

University Mohamed Khider of Biskra
Faculty of Science and Technology
Department of Architecture



COURSES HANDOUT
Economy module
3rd Semester

Directed to 2nd year License students

Speciality:

Construction projects Management

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1. Introduction

Construction projects Management is one of the specializations that professionalizes higher education. These trainings are primarily field-based and aim at professional integration. The specialization in Construction projects Management was specifically created to address the social and economic market needs in the construction sector, as well as to adapt to the labor market by directly supervising all construction site and project conditions. Its main goal is to bridge the gap between educational institutions, which represent centers of systematic thought, and the practical aspects of the profession.

To achieve this, the bachelor's training program for this specialization spans six semesters and includes a combination of theoretical and applied materials organized into educational units. These units are designed to equip students with both theoretical knowledge and practical skills, enabling them to enter the workforce upon obtaining their bachelor's degree. One of the subjects included in these units is Economics 1, which is part of the curriculum in the third semester.

2. Objectives of Teaching Economics

The inclusion of economics in the study program during the third and fourth semesters underscores the significance of this course. It equips students with comprehensive knowledge and introduces them to previously unexplored concepts. Furthermore, the course imparts foundational skills in critical thinking and logical analysis, fostering an understanding of diverse variables within various economic environments and their collective impact on the overall economic establishment. Moreover, the economics curriculum offered in the second year of the bachelor's training program serves as a foundation for the advanced economics course to be taught in the sixth semester.

These objectives can be summarized as both general and specific. The general objectives encompass understanding the fundamental principles of economics, including its subject, application methods, agents, and also cover topics related to the management of economic enterprises, such as production, costs, the environment, and organization.

The specific objectives of the course aim to empower students with the ability to differentiate between all internal and external variables that facilitate the management of the construction enterprise. These variables include production capacity, cost pricing, human resources, resources, market dynamics, competition, public procurement, and the content of financial and technical proposals.

3. Hourly volume and evaluation criteria

Unité d'Enseignement	VHS	V.H hebdomadaire				Coeff	Crédits	Mode d'évaluation	
	15 sem	C	TD	TP	Atelier			CC	EXM
UE Transversale						3	3		
ECONOMIE 1	22h30	1h30				1	1		100%
SOCIOLOGIE DE LA COMMUNICATION	22h30	1h30				1	1		100%
LANGUE ETRANGERE 3	22h30	1h30				1	1		100%

Content of the Horizontal Unit for the Third Semester

Source: Professional Bachelor's Program offer 2020-2021

- The weekly contact hours: 1 hour and 30 minutes per semester.
- The overall contact hours for each Semester: 22 hours and 30 minutes.
- Evaluation 100% Exam.
- Coefficient 01.
- Credit 01.

The course program according to the training presentation for the Operational Project Leadership specialization:

- **Chapter I: What an Economic science?**
- **Chapter II: The Economic Enterprise**
- **Chapter III: Chapter Three: Organization of the economic Enterprise and its environment**
- **Chapter IIIV: Market and Prices**

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Chapter One: What an Economic science?

1. Introduction

The importance of economics makes it occupy a distinctive place in human life, especially social because it provides plans to advance the lives of individuals in all societies and for you to achieve material balance and social welfare, as it is always employed by government bodies in finding solutions to the problems facing their societies in terms of controlling the distribution of wealth and basic resources available to them. In this lesson, we will introduce economics, its history and the importance of studying it.

2. Lesson plan:

- Definition of economics
- History of economics
- The importance of studying economics
- Branches of economics
- Characteristics of economics
- Objectives of economics
- Fields of economics
- The importance of economics for other sciences
- Conclusion

3. Economic science definition:

Economics is a discipline classified within the realm of social sciences, as it focuses on describing the production process, conducting thorough analysis of it, and monitoring the patterns of consumption and wealth distribution. Economics is defined as the study of efficiently managing and investing diverse resources to fulfill societal needs in the most effective manner. Another definition of economics pertains to the system governing the operations of different sectors, including industry and commerce, in various locations.

4. Economic science History

The first emergence of this field occurred in the eighteenth-century AD, with historians of this discipline concentrating on areas such as industry, trade, and economic development. During this period, classical models and Marxist concepts predominated the prevalent economic theories, particularly among European and German scholars. In 1776, a notable work in modern economics was published by the economic thinker Adam Smith, in which he explored various economic studies. (Fig 1)

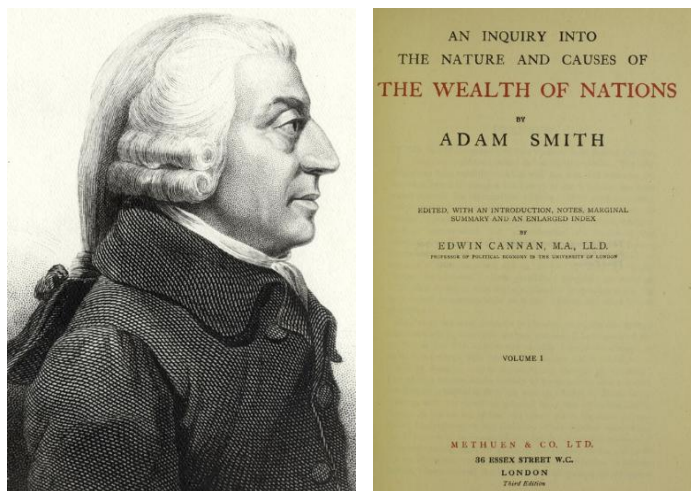


Fig 1: Adam Smith, the founder of modern economics, authored the book "The Wealth of Nations"

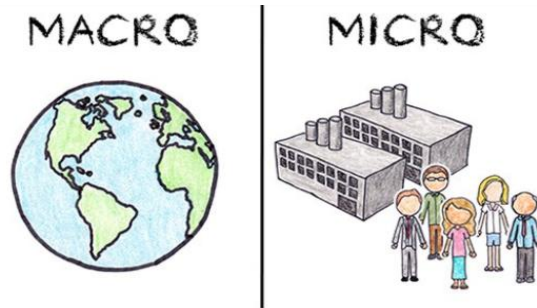
Source: <https://www.google.com/imgres?imgurl=https://upload.wikimedia.org>

5. The importance of studying economy

- Economy is a fundamental science of our time, necessitating attention and in-depth study across all disciplines, particularly those involving economic projects, whether small or large.
- The study of economy enables understanding of real-world economic dynamics and provides essential practical life experience.

6. Branches of economics

The study of economy is based on dividing it into two main branches:



6.1. Microeconomic

It is the branch of economy that focuses on studying how individuals, groups, and enterprises make informed decisions with the aim of:

- Savings
- Buying products
- Following up prices
- Competition in the business environment

6.2. Macroeconomic

It is the branch of economy that is dedicated to studying overall business aspects pertaining to the local economy. Macroeconomics encompasses a variety of areas, including:

- Interest rate
- Taxes
- Economic inflation
- Economic growth

7. Characteristics of economy

Economy is characterized by a set of characteristics, including:

- It has its own set of terms, such as: supply and demand, efficiency, flexibility, and others.

- Economy terminology facilitates the clarification of economic problems and helps to standardize understanding of economic phenomena.
- It is characterized by its ability to deduce economic laws by relying on its theories, whether theoretical or realistic.
- It focuses on the production process in a way that ensures the availability of the requirements of society in terms of services and consumer goods.
- Economy is a social science that is concerned with the economic state of society.

8. Economic science objectives

Economy generally aims to achieve the following objectives:

- Achieving rapid economic progress locally and internationally
- Providing economic balance and security for societies and protecting them from economic dependence
- Achieving stability in the prices of materials and preventing fluctuations that occur as a result of price changes.
- Contribute to raising the production of communities by empowering manpower in the production process.

9. Fields of Economy

Economy depends on a group of fields that it is interested in studying, the most important of which are:

9.1. In the Money field : It is one of the main and sub-areas of the economy (general price, purchasing, power of money, amount of money in circulation etc).

9.2. In the field of growth and development: The study of growth in economy and economic development is not a single branch of economy, but each uses various methods of economic analysis.

10. The importance of economics for other sciences

Economics is of great importance and has a close relationship with many sciences, especially since it belongs to the social sciences. Since these sciences are intertwined and

dependent on each other, it is difficult to separate them from each other, and therefore any social phenomenon can be considered an economic, political and historical phenomenon. Economics also has a clear relationship with the natural sciences such as mathematics and statistics, and it is associated with other sciences as follows:

10.1. Political science

Politics intervenes daily in economics, as we find that economics is called by some researchers as political economy, because of the intervention of some politicians in the economy and their dominance of it and taking most of the decisive political decisions.

10.2. The relationship of economics to History

Economics is closely related to the science of history, because the science of history can provide the various experiences that previous countries went through and how to overcome the problems they were facing and try to apply what can be used to overcome the current difficulties, so economists resort to the history of economic thought of the various nations that preceded it and the experiences they underwent.

10.3. The relationship of economics to Logic

During the study of a number of economic hypotheses, logic is used to prove their error or validity, because logic depends on logical postulates on which specific ideas are built from which many correct conclusions can be drawn.

10.4. The relationship with psychology and sociology

Psychology is the science that studies the internal feelings of man as a tool to explain his general external behavior, the researcher in economics must take this behavior and translate beyond this behavior, and at the present time, psychological motives regulate economic phenomena associated with consumption and production, while sociology is the science that studies the relationship of the individual with human societies and the relationship of groups to each other, and economics studies the interaction of these three societies with the material resources surrounding them.

10.5. The relationship with statistics and mathematics

The relationship of economics with statisticians is very clear, especially since statistics specializes in collecting, classifying, arranging and analyzing data according to a specific type of data to facilitate the decision-making process, and this is what econometrics shows us, which applies statistical methods in the practical evaluation of economic relations and economic analysis through tables, shapes, drawings and curves. Economics also depends on mathematics, and the use of mathematical tools has become necessary for economists.

10.6. The relationship of economics to Law

The close interdependence between law and economics is evident during the development of the legal rules governing a project, as the issuance of laws must take into account the economic aspects and the remnants that may be reflected as a result of the application of this law, such as imposing taxes, determining the ownership of the means of production and imposing customs protection on some goods.

11. Conclusion

Through this lesson, we were able to pave the way for the student who is studying economics for the first time the most important general concepts related to economics, such as definition, origin, stages of development, branches and characteristics. As economics is considered one of the most important branches of human knowledge related to human economic activity because it is concerned with the life of societies, individuals and countries. The study of economics is essential for all other sciences and disciplines because it is always influenced and affected by the changes that occur in them. In the following chapters, we will discuss everything related to the economic institution, as well as the market and prices.

