

Solved by
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2nd Sem 'A' Sec.

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Business Environment [1st Sem B.Com]

SECTION - A

Q1. Give the Meaning of Business Environment.

The business environment encompasses all internal & external factors that influence a company's operations, including economic conditions, social trends & government policies, shaping the context in which a business operates.

Q2. What is EXIM policy

EXIM policy is a regulatory framework that governs international trade in India. It is updated every five years & is designed to encourage exports & make imports more efficient.

Q3. What do you mean by Multi-National Companies

MNC is a large corporation that operates in multiple countries. It has a home country where its headquarters are located, & it has business operations in other countries.

Q4. State any 2 objectives of SEBI Act 1992

* To protect investor interest in the securities market

* To promote the development & regulation of the securities market.

Q5. What is meant technological Environment.

It refers to encompasses all external factors related to technology that influence how business operate & interact with their customers, including innovations, advancements & the overall readiness of technology within a market.

Q6. What is technology transfer

It is the process of moving knowledge, skills, technologies, or products from one entity to another, often for commercial or social purposes, aiming to foster innovation, collaboration & competitiveness.

Q7. Give the meaning of Demographic Environment

It refers to the statistical characteristics of a population, including factors like age, gender, income, family size, etc which business & organizations use to

understand & target their market.

Q8. What is national Environment.

It refers to the environmental context within a country's borders, encompassing its land, water, air & surrounding sea area.

SECTION - B

Q1. Explain the element of Environmental analysis.

⇒ Elements of micro environment.

a. Competitors : The rival seller operating in the same industry. It is important to analyse the nature & intensity of competition which influences the firm goods & services.

b. Suppliers : The individual who provide input such as material, components labour & other stock of goods to the firm which is required to undertake manufacture activities.

c. Customers : The success of an organization completely depend on how effectively the firm fulfill the needs & wants of the customer. It is a responsibility of organization.

d. Employees : A qualified & competent work force can help the firm to achieve success with little effort. Placing the right person at the right job & retaining them for long term by keeping the staff motivated.

⇒ Elements of Macro Environment.

a. Demographic factor : It involves human population that patternize businesses & contribute to the economy. There is a variety of statistics that must be analysed such as Age, gender, size, etc.

b. Economic factor : The factor concentrate on how consumer spend & their purchasing power. It is important to understand a variety of metrics & data including GDP, unemployment rates, personal income, etc.

c. Social factor : Social - culture factor relate to how they behave based on difference & values different societies & cultural groups are characterised by different needs which are often based on different core values & differences.

d. Technological factor : It refers to the creating of new technologies & how shapes product, product development, It is more important for companies to update themselves to the new technologies.

Q2. List any 10 Laws which have an impact on Indian Business.

- * The Indian contract act, 1872
- * The Companies act, 2013
- * The competition act, 2002
- * The income tax act, 1961
- * The Sale of good act, 1930
- * The Foreign Exchange management act 1999
- * The information technology act 2000
- * The consumer protection act 2019
- * The child labour act 1986
- * The equal remuneration act 1976

Q3. Explain 5 Stages of globalisation.

- a. Market entry : In the initial stage Companies tend to enter new countries using business models which are similar to ones they deploy in their own market company's gain access to local market however they often need to establish a production presence to overcome home country's regulatory restrictions.
- b. product specialization : The companies transfer the full production process of a particular product, low cost location & export the goods
- c. value chain disaggregation : Company's start to disaggregate the production process & focus each activity in the most advantageous location individual components of a single product

might be manufactured in several different locations & assembled in final production elsewhere.

d. Develop focus groups: understanding each country's culture & finding new ways to attract new customers a new approach may be needed to make their product or service suitable to the need & expectation of the potential foreign market.

e. Know Competitors: It is very much important for an organisation to understand the competition level that are existing in foreign market already. That decision these are made by the organisation must be suitable for economic & global perspective.

