral standards make up its value system. The choice of company, the organization's purpose and goals, business rules, and business practices are all significantly influenced by the founders' and leaders' value systems. For a while, these values help direct the fundamentals of company, which creates a positive image in the minds of those who interact with the firm. The values are essential to the success of company and exist independently of its goals.
4. **Competitive Advantage:** Analyzing the internal business environment critically requires competitor analysis. Competitors' activities have an impact on a company's capacity to turn a profit since they always look for ways to outdo one another by distinguishing their goods and services and aiming to provide greater value for money. It entails:

(i) The actual contestants' identification
(ii) Evaluating the goals, tactics, strengths, weaknesses, and response patterns of rivals
(iii) Choosing the tactics to cope with rivals.

An organization's internal elements that provide it advantages and disadvantages in serving the demands of its target market and achieving a competitive edge over rivals are the subject of the internal study of strengths and weaknesses.

CONCLUSION

The success or failure of enterprises is greatly influenced by the dynamic, ever-changing business environment. It is made up of a variety of internal and external elements, both macro and micro, that have a big impact on how businesses operate and formulate their strategy. Businesses must adjust to the possibilities and challenges given by the environment in today's world of fast change. To create successful strategies and make wise judgments, it is essential to understand the socio-cultural, technical, economic, ecological, political, and legal aspects of the company environment. Particularly, the role of technology has grown in importance as it influences industries, consumer behaviour, and competitiveness. For their businesses to be creative and competitive, research and development must be consistently funded. The state of the economy has a significant impact on corporate fortunes as well. Business operations, profitability, and growth possibilities are all directly impacted by economic fluctuations, whether they be boom or recession. Keeping up with economic developments and policies is thus crucial.

Another important factor is the ecological and physical environment, particularly for enterprises engaged in production and manufacturing. Sustainable practices are necessary because resource scarcity and climate change may disrupt supply chains and increase expenses. The political and legal context establishes the foundation for how companies function. Political stability, governmental policies, and legal requirements all have a big impact on corporate plans and compliance. Businesses must consider their internal environment in this complex web of external forces. The competitive advantage and overall success of a firm are significantly influenced by factors including human resources, financial circumstances, marketing resources, and managerial structures. Businesses must balance their internal strengths and limitations with the external possibilities and challenges presented by the business environment as they work to expand and endure. To succeed in the constantly changing corporate environment, proactive plans, constant monitoring, and flexibility are essential. In conclusion, the business environment is an essential component of an organization's journey, not just a background. To succeed in this environment, organizations must negotiate the forces of change, grab opportunities, and manage risks. Companies may improve their competitiveness, assure sustainability, and make beneficial contributions to society and the economy by understanding the many components of the business environment and acting appropriately in response to them.

REFERENCES:

[1] D. I. Prajogo, "The strategic fit between innovation strategies and business environment in delivering business performance," *Int. J. Prod. Econ.*, 2016, doi: 10.1016/j.ijpe.2015.07.037.

[2] A. Ključnikov, J. Belás, L. Kozubíková, and P. Paseková, "The entreprenurial perception of SME business environment quality in the Czech Republic," *J. Compet.*, 2016, doi: 10.7441/joc.2016.01.05.

[3] D. Aribawa, "E-commerce strategic business environment analysis in Indonesia," *Int. J. Econ. Financ. Issues*, 2016.

[4] J. Mawejje and I. M. Okumu, "Tax Evasion and the Business Environment in Uganda," *South African J. Econ.*, 2016, doi: 10.1111/saje.12132.

[5] R. Lisowska, "The potential of business environment institutions and the support for the development of small and medium-sized enterprises," *Entrep. Bus. Econ. Rev.*, 2016, doi: 10.15678/EBER.2016.040307.

[6] G. Clarke, Y. Li, and L. C. Xu, "Business environment, economic agglomeration and job creation around the world," *Appl. Econ.*, 2016, doi: 10.1080/00036846.2015.1136392.

[7] B. Timilsina, "Does competitively distinct operation enable performance in turbulent business environment? A study on finnish SMEs," *Manag. Prod. Eng. Rev.*, 2016, doi: 10.1515/mper-2016-0029.

[8] A. I. Abdullahi and F. A. Zainol, "The Impact of Socio-cultural Business Environment on Entrepreneurial Intention: A Conceptual Approach," *Int. J. Acad. Res. Bus. Soc. Sci.*, 2016, doi: 10.6007/ijarbss/v6-i2/2013.

[9] R. Palalic, B. Durakovic, A. Brankovic, and O. Ridic, "Students' entrepreneurial

orientation intention, business environment and networking: Insights from Bosnia and Herzegovina," *Int. J. Foresight Innov. Policy*, 2016, doi: 10.1504/IJFIP.2016.084530.

[10] A. Daniluk, "Conditions of cooperation between enterprises and business environment institutions using the Podlasie region as an example," *Eng. Manag. Prod. Serv.*, 2016, doi: 10.1515/emj-2016-0029.

CHAPTER 3

EXPLORING BUSINESS ORGANIZATIONS: FROM SOLE PROPRIETORSHIPS TO HINDU UNDIVIDED FAMILY BUSINESSES

Bhirgu Raj Maurya, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- brmourya.mourya321@gmail.com

ABSTRACT:
Business organizations, which include a broad variety of forms and tactics, are the foundation of economic activity everywhere in the globe. Each organizational structure has its own distinctive characteristics and repercussions, from firms run only by one person to Hindu Undivided Family (HUF) enterprises steeped in tradition. The numerous company forms are examined in this article, together with their ownership models, governing laws, financial concerns, and operational dynamics. Entrepreneurs may obtain important insights into the decision-making process when starting or restructuring their company by looking at the characteristics and factors connected with each form of business organization. This thorough publication explores a range of company structures, including sole proprietorships and Hindu Undivided Family (HUF) firms. It offers a thorough examination of the salient features, benefits, and downsides of each form of company structure. The study also identifies the crucial elements that entrepreneurs must take into account when deciding on the best organizational structure for their businesses. Entrepreneurs may make well-informed choices that are in line with their objectives and available resources by being aware of the distinctive characteristics of various company groups.

KEYWORDS:

Business Organization, Entrepreneurs, Management, Proprietorships.

INTRODUCTION

Industrial and commercial operations are included in business activities. Units that carry out these tasks are business organizations. They may also be referred to as businesses, concerns, enterprises, or companies. Analyzing a company organization's traits can help you understand it better. The right of a person or a group of people to obtain legal title to assets or properties for the purposes of operating a company is referred to as ownership. One person or a group of people may jointly own a business company. Every commercial enterprise must engage in such lawful business, i.e., the business cannot entail unlawful activities. Each business endeavour exists as a separate legal person. It has its own resources and obligations. It operates in a unique manner. No other corporation is able to account for the gains or losses experienced by one company. All business ventures produce and/or distribute goods and/or services in return for cash. All commercial enterprises conduct ongoing business operations. A business unit is not a unit with a single activity or transaction [1], [2].

Any business endeavor is subject to risk and uncertainty. Future circumstances, which are unknown and unclear, have an impact on business. Decisions in business are becoming more uncertain, which raises the possibility of company loss. Profit-making is the primary motivation for the founding of businesses. In the private sector, they may be founded by a single person, a group of individuals, or the government or other public entities. Founded by only one person, a single proprietorship is a kind of company. A group of people may create a Hindu Undivided Family, a Partnership, a Company, or a Co-operative to operate the company.

All of the preparations needed to run a firm are referred to as business organization. In order to do business effectively and profitably, a number of actions must be performed to build relationships between people, things, and machines. This might be referred to as the organizing process. The arrangement that results from this organizing process is referred to as a business venture or organization. The most crucial step in starting a firm is choosing an appropriate organizational structure. The success of a firm is primarily a result of the appropriate kind of business organization. Depending on the kind of organization, several aspects of company operations, such as management, capital acquisition, profit distribution, and legal requirements, are affected. Different kinds of organization include, to differing degrees, the qualities of an ideal form of organization. The following aspects should be taken into account by the company owner when choosing an organizational structure for his enterprise. Entrepreneurs must take into account a variety of variables before deciding on a viable business structure. The following considerations have a significant role in determining the kind of commercial organization to choose [3], [4].

The formation shouldn't take too long to complete and shouldn't need a lot of legal paperwork. The organizational structure should make it easier to get the necessary cash at a fair price. If the business needs a significant quantity of capital, the following requirements must be met before the public will invest money: a) investment safety; b) a fair return on investment; and c) transferability of the holding. A company may be set up with either restricted or unlimited liability. Limited liability is preferred from a risk perspective. This implies that the owner's personal responsibility for the obligations of the company is strictly capped to the amount of capital he has committed to invest. Unlimited liability implies that even the owners' private property may be seized to satisfy commercial obligations. A direct connection exists between ownership, control, and management; the firm's owners must be in charge of management. The company may not be handled effectively if the owners have no authority over the management [5], [6].

Any company concern needs stability. An uninterrupted existence allows the business owner to create long-term strategies for the growth of the company. This desirable trait of a strong organizational structure is operational flexibility. Changes may occur in market circumstances, governmental policies toward industry, or the conditions of the supply of different production components. Organizations should have the flexibility to quickly adapt to changes in their environment. The right of a person or a group of people to obtain legal title to assets or properties for the purposes of operating a company is referred to as ownership. One person or a group of people may jointly own a business company. Every commercial enterprise must engage in such lawful business, i.e., the business cannot entail unlawful activities. Each commercial endeavour exists as a separate legal person. It has its own resources and obligations. It operates in a unique manner. No other corporation is able to account for the gains or losses experienced by one company. All business ventures produce and/or distribute goods and/or services in return for cash. All commercial enterprises carry on their operations continuously. A business unit is not a unit with a single transaction.

DISCUSSION

Business ventures are always subject to risk and uncertainty. Future circumstances, which are unknown and unclear, have an impact on business. Decisions in business are becoming more uncertain, which raises the possibility of company loss. Legal frameworks under which a commercial venture may be set up and run are known as types of business organization. These organizational structures include things like ownership, taking on risk, having control, and profit sharing. Any of the aforementioned forms may be used to create a company, although often one form is more appropriate for a certain activity than another. The decision will be based on a number of variables, including the kind of company, the goal, the amount of money needed, the size of operations, government regulation, legal requirements, and so forth.

Single-person business

To purchase products for our everyday requirements, we visit the market. There are many different stores in the market, some of which are little and some of which are large. On the side of the road, we can come across some people peddling veggies, peanuts, newspapers, etc. On the sidewalk, we can possibly come across a cobbler mending footwear. These kinds of stores are common in your neighbourhood. However, have you ever attempted to learn how these companies are run? Who are these companies' owners? What precisely does a company owner do? You might argue that the owner starts the firm with funds, makes all business-related choices, manages the day-to-day operations of the company, and is ultimately accountable for the company's success or failure. Yes, you're correct. All of these actions are taken by the owner. In this kind of business, a single person is responsible for starting and managing the company. The terms "sole proprietorship" and "proprietorship" denote ownership. It indicates that a single person or individual becomes the company's owner.

As a result, the kind of business organization known as a sole proprietorship is one in which a single individual owns, operates, and oversees all aspects of the firm. 'Sole proprietor' or'sole trader' refers to the person who owns and operates the sole proprietorship firm. With the only purpose of making money, a lone owner pools and systematically arranges the resources and manages the operations. Is there a store like this in your neighbourhood with only one owner? Many small businesses are organized as sole proprietorships, including grocery stores, pharmacies, telephone booths, and vegetable shops. A single proprietor may also operate small manufacturing facilities, fabrication shops, garages, beauty salons, etc. in addition to trade businesses. The oldest and most popular kind of corporate organization is this one. As a result, the definition of a sole proprietorship is "a business enterprise that is solely owned, managed, and controlled by a single person with all power, responsibility, and risk." The following characteristics apply to business entities that are sole proprietorships:

(i) **Single Ownership:** The sole proprietorship type of company organization is always owned by a single person. All of the company's assets and properties are owned by that person. As a result, he alone is responsible for the business's risk. As a result, the lone proprietor's company ends at his or her discretion or upon death.

(ii) **No sharing of profits or losses:** The single owner of a sole proprietorship keeps all profits generated by the firm. Any losses must likewise be borne entirely by the individual owner. The solitary owner is the only party to the business's profit or loss.

(iii) **One-man's Capital:** In a single proprietorship type of company organization, the individual owner is responsible for arranging all of the capital needed. He does it either out of his own pocket or by taking out a loan from friends, family, banks, or other financial organizations.

(iv) **One-man Control:** In a single proprietorship, the owner retains complete control over all company decisions. All business-related decisions are made by the owner or proprietor alone. Naturally, he is free to counsel anybody he chooses.

(v) **Infinite responsibility:** The lone owner is subject to an infinite amount of responsibility. This suggests that in the event of a loss, both the company's assets and the owner's personal assets would be utilised to cover the company's debts.

Almost no legal formalities are necessary for the creation and operation of a sole proprietorship type of company organization. Additionally, registration is not needed. The sole proprietorship must have a seal, nevertheless, depending on the business's goals and the type of the enterprise. He could need to get the necessary licenses or approvals from the local government, just like any other kind of company. A street food seller could need FSSAI registration, for instance. The most straightforward and typical company structure in our nation is the single proprietorship. It offers the following benefits. A sole proprietorship is a relatively simple company structure to establish. The company may be started with very little money. There are no legal requirements that must be met in order to create a company, with the exception of those that need a license from the local government. Similar to company establishment, business winding up is quite simple. The decision to start or end the company is entirely up to you. The single owner is the only one who benefits from earnings and who also assumes the risk of incurring losses. As a result, effort and reward are closely related. If he puts in a lot of effort, he may be able to earn more money, and he will undoubtedly be the only one to benefit from it. He won't get this award from anyone else. This gives the solitary owner great incentive to put in hard effort. The single owner is solely accountable for all choices in a sole proprietorship firm. Of course, he can talk to other people. He is, nevertheless, free to make whatever choice he wants. choice-making becomes swift since no other parties are engaged, and immediate action may be made in response to this choice.

In a single proprietorship, the owner has complete control over each and every company operation. He is the organizer and planner who effectively coordinates all of the activities. The owner may exert stronger control over the firm since he has complete power. Maintaining business secrecy is crucial for all businesses. It means keeping future plans, technological know-how, commercial ideas, etc. hidden from outsiders or rivals. Since management and control are in his hands in a single proprietorship, the owner is in a very strong position to keep his intentions to himself. There is no need to share any information with other parties. As a solo owner, you may always keep in touch with your clients and staff on a personal level. The solo entrepreneur may learn about the unique preferences and tastes of the clients via direct interaction. Additionally, it promotes warm relationships with workers, which helps the firm function smoothly. The lone owner is free to alter the form and extent of company activities as needed and in accordance with his decisions. A one-person company may grow or shrink depending on the situation. Let's say you own a bookstore and have been providing books to students. You might choose to offer stationery things like pens, pencils, registers, etc. if you want to grow your company. Installing a fax machine inside your STD booth can allow you to grow your company. Businesses organized as sole proprietorships provide job possibilities for individuals. In addition to being self-employed, the owner sometimes helps others find work. You must have seen in several stores that the owner is assisted in selling things to consumers by a number of staff. As a result, it aids in decreasing unemployment and poverty in the nation. Due to the benefits mentioned above, a sole proprietorship is the ideal kind of company organization.

In a single proprietorship, the owner sets up the necessary funds for the company. It might be challenging for one person to raise a significant sum of money. Both the owner's own money and money borrowed from others might sometimes fall short of what the firm needs to develop and expand. If the single owner is unable to pay the debts and responsibilities resulting from company operations, his personal property may have to be sold in order to satisfy such obligations. Due to this, the solitary owner is constrained from taking risks and deliberates carefully before beginning or increasing company operations. The life of the lone owner determines the company' continuity. The business is terminated by the owner's illness, death, or bankruptcy. Therefore, it is unknown if company operations will continue. In a sole proprietorship business structure, there is a size beyond which it is difficult to extend operations. If a firm expands too much, a single individual may not always be able to oversee and manage all of its operations. It's possible that a solo owner lacks expertise in all areas of management. He or she could excel in planning and administration but struggle with marketing. Again, a professional manager may not be able to be hired due to restricted financial resources. As a result, the company does not reap the rewards of expert management [7], [8].

The family's oldest member is Karta. Karta can only be attained by a coparcener. His position is so distinctive that it cannot be compared to any other office, organization, or global system. His stance is sui generis, which means unique to himself. The peculiarity resides in the fact that the Karta has no higher interests in the coparcenery and is not superior in terms of his share or interest. He has the right to claim his portion if there is a division. Although he only has a few abilities, inside the boundaries of his domain, he wields immense capabilities that no one else possesses. He has a legally recognized and bestowed status. While an adopted son who is the family's oldest may qualify, no stranger can ever qualify to be a karta. Karta is in charge of overseeing the HUF's property in a HUF. He is in charge of the HUF's assets and revenue. All money that he has stolen or spent on things other than what the joint family was interested in must be made up to other family members in equal proportions. He plays an important part. He is responsible for overseeing the family's general welfare in addition to managing the family's property and assets. Like jointly held real estate, the Hindu Undivided Family company is a jointly owned entity. Hindu Law is in effect there.

1. **Profit Sharing:** Each co-owner receives an equal portion of the company's earnings. If one of the co-parcelers passes away, his widow may be entitled to a portion of the proceeds.
2. **Management:** The senior-most family member, known as the karta, is in charge of managing a Hindu Undivided Family enterprise. He has the power to run the company, and the other partners cannot contest his management style.
3. **Liability:** Each member of the Hindu Undivided Family is only liable to the amount of his ownership stake in the company. However, the karta's obligation is uncapped since it includes his personal property.
4. **Fluctuating Share:** Each co-parceler's specific share is constantly changing. This is due to the fact that every male child born into the family increases the number of co-parceners, and every co-parcener death decreases the number.

A Hindu Undivided Family company continues to operate after the death of any co-partner. It continues to exist as karta, the next-eldest family member. A Hindu Undivided Family company, however, may be dissolved at any moment by mutual consent of the members or by division. Regardless of how much each co-parceler contributed to the business's smooth operation, they are all guaranteed a portion of the profits. In a manner, this protects the interests of certain family members, such as children, the ill, the crippled, and widows. The karta has complete discretion over how to run the family firm. He can make swift judgments without much hindrance thanks to it. A Hindu Undivided Family Business offers the chance for the younger family members to gain from the knowledge and experience of the senior members and also aids in instilling characteristics like as discipline, self-sacrifice, tolerance, etc. The responsibility of the co-parties is restrained, but the karta's liability is unlimited. This enables the karta to run the company as effectively as possible. A Hindu Undivided Family enterprise is unaffected by the bankruptcy or passing of any family member, even karta. As a result, it might go on for a very long time [9], [10].

Joint Hindu Family Business Drawbacks

Hindu Undivided Family Businesses often have a restricted amount of financial and management resources. Thus, it is unable to engage in significant and dangerous business. The members are never motivated to put in a lot of effort. It's because everyone in the group benefits from hard effort equally rather than just one individual member. The Karta has complete control over how the company is run, hence there is potential for him to abuse that control for his own benefit. A poor karta might also be detrimental to the company. Three male generations of a Hindu undivided family are engaged in the firm. It invariably results in generational strife. Hindu Undivided Family businesses' performance is largely reliant on the effectiveness of the karta and the co-partners' shared knowledge of one another. However, as the Hindu Undivided Family structure gradually collapses, this line of work is losing momentum.

CONCLUSION

Choosing the appropriate organizational structure for a company endeavour is a crucial choice that may have a big influence on its success and sustainability. Entrepreneurs must carefully evaluate their objectives, finances, and risk tolerance before deciding whether to go with the simplicity of a single proprietorship or embrace the tradition of a Hindu Undivided Family (HUF) firm. Each kind of company organization has unique benefits and drawbacks; therefore the decision should be made in accordance with the owner's individual requirements and goals. The goal of this investigation into business organizations is to provide company owners with the information they need to make wise choices that will position them for long-term success in a fast-paced, cutthroat industry.

REFERENCES:

[1] J. R. Langabeer and T. Champagne, "Exploring business strategy in health information exchange organizations," *J. Healthc. Manag.*, 2016, doi: 10.1097/00115514-201601000-00005.

[2] A. Joyce and R. L. Paquin, "The triple layered business model canvas: A tool to design more sustainable business models," *J. Clean. Prod.*, 2016, doi: 10.1016/j.jclepro.2016.06.067.

[3] C. Gauthier and B. Gilomen, "Business Models for Sustainability: Energy Efficiency in Urban Districts," *Organ. Environ.*, 2016, doi: 10.1177/1086026615592931.

[4] "Advancing Organization Studies in Family Business Research: Exploring the Multilevel Complexity of Family Organizations," *Organ. Stud.*, 2016, doi: 10.1177/0170840616631717a.

[5] M. A. Musa and M. S. Othman, "Business Process Reengineering in Healthcare: Literature Review on the Methodologies and Approaches," *Rev. Eur. Stud.*, 2016, doi: 10.5539/res.v8n1p20.

[6] D. Wu, B. Ngugi, and G. D. Moody, "Identifying new temporal coordination requirements for calendar systems through a temporal structure lens," *Comput. Human Behav.*, 2016, doi: 10.1016/j.chb.2016.07.041.

[7] M. Srimannarayana, "Designing new employee orientation programs: An empirical study," *Indian J. Ind. Relat.*, 2016.

[8] F. Carton, T. Hynes, and F. Adam, "A business value oriented approach to decision support systems," *J. Decis. Syst.*, 2016, doi: 10.1080/12460125.2016.1187415.

[9] R. Nyukorong and W. Quisenberry, "Character Traits Of Effective Executives: A Phenomenological Study Of Ceos In Ghana," *Eur. Sci. Journal, ESJ*, 2016, doi: 10.19044/esj.2016.v12n20p69.

[10] C. Anagnostopoulos, M. Winand, and D. Papadimitriou, "Passion in the workplace: empirical insights from team sport organisations," *Eur. Sport Manag. Q.*, 2016, doi: 10.1080/16184742.2016.1178794.

CHAPTER 4

COMPARING BUSINESS STRUCTURES: PARTNERSHIPS, PRIVATE COMPANIES, AND PUBLIC CORPORATIONS

Yogesh Chandra Gupta, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- COGNITOR.YOGESH@GMAIL.COM

ABSTRACT:

Choosing the best organizational structure is one of the essential choices that must be made in the corporate world. This decision may have a big influence on how a firm run, how much responsibility its stakeholders carry, and how successful it is overall. Three main company forms stand out from the plethora of choices: partnerships, private firms, and public corporations. Each kind of structure has a unique collection of features, benefits, and drawbacks. A partnership is created when two or more people decide to work together to manage a company. It is a flexible and easy approach to start a company since they split earnings and losses. Partnerships, however, can carry limitless liability, which might put personal assets in jeopardy. The comparison of various company arrangements, particularly partnerships, private businesses, and public corporations, is the focus of this study. It examines the unique traits, benefits, and drawbacks of each kind of organization. The research emphasizes the important elements that people and organizations should take into account when choosing the best company structure. This research seeks to give useful insights for corporate decision-makers by extensively analyzing these structures.

KEYWORDS:

Management, Private Businesses, Partnerships, Public Corporations.

INTRODUCTION

Private businesses, on the other hand, provide their stockholders with minimal responsibility. These organizations are often employed for medium-sized businesses since they are less regulated than public companies. Their shares are better suited for tightly owned enterprises since they are not publicly traded. The biggest and most intricate of these organizations, public companies are owned by shareholders and openly traded on stock markets. Large financial resources are a benefit, but they are also highly controlled and call for openness. Because their losses are often limited to their investment in the firm, shareholders have little culpability. This study seeks to examine different company structures in-depth, illuminating their unique qualities and the variables affecting the decision between them. It examines the simplicity of creation, tax ramifications, management structures, and other crucial factors that company owners, investors, and entrepreneurs must take into account.

Partnership

A partnership is an organization of two or more people who decide to split the profits of a legitimate company that is managed and operated by all of them, by some of them acting on their behalf, or by any of them. In the words of Haney, "Partnership is the relation between persons competing to make contract who agree to carry on a lawful business [1], [2]. In common with a view to private gain." Forming a partnership is straightforward and uncomplicated. People with a similar background or people with various abilities and talents may join together to carry on a company. It is created to address the need for "more capital, effective supervision and control, greater specialization, division of work among proprietors, and for spreading of risk." Each individual member of such a group is referred to as a "partner," and the group as a whole is referred to as a "partnership firm." The Indian Partnership Act, 1932 is the law that governs these businesses.