Chapter Two: The Economic Enterprise

1. Introduction

Economic enterprises are considered the cornerstone of the economic development process, because they are the basic nucleus in the economic activity of societies and the basis for the renaissance of developed countries currently, and for this we find them occupying a significant space in the writings of economists of various ideological trends. It expresses social relations as well because the production process within the economic enterprise takes place within a set of material, environmental and human elements. Through this lesson, the student will learn about the economic enterprises in terms of its definition, objectives, and development throughout history, characteristics and types.

2. Lesson plan:

- Definition of Economic Enterprise
- Economic Enterprise objectives
- Concepts related to the economic Enterprise
- Economic enterprise life cycle
- The historical development of the economic enterprise
- Characteristics of economic corporation
- Types of economic enterprises

3. Definition of Economic Enterprise

The Enterprise as a practice is a very old idea, but its emergence and portrayal under this name is relatively recent. France was the first country where the term "Entreprise" and the accompanying term "Entrepreneur" appeared in the 15th century.

The concept of an economic enterprise refers to a legally approved organizational form that utilizes a range of productive resources, including human capital and tangible assets.

Its purpose is to creating an organized and productive environment capable of producing goods and delivering services to society. This is achieved through specific controls and procedures designed specifically for the enterprise's location, size, and the nature of its activities.

There are alternative definitions of an economic enterprise, which include:

- An enterprise serves as a production unit and a hub for directing production outputs. However, it is also perceived as a social entity that makes a series of decisions to penetrate multiple markets to accomplish its objectives.
- An enterprise functions as a production cell that amalgamates various economic factors (such as labor, capital, energy, information ...etc).
- An enterprise is any legal entity, whether an individual or a corporate body, endowed with financial autonomy in decision-making and engaged in the production of commercial goods and services.

4. Economic Enterprise objectives

Economic Enterprises are established to achieve a number of objectives, the most prominent of which are the following:

4.1. The Economic objectives

The economic objectives are to provide humanitarian needs at the local and international levels, in addition to achieving the greatest possible production efficiency.

4.2. The social objectives

Economic enterprises contribute to improving the overall social situation by establishing acceptable wage levels and providing insurance that ensures workers a satisfactory standard of living. Additionally, they organize the work environment and foster cohesiveness among their members.

4.3. Technological objectives

While actively engaged in enhancing enterprise development, including administrative and production aspects, the enterprise contributes significantly to promoting overall development and technological advancements.

4.4. Cultural and sporting objectives

These objectives are achieved by involving the employees of economic enterprises in certain cultural activities and the holding of some sporting events.

5. Concepts related to the economic Enterprise

There is a set of concepts associated with the enterprise, with the most important ones being:

5.1. The organization

- An organization is a purposeful human group that emphasizes the social dimension and focuses on organizing and optimizing societal and global life.
- It is the entity that manages an enterprise or other organizations and establishes the rules for their functioning.
- An organization also forms when two or more individuals agree to collaborate in order to achieve a specific set of goals.

5.2. The Company

It is a contract under which two or more individuals agree to contribute to a profit-oriented project by providing a share of money or labor, with the intention of sharing the potential profit or loss that may arise from this endeavor.

5.3. Establishment

An establishment is a collection of individuals working together in the same location under the same governing body. In other words, it is a group of people employed at the same location under the authority of the same management (the enterprise director). An enterprise can comprise one or multiple establishments.

6. Economic enterprise life cycle

The life cycle theory emerged and played a significant role in modeling the organizational development of an organization, as depicted in various studies that propose the enterprise progresses through five distinct stages. (Fig 2)

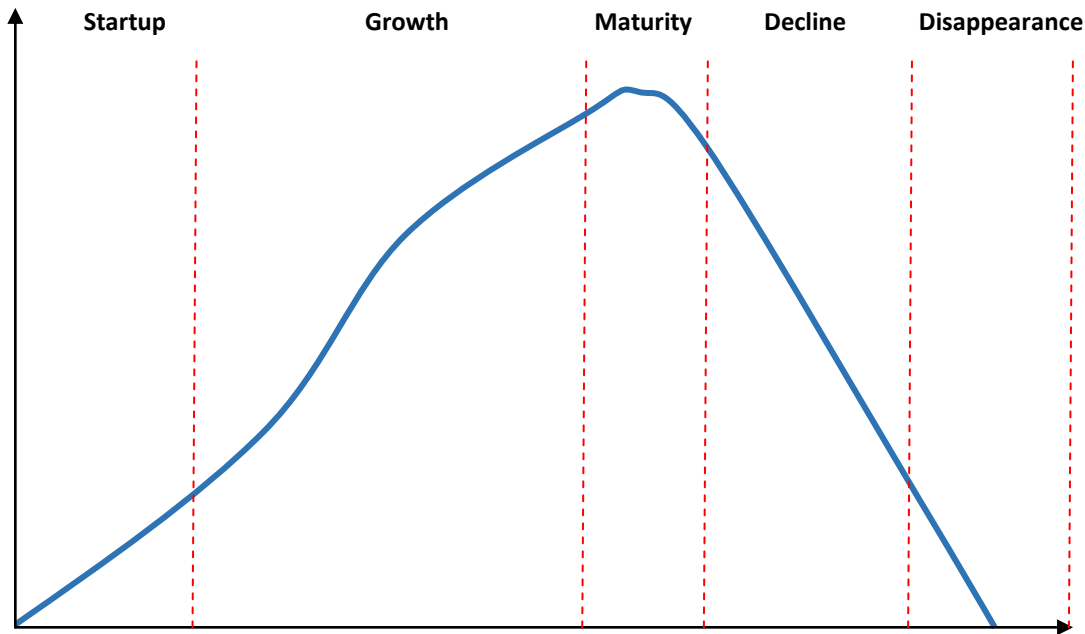


Fig 2: Stages of the life cycle of an economic enterprise

Source: Author

The diagram illustrates the five stages that an economic enterprise undergoes:

6.1. Start-up stage

It is the initial period and stage of entering the market where the company depends on the recognition of the market for its products or services.

6.2. Growth stage

Growth period is the stage of high-speed development of company. The company's products or services have just gained market recognition.

6.3. Maturity stage

The mature period is the most robust stage for a company's development. The enterprise at this time has rich management experience and it is the optimal stage that it seeks to reach.

6.4. Decline stage

It is the stage that precedes the disappearance, and expresses the failure that has become a threat to the stability of its activity. During this period, the company's products have been eliminated from the market.

6.5. Disappearance stage

Embodies the death and the complete disappearance of any economic activity of the enterprise.

7. The historical development of the economic enterprise:

The various enterprises we witness today did not emerge in their current forms from the outset. Instead, they underwent numerous ongoing changes and developments, running in parallel with the advancements observed in the economic and social systems of human civilizations. Among the most significant evolutionary milestones, we can identify:

7.1. The stage of the simple family production system

A simple way of life prevailed from the dawn of humanity until the emergence of the Industrial Revolution in the eighteenth century. This era was marked by a sense of stagnation and self-sufficiency in agriculture. People viewed activities such as cultivating land and raising livestock as crucial, as these served as essential resources for their lives. Individuals utilized basic tools crafted by skilled families, who had developed them through their experience and understanding of life.

These products are usually exchanged for barter, because there was no trade at the time, as handmade products were manufactured according to certain requirements.

It is worth noting that the household served as the appropriate location for these industries, with no clear distinction between the workplace and living spaces. Family-

based production, often referred to as cottage industry, yielded several outcomes, the most significant of which are:

- Mastery of tasks through consistent practice.
- Involvement of all family members in the work.
- Perform tasks within the household premises, not elsewhere.
- Secure the family's future, even in the event of losing a loved one.
- Generate profits for the exclusive benefit of the family, without external participation.
- Foster the principle of organic solidarity and social cohesion among family members.

One of the characteristics of this stage was the dominance of feudalism, and its exploitation of families in agriculture, where the head of the family was the one in power. Among the most important handicrafts prevailing at this period we find:

- Carpentry
- Blacksmithing
- Tanning

As the population increased and the various families gathered around the agricultural lands, cities and urban agglomerations were formed, which had repercussions in the liberation of workers from the fields, and their independence in the practice of certain trades. (Fig 3 and 4)



Fig 3: The simple family production stage relied on family production

Source: <https://www.hembygd.se/styrso/livet-i-byn--vardag-och-fest>



Fig 4: Family participation in simple agricultural activity, which was considered the source of the family's livelihood

Source: <https://wisthbf.se/slotttorp/ebbetorp/ebbetorps-historia.htm>

7.2. The stage of emergence of the system of craft sects

After the establishment of conditions exemplified by the formation of urban agglomerations (The emergence of cities), the substantial demand for diverse handicrafts such as clothing and production tools, along with the emergence of independent workers for the first time, collectively led to the establishment of workshops. These workshops brought together artisans of the same crafts for production, operating under the guidance of their experienced predecessors. (Fig 5)

A craft community is defined as a system that encompasses all those engaged in a specific craft within a city, aiming to safeguard, organize, and advance their respective industries. This involves serving various constituents within the craft, such as teachers, artisans, and apprentices. (Fig 6)



Fig 5: A painting illustrating the activity of the work of a craft group of cobbler

Source: <https://en.m.wikipedia.org/wiki/Guild>

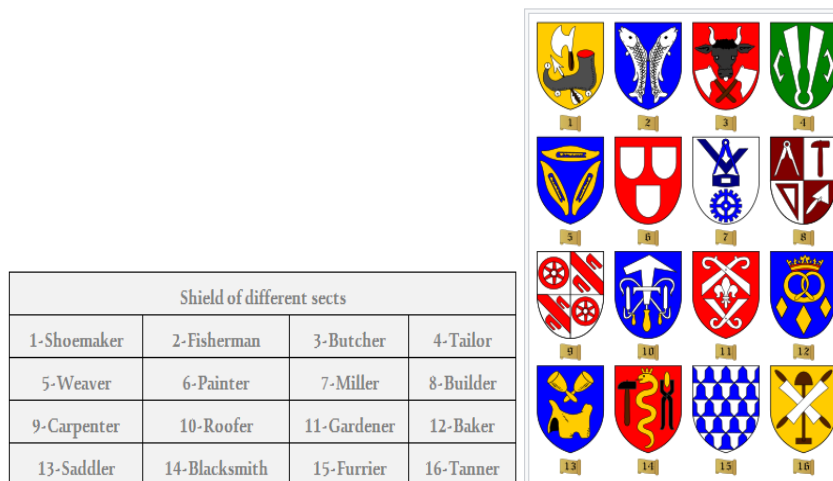


Fig 6: The most important symbols and names of craft sects

Source: <https://m.marefa.org>

Thus, several craft workshops were established for carpentry, blacksmithing, and weaving. The owners of these crafts belong to sects whose primary objective is to uphold equality between teachers and elders. They strive to curb the accumulation of excessive wealth among certain teachers, thus, in pursuit of this goal, these sects have historically impeded technical advancements. Their focus lies in creating employment opportunities and mitigating unemployment.

