

Nalanda College – Colombo 10

Unit Evaluation

Grade 10

Business & Accounting studies

Unit 02

Business Environment

• **Select the most correct answer**

- 1) Different parties and forces operating within a business and affecting business are known as environment
 1. Economical
 2. Internal
 3. External
 4. Global

- 2) The answer that only contains the factors of external environment is,
 1. Owners, Employees, Competitors
 2. Customers, Competitors, Suppliers
 3. Employees, Competitors, Customers
 4. Managers, Customers, Employees

- 3) Choose the answer that includes only the variables of the economic environment
 1. Inflation, Nano technology, Investments, Changes in tax rates
 2. Interest rates, Income distribution, Employment, Email
 3. Salaries, Savings, Income, Exchange rates
 4. Investments, Changes in tax rates, new technology, Inflation

- 4) The new government in 2019 has reduced the values added tax rate from 15% to 8%. This reduction belongs to the Environment.
 1. Global
 2. Technological
 3. Political
 4. Legal

- 5) At present consumers buy products available in foreign markets through online, the environment factor that contributes to this situation is,
 1. Economical environment
 2. Political environment
 3. Global environment
 4. Technological environment

- 6) The answer which includes a threat and an opportunity respectively that can be identified by studying the external environment of a business is,
 1. Natural disasters and designing of new cities
 2. Bad attitudes of employees and experience of managers
 3. Imposing trade sanctions and existence of a recognized brand name
 4. Limited financial capability and tax relief

- 7) The X column shows several environmental forces and the Y column shows several business environments.

X	Y
1. Design of new machinery	A. – Political environment
2. Changes in interest rates	B. – Competitors
3. According to new government policy removal of debt collection from small businesses	C. – Technological environment
4. Introducing high quality new products to the market.	D. – Economical environment

The correct answer when column X is matched with column Y is

1. C, D, A and B 2. B, C, A and D 3. B, A, D and C 4. C, A, D and B
- 8) If a business finds difficulties in adapting to new technologies it is a
 1. Strength 2. Weakness 3. Opportunity 4. Threat
- 9) Below are some of the opportunities and strengths that can be seen in a business.
 A. - Changing consumer life style
 B. - Construction of high ways.
 C. - Experience of managers
 D. - Granting new tax reliefs for businesses
 E. - Having a recognized brand name

The answer that include only the opportunities mentioned

1. A and B only 2. A, C and E only 3. A, B and D 4. C, D and E only
- 10) Select the correct answer when X column is matched with the column Y

X	Y
1. Interest rates	A. The way the country's income is distributed among its people.
2. Savings	B. Continued rise in the general price levels of goods and services.
3. Inflation	C. Interest rate given for bank deposits and charged for bank loans.
4. Income distribution	D. The portion that individuals keep from their income without spending on consumption.

The correct answer group when X and Y are matched is,

1. C, B, D and A 2. C, A, D and B 3. D, A, C, and B 4. C, D, B, and A

Business Environment part ii

- Answer all the questions.

- 1) What is meant by Business environment?
- 2) Categorize the business environment and give 2 examples for each.
- 3) Classify the business environmental parties and forces given below according to the internal and external environment.
(Budget policies, Owners, Public health inspector, Employers, Suppliers, Shop and office employees Act no. 14 of 1954, Managers, Advancement in Communication Technology)

Internal environment	External environments

- Answer the questions from 4 to 7 using the below scenario
Nadun Atigala started a business at the behest of his father selling non-toxic fresh fruits to prepare and sell fresh fruit drinks by investing Rs. 100 000 donated by his parents.

In a short time period due to the abundance of local fruits in his area, the shop being near to the sacred Atamasthana area in Anuradhapura and the training and assistance received by Nadun from the Ministry of Entrepreneurship, his business developed.

- 4) Explain the differences between the internal environment and the external environment of a business.
- 5) Write down a factor belonging to the external environment mentioned here.
- 6) Write down the human need and the want provided by this business respectively.
- 7) Write down examples for strengths, weakness and opportunities using the above scenario.
- 8) Briefly explain about the technological environment
- 9) Write down how changes in the following variables in the technological environment affect a business.
 1. Discovery of new machinery
 2. Development in the field of transport
 3. Development in the field of communication

4. Discovering new technology for production methods

10) When we study the business environment, what is called the economic environment?

11) Give 3 examples for economic environment.

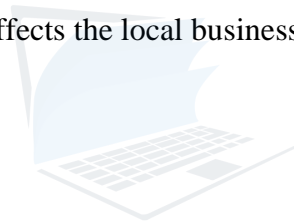
12) What is globalization?

13) Write 3 ways in which changes in the global environment can have a positive impact on local businesses.

14) Write 4 adverse impacts of the global environment on local businesses.

15) The war situation between Iran and the United States in January 2020 will also have an impact on local business.

1. The impact of this incident on the local businesses belongs to which business environment?
2. Briefly explain how this event affects the local businesses.



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