Characteristics

(i) **Number of Partners:** A partnership firm must have a minimum of two partners.

(ii) **Contractual Relationship:** In a partnership business, a contract establishes the relationship between the partners. A verbal, written, inferred, or other agreement between the partners creates the partnership. The arrangement is referred to as a "Partnership Deed" if it is in writing.

(iii) **Competence of Partners:** Since being a partner requires signing a contract, potential partners must be capable of doing so. Therefore, those who are underage, insane, or bankrupt are not permitted to become partners. However, a minor may be allowed to participate in the advantages of a partnership, including receiving a portion of the profits.

(iv) **Profit and Loss Sharing:** The partners may divide profits in whatever proportion they mutually agree upon. They split it evenly if there is no consensus.

(v) **Unlimited responsibility:** The partners' responsibility is unrestricted. They are responsible for the firm's debts and liabilities on a joint and several basis. Creditors have the right to seize the personal assets of any partner individually or collectively. A single partner might be asked to cover the firm's debts. He may, of course, recover the money owed to him by the other partners. In the event of a firm's dissolution, a minor's obligation is nonetheless restricted to the amount of his part of the profits.

(vi) **Principal-Agent Relationship:** In a partnership firm, any partner acting on behalf of the others or all of the partners may do business. Accordingly, each partner is a principle when someone else acts on their behalf and an agent when acting on their own behalf. Therefore, it is crucial for the sake of the business that the partners have a reciprocal sense of confidence and faith in one another.

(vii) **Interest Transfer:** Without the approval of the other partners, no partner may sell or transfer their ownership stake in the company to a third party.

(viii) **Legal Status:** A partnership firm is only the collective name for the company. Partners refer to the firm, while the firm refers to the partners. The firm is not recognized by the law as being a separate legal entity from the partners.

(ix) **Voluntary Registration:** Partnership registration is optional. However, registration is seen as advantageous since it gives the company access to a number of advantages. For instance, if it is registered, any partner may bring a claim against the other partners, or a company may bring a claim against third parties in the event of disagreements, claims, disputes, etc.

(x) **Dissolution of Partnership:** A dissolution of partnership includes any modification to the current partnership agreement brought about by an increase or decrease in the number of partners, in addition to the total shutdown or termination of the partnership's operations.

The partnership is simple to set up. The formation of a partnership firm involves no intricate legal procedures. The partners sign a partnership agreement and launch their company. In the viewpoint of creditors, the partnership has a superior credit standing. Since each participant in the company has limitless responsibility, the financial institution may lend money to the businesses without risk. In the event of a sole proprietorship, the capital is restricted to the savings or borrowing ability of one owner. By combining their efforts, participants in a partnership may increase the money available to the firm [3], [4]. The partnership is often well-positioned to increase capital and grow the company. Because there are many partners participating in running a business, the company may assign each partner the tasks and responsibilities for which they are most qualified and suitable. Thus, specialization and the division of labour may increase a firm's productivity. The adage "two heads are better than one" is true. In a partnership, the partners advise each other on a mutual basis regarding the layout, manufacturing process, marketing channels, etc., and as a consequence, a prudent course of action is taken. The partners divide the earnings in accordance with their agreement. To increase their earnings, they are urged to put in more effort. The partners' stake will increase as earnings rise. The partners may keep the company's trade secrets to themselves, which is an advantage of secrecy. The company is not compelled by law to make its balance sheet and profit and loss statement public. If a partnership business employee is discovered to be a man of exceptional skill and competence, he may be awarded the position of a partner in the company after consulting with the other partners. Because partners' responsibility is unbounded, partners often exercise caution when making business decisions. When doing business, they use ethical standards. There is a check on rash choices.

The dissolution of the relationship cannot be brought about by the death or insanity of a partner. Only with the agreement of the other partners may his minor be admitted to the advantages of partners. The success of a firm relies on the partners' mutual trust and collaboration. The possibility of the relationship ending due to a visual difference is well understood by the parties. They have a stronger sense of unity as a result of this. After super fax has been paid, the earnings of a registered business are distributed among the partners. On their portions of the profit, they pay taxes to the government. Thus, registered company partners benefit from lesser assessment. The partnership may also be formally ended by the partners' agreement or in line with a contract. As opposed to a firm, there are no official papers that must be created.

Problems with Partnership Firm

There are also some drawbacks to the partnership style of organization. These are listed below in short. One of the fundamental flaws of partnerships is that each member is jointly and individually liable for the firm's obligations. The personal property of one or more partners may be auctioned according to a court order for the purpose of paying off the business's obligations if it experiences losses and its assets are insufficient to satisfy the claims upon liquidation. Because each partner is responsible for the debt of the company, affluent and wealthy people avoid joining partnerships. The partnership may cease if a partner passes away, gets hurt, withdraws, sells his investment, or is replaced as a partner in the company. It may also dissolve if there is a disagreement. There is a chance that the company may dissolve as a result of internal conflicts [5], [6]. Making an investment in a firm is extremely simple, but taking money out is far more difficult. A person who wants to withdraw their investment must speak with their partners and locate a replacement with an equivalent level of business acumen. The money remains difficult to move and, as a result, remain a frozen investment, which deters interest, unless the aforementioned requirements are met.

DISCUSSION

The partners should be compatible, have a shared goal, be kindhearted, have a calm disposition, and not needlessly stir up conflict and misunderstanding among them. In reality, picking a partner is similar like picking a bride. Get married quickly and repent slowly. If there is a disagreement among the partners, everyone involved should respond quickly to take corrective action. Each and every partner is aware that the firm's resources are held collectively. Resource mismanagement by a spouse or partners is a possibility and occurs often. Decision-making may be delayed in the event that there are disagreements among the "partners." The company can suffer losses as a result of this. In a partnership, the labour of the company is split up among the partners based on their aptitude, preferences, and tastes. Divided authority and accountability may sometimes lead to uncertainty and delays in decision-making. One partner's inefficiency may disrupt the company's whole structure and finally result in the company's closure [7], [8].

Due to a lack of transparency, publicity, and restrictions, a partnership type of organization may not have public trust. Implied authority refers to the power granted to a partner to obligate the firm with any actions taken in the course of the companies' activity. In a partnership, each partner is obligated to the other partners by the actions he does on the firm's behalf. As a result, the other partners may be held responsible for the mistakes and dishonesty of a partner. People from all walks of life who have ability, management acumen, and expertise get together to run a company in a partnership firm. This strengthens the organization's administrative capabilities and its financial, human, and technical resources while lowering risk. These businesses are best suited for relatively modest enterprises including retail and wholesale commerce, professional services, medium-sized mercantile houses, and small manufacturing facilities. In general, it is observed that many organizations begin as partnership businesses and eventually become companies after they are financially and economically desirable to investors.

A voluntary association of people to do business is known as a company type of commercial organization. It often receives legal standing and is bound by established legal rules. It is a group of people that usually provide money to a cause they both support. The capital of the business is the money so given. Members of the organization provide capital. Members of a corporation are referred to as shareholders and the capital of the firm is referred to as share capital since each member has a certain percentage of capital rights, which is referred to as his share. A number of "shares" are created by dividing the entire share capital into its component parts. You may be familiar with brands like Tata Iron & Steel Co. Steel Authority of India Limited, Hindustan Lever Limited, Reliance Industries Limited, Ponds India Limited, etc. The Indian Firms Act of 2013 governs the firms. According to the Act, a corporation is a legal fiction with a distinct identity, eternal succession, and a common seal. A corporation is created and registered under the Companies Act of 2013 or an existing company registered under any other Act, according to that law.

Characteristics

The following are a company's primary traits:

(i) Artificial Legal Person: Because a business is founded by law, it is an artificial legal person. Almost all of a natural person's rights and powers are present in it. It is able to sign contracts. Both it and others may sue it in its own name.

(ii) Incorporated Body: The Companies Act requires that businesses be registered. It is endowed with corporate personality as a result. It has a distinct personality. Even if the firm's shareholders contribute cash, the property bought with that money belongs to the company, not the shareholders.

(iii) Capital Dividends: The company's capital is split into shares. An indivisible unit of capital is a share. A share's face value is often a modest amount, such as Rs. 10, Rs. 25, or Rs. 100.

(iv) Shares are readily transferable. The company's shares are easily transferable. On the stock market, shares may be purchased and sold.

(v) Perpetual Existence: A firm has an ongoing existence that is distinct from that of its stockholders. Changes in its membership brought on by death, bankruptcy, etc. have no impact on its persistence.

(vi) Limited Liability: A company's owners are only held liable for the face value of the shares they own. No Shareholder shall be liable for any amount in excess of the Face Value of the Shares owned by such Shareholder. The unpaid value of the shares may be the maximum the shareholders are requested to pay.

(vii) Representative Management: Because there are so many and they are dispersed far, the shareholders cannot govern the business as a whole. As a result, they choose some of themselves to run and manage the business. The individual "directors" of the corporation and the Board of Directors as a whole are these elected representatives of shareholders. A corporation may be either a public or private firm as an organizational structure. A unique kind of private business is a one-person corporation.

Public Company

(i) A private business possesses
(ii) Maximum of 200 members, excluding current and former workers;
(iii) Prohibit the ability of its shares to be transferred; and
(iv) Bans extending any solicitation to the public to subscribe for any firm stocks.
(v) A private company (or private limited company) may have one member if it is an OPC or two members if it is a regular private business.

A business that is not private is referred to as a public firm. A public business must have a minimum of seven members but does not have the same restrictions as a private firm. A private company (or private limited company) may have one member if it is an OPC or two members if it is a regular private business. A one-person company is a business that has only one member. Since a one-person corporation is essentially a private firm, all constraints that apply to private companies also apply to it. Because these three types of businesses have distinct organizational structures and operational sizes, governments often loosen some of the regulations that apply to private businesses. For one person businesses, there are several extra board and general meeting exemptions. A company's existence is far more stable than a partnership's. The company can last forever if it is handled properly. The death, incapacity, bankruptcy, or dispute of a shareholder has no bearing on the existence of a firm. The life of the corporation, like an artificial person, is least impacted by the shareholders' arrival or departure. Thus, there is a higher degree of company permanence [9], [10].

In a corporation, each shareholder is only liable to a certain extent. The shareholders' responsibility in the event of a loss to the firm is limited to the sums they have put in it. Through share brokers, one of the company's fundamental characteristics allows shareholders to transfer ownership of shares to interested parties. The business only records ownership changes. The corporation benefits from this facility's dependability and the investors benefit from its liquidity. To attract significant money from a large number of investors for the launch of major businesses and industrial enterprises, the corporations split the share capital into shares of modest denominations. A company's management tasks are separated into several functions. Under the direction of the firm's directors, the corporation hires "specialists" in each area to carry out particular tasks related to acquisition, selling, manufacture, finance, etc. Thus, the availability of highly qualified management people increases the company's stability and profitability. The business was formed in accordance with the Companies Ordinance. (vi) Recognized Legal Entity. Therefore, it is treated as an individual person in all legal proceedings. The business may sign contracts, take out loans, and create bank accounts in its name. It has the legal capacity to own, transact, and dispose of property in its own name. The corporation installs costly, modern equipment due to the enormous money available, increasing the amount of items produced. By producing things of superior quality at a lower cost, the company may increase its earnings. The firm benefits from all the efficiencies of large-scale manufacturing as a result of the growth in business size.

Unlike sole proprietorships and partnerships, this sort of company is capable of taking on significant risks. In a corporate type of organization, a big number of shareholders share the risk. It is a huge benefit from an investor's perspective. The elected board of directors manages the firm on behalf of and in the best interests of the company's shareholders. As a result, the corporation is democratically run. A business has full legal protection for its operations from the moment it is founded until it is liquidated. As a result, people have more faith in corporations than they do in sole proprietorships or partnerships. Businesses have made it feasible for people from low income groups to engage in profitable endeavours while being managed by a single entity. The proportion of impoverished people "is thus moving up into the levels of middle income groups."

Deficiencies of the Company

There is no question that the business benefits from some notable advantages, such as reduced responsibility and increased permanency, but there are also certain abuses and drawbacks connected with the corporation. Compared to forming a single proprietorship or partnership, forming a corporation is far more difficult. There are several legal procedures that must be followed, and they take more time, effort, and money as well. The business is liable to taxes in both directions. It taxes the government on its profits. When shareholders get a dividend from the corporation, they must also pay tax. This equates to taxing a company's profits twice, which is seen to be a barrier to the nation's capital creation. In most cases, a company's stockholders are not familiar with one another. Most of them lack the time and technical expertise to keep up with the operations of the company in which they have put some of their money. The yearly meetings are seldom attended by them. As a result, the promoters or controlling shareholders who are annually elected as the company's directors continue to own a majority of the company's shares. Exploitation of the common shareholders may result from the concentration of power in a small number of hands, and it often does. If the business is losing money, the existing shareholders sell their shares and pass the cost onto the new investors. If gains are anticipated, they buy the shares and profit the most.

In a corporation, genuine investors are not permitted to participate in the management of the organization. Therefore, ownership and control are distinct. The directors often take advantage of the defenceless shareholders in concert with the management. The business is formed via certain legal procedures. In the prospectus, the promoters paint a highly rosy image of large returns if they are dishonest and intend to take advantage of the dispersed stockholders. The prospectus's window dressing often deceives investors, who are then taken advantage of by the promoters: This makes them less confident in other reliable businesses. The corporation supports stock exchange speculating in shares. The careless speculating is bad for good investment and the interests of shareholders. A company's management is required to provide an annual report detailing sales, net income, assets, liabilities, and other financial information. Thus, the rivals learn all there is to know about the company's strengths and weaknesses. The workers also reveal the company's trade secrets to competitors. As the company's business becomes more every day, there is a growing sense of alienation between the bosses and the workers. As a result, the firm is seen as soulless and cold-blooded.

The managerial structure of the corporation is often top-heavy. The company's major roles are filled by relatives of the directors, managers, and others who may or may not have the allocated tasks. A group that buys controlling shares continues to control the company's management. There is still a power struggle between factions. Large corporations foster monopolies. The company's powerful owners provide money to political parties and government officials in order to increase their advantages. A firm is suited if there is a need for significant human and financial capital, extensive geographic reach, high levels of risk, and a high volume of activity. It is also desirable when professional management and operational flexibility are required. Only firms are allowed to do business in some industries, such as banking and insurance. A statutory body is a group that was established by a law passed by the state legislature or by the federal government. Examples include the Reserve Bank of India and the State Bank of India, both of which are governed by identical Acts. A statutory corporation, sometimes known as a public body, is an independent corporate entity established by legislation. Its goals, authority, and duties are specified by the law or legislation. The freedom of private business with public ownership and responsibility are the goals of a public company. companies owned by shareholders whose legal personality results from being registered under a pertinent company legislation are not considered statutory companies.

A public corporation is thus a combination of public ownership, public accountability, and business management for public purposes, as defined by Roosevelt as "an organization that is clothed with the power of the government, but is possessed with the flexibility and initiative of private enterprise." Examples are Employees State Insurance Corporation and the Life Insurance Corporation of India. It is important to keep in mind that just by putting the term "corporation" in its name, a business does not automatically become a public company. As an example, the State Trading Corporation of India is a government-owned business rather than a public one.

CONCLUSION

Selecting a company structure is an important option that may have a big influence on an enterprise's performance and survival. Public corporations, private firms, and partnerships all have benefits and drawbacks according to their intended uses and goals.For small-scale projects that need shared accountability and simple formation, partnerships are suitable. The unrestricted responsibility of partners, however, may be a negative. Medium-sized businesses may benefit from private corporations because they provide limited responsibility to shareholders and strike a balance between operational freedom and regulatory constraints. Public companies are better suited for large-scale organizations since they come with substantial rules and transparency requirements in addition to access to massive financial resources. In the end, the choice of a corporate structure should be in line with the particular objectives, available resources, and risk appetite of the parties involved. Understanding the subtleties of these structures is crucial for making educated choices in the changing world of business, whether it is with regard to the simplicity of a partnership, the adaptability of a private company, or the development potential of a public corporation.

REFERENCES:

[1] N. Nurmala, S. de Leeuw, and W. Dullaert, “Humanitarian–business partnerships in managing humanitarian logistics,” *Supply Chain Management*. 2017. doi: 10.1108/SCM-07-2016-0262.

[2] E. V. Estacio, M. Oliver, B. Downing, J. Kurth, and J. Protheroe, “Effective partnership in community-based health promotion: Lessons from the health literacy partnership,” *Int. J. Environ. Res. Public Health*, 2017, doi: 10.3390/ijerph14121550.

[3] D. Citrin *et al.*, “Power, potential, and pitfalls in global health academic partnerships: Review and reflections on an approach in Nepal,” *Glob. Health Action*, 2017, doi: 10.1080/16549716.2017.1367161.

[4] C. Kamya *et al.*, “Evaluating global health partnerships: A case study of a gavi HPV vaccine application process in Uganda,” *Int. J. Heal. Policy Manag.*, 2017, doi: 10.15171/ijhpm.2016.137.

[5] T. Bjärstig and C. Sandström, “Public-private partnerships in a Swedish rural context - A policy tool for the authorities to achieve sustainable rural development?,” *J. Rural Stud.*, 2017, doi: 10.1016/j.jrurstud.2016.11.009.

[6] A. Sadovnikova and A. Pujari, “The effect of green partnerships on firm value,” *J. Acad. Mark. Sci.*, 2017, doi: 10.1007/s11747-016-0490-9.

[7] U. Wassmer, G. Pain, and R. L. Paquin, “Taking environmental partnerships seriously,” *Bus. Horiz.*, 2017, doi: 10.1016/j.bushor.2016.09.009.

[8] K. Jose *et al.*, “Partnering Healthy@Work: An Australian university-government partnership facilitating policy-relevant research,” *Health Promot. Int.*, 2017, doi: 10.1093/heapro/daw033.

[9] T. Yang, R. Long, X. Cui, D. Zhu, and H. Chen, “Application of the public–private partnership model to urban sewage treatment,” *J. Clean. Prod.*, 2017, doi: 10.1016/j.jclepro.2016.04.152.

[10] G. A. Hodge and C. Greve, “On Public–Private Partnership Performance: A Contemporary Review,” *Public Work. Manag. Policy*, 2017, doi: 10.1177/1087724X16657830.

CHAPTER 5

EXPLORING BUSINESS STRUCTURES: FROM STATUTORY CORPORATIONS TO COOPERATIVE SOCIETIES AND BEYOND

Pradip Kumar Kashyap, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- pradiprgnul@gmail.com

ABSTRACT:

In-depth analyses of statutory companies, cooperative societies, and other pertinent organizational models are provided in this thorough publication, which looks into a variety of company forms. Discovering the advantages and disadvantages of each structure is the main objective. Statutory companies are given particular focus, emphasizing their operational independence, consistency, and benefits under the law. On the other hand, the difficulties of challenging formation, excessive accountability, and board disagreements are discussed. The topic of cooperative societies is also covered, highlighting their democratic governance, affordable costs, and social benefits while also pointing out their drawbacks, such as a lack of money and political meddling. The paper's conclusion offers insightful advice on selecting the best company structure based on certain aims and objectives.

KEYWORDS:

Accountability, Business, Cooperative Societies, Management.

INTRODUCTION

A public company has internal autonomy since Parliament does not interfere with how it conducts business. As a result, it may be managed like a company. "A high degree of freedom, boldness, and enterprise in the management of undertakings and circumspection which is considered typical of government departments" are present. A public company benefits from freedom and initiative in business matters since it is comparatively free from bureaucratic oversight. It can test out new areas of endeavour, and judgments can be made quickly. Because it is a separate legal body, political changes have less of an impact on it. Consequently, it can preserve continuity in both policy and operations. A public company often receives exceptional advantages. The unique legislation that gave rise to it may be tailored to fit the demands of the individual circumstance. A public firm may hire professional managers by providing them with better terms and conditions or services than those offered to government employees [1], [2].

A Statutory Corporation's Drawbacks

Because a specific legislation has to be enacted by the Parliament, creating a public company is particularly challenging and time-consuming. Because the special legislation must be revised by the Parliament or the State legislature, it is exceedingly difficult to modify the aims and powers. Public businesses' reports and operations are often discussed and debated. Internal autonomy is not really possible due to political and ministerial intervention in daily operations. When the Board of Directors is set up to represent various interests, a conflict may develop. The corporation's ability to operate smoothly and effectively will be hampered by this. Lack of motivation and a focus on the service motive may further hurt operations' profitability. Despite its flaws, public corporations of an industrial and commercial kind are often seen to be acceptable. It stands for a sensible balancing act between open accountability and operational discretion. Prof. Robson believes that it will be just as crucial to nationalized industry in the twenty-first century as the privately held corporation was to capitalist organization in the nineteenth [3], [4].

The public corporation is appropriate for businesses that need monopolistic powers, such as public utilities. It is also helpful for projects that call for the utilization of legislatively granted authority as well as for businesses that may not be self-sufficient and need regular state funding. The major causes of this situation in India, however, are bureaucratic administration, financial dependency on the government, and a lack of personal drive. According to this statement, "it would not be wrong to say that for the most part the public corporation has lost the spirit but retained the form." There are several organizations that conduct commercial operations with the main goal of serving the members. Although some profit is necessary to exist in the market, making money and expanding is not their primary goal. They combine the members' collective resources, make the greatest use of them, and distribute the rewards to everybody.

DISCUSSION

The Latin word co-operari, where "co" stands for "with" and "operari" for "to work," is whence the English word "cooperation" is formed. Cooperation hence refers to joint effort. Therefore, a society known as a "co-operative society" may be formed by people who desire to collaborate with one another to achieve a shared economic goal. It is a group of people who have voluntarily joined forces to further their financial interests. It operates on the tenets of both mutual and self-help. The primary goal is to provide the members assistance. In a cooperative society, nobody joins for financial gain. People come forward as a collective, combine their own resources, use them as effectively as possible, and get something from it that benefits everyone.

In terms of its goal, a co-operative society is completely distinct from all the other types of organization mentioned above. The primary purpose of co-operatives is to provide services to its members. In general, it also benefits society in some way. The primary goals of a cooperative society are providing a service rather than making a profit, cooperating rather than competing, and relying on oneself rather than others. While all cooperative organizations operate on the same fundamental tenet, there are differences in the kinds of tasks they carry out. The following list includes the many kinds of cooperative societies found in our nation [5], [6].

These organizations were created to safeguard the interests of all consumers by making consumer products affordable. They avoid the intermediaries in the distribution process by purchasing things directly from the makers or producers. The consumer cooperative societies in Kendriya Bhandar, Apna Bazar, and Sahkari Bhandar are examples. These organizations were established to safeguard the interests of small producers by providing them with the raw materials, tools, and machinery they need for production. APPCO, Bayanika, Haryana Handloom, and other handloom societies are examples of producers' co-operative organizations.

Small producers and manufacturers that find it difficult to sell their goods on their own might create cooperative marketing associations. The society collects the goods from its members individually and assumes responsibility for their market sale. A marketing cooperative organization is the Gujarat Co-operative Milk Marketing Federation, which offers AMUL milk products. These organizations were created to help its members financially. In times of need, the organization offers loans to members at fair interest rates in exchange for contributions from members. Examples of cooperative credit societies include the Village Service Co-operative Society and Urban Cooperative Banks. Small farmers create these organizations to collaborate and reap the rewards of industrial farming. Some examples of cooperative agricultural groups are pani-panchayats and lift-irrigation cooperative societies. These organizations were established to provide their members access to residential housing. They buy land, develop it, build homes or apartments on it, then distribute them to members. Some societies also provide its members low-interest loans so they may build their own homes. Examples of housing cooperative societies are the Employees' Housing Societies and the Metropolitan Housing Co-operative Society.

According to the International Labor Organization, a cooperative is a group of people, typically with limited resources, who have voluntarily joined forces to pursue a common economic goal through the establishment of a democratically controlled business organization, contribute fairly to the venture's capital requirements, and accept a fair share of its risks and rewards. According to Section 4 of the Indian Cooperative Societies Act of 1912, a cooperative is "a society whose objectives are the promotion of economic interest, its members in accordance with cooperative principles." A cooperative society is one that has been registered in accordance with the Cooperative Societies Act of 1912 or any other law that is currently in effect in any state for the registration of cooperative societies. Based on the aforementioned definitions, we can infer the following traits of cooperative organizations. Cooperative society is an association of the weak who gather together for a common economic need and try to lift themselves from weakness into strength through business enterprise [7], [8].

