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INTRODUCTION

In this assignment we have illustrated the purpose of different organization. Nature of the business environment is also discussed in brief.

We have chosen Walmart as our chosen organization. It is a multi-national company that has many chains of grocery stores all over the world. They try to fulfill the basic needs of the people at lowest possible price. Walmart is investing a lot in other upcoming businesses to help them grow.

TASK 1

UNDERSTAND THE ORGANIZATIONAL PURPOSES OF BUSINESS

A) Identify the purposes of different types of organizations

We may define an organization as the formal assembly of the various relationships, duties and the leadership with a defined goals and objectives. The various type of business organization in the market is public, private and governmental. The fulfillment of the mission and vision of the company is the primary objective of the company.

- **Public sector**

Public Sector Company is mainly controlled by the government. These type of the company are totally responsible to the people of the country. The organizations are mainly focused on the benefits of the people. It provides training to the individuals and making them efficient in their skills. Teach First is a very good example of public sector company.

- **Private sector**

These type of the companies are controlled by the individuals and the groups. They are not affected by the government and mainly run to earn profit. INEOS is a multi-national company that deals in petroleum and serve the needs of large number of people. They operate the large number of countries. Walmart also comes under this category

- **Governmental**

The governmental agencies are the organizations that run for the welfare of the common people. The Child Support Agency is an organization that runs to fulfill the needs of the children and educate them. They also fight against the crimes of children. (Slide Share, 2007)

B) Describe the extent to which an organization meets the objectives of different organization. Explain the responsibilities of an organization and strategies employed to meet them

We may define the stakeholders of the company as the person or the group that affect the proceedings of the company. All the demands of the stakeholders must be fulfilled for the smooth running of the company. It is very important for the company to determine the needs and expectations of the stakeholders. We have mentioned the needs of the different stakeholders of Walmart below:

- **Owners**

They are the people who own the company. The success of the company is the result of the hard work of the owners. They put in their best to take the company to great heights and they have a part in the profit of the company.

- **Customers**

The company will run only when it has potential buyers. The demand determines the type of the product manufactured by the company. The company wants the value for the money they pay.

- **Employees**

All the work in the company is done by its employees. Performance of the company is determined by the level of their commitment. They are one who help the company to achieve its success. Their value must be realized in the company and they must be appraised for their good work.

- **Government**

The government wants the growth and success of the company as it will add on the economic development of the company. The more the number of companies he more tax can be collected.

- **Suppliers**

The suppliers are the people that supply raw material to the company. They want the payment on time and bulk orders from the company. (Kessler, 2016)

It is very essential for the company to communicate with the stakeholders and try to understand their needs. The company should try to fulfill all the needs of the stakeholders to keep them happy. The employees want high salary for their work. They also want their work to be recognized and appreciated. They want timely promotion and salary hike. The government expects the company to be paying tax on time and fulfilling all the legal needs of the company. The suppliers want the company to make their payment on time and give bulk orders in advance.

Stakeholders expect the company to be taking the full responsibility for their proceedings. The culture of the company should fulfill all the basic norms of the society. The company should also make a small contribution towards the welfare of the company. Stakeholders want to be assured that no action of the company is illegal. (Reinhart, 2016)

TASK 2

UNDERSTAND THE NATURE OF THE NATIONAL ENVIRONMENT IN WHICH BUSINESSES OPERATE

Walmart is one of the biggest superstore in UK. In this assignment we tell the potential hidden in the business idea and the nature of the market trends existing currently in the market.

A) Explain how economic systems attempt to allocate resources

The interaction between the social and the legal factors shape the economic system of the country by involving the people and the government. The objective of Walmart is to make the products of daily utility available to the people at the minimum rate as possible. They operate on a very large scale so they can provide the commodities at a lower price.

If the resources of the company are low but the demand is high so the resources will get exhausted. This will create an imbalance in the existing system. The systems are made to handle this imbalance. The economic system used all over the world widely is called the system of free market. Here the role of the government is very important but it is limited. The responsibility of all the economic activities lies in the hands of government. This system is used on a large scale so the elements used in it also differ greatly.

In the economy that is mixed all the processes are combined and the market is made free. In the mixed economy the main power lies in the hand of the government. The major decision making power lies in the hands of the government. Public is responsible for taking the less important decision. In the other words the power is distributed. In the company the business plan should have all the resource allocation to lets the company function effectively. All the goals and the objectives of the company can be achieved by the effective business of the company. (Mica, 2014)

B) Access the impact of fiscal and monetary policy o business organizations and their activity

Fiscal and the monetary policies help in shaping the present ad the future strategies of the business. At Walmart the list of all the potential competitors of the company are

determined. The company judges its competitors on the basis of their sales and how they affect the sales of the company. It is very important that the company determines its reach in a specific geographical area. Matter related to finances and marketing must be properly dealt.