The social structure of these sects always consists of three categories, and the membership of the sect is based on a hierarchical organization, led by the category of teachers, followed by the category of craftsmen and finally the category of boys. (Fig 7 and 8)

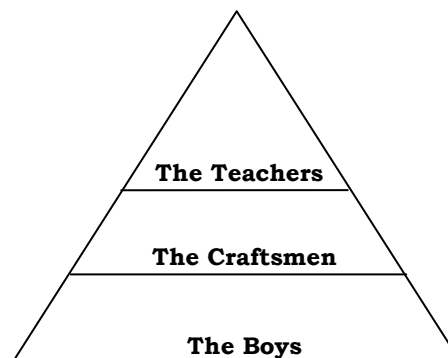
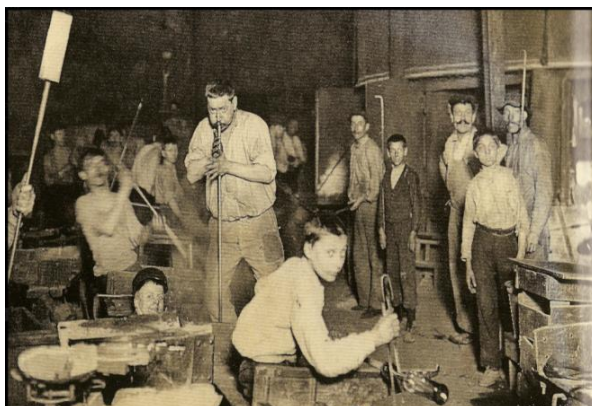


Fig 7: Workshop for the manufacture and transformation of glass formed from different types of teachers, craftsmen and boys

Source: <https://telemmig.hypotheses.org/315>



Fig 8: The picture represents the Windsor Artisan House, which is the meeting place of the former craft denominations.

Source: <https://m.marefa.org>

7.3. The stage of the system of mediators (Home system of crafts)

It is a new production system known as the intermediary system, or the new domestic production system. It emerged alongside the craft classes system, which began to weaken and decline, particularly as the financial influence of merchant capitalists gradually extended over the craft guilds since the thirteenth century. This system is built upon merchants procuring the required raw materials for the industry and distributing them to manufacturers in their homes. Subsequently, they collect the finished products and distribute them to small traders and consumers.

The establishment and prosperity of the intermediary system were aided by favorable social and economic conditions. One such condition was the nature of the industries during that period, which did not require extensive workspace; small rooms proved sufficient. Additionally, the involvement of workers' families in the production process, coupled with the freedom to work independently, away from the constraints of capital owners and tax obligations, further contributed to the system's success. Traders recognized that this system yielded substantial profits, as evidenced by:

- Exempting them from financial and legal obligations such as factory construction costs and administrative expenses.
- Exempting them from compliance with labor legislation and laws compared to the system of craft sects and the state.
- Their ability to control the quantity and quality of production, in line with the needs of the market

Under this new production system, the merchant controlled the work of the manufacturers by supplying them with raw materials and production tools, overseeing wages, and determining the scale of production as well as its marketing. In the previous (family) domestic system, the manufacturer used to be the owner of the production tools; however, in the new production system, they became dependent on financiers. Consequently, the manufacturer's autonomy and independence eroded, transforming them into wage workers for capitalist merchants. These merchants began to dictate production volumes and set prices on their behalf. (Fig 9)

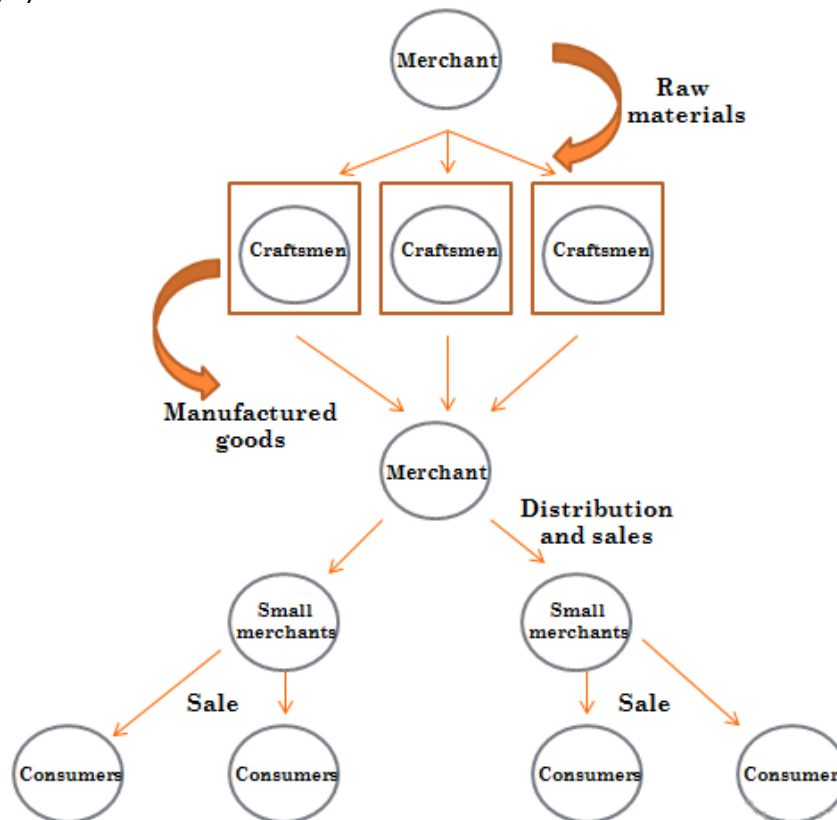


Fig 9: The principle of operation of the intermediary system

Source: Author

Accordingly, the system of intermediaries has created two social segments with mutually beneficial ties:

- The intermediaries segment
- The makers segment

Their relationship was based on economic transactions that yielded mutual benefits within a contractual framework. Over time, the financier realized that he had transformed into

- The owner of productive projects located in workers' homes and in distant geographical areas.
- A portion of his capital was lent to manufacturers in the form of working tools.
- He dedicated time to traveling between workplaces, distributing raw materials, and collecting finished goods.
- His inability to oversee manufacturers, who lacked honesty and skill in their work, became evident.

Consequently, he came to the realization that he could only truly function as an employer except if he remained in close proximity to the production sites and workers, enabling him to personally supervise the operations. In light of this, mediators conceived the idea of centralizing workers under one roof by establishing small manual factories. Some even explored the concept of combining multiple industries in a single location. This pivotal process marked the inception of the nucleus of what would later evolve into the modern factory.

7.4. The appearance of manufacturing

The emergence of the manifestation is due to:

- The accumulation of changes in previous methods of production (Home craft production).
- The development of the level of civilization.
- High population on the one hand and high demand on the other.

The emergence of geographical explorations and their effects on the accumulation of wealth and the import of raw materials led to the enrichment of the merchant class. They owned the tools of production and gathered numerous craftsmen under one roof to oversee and ensure the optimal utilization of the means of production. This gave rise to the early form of factories, known as "manufactur," which consisted of primitive tools that workers operated manually.

The Manufactur is regulated differently from the previous craft units, where the factory owner became the one who was the controlling authority in the production, financing and distribution process. The Manufactur had two forms:

7.4.1. First form:

Establishments that gather a number of craftsmen who were working in the same craft before, and in these establishments they carry out a certain part of the total stages of the production process of a particular commodity.

7.4.2. Second form:

Establishments that include a group of craftsmen with different crafts, who cooperate in order to achieve a particular product.

This enterprise expresses a decisive turning point in the life of capitalist society on the one hand, and in the history of economic enterprises on the other. The thing that distinguishes the capitalist manufactur is that disturbances occur in it very often and the workers do not obey the discipline imposed by the manufactur owner, contrary to what they were accustomed to before in craft workshops or in homes.

However, what was lacking in manufactur in order to survive for a long time in the field, as was the case with free craft activities, was discipline, in addition to the rapid mechanical developments that took place during its existence. This coincided with the beginning of the introduction of some of the most advanced machines and means of production in factories, where automated industrial enterprises later emerged. (Fig 10)

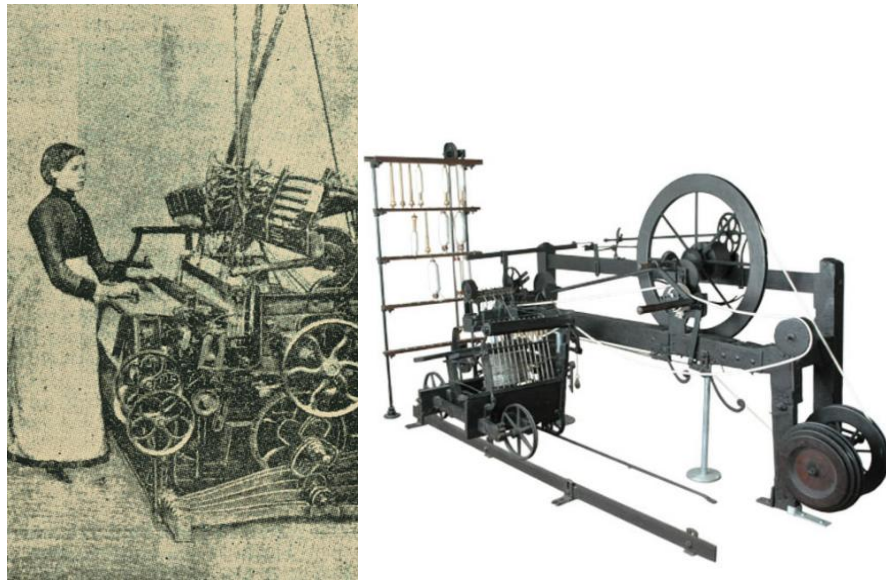


Fig 10: The first spinning machines that were operated manually. These factories are considered a critical turning point in the company's economic history.

