



परमाणु ऊर्जा शिक्षण संस्था

(परमाणु ऊर्जा विभाग का स्वायत्त निकाय, भारत सरकार )

**ATOMIC ENERGY EDUCATION SOCIETY**

*(An autonomous body under Department of Atomic Energy, Govt. of India)*

# Ch -1 Business Trade & Commerce

## (Module 3 of 3)

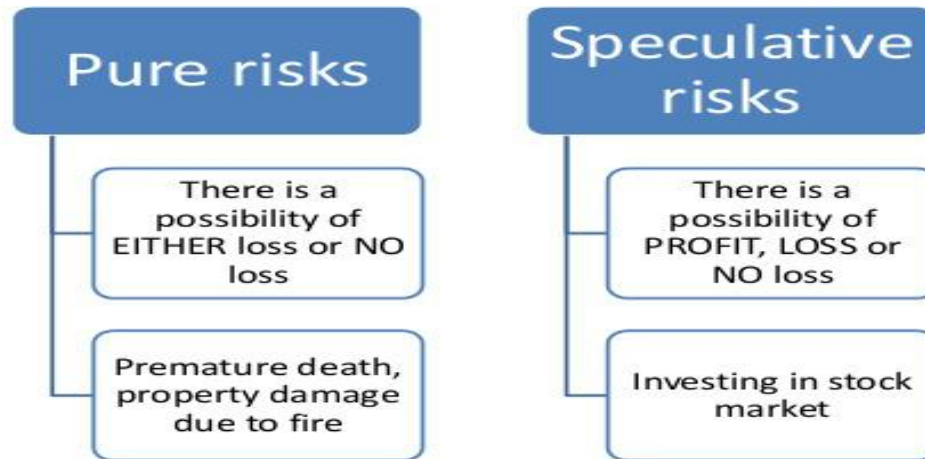
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Possibility of inadequate profits or even losses due to unforeseen events is business risk.

