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Model answer of fourth Activity (Correction)

Objective	Topic	
This lesson aims to help students understand the concept of the enterprise and its role in the economy. By the end of this lesson, students will be able to: • Understand what an enterprise is. • Identify different types of enterprises. • Know the role of enterprises in the economy. • Recognize the main activities of an enterprise. • Understand basic management functions (planning, organizing, directing, controlling). • Distinguish between internal and external environment. • Learn simple business vocabulary in English. • Answer questions based on the text. • Express ideas in a simple and clear way.	**The Enterprise as an Economic Organization and Its Environment**	**The Fourth Activity**

Part One: Reading Comprehension:

1. Define the enterprise:

An enterprise is an economic entity that mobilizes human, material, financial, and technological resources to produce goods and services. Through the efficient use of these resources, it creates wealth, generates employment, and satisfies societal needs, making it a key driver of economic activity and development.

Its importance lies in its ability to combine resources and capabilities to achieve objectives such as profitability, growth, and efficiency, while also promoting innovation, improving living standards, and integrating social, environmental, and ethical considerations. Thus, the enterprise plays a central role in both economic performance and sustainable development.

2. Classification of Enterprises:

- **By ownership:** Enterprises are classified according to who owns and controls them:
  - **Private enterprises:** Owned by individuals or private groups. The main goal is profit.
  - **Public enterprises:** Owned and controlled by the government. They aim to provide public services and support the economy.
  - **Mixed enterprises:** Owned jointly by both the public sector and private investors, combining both interests.

▪ **By size (based on number of employees and capital):** Enterprises are classified according to their scale of operation:

- **Small enterprises:** Usually have **fewer than 50 employees** and relatively **low capital investment**. They are often family businesses or small workshops.
- **Medium enterprises:** Typically employ between **50 and 250 employees** and require **moderate capital**. They have a more organized structure and stable production capacity.
- **Large enterprises:** Employ **more than 250 employees** and operate with **high capital investment**. They often have complex management systems and may operate nationally or internationally.

▪ **By activity:** Enterprises are classified according to their economic function:

- **Agricultural enterprises:** Involved in farming, crop production, and livestock breeding.
- **Industrial enterprises:** Transform raw materials into finished goods through manufacturing processes.
- **Commercial enterprises:** Focus on buying and selling goods without changing their form.
- **Service enterprises:** Provide intangible services such as transport, education, banking, healthcare, and tourism.

▪ **By legal form:** Enterprises are classified according to their legal structure:

- **Sole proprietorship:** Owned by one person who manages and bears all responsibility.
- **Partnership:** Owned by two or more people who share profits and responsibilities.
- **Corporation:** A legal entity separate from its owners (shareholders), with large capital and limited liability.

2. Importance of enterprises in the economy:

Enterprises constitute a fundamental pillar of the economic system and represent the primary driving force behind economic development. They contribute significantly to wealth creation through the production and distribution of goods and services designed to meet societal needs. Furthermore, enterprises promote economic growth by ensuring the efficient allocation and utilization of human, material, and financial resources. They also contribute to social welfare by generating employment opportunities and enhancing living standards. In addition, enterprises foster innovation, technological advancement, and market competitiveness, thereby reinforcing the overall stability and performance of the economy.

4. Main objectives of an enterprise: every organization is established to achieve a set of fundamental objectives that ensure its continuity and effectiveness, and that reflect its contribution to economic development as well as its ability to meet the needs of both the market and society. These objectives can be outlined as follows:

- **Wealth creation** is the process of generating new economic value through production, investment, and innovation, leading to increased income and economic growth.
- **Growth and development**: expanding activities and improving performance over time.
- **Satisfaction of society's needs**: meeting the demands of individuals and the community through goods and services.
- **Job creation**: providing employment opportunities and reducing unemployment.
- **Profitability**: achieving financial gains to ensure the firm's survival and success.

- **Efficiency in resource utilization**: using available resources in an optimal and cost-effective way.
- **Improvement of living standards**: contributing to better quality of life for individuals.
- **Innovation and continuous improvement**: developing new ideas, products, and processes.
- **Sustainability and social responsibility**: ensuring long-term development while respecting environmental and social commitments.