Source: <http://maggieblanck.com/Land/WE.html>

7.5. Automated Industrial Establishment (Factory)

Due to the heightened demand for manufactured products locally and internationally, because the traditional machines that were used were not able to meet the increasing demand for the goods produced, which led to improving production tools and replacing them with advanced machines with highly efficient machines. Consequently, this led to the establishment of automated industrial enterprises, or what is known as the factory.

Diverging from earlier modes of production, the modern factory system revolves around machine-based manufacturing of goods and the substantial output of these commodities. Simultaneously, it heavily relies on extensive labor utilization and significant capital investment. It is underpinned by labor regulations, which distinctly delineate specialization within the workforce and its division. This entails a clear demarcation between administration and workers, achieved through regular salaries disbursement and training programs aimed at augmenting productivity. (Fig 11 and 12)

The inception of automated industrial enterprises during the early 18th century is intrinsically linked to the onset of the Industrial Revolution in Europe. This era was known for scientific developments in production methods, in addition to the market expansion. Noteworthy features of the modern factory include:

- ✓ Availability of means of production
- ✓ Division of labor and specialization
- ✓ Formal organization



Fig 11: The emergence of modern automated factories with the beginning of the emergence of the industrial revolution in Europe

Source:
<https://www.iusm.co.kr/news/articleView.html?idxno=630870>



Fig 12: Modern factories are characterized by prolific production and rely on advanced productive machines more than before

Source: <https://www.alarabiya.net/articles/2012/09/23/239646>

7.6. Multinational conglomerates and corporations

With the development of the capitalist economy, it was necessary for economic enterprises to pursue several strategies of agglomeration among themselves, to overcome competition, as well as to enter foreign markets.

7.6.1. Economic agglomeration

In the context of the 19th and early 20th centuries, economic enterprises aimed to consolidate and aggregate in order to withstand market competition. They achieved this by leveraging their significant presence and influence, often through controlling prices and dominating product markets. Three notable examples of such blocs can be mentioned:

7.6.1.1. The Cartel :

Several enterprises within the same sector often collaborate through agreements to set prices for the materials they produce or to allocate market shares among themselves. They may also jointly coordinate product promotions, advertisements, and displays. However, this collaborative approach undermines real competition and results in the concentration of market power, leading to the emergence of monopoly profits, despite the financial and legal independence of these enterprises. (Fig 13)

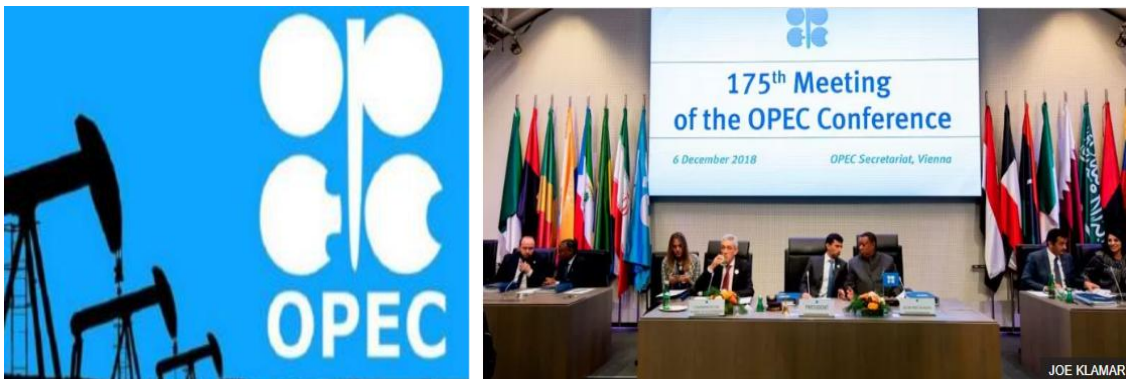


Fig 13: An oil cartel for oil-exporting countries, which is gathered in one organization in order to determine the quantity of product supply and prices

Source: <https://www.bbc.com/arabic/business-46469148>

7.6.1.2. The Trust :

It is a conglomerate resulting from the merger of multiple enterprises, wherein these enterprises lose their financial independence and legal personality. Trust can arise in several ways, such as the merger of more than one enterprise or the purchase of one or more enterprises. The key point is that through this trust, the enterprise can achieve several advantages, including improved profitability. (Fig 14)



Fig 14: One of the largest mergers in the world (Trust) between the two pharmaceutical companies Glasgow Wellcome and SmithKline, resulting in the formation of the world's largest pharmaceutical manufacturer, Glasgow SmithKline.

Source: <https://amp2.wiwo.de /glaxosmithkline-milliardendeal-pharmakonzern-gsk>

7.6.1.3. The Holding:

With the expansion of financial markets and the proliferation of economic enterprises, coupled with the emergence of intricate transaction mechanisms between banks and enterprises through the stock exchange, various conglomerates have arisen. These conglomerates result from banks purchasing shares in numerous enterprises across diverse economic sectors such as industrial, commercial, and financial. This leads to the formation of a network of interconnected enterprises guided by the strategic direction of financial owners and managed by executives. It's important to note that these enterprises maintain their legal independence despite this concentration of ownership. This phenomenon is referred to as financial consolidation, often referred to as a holding company or ownership company. (Fig 15 and 16)



Fig 15: Turkish Holding Company Renaissance is based in Ankara and its main activities are construction and real estate investment.

Source: maghrebemergent

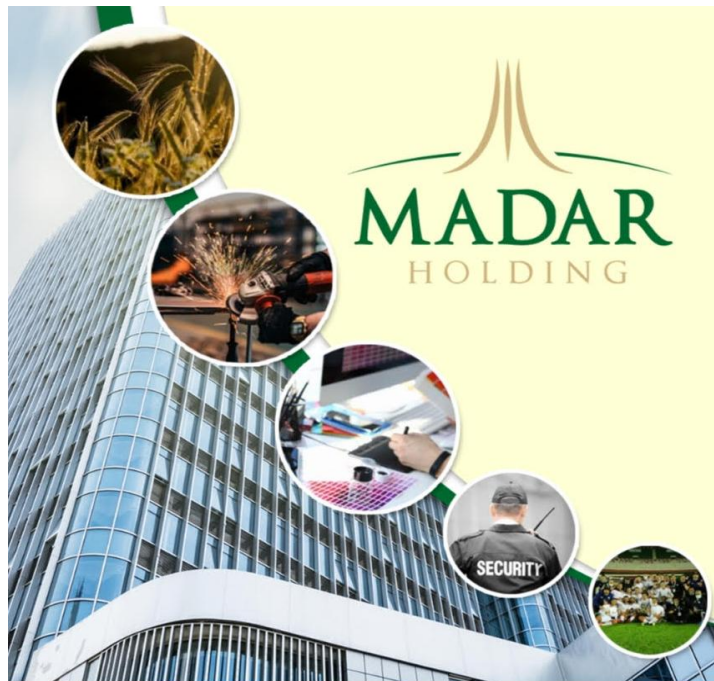


Fig 16: Algerian Holding, MADAR acronym for “Management and Development of Assets and Resources”. It is a public holding company giving birth to seven specialized subsidiaries in: Agro-industry “Global Agri-Food” & “Kotama Agri-Food”, Printing and packaging “Advanced Pro-Pack Print”, Metallurgy and various industries “SINAATEC”, The non-stock financial investment “ICOSIA Capitale”, The security and surveillance “EL-HAFDH”

Source: <https://www.madarholding.com/en/presentation/>

7.6.2. Multinational Corporation

Multinational Corporation (MNC) or Multinational Enterprise (MNE)

It is a company whose ownership is controlled by individuals from various nationalities and is managed by a diverse group of people from multiple countries. The company operates in multiple foreign countries, while its strategies, policies, and action plans are devised at its central headquarters situated in a specific country known as the 'Home Country.' Nonetheless, its operations transcend national and territorial borders, extending its reach to other countries referred to as 'Host Countries'. These companies rely on a multi-country market for their activities, and their strategies and decisions possess an international and global nature. As a result, they are categorized as multinational companies, as their influence goes beyond national distinctions. They enjoy significant freedom in resource movement and transfer, including capital, labor, and technological advantages. This includes the transfer of technology across different countries, thereby contributing to the formation of distinctive characteristics and methods. The emergence of globalization is primarily influenced by factors such as the new global economic order and the emphasis on its universality.

8. Characteristics of economic enterprise

The economic Enterprise is characterized by several characteristics, including:

8.1. The enterprise as an independent legal personality:

This means the economic enterprise is a legal person separate from the owners and has its own rights and obligations and authority.

8.2. The enterprise is a productive unit:

The Enterprise is an independent economic entity, consisting of a combination of human, material, moral and financial means with the aim of producing goods and services destined for sale.

8.3. The enterprise contributes to the formation of added value:

The production of goods and services is directed to the market, and this produces incomes, from which the consumptions that led to their production are subtracted, and then the added value of the enterprise is formed, so it is a balance that expresses the success of the enterprise's activity in providing additions through the conversion of raw materials and other inputs into goods with use values directed to consumers.

8.4. The enterprise is a unit for the distribution of income:

The benefit of the added value does not belong entirely to the enterprise, but is shared by some agents by obtaining installments, including:

- Taxes and fees to the state and local communities,
- Deductions to social security funds, insurance and pensions.
- Financial benefits to banks and financial enterprises.
- Profits for the organization's partners.

8.5. The enterprise is a social cell:

The Enterprise employs a significant number of workers, as it thus performs a social function that provides wages, stability, motivation, promotion, social status, training and rehabilitation... Therefore, the Enterprise is a human gathering aimed at achieving a specific goal, and the goal of the Enterprise often differs from the goals of individuals, which leads to the emergence of conflicts that require follow-up and management.

8.6. The enterprise is the center of economic and financial decision-making:

Where the Enterprise plays an important role in the market economy, as it is a center for economic decision-making regarding the nature and quantity of products offered in the market and their prices, and the quantity and quality of raw materials used in the production process, so the decision-making process must be characterized by accuracy that comes by relying on scientific methods and clear steps, and on the economic calculation, which is to compare the expected costs and returns.

9. Types of Economic enterprises

Economic enterprises can be classified into several different and multiple forms according to a set of criteria, including:

- Nature of ownership criterion
- Legal criterion
- Economic activity criterion
- Size criterion

9.1. Classification according to the nature of ownership:

The legal nature of enterprises is related to the form of ownership, as the form of ownership is the determinant of the pattern of laws and regulations that govern the procedures and rules of their management, and enterprises are classified according to the nature of their ownership into two types:

9.1.1. Private enterprises:

These are those enterprises in which the funds belong to an individual, or to a group of persons, such as companies of persons, limited liability companies, and joint stock companies.