Characteristics

(i) **Voluntary Association:** The specialty of any cooperative society is that anyone can leave it at any time after giving proper notice to the society. There must be a minimum of 10 members to qualify as a cooperative society, but there is no maximum limit for membership. Anyone with a common interest is free to join it without restriction on the basis of caste, creed, religion, colour, etc.

(ii) **Separate Legal Entity:** Upon registration, a cooperative society is recognized by law as a separate legal entity, acquiring a distinct identity that is independent of its members and enabling it to make purchases, dispose of its own property, bring legal actions, and be sued.

(iii) **Democratic Management:** In cooperative societies, no member is aware of the terms and conditions of the functioning because "one man, one vote" is the guiding principle. Equalities is the essence of cooperative enterprises, governed by democratic principles. As a result, each member has only one voting right, regardless of the number of shares they own or capital they contributed.

Profit is not at all on the agenda of the cooperative society, but if members so choose, they can engage in any activities of their choice to generate surplus in order to cover the day-to-day expenses. The main goal of the formation of any cooperative society is for mutual benefit through self-help and collective effort. In accordance with the Indian Cooperative Societies Act of 1912, each society is required to transfer at least one-fourth of its profits to general reserve. It may distribute a maximum of up to 90 percent of its surplus as dividend to its members and may spend an additional 10 percent for the welfare of the members. One exception in the cooperative society is that, unlike other businesses, it never engages in credit sales, selling its products exclusively in cash. As a result, the cooperative society hardly ever experiences financial hardship due to the failure to collect sales dues. Members may only do so as an exception to the current rule. All members are required to contribute capital during the formation of a cooperative society or at the time of joining as a member. In return for their capital investment, members are guaranteed a fixed rate of return, up to a maximum of 9% per year, paid from the surplus the society generated during that year. This is an incentive provided by the society to its members [9], [10].

Cooperative societies in the country are required to register themselves in accordance with the Indian Cooperative Societies Act, 1912. Occasionally, various State Governments also create laws governing the registration and operation of cooperative societies for their states. All cooperative societies in the country are regulated by the Government through its various rules and regulations framed from time to time. The capital of the society is raised from its members through share capital; however, the majority of finance is raised by the society through borrowing money from the government, accepting grants and assistance from the federal or state governments, or from the top cooperative institutions, such as state and central cooperative banks operating in that state.

The following are some benefits of a cooperative society:

To create a cooperative society, ten or more members must submit a written application to the Registrar together with four copies of the byelaws, which is far simpler than the process for forming a business. Since co-operative societies operate on the tenet of open membership, anybody may join; it is not just a select group of people who can do so. One member, one vote" is the rule, allowing members to participate in management. All of the society's members are collectively referred to as the general body, while the members who manage the co-operative society are collectively referred to as the managing committee. Members' responsibility is often only up to the face value of their shares, and is only as much as the capital they have contributed. Members are not individually responsible for the co-operative society's debts. Because co-operative societies are voluntary associations, existing members may leave and new members may join, but the existence of the society is unaffected by the death, bankruptcy, or insanity of any of its members. A co-operative society can offer goods and services at reasonable costs because the society's profit margin is very small. Another factor that contributes to the co-operative society's low prices is the removal of the middleman from the chain of distribution, meaning that goods are directly bought from producers or manufacturers and sold to customers.

The fundamental goal of a cooperative organization is mutual aid, and some of its members may volunteer their services on an honorary basis if they understand this idea, which lowers administration costs. A co-operative society reduces monopoly, improves wealth distribution, operates on the principle of service, prevents exploitation, and uses surplus profit to establish charitable hospitals, schools, and other institutions, increasing social welfare. In essence, cooperative societies are thrift institutions that provide an efficient way to pool the resources of the weaker segments of society, instill the habit of saving among people by limiting extravagance, and use the mobilized financial resources for beneficial activities. Through the process of integration, this form of organization eliminates middlemen, which eliminates monopolies, an excessive concentration of wealth in a small number of hands, profiteering, black marketing, the exploitation of workers and consumers, and other glaring defects of capitalism. The co-operative society adheres to the "cash and carry" principles, which prevents bad debts, allows members to take advantage of a variety of discounts and concessions, and instills in them the habit of saving.

In addition to promoting moral, social, and educational values and aiding in the economic enlistment of the populace, co-operative societies are essentially a people's movement. Despite the aforementioned benefits, however, co-operatives experience the following drawbacks and restrictions that prevent them from fully realizing the advantages of such merits. Because co-operatives are typically started by economically disadvantaged groups in society, their resources are restricted to the amount of capital that members contribute and the amount of money that they can raise from designated cooperative banks. As a result, co-operative societies face a lack of capital problem. They cannot even hope to embark on a large-scale production project.

Co-operative societies often manage themselves by members who lack managerial or professional skills due to a lack of resources preventing them from hiring efficient managers, which may not lead to longer-term success. Because members come from various social groups, there may not be good relations between them. Some members may not be interested in the affairs of the society and leave everything to the paid officials because they are unaware of how societies function. Because men are naturally selfish, they seldom feel motivated to put in additional effort. As a result, "everybody's" task often becomes no bodies' burden. Cooperation puts a stop to the sense of individual self-interest. Although co-operative societies sell goods at lower prices, consumers from underprivileged societies often need credit facilities; as a result, they prefer to use the services of private traders to meet their needs. Despite the fact that private traders offer credit facilities to consumers, co-operative societies only sell goods for cash. Since co-operative societies are typically governed by government regulations and the government even nominates members to the Managing Committees, political interference has had a negative impact on India's cooperative movement. The societies are run more according to political considerations than according to business principles. Co-operatives often have affairs that are so open to members that it is difficult for them to preserve business secret, despite the fact that confidentiality is crucial for any firm to succeed. Co-operatives are subject to a significant amount of regulation by the Co-operative Department, which is to some extent welcome. However, excessive State involvement and unwanted interference by departmental personnel deter co-operatives from being voluntary, which negatively affects their flexibility of operation and management effectiveness.

The co-operative society is the only option when the goal of a company is to provide service rather than to make a profit and to advance common economic interest. Co-operatives are also preferred because it is simpler to raise capital through assistance from financial institutions and government. In general, it appears that a co-operative society is suitable for small and medium-sized operations; however. By way of the Limited Liability Partnership Act of 2008, Limited Liability Partnership entities, the internationally recognized form of business organization, were introduced in India. The limited liability partnership is managed in accordance with the LLP Agreement, but without such an agreement, the LLP would be governed by the framework set forth in Schedule 1 of the Limited Liability Partnership Act of 2008, which outlines the issues relating to the mutual rights and obligations of the LLP and the limited liability partnership and its partners.

No partner would be liable on account of the independent or un-authorized actions of other partners, allowing individual partners to be protected from joint liability created by another partner's improper business decisions or misconduct. The LLP must be a body corporate and a distinct legal entity from its partners with perpetual succession. No partner would be liable on account of the independent or un-authorized actions of another partner or their misconduct. The LLP will be a separate legal entity, liable to the full extent of its assets, with the liability of the partners being limited to their agreed contribution in the LLP, which may be of a tangible or intangible nature or both tangible and intangible in nature.

Just like a general partnership, there are no restrictions on the number of partners an LLP can have. Partners decide together on various company issues, such as the name of the business, where it will be located, and how it will be operated. Partners also share equally in the profits and losses of the business. In this sort of partnership, each partner is shielded from the other partners' activities that result in legal action. Self-help groups, which are essentially bodies of individuals (BoI), are typically preferred by the government as a means of organization to encourage entrepreneurship and to provide financial aid in rural areas. Typically, ten or more village women form a self-help group in accordance with their interests and skills. They share different skills and engage primarily in production activities like pickle production, handicraft, spices, rural produces, forest produces, etc.

Different companies, organizations, and government departments form an association of persons to raise the invoice, bid, etc. In such cases, an AOP duly formed with formal agreements which shall be legally binding to the parties. In a very formal setup, an association of person may take shape of partnership firm, company, or any other business organization. Associations of persons are used to form as special purpose vehicles in infrastructure development projects. A joint venture is a business arrangement in which two or more parties agree to pool their resources for the purpose of carrying out a specific task. Like an association of persons, a joint venture is not a formal business organization.

CONCLUSION

This investigation of several company forms, from statutory companies to cooperative organizations, highlights the need of comprehending their distinctive characteristics, advantages, and disadvantages. Statutory companies provide operational independence and continuity, but they may be difficult to incorporate and may experience excessive responsibility and conflicts of interest. Cooperative societies, on the other hand, thrive on democratic ideals, accessibility, and social welfare but may suffer with financial limitations and unwelcome government intervention. The goals and available resources of the group or people involved should be taken into consideration when choosing a company structure. The decision-making process should be strategic and educated, regardless of whether it involves the legal benefits of a statutory company, the values-driven culture of a cooperative society, or other types of organization like joint ventures. Stakeholders may traverse the complicated terrain of company organization and choose the best route for their endeavors by weighing the advantages and drawbacks of each structure.

REFERENCES:

[1] L. M. Kyazze, I. N. Nkote, and J. Wakaisuka-Isingoma, “Cooperative governance and social performance of cooperative societies,” *Cogent Bus. Manag.*, 2017, doi: 10.1080/23311975.2017.1284391.

[2] A. Tajudeen and M.-A. Basirat, “Constraints of affordable housing through cooperative societies in tertiary institutions in Lagos State, Nigeria,” *J. Geogr. Reg. Plan.*, 2017, doi: 10.5897/jgrp2016.0599.

[3] B. K. Thapa, “Gender Issues in Cooperative Societies of Ilam,” *J. Adv. Acad. Res.*, 2017, doi: 10.3126/jaar.v3i2.16752.

[4] R. I. Adebayo and M. A. S. A. Ajani, “Exploring musharakah mutanaqisah for poverty alleviation: A proposal to Islamic cooperative societies in Nigeria,” *Islam. Q.*, 2017.

[5] F. Nwankwo, T. A. Olabisi, and F. Onwuchekwa, “Effect of capacity building on organizational performance of multipurpose cooperative societies in Osun State of Nigeria,” *AFRREV IJAH An Int. J. Arts Humanit.*, 2017, doi: 10.4314/ijah.v6i2.11.

[6] V. Singh, S. K. Rewani, S. K. Rajoria, and G. R. Saini, “Constraints Faced by Women Dairy Cooperative Society Members in Jaipur, Rajasthan, India,” *Int. J. Curr. Microbiol. Appl. Sci.*, 2017, doi: 10.20546/ijcmas.2017.612.302.

[7] D. O. Oluyombo, “Impact of Cooperative Societies Savings Scheme in Rural Finance:

Some Evidence from Nigeria," *SSRN Electron. J.*, 2017, doi: 10.2139/ssrn.2885353.

[8] H. J. Park, B. J. Kim, and H. C. Jeong, "Role of generosity and forgiveness: Return to a cooperative society," *Phys. Rev. E*, 2017, doi: 10.1103/PhysRevE.95.042314.

[9] R. W. Mwangi, L. K. M. Mwenda, A. W. Wachira, and D. K. Mburu, "Effect of Final Processing Practices Carried out by the Coffee Cooperative Societies on the Sustainability of the Coffee industry in Kenya," *Eur. J. Bus. Strateg. Manag.*, 2017.

[10] L. Grinsted and J. Field, "Biological markets in cooperative breeders: Quantifying outside options," *Proc. R. Soc. B Biol. Sci.*, 2017, doi: 10.1098/rspb.2017.0904.

CHAPTER 6

UNDERSTANDING THE ROLE AND CLASSIFICATION OF BUSINESS ENTERPRISES IN INDIA

Dal Chandra, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- degautambahjoi@yahoo.co.in

ABSTRACT:

This in-depth study dives into the nuances of Indian commercial businesses, illuminating their classifications and the crucial roles they play in the economy of the nation. It examines the many business types, from little too big, as well as their importance and the effects of public sector businesses. This study offers important insights into the intricate business environment of India by exploring the historical background and the development of commercial operations in India. India's business environment is a diversified and dynamic ecosystem that includes a broad range of businesses, each of which makes a distinct contribution to the country's economic growth and development. These businesses, which range in size from small startups to massive conglomerates, private businesses to government agencies, are what support India's economy. This study seeks to provide readers a thorough grasp of how Indian commercial firms are categorized and what they perform. India's corporate climate has seen a tremendous transition throughout time. This paper also explores the function of India's public sector firms. It talks about the historical background that led to the creation of these businesses and the effects they have had on the economy of the country. The creation of jobs, consumer protection, and balanced regional development have all benefited greatly from public sector businesses. This paper emphasizes their importance in various fields and how they have helped India's economy expand as a whole.

KEYWORDS:

Businesses, Economy, Environment, Enterprises, Public Sector.

INTRODUCTION

The categorization of commercial enterprises in India is looked at in the opening section of the text, which takes into consideration things like ownership, size, and government involvement. It examines the differences among micro, small, medium, and large-scale firms, illuminating their economic contributions and stressing how crucial it is for them to provide job possibilities. We acquire important insights into the varied and dynamic character of the Indian economy as we travel through the complex terrain of Indian commercial companies. This investigation tries to provide a comprehensive understanding of India's economic climate and its importance in the larger global context. Globalization, liberalization, and technical improvements have caused the business environment in India to change and now include a variety of businesses [1], [2]. For policymakers, investors, and entrepreneurs attempting to traverse the complex structure of India's economy, it is crucial to comprehend the classifications of these firms and their distinct functions.

The terms "domestic" and "foreign" did not refer to the owner of the business's citizenship in any particular way. It was intended for several states inside a single nation, therefore the term "foreign" does not refer to an organization's foreign owners. a government-created public company with specific political and governmental objectives. The examples that are used the most often are the companies formed for the benefit of cities and municipalities. Private businesses are established to further public objectives. The term "private" does not refer to any particular private or individual owner; rather, the government or municipal government is entirely in charge. Educational, philanthropic, religious, and community care companies are typical types of non-profit organizations. Despite being privately held, it operates as a wholly non-profit business under state supervision and employs several policies. Shares of stock may be issued, but not for the purpose of paying dividends. The majority of the members of this sort of organization are professionals, such as those in the fields of medical, accounting, law, etc. Due to its tax advantages, which include medical coverage, pension plans, and other perks, it is a far superior form of organization than a partnership.

The scale of a business may vary from a sole owner at one end to a major multinational that employs thousands of people across numerous nations at the other. Because these firms are quite varied in size, their structures and issues will also be highly distinct. Numerous variables, ranging from personal preference to outside forces outside the company's control, will affect the size structure of the organization. In accordance with the Micro, Small and Medium Enterprise Development Act of 2006, a "enterprise" is defined as an industrial undertaking, a business concern, or any other establishment, by whatever name called, that is engaged in the manufacture or production of goods in any way for any industry listed in the First Schedule to the Industries (Development and Regulation) Act of 1951, or that is engaged in the provision or rendering of any service or services. Businesses may be grouped into a variety of categories, including size or kind of industry, preferred business activity, etc [3], [4].

Micro businesses

Due to the relative scarcity of formal sector employment for the poor, micro firms make up the great bulk of the small business sector in developing nations. These microbusiness owners do so out of need rather than choice. By generating employment, increasing income, boosting buying power, bringing down expenses, and improving business ease, microbusinesses contribute to the value of a nation's economy. In emerging nations, the bulk of the people work to create non-financial wealth largely for their own use as opposed to selling it. Agriculture's primary source of revenue is subsistence farming. It cannot be utilized by the whole country's economy and is not generated for payment or exchange. As a consequence of early processing of agricultural products, there is a deficit of goods according to the laws of supply and demand (they are in short supply and their prices are excessively high). The first processing of agricultural goods is the industry that low income nations are most supportive of since it has the most opportunity for sustainable growth, has the greatest potential for microbusiness viability, and satisfies the greatest economic need.

Families start businesses to make money, accumulate savings, and buy assets as a safety net for emergencies like natural catastrophes, sickness, or death. Micro businesses sometimes depend on "micro-loans" or "micro credit" in order to get financing since they generally have little or no access to the commercial banking sector. These tiny loans are often financed by microfinance organizations, especially in developing countries. Entrepreneurs are often those who found smaller businesses. Most of the commodities and services that satisfy people's fundamental requirements in emerging and redeveloping nations are provided by microbusinesses. Micro businesses are often the most prevalent kind and size of company in underdeveloped nations. Small quantities of money are needed for microbusinesses to join the market and start producing right away. Due to their tiny size, micro enterprises are easy to manage. Microbusinesses use local resources and expertise. Because they need a lot of work, microbusinesses provide employment. Microbusinesses act as a catalyst for all-around community development [5], [6].

DISCUSSION

When an enterprise is engaged in the production or manufacture of goods for any industry listed in the first schedule of the Industries (Development and Regulation) Act, 1951, the Central Government has classified it as a micro enterprise, and when an enterprise is engaged in the provision or rendering of services, it has been classified as a micro enterprise, and the investment in plant and machinery does not exceed twenty-five lakh rupees. Small Scale Industries (SSI) are a significant and vital part of the industrial sector in the majority of developing nations, including India. They contribute significantly to the development of jobs, the efficient use of resources, the production of money, and the encouragement of slow, incremental transformation. For both economic and ideological grounds, they have been granted a significant position within the framework of industrial planning.

Because investment costs per job are high in big and medium sectors, there is a severe restriction on the number of non-farm employment that may be produced in emerging countries. To the degree that it is economically efficient, a good development strategy must aim to utilise more labour than capital. Smaller businesses often employ more people than bigger businesses. In actuality, small-scale business has lately become one of the most active and lively sectors of the Indian economy. Industrial planners, economists, sociologists, administrators, and politicians have all given it a great deal of attention. Small-scale industries are those that are organized on a small scale and produce goods using hired labour, small machines, and human power. An industrial unit qualifies as a small-scale unit if it meets the capital investment threshold set by the Indian government for the small-scale sector. When an enterprise is engaged in the production or manufacture of goods for any industry listed in the first schedule of the Industries (Development and Regulation) Act, 1951, the Central Government has classified it as a small enterprise, where the investment in plant and machinery is greater than twenty-five lakh rupees but not greater than five crores rupees; when an enterprise is engaged in the provision or rendering of services, where the investment in plant and machinery is greater than twenty-five lakh rupees but not greater than five crores rupee [7], [8]. In the case of businesses engaged in the provision or rendering of services, the Central Government has classified such businesses as Medium enterprises, where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees, and in the case of businesses engaged in the manufacture or production of goods related to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951.

Classifying the MSME sector

Traditional and contemporary small industries might be grouped together in this way. Khadi and handloom, village industries, handicrafts, sericulture, coir, etc. are examples of traditional small enterprises. Modern SSIs create a broad variety of commodities, ranging from very basic things to complex products like television sets, electronics, control systems, and numerous technical products, especially as auxiliary to the major industries. Traditional small businesses rely heavily on manpower, but current small businesses employ very high-tech technology and equipment.

Small-scale industries' importance to India's economy

Despite fierce competition from large-scale companies, the small-scale industrial sector has shown a high rate of development since Independence, playing a crucial role in the Indian economy in terms of employment and growth. These industries are making significant contributions to the development of the Indian economy for a number of key reasons;

1. The expansion of the nation's small-scale industries sector is crucial. Nearly 40% of the gross industrial value added in the Indian economy is contributed by it.
2. Employment: Next to agriculture, India's SSI sector offers the most job prospects to its citizens. Four people are reportedly employed for every 100,000 rupees invested in fixed assets in the small-scale economy.
3. The SSI sector is very important to India's current export performance. 45%–50% of Indian exports come from the SSI sector. Nearly 35% of all exports come from the SSI Sector in the form of direct exports. In addition to direct exports, it is estimated that small-scale industrial units make up around 15% of indirect exports. This is done via export houses, trading houses, and merchant exporters. In addition, they can take the shape of export requests from significant units or the manufacturing of parts and components for use in final exportable commodities.

An increase in the need for auxiliary units as a result of the rise in new, large-scale green field construction. Small business has fared very well, enabling our nation to experience significant industrial expansion and diversity.

1. Trendy technology
2. Computer technology
3. Engineering technology

These industries are crucial for welfare reasons as well. These industries may be organized by anyone with little resources. Their income levels and standard of living therefore rise as a result. As a result, they may contribute to a decrease in poverty in the nation. Additionally, these sectors often provide a fair distribution of income. The causes are plain to see. One is that a substantial amount of the profits made by these businesses are shared among the employees. Second, income is dispersed widely among the nation's population. All of these advantages result from the fact that these businesses need a lot of manpower and may be established anywhere in the nation. Small-scale enterprises' distributive nature further reveals their dual beneficial nature. On the one hand, these industries help a lot of people make money, but on the other, the same individuals who benefit from them are the ones who make the money.

Large-scale industries are those that need a lot of capital assets, a lot of labour, and a lot of infrastructure. The phrase "large scale industries" is a general one that encompasses a variety of industry kinds. The large-scale industrial sector includes all of India's heavy industries, including the iron and steel, textile, and car manufacturing sectors. However, the IT business may now be seen as falling within the purview of the large-scale industrial sector because of the recent IT boom and the enormous amount of income it has created. Last but certainly not least, the telecom sector is a crucial part of India's large-scale industrial sector. The expansion of the Indian economy, the production of foreign currency, and the provision of employment opportunities for millions of Indians all rely significantly on these huge enterprises [9], [10].

Large scale industries in India are defined as those with an investment in plant and machinery of more than ten crore rupees or, in the case of businesses involved in the provision or rendering of services, an investment in equipment of more than five crore rupees. These might be factories or other establishments that use both domestic and foreign technology. They serve both domestic and international customers. Construction, automobile, communication equipment, cement, chemicals, earth movers, fertilizer, cement, natural gas, coal, metal extraction, metal processing, petroleum, natural gas, mining, electrical, petrochemical, food processing units, tourism, banking, sugar, engineering products, vehicle assembly, beverages, gas, and water; other fuels, agricultural processing, and insurance are examples of large-scale industries. The consequences of market openness and globalization on these businesses have been uneven. While some have benefited by recruiting international clients, foreign commerce, technology, and alliances, others have suffered because they were unable to compete in the free market. Traditionally, the government only handled the most basic services like the trains, power supplies, and postal services, leaving the majority of economic activity to individuals and private organizations. However, it was noted that the private sector did not show interest in sectors like machine building, infrastructure, oil exploration, etc., where the gestation period was lengthy, investment was high, and the profit margin was low. In addition, industries were also concentrated in some regions that had specific natural advantages like the availability of raw materials, skilled labour, and proximity to markets. Regional imbalances resulted from this. As a result, the government established public firms in sectors including the coal industry, oil industry, machine building, steel manufacturing, finance and banking, insurance, etc., while also controlling the commercial operations of private enterprises. These organizations are referred to as "public sector enterprises" since they are not only governed and controlled by the federal, state, or municipal governments but also their owners.

In recent years, public businesses have grown significantly in prominence as a kind of corporate organization. Different governments actively participated in industrial and economic operations during the 20th century. A kind of commercial organization owned and operated by the state government or any other public body is referred to as a "public enterprise." Therefore, it is a business that the municipal, state, or federal government owns and controls. The government makes all or the majority of the investment. Any business or industry that is owned and operated by the government with the goal of maximizing social welfare and upholding the public interest is considered a public sector firm. The public sector comprises of nationalized private sector businesses including insurance companies, banks, and newly established government-run businesses like Hindustan Machine Tools (HMT) and the Gas Authority of India (GAIL), among others.

Public-sector enterprise characteristics

The following are the main characteristics of public enterprises:

(i) **Autonomous or Semi-Autonomous Organization:** Public businesses are autonomous or semi-autonomous organizations since some of them operate directly under governmental supervision and others were created in accordance with statutory requirements and the companies act.

(ii) **State Control:** Either the federal government or a state government may fund, own, and manage public companies.

(iii) **Rendering Service:** The main goal of establishing public companies is to serve the general public by providing the necessities at competitive prices and opening up job possibilities.

