

CLASS : XII

Business Environment

Q. 1. 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 a 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 para which highlight the significance of understanding business environment.

(4 marks)

Ans.

- “Comes to India to start a new business ... launches a new product in e-learning for Senior secondary school students in Commerce stream.”
 1. It helps in assisting in planning and policy formulation.
 2. It helps the firm to identify opportunities and get the first mover advantage.
- “His business starts flourishing in India.”
 1. It helps in improving performance.
- “Now more Indian companies entered into the market with different subjects also.”
 1. It helps the firm to identify threats and early warning signals.

Q. 2. Just after declaration of Lok Sabha Elections 2014 results, the Bombay stock exchange's price index (Sensex) rose by 1000 points in a day. Identify the environmental factor which led to this rise giving reason. Also explain any two other dimensions of business environment.

(5 marks)

Ans. Rise in stock market index (Sensex) is economic environment. But Political environment (declaration of Lok Sabha Elections 2014 results) led to this rise.

Two other dimensions of business environment:

1. Legal Environment:
2. Technological environment:

Q. 3. 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. (5 marks)

Ans.

- 1. Legal environment:**
- 2. Social environment:**
- 3. Technological environment:**
- 4. Economic environment:**
- 5. Political environment:**

Q. 4. 'It is common now to see CD-ROM's, computerized information kiosks, and Internet/Word Wide Web multimedia pages highlighting the virtues of products.' Name the dimension of the business environment highlighted by this stateme. (1 mark)

Ans. Technological environment

Q. 5. Which component of business environment requires that advertisements of baby food must necessarily inform the potential buyers that mother's milk is the best? (1 mark)

Ans. Legal environment.

Q. 6. It is the process by which government control over the industry is being loosened. Give the term to which this statement is trying to indicate. (1 mark)

Ans. Liberalization

Q. 7. Due to entry of foreign firms, competition for Indian firms has increased, especially in service industries. Name such service industries. (1 mark)

Ans. Telecommunications, airlines, banking, insurance, etc.

Q. 8. The Court passed an order to ban polythene bags as

- 1. The bags are creating many environmental problems which affect the life of people in general.**
- 2. Society in general is more concerned about quality of life.**

The Government decided to give subsidy to jute industry to promote this business.

Innovative techniques are being developed to manufacture jute bags at low rates.

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. (5 marks)

Ans.

- 1. Legal environment:**
- 2. Social environment:**
- 3. Political environment:**
- 4. Technological environment:**
- 5. Economic environment:**

Q. 9. The government of India is seriously thinking of allowing the oil-marketing public sector undertaking to fix their own prices for petrol and diesel. Which economic reform is the reason for this change in the government's policy?

Ans. Privatisation as a reform is the reason for this change in the government policy.

Q. 10. Kapil Sharma is working as the Country Head of a company which owns a chain of malls under the name of 'Virtuoso' in the various parts of India. Through an analysis report of the business environment, it has been brought to his notice that in the coming years, shopping at a mall will not be a necessity for the buyers as purchases can be made online from anywhere and at any time with ease and at the consumer's convenience. Hence, malls will have to provide much more than shopping to be able to attract customers. So, he recommends that 'Virtuoso' malls should to be restructured into recreation centres, offering more spaces to socialize, host events and concerts, and provide ample Food and Beverages options.

Consequently the share of entertainment segment and Beverages segment in the overall mall space is increased by 20%. As a result, the company gains enormously by getting the first mover advantage.

In context of the above case:

1. **Define the term 'Business Environment'.**
2. **Explain the terms 'Threats' and 'Opportunities' by quoting lines from the paragraph.**

Ans.

1. 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.
2. The term 'threats' refers to the external environment, trends and changes that will hinder a firm's performance.

"Through an analysis report of the business environment, it has been brought to his notice that in the coming years, shopping at a mall will not be a necessity for the buyers as purchases can be made online from anywhere and at any time with ease and at the consumer's convenience. Hence, malls will have to provide much more than shopping to be able to attract customers."

