

Chapter

2

Economic Systems

GOALS

LIST the three economic questions that must be answered by every society.

DESCRIBE three types of economic systems.

IDENTIFY five features of our market economy.

EXPLAIN why economies are mixed systems.

EXPLAIN why market economies are becoming common around the world.

Techno Tips

E-Commerce—Marketplace of the Future

The world's newest marketplace is not even an actual place. Thousands of businesses and individuals are taking advantage of e-commerce. E-commerce, or electronic commerce, is the buying and selling of goods and services via the Internet. A U.S. government survey in 2001 found that 40% of Internet users bought goods or services online, and young

people were much more likely to do so. This activity will increase greatly as more individuals purchase computers and go online.

E-commerce has changed the way people buy and sell everything from books to automobiles. What types of products would you consider purchasing over the Internet? What concerns would you have about making such a purchase?

FOCUS ON REAL LIFE

Laszlo was a shoemaker in a country in which the government made economic decisions. He was told how many shoes he could make and sell each year. Things are now different in Laszlo's country. His country no longer has a central committee that does all the planning. Today Laszlo does his own planning and determines the number and style of shoes he will sell. Department stores and shops in Laszlo's country display a variety of shoes available for sale to consumers. His country has a market economy. A market economy is one in which individuals are free to engage in business transactions. In such an economy, the questions of what, how, and for whom to produce are determined by the

operation of markets. A market is an arrangement that allows buyers and sellers to come together to trade goods, services, and resources. Buyers and sellers participate freely in that market. It is open to all who want to participate and have the means to do so. The activity of buyers and sellers is not controlled—there is voluntary exchange.

Voluntary exchange allows buyers and sellers to come together in a market to trade goods, services, and resources. For example, consumers may exchange their resources (usually money) for what producers decide to make available to them (goods and services). Voluntary exchange occurs only when the trading parties believe that they will be better off after the exchange.

KEY ECONOMIC QUESTIONS

Even in market economies, governments have some influence on how the nation's resources are used. Regardless of how a country lets its market operate, there are key economic questions which must be answered because of scarce economic resources. The three economic questions are:

1. What goods and services are to be produced?
2. How should the goods and services be produced?
3. For whom should the goods and services be produced?

What to Produce?

Nations differ in their wants just as individuals do. In one country, resources may be used to produce spaceships and to explore other planets. Another might use its resources to build the biggest and best military force. Some might use most of their resources to provide such consumer goods as cars,

television sets, dishwashers, and recreational parks. Still other countries might have such limited resources that they must concentrate on providing only the basic needs of food, clothing, and shelter.

Meeting some or all of its people's wants is a challenge. A country must learn how to best use its resources. A nation that concentrates too heavily on military goods may not have enough resources left for consumer goods and services. On the other hand, if all of its resources are used to supply consumer goods and services, it may not be able to protect its people from outside forces. Decisions must be made on which kinds of goods and services are valued the most and best serve the nation.

The word *market* derives from the Latin word *mercari* which means "to trade."

FYI

We have accomplished much through technology to reduce human labor (muscle power)—today we use less than 1 percent of the muscle power used prior to the Industrial Revolution.

FYI

How to Produce?

A country that has a great many people but limited capital resources might build roads by having many workers use equipment that requires much manual labor. In another country, road building may be accomplished with only a few workers using labor-saving equipment, such as bulldozers and power earth-movers. In the first case, the country uses its human resources to offset its lack of capital resources. In the second case, the country does the job with more capital resources and less labor. The second method is more efficient and enables the country to complete the road much sooner. Economic resources combine in different ways to produce the same goods and services. Each nation decides which combination of resources will best suit its circumstances.

For Whom to Produce?

A nation must decide which of its citizens should benefit from the production of goods and services. A country must also consider whose needs and wants are the most critical. Additional questions include: How will the goods and services be distributed? Should the goods and services be shared equally among the people? Should people who contribute more to producing the goods and services be able to get a larger share of them? If you have the money, shouldn't you be able to buy anything you want with your money?