9.1.2. Public and mixed enterprises:

These are enterprises of a different ownership nature, and they are represented in the following:

A. Public enterprises: which are owned by the state, such as national and local companies.

B. Mixed enterprises: These are those in which the state or one of its bodies shares with individuals the ownership of funds and the power of decision.

9.2. Classification according to the legal criterion:

We can distinguish two types:

9.2.1. Sole Proprietorship:

It is the enterprises owned by one person or a family, and the person who establishes this enterprise can inherit or buy it and is considered the first and last responsible for the results of the company's business.

9.2.2. Collective enterprises (companies):

They are characterized by management and cooperation between two or more people and are of two types:

A. People Company: Such as partnership companies and limited liability companies (SARL LLC), which are easy-to-form companies, need a partnership contract that includes at least the value of the contribution for each participant, the purpose of the enterprise and how the profits are distributed. The company of persons is considered at risk as a result of the withdrawal or death of one of the partners, which leads to misunderstanding and conflict of some decisions negatively affects the company of persons and from the establishment of capital companies.

B. Money companies: They are in the form of financial and banking enterprises that have no trace of personal consideration, where individuals invest their money and their capital is divided into negotiable shares.

9.3. Classification by sector of activity: Economic enterprises are distributed according to this criterion into three main sectors:

9.3.1. Primary sector enterprises:

It brings together enterprises specialized in agriculture of various types and products, livestock breeding, in addition to fishing activities and other activities related to land and natural resources close to consumption, usually in addition to mining activities.

9.3.2. Second sector enterprises:

It brings together various enterprises that work in the conversion of natural materials into products, and includes some industries related to the conversion of agricultural materials into various food and industrial products, as well as industries for the conversion and refining of natural materials from minerals, energy and others, which are the so-called extractive industries, consumer industries enterprises in general, equipment industry enterprises and various means of production, and construction and public works enterprises.

9.3.3. Third sector enterprises "services":

These enterprises include various activities that do not exist in the previous two groups and have very different and extensive activities starting from transport enterprises, banks, financial enterprises, education, health and others.

9.4. Classification by size criterion:

There are several indicators used to classify enterprises by size criterion, among them:

- ✓ Turnover.
- ✓ Size of capital.
- ✓ Indicator of the number of workers in the enterprise.

The latter is considered the most reliable indicator in the classification of enterprises according to the criterion of size, as it is the one on the basis of which the economic enterprise is classified into small and medium enterprises and large enterprises as follows:

9.4.1. Small and medium enterprises: This type of enterprise has a basic advantage that lies in the simplicity of the structural structure, and the methods of their management are **uncomplicated** in addition to the lack of employees in them, as there is no agreed measure to define these enterprises, as it varies from one country to another.

9.4.2. Large enterprises: It employs a large workforce of more than 500 workers, its ownership often belongs to a large number of people, and these enterprises have different forms, including the following:

A. The complex: It is a group of enterprises with a financial and economic relationship and is affiliated with the parent enterprise, for example in Algeria "Saidal group... etc.

B. Multinational enterprises: They are transcontinental enterprises that do not recognize geographical borders, where they establish production units in many countries, following global policies, strategies, including the following:

- a. **Cost reduction strategy:** by setting up branches in countries that provide cheap labor in addition to raw materials that do not cost much to obtain.
- b. **Commercial strategy:** by expanding its market share at the global level, by establishing these production units in different countries.
- c. **Opportunistic strategy:** through the establishment of branches or enterprises in countries in order to benefit from the laws of that country such as: reduction or tax exemptions, customs facilities, leniency in environmental protection laws....

10. Conclusion

Through this lesson, we tried to approximate to the student in general the basic concepts related to the economic enterprise, the objectives and functions it performs, in addition to the various classifications taken by the enterprise, which is the main source of material well-being and the main place for most economic agents and is the factor that contributes to achieving economic and social growth and development. This company is not activated randomly or in isolation from the rest of the external environment and in the next lesson we will be able to know the most important steps of internal organization as well as the compounds of the environment of the economic enterprise.

Chapter Three: Organization of the economic Entreprise and its environment

1. Introduction

The organization is one of the most important administrative functions of the economic enterprise because it links the various functions related to production, marketing, human resource management and others in order to achieve the goals set previously. Every economic institution needs to be organized so that it can distribute work among its employees in a way that clarifies the relationship, authorities and responsibilities between them. On the other hand, this enterprise is active in the midst of an environment whose features vary from one society to another and from time to time, if we take society in its form represented by economic agents, families, institutions and the state, in addition to the outside world, we can call all this the environment of the enterprise. In this lesson, we will learn about the steps of organizing the economic institution and studying the components of its surroundings.

2. Lesson plan

- Definition of organization
- Importance of organization
- Stages of organization in the enterprise (Organizational chart)
- Environment of economic corporations
- Definition of enterprise environment
- The importance of studying the environment by the enterprise
- Component of enterprise environment
- Conclusion

3. Definition of organization:

An organization is generally defined as the distribution of duties and coordination among all employees in a way that ensures the achievement of the maximum possible degree of efficiency in reaching specified goals. Additionally, organization is defined as the division and grouping of

work into individual jobs, followed by the determination of the established relationships between the individuals who occupy these jobs.

4. Importance of organization

The function of organization is very important for the economic enterprise because:

- It is the main mechanism by which managers prepare their plans.
- Creates and maintains relationships between all organizational resources by identifying them, and which should be used in specialized activities such as, where and how they should be used.
- The full organizational effort helps managers reduce the costly weaknesses and shortcomings of the enterprise by exploiting the effort and idle resources not used, and therefore researchers in the field of management support the creation of an organization department within the enterprise whose task is to develop the following:
 - ✓ Reorganization plans to make the enterprise more effective and efficient.
 - ✓ Plans to improve management skills to suit the needs of the current enterprise.
 - ✓ An adjunct and beneficial organizational climate in the organization.

5. The importance of organization as a process or structure

The term "organization" can refer to two different meanings. The first meaning refers to organization as a process or function of management, and the second meaning refers to organization as a structure of relationships (Organizational Chart) that exist or result from this function.

5.1. Organization as a process:

There are five main steps in the organization process:

- Familiarity with plans and goals.
- Identifying the main tasks.
- Dividing the main tasks into subtasks.
- Allocating resources and guidance for subtasks.
- Evaluating the results of the implementation of the organizational strategy.

5.2. Organization as a structure: (Organizational Chart)

Managers choose an appropriate organizational structure. The structure refers to the specific relationships between the resources of the organization. The goal of the structure is to facilitate the use of each resource individually or collectively in the organization's attempt to achieve its goals.

The organizational structure is represented by an illustrative graph called an **Organizational chart**, traditionally depicted in the shape of a pyramid. (Fig 17) Individuals at the top of the pyramid typically have greater powers and responsibilities than those at the base. (Fig 18)

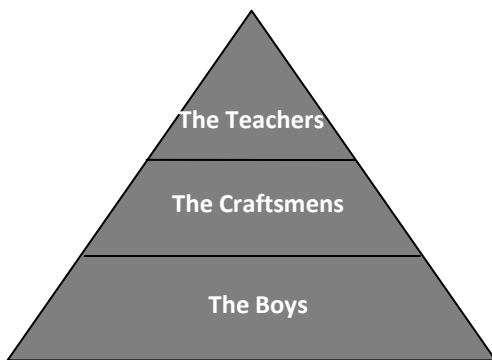


Fig 17: Traditional hierarchical organizational structure

Source: Author



Fig 18: The principle of organizational Chart

Source: <https://www.avenir-coherence.com/hierarchie>

The placement of individuals within rectangles or close squares on the graph indicates the existence of strong working relationships between them, and the lines between these squares or rectangles indicate formal lines of communication between these individuals. When looking at the organization as a structure, many fundamental aspects can be considered, including:

- The organizational chart must reflect goals and plans because the activities are derived from them.
- The structure must reflect the authority available to the management of the enterprise, and the authority in the enterprise is only the social right established to exercise guidance as it is subject to change.

- The organizational structure must reflect its environment, as the assumptions of the plan can be economic, social, technological, ethical and so can be the assumptions of the structure.
- Appointing individuals in the organization so that the type of individuals to be appointed is an important factor when designing the organizational chart. (Fig 19)

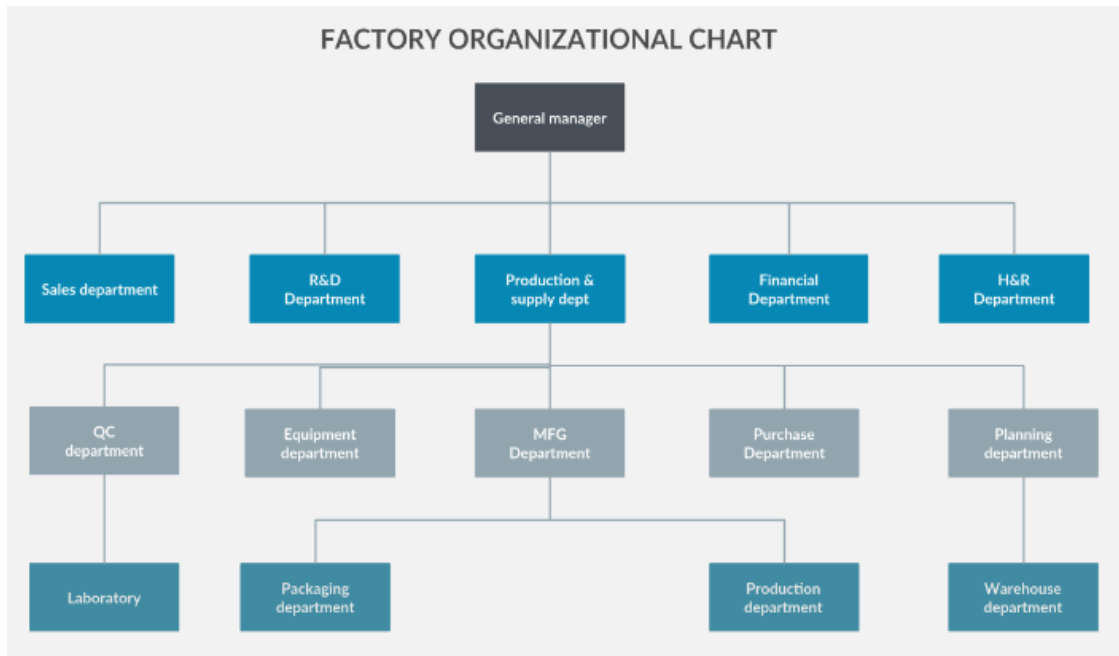


Fig 19: Organizational structure of an economic enterprise

Source: <https://creately.com/diagram/example/jm0fyfzz1/factory-organizational-chart>

6. Stages of organization in the enterprise (Organizational chart)

The main and essential point is how to carry out the organization process, and to clarify this, we address the following stages:

6.1. The first stage:

The establishment of a company or enterprise requires determining the types and number of jobs and activities required to achieve these goals.

