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321-044

② Explain the nature and concept of Business Environment? Explain Liberalisation?

Ans - Nature of Business Environment is as follows

① Complex - Business Environment is composed in nature. Environment consists of a number of factors, events, conditions and influences arising from different sources which impact business firms making the Business complex.

② Interdependence - The environment of the business is made of social, economic, legal, cultural, technological and political factors. These factors of the environment are inter-dependable. The economic status of a country affects development technology.

③ Inter relatedness - The different factors of Business environment are co-related. For example - let us suppose that there is a change in the import export policy. When the country of a new government to power and change in the import export policy are political and economic changes respectively.

④ Impact - Business environment has both long term and short term impact. Environment therefore has different effects on different firms in the same industry for clear doubts.

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Q2 - Nature of Business Environment

Business environment refers to those aspects of the surroundings business enterprise, which affect or influence its operations and determine its efficiency.

According to Keith Davis, Business environment is the aggregate of all conditions, events and influences that surround and affect it.

Liberalization - Liberalization is any method of how a state raises liberalization of some private individual ventures liberalization refers to something which was forbidden is no longer forbidden or when government laws are loosened.