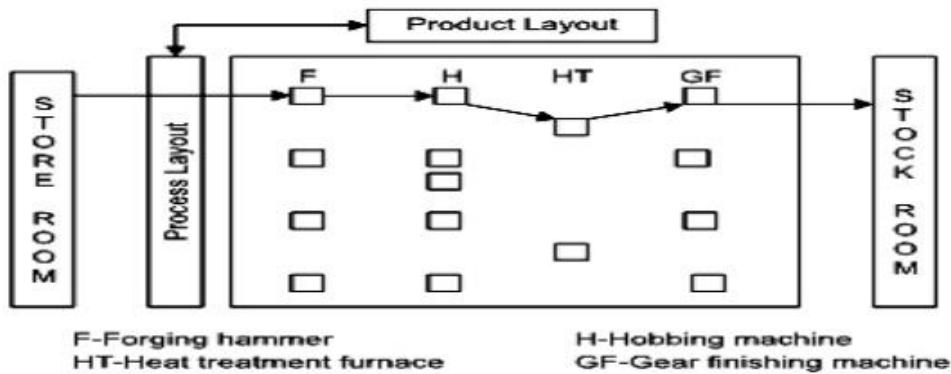


#### 4. Combination Type of Layout

Now a days in pure state any one form of layouts discussed above is rarely found. Therefore, generally the layouts used in industries are the compromise of the above mentioned layouts. Every layout has got certain advantages and limitations. Therefore, industries would like to use any type of layout as such.

Flexibility is a very important factory, so layout should be such which can be molded according to the requirements of industry, without much investment. If the good features of all types of layouts are connected, a compromise solution can be obtained which will be more economical and flexible.

combination  
type of layout for manufacturing different sized gears



#### Size of Business unit

##### 1. Entrepreneurial Skill:

The most important factor of comes is the skill, initiative and resourcefulness of the entrepreneur. Everything depends on his judgment and ability. An entrepreneur of outstanding ability will be able to procure as much finance as he may need, hire the requisite labor force and build up a huge business. But an entrepreneur of moderate ability will run business on a moderate scale and a man of limited entrepreneurial skill will be content with a small business

##### 2. Managerial Ability:

For running the routine part of the business, managers are appointed. If a firm is lucky enough to have a manager of great ability, the size of the firm will grow to considerable dimensions. On the other hand, a mediocre manager will have a small-sized firm to manage.

### ***3. Availability of Finance:***

It is finance which oils the wheels of business machine. If ample funds are available, it will help the entrepreneur to make his business grow to a big size. This requires a proper development, of the banking system so that savings of the community can be effectively mobilized and utilized in the development of trade and industry.

### ***4. Availability of Labour:***

Another factor on which the size of the firm depends is the availability of labour of requisite skill. After all, what can the entrepreneur even with large capital do, if the labour to man the business is not available? What is required is efficient and skilled labour.

### ***5. Nature of Business:***

Much also depends on the nature of business. If the business obeys the law of increasing Returns, it will grow to a big size, otherwise, in the case of diminishing returns it will remain stunted, and in the case of constant returns it will remain stagnant.

### ***6. Extent of the Market:***

The size of the firm also depends on the extent of the market. If the commodity in which the firm deals or which it-manufactures has a wide market, naturally the business will assume a large scale. But if the demand for the commodity is fitful or limited, the size of the firm will continue to be small. These are some of the factors on which the size of an average firm in a country depends.