The term 'opportunities' refers to the positive external or changes that will help a firm to improve its performance.

"As a result, the company gains enormously by getting the first mover advantage."

Q. 11. "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 the 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.

Ans. The major components of New Economic Policy of 1991 that are being referred to are as follows:

- *Liberalization:* The economic reforms signaled the end of the licence-permit-quota raj and were aimed at liberalizing the Indian business and industry from all unnecessary controls and restrictions.

“Moreover, before the initiative was launched, the limits of foreign direct investment in various sectors has 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.”

- *Globalization*: Globalization means the integration of the various economies of the world leading towards the emergence of a cohesive global economy.

“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.”

Q. 12. Over the years, e-business in our country has witnessed tremendous growth due to several reasons. There is significant improvement in the Information Technology infrastructure over the last decade as the Government has taken important steps in high-speed Internet connectivity. As a result, the broadband networks have not only become better but also more affordable. Additionally, Government is trying to make rural India connected through broadband – a great possibility for e-business to expand the retail market by reaching out to the most remote rural customer. Another catalyst strengthening the e-business segment is the country’s favourable demography. It has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in the year 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan, this promises for phenomenal increase in e-business. Moreover, the penetration of the smartphone in a large section of the population has aptly addressed the problem of compute illiteracy. Not with standing the fact that consumers also prefer e-business due to multiple factors like convenience, time etc.

Identify and explain the various dimensions of business environment being referred to in the above case.

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

1. Political Environment:
2. Technological Environment:
3. Social Environment:

Q. 13. Beni, after completing her MBA, took up a job a multinational company named ‘Fortio’. The company was paying good salary and perks to its employees. The wages were within the paying capacity of the company that provided the employees a reasonable standard of living. The company also had a good work-culture and the behaviours of superiors was very good towards their subordinates. Beni was very happy in this organization, but due to long working hours she did not have time to cook

her meals. She had to depend on outside food, which was deteriorating her health.

She observed that this problem was faced by many of her colleagues, not only in her company but also in many other companies. This was because of increase in the number of working women and non-availability of hygienic home-cooked food. She identified this as a great opportunity and decided to give up her job to supply packaged home-cooked food to office goers at a reasonable price. At the end of the day she also distributing the left-over food in the nearby night-shelters.

1. State the dimension of business environment being discussed above.
2. State the principle of management being followed by 'Fortio'.
3. Identify any two values being communicated by the company to the society in the above case. (4 marks)

Ans.

1. Social environment which includes social forces like customs and traditions, values trends etc.

'this was because of increase in the number of working women and non-availability of hygienic home-cooked food.'

1. Remuneration of employees, which states that the overall pay and compensation should be fair to both employees and the organization.

'The company was paying good salary and perks to its employees. The wages were within the paying capacity...standard of living.'

1. Values being communicated by the company to the society are: (Any two)
 1. Good work culture
 2. Good behavior inhuman interaction
 3. Concern for the employees
 4. Respect for law

Q. 14. Nakul, a manager of Zyco Ltd. always takes into account the changes taking place in business environment while determining plans. He accepts changes readily and gives useful suggestions to his superior, which results in reduction of costs. As a result, company's profits increase. Nakul enjoys cordial relations with his co-workers and makes plans in consultation with his team to achieve organizational goals.

1. Which characteristic of management is highlighted in the above lines?
2. Identify and state any two principles of management followed by Zyco Ltd.

3. **Give any two benefits which Zyco Ltd. get by taking into account the changes taking place in business environment, quoting the lines from the above para.**
4. **State any one value which Nakul wants to communicate to the society. (6 marks)**

Ans.

1. Management is a dynamic function.
- 2.

1. Initiative

This principle indicates that the subordinates should be encouraged to give suggestions and make and execute plans within the prescribed limits of authority.