In some economic systems, you can buy whatever you want and can afford. But in others, your ability to buy may be limited by the country's answer to the earlier question, "What to produce?" For example, a large share of a country's resources might be used to produce capital goods, such as tractors or

industrial robots. That country might limit its production of consumer goods, such as high-fashion clothes and CD players. Consumer goods then become scarce. In the United States, with our plentiful supply of goods and services, what you buy is largely determined by the amount of money you have and are willing to spend. In addition, the amount of money that you receive in wages will be affected by many things, including your abilities and how you use them. Figure 2-1 illustrates a variety of responses to the three basic economic questions.

TYPES OF ECONOMIC SYSTEMS

A nation's plan for answering the key economic questions is called its **economic system**. There are several kinds of economic systems operating in the world today.

Can you name various industries that use both human and capital resources?



Governments which are democratic, socialistic, or communistic take differing approaches to how they allow their economic systems to operate. There are no systems that operate in a pure form.

Custom-Based Economy

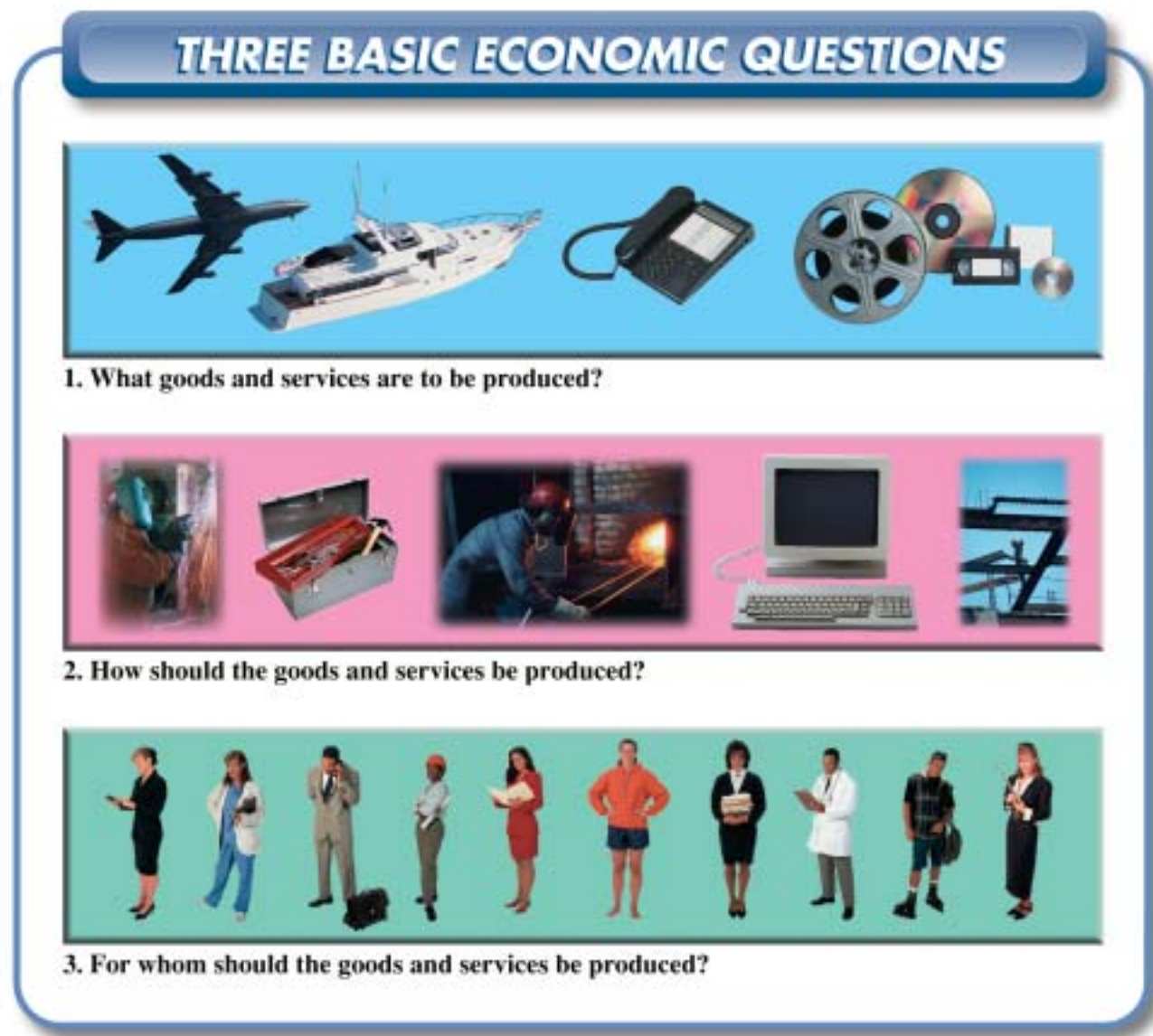
In some countries, mainly those which are less developed and less responsive to the global economy, the answers to key economic questions are established by custom. In a **custom-based economy**, goods are produced the way they have always been produced. Children of each generation are taught to use the same method to make the same goods their parents and grandparents produced. The

