



# Business Environment

First Edition

Dr. Asad Mirza  
Dr. Ashish Gupta  
Dr. Garima Srivastava

# **BUSINESS ENVIRONMENT**

**Dr. Asad Mirza**

Assistant Professor,  
Department of Commerce, Shia Post Graduate College,  
Lucknow. U.P.

**Dr. Ashish Gupta**

Assistant Professor,  
Department of Business Management,  
Maharishi University of Information Technology, Noida, U.P.

**Dr. Garima Srivastava**

Associate Professor,  
Department of Business Management,  
Maharishi University of Information Technology, Noida, U.P.

**Kripa-Drishti Publications, Pune.**

Book Title: **Business Environment**

Authored By: **Dr. Asad Mirza, Dr. Ashish Gupta,  
Dr. Garima Srivastava**

Price: ₹525

1<sup>st</sup> Edition

ISBN: 978-81-973427-7-6



Published: **June 2024**

**Publisher:**



**Kripa-Drishti Publications**

A/ 503, Poorva Height, SNO 148/1A/1/1A,  
Sus Road, Pashan- 411021, Pune, Maharashtra, India.

Mob: +91-8007068686

Email: [editor@kdpublications.in](mailto:editor@kdpublications.in)

Web: <https://www.kdpublications.in>

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## **Preface And Acknowledgements**

The business environment is a dynamic and constantly changing terrain, influenced by several elements that impact the operations, expansion, and success of enterprises. The book "Business Environment" seeks to offer a thorough examination of the various aspects that influence the business landscape. It provides valuable insights and analysis to assist students, professionals, and entrepreneurs in effectively navigating the intricate dynamics of the contemporary business world.

The corporate landscape has undergone significant changes in recent years due to rapid technical breakthroughs, globalization, and altering economic conditions. The book highlights the need of resilience and adaptation in business operations regarding the developments of various environmental factors. It will examine the fundamental elements that make up the business environment, such as economic, political, social, technological, legal, and environmental concerns.

The main goal of this book is to provide readers with a comprehensive comprehension of the diverse factors that impact business operations. It will further provide a thorough understanding of the business environment by examining the interactions between these components. The contents of this book include:

**Political and Legal Environment:** Assessing the influence of governmental policies, rules, and legal structures on corporate operations.

**India's industrial policy:** The evolution of Industrial Policy gained importance after independence in 1947. The industrial policy framework has been a critical component of India's economic development strategy, aimed at promoting industrialization, economic growth, and structural transformation.

**India's Foreign Trade Policy (FTP):** Comprehending the crucial framework guiding the country's international trade and economic relations. The policy aims to boost India's exports, enhance its global competitiveness, and integrate with the global economy. Over the years, India's FTP has evolved to address changing global dynamics, economic needs, and strategic interests.

**Economic Environment:** Navigating the fundamental principles of macroeconomics and microeconomics, different market systems, and economic policies.

**National income:** It is a crucial concept to understand business environment that represents the total monetary value of all goods and services produced by a country over a specific period, usually a year. It is a key indicator of a nation's economic health and is used to gauge the overall economic performance and living standards within the country. Understanding national income involves several dimensions, including its measurement, components, and significance.

Social Environment: Investigating demographic patterns, cultural forces, and societal principles that impact consumer behavior and company strategies. Examining the impact of technology on promoting innovation, enhancing efficiency, and gaining a competitive edge.

Assessing the influence of environmental sustainability and ecological factors on business decisions. The global environment refers to the assessment of the impacts of globalization, international trade, CSR and ethics, and cross-cultural contacts on company operations.

The book provides an insight of all the component, their behaviour and application in dynamic world of business environment.

“I am grateful to Almighty God who helped me and gave me the strength to complete this book. I owe a great debt to my family, my father Dr. Afsar Mirza, mother Mrs. Baseerat Jahan, wife Mrs. Sheema Abbas and my beloved son Ashar, for their great love and support.

I humbly accept any kind of shortcomings or errors that may have found in this book.”

-Dr. Asad Mirza

“I am profoundly grateful to God for providing me with the strength, wisdom, and perseverance needed to complete this work. I would like to express my heartfelt gratitude to my mother Mrs. Usha Gupta, my dad Late Shri S. L Gupta, brother and sister for their endless patience, love, and understanding during this demanding period.”

-Dr. Ashish Gupta

“I express my deepest gratitude to God for surrounding me with supportive and loving individuals who have helped me along the way. I extend my heartfelt thanks to my mother Mrs. Pratima Srivastava and my husband Mr. Ankur Srivastava for their unwavering love, patience, and understanding, which sustained me through the challenges of this work.”

-Dr. Garima Srivastava

## Abbreviations

Agro and Rural Industry (ARI)  
Asset Management Company (AMC)  
Balance of Payments (BoP)  
Balance of Trade (BoT)  
Battery Electric Vehicles (BEV)  
Below Poverty Line (BPL)  
Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL)  
Board for Industrial and Financial Restructuring (BIFR)  
Board of Approval (BoA)  
Bombay Stock Exchange (BSE)  
Business Process Outsourcing (BPO)  
Capital Goods (EPCG)  
Cash Reserve Ratio (CRR)  
Central and State governments (CGST)  
Central Board of Direct Taxes (CBDT)  
Central Board of Excise and Customs (CBEC)  
Central Board of Indirect Taxes and Customs (CBIC)  
Centre for Advanced Financial Research and Learning (CAFRAL)  
Chief Executive Officer (CEO)  
Common Service Provider (CSP)  
Common Service Provider (CSP)  
Competition Commission of India (CCI)  
Comptroller and Auditor General (CAG)  
Consumer Price Index (CPI)  
Corporate Social Responsibility (CSR)  
Department for Promotion of Industry and Internal Trade (DPIIT)  
Department of Industrial Policy & Promotion (DIPP)  
Deposit Insurance and Credit Guarantee Corporation of India (DICGC)  
Directorate General of Foreign Trade (DGFT)  
Districts as Export Hubs (DEH)  
Districts as Export Hubs (DEH)  
Domestic Tariff Area (DTA)  
Electronic Hardware Technology Parks (EHTP)  
Employees Provident Fund (EPF)  
Export Oriented Unit (EOU)  
Export Processing Zones (EPZ)  
Export Promotion Capital Goods (EPCG)