1. Spirit de corps

This principle suggests that management should promote a team spirit of unity and harmony among the employees.

1. Benefits of business environment:

1. It helps in assisting in planning and policy formulation.

‘... takes into account the changes taking place in business environment while determining plans.’

1. It helps in improving performance.

‘He accepts changes readily and gives useful suggestions to his superior, which results in reduction of costs.As a result, company’s profits increase.’

1. Value:

- Team work
- Adaptability

Q. 15. It is interesting to know that the menu items of the multinational food chains are customized to suit the general palates of the local people in the region. When McDonald’s started its business in India in the year 1996, the company went through a complete localization strategy. McDonald’s changed its product menu to accommodate the vegetable burger given the large vegetarian population. It also altered its store design and even reduced the product price by close to fifteen per

cent. Also, the “McAloo Tikki burger” is not available anywhere but in the Indian outlets of McDonalds.

Identify the relevant feature of business environment being discussed above.

Ans. Relativity is the relevant feature of business environment which is being discussed above.

Q. 16. 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. At a result, there is growing need for better and advanced technologies to works as a catalyst in this regard.

- 1. Identify the relevant feature of business environment being discussed above.**
- 2. Describe briefly any three points which highlight the importance of business environment and its understanding by managers.**

Ans.

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:
 1. *It enables the firm to identify opportunities and getting the first mover advantage:* 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.
 2. *It helps the firm to identify threats and early warning signals:* sometimes the changes in the external environment may pose as a threat and hinder a firm’s performance. An awareness about the business environment helps the managers to identify such threats on time and take necessary decisions and action.
 3. 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. 17. Ultra Paint Co. which is manufacturing paints has been enjoying a prominent market position as it manufactured best quality paints, made timely payment of taxes to government. It assembled various inputs like finance, machines, raw materials, etc. from its environment. But since last year it has been dumping its untreated poisonous waste on the river bank which has created many health problems for the people. As a result, the court passed an order to seal the manufacturing unit of the company.

- 1. State the importance of business environment highlighted quoting the line from the above case.**
- 2. Identify any two dimensions of business environment mentioned in the above case by quoting lines from it.**
- 3. State any two values which have been overlooked by the company?**

(5 marks)

Ans. (a) Business environment helps in tapping useful resources.

‘It assembled various inputs like finance, machines, raw materials, etc. from its environment.’

(b) (i) Social environment

‘...it has been dumping its untreated poisonous waste on the river bank which has created many health problems for the people.’

(ii) Legal environment

‘...the court passed an order to seal the manufacturing unit of the company.’

1. Value overlooked.

- Environment protection
- Concern for human life
- Respect for law and order
- Social responsibility

Q. 18. Philips, a company manufacturing light bulbs incurred heavy expenditure on scientific Research and Development and discovered a technology that made it possible to produce an energy efficient light bulb that lasts at least twenty times as long as a standard bulb. It resulted in growth and profitability of the company.

- 1. Identify and state the dimension of business environment mentioned above.**
- 2. State the importance of business environment mentioned above by quoting the lines.**
- 3. State any one value which the company wants to communicate to the society.(4 marks)**

Ans.

1. Technological environment

It 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.

2. Business environment helps a firm to improve its performance.

‘It resulted in growth and profitability of the company.’

3. Value conservation of energy

Q. 19. Disco Ltd. manufactures fashionable and designer clothes. Recently it finds that the demand for its products has been declining. After market research it was discovered that fashion and tastes of the consumers is changing at a fast pace. Customers’ demand is increasing. New competitors have entered the market with new designs. It is very difficult for the company to predict future happenings. Also, it is difficult to know the extent of the relative impact of the social, economic, political, technological or legal factors on decrease in demand of its products in the market.