(iv) **Beneficial to Various Sectors:** State-owned businesses provide services to all groups of the company's employees. They do not cater to a certain group of residents in the neighbourhood.

(v) **Monopoly Businesses:** In certain circumstances, the private sector is not permitted, resulting in public businesses operating with a monopoly. The state-owned businesses have a monopoly in the nuclear and railroad industries.

(vi) **A Direct Channel for the Use of Foreign Funds:** The government sometimes gets aid from industrially developed nations for the growth of enterprises. These financial aids are used by government-run businesses.

(vii) **Public Accountability:** As the nation's stewards, state-owned businesses are accountable to the public for their operations.

(viii) **Agent for Implementing Government Plans:** Public businesses are managed according to government whims, and as a result, they carry out the government's economic plans and policies.

(ix) **Financial Independence:** The government invests in government projects, but by securing funding for ongoing operations, they become financially independent.

For the provision of critical services like railroads, postal services, radio, etc., the Departmental Undertaking type of organization is often utilized. These organizations are funded and managed in the same ways as any other government agency and operate under the general direction of a ministry of the government. This form is seen to be appropriate for situations when the government wants to exert control over certain activities because it serves the greater good. A statutory corporation (also known as a public corporation) is a legal entity established by an exclusive Act of the Parliament or State Legislature that specifies its authority, duties, and management style. Public Corporation is another name for Statutory Corporation. The government provides all of its funding. These organizations include State Trading Corporation, Life Insurance Corporation of India, and others. A corporation is referred to as a "government company" if the government owns at least 51% of the paid-up capital. The Companies Act requires that it be registered. This group includes the majority of government-owned and -operated businesses. A significant role is played by public sector businesses in the Indian economy. We had a very small number of public companies when India gained its independence in 1947. In reality, we only had three departmental enterprises: one that dealt with railroads, one that dealt with mail and telegraphs, and the third that produced weapons. The British made sure that defence manufacturing would be retained inside the state and kept a tightly guarded secret. As you are aware, the railroads were crucial and required government assistance to operate because they assisted in large-scale resource extraction. The post and telegraph department was also crucial for its own operational and strategic reasons.

These three well-known statesmen were not only the founders of the Non-Aligned Movement but also foresighted leaders who established solid foundations for the public sector in their nations—a sector of which we are proud today and which has had a long-lasting positive impact on the Indian economy. Only five public firms with a combined investment of less than $500 million were there when we began the process of constructing an independent country in 1951. The number of CPSUs has dramatically expanded to 3001 businesses today, with a combined investment of almost 130 billion euros. Perhaps the most significant strategic element of the Indian economy has been public businesses. Over time, they have made it possible for balanced regional investment, which is crucial for a huge nation like India. In many areas of India, substantial levels of incentives and other "concessions" are necessary to persuade the private sector to operate. These issues have been taken on by the public sector, which has also assumed the initiative in fostering balanced regional growth and the expansion of industry throughout the nation. They have also made a substantial contribution by producing sizable surpluses, which have enabled the government to fund important national development initiatives.

Due to unified controls, they operate more efficiently and benefit from significant economies of scale. The Indian consumer has also been significantly impacted by public sector businesses. They have greatly benefitted and protected consumers. When compared to India's private sector, they have also given employees a fair deal. Additionally, they have always taken the initiative to start development in the core sector, which we define as those critical sectors that support and offer externalities to the whole economy as well as other private sector firms. They have never been afraid to enter the core industry even if returns there are often considered to be small or even negligible by strictly commercial standards. Twenty percent of our GDP is made up of PSEs. The gross national product is preserved to a reasonable degree. PSEs generate roughly 4% of the nation's overall savings, with a total savings rate of 35%. PSE also makes a substantial contribution to increasing export revenues and import substitution via dividends given to the government. PSEs have made a major contribution to employment in a nation with a population of over a billion people. It presently employs 1.9 million people, compared to the 0.9 million people employed by the Indian private sector, making it a significant employer. Public businesses have unquestionably had a big impact on the Indian economy. However, the majority of public sector businesses' total performance falls short of expectations. The capital investment return rate is quite poor.

CONCLUSION

Businesses in India are a diverse and ever-evolving sector that are essential to the country's economic development. A framework for comprehending their variety and contributions to the Indian economy is provided by the categories of micro, small, medium, and large-scale firms. Public sector businesses have been crucial in ensuring balanced regional development, safeguarding consumers, and creating job opportunities. These businesses have their roots in historical and strategic concerns. They provide a significant contribution to the country's savings, government dividends, and export revenues. The landscape of businesses in India is still being shaped by the dynamic nature of the country's commercial climate, which is characterized by globalization and technological breakthroughs. Understanding the function and classifications of commercial enterprises is still crucial for policymakers, investors, and entrepreneurs in India as it works to achieve economic growth and development. India is well-positioned to make considerable progress on the international scene because to its vibrant and diversified commercial environment.

REFERENCES:

[1] A. K.- Ogeto, M. I. Amuhaya, J. Kihoro, and S. Mokaya, “Influence of Internal Organization Context on Strategy Implementation among Cooperative Societies in Nairobi County, Kenya,” *IOSR J. Bus. Manag.*, 2017, doi: 10.9790/487x-1905010914.

[2] M. Tilzey, “Reintegrating economy, society, and environment for cooperative futures: Polanyi, Marx, and food sovereignty,” *J. Rural Stud.*, 2017, doi: 10.1016/j.jrurstud.2016.12.004.

[3] S. S Vishwam, “Status of Urban Co-Operative Banks in India,” *Int. J. Res. Appl. Sci. Eng. Technol.*, 2017, doi: 10.22214/ijraset.2017.3090.

[4] M. T. W. W. M. Wanjala, “Effect of Budgetary Control on Financial Management in Stima Savings and Credit Cooperative Society, Kenya,” *Int. J. Sci. Res.*, 2017.

[5] S. A. Permana, D. L. Setyowati, A. Slamet, and Juhadi, “Society management in manage economic after Merapi disaster,” *Int. J. Appl. Bus. Econ. Res.*, 2017.

[6] C. Dohmwirth and M. Hanisch, “Women and collective action: lessons from the Indian dairy cooperative sector,” *Community Dev. J.*, 2017, doi: 10.1093/cdj/bsx014.

[7] M. Daradkeh and R. M. d. Al-Dwairi, “Self-service business intelligence adoption in business enterprises: The effects of information quality, system quality, and analysis quality,” *Int. J. Enterp. Inf. Syst.*, 2017, doi: 10.4018/IJEIS.2017070105.

[8] B. M. Robinson and J. A. Jonker, “Inculcating ethics in small and mediumsized business enterprises: A South African leadership perspective,” *African J. Bus. Ethics*, 2017, doi: 10.15249/11-1-132.

[9] B. Ibrahim Gumel, “Critical Challenges Facing Small Business Enterprises in Nigeria: A Literature Review,” *Int. J. Sci. Eng. Res.*, 2017.

[10] M. Daradkeh and R. M. Al-Dwairi, “Self-Service Business Intelligence Adoption in Business Enterprises,” *Int. J. Enterp. Inf. Syst.*, 2017, doi: 10.4018/ijeis.2017070105.

CHAPTER 7

MULTINATIONAL CORPORATIONS (MNCS): AGENTS OF GLOBAL TRANSFORMATION

Amit Verma, Associate Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- amitverma2@gmail.com

ABSTRACT:

In today's globalized world, multinational companies (MNCs) are powerful forces that cut over national boundaries and reshape the global political and economic landscape. MNCs are the definition of mobility, power, and influence since they have their headquarters in one nation and operations in many others. This study aims to clarify the complex nature of MNCs by illuminating their many categories and crucial positions in the global economy. This thorough investigation explores the diverse world of multinational companies (MNCs) and their significant influence on the global political and economic environment. MNCs elicit a complicated combination of admiration and concern due to their immense strength and worldwide reach. This study clarifies the nature and importance of MNCs by illuminating their categories, their function in host nations, and their impacts on the economies of both the home and the host countries. It also critically assesses the benefits and drawbacks of MNCs, stressing their ability to spur economic development, technical advancement, and job possibilities while also drawing attention to issues with their propensity to have an adverse effect on the environment, taxes, and cultural influence. Understanding the dynamics of MNCs is essential for politicians, academics, and business executives alike in today's linked globe.

KEYWORDS:

Business, Economic, Global Political, Multinational Companies (MNCs).

INTRODUCTION

Global Political, Multinational Companies (MNCs) operate in a wide range of industries and sectors, from the colossal automakers Ford, Toyota, and Volkswagen to the computer behemoths Dell, Microsoft, and Canon. They are characterized by their substantial size and the centralized management of global operations by parent businesses. MNCs often enter into joint partnerships and agreements with businesses from many nations, further demonstrating their global reach. The effect of MNCs is not limited to industrialized economies; it also affects less developed (LDC) nations, where these businesses have a significant influence and access to resources. MNCs have yearly sales volumes that, on occasion, surpass the total Gross National Product (GNP) of the developing nations where they do business [1], [2]. Their activities have a significant impact on how these countries grow. MNCs often expand abroad to take advantage of certain benefits, such as getting around trade restrictions, finding affordable labour, or obtaining raw materials. The actual structure of an MNC may change, ranging from subsidiaries functioning autonomously in different parts of the world to executive headquarters located in one country with manufacturing facilities in another.

In order to understand why MNCs promote globalization, this study will examine how they contribute to increased employment, economic growth, technical developments, and infrastructure building. The possible drawbacks, such pollution, tax evasion, and cultural uniformity, are acknowledged as well. This study seeks to provide a nuanced perspective of MNCs' influence on the global scene by thoroughly examining their virtues and shortcomings.

The worldwide political and economic environment is being transformed by multinational companies (MNCs). They evoke both awe and alarm since they are extremely visible groups with significant power and mobility. A corporate business known as a multinational corporation (MNC) or multinational enterprise (MNE) operates production or provides services in more than one countries. An MNC is a company with its management headquarters in one nation, known as the home country, and operations in multiple more nations, known as host countries, according to the International Labour Organization (ILO) [3], [4].

A multi-national company (MNC) is a kind of commercial entity that has its headquarters in one nation but does business in a number of other nations. Automobile manufacturers like Ford, Toyota, Honda, and Volkswagen are just a few examples, as are energy corporations like Shell, BP, and Exxon Mobil, technology firms like Dell, Microsoft, Hewlett Packard, and Canon, as well as food and beverage producers like Coca-Cola, Interbrew, and McDonalds. Multinational companies (MNCs) are huge industrial entities with a vast network of branches and subsidiaries dispersed across many different nations. MNCs are characterized primarily by their scale and the fact that the parent firms have centralized control over all of their global operations. Such a business may form a joint venture with a business abroad. Companies from many nations may come to an understanding over market share, manufacturing division, etc. Nearly all industrialized nations have these businesses, with the USA likely having the largest number. Their actions go beyond their own nations' borders and include both advanced and less developed (LDC) nations.

Many MNCs generate yearly sales volumes that are greater than the combined GNPs of the developing nations where they do business. MNCs have a significant influence on how underdeveloped nations grow. MNCs often relocate their operations abroad because there are advantages to doing so and because they have a unique edge they wish to fully use. These advantages can include removing import restrictions or using less expensive foreign labour. An MNC's particular business strategy could differ somewhat. The location of the executive headquarters in one country while the manufacturing facilities are situated in one or more other countries is a typical model for the multinational firm. This business model often enables the firm to benefit from local tax advantages while still having the ability to create products and services where labour costs are cheaper. Another organizational structure for a multinational organization, or MNO, is to have the parent company's headquarters in one country and run subsidiaries there. With this paradigm, the parent's duties are essentially entirely based on the nation of origin. With the exception of a few fundamental connections to the parent, the subsidiaries essentially operate autonomously [5], [6].

The formation of a headquarters in one nation that manages a diversified aggregation spanning many nations and industries is the third method for setting up an MNC. With this arrangement, the MNC consists of subsidiaries, affiliates, and maybe even certain locations that answer to the corporate headquarters directly. A global firm sometimes has a better capacity to adapt to economic and political upheavals than companies that operate in a single country in a world that keeps becoming more linked every day. Along with lowering production costs for key items, this business model also facilitates diversification, which often enables a firm to continue operating even when one division or subsidiary experiences a brief loss. The following factors, which may include some or all of them, may motivate many businesses to grow internationally:

1. Cut down on shipping and distribution expenses
2. Remove trade restrictions
3. Comply with various laws and ordinances (avoid non-tariff obstacles).
4. Reliable markets or raw material suppliers
5. Cost benefits, such as reduced labour costs

6. The benefits of MNCs

Economic Development and Job Creation

A MNC's primary function is to attract foreign direct investment to nations other than their own. If they decide to grow by constructing industrial facilities, they will be attracting foreign investment to the nation. Both the local and the national economies are anticipated to benefit from this investment. Additionally, it is anticipated that the extra money would trickle down to the neighbourhood economy. If more people are employed, they will have money in their pockets to spend. Increased orders can mean job stability for current employees, and they would feel more comfortable spending money on new things like furniture, home extensions, new white goods, vacations, and so on. Therefore, foreign investment may serve as a catalyst for the creation of wealth inside the local economy. If an MNC chooses a location, several smaller supply chain companies may follow suit and choose to establish themselves there as well. The region then draws more businesses that provide services to these businesses, and so on. Numerous UK districts have seen this kind of economic creation. The establishment of auto manufacturing facilities in Sunderland, Swindon, and Derby has significantly boosted the local economies of those areas. For Derby and Sunderland, the investment has partially compensated the decrease in other sectors that led to job loss. Inward investment may once again serve as a stimulus for other types of investment in less developed nations. The investment's results may not be as spectacular, but it can still be seen as crucial to a nation's ability to end its poverty.

DISCUSSION

It may be claimed that MNCs bring new ideas and new methods that can help to increase the quality of production and help raise the quality of human capital in the host nation. Skills, production techniques, and improvements in human capital quality. In addition to looking to hire local workers, many will also provide them training and new skills to help them increase production and efficiency. The employees at Sunderland, one of Europe's most prolific automobile manufacturing facilities, have had to adjust to different working practices and expectations than many of them would be accustomed to from working for other British companies. This might provide a problem in certain situations, but it can also increase drive and productivity in others. The supply of skilled labour in the region is improved by the ability of employees to pass on their newly acquired abilities to other workers. Because it helps to lower the costs of worker training and skill development, this makes the location even more appealing to new industries. Quality Products and Services Are Available in the Host Country: In certain circumstances, manufacturing in a host nation may be largely focused on the export market.

In other instances, though, the inward investment may have been undertaken in order to break down trade barriers by gaining access to the host nation's market. Numerous Japanese automakers have been able to enter the EU and circumvent tariff obstacles thanks to investments made in UK manufacturing. The UK now has cheaper access to high-quality automobiles, and the resulting competition has improved working conditions, costs, and quality in other associated businesses [7], [8]. Businesses' presence in several nations may result in the domestic market having access to high-quality and reasonably priced goods. It's likely that the MNC will have to pay taxes in the host nation, which will be subject to its tax laws. As a consequence, a lot of MNCs provide the host government significant tax payments. The issue in less developed nations may be a high level of corruption and poor governance, which prevents MNCs from making the full amount of tax contributions they could and, even if they do, from reaching the government.

Upgrades to Infrastructure

A firm could also invest in extra infrastructure facilities like road, rail, port, and communications facilities in addition to the investment in production or distribution facilities in a nation. The whole nation may profit from this. The expenses may be summed up in the points below; for the most part, they are closely related to the benefits, but the degree to which they do so will depend on the activity of the MNC in question. There could not be as much employment as anticipated, and many positions might go to competent foreign workers rather than local employees. Depending on how much money is really invested in the local economy, there may be a limit to the influence on the local economy. Some MNCs could be "footloose," which means they might establish a location in a nation to benefit from tax or grant benefits but then leave when these expire. As a consequence, the nation could not see a long-term gain. Depending on the sort of investment, different numbers of employment may be produced. It's possible that building capital-intensive industrial facilities won't create as many employment as expected in a region.

Pollution and environmental harm: Some nations may have less stringent regulatory bodies that keep an eye on how MNC operations affect the environment. Long-term issues might result from this. Coca-Cola has faced criticism in India for allegedly depleting water resources at their bottling facility in Kerala, a state in southern India, and for allegedly dumping waste materials on the ground while saying they could be used as fertilizer while having no discernible good effects. Any nation may have production-related issues, however in other places the laws may not be as strictly enforced. Some businesses may produce products that aren't useful. Examples may include the previously stated infant formula and cigarette goods. If profits are returned to the MNC's headquarters rather than remaining in the host nation, the advantages may not be as considerable.

Advantages of global corporations

As mentioned below, multinationals provide benefits to both host and country of origin nations.

(i) Increase the Rate of Investment: MNCs increase the rate of investment in the host nations, resulting in quick industrial expansion and plenty of job opportunities throughout the economy.

(ii) Facilitate Technology Transfer: Multinationals operate as intermediaries for the transfer of technology to emerging nations, assisting such nations in modernizing their sectors. By offering techno-managerial skills, they bridge technical gaps in emerging nations.

(iii) Speed up industrial development: Through partnerships, joint ventures, and the creation of subsidiaries and branches, multinational corporations quicken industrial development in their host nations. Through financial, marketing, and technology services, they promote economic development. The term "messengers of progress" applies to MNCs.

(iv) Promote Export and Reduce Imports: By increasing local production, MNCs assist the host nations in reducing imports and promoting exports. MNCs provide marketing services on a worldwide scale because of their connections in the corporate world.

MNCs offer the services of qualified, experienced managers to oversee the operations of the businesses in which they are invested or engaged. This improves the general management effectiveness of businesses affiliated with multinationals. MNCs bring a revolution in management to their host nations. Multinationals promote effective resource use in the nations where they operate. This promotes economic growth. Multinationals have access to a vast amount of resources. Some are used for research and development. The businesses functioning in the host nations get the rewards of R&D activity. MNCs help businesses in the host country to indirectly fund their own operations. MNCs help the development of local businesses in the host nations in this way. Because of how MNCs operate, even customers get new products and services. MNCs increase competition in the host nations, dismantling domestic monopolies.

Multinational corporations (MNCs) recoup money from foreign businesses in the form of fees, royalties, and service charges. This money is returned to the nation of origin. By allowing the entry of foreign currency from other nations, MNCs enrich their own countries. MNCs help emerging or underdeveloped nations collaborate to grow their industries. These worldwide collaborations, which benefit both wealthy and developing nations, include the countries of origin of the participants. MNCs make sure to make the best use of the natural resources and other resources available in their home nations. Their connections in the global business community make this feasible. Multinational corporations (MNCs) promote bilateral trade ties between their home countries and the other nations they do business with. Multinational corporations (MNCs) create technology that may be used across borders. Instead of supplying technology to underdeveloped nations to promote economic growth, they do it to maximize profits. The technology created to maximize profits rather than only to satisfy the demands of emerging nations. The provided technology could not be appropriate for the requirements of developing nations, they can be expensive, outmoded, or both. Since MNCs are only motivated by profit maximization, their operations in the host nations may undermine the national interests. The objectives of the host nations are disregarded. MNCs even benefit financially at the expense of emerging nations.

MNCs impose exorbitant fees and service charges on the businesses in the host nations. They return income earned by their subsidiaries to those nations. This causes nations to leave the region. In certain sectors in the host nations, MNCs monopolize the market and limit competition. MNCs use the resources of the host nations extremely carelessly, which causes the non-renewable natural resource stock to deplete quickly. MNCs influence politics via their financial clout. They show an excessive amount of interest in political issues in the host nations. MNCs are explicitly referred to as an expansion of the powers of imperialism.

MNCs use sales promotion and advertising strategies to increase demand for products and services in emerging nations. As a consequence, individuals spend a lot of money on luxury or expensive items that are neither necessary nor affordable. MNCs have a negative impact on the cultural heritage of many developing nations. They apply covert pressure for the creation of policies that benefit them. If the host country's policies are hostile to the MNCs and their activities, they even overthrow the government. By adjusting prices in intra-company transactions, transfer pricing helps multinational firms to reduce their tax liabilities. Multinational corporations are now making greater inroads into nations like India [9], [10]. They employ management specialists and skilled technocrats. These individuals spend a few years working in India, gaining knowledge, and then relocating as specialists to Singapore, Korea, or the United States to oversee MNC operations. This results in a brain drain from poorer nations. MNCs have both benefited and hurt developing nations. It is an odd amalgam of benefits and drawbacks, virtues and vices. However, no nation can afford to shun MNCs just because of the risks they pose. MNCs are, it may be said, a mixed blessing for emerging nations. Both good and bad come from them for the emerging world. As is often noted, "MNCs are inescapable, and developing countries must learn to coexist with them.

The scale of a business may vary from a sole owner at one end to a major multinational that employs thousands of people across numerous nations at the other. Small Scale Enterprises: The industrial sector has a significant and vital subset known as Small Scale Industries (SSI).

They contribute significantly to the development of jobs, the efficient use of resources, the production of money, and the slow and incremental advancement of change. Large scale enterprises are those sectors of the economy that demand a significant amount of money, manpower, and infrastructure. Public Enterprises: The government only managed the basic services like the railroads, power supplies, and postal services, leaving the majority of commercial activity to individuals and private companies. A kind of commercial organization owned and operated by the state government or any other public body is referred to as a "public enterprise." The worldwide political and economic environment is being transformed by multinational companies (MNCs). They evoke both awe and alarm since they are extremely visible groups with significant power and mobility.

CONCLUSION

Multinational companies (MNCs) have become important change agents in the global political and economic environment in a world marked by increased connectivity and interdependence. They are both awe-inspiring and unsettling organizations because to their vast activities, powerful resources, and international influence. MNCs are essential in determining the economic futures of host nations. They promote investment, technological transfer, and industrial expansion, creating job opportunities across a range of industries. MNCs also help host countries improve their infrastructure, create trained labour, and use resources more effectively. Additionally, they foster cross-border economic relationships and, in certain instances, provide people access to high-standard products and services. The effects of MNCs are not without disadvantages, however. They could put personal gain ahead of national objectives, impose high fees, and repatriate earnings abroad, depleting local resources. Their actions may cause environmental harm and upset cultural norms in the host nation. Additionally, they can threaten the sovereignty of the host countries through their political and economic might. MNCs are a sophisticated and significant power in the contemporary world, to sum up. Despite the evident advantages they provide in terms of economic development, scientific advancement, and job creation, they also present difficulties and hazards that must be properly controlled. For nations looking to prosper in the globalized world, finding a balance between using MNC benefits and limiting their possible negative effects is essential. Understanding MNC dynamics and ramifications is crucial for policymakers, academics, and business executives since MNCs continue to play a significant role in the global economy.

REFERENCES:

[1] C. Dura and I. Drigă, "The impact of multinational companies from romania on increasing the level of corporate social responsibility awareness," *Contemp. Econ.*, 2017, doi: 10.5709/ce.1897-9254.228.

[2] L. Zhu, D. Anagondahalli, and A. Zhang, "Social media and culture in crisis communication: McDonald's and KFC crises management in China," *Public Relat. Rev.*, 2017, doi: 10.1016/j.pubrev.2017.03.006.

[3] A. Dasi, F. Elter, P. N. Gooderham, and T. Pedersen, "New business models in-the-making in extant mncs: Digital transformation in a telco," *Adv. Int. Manag.*, 2017, doi: 10.1108/S1571-502720170000030001.

[4] J. Aguilera-Caracuel, J. Guerrero-Villegas, and E. García-Sánchez, "Reputation of multinational companies: Corporate social responsibility and internationalization," *Eur. J. Manag. Bus. Econ.*, 2017, doi: 10.1108/EJMBE-10-2017-019.

[5] J. Aguilera-Caracuel, J. Guerrero-Villegas, and E. García-Sánchez, "Reputation of multinational companies," *Eur. J. Manag. Bus. Econ.*, 2017, doi: 10.1108/ejmbe-10-2017-019.

[6] M. L. Nessa, "Repatriation tax costs and U.S. Multinational companies' shareholder payouts," *Accounting Review*. 2017. doi: 10.2308/accr-51633.

[7] E. M. Egu and R. A. Aregbeshola, "The odyssey of South African multinational corporations (MNCs) and their impact on the Southern African development community (SADC)," *African J. Bus. Manag.*, 2017, doi: 10.5897/ajbm2017.7742.

