4.03 Understand Production’s Role and Function in Business to **Recognize its Need in an Organization**

**GUIDED NOTES**

***Explain the concept of production***

Production –

***Economic Resources***

Natural resources -

Human (labor) resources -

Capital goods –

***Importance of Production***

Provides \_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ – usefulness created by altering or changing the form or shape of a good to make it more useful to the consumer or user.

Example: Production gives crude oil (a natural resource) form utility by refining it into gasoline and oil that consumers can use in their vehicles.

Enables \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to stay in business.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ creates the products that all businesses must sell to stay in business.

Enables \_\_\_\_\_\_\_\_\_\_\_\_ to be competitive.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ allows businesses to turn out the maximum number of \_\_\_\_\_\_\_\_\_\_ at the lowest cost.

Example: If the business’s costs of production are higher than its competitors’ costs, it will have to set its prices higher than the competitors’ prices. This is likely to reduce sales.

***Production Planning-***

***Determining how products will be produced –***

***Determining how much of the product to produce*** –

Purchasing –

When purchasing, it is important to get the most for your money. A few ways money can be saved include:

Sales:

Discount coupons:

Rebates:

Production Process

Production Types (Regarding Time)

Intermittent Production –

Continuous Production \_

Unit Production –

Batch Production –

Mass Production \_

Scheduling \_

Dispatching \_

Dispatches are usually written orders that tell employees:

As part of follow-up, managers: