

**AT-1404**

**M.B.A. (Semester-II) Examination  
BUSINESS ENVIRONMENT  
PAPER—MBA-201**

Time : Three Hours]

[Maximum Marks : 70

**SECTION—A**

1. (A) What do you mean by 'Business' ? What are its objectives ? Also, describe the nature and scope of business. 14

**OR**

- (B) What is Economy-Industry-Company Interface ? Explain in detail the importance of EIC interface with suitable examples. 14

**SECTION—B**

2. (A) Differentiate clearly between external and internal components of environment. 7  
(B) Identify and explain the types or dimensions of business environment to which the following are related :  
(i) Banks reducing interest rates on housing loans.  
(ii) Booking of air tickets through internet. 7

**OR**

- (C) Explain the characteristics of 'Business' and 'Business Environment'. 7  
(D) 'Retailing in India is on a rising trend and many companies have planned for investment in this sector. This is because of a rise in customer's income, favourable taste for better quality product and most importantly, the liberalization of the economy allowing foreign direct investment in some sectors of the economy. Identify the elements of business environment stating lines from the above statement. 7  
3. (A) What is Social Audit ? What are the features of Social Audit ? 7  
(B) 'There is a good potential for FDI in Indian Retail Market.' Analyze the statement in the light of the country analysis and the environment that prevails in India. 7

**OR**

- (C) Give arguments in favour of SEZ's. 7  
(D) You are small business owner in a small town. You are approached by a local school's football team about sponsoring a fund raising event to raise money for a trip out State for a national football game. What will be your line of action and why ? 7

**SECTION—C**

4. (A) Critically examine the impact of the post 1991 economic reforms on the business environment in India. 7
- (B) Discuss the prospects and challenges of Tourism Industry in India. 7

**OR**

- (C) Discuss the limitations of fiscal policies in India under the era of reforms. 7
- (D) What are the salient features and problems of Knowledge industry in India ? 7

**SECTION—D**

5. Sachin Kumar is the Owner/Manager of Auto Max, a small unit located in Peenya Industrial Estate, Bangalore. Auto Max specialises in the manufacture of auto parts. The Unit executes orders received from a leading auto parts manufacturer in India. Sachin is a contended man. He has a turnover of Rs. 5 crore and has a head count of 25. He has no worries about orders, no problem of working capital, no fear of technological obsolescence and no hassles from any source. Sachin is no flamboyant businessman, no member of any professional body and no lobbyist for any favour. His employees are with him all the time and his customer stands by him through and through.

Of late, Sachin started becoming ambitious. He has seen and read about how Indian businessmen are growing big and how some of the Indian companies are acquiring foreign firms. He has also come to know that there is a lot of money in overseas markets. Why not he too try his luck in foreign markets ? His people at home are supportive of his ambition.

Sachin hails from a small village and was born into an agricultural family. After graduating from a nearby school, he came to Bangalore in 1963 in search of education and livelihood. He earned both. He is no descendant of business forebears. He does not have a professional degree to his credit. In fact, Sachin is the first generation entrepreneur.

But Sachin is gifted with rare attributes. He is a workaholic, sincere, caring, honest and is an embodiment of patience. What Sachin is today is purely because of his unique traits Sachin is not sure of the following :

- (a) Which route of globalisation he should choose ? 4
- 1) What should he do with the contract manufacturing for an Indian Customer ? 5
- (c) Appoint professionals to manage business or continue with the present set-up ? Advise him. 5