[8] W. Andreff and M. Andreff, "Multinational companies from transition economies and their outward foreign direct investment," *Russ. J. Econ.*, 2017, doi: 10.1016/j.ruje.2017.12.008.

[9] M. R. Shakar Reddy, N. Jigeesh, and P. Kumar, "The Integration of Project Management with Supply Chain Management in Indian Pharmaceutical Projects.," *IUP J. Supply Chain Manag.*, 2017.

[10] S. Sapulete and A. van den Berg, "Works council effectiveness in subsidiaries of MNCs during reorganizations: Case study evidence from the Netherlands," *Econ. Ind. Democr.*, 2017, doi: 10.1177/0143831X15586436.

CHAPTER 8

UNVEILING THE WORLD OF FRANCHISING, AGGREGATORS, AND OUTSOURCING: A COMPREHENSIVE BUSINESS LANDSCAPE

Sourabh Batar, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- battarsourabh@gmail.com

ABSTRACT:

This thorough investigation digs into the complex worlds of outsourcing, aggregators, and franchising, illuminating their crucial functions in contemporary corporate environments. Businesses may offer special permission to others to use their brand, product, or system via franchising, which allows for quick expansion and increased market presence. On the other hand, aggregators gather and share information from many internet sources, acting as crucial middlemen in the digital era. Meanwhile, outsourcing has completely changed how businesses improve their operations, particularly in the form of business process outsourcing (BPO) and knowledge process outsourcing (KPO). This study explores the subtleties of each of these business strategies, stressing the advantages, difficulties, and changing dynamics that influence them. This research offers a thorough grasp of these essential elements of modern business strategies by exploring the varied nature of franchising, aggregators, and outsourcing.

KEYWORDS:

Aggregators, Business, Franchise, Management, Trademark.

INTRODUCTION

Rapid change and dynamic market dynamics characterize the contemporary business environment, forcing firms to develop novel tactics in order to survive and prosper. In this setting, outsourcing, aggregators, and franchising have become the three key components that stand as the foundation of modern corporate operations. The success of franchising is evidence of the value of cooperation and growth. It entails a parent company the franchisor granting exclusive rights to other organizations the franchisees to use its brand, product, or business system within certain geographic regions.

In the digital world, aggregators act as informational conduits. They gather and combine information from multiple web sources to provide customers a single location to access certain material, such as news, services, or items. In order to serve the ever-expanding internet environment, there are many different types of aggregators, ranging from social to service aggregators. The way that organizations run their operations has been reimagined by outsourcing, notably in the form of BPO and KPO. Organizations may simplify operations, save expenses, and concentrate on their core skills by delegating specialized tasks to outside service providers. India has become a major outsourcing centre due to its talented labour pool and welcoming legislation. This thorough investigation seeks to break down each of these components, examining their subtleties and importance in current business operations. The benefits and difficulties of each of these practices are further examined, offering insightful information on how these practices are developing in a corporate environment that is undergoing fast change.

A "franchise" is the exclusive right granted by a producer or parent company to a different person or business to resell the former's goods or services in a certain region or areas. In other terms, franchising is the practice of a company allowing another company in a foreign market to utilize its technical expertise and trademark. The term "franchisor" refers to the person or business that gives rights. The person or business to whom the privilege is given is referred to as the franchisee. A specific contract known as the Franchise Agreement governs the right granted by a franchiser to a franchisee. Such an arrangement may exist between a franchisor and more than one franchisee. A franchiser, who is the owner of a brand name, product, or business system, allows a franchisee to utilize its brand, product, or business process in exchange for a fee. This commercial relationship is referred to as franchising. This strategy combines a tried-and-true operating formula provided by the franchisor with the franchisee's local expertise and entrepreneurial spirit. It is suitable for businesses who have created such a formula [1], [2].

The act of leveraging another company's successful business model is known as franchising. The term "franchise" derives from the French word "franc," which meaning "free." For the franchisor, establishing a franchise provides an alternative to opening "chain stores" as a means of distributing products while minimizing investment and liabilities. Success for the franchisor also means success for the franchisees. Since the franchisee directly owns a portion of the company, some claim that they have a higher motivation than a direct employee. In a nutshell, franchising is a business model in which the franchisor, in exchange for a fee, grants a license to the franchisee to use the franchisor's various intellectual property rights, including know-how, designs, brands, trademarks, patents, and trade secrets, as well as the franchisor's established name, reputation, and marketing strategies to market the franchisor's goods or services. The franchisor offers the franchisee ongoing training and support [3], [4]. The following are the key characteristics of franchising:

1. Franchisee is granted a license by the franchisor to use his trademark.
2. According to the terms of the franchise agreement, the franchisee must abide by the franchisor's rules on how to do business.
3. The franchisor offers the franchisee technical and marketing assistance so they may operate their firm in accordance with the terms of their franchise agreement. As a result, the franchisor effectively sets up the franchisee's company.
4. The franchisor may also make arrangements for the training of staff members at the franchisee company.
5. In exchange for utilizing the franchisor's business expertise and trademark, the franchisee pays the franchisor a fee (referred to as a royalty).
6. The franchise agreement specifies a certain time restriction for the use of the franchisor's business know-how and trademark. The franchise agreement could, however, sometimes be renewed. Both the franchisor and the franchisee stand to gain a lot from this.

Towards the franchisor

1. The franchisor may quickly develop his network of distributors.
2. With minimal additional funding for the shop, the franchisor may grow the company.
3. Franchisees provide crucial information to the franchisor regarding the product's popularity as well as the needs and preferences of local clients.
4. By growing his network, the franchiser is able to improve his reputation and goodwill.
5. Through the franchisees, the franchisor expands the recognition of his brand name.
6. Because only the franchisee may use the franchisor's patents, trade names, brands, etc., the franchisor's rights are safeguarded.

Franchising, distributorship, and agency differences

It's common to misunderstand the phrases franchise, distribution, and agency. The most conventional methods of distributing products or services include distribution and agency. They do not, however, provide the principal any meaningful power over the distributor or the agent. The greater level of control that a franchisor has over a franchisee is what makes a franchise unique. Every significant matter, including branding, operating procedures, and mergers, is decided by the franchisor. Although corporate organizations like subsidiaries or joint ventures provide as much control as a franchise, if not more, they also carry a far larger financial risk. The word "Aggregate" which meaning to mix, collect, or amalgamate is the root of the phrase "aggregator." The phrase "holomorphic information" in the digital age refers to computer applications or websites that gather or integrate homogeneous information from many online sources and deliver it to viewers or visitors.

DISCUSSION

Let's first examine the realm of digital marketing or internet marketing in order to better grasp it. The most popular area of any company right now is the digital realm. The digital boom and the usage of digital marketing for branding and promotion has had a significant impact on all of these sectors and the businesses that fall within them. Every company uses platforms like Google AdWords, Facebook, Twitter, Instagram, Pinterest, and Linkedin to advertise their goods and services and attract clients. Every company, no matter how large or little, has a website that serves as an online brochure for the goods and services it offers. Customers may access a website directly by entering in the URL, indirectly via a search engine result (such as Google, Yahoo, Bing, etc.), or through one of the various platforms indicated in the second paragraph. Customers visit several websites to satisfy a single requirement, which calls for the use of aggregators, which gather similar information from numerous online resources and offer it to viewers [5], [6]. The different kinds of aggregators include:

1. Aggregator of Services
2. Aggregator of Search
3. Aggregator Social
4. Aggregator of News
5. Aggregator of Videos
6. Survey aggregator
7. Online store aggregator

Different Aggregators

Service Aggregators are yet another kind of aggregator. These aggregators are connected to websites that provide customers services, much as shopping aggregators. Uber and Ola, two commercial taxi services, are the greatest examples of service aggregators in use today. Their adverts may be seen on a number of websites devoted to travel and transportation. As the name implies, it utilizes RSS feeds (web feeds that assist in automatically syndicating data) to aggregate the results of several search engines that are readily accessible. As the RSS feed continuously checks the website, it enables subscribers to get news about any updates automatically. If a company decides against using an aggregator, its brand will lose out on precious real estate on the search results page.

Social aggregators gather material from several social networking websites and show it on websites or on a live event wall. Many businesses are using social aggregators as a result of the social walls' tremendous new ability to increase interaction with brand social media material. Twine Social is an excellent example of a social aggregator. These aggregators integrate all news channels and provide customers with their preferred local, national, and international news sources. Similar to a news aggregator, a video aggregator gathers videos on a certain subject from many websites and offers the best one to the user. Nowadays, videos are often downloaded from You Tube. Daily Tube is one example of a video aggregator. A poll aggregator is a website that compiles multiple polling data and forecasts the outcome of an election. Some examples of poll aggregators include electrovote.com and electroprojection.com. The forecast may or may not come true, but either way, it attracts a lot of visitors to the website. Aggregators that integrate data from numerous online shopping sources or portals are known as "shopping aggregators" as the name suggests. The reason why consumers use these aggregators so often is because they aid them in making purchasing decisions. They may be compared to Google for online buying [7], [8].

These websites have the capacity to pull information from millions of store online shopping records and integrate that information in a manner that aids consumers in making purchasing decisions. The gathering of data is aided by keywords or tags. The words and phrases that a user types into a search engine to locate accurate information about a subject are known as keywords. Results are retrieved when the data at the backend matches the user's keyword. The better the data at the backend, the more relevant the search results. An aggregator, as mentioned above, is a piece of software or a website that collects Web material and/or applications from various online sources for repurposing or reselling. There are now two different sorts of aggregators: those who merely compile information from various internet sources and emphasize it on their websites, and those that compile and disseminate content in accordance with the demands of their clients. Both aggregators are significant in their own right, and the use of aggregators in business is growing. Let's examine the main causes of the development of online aggregators.

Demand for business content is rising, and it may be challenging to keep visitors interested and devoted enough to return to a company's website. A superb piece of content may assist a business in completing the aforementioned job, if not entirely. Website content aggregators have the resources and financial connections to meet this need. Web content aggregators are in high demand since producing quality original material is difficult and not everyone is skilled in it. As a result, a business needs professionals in this field, which is where the aggregator comes into play. Content may often be readily syndicated for dissemination via aggregators. The term "traditional journalists" has changed to "content aggregators" because of the tremendous interest conventional journalists who worked in print media have exhibited in online publications. This is understandable since the internet has become a massive global phenomenon over the last 15 years. These journalists are well-known, have their own audiences, and contribute to the development of new Web-based magazines' legitimacy.

The finest aspect of an aggregator is that it expands a business's audience. When a business employs traditional media in addition to conventional forms of advertising, its reach is increased and its chances of making sales rise. A web aggregator's ability to deliver audio and video material is expanding. Using this rich media, businesses are advertising their offerings, enticing customers, and setting themselves apart from their rivals. Utilizing aggregators is one of the newest business models in use today. The enormous wealth generated sustains the old-fashioned way of conducting business. These aggregators affect customers who are now internet aware, giving a business a greater reach than previously. These aggregators' biggest drawback is that they promote several companies under one roof. There is fierce rivalry to seem better than the opposition. In the event that one brand is unsuccessful in influencing the customer's buying choice, the outcome is a sale for a rival brand. Additionally, the ability to gather data from many sources utilizing APIs and XML is advancing daily, making it possible for aggregators to sometimes miss out on a good updated feed entering the database. Using a decent technology requires a significant financial commitment, which is difficult for all online aggregators to do. Outsourcing, commonly referred to as Business Process Outsourcing (BPO), is frequently linked to IT Enabled Services (ITES). Some of the sub-segments of the business process outsourcing sector include knowledge process outsourcing (KPO) and legal process outsourcing (LPO).

It is a subset of outsourcing that entails contracting with a third-party service provider to handle the duties and operations of certain business services (or processes). This was first linked to manufacturing companies like Coca Cola who outsourced significant portions of their supply chain. In the modern context, it largely refers to the outsourcing of business processing services to an outside entity, which substitutes labour from an outside firm for internal services. BPO is often divided into two categories: front office outsourcing, which includes customer-related activities like contact centre services, and back-office outsourcing, which includes internal corporate operations like human resources or finance and accounting. In other words, "Customer Care" comprises the majority of contact centre tasks, managing incoming (customer inquiries and complaints) and outbound (customer surveys, payment follow-up, and telemarketing) activities around-the-clock. The number and scale of contact centres that provide their customers customer-focused voice-based services have grown significantly [9], [10]. IT outsourcing is much the same as any other kind of international development service. Offshore software development is now becoming more and more popular worldwide. Before, choosing to outsource was as easy as evaluating the budget, the service provider's expertise, and the current in-house capability. The most popular location for IT outsourcing is India. India boasts a friendly political climate, cutting-edge technology, dependable communication tools, and a large pool of highly trained workers who are fluent in English. Due to the following reasons, outsourcing is necessary:

(i) **Specialized Performance:** Through outsourcing, a business may hire specialized organizations to do a variety of activities. For instance, it may hire a specialized company to repair and maintain the air conditioner and other technical devices.

(ii) **Achieving Better Results:** Because a company cannot specialize in every activity, it might delegate some of those functions to other organizations. For better results, it may, for instance, outsource advertising work to an advertising agency.

(iii) **Achieving Economy:** Outsourcing certain tasks is more cost-effective than setting up a distinct department to handle them. Because of this, the majority of businesses outsource the delivery of mail to a courier service.

(iv) **Ensuring Smooth Operations:** Outsourcing regular tasks helps the business to run efficiently.

(v) **Business Expansion:** A company may focus on its expansion plans and contract out non-core or subsidiary services to companies that are experts in those industries.

One benefit of BPO is how it contributes to a company's increased flexibility. However, various sources see organizational flexibility in different ways. Therefore, business process outsourcing improves an organization's flexibility in a variety of ways. The majority of the services delivered by BPO providers are fee-for-service. This might assist a business in being more adaptable by converting fixed expenditures into variable costs. A variable cost structure makes a corporation more flexible by enabling it to adapt to variations in the amount of capacity that is needed without having to invest in assets. By reducing reaction times to significant environmental changes, outsourcing may provide a company more flexibility in how it manages its resources. This benefit of outsourcing to India is undeniable. IT needs are outsourced, which reduces costs by 30% for the business. One may always turn to offshore software development to accomplish large projects that a firm in the west would not be able to finance. Offshoring reduces recruiting expenses, training costs, and infrastructure costs significantly in addition to taking care of development costs. Another way that BPO increases a company's flexibility is by allowing it to concentrate on its core capabilities without being constrained by bureaucratic requirements. Key personnel are now free to focus more time and effort on developing the company's core operations since they are no longer required to carry out non-core or administrative tasks. Knowing which of the three core value drivers to emphasize — close customer relationships, product leadership, or operational excellence is the key. A business may get a competitive advantage by concentrating more on one of these drives.

BPO boosts business process speed, which promotes organizational flexibility. management of the supply chain with the help of the partners in the supply chain. Many business processes, including the division of core and non-core operations in the case of a manufacturing organization, are sped up through business process outsourcing. A firm may retain its growth objectives while avoiding typical operational constraints. BPO enables businesses to preserve their entrepreneurial dynamism and adaptability, which they would otherwise have to give up as they become more efficient. It prevents an internal shift from the organization's informal entrepreneurial phase to a more bureaucratic manner of operation. Lastly, it is believed that flexibility is a step in the organizational life cycle. India has a big population that is both technically talented and fluent in English, which makes it a good partner for outsourcing. A business could be able to expand more quickly since it won't be limited by expensive capital investments in personnel or equipment that might take years to pay off. Although the considerations described above support the idea that BPO enhances businesses' flexibility, management must exercise caution when putting it into practice since there are problems that work against these benefits.

Communication issues may arise in the outsourcing industry. Because it is online communication, the service provider must employ email and instant messaging software. For this firm, telephone communication might sometimes be a barrier. A Double-Edged Sword Outsourcing would suffer because of time zones. suppliers and consumers must comprehend the differences between the requirements of customers and suppliers and the time for online meetings since they are in different countries. If there is a miscommunication, the firm may lose control of the whole project. In this instance, the company must make all arrangements. This implies that openness is a must in the outsourcing industry. Service providers want to take on more projects to diversify their IT outsourcing company, but sometimes this means they can't give each project their top priority. When a customer is inexperienced, it's common for the project to go awry in an attempt to please him. Another problem is that, other than size, there is sometimes nothing to distinguish the BPO providers. They often provide comparable services, share geographical footprints, use comparable technology stacks, and employ comparable methods for quality improvement. In the sections above, we learned that BPO has evolved into a need for doing business. The majority of the corporation has embraced this method of doing business, and it would be difficult to compete without it.

It is said that KPO is a supplement to business process outsourcing (BPO) since the BPO sector is evolving into knowledge process outsourcing due to a number of advantages, which will be covered in the following pages. In the intellectual value chain, knowledge process outsourcing is at a higher level. Business procedures, however, are often repetitious and reliant on rules. On the other hand, knowledge processes might be a particular task requiring in-depth domain knowledge (IT, management, law, etc.) and/or analytical thinking. Numerous activities are included under the KPO umbrella. The emphasis of the firm's distinct business and industry verticals affect these actions. We have seen that BPO aids in lowering operational expenses and raising productivity; in addition to these two elements, KPO also incorporates information from dynamic knowledge workers and makes use of the expertise of trade professionals involved in the activity.

KPO is the BPO industry's development and maturity in India. It has caused yet another avalanche in the outsourcing industry in India from all over the globe, and many corporations are now involved. Due to the outstanding outcomes obtained by these businesses when they outsourced business process operations to India, high-end knowledge work was outsourced by these businesses to that country. India is becoming a more popular destination for knowledge-related work, typically involving a component of Business Processing Outsourcing (BPO), Research Process Outsourcing (RPO), and Analysis Proves Outsourcing (APO) due to access to highly skilled and talented workforce. As previously discussed, KPO business units provide distinctive domain-based processes, progressive analytical services, and business proficiency, rather than just process outsourcing. KPO has a promising future and a bright future.

CONCLUSION

Franchises, aggregators, and outsourcing have become crucial threads in the complex fabric of contemporary company, connecting successful strategies and expansion prospects. Each of these elements brings a distinct set of benefits and difficulties to the table, influencing how businesses grow, spread knowledge, and improve their operations. Aggregators streamline information consumption in the digital age, while franchising provides a quick path to development by letting firms capitalize on well-known brands and processes. Operational processes are streamlined and specialized talents are available thanks to outsourcing and its variations like BPO and KPO. These components come together to provide a mosaic of possibilities for companies wanting to negotiate the intricate and dynamic terrain of the global market. The functions of franchising, aggregators, and outsourcing will definitely change more as the corporate world develops. Understanding these techniques, using their potential, and adjusting to the always changing dynamics of the business environment are the keys to success. Organizations may prosper in a time of rapid change and innovation by having a thorough knowledge of these components.

REFERENCES:

[1] M. Brookes and L. Altinay, "Knowledge transfer and isomorphism in franchise networks," *Int. J. Hosp. Manag.*, 2017, doi: 10.1016/j.ijhm.2016.11.012.

[2] E. Calderon-Monge, I. Pastor-Sanz, and P. Huerta-Zavala, "Economic sustainability in franchising: A model to predict franchisor success or failure," *Sustain.*, 2017, doi: 10.3390/su9081419.

[3] M. Mili and S. Abid, "Moral hazard and risk-taking incentives in Islamic banks, does franchise value matter!," *Int. J. Islam. Middle East. Financ. Manag.*, 2017, doi: 10.1108/IMEFM-12-2015-0148.

[4] L. Díez Uli, F. Velicia Martín, and F. J. Rondán Cataluña, "Analysis of efficiency of own and franchised units in the Spanish franchise system," *Eur. Res. Manag. Bus. Econ.*, 2017, doi: 10.1016/j.iedeen.2017.03.001.

[5] K. L. Bodey, W. Shao, and M. Ross, "Localization and Customer Retention for Franchise Service Systems," *Serv. Mark. Q.*, 2017, doi: 10.1080/15332969.2017.1289790.

[6] H. Jiang and J. Zhang, "Bank capital buffer, franchise value, and risk heterogeneity in China," *Res. Int. Bus. Financ.*, 2017, doi: 10.1016/j.ribaf.2017.07.084.

[7] K. Shumba, S. Zindiye, and G. Donga, "Challenges faced by franchise entrepreneurs operating in a volatile business environment: A case of the fast food industry in Harare, Zimbabwe," *Probl. Perspect. Manag.*, 2017, doi: 10.21511/ppm.15(2-2).2017.12.

[8] L. Hsu, P. Kaufmann, and S. Srinivasan, "How Do Franchise Ownership Structure and Strategic Investment Emphasis Influence Stock Returns and Risks?," *J. Retail.*, 2017, doi: 10.1016/j.jretai.2017.04.004.

[9] S. Suharnoko, "Pemutusan Perjanjian dan Perlindungan Hukum bagi Franchise," *J. Huk. Pembang.*, 2017, doi: 10.21143/jhp.vol26.no6.1079.

[10] A. Nair and T. Weber, "borjo coffeehouse: Franchise, Independence, and Starbucks," *Entrep. Theory Pract.*, 2017, doi: 10.1111/etap.12215.

CHAPTER 9

NAVIGATING THE DIGITAL ECONOMY: TRENDS, CHALLENGES, AND OPPORTUNITIES

Bhirgu Raj Maurya, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- brmourya.mourya321@gmail.com

ABSTRACT:
The way companies function and interact with customers has changed as a result of the digital economy. The various aspects of the digital economy, which includes a broad range of technologies, platforms, and business strategies, are explored in this study. The usage of digital media, such as mobile devices, the internet, applications, and digital TV, has significantly increased during the last ten years. Digital platforms and cutting-edge information-dissemination techniques, such social media networks like Facebook, Twitter, YouTube, and LinkedIn, are rapidly influencing consumers globally. This in-depth analysis explores the tremendous effects that digital technology has had on a variety of sectors of human existence, including entertainment, education, finance, governance, and interpersonal relationships. Political and societal changes have also been sparked by the growth of digital technology. According to recent studies, the typical American consumer uses digital media for 5.6 hours per day, 51% of which is spent on mobile devices. Consumers continue to be at the centre of the digital economy, and during the last ten years, earnings and revenues have been distributed differently. The telecom and cable industries, equipment manufacturers, software developers, content producers, as well as the wide range of devices that consumers use to access digital information, are important sectors of the digital economy. Notably, consumers have benefited greatly from this change because to simple access to enormous volumes of digital information and the choice to discontinue using older services like cable TV.

KEYWORDS:

Business, Digital Economy, Environment, Management.

INTRODUCTION

The term "digital economy" describes an economy in which the majority of commercial transactions are conducted via the Internet, through digital media, or over the World Wide Web. The usage of digital media, such as mobile, internet, applications, digital TV, etc., has increased during the last ten years. Digital platforms and other new methods of information distribution, such as Facebook, Twitter, YouTube, Linkedin, etc., have a significant impact on consumers all over the world [1], [2].

Electronic Economy

The digital economy now encompasses many facets of contemporary and traditional human existence, including entertainment, education, finance, governance, and community life, as a result of the fast advancements in digital technology that have led to a sharp increase in the number of users worldwide. Political and social transformation has been significantly affected by digital technology in every way. The typical American consumer spends 5.6 hours per day with digital media, 51% of which is accessed on a mobile device, according to recent data.

In the digital economy, consumers

The consumer continues to reign supreme in the digital economy. Over the last ten years, the way revenues and profits are distributed in the digital economy has altered. The digital economy involves a number of different industries, including content producers, such as media and entertainment companies that produce content, telecom and cable companies, companies producing servers, routers, and other equipment that enables the distribution of content, software companies that create information technology and intelligent networks, and consumers who consume content on PCs, laptops, smartphones, and tablets made by device manufacturers. After the dot-com bubble crashed in 2002, the digital economy recovered. The consumer benefited greatly from the ongoing movement in earnings and revenues in the digital economy up to the end of the year 2010 toward the consumer end of the value chain. Due to the content's digitalization, consumers may readily access enormous amounts of data, making information exchange considerably simpler. Customers are prepared to give up the choice of cable TV, for instance with the help of Apple TV and Netflix. The immediate advantage of the digital economy to customer-centric businesses is the positive network effects of the massive client bases of firms like eBay, Amazon, Google, Apple, and more recently Facebook and Twitter [3], [4].