A meeting was held in which managers from different functional levels heading Production, Marketing, Finance, etc., for example, Chief Operating Officer, Chief Finance Officer, Vice President (Marketing) were present to discuss how to deal with the situation. After a long discussion, it was decided that they would study and analyze the market first to identify customer tastes and fashion and then manufacture garments accordingly. It was also decided to increase expenditure on advertising, after-sales services, etc.

1. Identify any two features of business environment by quoting the lines from the above case.
2. At which level of management the meeting of managers of Disco Ltd. was held?
3. Identify any two impact of government policy changes on business, quoting lines from the above case.
4. State the importance of understanding of environment by business managers in the light of the above para.

(6 Marks)

Ans.

1. Features of business environment:

1. *Dynamic nature*: 'fashion and taste of the consumers is changing at a fast pace.'
2. *Uncertainty*: 'It is very difficult for the company to predict future happening.'
3. *Complexity*: 'It is difficult to know the extent of the relative impact of the social, economic, political, technological or legal factors on decrease in demand of its products in the market.'

1. Top level management
2. Impact of government policy changes on business:

1. *Increasing competition*: 'New competitors have entered the market with new designs.'
2. *More demanding customers*: 'Customers' demand is increasing.'
3. *Market orientation*: 'it was decided that they would study and analyze the market first to identify customer tastes and fashion and then manufacture garments accordingly. It was also decided to increase expenditure on advertising, after-sales services, etc.'

1. Business environment helps the manager in coping with rapid changes.

Q. 20. The organic food market in India is grow at 25-30 per cent which reflects a clear shift in consumer tastes and preferences. The current growth in the organic food market is driven by multiplicity of factors like rising health consciousness, changing lifestyles, increase in disposable income and growing availability of organic food products in shopping malls, retail outlets and online.

In context of the above case:

1. Identify and explain the features of business environment being referred to here.
2. By quoting phrases from the paragraph identify the various components of general forces which have led to a growth in the organic food market.

Ans.

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

- *Dynamic nature*: It is dynamic in nature and keeps on changing due to technological up gradations, shifts in consumer preferences or increase in competition in the market.
- *Inter-relatedness*: All the elements of business environment are closely interrelated. Therefore, any change in one element may necessitate corresponding changes in the other elements as well.

2. The various components of general forces which have led to a growth in the organic food market are as follows:

1. *Social*: “rising health consciousness, changing lifestyles”
2. *Economic*: “increase in disposable income”
3. *Technological*: “growing availability of organic food products in shopping malls, retail outlets and on line.”

Q. 21. Anurag, aspires to work with a socially and environmentally committed company as he does not want to work just for monetary benefits but also the brand value of the company he works for in the society matters a lot to him. Therefore, he has joined Cerebra Integrated Technologies a Bengaluru-based Infotech company. The company has built India’s largest e-waste recycling plant. The company strives to be one of the leading players in this business which has huge potential not only in terms of generating huge revenues and profits but also wants to contribute to the environment issues that have become crucial worldwide. The company sees big business in the mountains of e-waste in Bengaluru which produces 2,00,000 tonnes of e-waste a year. The company plans to make its millions by extracting metals such as gold and platinum from the e-waste piling up in the city. As a mobile phone, for example, is made up of a combination of rare earth and precious metals: it contains 250 mg of silver, 24 mg of gold and nine mg of palladium while a laptop has 1,000 mg of silver, 220 mg of gold and 500 grams of copper.

To start the business, the company has obtained a licence from KSPCB (Karnataka State Pollution Control Board).

In context of the above case:

1. **Identify the various dimensions of business environment being referred to by quoting lines from the paragraph.**
2. **List any two values which the company wants to convey to the society.**

Ans.

1. The various dimensions of business environment being referred to in the above case are as follows:
 - *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.
 - *Legal environment*: Legal environment includes various legislations passed by the Government administrative orders issued by government authorities, court judgments as well as the decisions rendered by various commissions and agencies at every level of the government – centre, state or local.
 - *Social Environment*: Social environment includes the social forces like customs and traditions, values, social trends, society’s expectations from business, etc.

