Firms , Entrepreneurship and Business Organisations:

1 .Firms (economic agent): A firm is a business organisation that aims to maximise profit . The role of a firm is to use resources (natural resources, capital , labour and entrepreneurship) to generate products and services. Firms contribute to economy by creating new job opportunities , producing products and sell them to customers.
Examples of firms : car factory , clothing factory, milk factory ...etc

2 .Types of firms : Firms can assume many different types based on their ownership structures.
1.Sole trader: This type of firm is owned by one person who is responsible for all costs and obligations .**Example** : a person who has his own perfume shop .

2.partnership: Is a business owned by two or more people.**Example** : two friends opened a restaurant.

3.Corporation: Is A business owned by several people (shareholders)who have separate legal identity from the company (ie the owners are not responsible for company's legal problems). **Example** :
If 7 people buy shares in a company, they become shareholders.

4 .Cooperation:Is a business owned by its members. They share ownership, have limited financial responsibility, and participate in making business decisions.
Example: A group of 10 farmers work together to buy agricultural equipment that help them in agriculture.

3.Entrepreneurship: Is the process of combinig resources and opening a business to make money .
Entrepreneur: Is the person who starts new business using his skills ، ideas and money to produce goods.
Characteristics of good entrepreneur: A good entrepreneur should have several important characteristics. He should be creative and bring new ideas, have leadership skills to guide and manage people and resources, be able to solve problems, take responsibility, and be willing to take risks.
Example : Amira notices that many students need university supplies so she decides to start a business selling notebooks , pens ....Amira is an entrepreneur .

4.**Small and Medium-sized Enterprises:** Are businesses that have small / medium number of employees .**Examples**: restaurant, a grocery shop, or a retail shop to sell goods or services.

5.Startups : Are companies that start with unique idea to produce unique product or service.It often requires large amounts of capital to grow the idea and make it expand into multiple markets.
Example: An entrepreneur creates platform that help students learn foreign languages online .
Example: The application of Talabat that started in Kuwait in 2004 as an online food ordering platform. It connects customers with restaurants by making ordering more easier .
Example: The application of yassir that is created by Algerian entrepreneurs . It uses a mobile application to connect customers with drivers.

(**Pov** : Not every business is a startup. For example : A Clothing shop can be a traditional business without having an innovative idea.)

6.Innovation and Business Development:
Innovator :Innovators are those rare individuals who come up with a great idea or product that no one has thought of before usually to save time . Think of Thomas Edison, Steve Jobs, and Mark Zuckerberg
Application of baridi mob
Application of yassir …

Homework:
Imagine that you want To start a small business
1.What type of business would you create ?
2.What products / services would you offer ?
3.Who would your customers be ?
4.What resources would you need ?
5.What problems might you face ?

References :

1.Kenton, W. (2026, April 23). *Firms: Definition in business, how they work, and types.* Investopedia. https://www.investopedia.com/terms/f/firm.asp

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