

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
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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 ~~for~~ 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.

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★ Feature of Socialism:

- i) Workers are not exploited, since they own the means of production. All profits are spread equitably among all workers, according to his or her contribution.
- ii) The system eliminates poverty. Everyone has equal access to health care and education. No one is discriminated against each other.
- iii) Everyone works at what one is best and at what one enjoys. If society needs job to be done that no one wants it offers higher compensation to make it worth while. Thus, these were few features of socialism.