# Categories of risk

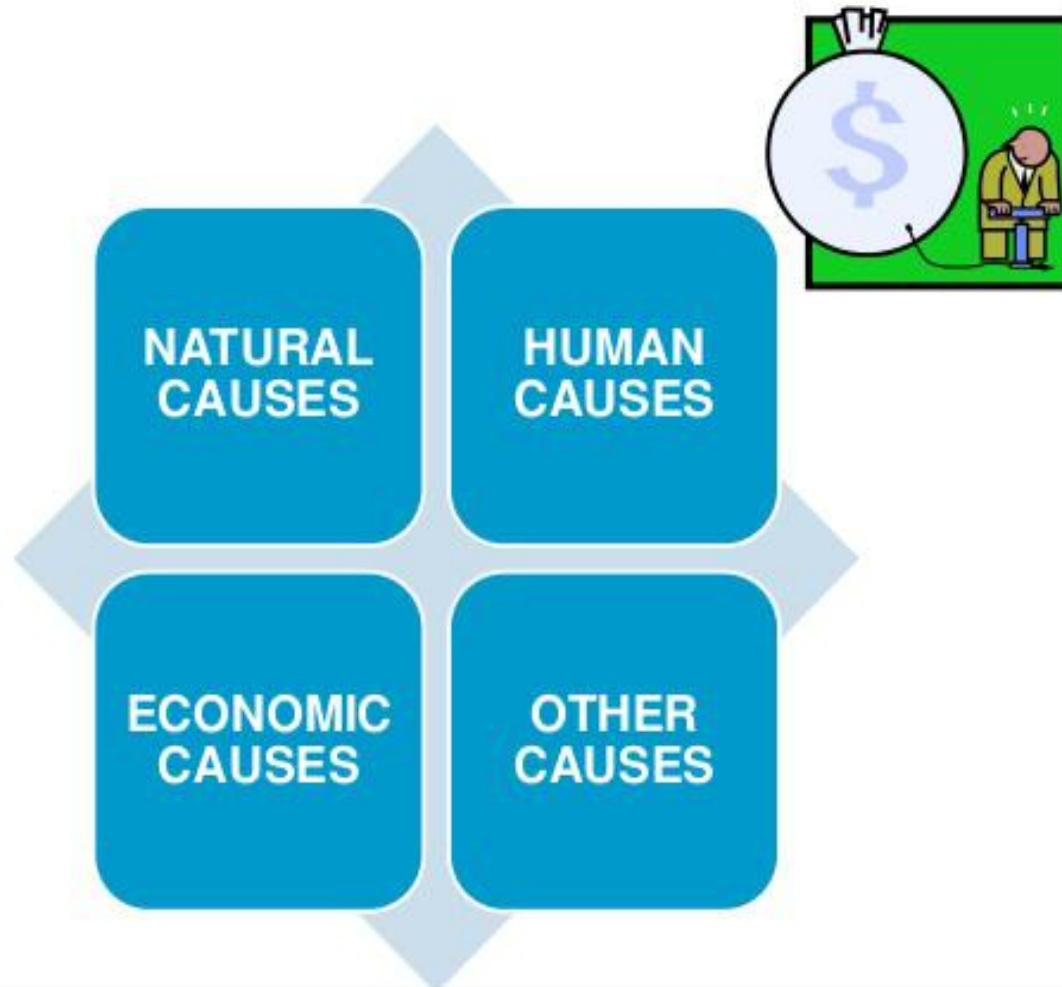


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<b>Basis</b>	<b>Insurable risks</b>	<b>Non-insurable risks</b>
<b>Meaning</b>	Those risks which can be covered up by some type of insurance policy are called insurable risk.	Those risks which cannot be covered up by some type of insurance policy are called non-insurable risk.
<b>Business Risks</b>	Business risks are not insurable risks.	Business risks are non insurable risks.
<b>Example</b>	Risk of damage due to fire, accident, theft etc.	Risk of damage due to change in technology or change in government policy etc.

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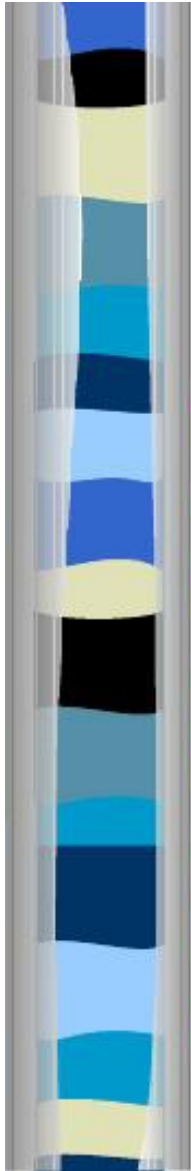
# **CAUSES OF BUSINESS RISK**



# **Natural Risks**

Risks resulting from natural causes.  
Examples include:

- Floods
- Earthquakes
- Tornadoes
- Hurricanes
- Fires
- Lightening
- Droughts
- Unexpected changes in normal weather

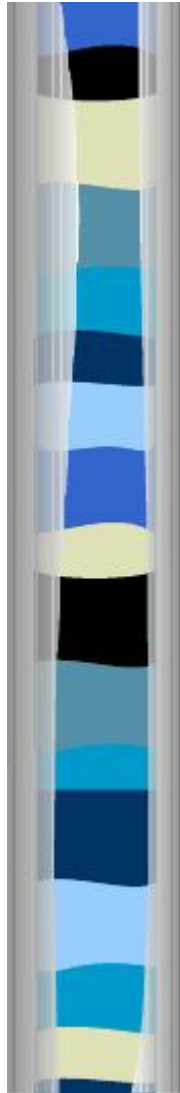




## Economic Risks

Risks that result from changes in overall business conditions. Examples of economic risks include:

- **Competition** – More businesses that would compete with your business open in the area.
- **Changing consumer lifestyles** – The lifestyle of the consumers in your area changes due to new industry opening or closing, new businesses, etc.
- **Population changes** – Potential customers
  - moving out due to economic downfall
  - or moving in due to new economic opportunities



## **Human Risks**

Risks caused by human errors as well as the unpredictability of customers, employees, or the work environment.

- Shoplifting
- Employee theft
- Burglary
- Robbery
- Computer crime
- Stolen credit cards and bad checks
- Accidents and injury





# FACTORS TO BE CONSIDERED WHILE STARTING A BUSINESS UNIT

1. Selection of line of business
2. Size of the firm
3. Choice of form of ownership
4. Location of business enterprise
5. Availability of finance
6. Physical facilities
7. Plant layout
8. Competent and committed work force
9. Tax planning
10. Launching of enterprise