Roll No.

Total No. of Pages : 02

Total No. of Questions : 15

MBA/MBA(IB) (2012 & Onward) (Sem.–2)

BUSINESS ENVIRONMENT

Subject Code : MBA-201

Paper ID : [C0246]

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.**
2. **SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY and consist of ONE Case Study carrying EIGHT marks.**

SECTION-A

1. Explain the complexity and diversity of business environment in the 21st century.
2. What is the effect of recession on business? Suggest some remedies in this regard.
3. Write a note on corporate social responsibility.
4. What are the dumping and anti-dumping measures?
5. Write a note on consumer movement.
6. Discuss the concept of global warming.

SECTION-B

UNIT-I

7. Define Business Environment. Explain the various internal environment factors.
8. What do you mean by environment scanning? Explain the various techniques of scanning the business environment.

UNIT-II

9. What are the main objectives of fiscal policy in India? Explain the different fiscal instruments used to achieve them.
10. Describe the major provisions of Consumer Protection Act. 1986.

UNIT-III

11. Discuss the impact of privatisation on Indian economy.
12. Discuss the main provisions of the Environment Protection Act, 1986.

UNIT-IV

13. Discuss the impact of technology on business. What are the different problems in technology transfer?
14. Write a note on the following :
    a) Significance of FDI
    b) Export Oriented Units (EOU)

SECTION-C

15. **Case Study**

It can be well argued that although mild inflation is good for entrepreneurs and creates an encouraging environment, a high rate of inflation is pretty bad for business. Inflationary expectation is mostly imperfect and hence, allocation of resources based on that is likely to go wrong. Inflation raises the cost of production and investment. It reduces the real income and to that extent, the market may shrink. Inflation leads to an exacerbation of distributional inequality and this may create a climate of uncertainty, instability and insecurity to life and property. There are many channels through which inflation may reduce the growth momentum. Liquidity crunch and higher rate of interest, which frequently occur during inflation, create a climate of pessimism in business. Since the business does not do well, there may be large-scale job cutting and unemployment may be high. Productive activities in business have to be curtailed during the period of high inflation. During the period of inflation, the real exchange rate will appreciate and as a result, the domestic exports will fall. The importers will then need more money to import as the exchange rate will go against domestic currency. The liquidity shortage will hamper the plan for expansion of business. This will also reduce the national output growth rate. The expenditure of the state on infrastructural and business development will perhaps be curtailed. The higher rate of interest will crowd out private investment. Both the expansionary monetary and fiscal policy will be gradually rolled back and the economy and the business will go downhill. All these will happen when the mild rate of inflation is converted to a rapidly growing rate.

Questions :

a) Why mild inflation is good for the economy?

b) Why is inflation bad?

c) What effect would real exchange rate cause if it appreciates?