



# **BUSINESS STUDIES**

## **BOOKS - ARIHANT BUSINESS STUDIES (HINGLISH)**

### **BUSINESS ENVIRONMENT**

#### **Check Point 1**

1. Give an example of 'interrelatedness' of business environment



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2. What problem does 'complexity' of business environment create ?



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3. How does identification of 'opportunities' help of business firms ?



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4. How does identification of 'threats' help business firms ?



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## Check Point 2

1. How does increase in inflation rates affect business firm ?



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## 2. Define 'trends'



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3. Give an example of technological advancement that has increased demand of products in the market



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4. How does political unrest affect business firms ?



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### Check Point 3

1. State two reforms under liberalisation related to goods and services



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2. What is the full form of BIFR ?



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3. What is the purpose of formation of FIFB ?



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4. Define Market Orientation



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5. What is Online Wallet ?



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## Ncert Folder Multiple Choice

1. Which of the following does not characterise the business environment?

A. Uncertainty

B. Employees

C. Relativity

D. Complexity

**Answer: B**



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2. Which of the following best indicates the importance of business environment?

- A. Identification
- B. Improvement in performance
- C. Coping with rapid changes
- D. All of the above

**Answer: D**





3. Which of the following is an example of social environment?

- A. Money supply in the economy
- B. Consumer Protection Act
- C. The Constitution of the country
- D. Composition of family

**Answer: D**



4. Liberalisation means

A. integration among economies

B. reduced government controls and  
restrictions

C. policy of planned disinvestments

D. None of the above

**Answer: B**



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5. Which of the following does not explain the impact of government policy changes on business and industry?

- A. More demanding customers
- B. Increasing competition
- C. Change in agricultural prices
- D. Market orientation

**Answer: C**



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1. What do you understand by business environment?



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2. Why is it important for business enterprises to understand their environment? Explain briefly



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**3. Mention the various dimensions of business environment**



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**4. Briefly explain the following:**

(a) Liberalisation

(b) Privatisation

(c) Globalisation



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5. Briefly discuss the impact of government policy changes on business and industry



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## Ncert Folder Long Answer

1. How would you characterise business environment? Explain with examples the difference between specific and general environment.



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2. How would you argue that the success of a business enterprise is significantly influenced by its environment?



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3. Explain, with examples, the various dimensions of business environment.



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4. What economic changes were initiated by the government under the industrial policy 1991? What impact have these changes made on business and industry?



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## **Ncert Folder Case Problems**

1. Recently many companies have planned for significant investment in organised retailing in



india. Various factors which have encouraged companies to take these decision are customer income is increasing, rise in standard of living of people. People are ready to pay high price for quality goods, government policy of liberalisation regarding MNC entry and FDI, etc.

(a) Explain briefly changes in business environment under different heads that have facilitated the companies' decision to plan significant investment in retailing.

(b) What has been the impact of these

changes with regards to globalisation and privatisation ?



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## Chapter Practice Multiple Choice

1. As a foreign tourist visited India, he noticed that Indian markets, tastes, trends and regulations were different from that of his country. Which feature of business environment is reflected here?

- A. Business environment has uncertainty
- B. Business environment is dynamic
- C. Business environment is a relative concept
- D. All of the above

**Answer: C**



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2. . ....assists in planning and helps in policy formation.

- A. Group dynamics
- B. Business environment
- C. Turn around management
- D. None of the above

**Answer: B**



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**3.** Identify the examples of changes in business environment that affect business enterprises

A. Increase in taxes by government can make products expensive, causing reduced demand

B. Change in taste and fashion may shift demand

C. Technological improvements may render existing products obsolete

D. All of the above

**Answer: D**



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4. Business environment is ....., as it consists of inter-related factors affecting business enterprises at the same time.

A. simple

B. complex

C. dynamic

D. Either (a) or (c)

**Answer: B**



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5. Which of the following option correctly describes the difference between specific and general forces of business environment?

A. Specific forces affect the individual enterprise directly, whereas general forces have indirect impact on all business enterprises

B. General forces have direct impact on individual enterprise, whereas specific forces have indirect impact on business enterprise.

C. Specific forces does not affect an enterprise at all, whereas general forces affects directly on all business enterprises

D. None of the above

**Answer: A**





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6. Obstacles to privatisation are

- A. opposition by labourers
- B. problem of financing
- C. political pressure
- D. All of these

**Answer: D**



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7. On which date PM Modi announced demonetisation?