1. The two values which the Cerebra Integrated Technologies wants to convey through this initiative are:

1. Sustainable development
2. Concern for environment.

Q. 22. After completing his education, Arun joins his father in their family business of manufacturing cookware. As a businessman, his father is rigid in his approach and has fixed ideas about various issues. He tends to maintain a distance from the factory workers.

However, Arun is more receptive to the needs of the workers and doesn't seem to believe in any class-differences. He believes that the prosperity of their business greatly depends upon the prosperity of their workers and vice versa. At the same time, he has a good understanding of the business environment. Therefore, he introduces a new range of green pans that provide a healthy cooking surface, as they are manufactured with all ceramic or silicon coating and are considered safer than the traditional petroleum based nonstick surfaces which may contain toxic substances. Although, the new cookware range is highly priced, he expects a ready market for it as both the purchasing power of people and their preference for better quality products has increased over the years.

In context of the above case:

1. Identify the nature of management which is being reflected in the different styles of management in practice adopted by Arun and his father.
2. Name and explain the related principle of scientific management.
3. State the related dimensions of business environment.

Ans.

1. The different styles of management in practice adopted by Arun and his father reflect that management is an art.
2. 'Harmony, Not Discord' is the related principle of scientific management.
3. The related dimensions of the business environment are:

- *Economic Environment:*
- *Social Environment:*
- *Technological Environment:*

Q. 23. Continuous and comprehensive evaluation is a process of assessment, mandated by the right to Education Act, of India. This approach to assessment has been introduced by state governments in India, as well as by the Central Board of Secondary Education in India. With the introduction of (CCE) system in education there is greater

focus on project based learning. As a result, besides time and effort the students are willing to invest money to enhance the visual appeal of their project files so as to score higher marks. In order to cash on the opportunity Rishabh has started a small business unit to manufacture different kinds of decorative materials for the project files. He has employed a team of four creative designers for developing the innovative material with the help of latest technology. However, he has a prejudice against women and therefore pays less salary to them as compared to the male staff for equal work.

In the context of the above case:

1. Name any two functions of management that Rishabh will have to perform in order to manage his business successfully.
2. Name and explain the principle of management which is being violated by Rishabh.
3. Identify the related dimensions of the business environment.

Ans.

1. The two functions of management that Rishabh will have to perform in order to manage his business successfully are **Planning** and **Organising**.
2. The principle of management which is being violated by Rishabh is **Equity**.
3. The related dimensions of the business environment are:
 1. Legal Environment
 2. Political Environment
 3. Economic Environment
 4. Social Environment
 5. Technological Environment

Q. 24. Government of India is seriously thinking to allow oil marketing public sector, undertaking to fix their own price for petrol and diesel.

1. Name the economic reform related to this decision of government.
2. Name other two reforms recommended in new economic policy.

Ans.

1. Liberalization
2. **Other two reforms:** Privatization and Globalization.

Q. 25. Recently many companies have planned for significant investment in organized retailing in India. Various factors which have encouraged companies to take these decisions 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 liberalization regarding MNC entry and FDI, etc.

1. Explain briefly changes in business environment under different heads that have facilitated the companies' decision to plan significant investment in retailing.
2. What has been the impact of these changes with regards to globalization and privatization?

Ans.

1. Explain recent changes in various environment heads, i.e., economic, social, political, legal and technological.
2. Explain the topic, impact of change in government policy/economic policy.

Q. 26. Two big banner movies were scheduled to be released on the same date. On the last movement release of one of the movies has to be postponed due to opposition of a group of people due to some unethical contents related to their religion was shown in the that movie. The other movie released on time and made huge profit as there was no competition and movie which was postponed suffered loss.

1. Which feature of business environment is highlighted here.
2. Identify the dimension of business environment, which delayed the release of movie.

