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शक्ति उत्थान आश्रम लखीसराय बिहार

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Case Studies In Business Studies(BUSINESS ENVIRONMENT)

LATEST CBSE QUESTIONS

Question 1:

Metlapp Networks and Technologies Ltd. is a leader in technology innovation in the United States, creating products and solutions for connecting the world. It has, a large research and development team which invented the first smart watch, named as W-7. The watch besides showing the time, also monitors few health parameters like heart beat, blood pressure etc. While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of simplified export procedure and removal of quantitative as well as tariff restrictions in India.

It set up its office in Jamnagar with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, thereby benefiting the customers.

1. In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain these concepts.
2. Also, explain briefly any three impacts of these concepts on Indian business and industry.

Answer:

1. Liberalisation and Globalisation are the two major concepts related to government policy that have been discussed.
 - o Liberalisation: These economic reforms signalled the end of the licence-permit-quota raj and were aimed at liberalising the Indian business and industry from all unnecessary controls and restrictions.
 - o Globalisation: Globalisation means the integration of the various economies of the world leading towards the emergence of a cohesive global economy.
2. The three impacts of reforms on Indian business and industry are outlined below:
 - o Increasing competition: The Indian firms are facing lot of competition due to changes in the rules of industrial licensing and entry of foreign firms. This change

is more apparent in the sectors which were earlier reserved for private sector only like banking, insurance, telecommunications, etc.

- More demanding customers: With the easy availability of wider choice in purchasing better quality of goods and services due to high competition consumers have become more aware and demanding. The growing expectations of the consumers has increased the pressure on the business firms.
- Rapidly changing technological environment: With the entry of new firms which are far more superior in terms of technology the small firms are facing a lot of challenges. Moreover, the firms are constantly involved in innovating new products and upgrading present products with the help of better technologies in order to satisfy the customers demands.

Question 2:

Naman and Govind after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested them to first analyse the business environment which consists of investors', competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasised on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.

1. Identify and state the component of business environment highlighted in the above Para.
2. State any two features of business environment as discussed by Professor Mehta with Naman and Govind.
3. Also state two points of importance of business environment as stated by Professor Mehta in the above situation.

Answer:

1. Technological Environment is the component of business environment highlighted in the above Para. Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.
2. The two features of business environment as discussed by Professor Mehta with Naman and Govind are as follows:

- Dynamic nature: It is dynamic in nature and keeps on changing due to technological upgradations, shifts in consumer preferences or increase in competition in the market.
 - Inter-relatedness: All the elements of business environment are closely interrelated. Therefore, any change in one element may necessitate corresponding changes in the other elements as well.
3. The two points of importance of business environment as stated by Professor Mehta in the above situation are described below:
- It enables the firm to identify opportunities and getting the first mover advantage: The dynamic business environment provides numerous opportunities for a business to evolve as per the changing needs. Therefore, early identification of the forthcoming opportunities helps an enterprise to be the first to exploit them instead of losing them to the competitors.
 - It helps the firm to identify threats and early warning signals: Sometimes the changes in the external environment may pose as a threat and hinder a firm's performance. An awareness about the business environment helps the managers to identify such threats on time and take necessary decisions and action.

Question 3:

With changes in the consumption habits of people, Neelesh, who was running a sweet shop, shifted to the chocolate business. On the eve of Diwali, he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove.com for taking orders online. He got a lot of orders online and earned huge profits by selling the chocolate.

Identify and explain the dimensions of business environment discussed in the above case.

Answer:

The various dimensions of business environment being referred to in the above case are as follows:

1. Social environment: Social Environment includes the social forces like customs and traditions, values, social trends, society's expectations from business, etc.
2. Technological environment: Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.

Question 4:

A recent rate cut in the interest on loans announced by the banks encouraged Amit, a science student of Progressive School, to take a loan from State Bank of India to experiment and develop cars to be powered by fuel produced from garbage. He developed such a car and exhibited it in the Science Fair organised by the Directorate of Education. He was awarded the first prize for his invention.

Identify and explain the dimensions of business environment discussed in the above case.

Answer:

The various dimensions of business environment being referred to in the above case are as follows:

1. Economic Environment: It comprises of factors that can affect management practices in a business enterprise includes interest rates, inflation rates, changes in disposable income of people, stock market indices and the value of rupee etc.
2. Technological Environment: It includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.

Question 5:

'Accent Electronics Ltd.' was operating its business in Malaysia. The company started exporting its products to India when the Prime Minister announced relaxation in import duties on electronic items. The company appointed retailers in India who had direct online links with the suppliers to replenish stocks when needed.

Identify and explain the dimensions of business environment discussed in the above case.

Answer:

The various dimensions of business environment being referred to in the above case are as follows:

1. Political Environment: Political Environment includes political conditions such as general stability and peace in the country and specific attitudes that elected government representatives hold towards business.
2. Technological Environment: Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.