

EXAM-DAY · 90-MIN REVISION CARD

Business Environment

Print this · Fold it · Carry to the exam-hall gate · Revise once · Then walk in.

FORMULAS & KEY RESULTS

BUSINESS ENVIRONMENT = sum total of all **EXTERNAL** forces, factors and institutions **OUTSIDE** the business and **BEYOND** its control that affect its performance

5 FEATURES: totality of external forces · specific + general forces · inter-relatedness · dynamic nature · uncertainty · complexity · relativity (pick any 5)

5 IMPORTANCE points: (1) identify opportunities + first-mover advantage (2) identify threats/early warning (3) tap useful resources (4) cope with rapid change (5) basis for planning + better performance

SPECIFIC (micro) env = customers, competitors, suppliers, investors (firm-specific). **GENERAL** (macro) env = economic/social/tech/political/legal (affects all firms). **BOTH** are external

5 DIMENSIONS: **ECONOMIC** (interest, inflation, income, policy) · **SOCIAL** (customs, demographics, lifestyle) · **TECHNOLOGICAL** (innovation, methods) · **POLITICAL** (stability, govt attitude) · **LEGAL** (laws, rules)

NEP 1991 = L-P-G.
LIBERALISATION = end of Licence Raj. PRIVATISATION = bigger private role + PSU disinvestment. GLOBALISATION = integrate with world economy

IMPACT OF NEP 1991 on business/industry: increasing competition · more demanding customers · rapidly changing technology · necessity for change · need to develop HR · market orientation · loss of budgetary support to public sector

TOP 5 PYQ PATTERNS

1 Impact of NEP 1991 (LPG) on business and industry

5 marks · 85% of years

Set up LPG in one line, then list 6-7 textbook impacts with the 'loss of budgetary support to PSU' point included.

2 Importance of understanding business environment

5 marks · 80% of years

5 points: opportunities + first-mover, threats/warning, tap resources, cope with change, basis for planning. One example each.

3 5 dimensions with examples

5 marks · 75% of years

Economic + Social + Technological + Political + Legal, one Indian example each.

4 5 features of business environment

5 marks · 65% of years

Totality of external forces, specific+general, inter-relatedness, dynamic, uncertainty, complexity, relativity — pick 5 and explain.

5 Define business environment / specific vs general

3 marks · 50% of years

External + beyond control + affects performance; then two layers (micro vs macro).

90-MIN REVISION FLOW

0-10 min

Recite definition + 5 features + 5 importance points + 5 dimensions + LPG meanings. Mnemonics: dimensions = E-S-T-P-L; NEP = LPG.

10-25 min

Write the 'impact of NEP 1991 on business and industry' answer from memory in 7 minutes (target 6-7 impacts).

25-40 min

Write the 'importance of understanding the environment' 5-point answer with one example per point.

40-55 min

Take the 15-MCQ Quick Drill.

55-60 min

Review wrong answers + re-read the demonetisation card.

DEMONETISATION (8 Nov 2016) = withdrew legal-tender of old Rs 500/1000 notes.
Aims: curb black money + fake currency + tax-evasion; push CASHLESS economy + formal savings

Environment = source of BOTH opportunities AND threats (same change cuts both ways for different firms)

Confidence, not anxiety. You've practised this all year. Trust your steps. Don't change strategy on exam morning.
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