

CLASS-11 BUSINESS STUDIES SUMMARY

BUSINESS ENVIRONMENT

Definition of Business Environment is sum or collection of all internal and external factors such as employees, customers needs and expectations, supply and demand, management, clients, suppliers, owners, activities by government, innovation in technology, social trends, market trends, economic changes, etc. These factors affect the function of the company

FEATURES OF BUSINESS ENVIRONMENT

1. Dynamic
2. Relative
3. Complex
4. Uncertainty
5. Interrelation
6. Specific and general forces

IMPORTANCE OF BUSINESS ENVIRONMENT

1. Coping with changes
2. First mover advantage
3. Early warning signals
4. Business strategies
5. Public image
6. Customer needs and confidence

ELEMENTS OF BUSINESS ENVIRONMENT

1. Political and legal environment
2. Social and cultural environment
3. Economic and financial environment
4. Technological environment
5. Natural environment
6. Global environment

MEANING OF SWOT ANALYSIS

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and so a SWOT Analysis is a technique for assessing these four aspects of your business.

STRENGTHS: Strengths are things that your organization does particularly well, or in a way that distinguishes you from your competitors. Think about the advantages your organization has over

WEAKNESS: Weaknesses stop an organization from performing at its optimum level. They are areas where the business needs to improve to remain competitive: a weak brand, higher-than-

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average turnover, high levels of debt, an inadequate supply chain, or lack of capital.

OPPORTUNITIES : Opportunities refer to favorable external factors that could give an organization a competitive advantage

THREATS: Threats refer to factors that have the potential to harm an organization. For example, a drought is a threat to a wheat-producing company, as it may destroy or reduce the crop yield.

IMPORTANCE OF SWOT ANALYSIS

1. SWOT analysis gives an acceptable perspective of your strengths, and permits you to expand on them to meet your business targets.
2. It shows your weaknesses and gives an opportunity to overturn them.
3. it is very simple to understand, prepare and use
4. it is inexpensive
5. it is quite flexible

WORK SHEET

SHORT QUESTION

Q1.DEFINE THE TERM BUSINESS ENVIRONMENT

Q2. WHY IS BUSINESS ENVIRONMENT CALLED DYNAMIC?

Q3. WHAT IS SWOT ANALYSIS?

LONG QUESTION

Q1.EXPLAIN THE ESSENTIAL FEATURES OF BUSINESS ENVIRONMENT

Q2.DISCUSS THE IMPORTANCE OF BUSINESS ENVIRONMENT

Q3.EXPLAIN THE IMPORTANCE OF SWOT ANALYSIS