

# Economy module

## Business

The business sector consists of various organizations that produce goods and provide services. Their motive is for profit. They sell goods or provide services to other sectors and earn revenue as compensation.

The business then uses the money to purchase various inputs in the factor market. They recruit workers, buy raw materials, and buy capital goods.

In general, we can group business activities into three sectors based on their stages in the value chain:

Primary sector. This sector consists of various businesses, with the main activity being the extraction and processing of natural resources. Examples of their activities are mining, forestry, fisheries, plantations, and agriculture.

Secondary sector. This sector consists of various businesses that produce industrial goods (such as shoes, clothes, cars, and books); build houses and buildings, provide water, electricity, and gas. They process raw materials from the primary sector into semi-finished and finished goods.

Tertiary industry. This sector covers a wide range of businesses providing services. They serve various activities such as transportation, finance, retail, and health.

Meanwhile, based on the legal form, we can categorize the businesses into the following three groups:

Sole proprietorship. The owner has the right to all profits and bears unlimited liability on the company's debt.

Partnership. Businesses have two or more owners. They share profits and responsibilities as agreed. Each of them has unlimited liability for the company's debt.

Corporation. We also often refer to it as a company, where the legal entity is separate from the owner. Owners control the company through the shares they own. They receive a share of the profits (dividends) in proportion to their share ownership. Furthermore, they are not responsible for the company's debt. Some of these companies sell their shares to the public through stock exchanges (known as public companies). Others do not (referred to as private companies).