6.2. The second stage:

Work on preparing detailed lists of activities required to achieve the goal, including product design, selection of appropriate technology, long-term production planning, annual production planning, production scheduling, material receipt, material storage, advertising, personal sales, material distribution, job analysis, workforce planning, personnel selection, payroll, investment and financing decision-making, budgeting, accounting, recordkeeping, and other procedures.

6.3. The third stage:

Formation of Specialized Departments: After completing the preparation of a detailed list of all the activities necessary to achieve the enterprise's goals, it's important to recognize that no single department can handle all these diverse activities, including financial, productive, and marketing tasks. This step involves grouping similar activities together into one administrative unit. The basis for grouping these activities is their functional similarity; for example, financial activities are grouped together, administrative activities are grouped together, and there can be multiple criteria for grouping activities, which are:

6.3.1. Job-based division: It is more common for all activities related to a particular field to be grouped into one administrative unit, such as production activities grouped into one department and financial activities grouped into another department, Etc.

6.3.2. Segmentation by product: This basis is based on the grouping of activities related to a particular commodity or production line into one administrative unit and is used in large enterprises.

6.3.3. Customer-based segmentation: It is used when the organization deals with several types of customers such as youth, children and women.

6.3.4. Division by regions: It is used in organizations whose activity includes multiple geographical areas, whether local or international.

6.3.5. Divisions based on production and processes: The division into departments is carried out according to the stages of industrial processes used in manufacturing.

6.4. Fourth Stage:

Determining Organizational Relations: After the formation of administrative units, it is necessary to establish connections among these units by defining appropriate relationships between workers at different administrative levels, both vertically and horizontally. These organizational relationships are associated with fundamental concepts, with the most important ones being: authority, responsibility, delegation, centralization, decentralization, and the scope of supervision, committees:

6.4.1. Legal authority: It is the legitimate authority and has the right to order others to do a certain job and there are four types of authorities.

6.4.2. Executive authority: It is the authority that has the right to issue orders, and may not be rejected and its orders are not limited to a specific specialized field as it is in the functional authority, but includes all fields.

6.4.3. Advisory authority: It is the right to providing advice and consultations to those with executive authority that is not binding on others to implement.

6.4.4. Functional authority: Specialization is the authority that its holder derives from the specialized services they provide to other departments, not by virtue of being their head, as in the executive authority, but by virtue of the specialized services they offer to them.

6.4.5. Committee Authority: It is the authority exercised by the committees and the committees may be executive or advisory.

6.5. The fifth stage:

After establishing administrative units within the enterprise, such as financial management, production management, marketing management, and human resources management, it is crucial to define the relationships between these units.

This can be achieved by creating an official communication network that facilitates the seamless exchange of data and information among them.

6.6. Sixth stage:

The selection and development of human elements are essential for implementing the tasks of administrative units. After completing the process of designing the organizational structure, the selection of individuals to fill the positions in the structure begins. The selection process should be based on the principle of placing the right individual in the right place.

6.7. Seventh stage:

Creating an organizational structure diagram, known as the Organizational Chart, illustrates the size of the organization, its hierarchy, the chain of command, and the span of control for each individual, as well as the number of administrative levels. It provides a visual representation of various positions within the organization, and the map can display the flow of authority from top to bottom. The orientation of the map may be from right to left or in a circular shape. (Fig 20, 21, 22, 23)

6.8. The eighth stage:

(preparing the organizational guide at this stage) where the expert works on preparing the so-called organizational manual, which is a summary in the form of a booklet that includes the name of the enterprise, its address, objectives, policies, organizational structure with its main and subdivisions, and procedures.

6.9. The ninth stage:

It is the need to monitor the organization process permanently and continuously and make appropriate adjustments to it when needed to meet any required variables.



Fig 20: Left-to-right organizational structure

Source: <https://www.conceptdraw.com/How-To-Guide/horizontal-orgchart>

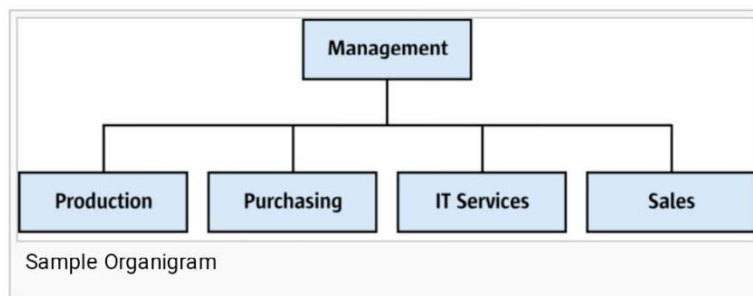


Fig 21: Simple horizontal organizational structure Source: <https://wiki.openoffice.org/wiki/Documentation/DevGuide/Drawings>

7. Environment of economic corporations

The economic enterprise is active in the midst of an environment whose features vary from one society to another and from time to time, if we take society in its form represented by economic agents, families, enterprises and the state, in addition to the outside world, we can call all this the environment of the enterprise.

7.1. Definition of enterprise environment

There are many definitions that have been given to him, including those who define it as "a set of elements or variables affecting the activity of the enterprise, the latter is not active in a vacuum, but is in a reciprocal relationship with each of these elements, and therefore the environment may be a catalyst, and may be an obstacle to the enterprise. See FILHO. P "The environment in which the organization operates has three sets of variables:

- A set of variables at the national level (economic, social, political)
- A set of operational variables for each organization (governmental and administrative bodies and organizations and distribution enterprises)
- A set of variables related to the internal environment of the organization (workers, managers ...)

In general, the environment of the enterprise can be defined as a set of factors or variables that will affect the activity of the enterprise, whether negatively or positively.

7.2. The importance of studying the environment by the enterprise

Despite the different sizes and capabilities of enterprises and the degree of their influence in the market and in other parties, they are all extremely interested in studying the environment in which they live, for several reasons, including:

- Identifying the opportunities available to the enterprise, and by looking at the potential, expertise and resources of the latter, a trade-off is made between the opportunities that can be exploited and which opportunities can be excluded.

- The enterprise does not operate in isolation, but is linked to networks of dealers from markets, bodies and individuals, which necessitates it to keep pace with external developments by adapting to the process of dealing with them.
- The enterprise is made up of a network of individuals and groups that may differ in their goals and directions, and these individuals are individuals from its surroundings and all the economic and social factors that affect and are affected by it, the enterprise is linked to the networks of dealers, markets, individuals, enterprises and others.
- The success of the enterprise depends to a large extent on the extent of its study of the influencing environmental factors and the extent of benefit from the trends of these factors and the degree of impact of each of them, as this study helps to determine the goals that must be achieved, and the statement of available resources and the scope of the expected market, and patterns of values, customs and traditions prevailing... Etc.
- The enterprise uses different materials from the ocean and provides it with outputs, so it is necessary to study the prices and quality of their inputs, as well as to study the quality and quantity of their outputs according to the requirements of the environment.
- The market is witnessing a continuous development in various determinants of demand and supply, such as changing consumer tastes as a result of cultural and civilizational improvement, as well as friction and interaction between societies and cultures, and the continuous change in technology... The enterprise must study the environment and its various changes and keep pace with them.

7.3. Component of enterprise environment

There are several divisions of the perimeter of the enterprise, but it is divided into an internal perimeter and an external perimeter :

7.3.1. The internal enterprise environment

The internal environment refers to all the forces that operate within the organization itself, and includes each of the following elements:

- ✓ Objectives of the organization.
- ✓ The nature of its products.
- ✓ Communication networks and processes within them.
- ✓ The educational status of its workforce.

It includes three main axes:

7.3.1.1. Organizational structure:

It means the organizational structure that shows the distribution of tasks, individuals, responsibilities and authorities and determines the nature of relations in the enterprise, whenever the organizational structure of the enterprise is based on logical and clear foundations, in addition to having characteristics such as flexibility, it allows the enterprise to keep pace with all developments that may occur and helps it achieve its goals.

7.3.1.2. Organizational culture:

It is represented in the common denominators among the members of the enterprise of values, customs, principles and matters related to the organization of the enterprise without another, and this culture constitutes the identity of the employees and distinguishes the enterprise from other enterprises, which helps to direct their efforts to achieve its goals.

7.3.1.3. Resources available for organization:

The resources available to the enterprise include all financial, material and human resources.

