

BUSINESS ENVIRONMENT

Ram Kumar Kakani

XLRI Jamshedpur

IMPORTANCE OF BUSINESS ENVIRONMENT

- ◉ *It enables the firm to identify opportunities and getting the first mover advantage*
- ◉ *It helps the firm to identify threats and early warning signals*
- ◉ *It helps in tapping useful resources*
- ◉ *It helps in coping with rapid changes*
- ◉ *It helps in assisting in planning and policy formulation*
- ◉ *It helps in improving performance*

ACTIVITIES

Activity I : Economic Environment

- *Read the newspapers of the past fifteen days and note the changes in any five economic policies made by the government. Analyze their impact on the working of business enterprise.*

Activity II : Financial Environment of Human Beings in India

- *Contact any five families known to you. Find the major changes in their Cash Flow needs (both, cash inflow and cash outflow) over the last five years. Analyze the impact of these changes on the working of their families (financially)*

A TRULY GLOBALIZED ECONOMY

- A truly global economy implies a boundary less 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.*

ACTIVITIES

Activity III : Globalization

- *Make a list of five Indian companies which have global operations today. Find out the major products they sell and the countries where they operate*

REFERENCES

- ⦿ Business Studies Text Book of Class XI & XII by NCERT, <http://ncert.nic.in/>

CHECK YOUR KNOWLEDGE

➤ Which of the following does not characterize the business environment?

- a) Uncertainty
- b) Employees
- c) Relativity
- d) Complexity

➤ Which of the following best indicates the importance of business environment?

- a) Identification
- b) Improvement of performance
- c) Coping with rapid changes
- d) All of them

CHECK YOUR KNOWLEDGE

➤ 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

➤ Liberalization means _____

- a) Integration among Economies
- b) Reduced Government controls and restrictions
- c) Policy of planned disinvestments
- d) None of them

Thank
you

