Reg. No: | | | | | | | | | | |

Q.P. Code: 16MB703 **R16**

SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)
MBA I Year I Semester (R16) Supplementary Examinations June 2017
BUSINESS ENVIRONMENT
(For Students admitted in 2016 only)

Time: 3 hours Max. Marks: 60

SECTION – A
(Answer all Five Units 5 x 10 = 50 Marks)

UNIT-I

1 Define "business environment". Discuss the various macro and micro environmental factors that influence the business. 10M

OR

2 What is Industrial Policy? Why is it needed? Explain the objectives, merits and demerits of the 1991 policy. 10M

UNIT-II

3 What do you mean by fiscal policy? What are the instruments of Fiscal Policy? Explain each of them in brief. 10M

OR

4 a. What do you mean by Monetary Policy? Explain the objectives of it 5M

b. Examine the various instruments of Monetary Policy. 5M

UNIT-III

5 Discuss the EXIM Policy of India. Explain the export promotion measures adopted by the Government of India. 10M

6 What is Balance of Payments (BoP)? Explain the components of it. Show a standard BoP statement. 10M

UNIT-IV

7 Explain the principles of WTO. Explain the impact of WTO on business environment in India. 10M

OR

8 Explain about TRIPs, TRIMs, GATS. 10M

UNIT-V

9 Examine the importance of legal frameworks in influencing the business environment. 10M

OR

10 Explain the major provisions of the Consumer Protection Act, 1986. 10M

SECTION – B

(Compulsory Question)

1 x 10 = 10 Marks

11 **Case Study**

It was so asymmetric that the poorest countries are actually worse off, sub-Saharan Africa, the poorest average with an average income of just over $500 per capita per year, lost some $1.2 billion a year.

70% of the gains went to the developed countries – some $30 billion annually. Although the developing world has 85% of the world's population and almost half of total global income, it received only 30% of the benefits – and these benefits went mostly middle-income countries like Brazil.

The Uruguay Round made an unlevel playing field less level. Developed countries impose four times higher – tariffs against developing countries than against developed ones. A poor country like Angola pays as much in tariffs to the United States as does rich Belgium; Guatemala pays as much as New Zealand. And this discrimination exists even after the developed countries have granted so-called preferences to developing countries. Rich countries have cost poor countries three times more in trade restrictions than they give in total development aid.

The focus was on liberalization of capital flows (which developed countries wanted) and investment rather than on liberalization of labour flows (which would have benefited the developing countries), even though the latter would have led to a far greater increase in global output.

By the same token, liberalization of unskilled labour services would have led to a far greater increase in global efficiency than liberalization of skilled labour services (like financial services), the comparative advantage of the advanced industrial countries. Yet negotiators focused on liberalizing skill-intensive services.

The strengthening of intellectual property rights largely benefited the developed countries, and only later did the costs to developing countries become apparent, as life-saving generic medicine were taken off the market and developed world companies began to patent traditional and indigenous knowledge.

Question:

(a) Do you think that the ghost GATT is still haunting WTO? If yes, how? If no, prove.

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