custom may be weaving cloth on a hand loom, making straw baskets, or planting rice by hand. Goods typically are produced by hand with simple tools using people or animals for energy. Change and growth occur slowly in countries whose economies follow customs and in which the people are poor in material goods.

Directed (Planned) Economy

In some countries, economic questions are answered by the owners of the resources. In a **directed** or **planned economy**, resources are owned and controlled by the government. The officials of the government, usually through centralized agencies and bureaucrats,

FIGURE 2-1 How are basic economic questions decided in the United States?





What advantages or disadvantages do you think a custom-based economy has?

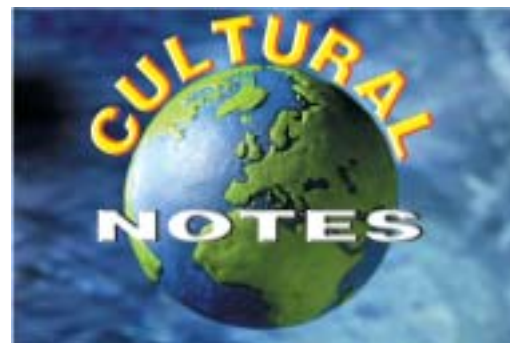
decide what and how goods will be produced and how they will be shared. They decide how much of the nation's resources will be spent on military uses and how much will be used to produce consumer and capital goods. They decide how much grain will be grown and how many pairs of shoes will be produced. In some countries, government leaders assign people to careers based largely on the leaders' view of the needs for producing the goods and services. They plan all phases of the economy and command that the plans be carried out, using the military or a police force to do so if necessary. In directed economies, the average citizen has little to say about how the three economic questions are answered. The freedom of the people is always limited in this system.

Market Economy

The third type of economic system is a **market economy**. Market economies are generally found in countries that have democratic forms of government. Here the three questions are answered by individuals through buying and selling activities in the marketplace. The **marketplace** is any place where buyers and sellers exchange goods, services, and some form of money. People who order goods from a mail-order catalog, go to a movie, buy food in a super-

market, subscribe to cable TV, buy shares of stock, or have a sweater cleaned are operating in the marketplace. When an airline orders a new jet, a business launches a satellite, or the government hires computer operators, each is operating in the marketplace. No one tells the consumers what to buy and no one tells businesses what to make and sell.

Consumers and businesses make economic decisions based on their own interests. For example, you may use your money to buy a leather jacket. One of your friends may spend his or her money to take tennis lessons and another may buy a compact disc player. When people in a market economy buy a product, they help to answer the question, "What to produce?" Resources are combined in such a way that the goods people want



Diversity index is a measure of the likelihood that if two people are randomly selected in a particular area, they will be different from each other racially or ethnically. The United States has an average diversity index of approximately 40. In other words, if two persons are randomly selected, there is a 40 percent chance that they will be racially or ethnically different from each other. States like Maine and Vermont are the least diverse, with a diversity index of 4. New Mexico is the most diverse state, with an index of 60.

and buy will be produced. This answers the question, “How to produce?” Since people buy what they want and can afford in a market economy, they largely answer the question, “For whom to produce?”

OUR ECONOMIC SYSTEM

Were you able to identify our economy as you read the three types? If you selected “market economy,” you were correct. The main differences among economic systems involve who owns the economic resources and who makes the decisions about production and distribution. Our system fits the definition of a market economy. But our economic system also has other names.

Another name for the economic system in the United States is capitalism. **Capitalism** means that economic resources are usually privately owned by individuals rather than by the government. Individual owners are free to decide what they will produce with the resources. This freedom of the individual to choose what to produce provides the rationale for another name: **free** or **private enterprise system**. The terms capitalism and free or private enterprise system mean the same thing. They refer to a system in which most economic resources are privately owned and decisions about production and distribution are largely made by **voluntary exchange** in the marketplace.

