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Total No. of Pages : 03

Total No. of Questions : 17

MBA/MBA(IB) (2020 & Onwards) (Sem.-1)
BUSINESS ENVIRONMENT AND
INDIAN ECONOMY
Subject Code : MBA-105-18
M.Code : 75406

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A contains EIGHT questions carrying TWO marks each and students has to attempt ALL questions.
2. SECTION-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 TWELVE marks.

SECTION-A

Write short notes on the following :

1. Macro environment
2. Socialism structure of market
3. RTI Act 2005
4. Deficit financing
5. SEZ vs. EOU
6. Reasons behind urbanisation
7. Frictional unemployment
8. Economic infrastructure

SECTION- B

UNIT-I

9. What is the rationale behind studying business environment and also distinguish between internal and external environment of business.

10. What are the objectives of fiscal and monetary policy?

UNIT-II

11. What are the various legislations in India to promote healthy competition among various industries and businesses?
12. Who is a consumer who can file complaint in consumer forum and what are the steps for redressal mechanism?

UNIT-III

13. Critically evaluate the role of MNCs in India?
14. What are the various anti-dumping measures adopted by Indian government to regulate fair trade in the country?

UNIT-IV

15. Discuss the changing structure of India's foreign trade since adoption of new economic policy of 1991.
16. What are the various rural financing measures available to Indian farmers? Also discuss the implications of borrowing from the unorganised sector.

SECTION-C

17. Case Study :

The public sector Indian Oil Corporation (IOC), the major oil refining and marketing company which was also the canalising agency for oil imports and the only Indian company in the Fortune 500, in terms of sales, planned to make a foray into the foreign market by acquiring a substantial stake in the Balal Oil field in Iran of the Premier Oil. The project was estimated to have recoverable oil reserves of about 11 million tonnes and IOC was supposed to get nearly four million tonnes.

When IOC started talking to the Iranian company for the acquisition in October 1998, oil prices were at rock bottom (\$ 11 per barrel) and most refining companies were closing shop due to falling margins. Indeed, a number of good oil properties in the Middle East were up for sale. Using this opportunity, several developing countries “*made a killing by acquiring oil equities abroad.*”

IOC needed Government's permission to invest abroad. Application by Indian company for investing abroad is to be scrutinised by a special committee represented by the Reserve Bank of India and the finance and commerce ministries. By the time the government gave the clearance for the acquisition in December 1999 (i.e., more than a year after the application was made), the prices had bounced back to \$24 per barrel. And the Elf of France had virtually taken away the deal from under IOC's nose by acquiring the Premier Oil.

The RBI, which gave IOC the approval for \$15million investment, took more than a year for clearing the deal because the structure for such investments were not in place, it was reported.

Questions :

- a) Discuss internal, domestic and global environments of business revealed by this case.
- b) Discuss whether it is the domestic or global environment that hinders the globalisation of Indian business.
- c) Even if Elf had not acquired Premier Oil, what would have been the impact of the delay in the clearance on IOC?
- d) What would have been the significance of the foreign acquisition to IOC?
- e) What are the lessons of this case?

NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.