

Lesson-8

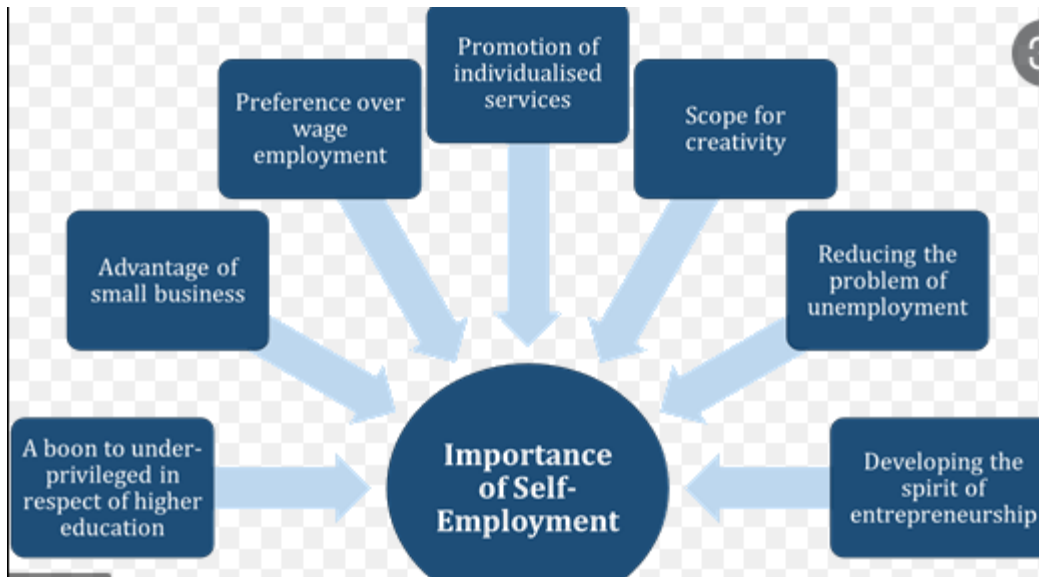
SELF EMPLOYMENT

Introduction

Let us learn more about the career option of self-employment in business. At this stage you have to decide whether to take up a job in an organization or to start your own business. When you accept an employment in any organization, you have to perform various jobs as per the requirements of your employer and you may get a fixed amount of income as salary. But, instead of seeking a job, you can also opt to do something on your own to earn your livelihood. You may run a small retail shop, tailoring shop, restaurant, bakery and confectionery, beauty salon, etc. in your locality. In other words, you may get engaged in trading or manufacturing on a small scale or providing some service for a price. Such economic activities are known as self-employment.

Important points from the text:

1. Any economic activity which one may perform on his own as a gainful occupation is termed as self-employment. Such an activity may consist of producing and selling goods, buying and selling goods, or rendering services for a price.
2. Importance of Self-Employment:



3. A business which is small in size, requires less capital investment, employs less number of workers, volume or value of output is less, may be called as Small Business.

4. Characteristic of Small Business:

1. Managed by the owner:
 - a) Decisions are taken at one point
 - b) Little or no delegation of authority
 - c) Verbal communication
 - d) Independently run/ managed
 - e) All risks borne by the owner
 - f) No separate entity.

5. On the basis of fixed capital investment in plant and machinery, small businesses in India are classified as (a) Small-scale industries; (b) Tiny industries; (c) Ancillary small industry; (d) Village industries; (e) Cottage industries; (f) Micro business enterprises; (g) Small- scale service and business (industry related) enterprises; and (h) Trading units
6. The Government of India provides several assistance and support to small business enterprises. These include: liberalised credit policy, capital subsidy, concession and exemption in excise and sales tax, special support for promotion, financing and development of small-scale industries through SIDBI, NABARD, and DIC.
7. Role of small scale business in Indian economy

Role Of Small Business In Indian Economy

1. **Employment**
2. **Optimisation Of Capital**
3. **Balanced Regional Development**
4. **Mobilisation Of Local Resources**
5. **Export Promotion**
6. **Consumer Surplus**

Learn new points:

- Small-scale industry - are those industries in which the manufacturing, production and rendering of services are done on a small or micro scale.
- Self-employment- Self-employment refers to working for oneself rather than working for a specific employer who pays them a salary.
- Micro business- refers to a small business that employs few people.

Evaluate yourself

1. Share your views regarding self employment is necessary or not?
2. Which types of self employment you want to practice explain?
3. Mr X. wants to start his own manufacturing business on a small-scale, but having financial crises. Guide him about the sources from where he can get help?

Maximize your marks

- Read the chapter carefully
- Go through the learning point
- Get into the little details of the above mentioned important points.