There are many aspects of our economic system that make it different from other systems of the world. You are aware that the words “freedom” and “individual choice” are frequently used in discussing our economy. The five major features, or rights, of our market economy are shown in Figure 2-2.

Private Enterprise

A **business** is an establishment or enterprise that supplies goods and services in exchange for payment in some form. The right of the individual to choose whether to own a business, what business to enter, and what to produce with only limited government direction

is referred to as **private enterprise**. This private enterprise right ensures your freedom to decide how you will earn a living. In a private enterprise system, you may start or invest in any business you wish as long as you obey the law in doing so. You are free to choose to be a bricklayer, teacher, karate instructor, business owner, astronaut, dancer, or anything you strive for.

As a businessperson, you are generally free to offer goods and services at times, prices, and places of your choice. You are free to succeed or to fail in a business you select. Of course, there are some regulations that prevent you from performing activities that would harm others. For example, you may not dispose of chemical wastes in a way that would pollute the environment. Nor can you practice surgery unless you have been granted a medical license by the appropriate agency in the state in which you plan to practice surgery. These regulations are not designed to limit freedom but to protect people from harmful practices.

Private Property

If your family owns the home in which you live or the television set you watch, the family is enjoying the right of private property. The right of **private property** means you can own, use, or dispose of things of value. You may dispose of things you own by selling them, giving them away, or even by throwing them away. In our country, you can own any item and do what you want with it, as long as you do not violate a law in doing so. You also have the right to own, use, and sell whatever you invent or create.

One of the problems with the term “free enterprise” is that some think too much about “free” and too little about “enterprise”—the work required to succeed.

