BRENTWOOD
OPEN LEARNING COLLEGE

Assignment Cover Sheet

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Course:	Diploma in Business Administration
Assignment NO:	Assessment 1

Marking Criteria:

We expect the learners to write minimum one well expressed point in three lines against each allocated mark. This means one needs to write 15 lines with 5 well expressed points to get high grades for a 5 marks question.

For high grades use examples and illustrations where appropriate.

Q1:

i. Exim policy- Exim is defined as export / import or often called as Foreign Trade policy. It is a set of guidelines established by Directorate General of Foreign Trade in matters related to the import and export of goods in India. The main objective of the Foreign Trade (Development and Regulation) Act is to provide the development and regulation of foreign trade by facilitating imports into and enhancing exports from India. Indian EXIM Policy contains various policy related decisions taken by the government in the sphere of Foreign Trade.

ii. A. demand for new clothes increases during festive season falls under SOCIAL ENVIRONMENT
B. computer has outdated typewriter – TECHNOLOGICAL ENVIRONMENT
C.DEMOGRAPHIC ENVIRONMENT
D. SOCIAL ENVIRONMENT

iii. The demographic environment influence the business activities through segment of a human population identified for marketing and business purposes. Analysis of demographic environments is a crucial marketing practice for many businesses because it allows long term planning of marketing campaigns for a specific consumer groups. The size, density, distribution and growth rate of population have a direct bearing on the demand for various goods and services.

iv. The interaction between business and environment helps strengthen the business firm and use its resources more effectively. The proper understanding of the social, political, legal, economic environment helps the business in the following ways:
A) Determining opportunities and threat
B) Giving direction for growth
C) Continuous learning
D) Image building
E) Meeting competition
F) Identifying firm's strength and weakness

V. Every business enterprise is an integral part of the society. It refers to the obligation of business enterprises to adopt policies and plans of actions that are desirable in terms of the expectation, values and interest of the society. The responsibilities towards different groups are:

   a. Responsibility towards the shareholders or owners
   b. Responsibility towards the employees
   c. Responsibility towards the consumers
   d. Responsibility towards the Government
   e. Responsibility towards the Community

Q2. Legal environment is one of the essential factor to concentrate on while starting a business.it is important to businesses so that it runs smoothly. It refers to the relevant laws and regulations which differs from country to country. In most cases, business enters into contracts that have written terms of agreements conducted with the nation. Some countries do not have strict laws. It is important to keep in mind the above laws of business in every country and also the laws that the country passes.

Case study

1. A) Limited Liability Company can be formed by a minimum of 2 and a maximum of 50 shareholders whose liability is limited to their shares in the businesses capital, e.g. UAE Most companies with foreign partners have chosen for the Limited Liability Company, due to the fact that this is the only option that'll give maximum legal ownership e.g. 49% to the expatriates for a local business. As it is mandatory to have a UAE national as a partner in the LLC (51% shareholding) prospective investor has the option to choose the one UAE national (sponsor) as a partner in the company

   B) A partnership is a single business where two or more people share ownership. Each partner contributes to all aspects of the business, including money, property, labor or skill. In return, each partner shares in the profits and losses of the business. These can be temporary in nature between two or more organizations and even nations or they can be a permanent partnerships.

2. Sole traders benefit from the following advantages:
   Control - Sole traders maintain full control of their business. Running it how they please without the interference of others.
   Profit retention – Sole traders retain all the profits of their business.
   Private data – Information about sole traders is kept private, unlike that of limited companies which is necessarily made public after registration with Companies House.
   Specialist – Often a small business, sole traders can offer a more personal service with local roots and ties. This can be more appealing to potential customers in the local community.
   Personal – Because there is no need to confer with other decision makers, sole traders can make decisions quickly and act on them swiftly, providing for the needs of their customers

3. Sole traders may cease their trading within their first year due to following reasons:
   Liability – sole traders are not seen as a separate entity by the law. Therefore, they are subject to unlimited liability. This means if the business gets into debt, the business owner is liable. In the worst case, this may mean a person risks their home, personal savings and any other assets they have both in and outside of the business.
   Finance – sole traders often find it difficult to raise finance to fund their business. They may struggle with expansion in the future

Student Statement:

By submitting this assignment, I confirm that this is my own work.

Student Signature	[signature]	Date	15/1/17

For Tutor / Assessor Use Only

Total Marks	
Marks Obtained	
Percentage / Grade	