

KENDRIYA VIDYALAYA SANGATHAN AHMEDABAD REGION

**CH-3-BUSINESS ENVIRONMENT
WORKSHEET – 1(ANSWER-KEY)**

NAME OF STUDENT:

DATE:

Q.1 What is meant by 'Business Environment'?

Ans The term 'business environment' means the sum total of all individuals, institutions and other forces that are outside the control of a business enterprise but that may affect its performance.

Q.2 Explain any Six features of Business Environment.

Ans **Features of business environment:**

- (i) Totality of external forces
- (ii) Specific and general forces
- (iii) Inter relatedness
- (iv) Uncertainty
- (v) Complexity
- (vi) Relativity
- (vii) Dynamic nature.

Q.3 Explain any five points of importance of Business Environment.

Ans **Importance of understanding business environment:(any five)**

- (1) It enables the firm to identify opportunities and getting the first mover advantage.
- (2) It helps the firm to identify threats and early warning signals
- (3) It helps in tapping useful resources.
- (4) It helps in coping with rapid changes.
- (5) It helps in assisting in planning and policy formulation.
- (6) It helps in improving performance.

Q.4 What do you mean by business environment? Explain the key Components of business environment.

Ans **Components of business environment.**

- (i) Economic environment
- (ii) Social environment
- (iii) Technological environment
- (iv) Legal environment
- (v) Political environment

Q.5 What do you mean by demonetization? Explain the features of demonetization.

Ans November 8,2016 was the day when '500' and '1000' denomination notes were withdrawn from circulation. It resulted in withdrawal of 86% currency in circulation. People were advised to go to the bank to replace old notes with new up to a limit.

Features of Demonstration

- (1) Demonstration as a tax administration measures-
- (2) Non tolerance of tax evasion
- (3) Tax administrating and changeling saving into formal financial system
- (4) Creating less cash or digital cash lite economy

Q.6 Explain some aspects of political Environment, Social and Legal Environment.

Ans	<p>Political environment</p> <ul style="list-style-type: none"> (i) attitude of elected government representatives (ii) General stability and peace in political condition of country (iii) Policies changes implemented by different government (iv) Agenda of political parties (v) Political ideology and practices of ruling party (vi) Relation of our country with foreign country (vii) Constitutions of the country <p>Legal environment</p> <ul style="list-style-type: none"> (i) Any act. Statute, legislature (ii) Court judgement (iii) Administrative orders issued by government authorities (iv) Decisions taken by government at every level in centre state or local (v) Making any order compulsory
Q.7	Explain some aspects of Technology and Economical Environment
Ans	<p>Technological environment</p> <ul style="list-style-type: none"> (i) Change in method of production (ii) New machinery, new equipment (iii) New method of working for improvement (iv) Scientific improvements and innovations (v) New techniques and methods of operating business <p>Economic environment</p> <p>consists of factors having economic dimensions such as fiscal policy, monetary policy, industrial policy etc. Impact: Banking sector reforms have led to attractive deposit avenues and easier credit policy. Likewise reforms in leasing & financial institutions are also catalysing company's economic growth</p>

KENDRIYA VIDYALAYA SANGATHAN AHMEDABAD REGION**CH-3 – BUSINESS ENVIRONMENT
WORKSHEET - 2(ANSWER-KEY)****NAME OF STUDENT:****DATE:**

Q.1 The court passed an order that all schools must have water purifier for the school children as

1. Society in general is more concerned about quality of life.
2. Innovative techniques are being developed to manufacture water purifier at competitive rates.
3. Incomes are rising and children at home are also drinking purified water.

The government is also showing positive attitude towards the water purifier business. Identify the different dimensions of business environment by quoting from the above details.

Ans

- ☞ Legal environment:
- ☞ Social environment:
- ☞ Technological environment:
- ☞ Economic environment:
- ☞ Political environment:

Q.2 Konark Ltd.’ is electric goods manufacturing enterprises 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, individual forms 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 explain the feature of the concept discussed in the above paragraph.

Ans Specific forces- Competitors, customers General forces-Political forces, social forces

Q.3 With change in the consumption habits of people, Neelesh, who was running a sweet 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

Ans

1The various dimensions of business environment being referred to the in the above case are as follows:

- a. Technological environment: Technological environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.
- b. Social Environment: Social environment includes the social forces like customs and traditions, values, social trends, society’s expectations from business, etc.

Q.4	<p>Eco-friendly products are gaining power as the consumers' awareness about environmental issues has increased over the years and they are conscious about choosing products that do not have adverse effects on the environment. They are now more conscious about the carbon emission and climate change effects, and want themselves to be 'seen' as a green advocate among their peers. In such a scenario, it has become a challenge for the companies as they have to not only meet the needs of the consumers but also ensure that their products are safe and environment friendly. As a result, there is growing need for better and advanced technologies to works as a catalyst in this regard.</p> <ol style="list-style-type: none"> 1. Identify the relevant feature of business environment being discussed above. 2. Describe briefly any five points which highlight the importance of business environment and its understanding by managers.
Ans	<ol style="list-style-type: none"> 1. Inter-relatedness is the relevant feature of business environment which is being discussed above. 2. The three points which highlighted the importance of business environment and its understanding by managers are described below: <ol style="list-style-type: none"> a. <i>It enables the firm to identify opportunities and getting the first mover advantage:</i> The dynamic business environment provides numerous opportunities for a business to evolve as per the changing needs. Therefore, early identification of the forthcoming opportunities helps an enterprise to be the first to exploit them instead of losing them to the competitors. b. <i>It helps the firm to identify threats and early warning signals:</i> sometimes the changes in the external environment may pose as a threat and hinder a firm's performance. Awareness about the business environment helps the managers to identify such threats on time and take necessary decisions and action. c. It helps in tapping useful resources as the enterprise designs policies that allow it to get the resources that it needs so that it can convert those resources into outputs that the environment desires.
Q.5	<p>India's retail sector has been undergoing structural changes for the last two decades. On one hand, the 'mall culture' has gradually become a way of life, especially in the metros and mini-metros. On the other hand, there is accelerated growth in e-business as customers also prefer to buy products and services via the Interest, telephone and television. However, operating in either of the segments is marked by the presence of strong competitors.</p> <p>Identify the components of specific forces and general forces being discussed in the above paragraph.</p>
Ans	<p>The components of specific forces discussed in the above paragraph are the customers and competitors.</p> <p>The components of general forces discussed in the above paragraph are the social and technological conditions.</p>
Q.6	<p>In the year 2016, the State Government of Kerala had made it mandatory for anganwadis hostels and canteens in educational institutions to secure the Food Safety and standards Authority of India (FSSAI) license to ensure food safety. As the educational institutions also get categorized as food business operators in the event of the annual turnover of the hostels, they run exceeding Rs. 12 lakhper annum. In context of the above case:</p> <p>Identify and explain the various dimensions of business environment being referred to here.</p>
Ans	<p>The various dimensions of business environment being referred to in the above case are as follows:</p> <ol style="list-style-type: none"> a. Political Environment: b. Legal environment

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CH-3-BUSINESS ENVIRONMENT

WORKSHEET - 1

NAME OF STUDENT:

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Q.1 What is meant by 'Business Environment'?

Ans

Q.2 Explain any Six features of Business Environment.

Ans

Q.3 Explain any five points of importance of Business Environment.

Ans

Q.4 What do you mean by business environment? Explain the key Components of business environment.

