

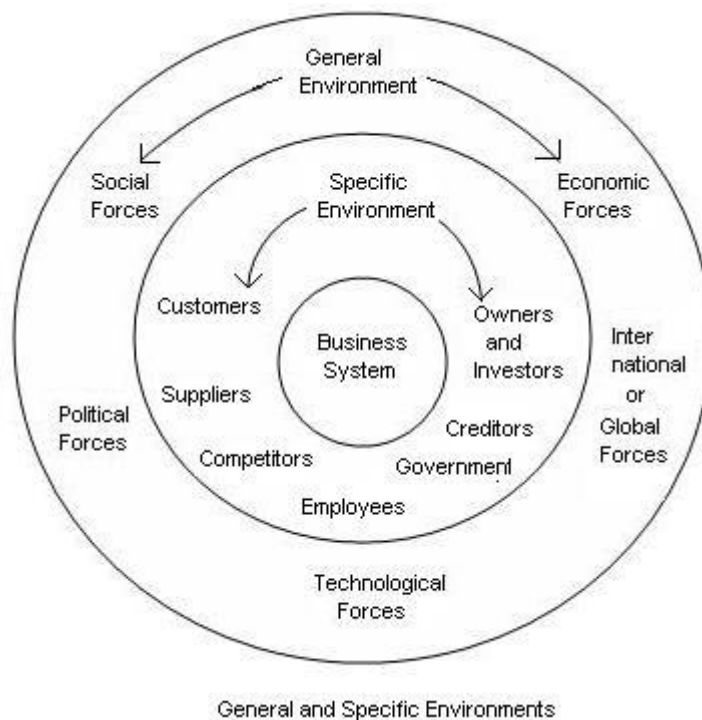
## SECTION – 1

### QUESTION-2.

ANSWER:-

#### Nature:-

**Business environment** consists of the external forces which affect the functioning of a **business** enterprise. These include **economic**, political, social, technological and global or international forces as of the **business** enterprises are not influenced directly by the general forces.



#### Concepts of Business Environment:-

Business environment is the sum total of all **factors** external to the business firm and that greatly influence their functioning. It covers **factors** and forces like customers, competitors, suppliers, government, and the social, cultural, political, technological and legal conditions.

A business firm is an open system. It get resources from the environment and supplies its goods and services to the environment.

There are different levels of environmental forces.

Some are close and internal forces whereas others are external forces.

These environmental forces provides opportunities to the business community.