

CLASS-I BBA

BUSINESS ENVIRONMENT

1.What is meaning of business?

Human beings are continuously engaged in some activity or other in order to satisfy their unlimited wants. Every day we come across the word 'business' or 'businessman' directly or indirectly. Business has become essential part of modern world.

2.Definition of business:

According to **Dicksee**, "Business refers to a form of activity conducted with an objective of earning profits for the benefit of those on whose behalf the activity is conducted

3.What is features of business?

Exchange of goods and services, Deals in numerous transactions, Profit is the main Objective, Business skills for economic success, Risks and Uncertainties, Buyer and Seller.

4.What is nature and scope of a business?

1.Entrepreneur, 2.Risk. 3.Profit. 4.Production. 5.Sales. 6.Finance. 7 .Management.

5.What is entrepreneur?

There must be some one to take initiative for establishing a business.The person who recognized.The need for a product or service is known as entrepreneur.

6.What is production?

Business always deals on production of goods and services. The object of business is to provide goods and services to society for the purpose of earning profit.The goods must be produced or manufactured.

7.What is Meaning of business goals?

Part of the planning process, business goals describe what a company expects to accomplish over a specific period of time. Businesses usually outline their goals and objectives in their business plans. Goals might pertain to the company as a whole, departments, employees, customers, or any other area of the business.

8.What are the importance of business goals?

1. Measure success, 2. Leadership cohesion, 3. Knowledge is power, 4.Reassess goals,

9.What is Meaning of business environment?

A business organization can not exist a vacuum. It needs living persons, natural resources and places and things to exist. The sum of all these factors and forces is called the business environment.

10.Definition of business environment:

“Business environment is the aggregate of all conditions, events and influences that surround and affect it.”—**Keith Davis**

11.What are the nature of business environment?

(i) System Approach: (ii) Social Responsibility Approach: (iii) Creative Approach:

12.What is system approach?

In original, business is a system by which it produces goods and services for the satisfaction of wants, by using several inputs, such as, raw material, capital, labour etc. from the environment.

13.What is Social Responsibility Approach?

In this approach business should fulfill its responsibility towards several categories of the society such as consumers, stockholders, employees, government etc.

14.What is Creative Approach?

As per this approach, business gives shape to the environment by facing the challenges and availing the opportunities in time. The business brings about changes in the society by giving attention to the needs of the people.

15.What are the significance of business environment?

- 1) Help to understand internal Environment:
- 2) Help to Understand Economic System:
- 3) Help to Understand Economic Policy:
- 4) Help to Understand Market Conditions:

16.What are the objective of business environment?

- 1) Knowledge of Information:
- 2) Basis of Decisions:
- 3) Helpful in making of Policies:
- 4) Technological Planning:
- 5) Survive in the Business:

17.What is technological planning?

Today, technology is changing very fastly. 3 years ago, I have to search software for downloading business software but today I can use all business software online free of cost. This has become possible due to changes of web technology. So, you have to study technological environment. With this, you can make better technological planning of your business.

18.What are the components of business environment?

- 1) Economical Environment:
- 2) Social Environment:
- 3) Political Environment:
- 4) Legal Environment:
- 5) Technological Environment:

19.What is Micro environment / Internal Environment of Business ?

If there is anything that is steadfast and unchanging, it is change itself. Change is inevitable, and organizations that don't accept change and that make adjustments to their business model based on changes are doomed to fail. There are events or situations that occur that affect the way a business operates, in a positive or negative way. These events or situations can have either a positive or a negative impact on a business and are called 'environmental factors.'

20.What is Macro environment / External environment of Business?

External environmental factors are events that take place outside of the organization and are harder to predict and control. External environmental factors can be more dangerous for an organization given the fact they are unpredictable, hard to prepare for, and often bewildering.

21. Definition of economic environment:

“The totality of economic factors, such as employment, income, inflation, interest rates, productivity, and wealth, that influence the buying behavior of consumers and institutions”.

22. What is meaning of economic environment?

Those Economic factors which have their affect on the working of the business is known as economic environment. It includes system, policies and nature of an economy, trade cycles, economic resources, level of income, distribution of income and wealth etc. Economic environment is very dynamic and complex in nature. It does not remain the same. It keeps on changing from time to time with the changes in an economy like change in Govt. policies, political situations.

23. What are the nature of environmental economics?

Positive and Normative aspects, Micro and Macro Aspects, Static and Dynamic, A social science, Environmental Pollution as an Economic Problem.