7.3.2. The external enterprise environment

The external environment is defined as "a set of elements that the enterprise deals with and forms complex causal relationships with it, it is the overall framework for a set of factors affecting the work of the enterprise".(Fig 24)

7.3.2.1. The Macro environment (general):

It is the environment under which all enterprises are involved or operate, and contains general variables that arise and change outside the enterprise, which leads to an inevitable change in the course of the enterprise, but the enterprise cannot influence it and includes:

a. Economic factors:

The construction of some strategies depends on estimates of the economic situation, so these factors are the set of economic forces that affect society with all its enterprises and the enterprise is affected by these forces at the local and global levels, and these factors include:

- Demand
- Availability of factors of production
- Inflation and income
- Monetary and financial policies of the state
- Unemployment rate
- Financial enterprise

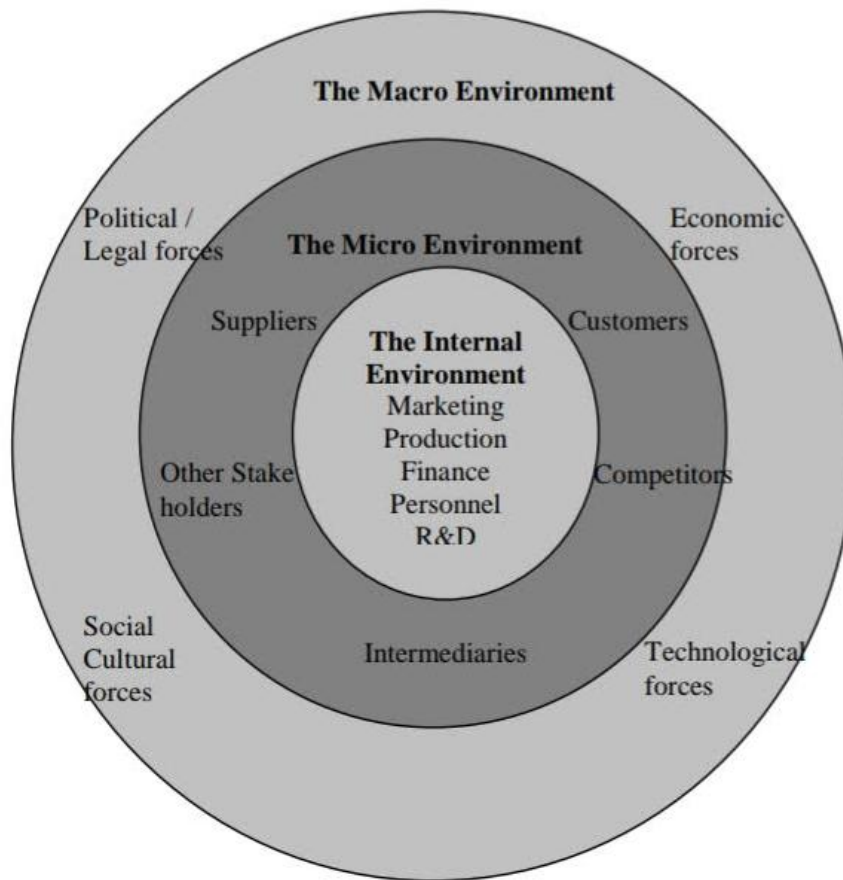


Fig 24: The principal elements of business organization's environment

Source:https://www.researchgate.net/publication/267435536_The_Enabling_Environment_for_Artisanal_Dimension_Stone_in_Nairobi_Kenya

b. Political factors:

The political system comprises various bodies, systems, and individuals. Its primary goal is the governance and management of society as a whole. It is considered one of the crucial components of the overall environment, with its actions influenced by political decisions closely tied to economic factors. Many political decisions are viewed as reflections of economic interests. Decisions aimed at environmental protection from pollution can pose a threat to industrial enterprises, while others can present opportunities or challenges for enterprises, such as taxes, fees, and the level of political stability.

c. Social and cultural factors:

The impact of culture on the ability of enterprises to interact with different societies is evident when we examine the experiences of many enterprises. The prevailing culture within society significantly influences their activities, and some aspects of culture mirror the prevailing moral values in society. The social environment plays a crucial role in shaping the operations of business enterprises, affecting both the demand for their products and the values, rules, and practices of their employees.

d. Technological factors:

One of the important changes affecting the work of most enterprises, which are those changes that occur in the technical environment and recent changes in the technological level, such as increasing reliance on computers and lasers and technology affects the work of the enterprise, as it leads to enterprises increasing the demand for some products (or decreasing it) and it also has an impact on the production processes of the enterprise.

7.3.2.2. The Micro environment:

The set of elements located on the borders of the enterprise and its activities, which vary from one region to another, are related to the decision-making process and largely fall within the scope of management control includes:

a. Competitors:

It consists of existing competitors as well as new entrants, so the enterprise must know the range of products offered by competing enterprises and their methods of work, and it must not only monitor current competitors, but monitor future competitors.

b. Consumers:

They are a segment of society that deals with the enterprise that hopes to win them and achieve their satisfaction through the products it offers to satisfy their needs.

c. Suppliers:

Suppliers are an essential part of the enterprise environment, as they are responsible for providing and supplying the various factors of production (inputs) necessary for the

production of goods and services that the enterprise markets, and therefore they affect the enterprise significantly and fundamentally, because it is a continuous need for multiple inputs, to secure the production process and its continuity.

d. Trade unions and professional unions:

Professional and labor unions affect between the enterprise and its employees, as well as affect the degree of employment required as it can help resolve disputes and disputes that may occur between the enterprise and employees.

8. Conclusion

At the end of this lesson, the student can acquire new knowledge about the importance of organization in the success of the economic enterprise in terms of the division of labor among its members with an explanation of all the procedures that must be followed within each department, which facilitates the performance of the required functions. The organization also provides means of formal communication between the various administrative levels to exchange information while achieving the optimal exploitation of human and material resources. On the other hand, there is a reciprocal relationship between the environment and the enterprise, and the more the economic enterprise can adapt to its surrounding environment, the more it will achieve survival, growth and prosperity in that environment.

Chapter Four: Market and Prices

1. Introduction

Man has sought since ancient times to search for ways to achieve exchange was initially guided to barter and found what he needs of goods and at the same time provides what others need, which led to the accumulation of goods in a specific place to reduce the trouble of searching for them and this place was known as the market.

2. Lesson plan

- The Market
- Market types
- Market Forms
- The Prices
- Demand
- Supply
- Equilibrium Price
- Conclusion

3. The Market

3.1. Market definition

Market is the place where buyers and sellers meet, either directly or through intermediaries, to exchange a particular good or service. This place does not necessarily have to be a geographical space, as currently the Internet is used in the shopping process.

3.2. Market types

3.2.1. Goods and services market:

The commodity market means the place where the exhibitors of this commodity meet with its applicants, as well as for the service, and each commodity or service has its own market, such as the car market, the oil market, the air transport services market... Etc.

3.2.2. Labor market:

It is the place where job service offerors (individuals of legal working age who wish to work) meet with job service seekers (enterprises, administrations... etc). Each type of work also has its own market, such as: the port labor market, the agricultural labor market, the construction labor market.... etc.

3.2.3. Stock market:

It is a place where sellers and buyers of a certain type of securities (stocks and bonds) meet through brokers or public enterprises in this field.

3.3. Market Forms

In the market, there is an exchange between sellers and buyers (transactions), and this exchange is conducted based on certain prices determined in various ways, depending on the market's form. If someone monopolizes the market, we are dealing with a monopoly; if it is the opposite, we are dealing with competition. Therefore, the criterion for control is what enables us to ascertain the market's structure. Whoever controls the market can influence the price of the commodity by raising or lowering it, altering the quantities offered or required for the commodity. From this point of view, we distinguish two forms of market:

- The market of perfect competition
- The market of imperfect competition

3.3.1. Perfect or complete competition:

The term refers to the inability of a single product or seller to affect the prices of goods and services, and in fact the existence of this type of competition is very little because it is not possible to achieve all the conditions of complete competition, which are as follows:

- ✓ The presence of a very large number of sellers and buyers of the same commodity .
- ✓ Full knowledge of market conditions of supply, demand and prevailing prices.
- ✓ Uniformity of goods and the existence of a uniform price for the single commodity.
- ✓ Freedom of entry and exit from the market without obstacles.

Some examples of perfect competition:

In the real world, it is difficult to find examples of industries that meet all the criteria of “complete knowledge” or “complete information”. However, some industries are somewhat close to that:

a- Foreign Exchange Markets:

In Forex, currencies are all homogeneous and when buying a currency it is easy to compare prices. (Fig 25)

b- For agricultural markets:

In some cases, many farmers sell identical products in the market, making it easy for many buyers to compare prices. Therefore, agricultural markets are often close to perfect competition.

c- Internet-related industries:

The Internet has brought many markets closer to full competition because it has made it very easy to compare prices quickly and efficiently (providing perfect information). Add to view product properties.



Fig 25: The Forex market is among the best examples of full competition because the market has no geographical boundaries and for ease of follow-up, as the market works through electronic communication networks with the OTC system, which allows access to quotation and trading in both upward and downward buying directions.

Source : <https://www.bookmyforex.com/blog/what-is-foreign-exchange/>

3.3.2. Imperfect competition:

Imperfect competition is characterized by three forms: monopolistic competition, oligopoly, and monopoly.

3.3.2.1. Monopolistic competition:

It is characterized by the following:

- ✓ The presence of a number of sellers and buyers.
- ✓ The presence of heterogeneous goods and different prices.
- ✓ Lack of full knowledge of market conditions on the part of sellers and buyers.

Some examples of monopolistic competition:

a- Restaurants:

Restaurants compete for food quality as much as restaurants compete for prices. The differentiation of the product from the below is an essential element of the business as there are relatively low barriers to entering into the creation of a new restaurant.

b- Clothing design:

The clothes of one designer differ from another designer by the brand (brand) and what distinguishes the product from other products such as whether it is 100% cotton or polyester, the quality of design and sewing.... Etc.

c- TV programs:

Globalization has increased the diversity of television programs from networks around the world, where consumers can choose between local channels and can choose between imports from other countries and new services, as the monopolistic competition market is based on what is known as commodity discrimination such as the use of advertising, which gives companies in that market something of freedom to determine the optimal prices to launch their products in line with their expectations of profitability.

3.3.2.2. Oligopoly:

It is the control and dominance of some industries and goods by some specific companies and the oligopoly market is characterized by the following:

- ✓ The presence of similar and heterogeneous goods and different prices.
- ✓ The presence of a small number of sellers or buyers.
- ✓ In the case of a monopoly of few vendors, almost every seller is aware of the reaction of the rest of the sellers.
- ✓ In the case of a monopoly of a few buyers, almost every buyer is aware of the reaction of the rest of all buyers.

Some examples of oligopoly:

a- Automotive industry:

Economies of scale have led to mergers, resulting in large multinational corporations dominating the market. Some of the largest car companies include Toyota, Hyundai, Ford, General Motors, and Volkswagen.(Fig 26)

b- Petrol retail:

Five companies control more than 50% of the UK petrol market – Tesco, BP, Shell, ESSO and Sainsbury.

c- Retail books:

Waterstones and Amazon dominate the largest share of the UK market.



Fig 26: General Motors acquires the automotive market in the United States of America

Source: <https://www.lesinfos.ma/article/1493713-USA-General-Motors-releve>

3.3.2.3. Monopoly:

It is a market in which a single seller or producer controls both the supply of the commodity and its price, or a single buyer controls the demand for the commodity and its price. In other words, in such a market, one entity, whether it's a seller/producer (company) or a buyer, exercises significant control over the entire market. This market structure is known as a monopoly, and the entity exerting control is referred to as a monopoly.