Export Promotion Capital Goods (EPCG)  
Export-Oriented Units (EOU)  
Food Corporation of India (FCI)  
Foreign Direct Investment (FDI)  
Foreign Exchange Management (FEMA)  
Foreign Exchange Regulation Act (FERA)  
Foreign Investment Facilitation Portal (FIFP)  
Foreign Trade Policy (FTP)  
Forward Markets Commission (FMC)  
Free Trade Zones (FTZs)  
General Agreement on Tariffs and Trade (GATT)  
Goods and Services Taxes (GST)  
Gross Domestic Product (GDP)  
Gross National Income (GNI)  
Gross National Product (GNP)  
Hindu Undivided Families (HUFs)  
Human Development Index (HDI)  
Human Poverty Index (HPI)  
Indian Commodity Exchange Limited (ICEX)  
Indian Financial Technology and Allied Services (IFTAS)  
Indian Institute of Bank Management (IIBM)  
Indira Awaas Yojana (LAY)  
Indira Gandhi Institute of Development Research (IGIDR)  
Industrial Entrepreneurs Memorandum (IEM)  
Industrial Licence (IL)  
Initial Public offering (IPO)  
Input Tax Credit (ITC)  
Integrated Goods and Services Tax (IGST)  
Integrated Rural Development Programme (IRDP)  
International Bank for Reconstruction and Development (IBRD)  
International Exchange (INX)  
International Financial Services Centre (IFSC)  
International Financial Services Centre Authority (IFSCA)  
International governmental organisations (IGOs)  
International Monetary Fund (IMF)  
Jawahar Rozgar Yojana (JRY)  
Khadi and Village Industries Commission (KVIC)  
Liberalisation, Privatisation, Globalisation (LPG)  
Liberalised Exchanged Rate Systems (LERMS)  
Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

Memorandum of Understanding (MOU)  
Micro, Small, and Medium Enterprises (MSME)  
Minimum Alternate Tax (MAT)  
Monopolies and Restrictive Trade Practices (MRTP)  
Most Favoured Nation (MFN)  
MRTP Act (Monopolies Restrictive Trade Practices)  
Multi Commodity Exchange (MCX)  
Multinational Companies (MNCs)  
National Anti-Profiteering Authority (NAA)  
National Career Service (NCS)  
National Commodities and Derivatives Exchange (NCDEX)  
National Institute for Entrepreneurship and Small Business Development (NIESBUD)  
National Institute for Transforming India Aayog (NITI Aayog)  
National Institute of Bank Management (NIBM)  
National Old Age Pension Scheme (NOAPS)  
National Rural Employment Programme (NREP)  
National Rural Livelihood Mission (NRLM)  
National Sample Survey Organisation (NSSO)  
National Small Industries Corporation (NSIC)  
National Stock Exchange (NSE)  
National Urban Livelihood Mission (NULM)  
New Economic Policy (NEP)  
Non-Resident Indians (NRIs)  
Open General Licence (OGL)  
Open Market Operations (OMO)  
Over The Counter (OTC)  
Phased Manufacturing Programme (PMP)  
Point-of-Sale (PoS)  
Pradhan Mantri Kaushal Vikas Yojana (PMKVY)  
Price Index (WPI)  
Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA)  
Production-Linked Incentive (PLI)  
Public Sector Enterprises (PSEs)  
Public Sector Undertakings (PSUs)  
Readymade Garments (RMG)  
Recognition of Prior Learning (RPL)  
Reserve Bank Information Technology Private Limited (ReBIT)  
Reserve Bank Innovation Hub (RBIH)  
Reserve Bank of India (RBI)



Results-Framework Document (RFD)  
Rural Landless Employment Guarantee Programme (RLEGP)  
Sampoorna Gramin Rozgar Yojana (SGRY)  
Scheduled Castes (SC)  
Scheduled Tribes (ST)  
Secretarial of Industrial Assistance (SIA)  
Securities and Exchange Board of India (SEBI)  
Selective Credit Control (SCC)  
Short Term Training (STT)  
Small Scale Industry (SSI)  
Software Technology Parks (STP)  
Special Chemicals, Organisms, Materials, Equipment, and Technologies (SCOMET)  
Special Chemicals, Organisms, Materials, Equipment, and Technologies (SCOMET)  
Special Economic Zones (SEZ)  
Special Project (SP)  
State Goods and Services Tax (SGST)  
Statutory Liquidity Ratio (SLR)  
Swarna Jayanti Shahari Rozgar Yojana (SJSRY)  
Towns of Export Excellence (TEE)  
Trade Negotiations Committee (TNC)  
United Nations Development Programme (UNDP)  
Value-Added Tax (VAT)  
World Trade Organisation (WTO)

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