A. 13th November, 2016

B. 8th November, 2016

C. 18th November, 2016

D. 8th October, 2016

**Answer: B**



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**8.** Demand for LED TVs are increasing day by day. Thus, TV manufacturers have started making LED TVs instead of LCD. Identify the significance of business environment being portrayed in the given case.

A. Helpful in tapping useful resources

B. Helps the firm to identify threats and  
early warning signals

C. Helps in coping with rapid changes

D. All of the above

**Answer: C**



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9. "Nothing can be said with certainty about the factors of business environment". Why?

A. Because business environment is simple

B. Because business environment is dynamic

C. Because business environment is certain

D. Because business environment is inter-related

**Answer: B**



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**10.** Which of the following is not a challenge faced by business due to LPG policy changes?

A. Increasing competition

B. Rapid changes in

technological environment

C. Lesser need for developing human

resources

D. None of the above

**Answer: C**



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**11.** Which dimension of business environment requires putting a statutory warning on the packets of tobacco products?

A. Technological environment

B. Economic environment

C. Legal environment

D. All of the above

**Answer: C**



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12. Which dimension of business environment is concerned with improvement and innovations, which provides new ways of producing goods and services?

A. Technological environment

B. Economic environment

C. Legal environment

D. None of the above

**Answer: A**



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**13.** Trends refer to changes and inclination towards new products and services". This statement describes significant effect of which environment on business?

- A. Economic environment
- B. Social environment
- C. Political environment
- D. None of the above

**Answer: B**



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**14.** Which of the following statements regarding privatisation is correct?

A. (a) Privatisation is panacea for all economic problems

B. (b) Privatisation always leads to attaining and economic efficiency

C. (c) Privatisation may result in unbalanced development of industries in the country

D. (d) None of the above

**Answer: C**



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**15.** Just after declaration of Lok Sabha elections 2009 results, the Bombay Stock Exchange price index rose by 2100 points in a

day. This statement signifies the effect of which environment?

A. Technological environment

B. Political environment

C. Legal environment

D. Economic environment

**Answer: B**



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1. State four dimensions of business environment



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2. Which environment describes characteristics of society in which the organisation exists?



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3. Equal pay for equal work is an example of which dimension of business environment?



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4. Many multinational food chains such as KFC, Mc Donalds, Domino's, etc have altered their menu according to Indian taste and culture. Name the dimension of business environment which is responsible for this step



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5. What is economic and non-economic environment of business?



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6. What is included in 'political environment of business?



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7. What is included in 'legal environment' of business?



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8. Give one example of liberalisation in India.



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9. Give an example of privatisation in India.



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10. What is globalisation?



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11. Give any two negative impacts of liberalisation and globalisation on business in India



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**12.** Define 'liberalisation' as a process of economic reforms in one sentence



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**13.** Define 'privatisation' as a process of economic reforms.



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**14.** Which industrial policy has opened the doors of Indian economy for multi-national companies.



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**15.** How many times, India has faced demonetisation so far ?



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16. "The understanding of business environment enables the firm to identify opportunities'. What is meant by 'opportunities' here?



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17. The understanding of business environment helps the managers to identify threats' What is meant by threats here?



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**18.** Business environment includes both 'specific and general forces'. List any four specific forces.



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**19.** Government of India is seriously thinking to allow oil marketing public sector undertakings to fix their own price for petrol and diesel. Which economic reform is the reason of this change in government's policy?



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**20.** After the change in government policy is it necessary for firms to adapt the market orientation technique. Why?



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**21.** Technology is improving day-by-day. Which feature of business environment is highlighted in the given statement?



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**22.** Give the name of environment that provides the framework, within which the business has to function?



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**23.** Banking sector reforms have led to casier credit terms and better services Identify this example is associated to which component of business environment.



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## Chapter Practice Short Answer

1. State four examples of changes in business environment that affect business enterprises



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2. What is meant by business environment?  
Explain 'dynamic nature' and 'uncertainty as



features of business environment.



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3. Does study of business environment help in maintaining image in market?



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4. Explain two features of business environment.



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5. Discuss in brief the social environment as the dimension of business environment.