Current value of the company can be determined with the help of its position in the market. The financial value of different departments is also determined with the respect to each other. The financial analysis help us determine that where the company stands in the market and the standing of the competitors. The graph of the stock determines their performance.

Selling and buying of goods from different countries is known as international trading. It has given boon to many locally existing trades and it has given a new shape to the local market of the country. The companies also grow in size and make larger profit. This international exposure has made availability of the goods across the world. Through international trade the companies can lower the value of the goods by reducing the expenditure in production. The companies buy goods from the company where they are available at cheaper prices. They produce the goods in the region where there is cheap labor available. This gives a multi-national company a competitive advantage as they can give exclusive offers to the customers. There are various e-commerce sites coming up where the merchants can sell goods worldwide by sitting at home. If the company is entering into a international market then it should sustain its position.

C) Evaluate the impact of competition policy and other regulatory mechanisms on the activities of a selected organization

The reason for the existence of any organization is termed as the goal of the organization. The purpose of different organization is different. The government of UK has also set up various departments that look after the protection of the rights of the customer and imposes various regulations on the organizations. One of them is the office of fair trading which makes sure that all the trade is taking place in a fair manner. The major function of this organization is to make sure the company functions by the involvement of all the stakeholders, employees and the customer. It makes sure that all the transactions are taking place in an ethical manner.

Office of Business Innovation takes the responsibility of controlling the customers and their activities in the business market. It makes various laws so that there exists healthy competition between the different companies. If the business of the company hampers the national security then the government has the right to interfere in its proceedings. It takes the control over the competitive policies and trading of the company. (Choudhary, 2016)

TASK 3

UNDERSTAND THE BEHAVIOUR OF ORGANIZATIONS IN THEIR MARKET ENVIRONMENT

A Explain how market structure determine the pricing and output decisions of business. Apply different pricing strategies to your organization.

Competition determines the prize of the various commodities in the market. The price and the profit delivered by it are determined by the position of the company in the market. The available buyers and sellers determine the structure of the company. Different type of structure are given below:

- **Monopolistic competition**

It is type of the market structure where the single company has the monopoly entirely. They are the only producers so they determine the price of the commodities. The company can charge the rate desire as no one is there to give them competition. They are the one who have the complete control of the market. They can manage to attract the customers as the customers have no available choice.

- **Perfect competition**

In this type of market there are many sellers of a single product and all of them give competition to each other. It is the demand of the product that determines the price of the product. It is the demand that determine the price. The customers have a complete authority of determining the prices.

- **Oligopolistic competition**

In this market situation there is one large company and numerous smaller ones. The real game of pricing is between the large sellers. They have a large portion of the market and they determine the output decisions. The large sellers can charge higher prize for the same product as they have a brand name and they can advertise the product in a desired manner. (Kangda, 2011)

B Illustrate the way in which market forces shape illustration responses using a range of examples

Large number of forces collectively shape the business environment in Walmart but some common of them are listed below:

- Customer participation
- Making the information available
- Pressure of the cost of goods and services

They are any departments that control the functions of purchase and selling. The businesses must be flexible and provide return and refund policies. The policies of the business must be effective as the refund and return process may get very hectic at times. These business processes may affect the various prospects of the business and affect the decision making in the company. The decisions of the company also affect the performance of the company. Efficient policies also increase the stability of the company in the market. The effective and the strategic decisions increase the performance of the company. (Herring, 2016)

C Judge how business and cultural environment of your selected organization and assess to what extent it shapes the behavior of the organization.

Culture of the organization affects its shape. The business environment present in the market is of two type, one is economic and the other is non-economic. The economic environment involves various economic organization and their strategies. The non-economic systems includes demographical, technological, political and the natural environment.

Our organization Walmart funds the various upcoming businesses in the country. The economic environment of the different companies may not be same. The various economic policies formulated by the government are fiscal, monetary, industrial and various other economic policies. The social factors that affect the policies and culture of the company are of the traditions, beliefs, customs and the financial standing of the company. Political environment controls the various policies formulated by the government. The technology affects the creativity and the innovation of the company.