24. What are the scope of environmental economics?

- 1) Economy-environment analysis.
- 2) Eco-development.
- 3) Welfare approach.
- 4) Dynamic and stock-flow analysis.
- 5) Environmental values.
- 6) Clean Technology.

25. What is Economy-environment analysis?

Environmental economics is primarily concerned with the impact of economic activities on environment and its implications for the individual firm, industry and the economy as a whole. Economists have formulated economy-environment models to explain the various economic activities and their external effects.

26. What is Eco-development?

The main objective of environmental economics is to maintain a balance between economic development and environmental quality. In order to achieve it, environmental economists have to explore the various socio-economic possibilities to reduce pollution and uplift the standard of living of the people. This objective gained momentum after the publication of the Report on Limits to Growth.

27. What is Environmental values?

Environmental issues are about resources. The neo-classical economists have analysed the use of various resources like fisheries, forests, fossil fuels and water in a rational manner and with environmental values. In fact, environmental values are economic values. It is important for the society to conserve its limited resources in the interest of economic efficiency and welfare.

28. What is Clean Technology?

Presently environmental pollution is caused by misuse of existing technology and failure to develop better one. Environmental economists are in favour of appropriate and clean technologies which provide the most rational use of natural resources and energy and to protect the environment.

29. What are the elements of economic environment?

1. Economic systems :Free market economic ,Centrally planned economy , Mixed economy .
2. Economic policies :Monetary policy, Fiscal policy , Industrial policy .
- 3.Economic conditions:State of economic development , Income, Employment, Business cycle.
4. Regional economic groups .

30.What is meaning of economic factors?

The set of fundamental information that affects a business or an investment's value. Various economic factors need to be taken into account when determining the current and expected future value of a business or investment portfolio. For a business, key economic factors include labor costs, interest rates, government policy, taxes and management.

31.Defintion of economic factors:

“Economic development has much to do with human endowments, social attitudes, political conditions and historical accidents. Capital is a necessary but not a sufficient condition of progress.”- **Professor Nurkse**

32.What are the factors that determine economic growth and development?

- 1) Supply of Natural Resources;
- 2) Capital form action which depends upon the rate of domestic saving and investment and inflow of foreign capital;
- 3) Growth of population;
- 4) Technological Progress;

33.What is meaning of economic system?

An economic system is a system of production and exchange of goods and services as well as allocation of resources in a society. It includes the combination of the various institutions, agencies, entities (or even sectors as described by some authors) and consumers that comprise the economic structure of a given community. A related concept is the mode of production.

34.Definition of economic system:

An organized way in which a state or nation allocates its resources and apports goods and services in the national community.

35.What are the types of economic system ?

- 1) Traditional economic system.
- 2) Market economic system.
- 3) Command economic system.
- 4) Mixed economic system.

36.What is meaning of economic planning?

The process by which key economic decisions are made or influenced by central governments. It contrasts with the laissez-faire approach that, in its purest form, eschews any attempt to guide the economy, relying instead on market forces to determine the speed, direction, and nature of economic evolution.

37.Definition of economic planning:

“Plans made by a government for the future financial state of a country”

38.What are the nature of economic planning?

- 1) Increase in the Rate of Economic Development.
- 2) Diversification of Economy.
- 3) Price Stability.

- 4) Higher Standard of Living.
- 5) Improving Payments.

39. What are the importance of economic planning?

- 1) Increase in the Rate of Economic Development.
- 2) Diversification of Economy.
- 3) Price Stability.
- 4) Higher Standard of Living .
- 5) Improving Balance of Payments.

40. What is meaning of privatization?

Privatization is the process of transferring an enterprise or industry from the public sector to the private sector. The public sector is the part of the economic system that is run by government agencies. Privatization may involve either sale of government-held assets or removal of restrictions preventing private individuals and businesses from participating in a given industry.

41. What is meaning of political environmental?

Government actions which affects the operations of a company or business. these actions may be on local, regional, national or international level. Business owners and managers pay close attention to the political environment to gauge how government actions will affect their company.

42. Definition of political environmental:

It is the state, government and its institutions and legislations and the public and private stakeholders who operate and interact with or influence the system. The political atmosphere should be good and very stable for a firm to operate successfully.

43. What is meaning of political system?

Political system, the set of formal legal institutions that constitute a “government” or a “state.” the political system is seen as a set of “processes of interaction” or as a subsystem of the social system interacting with other nonpolitical subsystems, such as the economic system.

