

SECTION – 1

QUESTION-1.

ANSWER:-

Business environment means all of the internal and external factors that affect how the company functions including employees, customers, management, supply and demand and **business** regulations. An example of a part of a **business environment** is how well customers' expectations are met.

1. **Internal Business Environment**
2. **External Business environment**

Internal Business Environment:-

Human resources are a very crucial factor in the internal business environment. The managerial decisions are taken by human resources while technological resources represent the technical knowledge which is used in the manufacturing of goods and services. Internal environment consists of the factors which are controllable and which can be changed according to the requirements of the external environment. There's been a drastic change in the internal environment in the last decade or so. The contemporary work environment does not help the employees to be more productive and the Internet is your organization that suffers.

External Business environment:-

The external environment is relatively watched compared to the internal business environment. It is composed of various organizations institutions and other forces which operate beyond the control of the organization. It is further classified into external micro and external macro environment.

Following are important factors of micro external environment:

Suppliers of inputs.

Customers.

Competition.

Public.