

### Q3 Factor affecting business environment

1. Geographical factor  $\Rightarrow$  Geographical conditions exert influence on the decisions as to the type of industries and business to be carried on in a region.

2. Demographic factor  $\Rightarrow$  Demographic factor such as size of the population, growth rate, age composition, life expectancy, family size affect the demand for goods & services.

3. Economic factor  $\Rightarrow$  Economic environment refers to all those data about an economy of market that influences business performance.

#### $\rightarrow$ Feature of mixed economy

- Some private business, driven by profit  
Some controlled by government
- Taxes to the government