44. Definition of political system:

A complete set of institutions, political organizations, interest groups (such as political parties, trade unions, lobby groups), the relationships between those institutions and the political norms and rules that govern their functions (constitution, election law).

45. What are the types of political systems?

- ❖ Democracy
- ❖ Republic
- ❖ Monarchy
- ❖ Communism
- ❖ Dictatorship

46. What is Democracy?

Many scholars point to Athens as an example of direct democracy. Technically, every citizen has an equal say in the workings of government. (The qualifications for being considered a citizen are completely different.) Citizens could show up at a meeting, and then directly participate in the governing process, and the process of making laws.

47. What is Communism?

Communist states are often dominated by a single party, or a group of people. A planned economy is often part of the governing class, and in many cases resources are taken and then redistributed to others, at the top of the system. Sometimes communists call themselves “workers’ states” or “socialist,” but there are very real differences in their operation. Communism is often considered an authoritarian political system.

48. What is meaning of political institutions?

Political institutions are organizations which create, enforce, and apply laws; that mediate conflict; make (governmental) policy on the economy and social systems; and otherwise provide representation for the populous. The term 'Political Institutions' may also refer to the recognized structure of rules and principles within which the above organizations operate, including such concepts as the right to vote, responsible government, and accountability.

49. What are the types of political institutions?

- 1) Legislature.
- 2) Executives.
- 3) Judiciary.

50. What is meaning of legislature?

The term 'legislature' is a generic term meaning a body which legislates. The term 'Legg' means law and 'lature' the place and etymologically Legislature means a place for law-making. Another term, which is used as a synonym of Legislature, is 'Parliament.' This word stands derived from the French word 'Parley' which means to 'talk' or to discuss and deliberate.

51. What is meaning of executives?

The Prime Minister of India, as addressed to in the Constitution of India, is the chief of government, chief adviser to the President of India, head of the Council of Ministers and the leader of the majority party in the parliament. The prime minister leads the executive branch of the Government of India.

52. What is meaning of judiciary?

The judiciary (also known as the judicial system or court system) is the system of courts that interprets and applies the law in the name of the state. The judiciary also provides a mechanism for the resolution of disputes.

53. What is judicial review?

In other words, judicial reviews are a challenge to the way in which a decision has been made, rather than the rights and wrongs of the conclusion reached. It is not really concerned with the conclusions of that process and whether those were 'right', as long as the right procedures have been followed. The court will not substitute what it thinks is the 'correct' decision.

54. What is judicial restraint?

Judicial restraint is a theory of judicial interpretation that encourages judges to limit the exercise of their own power. It asserts that judges should hesitate to strike down laws unless they are obviously unconstitutional, though what counts as obviously unconstitutional is itself a matter of some debate.

55. What is judicial activism?

As to its meaning, Judicial Activism is not a distinctly separate concept from usual judicial activities. The word 'activism' means "being active", 'doing things with decision' and activist is the 'one' who favours intensified activities. Justice Krishna Iyer observed 'every judge is an activist either on the forward gear or on the reverse'.

56. What is role of government in business?

1. Permission, 2. Contract Enforcement, 3. Consumer Protection, 4. Employee Protection, 5. Environmental Protection, 6. Taxation, 7. Investor Protection.

57. What is Government Laws that Affect Businesses?

Regulatory laws, Labor Laws, Tax Laws, Reporting Laws, Regulatory Policy.

58. What is participatory development?

Participatory development employed in particular initiatives often involves the process of content creation. This process facilitates engagement with information and communication technology (ICT) with the goal of strengthening individual and social development. This participatory content creation is an important tool for poverty reduction strategies and creating a digitally inclusive knowledge society.

59. What are the forms of participatory development?

1. Passive participation, 2. Participation by consultation, 3. Participation by collaboration, 4. Empowerment participation.

60. What is participatory governance?

“Participatory governance focuses on deepening democratic engagement through the participation of citizens in the processes of governance with the state. The idea is that citizens should play a more direct role in public decision-making or at least engage more deeply with political issues.

61. What is the meaning of social environment?

The **social environment**, **social** context, sociocultural context or milieu refers to the immediate physical and **social** setting in which people live or in which something happens or develops. It includes the culture that the individual was educated or lives in, and the people and institutions with whom they interact.

62. What are the factors of social environment that affect a business?

1. Teamwork.
2. Job Satisfaction.
3. Customers.
4. Leadership.

63. What is job satisfaction?

The social environment of the workplace can also have an effect on an employee's job satisfaction. In businesses where employees experience a positive social environment, they are more likely to have a greater sense of job satisfaction and enjoyment. In a job environment where negativity is the norm and employees are constantly in conflict with one another, workers are more likely to dread work and not have a positive assessment of their employer.

64. What is Leadership?

A positive and nurturing social environment for workers is one that can engender positive change within the workplace. It can also lead to the creation of leaders within the business itself. Businesses that constantly emphasize positive reinforcement, self-improvement and education of employees are likely to cultivate leaders from within the organization.

65. What is meant by Legal Environment?

Legal environment constitutes the laws and various legislations passed in the parliament. The businessman cannot overlook the legislations because he has to perform his business transactions within the framework of legal environment.

66. What is meant by cultural environment?

To understand the customers of a particular region, studying their social and cultural environment is very important. The environment shapes the values, behaviors, attitudes and aspirations of people. The study of social hierarchy, social norms and customs, regional/religion based groups and their behavior helps us to understand the cultural environment of a place. This helps a marketer to position the products appropriately.

67. What are the elements of socio-cultural environment of business?

- 1.Social institutions and systems:
- 2.Social values and moves:
- 3.Education and cultural:
- 4.The social responsibility of the government:
- 5.Social groups and social movements:
- 6.Social problems and prospects:

67.What are the effects of socio-culture on business?

- 1.Changing Preferences.
- 2.Demographics.
- 3.Advertising Techniques.
- 4.Internal Environment.

68.What is advertising techniques?

Advertising is perhaps the area of business most closely in touch with socio-cultural changes. Advertising often seeks to be hip and trendsetting, and to do this, advertising agencies and departments cannot lose track of the pulse of the societies in which they engage in business. Changes in morals, values and fashions must all be considered when creating outward facing advertising.

69.What is internal environment?

In addition to a company's interactions with the market and its customers, socio-cultural factors also impact a company's internal decision-making process. For example, changing gender roles and increasing emphasis on family life have led to increased respect for maternity and even paternity leave with organizations. Additionally, attitudes towards racial discrimination and sexual harassment have changed drastically over the years as a result of socio-cultural change.

70.What is business culture?

Model or style of business operations within a company. The business culture determines how different levels of staff communicate with one another as well as how employees deal with clients and customers.

71.What is meaning of social responsibility?

Corporate social responsibility (CSR, also called corporate responsibility, corporate citizenship, and responsible business) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities

72.Definition of social responsibility:

'Social Responsibility' The idea that companies should embrace its social responsibilities and not be solely focused on maximizing profits. Social responsibility entails developing businesses with a positive relationship to the society which they operate in.

73. What are the social responsibility of business?

The social responsibility of business means various obligations or responsibilities or duties that a business-organization has towards the society within which it exists and operates from.

74. What is social institutions and systems?

Examples include the caste system, the joint family system, child marriage, the patriarchal family and the like that have evolved over time through history, cultural and heritage.

75. What is education and cultural?

Attitudes towards educations; need for business educations; role of business schools; spread of business education, and their impact on business ethics, business morality and organizational cultural, are again major elements of socio-cultural environment of business.

76. What is the social responsibility of the government?

Growing levels of achievement and aspiration have to be bridged through a continuous and relentless social effort, keeping in view the social welfare and social constraints. This is where the role of the government comes in. The government has to make sure that the social progress is not handicapped by the tyranny of the majority; otherwise, social tensions will mount affecting business unfavorably.

77. What is social problems and prospects?

These are often offshoots of a changing socio-economic order. As society mover from “pre-industrial” to “post-industrial” stage of development, poor housing and sanitation, urban congestion, population and increasing incidence of antisocial activities. What is, therefore, need is a social cost-benefit analysis of industrial development.

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78. What is social responsibility of business towards in society?

1. Shareholders or investors.
2. Personnel.
3. Consumers or customers.
4. Government.
5. Local community.
6. Environment.
7. Public.

79. What is business and society?

Business in society has evolved to include the description, analysis and evaluation of business’ complex societal and ecological relations. These relations and impacts, and the management thereof are popularly referred to as the field of corporate citizenship. The nature and extent of this involvement, however, varies depending on company size, industry or business scope.

