Ch 1.

3 sectors - primary (raw ~~goods~~ materials), secondary (turning into goods),
tertiary (retail store, service).

Focus of course is on tertiary sector (wholesalers & retailers). Wholesalers buys large quantities and sells to retailers.

Who cares about a business? → Stakeholders: Group of individuals who affect a business or are affected by the decisions of a business.

Internal stakeholders work for a business (employee, marketing manager, company lawyer, tax manager, owner).

External stakeholders are out of the business and their objectives relate to decisions about money (shareholders, government, customer, supplier, creditors (banks), society/community).

Financial info a business provides is key info an external stakeholders use (like where to put their money).

Ex. An objective of a customer who buys a Ford is to pay the lowest price for high quality, get a good warranty, have an ~~environmentally~~ environmentally friendly car (low gas consumption).

Companies record financial info in an accounting system, which collects, groups, and communicates a businesses' financial position. Internal stakeholders have access to this information and external stakeholders do not. External stakeholders depend on a company's financial statements. Financial statements are a company's story, what they do, how well they do it. They provide a company's financial performance, financial position and cash flows. External stakeholders use this to make decisions and meet their objectives.