FYI

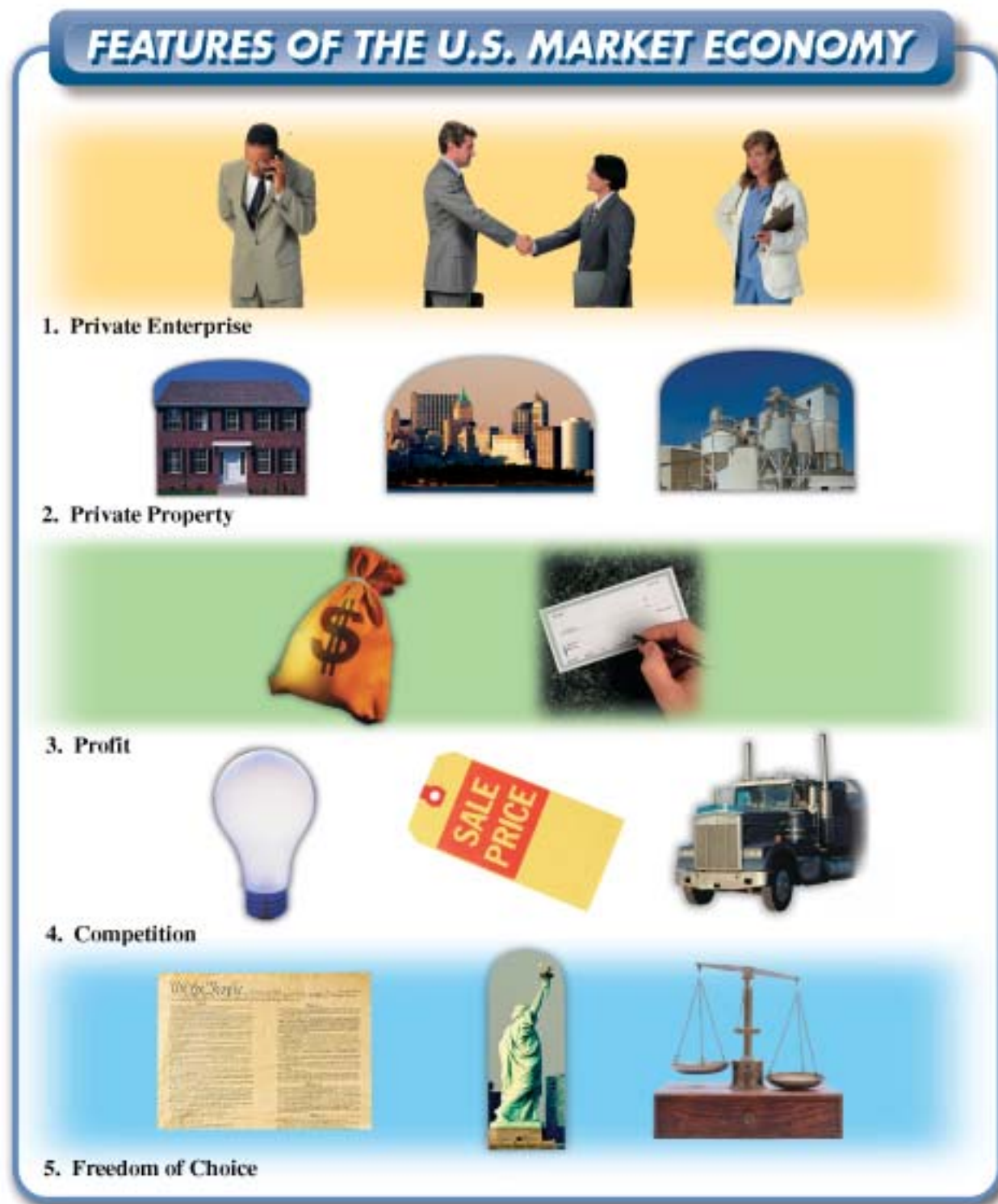


FIGURE 2-2 Why are freedom and private property critical to the success of the U.S. economy?

Businesses also have the right to own property. This property includes land, buildings, tools, and the goods the business produces. Businesses also have the right to use and dispose of their property in any lawful way.

Profit

Businesses supply goods and services to the marketplace for one main reason—to earn money. Unless business owners can expect to make a profit, they would not want to put time, energy, and money into an enterprise.

Profit is the money left from sales after subtracting all the costs of operating the business. Business owners are entitled to make profits because they run the risk of losing the money they invested to start the business. They also face the extra hours of work and stress that are part of owning and running a business.

The desire to work hard and be creative to earn a higher profit is the **profit motive**. This profit motive also helps make our economy strong. Because of it, people are willing to invest money in a business and to develop new products to satisfy consumers' wants.

The profit motive is not the only reason for putting time, money, and effort into businesses. Some people enjoy bringing out new products or improving existing ones. Others get pleasure from knowing that the goods or services they produce make other people happier. Some individuals like the excitement of starting and running a new business. However, the profit motive is the heart of the private enterprise system.

Competition

You probably have seen television commercials that make you want to buy a “new” and “improved” product. A supermarket may claim in bold letters, “Ours are the lowest prices in town.” An ad in a magazine urges

you to buy the basketball shoes being modeled by a famous player. The rivalry among businesses to sell their goods and services to buyers is called **competition**.

This feature of a market economy gives you as a consumer the opportunity to make choices among countless goods and services that are available. You make these choices by comparing prices, quality, appearance, usefulness, and appeal of the goods and services you buy. And, if you are not satisfied with a purchase, you are free to buy from a competing business another time. Competition encourages business owners to improve products, offer better services, keep prices reasonable, and produce new things.

Freedom of Choice

The private enterprise system gives you the right to enter a business or career of your choice, to own property, to make a profit, and to compete. You also have other rights that contribute to your economic freedom of choice.

Sellers mark up the price of goods they purchase before selling them, but their profit is usually much less than the markup—sometimes only 1 percent on their sales.

FYI

E-Commerce for Economic Development

By many measures, the World Wide Web is not “world wide.” In industrialized countries such as the United States, more than 50 percent of people have Internet access. In many developing economies, however, the Internet is available to fewer than 5 percent of the population.

As countries expand economic development, technology will help create more efficient production, faster distribution, and more effective information flow. These developing economies will encourage increased

electronic connections among businesses and consumers. As the Internet growth rate increases around the globe, the U.S. is expected to have less than 50 percent of the worldwide Internet connections in the next few years.

Critical Thinking

Prepare a table summarizing the advantages and disadvantages of e-commerce for consumers and businesses.



What advantages or disadvantages do you see with our market economy?

You have the right to buy where and what you please. The sale of some products and

NET FACTS

An Internet address is a set of numbers or words that identifies a unique user or computer. Every user and computer on the Internet must have a different address so that the system knows where to send electronic mail and other data.

services that the government declares harmful to you, however, may be prohibited. Some products may have to carry a warning message.

There are a number of other rights that you have that you probably take for granted. You have the right as a worker to organize with other workers. Through such organization, you can strive to improve working

GLOBAL PERSPECTIVES

China “Frees” Enterprise

Would you expect to see Mercedes automobiles, mobile telephones, and DVDs in China? Would you expect thriving private shops alongside dreary state department stores? Well, that is happening today. There is an economic revolution under way—at least in certain parts of China. In cities such as Beijing, Shanghai, Guangzhou, and Shenzhen, some people earn many times the average Chinese income of \$840 a year.

In Guangdong province on China's southern coast, thousands of businesses are run from neighboring Hong Kong. Hong Kong itself, which had the freest economy in the world under British rule until 1997, is now ruled by China. China has pledged to let it

remain capitalist. Meanwhile, Chinese organizations, many with ties to the government, have increased their ownership of Hong Kong enterprises.

Capitalism is still an exception in otherwise communist China. But the prosperity that private enterprise creates brings in foreign money and taxes to the central government, so it has been permitted.

Critical Thinking

1. What do you think will be the future of capitalism in Hong Kong?
2. What effect do you think this "experiment" will have on the rest of China? On countries that trade with China?

conditions. You have the right to travel when and where you please in this country and to many other countries. You also have the right to express your opinions in newspapers, over radio and television, and in talking with others as long as you do not slander another person. The private enterprise system provides greater freedom of choice to the individual than any other economic system.

MIXED ECONOMIC SYSTEMS

An economic system usually gets its name from the way its economic resources are owned and controlled. But economies are complex and do not neatly fall under one category or another. In general, we think of most countries as having mixed economic systems.

Some countries combine government ownership and control of basic industries with some private ownership of consumer-goods businesses. In some countries, a limited amount of private enterprise is tolerated. For example, after farmers in some directed economies meet the government's quota for crop production, they are allowed to sell the rest of their crop in a free market and keep the profit.

In the United States there is some government regulation of business. There are also some government-operated enterprises, such as the post office, schools, and city water agencies. Our economic system is not pure capitalism, so it is often referred to as modified or mixed capitalism.

EMERGING MARKET ECONOMIES

The economic success of market economies has caused many countries to reexamine their economic systems. Many directed or controlled economies have not prospered in comparison to market economies. Directed economies are not designed to meet the wants and needs of individuals. In most controlled economies, workers with different skills and responsibilities receive similar wages. Therefore, there is little incentive for people to work hard.

The weaknesses of controlled economies have caused many nations throughout the world to change to market or mixed economies. The most notable example is the collapse of communism in the Soviet Union.

The Soviet Union was dominated by today's Russia. In the case of the Soviet Union, an entire generation was forced to do without many consumer goods such as cars, home appliances, and adequate housing. Emphasis was placed on industrial development. Today Russia is moving toward a market economy. Other countries once within the Soviet bloc, such as Poland, Hungary, and the Czech Republic, have made great strides toward establishing new economies. All of these economies now experience voluntary exchange and benefit from it.

One of the new "rights" that Laszlo now has is the "right to fail." There was a measure of security in his former economy. Laszlo knew how many shoes he would make and sell. Laszlo now does not know exactly how many of his shoes will sell. However, Laszlo has the potential to profit if his shoes are as good as or better than those of his competition. Free enterprise has given Laszlo an opportunity to succeed in the marketplace if he operates a dynamic business.

As in the old Soviet Union, what disadvantages exist with government ownership of industries?



Chapter REVIEW

BUSINESS NOTES

1. Every society must answer the questions: what to produce, how to produce, and for whom to produce.
2. There are three types of economic systems: custom-based, directed or controlled, and market.
3. The five important features of our market economy are private enterprise, private property, profit, competition, and freedom of choice.
4. Economies are complex and do not fall easily and neatly into one category.
5. Market economies have replaced most controlled economies because of the successes of market economies around the world.