Natural factors are determined by the weather and the climate of the particular place.
(Hashmat, 2011)

TASK 4

BE ABLE TO ASSESS THE SIGNIFICANCE OF THE GLOBAL FACTORS THAT SHAPE NATIONAL BUSINESS ACTIVITIES

Presently in work in a company which pays a lot of focus on promoting new companies. This also helps in the expansion of the market of the country. This assignment gives the potential of the clients and the shaping of the global factors.

A Discuss the significance of international trade to UK business organizations

No country can self-sustain itself so its needs international trade for importing and exporting goods. There are some exotic products produced only in one region so they need to be exported to other region. This trade between the other nations is possible only through export and import. The international trade makes a world a global village by making every thing available in all the nations. International trade also provides a global exposure to the local market. The importance of international trade is listed below:

- **Makes the market broader**

If the country has a closed economy they do not have exposure to the world wide products. The buyers also have limited products to buy from. By expanding into the market of the other countries the company grows in size and their profit increases.

- **Manufacturing cost gets lower**

By expanding their business into other countries the big companies stands at a level of increasing their profit by buying raw materials from the company where they are produces so that they are available at a lower cost. The production unit can be set in the developing country where the wage of the labor is low. This way the company can save a lot of money and increases the profit earned by them.

- **Makes the material available**

If there was no international trading most of the products sold would not be available in the market. Through international trade all the raw materials get available for use. International trade also curbs the scarcity of food worldwide. Many fruits and vegetable

cannot be grown in the temperate climate of UK so they are exported from the tropic countries. Bananas and mangoes are the most widely used exported fruits. (Lesley, 2016)

B Analyze the impact of global forces on UK business organizations

International trade is affected by a number of factors. Competition from the multinational companies also affects the local companies. These issues must be understood properly.

The factors affecting the businesses of UK are:

- **Social issues**

It includes the social cause in UK. The research of the social factors determines the habits, behavior and living standard. The spending power of the people is also determined. Age group and the sex of the people also affect the buying power of the people. These factors also affect the policies of the business.

- **Political issues**

These factors deal with the policies of the governmental institutions. The business of the company in a new country is affected by the rules and regulations formulated by the government. The companies functioning in the UK market have to work according to the European Union. The political framework also affect the functioning of the company in a country.

- **Economic issues**

Economic factors are affected by the changes in the international market. Living standard increases with the increasing income. Income also increases the spending power of the people. When the demand of the product is high then its production is increased. Economic factors that affect the overall business activities are interest rates and inflation.

- **Technological issues**

These are the factors that affect the innovation and the creativity in the given business at Walmart. The advancing technology reduces the labor work and lowers the production cost. The companies which improves their technology stands at a

competitive advantage that the others. The major factor affecting the company these days is technology.

- **Legal Issues**

These are the legal factors driving the country which also bind upon the company. For smooth running of the company it is important that it follows rules set by the government.. (Dudovskiy, 2013)

C Evaluate the impact of policies of the European Union on UK business organization

The business organizations of UK are affected by the following policies:

- **Employment policies**

The government of UK takes various efforts to promote new businesses in the country. The government is coming up with various policies and strategies to promote startups in the country. The government is giving loans at reduced interest rates to promote individuals from setting up their own business. The development of the new business in the country promotes the economic growth of the country. The new businesses can give stiff competition to the other business in the international market. The upcoming business also provides a lot of employment to the local people in the given area. “New Deal” is the policy of the government that helps the businesses to start and establish them easily. There are various training programs started by the government to give the new comers proper training to establish their business.

- **Inflation policies**

It is mandatory for the government to check the increasing prices of the different commodities. The Bank of England formulates various monetary policies to check the economic policies of the country. The interest rates are also set by the government as the banks work in close coordination with the government.

If the people stand at a risk of spending too much then the government have the authority of increasing the interest rate. The government might sometimes increase the prices of the different commodities if the people start spending too much. With the

increasing interest rate the businesses are also affected as they will now invest less in the business. (Nancy, 2013)

CONCLUSION

The culture of the company is affected by its structure. The culture of the company may also affect the working style of its employees. The leadership is also an important determinant factor. The leader knows the importance of motivating the employee in

order to increase their efficiency. All the organization these days are choosing to work in teams as it is more effective.

The first task tells us about the purpose of different organization. The purpose of different stakeholders also differs. The second task teaches us the different methods of allocating the resources and the effect of different policies on the business organization. The third task gives us the brief about the importance of the international trade. The fourth task tells us about the effect of European Union on the business of UK.

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