The Cornell method

# The *Cornell Method* of Note-Taking

*The Nature of Business*

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| Cues: | Notes: |
| businesses & n-f-p help create our standard of living? | They provide a more convenient way of life  Ex: online shopping |
| business: | org. strives for a profit providing goods & services to consumers |
| goods: | items you can touch created by businesses  Ex: laptops |
| services: | things businesses provide that can’t be physically touched  Ex: an airline provides air travel |
| standard of living: | measured by the amount of goods and services provided and the amount of money they have to buy those g & s  US= highest standard of living  Ex: in US- extra value meal = <$5 (in another country = $10) |
| quality of life: | -level of human happiness based on life expectancy, educational standards, health, sanitation, and leisure time  -creating a high Q of L is a joint effort b/w businesses, non-profits and govt.  2017- Vienna, Austria highest Q of L |
| risk: | potential to lose time, money or not accomplish goals of an organization  Ex: Microsoft risk falling short of revenue |
| revenue: | money a company receives by providing services or selling goods to customers |
| costs: | expenses a company incurs from selling/producing goods and services |
| profit: | money left over after paying costs  (company whose costs are greater than revenue shows a loss) |
| not-for-profit org.: | exists to achieve a goal that isn’t a profit  Ex: goal is feeding the poor  Ex: charities- Habitat for Humanity and most hospitals and religious org.  Govt is largest non-profit |
| factors of production: | To provide goods and services, regardless of for-profit or not-for-profit sector, organizations require inputs in the form of resources called factors of production  4 common to all productive activity   1. Natural resources 2. Labor (human resources) 3. Capital 4. Entrepreneurship |
| natural resources: | -commodities useful inputs in their natural state (Ex: oil deposits, water…)  -companies use in different ways  Ex: Pacific Gas & Electric Company may use water, oil, or coal to produce electricity |
| labor (human resources): | economic contribution of people using their talents  Ex: restaurant cook & nuclear physicist |
| capital: | tools, machinery, equipment, and buildings used to produce goods and services and get them to the consumer |
| entrepreneurs: | -people who use the combined efforts of natural resources, labor, and capital to produce a profit or accomplish a goal  -risk takers  Ex: Bill Gates, Microsoft founder |
| entrepreneur anecdote: | John Fischer created a sticker during the2000 Bush v Gore presidential election. Went on to create a multimillion-dollar sticker business. Named Forbes top 25 small businesses 2017 |
| Summary: | |
| This article gives an overview of business. It begins by explaining that businesses (company trying to make money) and not-for-profits (organization trying to achieve a non-money related goal) give people a more convenient life. Then several key business terms are defined such as goods (tangible objects sold) and services (non-tangible items sold like air travel). These goods and services in addition to the amount of money a persona has to spend on them contribute to a person’s standard of living. They also contribute to a person’s quality of life (human happiness) as do life expectancy, educational standards, health, sanitation, and leisure time. | |
| Next, the article explains that a business is always negotiating risk which is the possibility of losing money or not meeting a goal. At the same time, a business is trying to increase revenue by selling a good or providing a service while paying costs (money they must spend to provide a good or service) and end up with profit (the money left over after paying costs.) | |
| Finally, the article goes over the 4 common factors of production that are essential in business. These are natural resources such as oil and water, which companies use to provide goods and services; labor, also known as human resources, which is the talent that humans provide, such as a chef or doctor; capital which are the tools, equipment, etc. used to produce goods and services; and entrepreneurs who are the people that take risks to create a business or organization. | |