REVIEW YOUR READING

1. What are the three key economic questions that every society must answer to set up an economic system?
2. What are the major characteristics of the three types of economic systems?
3. Who owns and controls most economic resources in a system of capitalism?
4. What are the five features of a market economy?
5. What does the right to earn a profit influence a business owner to do?
6. What does the right of private property entitle the owner to do?
7. Give three ways in which consumers benefit from competition among businesses.
8. In addition to the profit motive, give two other reasons that might encourage people to invest their time, money, and energy in operating their own businesses.
9. In addition to private property and private enterprise, what are four other rights that are included in our economic freedom of choice?
10. Explain the nature of a mixed economy.
11. What are some reasons why market economies are becoming popular around the world?

COMMUNICATE BUSINESS CONCEPTS

12. How is the question of what goods and services will be produced determined under a custom-based system?
13. Who decides what will be produced in a directed, planned economic system?
14. Give examples showing how enterprises stay in business when they sell at higher prices the same goods and services sold by other businesses.
15. If you can choose any kind of work you wish under the right of free enterprise, why can't you open a law office, practice dentistry, or pilot a plane when you feel you are ready to do so?
16. If the United States operated as pure capitalism, what changes might occur?
17. It has been said that the term "market" in our market economy refers to an idea and not to a place. What do you think this means?
18. Explain how the decisions of buyers and sellers in the marketplace largely answer the question of what to produce in our private enterprise system.

19. Even though you have many freedoms under our economic system, there are many activities that you are not free to do. For example, you are not

permitted to hunt and kill animals that are designated as endangered species. List several activities that you are not allowed to do in our society.

DEVELOP YOUR BUSINESS LANGUAGE

For each numbered item, find the term that has the same meaning.

- | | |
|--|---|
| <p>20. A nation's plan for making decisions on what and how to produce and how to distribute goods and services.</p> <p>21. An economic system in which goods are produced the way they have always been produced.</p> <p>22. Buyers and sellers make their own economic decisions to determine what the price will be for goods and services produced and sold.</p> <p>23. Any place where buyers and sellers exchange goods and services for some form of money.</p> <p>24. The rivalry among businesses in selling to buyers.</p> <p>25. The right of the individual to choose whether to own a business, what business to enter, and what to produce with only limited government direction.</p> <p>26. The right to own, use, or dispose of things of value.</p> <p>27. An economy in which individuals are free to engage in business transactions with buyers who are able and willing to buy and sellers who supply goods and services from which they earn a profit.</p> <p>28. An economy in which resources are owned and controlled by the government.</p> <p>29. The desire to work hard and be creative to earn a higher profit.</p> | <p>30. An economic system in which most economic resources are privately owned and decisions about production are largely made by free exchange in the marketplace.</p> <p>31. Money left from sales after subtracting the cost of operating the business.</p> <p>32. An establishment or enterprise that supplies goods and services in exchange for some form of payment.</p> |
|--|---|

KEY TERMS

business
 capitalism (free or private
 enterprise system)
 competition
 custom-based economy
 directed or planned economy
 economic system
 market economy
 marketplace
 private enterprise
 private property
 profit
 profit motive
 voluntary exchange

DECISION-MAKING STRATEGIES

Johakaim Jameson owns and operates a one-man deli. His regular and faithful customers love his "JJ Special." Recently he developed a new recipe and created his "Bountiful Muffin"—good tasting and nutritious. His new muffin is growing in popularity and is bringing in new customers. His problem: He can spend only four hours each day making "JJ Specials" and/or "Bountiful Muffins." He can make 50 specials in an hour and earns a

50-cent profit on each. He can make 60 muffins in an hour and can earn 60 cents on each.

33. How should Johakaim divide his production time between the "JJ Special" and the "Bountiful Muffin" to keep his profits up and to satisfy his customers?
34. If you were Johakaim, what are some things you could do to resolve this dilemma?



CALCULATE BUSINESS DATA

35. Countries that make efficient use of capital goods can produce more with fewer people in a shorter time than countries in which many workers perform the work by manual labor. Study the figures below for farm workers and their yearly output in two different kinds of economic systems; then answer the questions that follow.

- How many more people were working in agricultural jobs in the directed, planned economy than in the private enterprise system?
- In which system was each farm worker more productive?
- In terms of people supplied from the output of each farm worker, how much more productive was the worker cited in item (b)?

