**CREATING A MINI BUSINESS**

**FUNDAMENTAL AND BASIC CONCEPTS**

1) This is an unreal situation:

a) We can use real money, coloured counters, buttons tops, or Cuisenaire rods instead.

b) In real life General Director is who has more shares.

2) Difference between “going to a job”/”having a company”.Concept of risk. In a public limited company (PLC) if there are not profits, you won’t lose more than the money invested in buying the shares.

3) The concept of MONEY. Money is a new idea backed by confidence. Money is made of paper, that paper is worthless but backed by the European Central Bank, in the case of euros.

4) Concept of SHARES. There are classes of shares:

a) With voting right for those who have the idea, or more money or skills.

b) With non-voting right.

5) The essence of a company is to make profits, win money. Corporate Social Responsibility (CSR) refers to a business practice that involves participating in initiatives that benefit society, to companies taking responsibility for their impact on society. Companies can become socially responsible by following the law and integrating social, environmental (increasing pollution or taking away a green space within the community affect the general public), ethical, consumer, and human rights concerns into their business strategy and operations.

CSR is becoming more mainstream as forward-thinking companies embed sustainability into the core of their business operations to create a shared value for business and society. Sustainability isn’t just important for people and the planet, but also is vital for business success.

6) Importance of convincing with profits, telling people that our idea is very good.

7) Balance between **costs** (fixed and variable) vs. **profits**--------reinvest in

a) Giving to shareholders, an allocated part of the profits for every share owned.

b) Financing the business growth in variable costing: b1) power (electricity,…),people( workers,…) b2) fixed costing: rent, draw material,…) b3) training.

8) Importance of management, problems in management cause a lot of failures.

9) Difference between customer/client. A client buys regularly and visits, brings new customers, has a closer relationship…

10) Importance of the Currency of the company. The company’s registered office.

11) Importance of skills to create a business:

a) Technical skills… b) management skills… c) entrepreneurial skills…

12) Difference between entrepreneur and businessman. The entrepreneur likes to create, innovate, look for new ways of doing business or is able to give a new position to an existing business. The businessman has skills to set up and manage a business, but he hasn’t to have that characteristic of creative innovation which has the entrepreneurs.