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6. From the business aspect, what is the need of studying political environment?



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7. How are low long-term rates beneficial to enterprises?



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8. How do values affect business enterprises?



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9. State two impacts of legal environment on business



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10. What is technological environment? Give an example for the same.



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11. Enumerate some examples of shift in demand due to technological change in business environment.



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**12.** What are the positive effects of liberalisation and globalisation on business and industry?



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**13.** What are the negative effects of liberalisation and globalisation on business and industry in India?



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**14.** What are the features of New Industrial Policy, 1991?



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**15.** What does truly globalised economy signify?



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**16.** Business environment or environmental scanning helps in the identification of threats and early warning signals. Explain.



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**17.** Even after opening up of our economy in 1991, foreign companies found it extremely difficult to cut through bureaucracy and red tapism.' Identify the element of business

environment and explain it with the help of an example.



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**18.** It is usually observed that changes in technology, products, taste and preference of consumer, regulations, government policy, interest and inflation rates take place frequently in markets



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**19.** "Environment provides both constraints and opportunities. Comment.



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**20.** Enumerate the various ways in which managers respond to changes in business environment.



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21. Pan Masala chabana swasthya ke liye hanikarak hai. This statutory warning is compulsory to be mentioned on the labels of the product. Identify and discuss the environment, which is associated with this example



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22. Ganga Foods Ltd is engaged in the business of food processing. It sells its

product under a popular brand. Lately the business has been expanding due to good quality product and at reasonable prices.

Enumerate the environmental changes responsible for increase in sales



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**23.** Give two examples of the impact on business organisations due to change in Economic environment.



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**24.** The people of some regions translated the slogan of 'Come Alive' as 'Come Out of the Grave. Due to this, the company lost its market share. Identify the dimension of business environment and state how this dimension affect the business.



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**25.** It is the process, by which government controls over the industry is being loosened.

Identify the term and discuss it briefly



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## Chapter Practice Long Answer

1. Explain by giving any four points, why in the present day of competitive market, it is essential for a business to remain alert and aware of its environment.



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2. Explain by giving any five reasons why understanding of business environment is important for a manager



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3. What is meant by 'business environment'?  
State any three points of its importance.



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4. Why is the understanding of business environment important for managers? Explain with the help of any four points.



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5. What role does external environment play in the business?



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6. Discuss any four components of business environment with examples.



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7. Enumerate the dimensions of business environment.



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**8.** Economic, social, political and legal conditions have a considerable impact on the performance of the company. Discuss them briefly.



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**9.** Identify the dimension of business environment, in each of the following cases and explain them

(i) The project of Nano Car re-established in

## Gujarat

- (ii) Decrease in the repo rate to overcome recession
- (iii) Rise in the BSE price index, soon after the declaration of Lok Sabha Election, 2014 results
- (iv) Increase in the number of working women
- (v) Prohibition of advertisement of alcoholic beverages on Doordarshan
- (vi) Demand for reservation for minorities in government jobs.



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10. When government came out with policy changes it laid some positive and negative impact on the business. Discuss some of them.



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11. The court passed an order to ban polythene bags as

(i) These bags are creating many environmental problems which affect the life of people in general

(ii) Society in general is more concerned about

quality of life

(iii) The government decided to give subsidy to jute industry to promote this business

(iv) Innovative techniques are being developed to manufacture jute bags at low rates

(v) Incomes are rising and people can afford to buy these bags

Identify the different dimensions of business environment by quoting the lines from the above particulars



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**12.** The court passed an order that all schools must have water purifier for the school children as

(i) Society in general is more concerned about quality of life.

(ii) innovative techniques are being developed to manufactures water purifier at competitive rates.

(iii) Incomes are rising and children at home are also drinking purified water. the governement is also showing positive attitude towards the water purifier business.

Identify the different dimension of business

environment by quoting from the above details.



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**13.** Recently, many companies have planned for major investment in retail business. Increasing incomes, rise in living standards, government policy of liberalisation and its favourable attitude towards modernisation has favoured their decision. Identify the various dimensions

of business environment and explain their effect on businesses.



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**14.** Konark Ltd.' is an electronic goods manufacturing enterprise situated in Shivpuri, Madhya Pradesh. It is earning a very low revenue in comparison to a competing electronic goods manufacturing enterprise, 'Nova Ltd.' situated in Mumbai. Both Konark's and Nova's operations are affected directly by

the investors, customers, competitors and suppliers, which are unique to their respective locations. In addition to this, individuals firms of this field are affected indirectly by the factors like the money supply in the economy, composition of the families, the technological changes, etc.

(a) Identify and state the feature of the concept discussed in the above paragraph.

(b) Also, state any four points of importance of this concept.



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1. The soft-drinks giants, Pepsico and Coca-Cola, suffered a decline in sales of colas in India in the beginning of the year 2006 after an environmental group, Centre for Science and Environment (CSE) claimed to have found pesticides in their drinks upto 50 times the permissible health limits. These companies issued a number of press statements and conducted many publicity campaigns in India claiming that their beverages were perfectly

safe. The Union Health Ministry's expert committee also observes that Coke and Pepsi were safe. CSE, in turn, criticised the expert committees findings and said that 11 of Coke and Pepsi drinks contained average pesticide levels that were 24 times higher than the limits agreed by the Indian government. Despite health ministry's clean chit to colas, several States continue to ban or restrict Coke and Pepsi. However, the pesticide controversy adversely affected the sales of both Coke and Pepsi as consumers started watching their diet more closely. Organic food products

suddenly became popular as the healthier option. By definition, organic means fruits, vegetables, foodgrains and processed products that have been produced with no pesticide or inorganic fertilisers. Meanwhile the soft drinks giants have been continuously advertising and trying to convince the consumers about the safety of their products.

which component of business environment is reflected in the above case?



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2. The soft-drinks giants, Pepsico and Coca-Cola, suffered a decline in sales of colas in India in the beginning of the year 2006 after an environmental group, Centre for Science and Environment (CSE) claimed to have found pesticides in their drinks upto 50 times the permissible health limits. These companies issued a number of press statements and conducted many publicity campaigns in India claiming that their beverages were perfectly safe. The Union Health Ministry's expert committee also observes that Coke and Pepsi were safe. CSE, in turn, criticised the expert

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products that have been produced with no pesticide or inorganic fertilisers. Meanwhile the soft drinks giants have been continuously advertising and trying to convince the consumers about the safety of their products. What are the major elements of this component?



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**3.** The soft-drinks giants, Pepsico and Coca-Cola, suffered a decline in sales of colas in

India in the beginning of the year 2006 after an environmental group, Centre for Science and Environment (CSE) claimed to have found pesticides in their drinks upto 50 times the permissible health limits. These companies issued a number of press statements and conducted many publicity campaigns in India claiming that their beverages were perfectly safe. The Union Health Ministry's expert committee also observes that Coke and Pepsi were safe. CSE, in turn, criticised the expert committees findings and said that 11 of Coke and Pepsi drinks contained average pesticide

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the soft drinks giants have been continuously advertising and trying to convince the consumers about the safety of their products.

State one feature of business environment reflected in this case



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4. Dravya is the owner and manager of a textile industry, which is her family business. Last year, she attended the seminar on the topic globalisation. She found the topic

relevant and will help her in expanding business by conducting operations worldwide. Why does she consider the topic to be relevant?



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5. Dravya is the owner and manager of a textile industry, which is her family business. Last year, she attended the seminar on the topic globalisation. She found the topic relevant and will help her in expanding business by

conducting operations worldwide.

What will be the positive impact of opting globalisation?



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**6.** Companies producing alcohol and alcoholic beverages have to comply with a number of restrictions and provisions, even when it adversely affects its sales as well as revenue.

Why do you think it is necessary for them to follow such provisions?



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7. Companies producing alcohol and alcoholic beverages have to comply with a number of restrictions and provisions, even when it adversely affects its sales as well as revenue.

Explain the main characteristics of business environment.



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**8. Indian Railway Catering and tourism Corporation LTD.**

(A Government of India Enterprise)

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Date \*

Class \*

Ticket Type \* ☐ i-ticket ? ☐ e-ticket ?

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Class \*

Ticket Type \* ☐ i-ticket ? ☐ e-ticket ?