	Private Enterprise System	Directed, Planned System
Agricultural labor force	4,380,000	34,350,000
Number of people supplied with food from the output of each farm worker	49	7

36. Lani Oolan compares food prices in newspaper ads each week before doing her grocery shopping. One week she found these prices for Grade A eggs at three competing supermarkets: Food Mart, \$1.09 per dozen; Farm-to-You, \$1.17 per dozen and 20 cents off with a newspaper coupon; and Kitchen Pride, special, 2 dozen for \$2.09.

- At which store would Lani pay the lowest price per dozen?
- Will the coupon be an advantage? Explain.

c. Do you think the fact that there were three stores from which Lani could buy eggs benefited her in any way?

37. The table below shows the average number of working hours for a worker in three capital cities in different countries. Each worker lives under a different kind of economic system. The table shows how many hours an average plant worker would have to work to earn enough money to buy the items listed.

- How much longer than workers in Capital No. 1 must workers in Capital No. 3 work to earn enough to buy food for four for a week?
- How much longer than a worker in Capital No. 1 must a worker in Capital No. 2 work to earn enough to buy the weekly food needed?
- How many eight-hour days would a worker in each capital city have to work to earn enough to buy the color television?
- If the color television costs \$650, what would workers' wages in Capital No. 1 be per hour?

	Capital No. 1	Capital No. 2	Capital No. 3
Hamburger meat, 1 lb.	17.0 min.	29.0 min.	56.0 min.
Color TV, large screen	65.0 hrs.	132.0 hrs.	701.0 hrs.
Toothpaste	16.0 min.	13.0 min.	27.0 min.
Bus fare (2 mi.)	7.0 min.	11.0 min.	3.0 min.
Men's shoes (1 pair)	8.0 hrs.	7.0 hrs.	25.0 hrs.
Week's food for family of 4	18.6 hrs.	24.7 hrs.	53.5 hrs.



TECHNOLOGY APPLICATION

Using the *Intro to Business Data* CD and your database program software, select problem CH02. After the problem appears on your screen, complete the following activities. After you have completed each step, display or print a report for each activity. If you do not have a printer available, answer the questions before you leave the computer.

38. Select and list the ZIP Code areas in which

the average household income was greater than or equal to \$30,000. How many ZIP Codes are listed?

- 39.** Sort the ZIP Code areas in descending order by population. Answer the following questions:
- What is the fourth ZIP Code area listed?
 - What is the last ZIP Code area listed?

40. Sort the database in ascending order by average monthly housing expenses. Answer the following questions:

- What is the first ZIP Code area listed?
- What is the fifth ZIP Code area listed?

COMMUNICATING for

SUCCESS

INTRODUCTIONS—MORE THAN JUST A FIRST IMPRESSION

Introductions, whether presenting yourself or introducing others, set the tone and help determine the future of the relationship between those being introduced. In a business setting, the purpose of introductions is to lay the foundation for a working relationship between two or more people. Suggestions for an effective business introduction are:

- Offer a greeting, followed by the clear statement of your first and last name. (“Hello, my name is Amy Garcia.”)
- If appropriate, tell how you prefer to be addressed. (“Please call me Amy.”)
- Give your title and purpose for meeting. (“I’m the Director of Sales with Fashions Unlimited. I’d like to talk with you about carrying our line.”)
- Present a firm handshake and make eye contact. Keep in mind that this step may be adapted for various cultures.
- Offer your business card.

Good methods for conducting introductions in a business meeting include:

- Ask everyone to introduce themselves, using names and titles. Begin with yourself.
- Introduce yourself as well as everyone else at the meeting.
- Ask one or more co-workers to introduce meeting participants.

Special attention to etiquette is necessary when making introductions with international or and cross-cultural individuals. Following are some techniques for effective international and cross-cultural introductions:

- Avoid using slang or jargon your listener may be offended by or not understand.
- Enunciate words carefully and speak a bit more slowly when addressing individuals whose first language is not English.
- Try to eliminate cultural stereotypes you may believe in. Focus on the individual.
- Avoid gestures—some could be offensive to the listener.
- If you have the opportunity, study the individual’s cultural background to be aware of appropriate conventions for introductions.

It is important to be culturally sensitive when making introductions, as different groups of people have different rules of etiquette. If you are not prepared, you could lose their business.

CRITICAL THINKING

1. What is the purpose of a business introduction?
2. What are some suggestions for an effective business introduction?