Q4. Write a note on foreign market entry strategies

a. Exporting: It involves marketing the product produce in country in which there are intended to be sold, some companies use direct exporting in which they sell the product.

b. Counter trade: It works as barter system in which companies trade each other goods instead of offering their product for purchase legally the system doesnot have specific legal regulation.

c. Licensing: It occurs when a company transfer the right to use a sell of product to another company a company may choose this method.

d. Joint ventures: Companies attempt to minimize the risk of entering an international market by creating joint ventures with other companies.

e. Franchising: It is a chain retail company in which an individual or group buyer pays for the right to manage company branches on the company behalf.

Q5. Explain any five positive impacts of technology on society & Businesses.

i Technology in communication

- Speed
- Clarity
- Proximity

ii Technology in education

- personalised learning experiences
- Immediate response
- Greater access

iii Technology in health care

- Secured environment
- Flexibility
- Medical devices

iv. Technology on society

- Improved technology or mechanism used in agriculture
- Better transportation
- Better communication.

Section - C

Q.8. What is Business Environment? Explain the elements of Micro Environment.

A Business Environment is the combination of all the internal and external factors that affects a business's operations.

★ Elements of Micro Environment are ;

1. Competitors.

The Rival sellers operating in the same industry. It is important to analyse the nature and intensity of competition which influences the firm goods and services.

2. Suppliers.

The individual who provide input such as material, components labour and other stock of goods to the firm which is required to undertake manufacture activities. Suppliers have the power to change the firm position in market and its capabilities.

3. Customers.

The success of an organisation completely depends on how effectively the fulfill the needs and wants of a customers. It is responsibility of the organization to

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analyse the customers Expectation and Satisfy them with their Goods and Services.

4. Intermediaries.

It refers to marketing Intermediaries which covers agents, merchant, distributors, Dealers, wholesalers, Etc. who participate in the companies supply chain in stocking and transporting the goods from their source location to the Destination.

5. Shareholders.

They are the real owners of the organization who invest their money in the companies business by purchasing the share for which they are paid a dividend every year as a return.

Shareholders have the right to hold the companies general meeting.

6. Employees.

A qualified and competent workforce can help the firm to achieve success with little effort. Placing the right person at the right job and retaining them for the long term by keeping the staff motivated is very much important for the strategic planning process.

7. Media

Management of Media Electronic, press, Social Media is playing a crucial Role to create a brand Image in a positive or a negative manner. The Creativity and Innovation Ideas are Important for an Effective branding.

09. Explain the Economic Role of government in Business.

The government plays a crucial Role in business by providing a stable legal and social framework, maintaining competition, providing public goods and services, correcting for externalities, stabilizing the economy, and redistributing income, all of the which are essential for a functioning market economy.

1. Maintaining the Legal and Social Framework

a. Legal Structure

It establishes legal framework for businesses.

b. Infrastructure

It provides essential infrastructure like transportation, energy and

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Communication networks.

c. Rule of Law.

2. Maintaining Competition.

a. Preventing Monopolies

b. Antitrust Laws.

c. Regulation

3. Providing Public Goods & Services.

a. National Defense

b. Public Infrastructure

c. Education and Healthcare

4. Correcting for Externalities.

a. Environmental Protection.

b. Public Health

c. Social Safety Nets.

5. Stabilizing the Economy.

a. Monetary Policy

b. Fiscal Policy

- c. Economic Growth.
6. Redistributing Income.
- a. Taxation
- b. Social Programs
- c. Progressive Taxation.

10. What do you mean by Globalisation?
Explain the Impact of Globalisation on Indian business.

Globalisation is the process of which generates flows and competition not simply across nation state & national boundaries between global regions, continuous and civilization.

* Impact of Globalisation on Indian Business are;

1. Increased Competition.

Business face more rivals, both domestic & international, as markets become interconnected, leading to greater pressure.

2. Cultural Exchange

It refers to the international sharing and reception of cultural

products, ideas and values.

3. Environmental Sustainability.

It focuses on balancing human needs with the planet's capacity.

