

CHAPTER 2

Business Environment

I. Choose the correct answer:-

1. The positive factors of business are called as
a) Strength, b) Threat, c) Opportunity
2. are the factors that negatively affect the business
a) Weaknesses, b) Opportunities, c) Threats
3. 'Coalition government at centre has reduced political stability, increasing risks for business.' It's an example of
a) Technological environment, b) Legal environment, c) Social environment
4. refers to integration of our economy with the world economy.
a) Liberalization, b) Privatization, c) Globalization
5. is the life blood of any business
a) Capital/Finance, b) Brand image, c) Work environment

II. Fill in the blanks

1. Human resources are an factor which is in control of the business.
2. environment refers to the characteristics of the society in which a business firm exist.
3. environment comprises the elements relating to government.
4. environment includes new approaches, new products and new equipments to transform inputs into output.
5. is a business tool that deals with internal and external factors of the business.

III. Match the following

- | | |
|-------------------|--|
| 1. Strength | 1. These activities negatively impact the business and are in control of business. |
| 2. Opportunity | 2. Removal of restrictions on private sector firms. |
| 3. Weakness | 3. Describe the positive factors of business. |
| 4. Threat | 4. Giving greater role to private sector and reducing the role of public sector. |
| 5. Liberalization | 5. They negatively impact the business but are out of control of the business. |
| 6. Privatization | 6. If undertaken, they can have positive impact. |

IV. True or False

1. SWOT analysis provides readymade solutions for all the business problems.

2. Stability of Government plays a vital role in the growth and development of a business.
3. Specific focus does not affect the day to day functioning of the business.
4. Business environment is differs from country to country and region to region.
5. Satisfied employees bring good profits for the organization.

V. Answer the following briefly:-

1. What is included in legal environment of business? State
2. How does SWOT analysis prepare the business organization for the future?
3. Why business environment is considered to be complex in nature?
4. What is meant by business environment?
5. Which factors give rise to opportunities and threats?