

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT

**Third Year Second Semester Examination in Bachelor of Business Administration/
Bachelor of Business Administration (Specialization in Human Resource Management)/
Bachelor of Business Administration (Specialization in Marketing Management) /
Bachelor of Commerce / Bachelor of Commerce (Specialization in Accounting and
Finance)– 2017/2018
(Proper / Repeat) (January 2020)**

DED 3072 BUSINESS ENVIRONMENT

Answer all questions

Time: 02 Hours

01) Select correct answer for each question and write down the number of the answer in the answer book.

1) Globalization is beneficial for firm because

- A. It protects them against foreign competition
- B. It cushions them from the effect of events in other countries
- C. It opens up new market opportunities
- D. It increases the risk and uncertainty of operating in a globalizing world economy

2) An analysis of external the environment enables the firm to identify

- A. Strengths and Opportunities
- B. Strengths and Weakness
- C. Weakness and Threats
- D. Opportunities and Threats

3) Relaxing the restrictions and controls imposed on Business and industry means

- A. Liberalization
- B. Privatization
- C. Globalization
- D. None of the above

- 4) When a company taken over another one and clearly becomes the new owner, the action is called
- A. Merger
 - B. Acquisition
 - C. Strategic Alliance
 - D. None of the above
- 5) The environment which is close to business and affect its capacity to work is known as
- A. Internal
 - B. External
 - C. Micro
 - D. Macro
- 6) Macro environment is also called as
- A. General environment
 - B. Operating environment
 - C. Economic environment
 - D. Political environment
- 7) is defined as systematic assessment of the social impact of the activities of a business firm
- A. Social audit
 - B. Social responsibility
 - C. Social interaction
 - D. Social benefit

8) What are the elements of business ethics?

- A. Values, Rights and Duties
- B. Attitude, Pressure and Environment
- C. Value, Environment and Attitude
- D. Responsibilities

9) The economic system in which business units or factors of production are privately owned and governed is called as

- A. Capitalism
- B. Socialism
- C. Democratic
- D. Republic

10) What is the significance of business environment?

- A. First Mover Advantage
- B. Competition
- C. Information
- D. Globalization

(10 X 02 = 20 Marks)

02. a. What do you understand by Business Environment? Briefly explain its importance
- b. What are the tools used in the environmental analysis? Briefly describe them.
 - c. Briefly discuss the main constituents of Micro Environment.
 - d. Distinguish between “Micro” and “Macro” business environment.
 - e. Briefly discuss the effects of economic environment on business.
 - f. Briefly discuss the Social Responsibilities of a business towards its customers and employees.
 - g. Define the term Business Ethics. Why are business ethics essential for a business to be successful?
 - h. What is the importance of Consumer Protection? Briefly discuss about the Consumer Rights in Sri Lanka.
 - i. What are the functions of a Consumer Affairs Authority?

- j. Explain the concept of Unemployment. Briefly describe in detail the causes and remedies of unemployment.

(10 X 04 = 40 Marks)

03) "In today's global economy Multinational Enterprises (MNEs) are playing an important especially in emerging markets".

- a. What is Multi National Enterprise (MNE)? Briefly explain their role in Sri Lanka. (07 Marks)
- b. What are the characteristics of Multi National Enterprise? Describe them (06 Marks)
- c. Briefly discuss the benefits of Multi National Enterprise in Sri Lanka. (07 Marks)

(Total 20 Marks)

04) "Globalization is a very broad concept not only with respect to the diversity of regions, cultures and actors, but also with respect to the diversity of analytical approaches that can be employed to study it".

- a. What do you mean by "Globalization"? Briefly explain the special features of Globalization. (07 Marks)
- b. What are the factors affecting the Globalization? Briefly discuss about the impact of Globalization. (07 Marks)
- c. Briefly discuss the advantages of Globalization. (06 Marks)

(Total 20 Marks)