4. Opportunities for Global Expansion.

The increasing interconnectedness of economies and cultures, presents businesses with numerous opportunities for global expansion, including access to new markets, diverse talent pools, and lower costs.

5. Technological Advancement.

It refers to the rapid development and widespread adoption of technologies that facilitate and accelerate the interconnectedness of nations, leading to a more integrated global economy and society.

While also presenting challenges like environmental sustainability and the need for adaptation to a rapidly changing global landscape.

11. Explain the benefits and challenges of Technology Transfer.

Technology Transfer refers to the process of moving Technological Knowledge, Innovation and Tools from one organisation to another, Transfer can involve various forms of Technology which includes Scientific Research, Softwares, Engineering solutions.

* Benefits are ;

1. Innovation Enhancement

Innovation Enhancement refers to the process of Improving and accelerating the creation, development and Innovation of new technologies and ideas by facilitating the movement of knowledge.

2. Economic Growth.

Economic Growth signifies the increase in a country's or region's economic output and overall prosperity, often driven by the adoption and development of new technologies.

3. Increased competitiveness.

Increased competitiveness means that businesses or organizations gain a stronger ability to compete effectively in

the market by leveraging new technologies.

4. Increased Research and Development.

R and D signifies a greater focus on innovating and developing new technologies products, or processes that can be transferred to industry or society.

5. Global collaboration.

Technology transfer fosters collaboration on a global scale, enabling the exchange of ideas, best practices, and resources across borders.

★ Challenges are ;

1. Intellectual Property Issues.

This includes navigating complex laws, negotiating licensing agreements, and ensuring equitable access to technology.

2. Cultural and Organisation differences.

This significantly impacting communication, understanding, and ultimately, the success of the transfer, requiring careful management of this factors.

3. Knowledge Transfer and Training

They face challenges related to communication, documentation, time constraints, and culture differences, as well as resistance to change and knowledge hoarding.

4. Market and Economic Factors.

This includes mismatches between technology and market needs, implementation difficulties, and the need for adequate infrastructure.

12. Give the meaning of natural Environment. Explain the Impact of Natural Environment.

Natural Environment encompasses all living and non-living things that occur naturally on Earth, including ecosystems, climate, weather, and natural resources, which are essential for human survival and economic activity.

★ The Impact of Natural Environment are;

1. Climate change.

a. causes - Burning fossil fuels, deforestation, and industrial activities release greenhouse gases, trapping heat & causing global warming.

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b. Consequences - Rising temperatures, altered precipitation patterns, melting glaciers and ice caps, rising sea levels, and more frequent & intense.

2. Biodiversity Loss.

a. Causes - Habitat destruction due to deforestation, urbanization, and unsustainable resource extraction, pollution, and climate change.

b. Consequences - Reduced ecosystem resilience, loss of natural resources, disruption of ecological processes, and potential extinction of species.

3. Pollution

a. Causes - Industrial emissions, agricultural runoff, plastic waste, and improper waste disposal.

b. Consequences - Contamination of air, water, and soil, harming human health and wildlife, and disrupting ecosystems.

4. Resource Depletion.

a. Causes - Overconsumption of natural resources like water, minerals, and fossil fuels, deforestation, and unsustainable fishing practices.

b. Consequences - water scarcity, soil degradation, loss of biodiversity, and potential economic instability.

★ Other Impacts.

- > Deforestation
- > Habitat Fragmentation
- > Acid Rain
- > Ocean Acidification
- > Ecosystem Degradation.

★ Impacts on Economies -

- > Loss of Natural Resources.
- > Disasters.
- > Reduced Productivity.

Section - D

Answer the following question. The question carries Five Marks:

13. List out the benefits of technology on business.

→ The benefits of technology on business are;

- ★ Increased Efficiency
- ★ Cost Savings
- ★ Better customer Experiences.
- ★ Improved data Management
- ★ Enhanced communication.
- ★ Improved communication.
- ★ Wider Market Reach
- ★ Market Expansion and Global Reach
- ★ Innovation and competitiveness.