The corporate world now has a lot of new opportunities because to the digital economy. In order to generate completely new drivers for growth based on the ability to capitalize on opportunities in the time utilizing digital media, new start-ups and digitally aware CEOs are redesigning company structures, business processes, and work practices. Three sorts of economic activity will fuel the expansion of the digital economy in the next years. It began in the United States of America and has since spread to every country in the globe. The Internet is a worldwide computer network that uses defined communication protocols to link interconnected networks to provide a range of information and communication services, according to Wikipedia. Investments in computers, software, services, and communications have dramatically increased as a result of the global computer network. Nowadays, the majority of activities are carried out online, and internet usage has allowed for global connectivity and communication. The Internet and business structures based on it are here to stay. About ten years ago, as the internet grew, firms started doing business with their partners online. Those that embraced the use of the internet reported a huge increase in productivity and said that utilizing the digital media made producing, purchasing, distributing, and selling simpler, more competitive, and more lucrative.

Software programs, newspapers, and music CDs no longer need to be packed and shipped to shops, residences, or news kiosks thanks to digital distribution of products and services. They may be sent digitally through the Internet. Customers in many sectors, from banking to aviation, have access to e-commerce platforms. The way that other businesses, like consulting services, entertainment, education, and health care, do business has already started to shift as a result of the Internet. The greatest and most obvious driver of the new digital economy is expected to be the sale and transfer of goods and services electronically through time. Since the digital economy is based mostly on online transactions and uses less currency, it is ideally suited to maintain economic transparency and lessen corruption and the black market. A recent example of demonization in India is November 2016, when the usage of internet transactions was promoted and cash transactions were significantly curtailed. Everything in our universe has two faces, just as a coin has two sides. The digital economy offers both advantages and disadvantages [5], [6].

People's biggest concern about the digital economy is that it would result in less utilization of human resources and cause many people to lose their jobs. Online banking and purchasing train tickets are the finest examples of how labor-intensive manual processes will be eliminated as a result of everything becoming digitalized and automated. Another example of how digitization has completely eliminated the employment of retail personnel is Amazon Go, a fully automated retail shop in Seattle, Washington, which has drawn criticism from human welfare societies in the US. Less digital experts are needed since digitization is a difficult process that needs professionals to manage. There are now less qualified digital professionals than are needed by the sectors in developing nations like India, where it is still difficult to extend Internet access to all towns and villages. The Internet, the telecommunications sector, and the mobile sector all depend on robust infrastructure. These demand a lot of effort and money to develop. India, a growing nation, is working to connect all of its cities, towns, and villages to the internet, but it lacks a robust infrastructure, thus significant investment is being made to bring all of the areas up to standard for a digital development. Incubators and asset-lite models are two recent examples of innovative ideas in business.

Incubator

An incubator is a company that offers a variety of business support tools and services, such as physical space, financing, coaching, shared services, and networking opportunities, in order to hasten the development and success of entrepreneurial businesses. Owners of new firms might gain a lot from incubators. At every step of their entrepreneurial journey, incubators are essential for accelerating the development of firms. They encourage a culture of creativity by offering mentoring and handholding assistance.

Light Model Asset

Asset-light business models allow companies to share a portion of the profits generated by operations conducted on the property with the landowner rather than acquiring the land outright. This allows the firm avoid paying a significant amount for land. Although there are other asset-light business strategies, outsourcing, asset sharing, licensing in, and licensing out are some of the most popular. Asset-light models have the potential to outperform asset-heavy models in terms of return on assets, profit volatility, flexibility, and scale-driven cost reductions.

DISCUSSION

A "franchise" is the exclusive right granted by a producer or parent company to a different person or business to market and sell the former's goods or services in a certain region or areas. Both the franchiser and the franchisee must deal with the benefits and drawbacks of franchising. The word "Aggregate" which meaning to mix, collect, or amalgamate is the root of the phrase "aggregator." The phrase "holomorphic information" in the digital age refers to computer applications or websites that gather or integrate homogeneous information from many online sources and deliver it to viewers or visitors. Knowledge Process Outsourcing has a higher position in the intellectual value chain than company Process Outsourcing (BPO), which entails contracting out the operations and duties of certain company tasks (or processes) to a third-party service provider. Business procedures, however, are often repetitious and reliant on rules. On the other hand, knowledge processes might be a particular task requiring in-depth domain knowledge (IT, management, law, etc.) and/or analytical thinking. E-commerce: The term "e-commerce" refers to any commercial activities that include the processing and transfer of data, including text, voice, and visual pictures, electronically. The several types of e-commerce:

1. B2B (business-to-business)
2. B2C (business-to-consumer)

3. C2B (Consumer to Business)
4. C2C, or consumer to consumer.

A business function is a procedure or action that is regularly carried out to carry out a component of an organization's goal. the succession of tasks carried out to produce a something or provide a service. To guarantee that tasks are executed in an orderly and effective way, businesses often establish precise rules for business processes. The division of labour between several people and/or technologies may be a part of business processes. For instance, a publishing business may have one person write the content, another edit it, a third add images, and a fourth print it. Business function is another name for a business process, which is a notion used in the Organization Architecture domain to describe the work carried out by an organization, an organizational unit, or a business role. A collection of business functions may be used to create an organization, and often, the organizational units within an organization are structured closely around the business functions. These business functions are more reliable than the organizational structure, and often, one organizational unit or business role will be in charge of many different business functions. A business role or organizational unit inside a company will never perform a business function on its own [7], [8].

The word "strategy" comes from "strategos," a Greek word that meaning "the art of the general." This idea was principally used to military science, where it denotes a strategy for winning a conflict. A strategy is a plan that is specifically created to match the potential of rivals in the business world. The management reaction to changes in the business environment is reflected in strategy. "Strategy is the direction and focus of an organization over the long term: which achieves advantage for the organization through its resource configuration in a difficult environment, to meet the needs of markets and to satisfy stakeholder expectations." The following are some characteristics of strategy:

1. Planning to counterattack against rivals requires unique expertise.
2. It clarifies how managers must adapt to changes in the corporate environment.
3. It redefines the direction for teamwork.
4. It shows a desire to allocate resources wisely.
5. It increases the likelihood of achieving goals.
6. Top management is responsible for developing strategies.

Any organization has strategies at many levels, from the whole firm (or collection of enterprises) to the individual employees. This crucial level, which is greatly influenced by investors in the company and serves to direct strategic decision-making throughout the business, is concerned with the overall purpose and scope of the business to meet stakeholder expectations. Corporate strategy is frequently stated explicitly in a "mission statement." Operational strategy is concerned with how each area of the business is structured to carry out the corporate and business-unit level strategic direction, and as a result, focuses on issues such as how to meet customer needs, gain an advantage over competitors, exploit or create new opportunities, etc. Business unit strategy is more focused on how a business competes successfully in a particular market.

This step involves mapping out exactly how to achieve a particular goal. Say, for example, that the organization's goal is to improve company sales. The manager first needs to decide which steps are necessary to accomplish that goal. These steps may include increasing advertising, inventory, and sales staff. These necessary steps are developed into a plan. When the plan is in place, the manager can follow it to accomplish the goal of improving company sales. Planning is the primary function of management. It is basically an intellectual process; it requires determination of the action and the basing decision on purpose, knowledge, and considered estimates. It has been pointed out that nowadays, great emphasis is placed on planning by modern management which strive for their organizations' survival, growth and healthy mode of operations. A manager desires to provide stability to his efforts by considering many complicated future variables since the future involves change and uncertainity. Moreover, planning is necessary to achieve results through the efforts of others. Hence, a manager must plan the efforts required to achieve the desired results. The main principle of planning is that adequate planning or mental effort must take place.

Although all managers plan, the work schedule of the first-line supervisors differs from strategic plan developed by top managers. Roger Smith, the chief executive officer at General Motors planned the grand strategy of producing small cars in Japan and Korea. Chairman Fuaber of K-Mart, a retailer known for its no-frills discount stores, planned to "upscale" the operation by offering a wider selection and higher- margin apparel. Thorton Bradshaw of the RCA Corporation redirected strategy, moving the company away from videodiscs and selling unrelated businesses. He focused instead on the company's strengths in communication satellites and radar display systems produced for the Navy. While top executives plan the general direction of the firm, managers at all levels must prepare their plans so that they contribute to the overall aims of the organization. A widely used device for managerial control is the budget. Indeed, it has sometimes been assumed that budgeting is the device for accomplishing control. However, many non-budgetary devices are also essential.

Budgeting is the formulation of plans for a given future period in numerical terms. As such, budgets are statements of anticipated results, in financial terms, as in revenue and expense and capital budgets; o Budgets are statements of anticipated results, in financial terms, as in revenue and expense and capital budgets; o Budgets are statements of the policy to be pursued during that period for the purpose of attaining a given objective. Budgets are essentially quantitative statements that prescribe standards set in advance, and actual performance is compared with budgets to locate any deviations. According to the Institute of Cost and Management Accountants (CIMA), budgetary control is defined as. The creation of budgets linking executive responsibilities to policy requirements, and the ongoing comparison of actual results with budgeted results, either to ensure that each individual is achieving the policy's goal or to serve as a foundation for revision."

Budgeting focuses on specific and time bound targets and thus, helps in attainment of organizational objectives. Budgeting is a source of motivation to the employees who know the standards against which their performance will be appraised and thus, enables them to perform better. Budgeting helps in optimum utilization of resources by allocating them according to the requirements of different departments. Budgeting is also used for achieving coordination among different departments of an organization and highlights the interdependence between them. For instance, sales budget cannot be prepared without knowing production programmes and schedules. It facilitates management by exception by stressing on those operations which deviates from budgeted standards in a significant way. The term "research and development"- more often "R&D"- is the such common use that people tend to forget it denotes a whole range of activities. In a broad sense, R&D includes both basics or fundamental and applied research. From a business point of view, however, basic research has no immediate or direct commercial value. Therefore, only researchers involved in establishing new applications, interpreting new findings, and making discoveries that can be commercialized are of interest to business managers.

The decision to open a new business, even with several employees, without ever having separate business premises is very different today. The so-called "virtual business" is now a reality, made possible by easy communications and the enthusiasm of many people to work from home, as freelancers or consultants. Setting up a virtual business, often from home, is not without its problems. Setting up in a new business location can add significantly to overheads - a business will incur rent, rates, insurance, and many other ongoing costs simply from the decision to take some premises. Whatever the business, there are several factors to take into consideration.

Communications

Transport links are especially crucial if the business delivers products, sells directly using a sales force, or is dependent on import and export. Information technology is less of an issue these days because most start-ups can quickly establish reliable broadband Internet connections.

Labour

Businesses that are labor-intensive frequently look to locate in areas with historically low wages; start-ups may need to be located near particular centres of population; for example, if the product is a service targeted at wealthy older-aged people, it is important to be located where there is a sufficient population of such people. Franchise businesses. If the start-up is "location-independent" (i.e., the other factors above don't really make a difference to the choice of location), then it may be that deals and incentives offered by Government can influence the choice. Some poorer areas of the UK are designated as "assisted areas." These include many parts of north-east England, Wales, East Yorkshire, Cornwall, etc. Locating a new bus stop is a common application of government policy.

Making Decisions

Decision making is regarded as the mental processes resulting in the selection of action among alternative scenarios. Every decision-making process produces a final choice. The output can be an action or an opinion of choice. It might be regarded as a problem-solving activity which is terminated when a satisfactory solution is reached. Therefore, the decision making is a reasoning or emotional process which can be rational or irrational, can be based on explicit assumptions or tacit assumptions. This is the extended form of Planning. Hence, decision making is only efficient when it is supported by process of Planning. They show buyers and sellers interacting in the marketplace with no legislative restrictions, no regulation, and no financing programs. If government shows up at all in these models, it is a customer and perhaps as a tax collector. Entrepreneurs' attitudes toward government intervention often depend less on their political belief than on the state of their enterprise. Some want little government control.

Functions can be divided into two broad categories: manufacturing functions and service functions, each posing unique challenges for the operations function. There are two primary distinctions between these categories. First, manufacturing functions are related to production of physical, tangible goods that can be stored in inventory before they are needed. By contrast, service functions are related to production of intangible products that cannot be produced ahead of time. Second, in case of manufacturing functions most customers have no direct contact with the operation. Customer contact occurs through distributors and retailers. For example, a customer buying a car at a car dealership never comes into contact with the automobile factory. However, in case of service functions the customers are typically present during the creation of the service. Hospitals, colleges, theatres, and barber shops are examples of service functions in which the customer is present during the creation of the service. It is said that the ultimate goal of any effective supply chain management system is to reduce inventory with the assumption that products are available when needed. Supply chain management (SCM) is the oversight of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer. Three key flows may be identified in supply chain management:

1. Product Stream
2. Information Transfer
3. Flow of Finances

There are two main types of SCM software: planning applications and execution applications. Planning applications use sophisticated algorithms to determine the movement of goods from a supplier to a customer, as well as any customer returns or service needs. This shared data may reside in various database systems, or data warehouses, at several different sites and companies. By sharing this data 'upstream' (with a company's suppliers) and 'downstream' (with a company's clients),

1. Increased effectiveness and cost savings
2. Increase agility and flexibility
3. Boost client services
4. Strengthen the value chain

Supply chain management includes managing supply and demand, sourcing raw materials and parts, manufacturing and assembly, warehousing and inventory tracking, order entry and order management, distribution across all channels, and delivery to the customer. The supply chain, a term now frequently used internationally, encompasses every effort involved in producing and delivering a final product or service, from the supplier's supplier to the customer's customer [9], [10].

Production: Different Forms of Production

The black box is the business what it does how it does it and so on. A business needs resources in order to trade. The activities of a new business should be designed to turn those resources into products and services that customers are willing to pay for. This process is known as the "transformation process.

CONCLUSION

The ability of the digital era to completely change every area of our life. The ubiquitous use of technology, the internet, and cutting-edge business strategies that define the digital economy have shaped our contemporary way of life. It has become clear from our exploration of the many aspects of the digital economy that consumers are at the centre of this paradigm change. Consumer empowerment brought about by simple access to information, entertainment, and services has completely changed how companies interact with their customers. The distribution of income has changed, favouring customer-focused businesses and forcing established firms to change or risk extinction. The worldwide reach of the internet, the advent of e-commerce, and the delivery of goods and services digitally all serve as growth drivers for the digital economy, which is expected to continue to expand in the years to come. We must, however, be aware of the difficulties brought on by this digital transition, including worries about job loss, the need for a trained digital workforce, and the need for a strong digital infrastructure. Additionally, the ability of the digital economy to promote openness and lessen corruption offers a viable path for societal improvement. It serves as evidence of how technology may be used ethically and successfully to further good causes. Businesses, governments, and people must embrace innovation, adaptation, and digital literacy to succeed in this changing environment. It is a call to action for businesses to seize the benefits of the digital economy while reducing its hazards. Collaboration between the public and commercial sectors will be essential going ahead to make sure that the digital economy works for everyone in society. Together, we can negotiate the tricky terrain of the digital economy, deal with its difficulties, and take use of its enormous prospects to build a more interconnected, open, and wealthy world. The digital economy is a sociological shift, not simply a technical one, and how we manage it will determine how we live together in the future.

REFERENCES:

[1] E. A. Khitskov, S. V. Veretekhina, A. V. Medvedeva, O. L. Mnatsakanyan, E. G. Shmakova, and A. Kotenev, “Digital transformation of society: Problems entering in the digital economy,” *Eurasian J. Anal. Chem.*, 2017, doi: 10.12973/ejac.2017.00216a.

[2] S. Guo, W. Ding, and T. Lanshina, “Global Governance and the Role of the G20 in the Emerging Digital Economy,” *Int. Organ. Res. J.*, 2017, doi: 10.17323/1996-7845-2017-04-169.

[3] S. C. Mueller, A. Bakhirev, M. Böhm, M. Schröer, H. Krcmar, and I. M. Welpe, “Measuring and mapping the emergence of the digital economy: a comparison of the market capitalization in selected countries,” *Digit. Policy, Regul. Gov.* , 2017, doi: 10.1108/DPRG-01-2017-0001.

[4] K. H. Tan, G. Ji, C. P. Lim, and M. L. Tseng, “Using big data to make better decisions in the digital economy,” *International Journal of Production Research*. 2017. doi: 10.1080/00207543.2017.1331051.

[5] Y. M. Akatkin, O. E. Karpov, V. A. Konyavskiy, and E. D. Yasinovskaya, “Digital economy: Conceptual architecture of a digital economic sector ecosystem,” *Bus. Informatics*, 2017, doi: 10.17323/1998-0663.2017.4.17.28.

[6] T. Koch and J. Windsperger, “Seeing through the network: Competitive advantage in the digital economy,” *J. Organ. Des.*, 2017, doi: 10.1186/s41469-017-0016-z.

[7] A. M. Călin, G. Ciobanu, and M. Iovițu, “The access of the population to information and communications technology - An opportunity for development of the digital economy,” *Qual. - Access to Success*, 2017.

[8] M. Olbert and C. Spengel, “International Taxation in the Digital Economy: Challenge Accepted?,” *World Tax J. WTJ*, 2017.

[9] S. A. Petrenko, K. A. Makoveichuk, P. V. Chetyrbok, and A. S. Petrenko, “About readiness for digital economy,” in *Proceedings of 2017 IEEE 2nd International Conference on Control in Technical Systems, CTS 2017*, 2017. doi: 10.1109/CTSYS.2017.8109498.

[10] N. G. Vovchenko, A. V. Andreeva, A. S. Orobinskiy, and Y. M. Filippov, “Competitive Advantages of Financial Transactions on the Basis of the Blockchain Technology in Digital Economy,” *Eur. Res. Stud. J.*, 2017, doi: 10.35808/ersj/778.

CHAPTER 10

MANAGING BUSINESS OPERATIONS: EXPLORING METHODS OF PRODUCTION, FINANCIAL MANAGEMENT, MARKETING, LEGAL COMPLIANCE, AND ADMINISTRATION

Yogesh Chandra Gupta, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- COGNITOR.YOGESH@GMAIL.COM

ABSTRACT:

This thorough investigation looks into the complex realm of managing company operations, touching on several essential elements that serve as the foundation of successful businesses. The research starts by analyzing various production techniques, demonstrating how job production, batch methods, and flow techniques adjust to suit various production demands. It emphasizes how crucial it is to match manufacturing methods to consumer demands and corporate expansion. Moving on to financial management, the paper argues that money is the lifeblood of every business, highlighting its relevance in choices about how to allocate resources, make investments, and achieve sustainable development. It explains how financial management relies on cost-effective resource usage and smart procurement. An in-depth analysis of marketing, a crucial company function, is conducted. It entails not just marketing goods or services but also figuring out what customers want and creating products and services to meet their requirements. Customer research, the marketing mix idea, and marketing's function in organizational strategy are all discussed in detail. Another crucial component is legal compliance, with the legal department playing a crucial role in making sure firms follow the law. The duties of the legal department are described, including providing advice on new product releases and managing litigation and consumer complaints. It emphasizes how crucial pro-active legal advice is for defending a company's interests.

KEYWORDS:

Business, Financial Management, Finance, Marketing, Legal Compliance.

INTRODUCTION

There is no relationship between the different manufacturing techniques and a certain output volume. Similar to this, several techniques could be used at various times during the whole manufacturing process. In the case of job production, a single employee or team of employees handles the whole assignment. Both simple and complicated jobs may use a variety of technologies. Low-tech jobs: in these positions, manufacturing is very simply organized, and the necessary tools and skills are readily available. Specific client requests may be accommodated using this manner, often as the task develops. For instance, hairdressers and tailors Jobs requiring high levels of technology are far more complicated and provide a higher management challenge. Project management, often known as project control, is a crucial component of the high-tech job production process. Large building projects, such as the Millennium Dome, are examples of high technology/complex work. As firms expand and production volumes rise, it is common to see the production process set up to allow for the usage of "Batch methods." Any job that uses a batch technique must be broken down into its component pieces or activities. Before moving on to the next procedure, each operation is finished across the whole batch. Labour specialization is attainable by using the batch technique. Lowering capital costs is also possible, but careful planning is needed to prevent manufacturing equipment from sitting idle [1], [2].

This approach is arguably the one that manufacturers utilize the most often. The creation of electronic instruments is an excellent illustration. Poor work flow is quite likely, especially if the batches are not the right size or if there is a big variation in how productively each activity in the process performs. Batch procedures often lead to the accumulation of large "work in progress" or stocks, i.e., finished batches ready to be worked on in the subsequent operation. In contrast to batch techniques, flow methods do not have the issue of idle production or batch queuing. According to its definition, "flow" refers to a system of production organization where the job is continually worked on or where the material is continuously and gradually processed. According to flow techniques, once work on a job at one stage is finished, it must be moved on to the next stage without waiting for the completion of the tasks in the "batch" that are still in progress. When it reaches the next stage, the subsequent step must begin right away. The time that each work needs on each stage must be the same length, and there should be no movement off the flow production line, for the flow to be smooth. Therefore, theoretically, any flaw or mistake at a certain level.

The flow manufacturing line might result in a significant accumulation of stockpiles and potential storage issues if demand is erratic or irregular. Many companies that use flow techniques circumvent this issue by "building for stock" i.e., keeping the flow line operational at times of low demand so that production may be produced effectively. Although some "variety" may be achieved by adding various finishes, embellishments, etc. at the end of the manufacturing line, flow techniques are rigid and cannot cope with differences in the product efficiently. Use of materials that vary in style, shape, or quality is not advised since the flow manufacturing line operates continually. The whole manufacturing line will stop if the necessary supplies are not available, which might have major financial repercussions. When compared to batch or job production, where it is possible to make up for a lack of quality by performing some more work on the job or the batch before it is finished, there is no opportunity for sub-standard output to be "re-worked" since the output from each step advances continually. It takes a lot of preparation to create an effective production flow line, especially to make sure that the right manufacturing materials are supplied on time and that each operation takes an equal amount of time. Automobile, chocolate, and television manufacturing are among common industries that employ flow processes [3], [4].

Finance

It's been claimed that money is an organization's lifeblood. Money is the most typical example used to illustrate finance. For things like staff wages, development projects, etc., the government needs money. To carry out production, pay salaries, expenditures, and taxes, businesses require money. To carry out their work, hospitals, schools, religious institutions, etc. require money. An organization's long-term and short-term needs are represented by its finances. By using its concepts and techniques, it is a science of money that clarifies how to get, manage, and regulate financial resources. Financial management is nothing more than the efficient administration of the organization's finite financial resources. While demands are eternally limitless, resources are never-ending. Howard and Upton state that "finance may be defined as that administration area or set of administrative functions in an organization may have the means of carrying out its objectives as satisfactorily as possible [5], [6].

The operations involved in acquiring and conserving capital money to satisfy the financial requirements and overarching goals of a commercial firm are referred to as business finance. Business finance is the sum of money needed to conduct business operations. Every action almost always demands funding. Finance is required to start, operate, modernize, grow, or diversify a company. A range of assets, including real ones like factories, buildings, and equipment, as well as intangible ones like patents and trademarks, etc., need financing in order to be purchased. Additionally, managing the day-to-day operations of a firm depends on money.

Financial administration

Every financial decision has a price. Optimal financing and procurement are both concerns of financial management. The money obtained in this way has to be invested such that the return exceeds the cost of borrowing. The goal of financial management is to lower the price of financing. It also guarantees that there are enough money available. Planning, organizing, directing, and regulating financial operations like the acquisition and use of an enterprise's cash are all part of financial management [7], [8]. We need monetary resources that are pooled in order to do business. It is used to acquire tangible resources, carry out productive tasks and commercial operations, impact sales, and compensate resource suppliers? both material and monetary. As a result, financial management is seen as an inherent part of a company and has grown in significance. Financial management, according to a number of experts, is simply the duty of delivering the cash required by the company or firm on terms that are most beneficial in light of its goals. As a result, the strategy is nearly entirely focused on raising money, while it might be expanded to incorporate other tools, organizations, and methods as well. It also addresses the link between a business and its funding sources in terms of law and accounting. Financial management includes more than just getting money; there are other tasks and choices as well.

Some analysts believe that money is the main focus of finance. Since money is involved in every business transaction, whether directly or indirectly, it is reasonable to believe that everything that happens over the course of a company is related to finance. It is a wider word as a result. Although there are other organizations, such as schools, associations, government agencies, etc., where money are acquired and utilised, the third group of individuals, whose point of view has been largely accepted, defines financial management as the acquisition of funds and their successful utilisation in the company. Financial management must ensure that extra profits can be generated to cover project-related expenses and risks in addition to ensuring that money can be obtained for the cost of installing equipment and machinery. Therefore, from the standpoint of a corporate unit, financial management is tied to more than just "fund-raising" and includes a larger perspective of effectively managing the money for the business.

