

## Section-4

Q.1 Ans The environment of business consists of all those external things to which it is exposed and by which it may be influenced directly or indirectly. There are certain importance of business environment.

- \* Business environment is important as it shows importance to study the ways of transfer or exchange, sale of goods and services for a value.
- \* It is important because it tells whether how the continuity of dealings would go on depending on the rules and regulations and guidelines.
- \* It helps in gaining more of profit motive so that the organization would run smoothly and efficiently. Therefore it is a must.



as why  
important.

and  
Business environment study is  
points of the  
put down  
not.

## ★ Significance of Business Environment.

⇒ Help to understand Internal Environment - It is very much important for business enterprises to understand its internal Business environment, such as structure, policy, organization etc.

⇒ Help to understand Economic system. - The different kind of economic systems influence the business in different ways.



It is essential for a businessman ~~and~~ and business firm to know about the role of capitalists, socialists and mixed economy.

iii Help to understand Economic policies -  
The business environment helps to understand government policies such as export-import policy, price policy, monetary policy, foreign exchange policy etc.

iv Help to understand Market Conditions -  
The knowledge about increase and decrease in demand and supply, monopolistic practices, government participation in business etc.