Ans.

1. Feature highlighted in 'relativity'.
2. The dimension is 'social environment'.

Q. 27. After winning the election, Prime Minister Mr. Narendra Modi launched a Campaign of 'Swachh Brarat' and invited various celebrities to be a part of this Abhiyaan. This spread awareness among the people in society and in general, people started becoming more careful and aware about the cleanliness around their area. To continue its impact, a new service tax for Swachh Bharat was also started. The government is planning to import new and better technology to adopt new methods of treating the garbage and waste.

State the various dimension of business environment mentioned in the above para quoting the lines from the above para.

Ans.

1. "After wining election campaign of Swachh Bharat."

Political Environment

1. "People in society around their area."
2. Social Environment
3. "A new service tax started."

Economic Environment

1. "Import new technology Garbage."

Technological Environment

Q. 28. Even after opening up of Indian Economy, foreign companies found it extremely difficult to cut through the bureaucratic and red tapism in government offices. This discourages them from investing in India.

Identify the dimension of environment mention in above para.

Ans. Political Environment.

Q. 29. Just after the declaration of Lok Sabha Elections in 2014, the Bombay Stock Exchange Index rose by 1000 points.

Identify the dimension of business environment.

Ans. Political Environment.

Q. 30. 'Mamta Rice Food Ltd' is a well know rice producing company. The sales have been falling down from the beginning of the year. The managing director MR. Bhuvan is worried about this situation. With a view to find out the solution of this problem he made a team to find but the reasons for downfall of sales. The team conducted the survey and gave following four reasons for the downfall of company's sale.

1. On account of increase in export duty made by the government, the foreign demand has gone down.
2. Due to availability of other eatable substitute the taste of people is diverted from rice.
3. The competitor's imported new technology machine and are producing better quality rice.
4. Due to strain with neighbouring country's government and our country's government export is effected.

Identify the dimension of Business Environment discussed in the above case.

Ans.

1. Economic Environment
2. Social Environment

3. Technological Environment
4. Political Environment.

Q. 31. With changes in the consumption habits of people, Neelesh, who was running a sweet shop, shifted to the 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 a lot of orders online and earned huge profits by selling the chocolate.

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

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

1. *Social environment:*
2. *Technological environment:*

Q. 32. 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 organized by the Directorate of Education. He was awarded the first prize for his invention.

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

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

1. *Economic Environment:*
2. *Technological Environment:*

Q. 33. 'Accent electronics Ltd.' was operating its business in Malaysia. The company started exporting its products to India when the Prime Minister announced relaxation in import duties on electronic items. The company appointed retailers in India who had direct online links with the suppliers to replenish stocks when needed.

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

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

1. *Political Environment:*
2. *Technological Environment:*

Q. 34. As per the directions issued by the Supreme Court, the government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions as:

1. **Its consumptions injurious to health.**
2. **People are becoming more conscious about health and fitness. This indicates the government's attitude towards this business.**

Identify the business environment under three different dimensions by quoting from above paragraph.

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

1. *Legal Environment:* "As per the directions issued by the Supreme Court."
2. *Political Environment:* "The government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions."
3. *Social Environment:* "Its consumption is injurious to health and people are becoming more conscious about health and fitness."

Q. 35. Make in India is an initiative launched by the Government of India to encourage national and multinational companies to manufacture their products in India. It focuses on job creation and skill enhancement and is in twenty five sectors of the economy. Under the initiative, brochures on these sectors and a web portal were released. The initiative aims at high quality standards and minimizing the impact on the environment. It also seeks to attract foreign capital investment in India.

In context of the above case:

1. **Identify the various dimensions of business environment being referred to by quoting lines from the paragraph.**
2. **List any two values which the Government of India wants to convey through this initiative.**

Ans.