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Please Select The Train From The List						
S#	Select	Train No	Train Name	Departure	Arrival	Runs on
1	<input type="radio"/>	2616	G T EXPRESS	18:40	06:15	M T W T H F S S U
2	<input type="radio"/>	2622	TAMIL NADU EXP	22:30	07:10	M T W T H F S S U
3	<input type="radio"/>	2652	T N SMPRK KRNTI	07:30	18:10	- T - T H - - -

Because of technological advancement, it has become possible to book railway tickets through Internet from home, office etc.

Name and explain the component of business environment indicated in the above case



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**9. Indian Railway Catering and tourism Corporation LTD.**

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Explain the significant effect of this component on business firms



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## **10. Crisis of June 1991**

Major elements of the crisis situation which led the Government of India to announce economic reform were :

.A serious fiscal crisis in which the fiscal deficit

reached the level of 6.6 per cent of GDP in 1990-91.

Heavy internal debt which rose to about 50 per cent of GDP with interest payments draining about 39 percent of total revenue collections of the central government.

Low GNP growth rate which fell to 14 per cent from the peak level of 10.5 per cent in 1988-89 (at 1980-81 prices).

Low overall agricultural production, foodgrain production and industrial production showed negative growth rates of -2.8 per cent, -5.3 per cent and -0.1 per cent respectively.

Soaring inflation rate based both on wholesale price index and consumer price index (for industrial workers) at 13-14 per cent

Shrinkage of foreign trade, imports (in terms) fell by 19.4 per cent and exports by 15 per cent.

Depreciation of rupee by 26.7 per cent vis-à-vis US dollars.

Fall of foreign exchange reserves to such a low level that they were barely adequate to meet the import requirements of a few weeks Non-resident Indians (NRIS) were withdrawing their deposits at an alarmingly high rate

The confidence of the international financial

institutions was badly shaken and in just over a year its creditworthiness rating fell from AAA to BB+ (put on credit watch).

The country was on the verge of defaulting on international financial obligations and the situation warranted immediate policy action to save the situation. In May 1991, the Government had to lease 20 tons of gold out of its stock to the State Bank of India to enable it to sell the gold with repurchase option after six months. In addition, Reserve Bank of India was allowed to pledge 47 tones of gold to the Bank of England to raise a loan

of \$600 million

Name one component of business environment affected in the above case.

Explain it briefly



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of \$600 million

State the explain one feature of business environment as reflected in the above para



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## **12. Early Crisis Met: Reform Measures**

Some of the early major steps taken to manage the economic crisis were the following:

Fiscal correction aimed at reducing fiscal deficit by about 7,700 crore in 1991-92

(compared to 1990-91),

Announcement of New Industry Policy in July 1991 seeking to deregulate the industry with the objective of promoting the growth of a more competitive and efficient industrial economy

Abolition of industrial licensing for all industrial projects except 18 industries of high strategic and environmental importance and with high import content. About 80 per cent of the industries were delicensed,

Amendment of the MRTP Act to eliminate the need for prior approval of the Central

Government by large companies for capacity expansion, diversification and merger and amalgamation.

Nine areas in basic and core industries earlier reserved for the public sector were opened to the private sector

Limit of foreign equity holding raised from 40 per cent to 51 per cent in a wide range of priority industries,

Foreign Investment Promotion Board (FIPB) established to negotiate proposals from large international firms and expedite clearances of the investment proposals,

Rupee devaluation by 18 per cent during July 1-3, 1991 supported by a standby credit of \$2.3 billion from the IMP over a 20 months period negotiated in October 1991,

Negotiation of \$500 million Structural Adjustment Loan from the World Bank in April 1992 and a loan totalling SDR 1.3 billion from the International Monetary Fund (IMF) between January-September 1991:

Introduction of India Development Bond Scheme and Immunity Scheme for repatriation of funds held abroad in October 1991, under which more than \$2 billion were mobilised

during 1991-92,

Bringing back of gold earlier pledged to the Bank of England and the Bank of Japan  
Continuance of the measures of import control and credit squeeze

Administered licensing of imports replaced by freely tradeable import entitlements (called Exim Scrips) linked to export earnings. The measure was expected to introduce self balancing mechanism in India's foreign trade,

Introduction of Liberalised Exchange Rate

Management System (LERMS) under which a dual exchange rate system was established,

one rate being effectively floated in the market, and

Import licensing in most capital goods, raw materials, intermediates and components eliminated. Advance Licensing System considerably simplified. The initial series of measures set the tone for the future economic reforms. Any of the measures taken above was continued to form a part of the ongoing reform process