Some examples of monopoly:

- Luxottica: owns all the major brands of sunglasses. The company has acquired nearly all the leading eyewear brands, yet they maintain distinct brand names. This gives customers the impression that they have a wide range of sunglasses to choose from, despite the fact that all these brands are manufactured by a single company responsible for producing over 80% of the world's eyeglasses. (Fig 27)

- Microsoft: It is a computer hardware and software manufacturer with more than 75% market share and is the market leader and virtual monopolist in the field of technology. (Fig 28)



Fig 27: Lexotica's monopoly on the sunglasses market and its purchase of most international brands

Source: https://www.cracked.com/article_18845



Fig 28: Microsoft Software is the largest company in the electronic field since its establishment in 1975 to the present day

Source: <https://www.serverprothai.com/microsoft-office/office-365-business-premium>

4. Prices

4.1. Price definition

After humans developed forms of exchange and transitioned to using money as a measure of the value of various goods and services, it became widely known how much money is required to obtain a particular good or service. In other words, goods and services acquired specific prices.

As a definition of the price of a particular good or service, it is the monetary expression of the value of that good (service).

4.2. Price specific items

The price of any good or service is determined according to two factors: Demand and Supply:

4.2.1. Definition of Demand:

The demand for a commodity is defined as the quantity required of that commodity at a certain price within a specific unit of time, and it is subject to its own laws.

4.2.2. Law of Demand:

The Law of Demand expresses an inverse relationship between the quantity of a commodity demanded and its price. In other words, when the price of a commodity increases, the quantity demanded decreases, and when the price decreases, the demand increases due to the availability of other alternatives.

4.2.3. Factors affecting Demand:

- ✓ The price of the commodity in question.
- ✓ Prices of other complementary and alternative commodities (competition).
- ✓ Consumer's cash income.
- ✓ Social and cultural conditions such as customs and traditions that have an impact on consumers' tastes and desires.

4.2.4. The graph of Demand

From the graph, we notice the slope of the Demand curve with a negative slope, which indicates the inverse relationship that exists between price and Demand. (Fig 29)

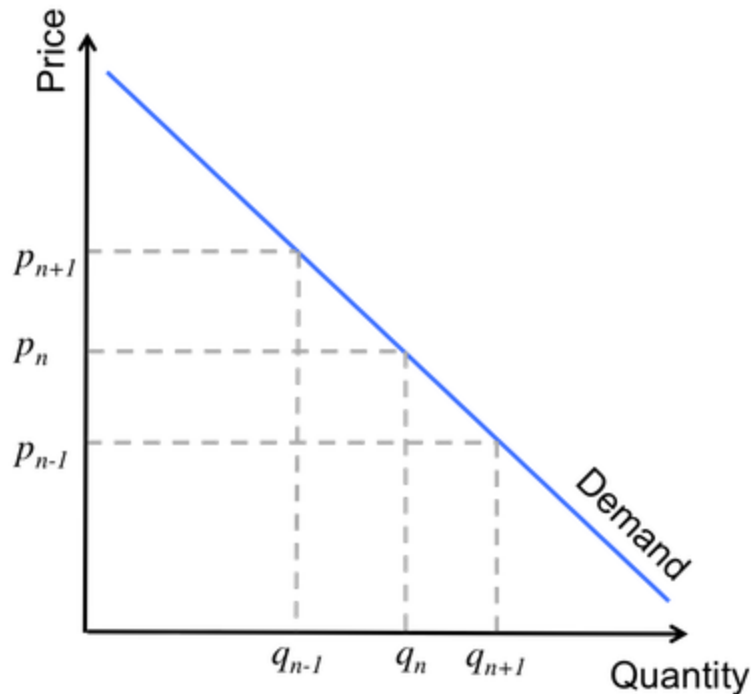


Fig 29: The graph of Demand

Source: <https://brilliant.org/wiki/supply-and-demand/>

4.3. Supply

4.3.1. Definition of Supply

The supply of a commodity is defined as the quantity offered of this commodity for a certain price in a certain unit of time, and it is subject to its own law.

4.3.2. Law of Supply: The law of supply expresses the direct relationship between the quantity offered of a commodity and its price.

4.3.3. Factors affecting supply:

- ✓ The price of the commodity in question.
- ✓ Prices of other complementary and alternative commodities (competition).

- ✓ Factor costs.
- ✓ Expectations of producers and their ability to raise and increase production.

4.3.4. The graph of Supply:

Through the graph, we see its positive slope, which indicates the direct relationship that exists between price and supply. (Fig 30)

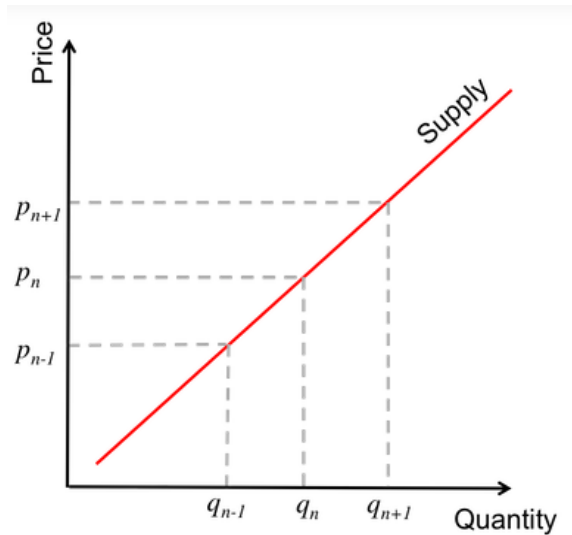


Fig 30: The graph of Demand

Source: <https://brilliant.org/wiki/supply-and-demand/>

5. Equilibrium Price

It is that price at which the equivalence is achieved between the quantity offered of a commodity with the required quantity of the same commodity, where we do not record a **deficit** or **surplus** of this commodity. (Fig 31)

A. Surplus: When the quantity offered is greater than the quantity required.

B. Deficit: when the quantity offered is less than the quantity required.

The Equilibrium Price is determined graphically when the Supply graph intersects the Demand one as follows:

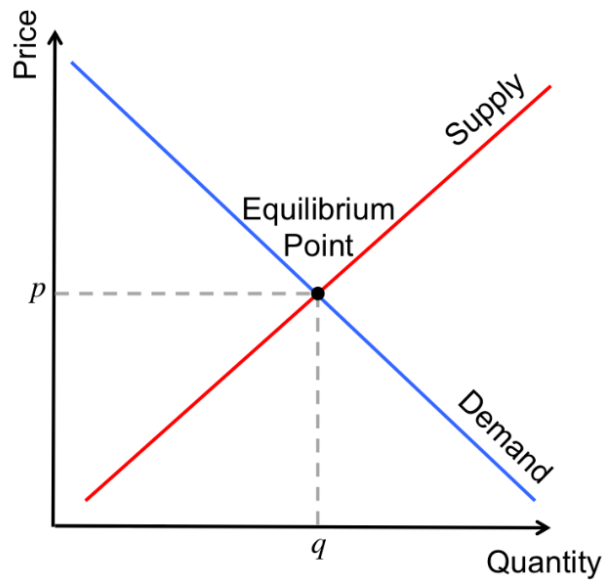


Fig 31: The graph shows the point of intersection between the Demand graph and the Supply one, which represents the Equilibrium Price

Source: <https://brilliant.org/wiki/supply-and-demand/>

6. Conclusion

Market and price studies are of great importance to economic enterprise in order to achieve continuity and face competitors and provide sufficient and accurate information for the strategic and marketing decision-making process of the enterprise. Through this lesson, the student was able to acquire concepts related to the market, which may be a real place where the seller and the buyer meet face to face, and there may not be an actual meeting between the two parties, this means a virtual place through modern means of communication, where the buying and selling processes can take place with ease and speed. We were also able to study the types of market from the point of view of economists, represented in the market of perfect competition and the market of imperfect competition (monopoly).

As for prices, we have shown that they are subject to two basic factors, namely Supply and Demand, as there is an inverse relationship between Demand and the prices of goods and services, and in return there is a direct relationship with Supply. the intersection of supply curve and the demand curve expresses the equilibrium price at which the desires of sellers coincide with the desires of buyers.

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Annexes

Libellé de l'UE : UNITE D'ENSEIGNEMENT DECOUVERTE/TRANSVERSALE 3

Filière : Métiers de la ville

Spécialité : Conduite Opérationnelle de Projets

Identification de la matière d'enseignement

Intitulé : ECONOMIE 1

Unité d'enseignement: DECOUVERTE / TRANSVERSALE

3 Nombre de Crédits: 1. Coefficient : 1.

Volume horaire hebdomadaire total : 1h30

- Cours (nombre d'heures par semaine) : 1h30.
- Travaux dirigés (nombre d'heures par semaine) : 0h00
- Travaux pratiques (nombre d'heures par semaine) : 0h00

Description de la matière d'enseignement

Prérequis :

Culture générale.

Objectif général de la matière d'enseignement :

La connaissance des principes fondamentaux de l'économie : son objet, sa méthode, ses agents, ...ainsi que ceux du management de l'entreprise : la production, les coûts, l'environnement, l'organisation, ...

Objectifs d'apprentissage :

Maîtriser l'ensemble des variables internes et externes intervenant dans le management de l'entreprise de construction : capacité de production, prix de revient, ressources humaines, matériels, marché, concurrence, législation...Mais

Aussi être capable d'évaluer le coût de la réalisation d'un projet, de présenter une offre de prix...

Contenu de la matière d'enseignement

Chapitre 1: La science économique

- Les principes
- L'objet de la science économique ;
- La méthode de la science économique ;
- Les grands courants de la science économique ;
- Les agents économiques.

Chapitre 2: L'entreprise

- L'entreprise, unité économique de production ;
- L'entreprise assure la répartition primaire des revenus;
- La fonction de production, les coûts, les coûts d'échelle ;
- L'entreprise, une cellule sociale ;
- L'entreprise, centre de décision économique.

Chapitre 3: L'entreprise et son environnement

- L'environnement de l'entreprise ;
- L'environnement sources d'opportunités et de menaces ;
- Les relations avec les autres entreprises ;
- Le milieu local et régional ;
- Les interactions entre entreprise et environnement.

Chapitre 4: L'organisation de l'entreprise

- Les éléments de base de l'organisation ;
- La structure ;
Les théories de l'organisation : l'école classique, le mouvement des relations humaines, le mouvement des systèmes sociaux, l'analyse systémique.

Chapitre 5: Marchés publics

- Codes des marchés publics;
- Les délégations des marchés publics;
- Textes et réglementations des marchés publics;
- Marchés publics en Algérie;

Modalités d'évaluation

Nature du contrôle	Pondération en %
Examen	100%
Continu	
Total	100%

Références & Bibliographie

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