



**LA INMACULADA CONCEPCION SCHOOL
SENIOR HIGH SCHOOL
GRADE 12 – ABM: APPLIED ECONOMICS**

May 25 -29, 2020

SUPPLEMENTARY LESSON

TOPIC: INDUSTRY AND ENVIRONMENTAL ANALYSIS: BUSINESS OPPORTUNITIES IDENTIFICATION

SUB – TOPIC: DIFFERENT TYPE OF INDUSTRIES

DEFINITION OF TERMS:

1. **Agribusiness Industry** - an industry engaged in the producing operations of a farm, the manufacture and distribution of farm equipment's and supplies and the processing, storage and distribution of farm commodities. The vision of this industry is to transform and upgrade the agricultural sector from traditional farming to agribusiness or industrial clusters to take advantage of opportunities in rubber, coconut, mangoes, bananas, coffee, palm oil cacao and other emerging high value crops.
2. **Manufacturing Industry** – is the sector of the economy that produces finished products. This can be compared to primary industries that produce raw materials and service industries that produce intangible products.
3. **Retailing industry** – the function and the activities of this industry involves in the selling of commodities directly to consumers. Retailing is a vital commercial activity, providing customers with an opportunity to purchase goods and services from various types of merchants.
4. **Service industry** – an industry that provides service for people but does not result in the production of goods. **Example: Airlines, barbershops, watch repair shop etc.**

EXAMPLE OF AGRIBUSINESS

1. Farming
2. Livestock
3. Poultry
4. Dairy products
5. Aqua – culture
6. Horticulture

AGRICULTURE

- It is the science and art of cultivating plants and livestock. Agriculture was the key development in the rise of sedentary human civilization, whereby farming of domesticated species created food surpluses that enables people to live in the cities.

AGRICULTURAL INDUSTRY

- It is the sector of economy that produces livestock, poultry fish and crops. This is a vital industry that is important to the food security of every nation and region. It is also a significant sector of the economy that includes a large number of small business.

TYPES OF AGRICULTURE AROUND THE WORLD

1. Nomadic Herding
2. Livestock Ranching
3. Shifting cultivation
4. Rudimentary Sedentary Tillage
5. Intensive Subsistence farming with rice dominant
6. Commercial plantations
7. Mediterranean agriculture
8. Commercial grain farming
9. Livestock and grain farming
10. Subsistence and stock farming
11. Dairy farming
12. Specialized horticulture

IMPORTANCE OF AGRIBUSINESS INDUSTRY

1. Increase in per capita income – per capita income is the annual average income of the individuals of a nation. Agricultural sector derives it by dividing national income on total population. Agricultural sectors provide more jobs to unemployed people. It increases the individual's income as well as the national income.
2. Major source of employment - agricultural industry provides employment to major portion of our labor force. More than 43.0% of our labor force is directly involve agricultural sector, while 66.7% of our rural population is dependent om the agriculture. This industry is helpful to reduce the unemployment and disguised unemployment.
3. Reduction in poverty – agriculture development has significant impact on rural development. If productivity increases in agriculture, it decreases or reduces the poverty and stimulates non – farm employment too. They are able to get the basic services of life such as water supply, sanitation, provision of health and educational facilities.
4. Supply of food – food is the first basic necessities of life. The agricultural sector is the sole provider of all type of food like wheat, rice, corn, sugarcane, vegetables and fruits to the population engaged in the various sectors of the economy. This industry also provides food to those animals that provides milk, cheese, butter and meat to population to maintain efficiency.
5. Source of Forex earning - agribusiness is one of the main source of foreign exchange which is used to import capital goods.
6. Supply of raw materials – agricultural sector provides not only food but also provides cotton, sugarcane, tobacco, rice, oil – seed, meat and milk to various small and large scale industries as raw material.
7. Development of industrial sector – there is inter – dependence relationship between agricultural and industrial sector. Both are helpful to develop each other. Due to the modern techniques of production in agricultural sectors, when the agriculturist increases, they will

demand they demand for industrial goods like threshers, harvesters and tractors and various consumer goods which results in industrial growth and development.