5. Role of enterprises in society:

Enterprises represent essential actors in modern economies, as they fulfill a wide range of economic and social functions. They provide goods and services that satisfy individual and collective needs, thereby ensuring the proper functioning of the economy. They contribute significantly to job creation and the reduction of unemployment, which supports social stability. Economically, enterprises aim to achieve profitability, which is essential for their survival, growth, and long-term continuity. They also improve efficiency in the use of resources, leading to higher productivity and better allocation of inputs. Furthermore, enterprises encourage innovation and continuous improvement, which enhances competitiveness and drives economic progress. At the social level, they help raise living standards by improving access to products and services, while also contributing to sustainable development through the integration of social and environmental responsibility into their activities.

6. Identifying the functions of the enterprise, including operational activities:

To properly understand how an enterprise operates, it is essential to study its main functional areas, as each function plays a specific role in ensuring the organization's efficiency, coordination, and overall performance. These functions work in an integrated way to support the enterprise in achieving its economic and strategic objectives, and these functions can be explained as follows:

- **Production:** This function involves transforming inputs such as raw materials, labor, and technology into finished goods or services. It focuses on ensuring quality, efficiency, and productivity in order to meet customer demand effectively.
- **Marketing:** Marketing is responsible for identifying and analyzing market needs and consumer behavior, as well as promoting, pricing, and distributing products. It ensures that the enterprise's products reach the right customers at the right time and place.
- **Finance:** This function deals with the management of financial resources, including planning budgets, controlling costs, and making investment decisions. It ensures the financial stability and profitability of the enterprise.
- **Human Resources Management (HRM):** HRM focuses on recruiting, training, motivating, and developing employees. It ensures that the enterprise has qualified and well-organized human capital capable of achieving organizational objectives.
- **Research and Development (R&D):** R&D is dedicated to innovation and continuous improvement of products, services, and production processes. It helps the enterprise remain competitive and adapt to market changes.
- **Supply Management (Procurement and Storage):** This function involves sourcing and purchasing raw materials, managing supplier relationships, and ensuring proper storage and inventory control. It guarantees the continuous availability of inputs needed for production while minimizing costs and waste.

It is important to distinguish between the functions of the enterprise and the functions of the manager. While the enterprise functions refer to the main organizational areas such as production, marketing, finance, and human resources, the manager's functions focus on how these activities are planned, organized, directed, and controlled. After identifying and understanding the functions of the enterprise, the following question will focus on determining the specific functions of the manager within the organization.

7. Identify the management (administrative) functions of the enterprise from the text: the management functions of an enterprise can be identified as follows:

- **Planning:** This involves setting objectives and determining the best strategies to achieve them. For example, a company may plan to increase its sales by 15% over the next year by entering new markets or launching new products.
- **Organizing:** This function focuses on structuring resources, tasks, and responsibilities in an efficient way. For instance, an enterprise may divide its workforce into departments such as production, marketing, and finance to ensure better coordination and specialization.
- **Directing (Leading):** This refers to guiding, motivating, and supervising employees to achieve organizational goals. For example, a manager may encourage employees through incentives or training programs to improve productivity and performance.
- **Controlling:** This function involves monitoring activities and comparing actual results with planned objectives. For example, a company may evaluate monthly sales reports to identify deviations and take corrective actions when necessary.

In conclusion, these management functions work together to ensure that the enterprise operates efficiently and achieves its strategic objectives

8. Distinguishing between the internal and external environment of an enterprise: to understand how an enterprise operates effectively, it is essential to distinguish between its internal and external environment, as both influence its performance and decision-making in different ways.

- **The internal environment** refers to all factors within the enterprise that directly influence its functioning, such as employees, management, organizational structure, resources, technology, and corporate culture. These elements are generally controllable by the organization and determine its strengths and weaknesses.
- **The external environment** includes all factors outside the enterprise that affect its performance, such as the economy, competition, customers, legal regulations, and market conditions. These factors are beyond the control of the enterprise, but it must adapt to them in order to survive and grow.

These differences can be summarized as follows:

Internal Environment	External Environment
Consists of internal factors operating within the enterprise.	Consists of external factors surrounding the enterprise.
Human resources, management system, organizational structure, available resources, technology, and corporate culture.	Economic conditions, competitors, customers, legal framework, and market dynamics.
Under the direct control and influence of the enterprise.	Outside the control of the enterprise, requiring adaptation and adjustment.
Represents the enterprise's strengths and weaknesses.	Represents opportunities and threats in the external context.