Raising capital is not a problem in a capital market that is at an advanced stage; the real challenge is using capital resources effectively through effective financial planning, financial organization, and financial control, as well as dealing with tasks like ensuring that funds are available, allocating them for various uses, managing them, investing funds, cost-controlling, forecasting financial needs, performing profit planning, and estimating rate of return on investments. To be more exact, financial management is concerned with choices about investments, financing, and dividends in connection to corporate goals. The interests of the shareholders must be considered while making such choices. They are supported by maximizing shareholder wealth, which relies on the growth of the company's net value. The business's initial investment plus any earnings reinvested will help it expand and flourish. The market is willing to pay a lower or higher price for the shares of one firm or another due to these factors.

Investment choice refers to choosing the amount of investment to be made from the available short- and long-term financing. Making a long-term investment choice, commonly referred to as capital budgeting, entails investing money in fixed assets for the long run. It entails choices like as purchasing additional land and structures, upgrading or replacing outdated equipment, and more. Once chosen, these choices cannot be changed. The effectiveness of capital budgeting decisions determines a business's financial goals and success. Making a short-term investment choice, commonly referred to as working capital management, entails investing money in current assets on a short-term basis. It entails choosing how much money to invest in short-term investments, cash, inventories, and bank balance. Both the business's liquidity and profitability are adversely impacted.

Finance-related choices have to do with obtaining funding from both long- and short-term sources. Capital structure decisions are those made when raising money from long-term sources. Working capital management is responsible for making choices on short-term funding sources. Financial planning and capital structure choices are the two decisions that make up financing. The estimation of funding sources and applications is a component of financial planning. Choosing a capital structure requires considering potential funding sources. It also entails choosing whether to raise money from internal sources like retained profits or external ones like the issuance of shares, debentures, bonds, and borrowing from banks and financial organizations. Each financial resource has a price. Therefore, before choosing it, the cost of financing must be calculated.

Choosing a dividend or allocating profits

After taxes have been paid, some gains are set aside as retained profits to be reinvested in the company and some are given as dividends to shareholders. While shareholders could call for a larger payout, management might be motivated to keep a larger portion of the earnings to support the company. Therefore, choosing how much profit should be divided and how much should be maintained is a difficult administrative choice. One of the choices included in financial decisions is financial planning. Predicting an organization's financial requirements in order to guarantee the availability of sufficient funding is known as financial planning. Financial planning suggests that the company is neither flush with cash, i.e., funds are not being used, nor is there a lack that would disrupt corporate operations. If there are extra cash, borrowing costs can increase. If there are not enough finances, the company could not keep its promises to pay off debts, loans, interest, salaries, and other obligations on schedule. Therefore, financial planning assures the proper quantity of financing at the right moment. Planning and ensuring that money is available when needed are its two main goals. It predicts how much money will be required and when, how much will be accessible and when, and, if any, whether there will be a surplus or deficit.

Financial Planning Definitions

1. Financial planning, according to Gersternberg, comprises capitalization, capital structure, and policies necessary for the efficient use and management of capital.
2. Estimating the quantity of capital and figuring out its make-up is known as financial planning. It focuses on creating strategies for the administration, investment, and acquisition of funds.
3. Financial planning is the process of determining the objectives, policies, procedures, programmes, and budgets to deal with the financial activities of an enterprise.

Financial planning is thus the management activity that determines and creates the capital structure to be used in successful financial control. The term "market" refers to the system used to buy, sell, trade, and transfer goods and services. Buyers, sellers, intermediaries, and everyone else involved in the selling and purchase of things make up the market. Depending on the location, the region, the demand, etc., the notion of a market is seen in many ways. The practice of commercial operations that guide the flow of products and services from producers to consumers is referred to as marketing.

US-based marketing organization

Marketing is the process of identifying and converting customer requirements and desires into goods and services, hence enabling the availability of an increasing number of these goods and services. Marketing is the process of identifying customer needs and desires and being able to meet those needs and wants via the delivery of goods. The whole process of getting a product from the manufacturer to the customer is referred to as marketing. Marketing research is the first step in the learning process that allows marketers to fully understand the requirements and desires of customers. Marketing is completed when a customer makes a purchase. Selling and marketing are not the same thing. Selling is a limited idea that refers to the transfer of products or services from suppliers to customers. While marketing is a broad notion that places an emphasis on determining customers' requirements and fulfilling their wants with goods or services.

The marketer or the company and the market, or the clients, are on opposite sides in marketing. The business searches for consumer transactions. It aims to make hypothetical trades a reality. But in order to accomplish this goal, the company must create the good or service, market it to clients, make it accessible, and set a price. All of these actions indicate that the marketer must combine all of the tools at his disposal in order to achieve his goal of successfully closing a deal. The term "marketing mix" describes the components, resources, or variables that a marketer combines in order to engage with a certain market. [9], [10]

The Purposes of Marketing

The aggregate of economic operations including the transfer of property rights, buying and selling, moving and storing commodities, distribution, packaging, financing, and procurement embody the marketing functions. Numerous marketing activities that are divided into general and specialised roles are involved in all of these sectors. The following are marketing's general purposes:

(i) **Market and consumer research:** This is how all marketing initiatives are supposed to work. This task entails gathering data on the state of the market now and its prospects for the future. This serves as the basis for all choices, including developing a strategy, creating a new product or service, expanding into a new market, and focusing on a particular market.

(ii) **Permanent Adaptation:** to the needs of the economic and social environment. This indicates that all resources will be used in order to effectively meet market needs. You may gauge a company's adaptability by contrasting the dynamics of the supply it is offering to the size, structure, and level of the demand. It relies on how well the management can use the resources.

(iii) **Complete Satisfaction of Demand:** Any business aiming for profitable economic activity has this as their goal. A company's prospects to make money, boost its revenue, and outperform rivals grow as it is able to better meet market demands.

(iv) **Maximizing Economic Efficiency:** This presupposes that all economic processes production, transportation, storage, and distribution—are optimized to increase profitability. Beyond its purposes, marketing incorporates other things.

The consumer needs assistance making a decision. This calls for the collection and analysis of a variety of market data. information on customer interests and preferences, demand trends and demand structure. Instead of selling what it can make, the business must produce what it can sell. Future trends must be predicted and the market must be analyzed. Marketing done by the firm, not for the company. The organization must spend all available resources in it, and its employees must be inspired to uphold its overarching goal. Achieving these principles helps the business reach its goal and has a long-term view on productive operations. Management of human resources (or personnel), in the sense of using people to accomplish goals. Although it is a crucial component of every manager's duties, many businesses find it beneficial to create a specialized division to provide a professional service aimed at ensuring the human resource function is carried out effectively.

DISCUSSION

Organizations now face the highest pace of change in history, and they must absorb and manage change considerably more quickly than in the past. Organizations, big or small, must make sure they have the correct personnel capable of executing the plan in order to create a successful business strategy to meet this problem. The market for smart, qualified individuals is cutthroat and pricey. Existing workers may experience disruptions when new hires are made. Additionally, it takes time for new employees to gain "cultural awareness," understanding of the organization's products, processes, and people. The contributions of human resource management vary as much as the goals, objectives, complexity, structure, physical characteristics of their products, and employer attractiveness of businesses. However, the main goal of the position is often to "ensure that the business is consistently correctly staffed by the right number of people with the skills relevant to the business needs," that is, neither overstaffed nor understaffed overall or in relation to any one discipline or work grade.

The practice of HRM must be seen through the lens of the organization's overall strategic objectives rather than as a separate lens that adopts a unit-based or micro-approach. The objective is to approach HRM holistically such that there are no fragmented tactics and the HRM policy is completely integrated with the company goals. For instance, the company risks losing not just from the time that the workers spend in training but also from a loss of direction if the training demands of the staff are only fulfilled with perfunctory trainings on various themes. Therefore, a firm that is serious about its HRM policies will make sure that training is based on approaches that are both targeted and current. To guarantee efficient use of people and greater results for businesses in terms of ROI (Return on Investment) for each rupee spent on them, HRM practice must be linked with the entire strategy. Without such a design, the enterprises risk losing out on the potential of their human resources. And this is not encouraging for the organization's future development.

The legal department of a company deals with any legal matters that may arise during regular business operations, from creating waiver forms for workers to managing lawsuits from irate clients. Smaller businesses may decide to maintain a lawyer or a team of attorneys on retainer, ensuring them have quick access to legal expertise when they need it. Many major corporations have legal departments. Customers often deal with the legal department, particularly when they register complaints or say they think a firm isn't operating legally. For example, the legal department may review an executive's letter to make sure it won't cause issues later, but they won't draft letters for employees unless the letters are related to legal issues. Ideally, the legal department only focuses on tasks that require a trained lawyer. Legal advisors play one of the legal department's most significant tasks. Employees often consult the legal division before promoting a new product. Executives are welcome to discuss possible legal concerns with the legal team, including allegations of sexual harassment or discrimination in recruiting processes. To keep the business and its workers informed about workplace laws and lower the danger of future lawsuits, the legal department may also provide training and help developing employee manuals.

Customer complaints will also be handled by the legal department, which will make sure that the replies are written in a way that is both professional and legally sound for the business. If a business is sued, either internally or outside, the legal department will represent the business in the lawsuit. It also manages the submission of patent applications and other legal paperwork to administrative bodies. A major, multinational company's legal department may be colossal and resemble a sizable law firm in size. The attorneys may be from various countries and have varying educational backgrounds, ensuring that every facet of the company's operations is covered, from an English manufacturing facility to an Indian bank. The staff members could collaborate on agreements and use their collective years of expertise to review proposals and paperwork to make sure the business is receiving the finest legal counsel and guidance available.

Office Secretarial Tasks

In a firm, the secretarial division performs these tasks, and the corporate secretary is the person in charge of them. The following are the duties that fall within the purview of a company secretary:

1. Holding board meetings for listed companies, joint venture companies, and other group businesses in accordance with the Companies Act, which includes sending out notifications, creating agendas, keeping minutes, and generating reports/corporate governance reports, among other things.
2. Conducting the shareholders' annual general meeting.
3. Acting as the organization's representative when a corporation is formed, its name is changed, its registered office is moved, an infraction is compounded, etc.
4. Coordinating and handling legal requirements related to reorganization, name changes, registered office changes, etc.

Accounting

Accounting is a company function that collects data and information from all the many business components. The following list of accounting functions is discussed:

(i) **Maintaining a Systematic Record of Financial Transactions:** Journalization, Posting, and the Creation of Final Statements are the three main tasks of accounting. Financial statements are used in this role to provide regular reporting to the relevant parties.

(ii) **Prevent Unjustified and Unwanted Use of Business Property:** The second purpose of accounting is to prevent Unjustified and Unwanted Use of Business Property. Therefore, the accountant must create an accounting system that safeguards its assets from an unauthorized or undesirable usage.

(iii) **Legal Requirement purpose:** Creating a system that complies with legal requirements is the third purpose of accounting. A company owner is required by law to submit a number of documents, such as income tax returns and reports for sales tax purposes. The goal of the accounting system is to satisfy legal obligations. Accounting serves as the foundation for the creation of many returns, records, statements, etc.

Owners, creditors, the government, workers, and many other stakeholders are interested in learning the outcomes of the company. The dissemination of the findings to interested parties is accounting's fourth function. The accounting reveals the firm's or business's genuine and accurate financial situation. The department of administration ensures that all office work is accomplished, as well as making sure that any paper work can be quickly retrieved if required and distributed to any persons who need it. It also works to ensure that the firm runs as effectively as possible. Most external communications are also governed by the department.

Security for the location could also be provided by the administrative department. The performance or management of business activities, and therefore the formulation or execution of a significant decision, constitute the administration of a firm. The universal practice of effectively allocating people and resources to guide activities toward shared goals and objectives is known as administration.

CONCLUSION

The task of managing corporate operations is intricate and multidimensional, requiring careful consideration of many important factors. This investigation has focused on the essential elements that support the prosperity of contemporary businesses, illuminating production processes, financial management, marketing, legal compliance, and administration. The flexibility and scalability of batch and flow techniques, as well as the customized touch of job production, were found to be among the production methods' many adaptive tactics. The manufacturing strategy chosen must be in line with client expectations and corporate expansion. The importance of optimum resource procurement and effective resource use was highlighted by the emergence of financial management as the lifeblood of businesses. It was emphasized that, when handled well, money fosters innovation and development in addition to supporting everyday operations. An important task, marketing, was examined as including more than simply the sale of goods; it also included identifying client requirements and developing products to meet those demands. Customer research, the marketing mix, and strategic integration all highlighted how important marketing is to an organization's success.

The need of legal compliance was shown, with the legal department playing a crucial role in defending a company's interests. Its proactive engagement assures legal conformity and risk reduction, whether it is providing advice on product launches or resolving legal issues. It was discovered that administration, sometimes the unsung hero, was the foundation of operational efficiency. Its duties include security, external communications, document management, and general corporate performance. In conclusion, running a firm involves juggling many moving parts, each of which is interdependent and necessary. In today's changing business world, organizations that succeed in production, finance, marketing, legal compliance, and administration are better positioned for long-term success. Businesses may prosper, compete, and accomplish their strategic goals by comprehending, maximizing, and integrating these factors.

REFERENCES:

[1] N. Safitri and E. Sakapurnama, “Exploring Entrepreneurial Leadership: A Case Study On Small Medium Entreprise’s Owner In Jakarta,” *Bisnis Birokrasi J.*, 2017, doi: 10.20476/jbb.v23i2.9008.

[2] J. V. Mazibuko and K. K. Govender, “Exploring workplace diversity and organisational effectiveness: A South African exploratory case study,” *SA J. Hum. Resour. Manag.*, 2017, doi: 10.4102/sajhrm.v15i0.865.

[3] B. Sims and J. Heney, “Promoting smallholder adoption of conservation agriculture through mechanization services,” *Agric.*, 2017, doi: 10.3390/agriculture7080064.

[4] S. Gold and M. C. Schleper, “A pathway towards true sustainability: A recognition foundation of sustainable supply chain management,” *Eur. Manag. J.*, 2017, doi: 10.1016/j.emj.2017.06.008.

[5] S. Seidenstricker, E. Rauch, and C. Battistella, “Business Model Engineering for Distributed Manufacturing Systems,” in *Procedia CIRP*, 2017. doi: 10.1016/j.procir.2016.06.112.

[6] R. Agrifoglio, C. Cannavale, E. Laurenza, and C. Metallo, “How emerging digital technologies affect operations management through co-creation. Empirical evidence from the maritime industry,” *Prod. Plan. Control*, 2017, doi: 10.1080/09537287.2017.1375150.

[7] M. D. Miah and H. Uddin, “Efficiency and stability: A comparative study between islamic and conventional banks in GCC countries,” *Futur. Bus. J.*, 2017, doi: 10.1016/j.fbj.2017.11.001.

[8] K. Aoki and M. Wilhelm, “The role of ambidexterity in managing buyer-supplier relationships: The Toyota case,” *Organ. Sci.*, 2017, doi: 10.1287/orsc.2017.1156.

[9] Alexander Herzfeldt, Thomas Wolferstetter, Markus Böhm, and Helmut Krcmar, “From Products and Service to IT solutions: Nine Principles for Managing IT Solutions,” *e-Service J.*, 2017, doi: 10.2979/eservicej.10.2.01.

[10] T. O. Fakokunde, A. M. Mustapha, and M. Aremu, “Understanding the queuing theory for improved service delivery: an entrepreneurial-mindset approach,” *Ethiop. J. Bus. Econ.*, 2017, doi: 10.4314/ejbe.v6i1.2.

CHAPTER 11

EVOLVING NATURE AND MEANING OF LAW: PERSPECTIVES FROM JURISTS AND SOURCES OF LEGAL DEVELOPMENT

Pradip Kumar Kashyap, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- pradiprgnul@gmail.com

ABSTRACT:

Jurists have studied the idea of law extensively throughout history, giving rise to a wide range of definitions and interpretations. This variety results from the numerous perspectives that different jurists have used to analyze the law in an effort to develop an all-encompassing theory of the legal system. Law has undergone careful examination to accommodate the changing demands of many legal ages, from its nature to its origin, function, and purpose. The definitions examined in this study are organized into five major categories: natural, optimistic, historical, sociological, and realistic. The emphasis of the debate is on the nature of law as a system of regulations acknowledged and upheld by courts of justice. It is highlighted how crucial it is to comprehend the reason behind the legislation and seek the judges' guidance for comprehending its genuine essence. This viewpoint is supported by jurists like Vinogradoff and Austin, who famously defined law as the "command of the sovereign," consisting of orders, obligations, and penalties**.**

KEYWORDS:

Business, Management, Legal Development, Legislation, Sociological.

INTRODUCTION

Various jurists have provided descriptions of the essence and significance of law. Regarding the real essence and meaning of law, there isn't a consensus, however. The lack of agreement on the topic is due to the fact that different jurists have viewed and addressed it in order to formulate a general theory of legal order at various points in time and from various perspectives, i.e., from the point of view of the nature, source, function, and purpose of law, to meet the needs of some specific period of legal development. As a result, it is not possible to define law in a way that will be accurate for all future eras [1], [2]. To further explain and expand the meaning of the word "law," it is nonetheless preferable to make use of some of the definitions offered by other jurists. The numerous definitions of law advanced by legal theorists highlight the various aspects of law and help to provide a comprehensive and well-rounded understanding of the idea of law. We will explore a few typical definitions in the paragraphs that follow. We may group the many definitions into five general categories for the sake of clarity and a better understanding of the nature and meaning of law:

1. Optimistic
2. Previous
3. Social science
4. Realism

In other words, the law is made up of principles that the courts of justice have recognized and applied. It should be emphasized that the definition is based on two basic components. First, one should be aware of the aim of the law in order to comprehend it. Secondly, one should consult the courts rather than the legislators in order to determine the genuine essence of the legislation. Austin defined law as "the aggregate of rules set by man as politically superior, or sovereign, to men as political subject"; in other words, law is the "command of the sovereign." Vinogradoff defined law as "a set of rules imposed and enforced by society with regard to the attribution and exercise of power over persons and things." It imposes a responsibility or requires a certain course of action and is supported by a punishment. The three components of law are thus the command, the obligation, and the penalty.

Law as defined by sociology

This definition requires three things in order to work. First off, according to this definition, the law is only one kind of social control. Second, legislation exists to further societal objectives. Third, it has a coercive nature. In the context of the 20th century, Roscoe Pound analyzed the term "law" as primarily a tool for social engineering in which competing political ideologies, economic interests, and moral principles fought for legitimacy all the time against the backdrop of history, custom, and legal procedure. Pound views the law as a social institution that regulates human behaviour via a politically organized society in order to meet social goals, such as the claims, demands, and expectations associated with the presence of a civilized society. Law is defined by realists in terms of the judicial system. According to Cardozo, "A principle or rule of conduct so established as to justify a prediction with reasonable certainty that it will be enforced by the courts if its authority is challenged, is a principle or rule of law." According to Holmes, "Law is a statement of the circumstances in which public force will be brought to bear upon through courts." To summarize, the following are the major attributes of law, and for a definition to be considered universal, it must have all of these features [3], [4]. 'Laws' are distinct sets of regulations and precepts. These laws might be obligatory, restrictive, or permissive. A legislation that is required requires an affirmative action, such as the payment of taxes. When a law forbids anything, such as conducting a lottery or carrying a hidden weapon, it necessitates bad behaviour. A permissive legislation permits particular behaviour on the part of a person if he chooses to act, but it neither forces nor bans action.

Making laws effective

1. By mandating the payment of damages for harm brought on by noncompliance
2. By, in certain cases, compelling one to accomplish a duty they have not fulfilled
3. By guarding against disobedience
4. By imposing a penalty of some kind

Over many years, the law and the system that governs it have evolved into the current concoction of legislation, court rulings, custom, and convention. We may learn more about the unique features of our legal system by looking at the sources from which it is derived. The State creates a set of moral guidelines for citizens to follow in order to preserve social harmony and order. These codes of behaviour are referred to as "laws."

Importance of the legislation

Laws are adjusted to suit the needs of a society as its circumstances and situations change. The prevalent legislation in a society at any given moment must be consistent with the beliefs, traditions, and goals of its members. Modern science and technology have revealed huge opportunities and inspired mankind to have new, lofty objectives. In every aspect of life, individualism and materialism are dominant. These innovations and modifications have a tendency to modify the law both overtly and covertly. Consequently, both conceptually and structurally, law has experienced a huge shift. Social justice has taken the place of the notion of abstract justice.

The goal of law is to maintain order, which in turn offers a sense of future security. Law is supposed to guarantee socioeconomic justice, eliminate existing socioeconomic inequalities, and play a specific role in the work of attaining the many socioeconomic objectives contained in our Constitution. It must act as a catalyst for societal transformation and a sign of social fairness. The term "sources of law" has been used to indicate a variety of things. The term "sources of law" has as many different meanings as there are legal institutions and schools of thought. The term "source" often refers to origin. The legal experts have different perspectives on where the legislation came from. According to Austin, the sovereign is the source of law. Savigny traces the roots back to the Volkgeist, or collective awareness of the populace. Sociologists look for law in a variety of diverse circumstances. Theology holds that God is the source of law. The Vedas and the Quran, which serve as the foundation for Hindu and Muslim law, respectively, are regarded as divine revelations. Whatever the exact origins of law may be, they have come from sources that are nearly identical in the majority of countries. The sources used to create the contemporary Indian law as it is used in courts may be divided into two categories:

1. The Fundamental Sources of Indian Law
2. Secondary Legal Sources in India

Custom is the oldest and most significant source of law, however its weight has lessened in recent years due to the expansion of precedent and legislation. A study of ancient law reveals that in prehistoric civilization, norms that naturally evolved in response to the environment governed people's daily lives. Some people believed that one method of doing things was more practical than others. When a certain technique of doing something is used repeatedly, it takes on the shape of custom. The ancient Hindu Law has been shaped in a significant way by customs. The majority of the legislation outlined in the Smritis and the Commentaries was derived from customs. The Smritis have steadfastly advocated for the traditions to be observed and respected. In Hindu Law, customs served as a reorienting force. The Mohammedan Law gives custom a very low status as a source of law. Customs, on the other hand, were valid laws as long as the Prophet did not directly disapprove of them. Sunnis interpreted several legal statutes, notably the laws governing divorce and inheritance, on the basis of these norms. Numerous Mohammedan sects in India are controlled by regional customary law.

Customs are categorized

The practices may be categorized into two groups:

1. Unrestricted customs.
2. Customs exercising authority.

A custom must be established as old and immemorial in order to be considered legitimate. A custom must have existed for a very long time in order for it to be considered lawful and binding, according to Blackstone, and if anybody can trace its origins, it is no longer a good custom. According to English law, a tradition must be at least as old as Richard I's year of accession in 1189 in order to be considered old. The English Law's legal memory provisions are not followed in India. It just has to be shown that the supposed tradition dates back a long time [5], [6].

The tradition must be clear and unambiguous, and it cannot be. A custom ought to make sense. It must benefit society and be practical. If a tradition conflicts with the ideals of justice, equality, and morality, it is considered irrational. For a custom to be considered genuine, it must have been followed consistently and without break from the beginning of time, and those who were impacted by it must have accepted it as a binding code of behaviour. A tradition must not be in violation of statutes of law, morality, or public policy. A custom is not applicable if it is specifically prohibited by law and repealed by a statute. The practice has to be widespread or ubiquitous. Practice cannot be said to be custom if it is left up to individual preference. The tradition must have been practised without conflict, whether in or out of court. The traditions must all be consistent. The established customs must not contradict with one another.

DISCUSSION

The word "precedent" often refers to an established pattern governing future behaviour. In the world of law, it refers to the precedent set by earlier court rulings that will be followed in new cases. Legal precedents are only judgements that establish a new rule or concept. Legal precedents are a crucial source of information. They have always had a lot of power and are respected everywhere. This is especially true of England and other nations whose legal systems have been affected by English law. The legal concepts that are for the first time articulated in court judgments set precedents that will be followed as law in resolving issues and cases that are similar to them in the future. The theory of stare decisis refers to the principle that a court judgment becomes a precedent to be followed in related instances. A court judgment is assumed to be right, which is why a precedent is recognized. The habit of adhering to precedents instills trust in the litigants. Law becomes well-known and definite, which is a significant benefit in and of itself. Justice is administered in a more fair and equal manner [7], [8].