Identify and explain the concept linked with "Abolition of industrial licensing



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Bringing back of gold earlier pledged to the Bank of England and the Bank of Japan  
Continuance of the measures of import control and credit squeeze

Administered licensing of imports replaced by freely tradeable import entitlements (called Exim Scrips) linked to export earnings. The measure was expected to introduce self balancing mechanism in India's foreign trade,

### Introduction of Liberalised Exchange Rate

Management System (LERMS) under which a dual exchange rate system was established, one rate being effectively floated in the market, and

Import licensing in most capital goods, raw materials, intermediates and components eliminated. Advance Licensing System

considerably simplified. The initial series of measures set the tone for the future economic reforms. Any of the measures taken above was continued to form a part of the ongoing reform process

State few effects of such reforms on Indian business and industry



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## **14. A Truly Globalised Economy**

A truly global economy implies a boundaryless

world where there is

- (i) Free flow of goods and services across nations
- (ii) Free flow of capital across nations
- (iii) Free flow of information and technology:
- (iv) Free movement of people across borders
- (v) A common acceptable mechanism for the settlement of disputes
- (vi) A global governance perspective

With reference to the above para, explain the concept of Globalization.



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## 15. A Truly Globalised Economy

A truly global economy implies a boundaryless world where there is

(i) Free flow of goods and services across nations

(ii) Free flow of capital across nations

(iii) Free flow of information and technology:

(iv) Free movement of people across borders

(v) A common acceptable mechanism for the settlement of disputes

(vi) A global governance perspective

Enumerate two effects of Globalisation on business and industry



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**16.** Mr. Ajay after completing MBA from USA comes to India to start a new business under the banner Ecom Creations Ltd. He launches a new product in e-learning for senior Secondary School students in commerce stream, which already has an established market in UK and USA but not in India. his business starts

flourishing in India. Now more Indian companies entered into the market with other subjects also. Identify and quote the lines from above paragraph which highlight the significance of understanding business environment.



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17. "Zero Defect Zero Effect (ZED)" is a slogan coined by the Prime Minister of India, Narendra Modi with reference to the Make in India initiative launched by the government.



The slogan reflects the efficiency of production processes, i.e., the products have no defects and the process through which the product is made has zero adverse environmental and ecological effects. the Zed model aims to make india the manufacturing hub of the world and prevent the products developed in india from being rejected by the global market. moreover, before the initiative was launched, the limits of foreign direct investment in various sectors had been relaxed. the application for licences was made available online and the validity of licences was increased to three

years. various other norms and procedures were also relaxed by the government. In the light of above paragraph, identify and explain the major component of new economic policy of 1991 that are being referred to by quoting lines from the paragraph.



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**18.** Acent Electronics Ltd' was operating its business in Malaysia. The company started exporting its products to india when the

prime minister announced relaxation in important duties on electronic items. The company appointed retailers in india who had direct online links with the suppliers to replenish stocks when needed. the suppliers to replenish stock when nedded. indetify and expaliln the dimensions of business environment discussed in the above case.



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**19.** A recent rate cut in the interest on loans announced by the banks encouraged Amit a science student of Progressive School to take a loan from State Bank of India to experiment and develop cars to be powered by fuel produced from garbage. He developed such a car and exhibited it in the Science Fair organised by Directorate of Education He was awarded first prize for his invention

Identify and explain the dimensions of business environment discussed in the above case.



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**20.** With change in the consumption habits of people, Neelesh, who was running a sweets shop shifted to chocolate business. On the eve of Diwali, he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website 'chocolove.com' for taking orders online. He got lot of orders online and earned huge profit by selling chocolates.

Identify and explain the dimensions of

business environment discussed in the above case.



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**21. Narendrachal Networks and Technologies Ltd.** is a leader in technology innovation in U.S.A. creating products and solutions for a connected world, It has a large Research and Development team which invented the first smart watch W-I, which besides showing the time would also monitor few health

parameters like heart beat, blood pressure, etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of the fact that licensing requirements had been abolished. The company was also aware that there had been increased level of interaction and interdependence among the various nations of the world and India could be made a base for its international trade. It set up its office in Gujarat with a view to capture the

Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, thereby benefitting the customers.