MANUFACTURING

- It is the production of products for use or sale using labor and machines, tools, chemicals or biological processing or formulation.

MANUFACTURING PRODUCTION

- Refers to the methodology of how to most efficiently manufacture and produce goods for sale.
- It is the creation and assembly of components and finished products for sale on a large scale. It can utilize numbers of methods, including human and machine labor and biological and chemical process to turn raw materials into finished goods by using tools.

THREE TYPES OF MANUFACTURING PRODUCTION

1. Make to stock – it is the traditional production strategy that is based on demand forecast. It is best utilized when there is predictable demand for a product such as toys and apparels. MTS can be problematic when demand is more difficult to predict when demand is more difficult to predict. However, when used with business or product that has an unpredictable business cycle, MTS can lead to too much inventory and a dent in profits and a missed opportunity.
2. Make to order – also known as “built to order”. Allows customer to order products built to their specifications, which especially useful with heavily customized products like computer product, automobiles, heavy equipment and other big – ticket items. Companies can alleviate inventory. Problems with MTO the customer needs to wait for a longer time for to avail their orders. This demand – based strategy is cannot be used with all product types.
3. Make to assemble – it is the hybrid of MTS and MTO in the companies that stocks basic parts that based on demand predictions but do not assemble them until customer place their order. The advantage of this strategy it allows fast customization of products based on the customer demand. And such, a good example is found in the restaurant industry which prepares number of raw materials in advance and then awaits a customer to order to start assembly. One downside of MTA is if a company receives too many orders to handle with labor and component it has on hand.

EXAMPLE OF MANUFACTURING INDUSTRY

1. Apparel industry
2. Chemical and allied industry
3. Electronic and electrical equipment industry
4. Fabricated metal industry
5. Food and kindred industry
6. Furniture and fixtures industry
7. Industrial and commercial machinery industry
8. Leather industry
9. Lumber and wood industry
10. Measuring, analyzing and controlling industry
11. Miscellaneous marketing industry

12. Paper and allied industry
13. Petroleum refining and related industry
14. Primary metal industry
15. Printing, publishing and allied industry
16. Rubber and miscellaneous plastic industry
17. Stone, clay, glass and concrete industry
18. Textile and mill industry
19. Tobacco industry
20. Transportation equipment industry

IMPORTANCE OF MANUFACTURING INDUSTRY

1. It helps in modernizing agriculture by manufacturing tractors, tools and machines used in cultivation.
2. It has reduced employment pressure on agriculture.
3. It has brought in much needed foreign exchange.
4. It has expanded trade and commerce.
5. It helped in eradication of unemployment and poverty in both rural and urban places.
6. It has helped in the growth and boom in the economy. It contributes to the GDP accumulation of a country.

REFERENCES: ABM – Applied Economics by Patrick V. Caoile, PH.D and Erlinda C. Pefianco ED.D,
<https://www.investopedia.com>
<https://www.thebalance.com>
<https://www.industry.gov.ph>
<https://www.businessdictionary.com>
<https://simplicable.com>
<https://www.wikipedia.com>
<https://www.hq.nasa.gov>

ACTIVITY: One Whole sheet

MATERIALS NEEDED:

- **Scissors (be careful when using it)**
- **Glue/paste**
- **Used newspaper and magazines**
- **Cartolina or used cartolina even manila paper is okay (kung wala pa din mag dikit – dikit ng papel na gamit or bondpaper para makabuo ng gagamiting “base” na kasing laki ng cartolina)**

Directions: Using the given materials above your task is to make a graphic organizer about the different industries given on this module. Cut pictures from the newspaper and magazine that shows relationship to the given industries. There are different ways to may a graphic organizer and it is up to you what technique you will apply in making your graphic organizer.