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

1. *Political Environment:*
2. *Technological Environment:*
3. *Economic Environment:*

1. The two values which the Government of India wants to convey through this initiative are:

1. High quality standards
2. Concern for environment

Q. 36. 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 Internet, telephone and television. However, operating in either of the segments is marked by the presence of strong competitors.

Identify the components of specific forces and general forces being discussed in the above paragraph.

Ans. The components of specific forces discussed in the above paragraph are the customers and competitors.

The components of general forces discussed in the above paragraph is the social and technological conditions.

Q. 37. To mark the celebrations of International Family Day on 16th may 2016, Kurkure flagged off India's first family food train – Kurkure Family Express at New Delhi. The train took forty families on a fun culinary experience of a lifetime through an eight-day journey across fourteen states in India. A whole lot of fun activities were hosted on the train by the travel and food anchors Rocky and mayor.

The families were selected through an online campaign, 'Chatpata family photos'. The contest attracted approximately 1,000 entries, of which 40 entries that gelled with the brand's image were selected.

The core idea of the campaign was to bring families from across India together over a journey like this. As in today's time, everyone is busy with their life the family members may feel disconnected with each other.

Identify and explain the various dimensions of business environment being referred to in the above case by quoting lines from the paragraph.

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

1. *Technological environment:*
2. *Social environment:*

Q. 38. 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) licence 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 lakh per annum.

In context of the above case:

- 1. Identify and explain the various dimensions of business environment being referred to here.**
- 2. List any two values which the State Government of Kerala wants to convey through this initiative.**

Ans.

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

1. *Political Environment:*
2. *Legal environment:*

1. The two values which the State Government of Kerala wants to convey through this initiative are:

1. High quality standards
2. Good health

Q. 39. Postage stamps have been unveiled to commemorate 140 years of existence of the country's first stock exchange the Bombay Stock Exchange (BSE). The setting up of BSE is considered to be the greatest revolution that took place in the financial markets in India as it acts as a key driver for economic growth of a country. This is due to the fact that there exists a strong correlation between economic growth and capital accumulation.

In the context of the above case:

- 1. Identify the dimension of business environment of India being referred here.**
- 2. State any three factors which broadly affected the dimension of business environment of India as identified in part (a) of the question.**

Ans.

1. Economic environment is the dimension of business environment of India being referred here.
2. The three factors which broadly affect the economic environment of India are stated below;

1. Stage of economic development of the country.
2. The economic structure in the form of mixed economy which recognizes the role of both public and private sectors.
3. Economic planning, including five year plans, annual budgets, and so on

Q. 40. In May 2016, the government had launched a web-based application which will provide as opportunity to all the industries dealing in hazardous waste to apply online and get online permissions for import and export of certain categories of waste, which is for reuse, recycling or recovery while it will also help authorities in web-based processing, generation and grant of various types of permissions to the entrepreneurs and industries. It is also aimed at implementing the concept of paperless and green office and provide information regarding number authorizations or consent order granted by the State Pollution control Boards (SPCBs).

Identify the various dimensions of business environment being referred in the above case.

Ans.

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

1. *Political Environment:*
2. *Technological Environment:*
3. *Legal Environment:*
4. *Social Environment:*
5. *Economic Environment:*

Q. 41. Bharat is running an ice cream parlour in a local market. Keeping in mind the changing perceptions about health among the people, one of his employee Abhiraj suggests to him that they should introduce a range a flavoured yogurt. Bharat accepts his suggestion as a result both the image and the profitability of his business increases.

In the context of the above case:

1. **Identify the feature of management which is being highlighted.**
2. **State the related dimension of the business environment.**
3. **Name and explain the related principle of general management.**

Ans.

1. The feature of management which is being highlighted is **Dynamic**.
2. The related dimension of the business environment is **Social**.
3. The related principle of general management is **Initiative**.

Initiative means taking the first step with self-motivation. The workers should be encouraged to develop and carry out their plans for improvement. Suggestion system should be adopted in the organization.