

1. What is the positive and negative effect of business?

Positive effects of Business

1. Offers goods and services
2. Provides employment
3. Paying Taxes
4. Contributes Growth, stability, and security

Negative Effects of Business

1. Increases Pollution
2. Creates health/ safety risks
3. Disrupts communities
4. Causes Financial instability

2. Explain the 5 element of the business environment.

The five elements in the business environment are the economic and legal environment, the technological environment, the market environment and the social environment.

- Economic environment looks at the performance of the economy in the area in which a company operates.
- Legal and regulatory environment analyzes the specific laws that affect the businesses operating in that area. There are also internal policies that the company may already have adopted for itself, and they will have to be analyzed in relation to the environment they consider operating in.
- Technology environment have always been important for businesses to consider, but have gained even more importance recently. They represent the prevalent technological trends in an area and how they can be either beneficial or detrimental to the success of the business.
- Market environment consists of an internal and an external environment. The internal environment is company specific and includes owners, workers, machines, materials etc. The external environment is further divided into two components: micro & macro.
- Social environment consists of the customs and traditions of the society in which business is existing. It includes the standard of living, taste, preferences and education level of the people living in the society where business exists.