

**MOTHER TERASA COLLEGE OF ARTS & SCIENCE, ILLUPPUR,
PUDUKOTTAI-DT
PG & DEPARTMENT OF BUSINESS ADMINISTRATION**

CLASS: I-BBA

SEMESTER-II

Sub. Code: 16ACBB2

2 Marks

Title of the Subject: *BUSINESS ENVIRONMENT*

Name of the faculty: Prof. S.DHIVYA, M.B.A.,M.Phil

1. Define Business.

A business is defined as an organization or enterprising entity engaged in commercial, industrial, or professional activities. The term business also refers to the organized efforts and activities of individuals to produce and sell goods and services for profit.

2. What do you mean by Business Environment?

Business Environment is sum or collection of all internal and external factors such as employees, customers' needs and expectations, supply and demand, management, clients, suppliers, owners, activities by government, innovation in technology, social trends, market trends, economic changes, etc.

3. Explain about micro and macro environment?

Micro environment is defined as the nearby environment, under which the firm operates. Macro environment refers to the general environment that can affect the working of all business enterprises. COSMIC, i.e. Competitors, Organization itself, Suppliers, Market, Intermediaries and Customers.

4. Define goal.

An observable and measurable end result having one or more objectives to be achieved within a more or less fixed timeframe.

5. What is SWOT analysis?

SWOT is the heart of strategic analysis. SWOT analysis is the process of carefully inspecting the business and its environment through the various dimensions of strengths, weaknesses, opportunities, and threats.

6. Explain Monetary Policy.

Monetary policy is a sort of control policy through which the central bank controls the supply of money with a view to achieving the objectives of the general economic policy.

7. Explain Fiscal policy.

The policy of the government connected with the income and expenditure is called fiscal policy. The greatest problem confronting the Indian government is excessive fiscal deficit. In 1990-91, the fiscal deficit was 8 per cent of the GDP.

8. Define GDP.

The GDP is the sum total of the financial value of all the produced goods and services during a year in a country. Generally, the financial deficit is calculated in the form of GDP's percentage.

9. Expand the following: a) MRTP b) FERA c) FEMA d) FIFB.

MRTP - Monopolies and Restrictive Trade and Practices Act.

FERA - Foreign Exchange Regulation Act .

FEMA - Foreign Exchange Management Act .

FIFB - Foreign Investment Promotion Board.

10. Explain liberalisation.

Liberalization means regularization of the industrial sector by cutting down to the minimum administrative interference in its operation so as to allow free competition between market forces.

11. What is privatization?

Privatization is the process of involving the private sector in the ownership or operation of a state-owned or public sector undertaking. It can take three forms: (i) Ownership measures, (ii) Organizational measures and (iii) Operational measures.

12. What do you mean by Social Environment?

The social environment of business includes social factors like customs, traditions, beliefs, values, social trends, literacy, life expectancy rate and so on. Organizations are at the centre of changes taking place in the social environment. Therefore organizations must be aware of the culture, needs, preferences, purchasing patterns of consumers.

13. What is cultural factors?

Cultural factors are a set of customs, beliefs, practices, and behaviours that are found to be common to everyone that is living within a definite population.

14. Give any two characteristics of Technological Environment.

- Opportunities are arising out of technological developments.
- Risk and uncertainty is the major feature of technological developments.
- Research and development role to country.

15. what is privatization?

Privatization may be understood as the process whereby activities or enterprises that were once performed or operated by the Government and its employees are now performed, managed or owned by private business and individuals, often with much better results in terms of cost and quality of service.

16. What is political system?

Political systems include the democracy and autocracy. In democracy, the government is of the people, by the people and for the people. Democratic systems offer equal rights and opportunities to the people.

17. Define legislature.

Legislature is the most powerful political institution. It is vested with the powers of policy-making, law making, budget approving, executive control, and acting as a mirror of public opinion. Parliament (LOK SABHA) and state assemblies.

18. What do you mean by Executive?

Executive is also called the 'state and government'. It is the centre of political authority. It has powers to govern those it serves. The government controls the structure and functioning of the society. The government implements whatever decided by the legislature central and state governments.

19. Explain About Judiciary.

Judiciary determines the manner in which the work of the executive has been fulfilled. Judiciary sees that the exercise of authority conforms to the general rules laid down by legislature.

20. What is capitalism?

Capitalism is political economic system. Wherein, private ownership and initiative, individual freedom to produce, exchange, distribute and consume, market mechanism and consumer sovereignty, and limited role of government are found. In short capitalism may be called as 'free enterprise economy', where state control on businesses is nil or minimum.

21. What is communism?

A communist political system is nothing but 100% state control of all human activities. It is also known as state capitalism. Production, exchange, distribution and consumption are all state controlled. The difference between socialism and communism, is that in communism, consumption is also state controlled.

22. What is mixed economy?

In India we adopt the 'golden mean' of capitalism and socialism. Side by side, public and private ownership exist. This system is known as mixed economy. The features of capitalism and socialism are jointly present in this system.

23. What do you mean by Financial system?

A 'financial system' is a system that allows the exchange of funds between financial market participants such as lenders, investors, and borrowers. Financial systems allow funds to be allocated, invested, or moved between economic sectors.

24. Explain the main purpose of the world bank.

The main purposes of the Bank, as outlined in Article One of its Articles of Agreement, are: “to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes” and “to promote the long-range balanced growth of international trade and the maintenance of equilibrium in balances of payments by encouraging international investment thereby assisting in raising the productivity, the standard of living and conditions of labour in their territories”.

25. What is the IMF?

The International Monetary Fund (**IMF**) is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.