

**SECTION-A**

Q.I Write short notes on the following: (4\*5=20)

- a) Diversity of business environment in the 21<sup>st</sup> century.
- b) Economic reforms and its effect on business.
- c) Competition Law.
- d) Intellectual Property Rights.
- e) Control of FDI.
- f) Dumping and anti-dumping measures.

**SECTION-B****(8\*4=32)**

- Q.II a) How does political environment influence the business policy of an organization? (8)
- b) Discuss briefly the Fundamental Rights and directive Principles of state policy. (8)
- Q.III a) Analyse the recent monetary policy announced by the Government of India. (8)
- b) Write a brief note on Company Regulatory Legislations in India. (8)
- Q.IV a) Discuss briefly the problems and constraints related to public sector in India. (8)
- b) What is the significance of cross-cultural business environment? (8)
- Q.V a) Write brief note on the impact of Technology on business citing relevant examples.(8)
- b) Write a brief note on the WTO's role and its implications for India. (8)

**SECTION-C**

**Q.VI Answer the questions following the paragraph titled 'Death by US chocolate?' (4\*2=8)**

On January 19,2010 the Board of the British company Cadbury finally recommended to its shareholders that it should accept a £ 11.6 bn takeover bid from Kraft.

*The Independent* newspaper wrote on its website:

*Cadbury has a special place in the hearts of many Britons, with its long history in bournville, and its origins as a partly philanthropic concern that was launched by the Cadbury family, prominent Quakers in the early 19<sup>th</sup> century.*

This takeover bid had, at first, been resisted but in the end the board justified its decision to sell out to the US food group as 'the price of globalisation'.

The *Grocer Magazine* reported Cadbury's outgoing Chairman as saying:

*The reality is we are part of a global business. 'he said, 'Although Cadbury's roots are deeply Buried in Britain, the development of the company has been all over the world(Wright)*

Writing on the 'Comment is Free' blog of the *Guardian* newspaper Andrew Martin recalled the takeover of another famous British chocolate company, Terry's of York by Kraft in 1993. Despite giving assurances that production would remain in York, Terry's first dropped the 'of York' from

its branding and eventually closed the York factory completely and moved its production to Eastern Europe(Martin)

This experience was mirrored in the misgivings about the Kraft/Cadbury takeover that came from a range of stakeholders including employees and the local community as well as the UK government. *The Independent* went on to quote the then UK Business minister Lord Mandelson as saying:

*'If you think you can come here and make a fast buck[you] will find that you will face huge Opposition from the local population...and the British government.'*

And warned that any buyer would have to.....

*'respect our company, respect our workforce and respect the legacy of our company.'*

And it itself wrote:

*Lord Mandelson's intervention is remarkable given the relaxed attitude the current government has always had to foreign ownership of British assets. The past decade has seen a string of companies, in industries ranging from infrastructure to banking, bought by foreign acquirers with no objection from ministers(Thomson, J.and Prosser, B.)*

Martin's own childhood in New York had been shaped by living next to the other great British confectioners, Rowntree's. This company with the same Quaker's tradition as Cadbury was bought by the Nestlé in 1988.

For Martin:

*The factory survives, but with far fewer people working in it and the Swiss flag flying on its roof. It is no longer integrated into the life of the city...and so by slow degrees, a nation dies.*

In the run up to the General Election of 2010 the Labour Party put forward in its manifesto the proposal to have a 'Cadbury's Law' under which foreign take-overs deemed to threaten the British national interest would need to have a two-thirds majority of shareholders' votes. While Kraft had given assurances that it would keep open a plant near Bristol threatened with closure by the previous board, it withdrew these shortly after the merger took place.

- a) Why might globalization be 'good' in the case of this merger? Why was there resistance to this merger?
- b) Why, if the British government was anxious about the takeover, was not in a position to prevent it from happening?