



INDIAN SCHOOL AL WADI AL KABIR

Class: XI

**Topic: UNIT 2 –
MARKETING ENVIRONMENT**

**Department:
COMMERCE**

I. FILL IN THE BLANKS:

1. **Business environment** is the climate or set of conditions.
2. Changing governments, change of finance minister or minister of concerned industries are examples of **Uncertainty in political scenario**.
3. **Macro environment** includes demographics, economic forces, political and legal forces, socio-cultural and technological forces, which are beyond the control of firm and affect business indirectly.
4. ETOP stands for **Environmental Threat and Opportunity Profile**.
5. **Environmental scanning** is a process of scrutinizing and weighing up changes and trends in marketing environment by the firm.
6. The **business environment** is multifaceted, complex, and dynamic in nature and has a far-reaching impact on the survival and growth of the business.
7. The interaction between the business and its environment identifies opportunities and helps in getting **'First Mover Advantage'** out of it successfully.
8. The **macro-environment** refers to external forces that are part of the larger society and so are beyond the control of firm's management.
9. **Demography** refers to studying human population in terms of size, density, location, age, gender, race, literacy and occupation.
10. The viability of a business depends upon **firm's ability** to meet the challenges arising out of the politico-legal environment.
11. **Inflation** is a sustained rise in the prices of goods and services.
12. **Competitors** are the rival business firms in the effort to satisfy the markets and consumers 'demand.

II. STATE WHETHER THE STATEMENT IS TRUE OR FALSE

1. The exchange process between the firm and its customers depends upon business decisions taken by the firm, and these decisions again, are affected by the marketing environment. -T
2. If a company does not adapt to its environment, it would succeed in the long-run. F
3. Marketing environment, generally guarded by the management of a company, is called

uncontrollable environment. - F

4. Knowledge of environment changes provides intellectual stimulation to planners and

decision-making authorities. - T

5. Environmental analysis helps in identifying only business opportunities in the market. - F

6. A keen watch on the trends in the environment would help to sensitize the firm's

management to the changing technology, competition, government policies and changing

needs of the customers. - T

7. Search of alternatives and choice of strategy to deal with the environment are parts of

image building process. – F

8. Strategists can gather qualitative information regarding business environment and utilize it

in formulating effective plants. - T

9. If a firm is sensitive to the external environment, it will come out with new products and

services to meet the requirements of the customers. - T

10. Business environment helps to identify the individual strengths and weaknesses in view

of the technological and global developments. – T

III. CHOOSE THE RIGHT OPTION

1. The nature of goods and services demanded in a society depends upon

A. Fashion trends.

B. people's attitudes, customs, socio-cultural values

C. Future expectations

2. A business survives and grows if it

A. does not adapt to external environmental changes.

B. remains indifferent

C. adapts to external environmental changes

3 High rate of inflation and exchange rate----- business sentiment in a country.

A. encourage

B. promote

C. discourage

4. The macroenvironment for business activity can be termed as

A. PEST

B. POSTER

C. PESTER

5. In metropolitan cities due to fast lifestyle there is more demand for

A. medicines and spectacles

B. fast foods, electronic home appliances and crèches

C. baby foods and toys

6. Exposure to western modern culture and population shifts from rural to urban areas are

A. Economic factors

B. Socio-cultural factors

C. Political factors

7. If a business follows unethical practices, various -----will intervene to discipline it.

A. social groups

B. Government

C. Both

8. Advancement in technology lead to greater productivity, higher quality and --
-----cost of
production for the business.

A. lower

B. higher

C. Both

9. There is an increasing trend towards -----because of easier availability
of
information technology throughout the world.

A. e-commerce

B. mass production

C. Both

10. Sociologists assess -----which negatively affects a company's reputation
if they are
known for damaging the physical environment.

A. financial cost

B. social cost

C. Both

IV. FILL IN THE BLANKS:

1. Micro environment indicates the factors and forces in the immediate -----
----of the firm which affect the marketing manager's ability to serve the
customers.
2. Organizations buying goods and services with a view to sell them to others
for a profit are called-----.
3. Marketers have to continuously monitor the rival firm's marketing activities,
their products, distribution channels, ----- efforts to design its
marketing strategy.
4. Agent middlemen are an important part of the ----- and render
important services in different capacities.
5. A Firm depends on numerous suppliers either in capacity of a----- or a
producer to whole-sellers and retailers.
6. Every company has local publics, such as ----- residents and
community organizations.
7. Large companies use ----- and other means to inform and
motivate their internal publics
8. The buyer-supplier relationship is one of mutual -----
interdependence.
9. External environmental factors ----- governed by the firm.
10. ----- provide raw materials, components and semi-finished goods
to be used in production or even sell finished products of the organization.

Answers: 1. area of operation, 2. selling intermediaries, 3. prices and
promotional 4. distribution network, 5. buyer of inputs, 6. Neighbourhood, 7.
Newsletters, 8. Economic, 9. cannot be, 10. Suppliers

V. ANSWER THE FOLLOWING QUESTIONS (SHORT ANSWERS) :

1. Why do firms need to understand the marketing environment?
2. Define marketing environment.
3. Enlist certain external forces making an influence on a business.
4. How does an industrial conflict caused by labour unrest affect a firm's
productivity
5. Enumerate few uncontrollable factors in the marketing environment.
6. Distinguish between micro environment and macro environment for a
business
7. What do you understand by 'Environmental scanning? Why is it necessary
for a business?
8. Explain briefly various macro environmental factors to a business.
9. Micro environmental factors are very crucial for a business to operate
smoothly. Comment on the statement.
10. How does demographic environmental information help firms?
11. Discuss the elements of external micro-environment before a business.

12. How do 'suppliers' influence firm's decision making? Discuss

VI. ANSWER THE FOLLOWING QUESTIONS (Detailed Answers):

1. 'A firm plans production keeping in view the customers' needs, market characteristics, competing rivals, behaviour of suppliers and distributors for its product.' Do you agree the statement? Discuss.
2. With the help of an example explain how changes in government's economic policies make a negative effect on business activity of a firm.
3. What do you mean by publics? Describe seven types of publics affecting a business decision making.
4. A company's marketing environment consists of the actors and forces outside marketing that affect its management's ability to build and maintain successful relationships with target customers." Explain the definition.
5. 'The firm has to deal with the changes taking place 'within' it and 'around' it.' Discuss in detail.
6. How do you think that the four P's of marketing namely product, price, place and promotion are controllable factors for a business?
7. Which are the various aspects explored by the management of a firm through market research before starting its operations?
8. What is the importance of environmental scanning for the organizations in modern times? Explain in detail.
9. 'The socio-cultural environment of a country determines the value system of the society which in turn affects the marketing of products'; explore the truth in the statement with the help of an example.
10. 'Technology adoption helps to gain competitive advantage to the business firm'. Explain how?
11. What is the significance of 'Customer' in marketing micro environment? Explain various categories of customer markets.
12. What role is played by 'intermediaries' in a market? Explain with support of examples.

ALL THE VERY BEST.....!!