

Total No. of Questions: 6

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Enrollment No.....



Faculty of Management
End Sem (Odd) Examination Dec-2018
MS5CO06 Business Environment

Programme: MBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. The study of factors such as family structures and changes in them, role and status of women in society, education level, which among the following? **1**
- (a) Demographic Environment (b) Socio-Cultural Environment
(c) Ethical Environment (d) All of these
- ii. Social responsibility of business ensures that business runs in the best interest of – **1**
- (a) All employees (b) All shareholders
(c) All stakeholders (d) All directors
- iii. Which among the following was NOT part of Imperial Bank of India? **1**
- (a) Bank of Bombay (b) Bank of Madras
(c) Bank of Maharashtra (d) Bank of Calcutta
- iv. According to Industrial Policy Resolution, 1948 government reserved for _____ **1**
- (a) Atomic energy (b) Road and rail industries
(c) Both (a) & (b) (d) None of these
- v. Special Economic Zones Act came into effect on _____ **1**
- (a) 10th Feb, 2006 (b) 10th Feb, 2005
(c) 23rd May, 2006 (d) 23rd May 2005
- vi. _____ refers to dilution of stake of government, where there is no change in control that results in the transfer of management. **1**
- (a) Privatization (b) Disinvestment
(c) Both (a) & (b) (d) None of these

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- vii. MRTP Act was replaced by _____ **1**
(a) FEMA Act, 2000 (b) FEMA Act, 2002
(c) Competition Act, 2000 (d) Competition Act, 2002
- viii. Indian Financial System includes – **1**
(a) Financial Markets only (b) Financial Services only
(c) Banks only (d) All of these
- ix. WTO was formed with _____ as its basis **1**
(a) GATT (b) World Bank (c) BoP (d) IMF
- x. What do 'trade' and 'aid to trade' together constitute? **1**
(a) Business (b) Commerce (c) Import (d) Export
- Q.2 i. Why the study of Business Environment is important in the present context? Explain with the help of example. **4**
ii. What do you mean by technological environment? Explain its features. **6**
- OR iii. Explain the concept of 'social responsibility of business.' How can a business fulfil its social responsibility? **6**
- Q.3 i. 'India is one of the most prominently emerging economy of the world.' Comment. **4**
ii. Describe Economic Planning in India with special reference to last 2 five years plans of India **6**
- OR iii. Explain the overall impact of the New Economic Policy of 1991 on Indian economy. **6**
- Q.4 i. **Case Study:** **4**
In February 2000, as part of its disinvestment programme, the Government of India (GoI) sold Modern Food Industries (India) Limited (MFIL) to Hindustan Lever Limited (HLL) for Rs 1.05 billion. However, some analysts questioned the GoI's decision to sell MFIL – a company with 14 production units spread across the country and almost 0.5 million square meters of land – for just Rs 1.05 billion.
In 2000-01, employees at MFIL accused HLL of trying to shut down some manufacturing units by retrenching more than half of the 2,000 workforces and relying on third parties to meet production needs.

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By December 2000, 10 months after HLL took over MFIL, its accumulated losses went up to Rs 470.40 million as against its net worth of Rs 330.1 billion. Subsequently, under the Sick Industries Act (SICA), MFIL was referred to the Board of Industrial and Financial Reconstruction (BIFR).

Question – Was the disinvestment decision taken by GOI was correct? Explain your answer.

- ii. Define SEZ and outline the objectives of SEZ in India. **6**
- OR iii. Explain the concept of Joint Sector and Cooperative Sector. Also cite few examples of both. **6**
- Q.5 i. Write short note on IRDA. **4**
ii. Define the term 'fiscal policy.' What are the main tools of fiscal policy in India? **6**
- OR iii. Explain why FEMA was introduced. Write its objectives and features also. **6**
- Q.6 i. Differentiate between Free trade and Protectionism **4**
ii. What do you mean by Balance of Payments? Explain its any two components. **6**
- OR iii. Describe the structure of World Bank and also explain its functions. **6**

Marking Scheme
MS5CO06 Business Environment

Q.1	i.	The study of factors such as family structures and changes in them, role and status of women in society, education level, which among the following? (b) Socio-Cultural Environment	1
	ii.	Social responsibility of business ensures that business runs in the best interest of – (c) All stakeholders	1
	iii.	Which among the following was NOT part of Imperial Bank of India? (c) Bank of Maharashtra	1
	iv.	According to Industrial Policy Resolution, 1948 government reserved for _____ (c) Both (a) & (b)	1
	v.	Special Economic Zones Act came into effect on (a) 10 th Feb, 2006	1
	vi.	_____ refers to dilution of stake of government, where there is no change in control that results in the transfer of management. (b) Disinvestment	1
	vii.	MRTTP Act was replaced by _____ (c) Competition Act, 2000	1
	viii.	Indian Financial System includes – (d) All of these	1
	ix.	WTO was formed with _____ as its basis (a) GATT	1
	x.	What do ‘trade’ and ‘aid to trade’ together constitute? (b) Commerce	1
Q.2	i.	Any four importance Business Environment 1 mark for each point with example (1 mark *4) Without example ½ mark	4
	ii.	Technological environment Its features with explanation 1 mark for each point (1 mark * 4)	6
OR	iii.	Concept of ‘social responsibility of business.’ Social responsibility 1 mark for each point (1 mark * 4)	6

Q.3	i.	Any four points with description 1 mark for each point (1 mark *4)	4
	ii.	11 th five year plan with objectives 12 th five year plan with objectives	3 marks 3 marks
OR	iii.	Overall impact of the New Economic Policy of 1991 on Indian economy Any 6 point with description 1 mark for each point (1 mark * 6)	6
Q.4	i.	Case Study: Introduction Key Person Key Organisation Answer to the Question Conclusion	1 mark 0.5 mark 0.5 mark 2 marks 1 mark
	ii.	Definition SEZ Any 3 points Objectives	2 marks 3 marks
OR	iii.	Definition Joint Sector Example Definition Cooperative Sector Example	2 marks 1 mark 2 marks 1 mark
Q.5	i.	IRDA Proper description with objective/feature/importance	4
	ii.	Fiscal Policy Tools 1 mark for each point with description (1 mark *4)	2 marks 4 marks
OR	iii.	Need of FEMA Objectives and features (1 mark * 4) 1 mark for each correct point with description	2 marks 4 marks
Q.6	i.	Any 4 differences b/w Free trade and Protectionism 1 mark each (1 mark *4)	4
	ii.	Balance of Payments Components (2 marks * 2) 2 marks for each component with description	2 marks 4 marks
OR	iii.	Structure of World Bank Functions	3 marks 3 marks
