



## Definition of Micro Environment

Microenvironment refers to the environment which is in direct contact with the business organization and can affect the routine activities of business straight away. It is associated with a small area in which the firm functions.

The microenvironment is a collection of all the forces that are close to the firm. These forces are very particular for the said business only. They can influence the performance and day to day operations of the company, but for the short term only. Its elements include suppliers, competitors, marketing intermediaries, customers and the firm itself.

## Definition of Macro Environment

The general environment within the economy that influences the working, performance, decision making and strategy of all business groups at the same time is known as Macro Environment. It is dynamic in nature. Therefore it keeps on changing.

It constitutes those outside forces that are



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It constitutes those outside forces that are not under the control of the firm but have a powerful impact on the firm's functioning. It consists of individuals, groups, organizations, agencies and others with which the firm deals during the course of its business.

## Understanding Social Responsibility

Social responsibility means that individuals and companies have a duty to act in the best interests of their environment and society as a whole. Social responsibility, as it applies to business, is known as corporate social responsibility (CSR).

The crux of this theory is to enact policies that promote an ethical balance between the dual mandates of striving for profitability and benefiting society as a whole. These policies can be either ones of commission (philanthropy - donations of money, time, or resources) or omission (e.g., "go green" initiatives like reducing greenhouse gases or abiding by EPA regulations to limit pollution). Many companies, such as those with "green" policies, have made social responsibility an integral part of their business models and



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