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**Answer All-**

**1. Define environment. Choose any company to explain the internal and external 16 environmental factors affecting its business.**

**2. Define the following terms.**

**a) Environmental screening b) Organizational appraisal Method. c) Economic System (With example).**

**Answer to the question no. 1**

In general, the environment can be defined as the set of external and internal factors that influence an organization's ability to achieve its objectives.

One company that we can use to illustrate the impact of environmental factors is Apple Inc. Below are some of the internal and external environmental factors affecting Apple's business:

Internal Factors:

1. Company culture: Apple has a strong culture of innovation and design which has helped it to maintain its competitive edge.
2. Human resources: The quality of Apple's workforce is a significant internal factor that drives its success.
3. Organizational structure: Apple has a hierarchical organizational structure that enables it to make decisions quickly and effectively.
4. Marketing strategy: Apple's marketing strategy has been instrumental in building brand loyalty and generating demand for its products.
5. Financial resources: Apple's significant financial resources have enabled it to invest in research and development and expand its product lines.

External Factors:

1. Technological advancements: Rapid technological advancements in the tech industry have forced Apple to continually innovate and stay ahead of the competition.
2. Competition: Apple faces stiff competition from companies such as Samsung, Google, and Microsoft.
3. Economic factors: Macroeconomic factors such as interest rates, inflation, and exchange rates can significantly impact Apple's sales and profitability.
4. Legal and regulatory environment: Apple operates in an environment that is heavily regulated, particularly with regards to intellectual property and data privacy.
5. Social and cultural factors: Changes in societal and cultural norms can impact the demand for Apple's products. For example, the trend towards environmentalism has led to increased demand for sustainable and eco-friendly products.
6. Demographic factors: Changes in demographic trends such as aging populations can impact the demand for Apple's products.
7. Natural environment: Apple's business is dependent on the availability of natural resources, particularly minerals used in the production of its products.
8. Geopolitical factors: Political instability, trade restrictions, and other geopolitical factors can impact Apple's supply chain and sales in specific regions.
9. Suppliers and supply chain: Apple's supply chain is a critical external factor that impacts its operations and profitability.
10. Customers: Changing customer preferences and needs can impact Apple's sales and demand for its products.
11. Partnerships and collaborations: Apple's partnerships with other companies, particularly in the areas of software and services, are critical to its success.
12. Media and public opinion: Apple's public image and reputation can significantly impact its sales and brand loyalty.
13. Innovation: Apple operates in an industry that is characterized by rapid innovation, which requires it to continually invest in research and development.
14. Intellectual property: Apple's intellectual property, particularly its patents and trademarks, are critical to its success.
15. Pandemics and other global crises: Global pandemics, such as COVID-19, can significantly impact Apple's operations and sales.
16. Cybersecurity and data privacy: Apple's business relies heavily on data privacy and cybersecurity, which are increasingly under threat from cyber attacks and data breaches.

 **Answer to the question no. 2**

1. **Environmental screening:** Environmental screening refers to the process of evaluating the external environment to identify opportunities and threats that may impact an organization's operations. It involves the systematic analysis of factors such as political, economic, social, technological, legal, and environmental conditions to determine their potential impact on the organization's performance. The purpose of environmental screening is to help organizations make informed decisions and take appropriate actions to address potential risks and leverage opportunities.

For example, let's consider a company that produces electric cars. The company may conduct environmental screening to identify potential opportunities and threats in the external environment that may impact its operations. The following are some of the factors that the company may consider:

* Political factors: Government policies and regulations related to the automobile industry, such as tax incentives for electric cars, subsidies for renewable energy, and fuel efficiency standards.
* Economic factors: Changes in economic conditions such as inflation, interest rates, and consumer spending patterns that may affect the demand for electric cars.
* Social factors: Changes in social trends and consumer preferences towards environmentally-friendly products and the adoption of sustainable lifestyles.
* Technological factors: Advancements in technology related to electric cars such as battery technology, charging infrastructure, and autonomous driving.
* Legal factors: Changes in laws and regulations related to environmental protection, product safety, and intellectual property rights that may impact the company's operations.
* Environmental factors: The impact of climate change and environmental degradation on the demand for electric cars and the availability of key raw materials.

By conducting environmental screening, the company can identify potential opportunities and threats in its external environment and develop strategies to capitalize on the opportunities and mitigate the threats. For example, if the company identifies a growing trend towards sustainable lifestyles, it may invest in marketing campaigns that highlight the environmental benefits of its electric cars. Alternatively, if the company identifies a potential shortage of key raw materials, it may diversify its supply chain to reduce its dependence on a single supplier.

1. **Organizational appraisal method** : Organizational appraisal method is a process of evaluating an organization's internal environment to identify its strengths and weaknesses. This method involves a comprehensive analysis of an organization's structure, culture, resources, systems, and processes to identify areas where improvements can be made. The purpose of organizational appraisal is to help organizations understand their internal capabilities and limitations so they can develop strategies that leverage their strengths and address their weaknesses.

Let's consider an example of an e-commerce company that sells clothing online. The company may conduct an organizational appraisal to identify its strengths and weaknesses. The following are some of the factors that the company may consider:

* Structure: The company's organizational structure, including its hierarchy, decision-making processes, and communication channels.
* Culture: The company's values, beliefs, and attitudes, including its commitment to customer service, innovation, and sustainability.
* Resources: The company's assets, including its financial resources, human resources, and technological resources.
* Systems: The company's information systems, including its website, online ordering system, and inventory management system.
* Processes: The company's business processes, including its supply chain, marketing, and customer service processes.

By conducting an organizational appraisal, the company can identify areas where it excels and areas where it needs to improve. For example, if the company identifies that its supply chain process is slow and inefficient, it may invest in new technology or renegotiate its contracts with suppliers to streamline the process. Alternatively, if the company identifies that its customer service process is a strength, it may develop new training programs to improve the skills of its customer service representatives and increase customer satisfaction.

Overall, the organizational appraisal method helps companies to understand their internal capabilities and limitations so they can develop strategies that leverage their strengths and address their weaknesses. By conducting regular organizational appraisals, companies can continuously improve their operations and remain competitive in the marketplace.

**c)** **Economic system**: **Economic system** refers to the structure and organization of an economy that determines how goods and services are produced, distributed, and consumed. There are three main types of economic systems: market economy, command economy, and mixed economy.

* Market economy is a system where the production and distribution of goods and services are determined by supply and demand in the marketplace. In a market economy, private individuals and businesses own the means of production and determine what to produce, how much to produce, and at what price to sell their products. Examples of countries with market economies include the United States, Canada, and Australia.
* Command economy is a system where the production and distribution of goods and services are controlled by the government. In a command economy, the government owns and controls the means of production and determines what to produce, how much to produce, and at what price to sell products. Examples of countries with command economies include North Korea, Cuba, and China.
* Mixed economy is a system that combines elements of both market and command economies. In a mixed economy, the government regulates and controls some aspects of the economy, while private individuals and businesses own and operate other aspects of the economy. Examples of countries with mixed economies include the United Kingdom, Germany, and Japan.