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 Ques 2. Explain the nature and concept of Business environment? Explain liberalisation?

Ans. * Concept of Business environment are, Business environment refers to the those aspects of the surroundings business enterprises, which affect or influence its operations and determine its effectiveness.

According to Keith Davis, "Business environment is the aggregate of all conditions, events and influence that surrounds and affect it".

* Nature of Business Environment are;

i) Complex: Business environment is compound in nature. Environment consists of a number of factors, events, conditions and influences arising from different sources which impact business thus making the business complex.

ii) Intendependence: The environment of business is made of social, economic, legal, cultural, technological, and political factors.

iii) Dynamic: Business environment is constantly changing process. Business environment is dynamic as it keeps on changing in terms of technological improvement, shifts in consumer preferences or entry of new competition in the market.

- iv) 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 with the coming of new government. to power and cha
- v) Impact; Business environment has both long term and short term impact.
- vi) Uncertainty; Business environment is largely uncertain as it is very difficult to predict future happenings, especially when environment changes are taking place too frequently as in the case of information technology or fashion industries.
- vii) Relativity; It is a relative concept since it differs from country to country and region to region. Political conditions in the USA, for example

* Liberalisation; liberalisation is any method of how a state raises limitations on some private individual ventures. liberalisation befalls when something which was forbidden is no longer forbidden or when government laws are loosened. It is known as liberalisation.