Supreme Courts

All lower courts and tribunals that fall within the High Court's purview must follow its rulings. Only in a court that falls within the purview of another High Court can rulings of one High Court have any real weight. However, if that judgment conflicts with another made by the High Court under whose jurisdiction the court is located, that High Court's decision will take precedence and be binding on the court. The latter judgment should normally be adopted if there is a disagreement between the two rulings of co-equal Benches.

One Bench of the same High Court cannot adopt a position that is in conflict with the judgment rendered by a different co-ordinate Bench of that High Court. Even if a Division Bench's ruling is incorrect, a single judge sitting in the same High Court must follow it. As a result, other High Court benches should follow a judgment made by one bench unless they have a good cause to disagree, in which case they should send the matter to the Full Bench for consideration. A declared precedent is essentially the application of an established legal principle. A new rule of law is created and applied by an original precedent. A declaration precedent applies the norm since it is already a law in this situation. An original precedent is now seen as future law since it is being used. Declaratory precedents are increasingly prevalent in sophisticated nations. Although there aren't many unique antecedents, their significance is enormous. They alone create the nation's laws. They are effective legal proof for the future.

An original precedent and a declaratory precedent both serve as reliable sources of law. Both have the same level of legal power. The judges are not required to adopt a convincing precedent, but they will take it into account and give it a lot of weight since they believe it deserves it. Therefore, a strong precedent is considered to be a historical source of law rather than a legal one. Therefore, in India, a High Court's judgements only have weight in the other High Courts. Only compelling precedents may be drawn from English and American court decisions. Obiter dicta are likewise solely used for persuasion.

Unquestionably Valid Examples

Judges must abide by an authoritative precedent whether they agree with it or not. The judge must abide by it; thus any discretion is completely outlawed. It has total binding power. Even if the court disagrees, such a judgment has a legal claim to implicit compliance. An authoritative precedent is a source of law, as opposed to a persuasive precedent, which is purely historical. The rulings of courts lower than it are totally binding on every court in India. The rulings of the High Court, to which the lower courts are subject, must be obeyed. The judgment of a bench of two or more judges in the High Court is binding on a single judge sitting there. The rulings of the Supreme Court are completely binding on all courts. In England, the House of Lords has unlimited authority over all lower courts and even the House of Lords itself. In a same vein, the Court of Appeal's judgments are unquestionably binding on itself [9], [10].

Although often binding on the court before which it is cited, a conditionally authoritative precedent is one that may be rejected under specific conditions. If a decision is incorrect, that is, against the law and reason, the court may reject it. When mentioned before a Division Bench of the same High Court in India, for example, the judgment of a single judge of the High Court is only conditionally authoritative. However, it is totally authoritative with regard to subordinate judiciary. The phrase "adhere to the decision and do not unsettle things which are established" is the definition of the theory of stare decisis. It is a helpful notion designed to provide consistency and predictability in the law. According to the stare decisis concept, a legal principle that has been confirmed by several judgments is typically binding on the courts and should be applied in comparable circumstances. The concept simply states that similar instances should be handled similarly. The public interest and practicality underlie this regulation. Although the theory should normally be closely followed by the courts, it is not always relevant. The concept shouldn't be seen as an inflexible, unavoidable rule that must be followed at the expense of justice.

The proclamation or publication of legal norms by a body lawfully authorized by the Constitution in that regard is legislation, which is the source of law. In contrast to customary law or jus non-scriptum unwritten law, it is often referred to as Jus scriptum written law. Salmond favours the term "enacted law". Legislation, such as Acts of Parliament or State Legislatures, for instance, creates statute law, also known as statutory law. Either supreme or delegated subordinate legislation exists. Supreme legislation is that which derives its authority directly from the Constitution or the State's sovereign power. It cannot be amended, revoked, or subject to control by another legislative body. Any legislation that originates from a power other than the sovereign power is referred to as subordinate legislation. It is reliant on a higher power in order to be legitimate and to continue existing. India's Parliament is endowed with ultimate legislative authority. Since the superior courts are permitted to establish rules for the control of their own proceedings, the judiciary has been granted legislative powers. In certain circumstances, the executive, whose primary duty is to uphold the law, is also granted the authority to establish regulations. Executive or delegated law is the term used to describe this subordinate legislation. Municipal authorities have a limited amount of authority to enact rules or bylaws for the territory under their control thanks to a delegation from the legislature. The State sometimes permits independent organizations, such as universities, to create bylaws that are recognized and upheld by legal authorities.

There are restrictions on the executive's ability to make rules, however. The regulations it makes are deemed to have received legislative approval when they are laid on the tables of both Houses of Parliament for a certain amount of time. Then, the regulations are included in the enactment. When there is a disagreement about the legality of executive regulations, courts have the authority to determine whether any portion of the rules exceeds the authority granted by the parent Act. Acts of Parliament, Ordinances, and other laws made by the President and Governors in accordance with their constitutionally granted authority are considered supreme law in our legal system. By contrast, laws made by corporations, municipalities, and other governmental entities acting under the authority of the supreme law are considered subordinate law.

CONCLUSION

The sociological notion of law is then investigated, emphasizing how it functions as a tool for social control that serves a societal need. According to Roscoe Pound, law serves as a tool for social engineering that strikes a balance between political ideology, commercial interests, and moral principles against a background of tradition and history. Realists like Holmes and Cardozo emphasize the conditions in which public force is used via courts when they define law in terms of the judicial process. This study has shown the complexity of law and the necessity for a definition that encompasses all of its components. Law is defined by distinct laws and principles that may be obligatory, prohibitive, or permissive. It is implemented by a number of different means, such as financial compensation, the satisfaction of responsibilities, the avoidance of disobedience, and the imposition of penalties. Over the course of centuries, the legal system has developed into a blend of legislation, court rulings, custom, and convention, responding to changing cultural conditions and ideals. The importance of law is seen in its function in upholding order, ensuring future security, and pursuing socioeconomic fairness. The law also evolves with society, shifting from an emphasis on abstract justice to one on social justice. The study also discusses the origins of law, including legislation, court precedents, and conventions, outlining their influences on legal systems. While the notion of stare decisis encourages consistency and clarity in the law, it is concluded that it should not be implemented rigorously at the cost of fairness.

REFERENCES:

[1] C. Rautenbach, “Muslim personal law and the meaning of ‘law’ in the South African and Indian constitutions,” *Potchefstroom Electron. Law J.*, 2017, doi: 10.17159/1727-3781/1999/v2i2a2895.

[2] A. Setiawan, “PENALARAN HUKUM YANG MAMPU MEWUJUDKAN TUJUAN HUKUM SECARA PROPORSIONAL,” *J. Huk. Mimb. Justitia*, 2017, doi: 10.35194/jhmj.v3i2.257.

[3] R. J. Funk and D. Hirschman, “Beyond nonmarket strategy: Market actions as corporate political activity,” *Academy of Management Review*. 2017. doi: 10.5465/amr.2013.0178.

[4] M. Ridwan, “Konstruksi otoritarianisme hukum islam menurut khaled m. abou el-fadl,” *J. Fenom.*, 2017.

[5] M. V. Stanton and J. A. Smith, “Law, stigma, and meaning: Implications for obesity and HIV prevention,” *J. Law, Med. Ethics*, 2017, doi: 10.1177/1073110517750583.

[6] Y. A. Triputra, “Implementasi Nilai-Nilai HAM Global Ke dalam Sistem Hukum Indonesia yang Berlandaskan Pancasila,” *J. Huk. IUS QUIA IUSTUM*, 2017, doi: 10.20885/iustum.vol24.iss2.art6.

[7] E. Merzbach, “ Using Lotteries in Logic of Halakhah Law. The Meaning of Randomness in Judaism ,” *Stud. Humana*, 2017, doi: 10.1515/sh-2017-0014.

[8] A. Rahima, “Interpretasi makna simbolik ungkapan tradisional seloko hukum adat Melayu Jambi,” *J. Ilm. Univ. Batanghari*, 2017.

[9] F. J. A. Roig, “Storia e pluralità nella comprensione moderna del diritto,” *Riv. di Filos. del Dirit.*, 2017, doi: 10.4477/86455.

[10] W. J. S. Diniz and F. Canduri, “Bioinformatics: An overview and its applications,” *Genetics and Molecular Research*. 2017. doi: 10.4238/gmr16019645.

CHAPTER 12

NAVIGATING THE BUSINESS ECOSYSTEM: UNDERSTANDING THE MICRO AND MACRO ENVIRONMENTAL FORCES

Dal Chandra, Assistant Professor
College of Law, Teerthanker Mahaveer University, Moradabad, Uttar Pradesh, India
Email Id- degautambahjoi@yahoo.co.in

ABSTRACT:

Success in the intricate business world depends on an organization's capacity to not only comprehend but also deftly manage the complicated external environment. This environment, which is often broken down into micro and macro components, has a significant impact on the operations, strategy, and overall viability of any organization. This study explores the subtleties of these environmental factors, illuminating their importance, effects, and the tactics needed to survive in their presence. We uncover the intricate network of interactions that directly influence a company's day-to-day operations by investigating the micro environment, which includes elements like clients, workers, suppliers, shareholders, the media, and rivals. Additionally, we include the macro environment in our study, which includes sociocultural, technical, economic, environmental, legal, and political elements. Even though they are beyond of a corporation's control, these outside elements might affect its outcome. We acquire insights into the larger trends, transitions, and difficulties that companies must face by critically analyzing these macro influences. In the end, this thorough investigation gives companies the information they need to navigate the complex business environment.

KEYWORDS:

Business, Environment, Ecosystem, Sociocultural, Shareholders.

INTRODUCTION

Businesses are not islands in the never-ending quest for success, but rather linked systems that are greatly impacted by the environment in which they operate. This environment, which consists of several external elements, determines businesses' futures and requires careful observation and deliberate reactions. Businesses must be able to distinguish the subtleties of both the micro and macro surroundings in order to successfully traverse this complex web of effects. The immediate surrounds that have a direct and noticeable influence on a company's everyday activities are referred to as the micro environment, also known as the task or operational environment. These components include shareholders, media, rivals, customers, staff, and suppliers [1], [2]. The micro environment is essentially the setting where bonds are made, things are made, and reputations are established. In order to develop customer-centric strategies, encourage employee engagement, foster supplier relationships, manage shareholder interests, shape public perception through media interactions, and gain a competitive edge in a market teeming with competitors, it is essential to comprehend the dynamics of this tightly knit ecosystem. The macro environment, a vast area where firms must contend with more general sociological, technical, economic, environmental, legal, and political influences, exists outside this local region. Although companies have little influence over these macro dynamics, their ability to adapt and flourish depends on their ability to foresee, adapt to, and take advantage of the trends that are appearing in this environment. Corporate plans and operations are significantly influenced by socio-cultural changes, technical improvements, economic fluctuations, ecological imperatives, regulatory requirements, and political developments. Ignoring these macro dynamics might be dangerous, but cleverly using them could result in long-term success and resilience [3], [4].

We set out on a quest to analyze these micro and macro environmental variables as part of our investigation into the business ecosystem. We want to provide companies the knowledge they need to navigate these harsh seas by delving into their complexities and how they interact. Understanding the outside factors that impact the corporate environment is not an option but rather a need in a time of fast change and unpredictability. The external environment of an organization includes all things that exist beyond its boundaries yet have a significant influence on its survival and growth. Even though a corporation has little to no control over the external environment, it still has to keep track of developments and adapt to them. A proactive or reactive strategy yields quite different outcomes. There are two types of external surroundings.

1. Adapting to a Small Environment
1. Big-picture/Overall Environment a small habitat

The forces that make up the micro environment are also known as the task environment and operational environment because, while being external factors, they nonetheless have a direct impact on how the firm functions. The micro environment of a business is made up of all the factors in its immediate surrounds that affect its operation and performance. The micro environmental factors have a tighter association with the company than the macro variables do. The micro pressures need not necessarily affect all the enterprises in a particular industry in the same manner. Any particular kind of organization might be more vulnerable to certain micro factors than others. Clients, employees, vendors, stockholders, the media, and counterparties are just a few of the internal and microenvironmental factors that directly impact a company's strategy.

Businesses operate by meeting the "needs and wants" of their customers and providing them with benefits. Failure to do this will result in a poor business strategy. This entails offering customers products of the greatest quality at reasonable prices. Choosing the best candidates and maintaining their engagement are essential steps in an organization's strategic planning process. Training and development play a significant role in gaining a competitive edge, especially in service sector marketing. The personnel have a big impact on how well the company does. They assist in putting the company's policies and plans into action. The organization may not profit if this element doesn't get the attention, it requires since, after the customer, employees are the core of the company. Vendors provide businesses the materials they need to perform their production and manufacturing operations. A supplier's activities have a direct impact on the business it supplies. For instance, poor service from a supplier may lead to longer delivery times or lower-quality goods. Increasing raw material prices will have an effect on a company's marketing mix strategy and may even lead to pricing increases. A good technique for preserving competitiveness and obtaining high-quality products is to have solid supplier connections. A shareholder is a person who makes financial contributions to a business. Due to their ownership in the company, they eventually become its owners. They are thus qualified to vote on choices that affect how the business is run. This suggests that shareholders have a say in how the business is operated. With the advent of public shareholders, there are additional pressures since they want a return on their investment in the company [5], [6]. The drive by shareholders to increase profits will have an influence on organizational strategy. Relationships with shareholders must be carefully managed since, if all gains are paid out as dividends, rapid increases in profit over the short term might harm the company's long-term success. To sustain shareholder motivation, dividend payments must be provided in the proper amounts. Stockholder interests and the organization's viability must coexist in harmony. A firm (or its goods) may "make" or "break" depending on how the media portrays it. In order to decrease the impact of a negative incident on their reputation and to promote their positive qualities, organizations need to manage the media. Some businesses would even employ public relations (PR) professionals or "gurus" to help them manage a particular event or issue. The success of an organization may also be significantly influenced by consumer television programs with a big and more direct audience. Because of this, several businesses work with the media to improve their reputation and image. Being different is crucial when marketing a product. Can the business provide benefits that are better than those offered by competitors? Does the firm have a unique selling proposition (USP)? Competitor research and monitoring are crucial if a business wants to maintain or improve its position in the market. If a corporation doesn't know what its competitors are doing, it will be very tough to "beat" them. The market may change very quickly due to a variety of factors, including changes in consumer behaviour, technological improvements, or economic conditions. It is essential to consider how competitors have responded in order for a business to benefit completely from advances.

DISCUSSION

The macro environment may also be referred to as the broad environment or distant environment. In general, macro variables are more difficult to change than localized environmental factors. When macro factors become uncontrollable, a corporation's ability to adapt to its environment will decide whether or not it succeeds. The microenvironment has an impact on the organizations' strategies, so any changes there are likely to have a big impact on how they do business. The macro environment's primary worries are large issues and looming environmental changes. The macro analysis is referred to as "STEEP," and its five focus areas are as follows:

1. Socio-Cultural and Demographic Factors
2. Technical Situation Financial Situation

Ecology and the environment

Social, cultural, and societal aspects: Since cultural views and behaviours vary throughout time, the most important of these have an impact on the corporate environment either directly or indirectly. Women working has grown more commonplace over the last generation, people no longer retire at 65, and people are increasingly concerned about the environment, to name a few.

A few examples of factors that may lead to changes in culture and lifestyle include those that are medical (smoking, healthy eating, and exercise), scientific (global warming, going "green"), economic (people working longer hours, women in the workforce), culturally diverse (music preferences, foods, living arrangements, and medicine), and technological (biodegradable plastic). These changes will have a significant positive impact on the sector and the business. Social factors that affect the business environment include, among others, norms, values, beliefs, poverty, literacy rates, and life expectancy. The social structure and values of a society have a significant effect on how commercial company’s function. For instance, there is a spike in demand for fresh flowers, fruits, sweets, and apparel throughout the holiday seasons [7], [8]. As literacy rates grow, consumers are becoming more attentive about the products' quality. As a consequence of changes in family structure, there are now more suggestions for nuclear families with a single child. As a consequence, there is an increase in demand for different types of household goods. It should be emphasized that people from different socioeconomic systems and cultures have quite different dietary preferences, fashion sense, and way of life.

Demographics are the characteristics of a population, including its size, density, distribution, and rate of growth. All of these factors affect the demand for a range of goods and services. For example, in a country with a high population density and a substantial number of children, there will be a greater demand for such things. Similar to this, people of urban and suburban areas have different demands from those of rural areas. The population's quick expansion means that employment is widely available. These encourage commercial businesses to use labor-intensive production techniques. Additionally, the availability of a skilled labour in certain areas encourages companies to set up shop there. For instance, since skilled manpower is so readily available in India, business units from the US, Canada, Australia, Germany, and UK are shifting their operations there. As a result, a business that keeps an eye on demographic changes and correctly understands them may discover opportunities knocking on its door.

The systematic application of structured information from the sciences or other areas to daily tasks is known as technology. Organizations must be adaptable in order to integrate new technology into their system and keep up with the shifting demands of the business environment since technology evolves swiftly. Technology progress has a big influence on a country's economy. The technology used by the sector determines the kind and quality of goods and services produced. The technical environment has an impact on the organization in terms of technology investments, consistent technology usage, and commercial implications of technology. The processes, procedures, and strategies used in the development of goods and services, as well as in their marketing, are regarded as elements of the technical environment. The technological environments of various countries influence how products are created. Technology is not limited to computers. Technology may come in a variety of shapes and sizes, including new polymers, manufacturing techniques, and medical devices.

Business and the economy that supports it are intimately intertwined. The economy is its only source of input, and this place consumes all of its output. Usually, there is turmoil in the economy. The current situation (specific to the industry) and any anticipated adjustments are very important. Numerous peaks and troughs in the economy are correlated with wide economic booms and recession. A boom benefits almost all enterprises, but a recession has the reverse effect. Business is impacted by economic elements such as interest rates, wage rates, and other considerations. The survival and success of any business depends solely on its economic environment. The following are the main factors affecting the economic environment: The state of the economy of a nation is determined by a number of economic factors that have a big impact on business operations. The gross domestic product, per capita income, marketplaces for goods and services, capital access, foreign exchange reserves, growth of global trade, the state of the capital market, etc. are some examples of these measures. Each one of them aids in quickening economic growth. All corporation operations and activities are directly impacted by the economic policies that the government from time to time formulates. Important economic indicators include:

1. Financial and Monetary Policy
2. Industrial Relations
3. Rules for Foreign Investment
4. Foreign Trade Policy

The government often alters these policies in response to continuing changes in the economic climate, political expediency, and evolving needs. Each business organization is required to adhere to the policy framework strictly and respond to internal developments. Particularly those involved in manufacturing and industrial activities, many businesses consider the ecological and physical surroundings. Environmental and ecological changes really affect business on a daily basis. It's crucial to remember when thinking about how climate change will affect costs for gasoline and water that even a little rise in global temperature might have a big impact. The natural environment includes geographical and ecological components that have an effect on business operations. Some of these factors include the accessibility of natural resources, the weather and climatic conditions, the location factor, topographical characteristics, etc. For instance, sugar factories are only constructed in areas where sugarcane can be grown. A manufacturing facility should ideally be situated near to the sources of input. The business sector is subject to additional requirements as a result of government attempts to conserve natural resources and maintain ecological balance [9], [10].

The United States Congress, the United States Senate, and the U.S. The legislative, executive, and judicial branches all have a role in planning, directing, and monitoring business activities. The political environment of a country is influenced by political organizations such as political parties' ideologies, the governing party's or government's philosophy, and the kind and extent of bureaucratic control over important groups. Business is heavily impacted by the nation's political environment. The political environment includes the political structure, governmental regulations, and attitude toward the business community. The strategies used by commercial organizations are influenced by all of these elements. The stability of the government has a significant impact on business and related activities. To investors and other interest groups, it sends a signal of strength and certainty. The corporate organization and how it does business are impacted by the political party's ideology as well. Political and legal changes are intimately connected. The adaptability and flexibility of the law as well as other legal requirements that pertain to business are all included in the legal environment. The particular court rulings and decisions may be mentioned. These have a big effect on the business and the management. This is used to describe a group of laws and regulations that affect how companies run. Every corporate entity is expected to abide by the law and do business within its restrictions. Laws and regulations may also apply to a particular sector. For instance, a pet store would have to deal with federal laws controlling animal welfare and prohibited pets in addition to state regulations regarding animal cruelty, housing, medical treatment, and other concerns. An effective political and legal environment is crucial for business success.

CONCLUSION

The environment of business is always changing due to a variety of external pressures, both immediate and long-term. Organizations at danger of getting carried away by the winds of change are those who do not fully understand the subtleties of their micro and macro contexts. The opposite is also true: in this dynamic ecology, individuals who can deftly manage these pressures stand to not just survive but also prosper. The complex web of connections between clients, staff, suppliers, shareholders, media, and rival businesses need ongoing focus in the micro environment. Customers must come first, employees must be inspired and engaged, supplier networks must be robust, shareholder interests must be balanced with long-term sustainability, media relations must be carefully handled, and the competitive environment must be closely monitored. When we broaden our perspective to include the macroenvironment, we come across a complicated web of sociocultural, technical, economic, environmental, legal, and political elements. For firms looking for long-term success, the capacity to foresee and adapt to these macro factors is crucial. It is crucial to adjust to changing social standards, take advantage of technical advancements, weather economic downturns, embrace environmental sustainability, follow regulatory requirements, and negotiate complex political environments. In summary, managing the business ecosystem is an art that requires a thorough comprehension of the macro and micro environmental factors at work. It requires flexibility, agility, and a strategic outlook. Businesses who go out on this road with knowledge, insight, and a will to succeed despite obstacles will not only survive but thrive among the complexity of today's business environment.

REFERENCES:

[1] J. Kim, "The platform business model and business ecosystem: quality management and revenue structures*," *Eur. Plan. Stud.*, 2016, doi: 10.1080/09654313.2016.1251882.

[2] R. C. Basole, J. Huhtamäki, K. Still, and M. G. Russell, "Visual decision support for business ecosystem analysis," *Expert Syst. Appl.*, 2016, doi: 10.1016/j.eswa.2016.08.041.

[3] T. Peltola, L. Aarikka-Stenroos, E. Viana, and S. Mäkinen, "Value capture in business ecosystems for municipal solid waste management: Comparison between two local environments," *J. Clean. Prod.*, 2016, doi: 10.1016/j.jclepro.2016.07.168.

[4] J. Majava, P. Leviäkangas, T. Kinnunen, P. Kess, and D. Foit, "Spatial health and life sciences business ecosystem: a case study of San Diego," *Eur. J. Innov. Manag.*, 2016, doi: 10.1108/EJIM-01-2015-0003.

[5] R. Rajala, M. Westerlund, and T. Lampikoski, "Environmental sustainability in industrial manufacturing: Re-examining the greening of Interface's business model," *J. Clean. Prod.*, 2016, doi: 10.1016/j.jclepro.2015.12.057.

[6] W.-C. Tsai, "Analyzing the Emergence of Alibaba Group from Business Ecosystem Perspective," *J. Int. Manag. Stud.*, 2016.

[7] A. Bonamigo, H. A. Ferenhof, and F. A. Forcellini, "Dairy production diagnosis in Santa Catarina, Brazil, from the perspective of business ecosystem," *British Food Journal*. 2016. doi: 10.1108/BFJ-04-2016-0153.

[8] D. P. Hannah, R. P. Bremner, and K. M. Eisenhardt, "Resource redeployment in business ecosystems," *Adv. Strateg. Manag.*, 2016, doi: 10.1108/S0742-332220160000035003.

[9] E. Annanperä, K. Liukkunen, and J. Markkula, "Managing emerging business ecosystems - A knowledge management viewpoint," in *AMCIS 2016: Surfing the IT Innovation Wave - 22nd Americas Conference on Information Systems*, 2016.

[10] P. Lindgren and J. Bandsholm, "Business Model Innovation from an Business Model Ecosystem Perspective," *J. Multi Bus. Model Innov. Technol.*, 2016, doi: 10.13052/jmbmit2245-456x.422.