9. Explanation of how the internal environment reflects the strengths and weaknesses of an enterprise:

The internal environment of an enterprise reflects its strengths and weaknesses because it includes all internal factors that shape its performance. As stated in the text, it consists of "employees, management, structure resources, technology, and culture".

When these elements are well-developed and effectively managed, such as skilled employees and adequate resources, they represent strengths that enhance performance and competitiveness. In contrast, weaknesses arise when these factors are insufficient or poorly organized, such as lack of skills or limited resources, which negatively affect the enterprise's efficiency and growth.

10. Explanation of how the external environment creates opportunities and threats of an enterprise:

The external environment influences the enterprise by creating opportunities and threats, as it includes factors such as "the economy, competition, customers, laws, and market conditions".

Favorable conditions like economic growth or rising demand generate opportunities for expansion and competitiveness, while unfavorable conditions such as strong competition, economic instability, or strict regulations create threats that may hinder performance and growth.

11. Types of objectives of an enterprise (with textual reference): based on the text, enterprises pursue a multidimensional set of objectives that reflect their economic and social role. As stated, "beyond its economic role, an enterprise also pursues several objectives", which can be identified as follows:

- **Economic objectives:** The enterprise seeks "profitability, growth, and efficiency", ensuring wealth creation, sustainability, and optimal use of resources.
- **Social objectives:** It contributes to society by "job creation, improving living standards, and responding to the needs of society through goods and services".
- **Cultural objectives:** The enterprise may promote "innovation, knowledge development, and professional training", thereby enhancing skills and organizational learning.
- **Environmental objectives:** These are reflected in "sustainability and responsible production", aiming to reduce environmental impact and ensure long-term balance.
- **Ethical objectives:** The enterprise is guided by "respect for regulations and social responsibility "ensuring compliance with legal and moral standards in its operations.

12. Write a summary of the text:

The aim of the text is to provide a general understanding of the enterprise as a key economic unit, including its characteristics, functions, environment, and objectives.

Firstly, the enterprise is defined as an economic organization that uses human, material, and financial resources to produce goods and services. It is classified according to ownership, size, activity, and legal form. Secondly, it carries out operational activities such as production, marketing, finance, human resources, supply management, and research and development. Thirdly, its functioning is ensured through managerial processes, namely planning, organizing, directing, and controlling. Finally, the enterprise operates within an internal environment (employees, structure, resources, technology) and an external environment (economy, competition, laws, customers), both influencing its performance.

In conclusion, the enterprise is a dynamic system that interacts with its environment and pursues economic, social, cultural, environmental, and ethical objectives, reflecting its essential role in economic and social development.

Part Two: Vocabulary:

A. Synonyms (from the text):

Company	Workers	Money	Development	Goods	Durability	Monitoring	Aim
Enterprise	Employees	Financial resources	Growth	Products	Sustainability	Controlling	Objectives

B. Antonyms (from the text):

Internal	Weakness	Loss	Small	Traditional	Individual	Poor	Local
External	Strength	Profitability	Large	Innovation	Group	Wealth	Multinational

Part Three: Conceptual Definitions:

- **Investment:** It refers to the commitment of financial resources to support the enterprise's activities, particularly in funding projects, acquiring assets, and making decisions that enhance growth and long-term profitability.
- **Strategic planning:** It is the systematic process through which the enterprise defines its objectives and formulates long-term plans and actions to achieve them, ensuring alignment with its environment and future challenges.
- **Human resources management:** This function focuses on managing the workforce by organizing, developing, and motivating employees, in order to improve their performance and contribute effectively to the achievement of organizational goals.
- **Supply management:** It involves the procurement of raw materials and inputs, as well as the management of storage and inventory, ensuring the continuous availability of resources required for production under optimal conditions.
- **E-marketing:** It refers to the use of digital technologies and online platforms to analyze market needs, promote products or services, and facilitate their distribution to customers more efficiently.
- **Start-up companies:** These are newly created enterprises, often small in size, that are based on innovative ideas and seek rapid growth by exploiting new market opportunities.