(i) In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain those concepts

(ii) Also, explain briefly any three impacts of these concepts on Indian business and industry



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## Self Assessment Multiple Choice

1. Business enterprises cannot work in

- A. isolated environment
- B. complex management
- C. uncertain management
- D. None of these

**Answer: A**



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2. .... refer to changes and inclination towards new products.

A. Traditions

B. Values

C. Trends

D. None of these

**Answer: C**



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3. What is included in legal environment of business?

- A. Several acts passed by government
- B. Court judgements
- C. Statutory warning prescribed under law
- D. All of the above

**Answer: D**



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4. The components of social environment is/are

- A. expectations from workforce
- B. educational system and literacy rates
- C. birth and death rates
- D. All of the above

**Answer: D**



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5. Liberalisation , globalisation and privatisation are the aims of

A. economic planning

B. land reforms

C. socialistic pattern

D. of society

**Answer: D**



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## Self Assessment Very Short Answer

1. Give an examples of privatisation in India



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2. State two challenges , which are faced by the Indian firms due to entry of multinational corporations



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3. State two examples of companies that have taken the benefit of getting first mover advantage by early identification of opportunities



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4. Why is business environment considered complex in nature ?



**View Text Solution**

5. State one impact of demonetisation



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## Self Assessment I Short Answer

1. How do political stability and attitude of government affect business enterprises ?



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2. State three reforms undertaken for globalisation of Indian economy



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3. Identify the element of business environment in the following cases :

(i) Presence of coalition government in an economy, affecting development in certain sectors .

(ii) Collection of huge amount of capital

through primary issues by removing control over capital markets.

(iii) Minimised consumption of cold drink with the spread of news of such drinks carrying pesticidal elements .

(iv) Bank loans are now allowed on easy terms .



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4. State two important features, each of liberalisation and privatisation



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## Self Assessment Ii Short Answer

1. Why is the study of business environment important for managers ?



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2. What do you mean by truly globalised economy ?



**View Text Solution**

3. What were the objectives of demonetisation in India ?



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## Self Assessment Long Answer

1. Explain with examples the impact of liberalisation and globalisation on Indian economy



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2. Change in the foreign policy of the country refers to an example of key component of business environment . Name and explain the component



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**Cbse Examinations Archive Very Short Answer**

1. What is included in 'political environment ' of business ? State



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2. What is included in 'legal environment' of business ? State



**View Text Solution**

**3.** Business environment includes both specific and general forces. List any four specific forces



**View Text Solution**

**4.** Business environment includes both specific and general forces. List any four general forces



**View Text Solution**

5. The understanding of business environment helps the managers to identify threats. What is meant by 'threats' here ?



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6. The understanding of business environment enables of firm to identify the opportunities. What is meant by 'opportunities' here ?



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7. Define liberalisation as a process of economic reforms



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8. Define privatisation as a process of economic reforms in one reason



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1. Explain two features of business environment



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2. What is meant by business environment ?

Explain 'dynamic nature and uncertainty' as features of business environment



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1. Konark Ltd.' is an electronic goods manufacturing enterprise situated in Shivapuri, Madhya Pradesh. It is earning a very low revenue in comparison to a competing electronic goods manufacturing enterprise, 'Nova Ltd' . Situated in Mumbai Both Konark's and Nova's operations are affected directly by the investors, customers, competitors and suppliers , which are unique to their respective locations. In addition to this, individuals firms of this field are affected indirectly by the factors like the money supply in the economy,

composition of the families, the technological changes , etc.

(a)Identify the state the feature of the concept discussed in the above paragraph.

(b)Also, state any four points of importance of this concept.



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2. Explain the concept of 'Business Environment' and any three features of it



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3. Why is the understanding of business environment important for managers ? Explain with the help of any four points



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4. State any five points which clarify how understanding of business environment helps the managers ?



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5. State any four points of importance of business environment



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6. Explain by giving any five reasons why understanding of business environments is important for managers ?



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7. Explain by giving any four points, why 'in the present day competitive market , it is essential for a business of remain alert and aware of its environment ?



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8. Management of every enterprises can be benefitted from being aware of different dimensions of business environment. Explain any four such dimensions





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9. The Indian corporate sector has come face-to-face with several challenges due to government policy change. Explain any four such challenges.



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