

Eastern University, Sri Lanka

Faculty of Commerce and Management

Third Year Second Semester Examination in Bachelor of Commerce/  
Specialisation in Enterprise Development-2012/2013 (July/August 2015)

Proper/Repeat/Re-Repeat.

DED 3072 BUSINESS ENVIRONMENT

Answer all questions

Duration: Two hours.

- 1) A business enterprise is part of a Business Environment which has a direct relationship with the policy of the enterprise. The Business Environment is very dynamic and may impose several constraints on the enterprise. Therefore the success of a business enterprise depends to a very large extent on its adaptability to the environment.
- Define a "Business Environment" (04 Marks)
  - What do you understand by the statement that a "Business Environment" is dynamic? Explain with a suitable example. (05 Marks)
  - The "Business Environment" is composed of many components. Describe each of the components. (08 Marks)
  - What do you mean by "adaptability to the environment" Illustrate an example to show how adaptability to the environment brings success to the business? (08 Marks)
- (Total Marks 25)
- 2) To many economic liberals, Multinational Enterprises are the vanguard of the liberal order. They are the embodiment par excellence of the liberal ideal of an interdependent world economy. They have taken the integration of national economies beyond trade and money to the internationalisation of productions.
- Define a Multinational Enterprise and give a Sri Lankan example. (05 Marks)
  - What do you understand by internationalisation of production? (05 Marks)
  - Discuss the characteristic of Multinational Enterprise. (05 Marks)
  - What are the advantages for an enterprise to become a Multinational Enterprise? (05 Marks)
  - Why is it important to study about the Multinational Enterprises? (05 Marks)

(Total Marks 25)

- 3) Businesses are greatly influenced by their environment. All the situational factors which determine the day to day circumstances have an impact on the businesses. So businesses must regularly analyse the trade environment and the market.
- (i) What do you mean by Business Environmental Analysis? (05 Marks)
  - (ii) List out the tools available in the literature to analyse the environmental factors which have an impact on the businesses. (05 Marks)
  - (iii) Select one tool among those mentioned and describes it in detail with an appropriate example to show how the tool can be used to analyse the environment of a business. (10 Marks)
  - (iv) Describe the advantages and the uses of your chosen tool over the other tools you have mentioned in section (ii) above. (05 Marks)

**(Total marks 25)**

4. Humans have interacted over long distances for thousands of years. The "Silk Road" that connected Asia, Africa and Europe is a good example of Globalisation of trade that existed in the old world. Globalisation has a bright as well as a dark side and it involves many processes.
- (i) What is Globalisation? (05 Marks)
  - (ii) Describe the special features of Globalisation in the context of the current International Trade. (05 Marks)
  - (iii) Discuss the factors that have contributed to the growth of Globalisation. (05 Marks)
  - (iv) Analyse the brighter side and the darker side of globalization socially, economically and politically to a developing country like Sri Lanka. (10 Marks)

**(Total marks 25)**