

Section - 1

Q1) What do you understand by Business Environment?
Define internal environment and external environment.

Ans - Business refers to the collective effort of the firm in making money by buying and selling merchandise. We all are aware of the fact that every business operates in an environment called Business Environment. The business environment comprises all the elements that have a bearing on the decisions, moves and functions of the business.

Internal EnvironmentExternal Environment

Meaning - Internal Environment refers to all the indyng forces and conditions present within the company, which can affect the company's working.

External environment is a set of all the exogenous forces that have the potential to affect the organisation's performance, profitability and functionality.

Nature - Controllable

Uncontrollable

Compose of - Strengths and weakness

Opportunities and threats

Affects - Company only

All companies operating in the industry.

Bearing on - Business strategy, functions and decisions

Business survival, growth, updation, expansion etc.