80. What is importance of business in modern society?

1. Supply of Goods and Services:
2. Capital and other Resources in Production
3. Self-employment and Provision of Employment:
4. Development and Innovation:
5. Income Generation:
6. Development of International Relations

81. What is meaning of technological environment?

Outside influences that can impact a business. Various external factors can impact the ability of a business or investment to achieve its strategic goals and objectives. These external factors might include competition; social, legal and technological changes, and the economic and political environment.

82. Definition of technological environment:

“Technological Environment means the development in the field of technology which affects *business* by new inventions of productions and other improvements in techniques to perform the business work”.

83.What is components of technological environment?

1.Hardware:2.Software:3.Data:4.Procedures:5.People:

84.What is technology development process?

1.Requirements. 2.Research. 3.Design. 4.Testing .5.Standardization .6.Implement and Operationalize. 7.Review.

85.What is technology and society?

Science, technology and society (STS), also referred to as *science* and *technology* studies, is a branch or offspring of *science* studies. It considers how social, political, and cultural values affect *scientific* research and *technological* innovation, and how these, in turn, affect *society*, politics and culture.

86.What is technology management?

Technology management is set of management disciplines that allows organizations to manage their technological fundamentals to create competitive advantage. Typical concepts used in technology management are:

- technology strategy
- technology forecasting
- technology roadmap
- technology project portfolio and technology portfolio.

87.What are the functions of management technology?

- Communication.
- Planning.
- Monitoring.
- Control.

88.What is mean by technology transfer?

Technology transfer, also called transfer of technology (TOT), is the process of transferring skills, knowledge, technologies, methods of manufacturing, samples of manufacturing and facilities among governments or universities and other institutions to ensure that scientific and technological developments are accessible to a wider range of users who can then further develop and exploit the technology into new products, processes, applications, materials or services.

89.What is technology transfer process?

1.Discovery 2.Disclosure 3.Evaluation 4.Intellectual Property Protection 5.Marketing 6.Licensing 7.Product Development 8.Public Use and Financial Returns.

90.What is mean by globalization?

By the term globalisation we mean opening up of the economy for world market by attaining international competitiveness. Thus the globalisation of the economy simply indicates interaction of the country relating to production, trading and financial transactions with the developed industrialized countries of the world.

91.What is mean by global environment?

Global environment is international business environment can be defined as the environment in different sovereign countries, with factors exogenous to the home environment of the organization, influencing decision-making on resource use and capabilities. The political environment in a country influences the legislation and government rules and regulations under which a foreign firm operates.

92.What is mean by international business meaning?

International Business conducts business transactions all over the world. These transactions include the transfer of goods, services, technology, managerial knowledge, and capital to other countries. International business involves exports and imports. International Business is also known, called or referred as a *Global Business* or an International Marketing.

92.What is features of international business?

1.Large scale operations :2.Intergration of economies : 3.Dominated by developed countries and MNCs : 4.Benefits to participating countries : 5.Special role of science and technology .

93.What is importance of international business?

1.Earn foreign exchange: 2.Optimum utilisation of resources: 3.Achieve its objectives:4.To spread business risks:5.Improve organisation's efficiency.

94.What is nature of international business?

1. Accurate Information.
2. Information not only accurate but should be timely.
3. The size of the international business should be large.
4. Market segmentation based on geographic segmentation.
5. International markets have more potential than domestic markets.

95.What is scope of international business?

1. International Marketing.
2. International Finance and Investments.
3. Global HR.
4. Foreign Exchange.

96.What are the problems in international business?

1. Political factors.
2. High foreign investments and high cost.
3. Exchange instability.
4. Entry requirements.
5. Tariffs, quota etc.
6. Corruption and bureaucracy.
7. Technological policy.

96.What are the challenges of international business?

Language, Culture, Business Attitude, Technical Development.

97.What is meaning of multinational corporation ?– MNC

A multinational corporation/company is an organisation doing business in more than one country. 'In other words it is an organisation or enterprise carrying on business in not only the country where it is registered but also in several other countries. It may also be termed as international corporation, global giant and transnational corporation.

98.Definition of multinational corporation– MNC

A corporation that has its facilities and other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they co-ordinate global management. Very large multinationals have budgets that exceed those of many small countries.

99.What are the characteristics of multinational companies (MNC)

1. Large Size:
2. Worldwide operations:
3. International management:
4. Mobility of resources:
5. Integrated activities:
6. Several forms.

100. What are the benefits and challenges of multinational companies ?(MNC)

- 1)Public Relations.
- 2)Ethics .
- 3)Organizational Structure.
- 4)Leadership.