



RF-4299

M. B. A. (Sem. - II) Examination
April / May - 2010
Business Environment
(New Course)

Time : 3 Hours]

[Total Marks : 100

Instructions :

(1)

नीचे दशांशिक निशानीवाणी विगतो उत्तरवही पर अवश्य कभवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="text" value="M. B. A. (SEM. - 2)"/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="BUSINESS ENVIRONMENT"/>	<input type="text"/>
Subject Code No. : <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="9"/>	Section No. (1, 2,.....) : <input type="text" value="NIL"/>
Student's Signature	

(2) Q.1, Q.5, Q.6 are compulsory. Answer any two from Q.2, Q.3 and Q.4

(3) Figures to the right indicate full marks.

- 1 "Business Environment is dynamic." Discuss. Also explain the economic factors influencing business strategies. 18
- 2 What is fiscal policy? Explain the importance of budget and discuss the implications of union budget 2010 on industrial sector. 16
- 3 What are the provisions for developing the small scale industries sector in MSMED Act? 16
- 4 Discuss the population problems of India. Also discuss the measures to control population growth as per the population policy. 16
- 5 Read carefully the following case, analyze it and answer the questions at the end of the case: 30

SICKNESS OF SEAFOOD UNITS

The Kerala State Industrial Development Corporation (KSIDC) has mooted an amalgamation arrangement of a number of troubled sea-food processing units to form a single entity in a bid to help them overcome their present financial crisis.

There are around 90 sick sea-food units in India against many of whom the debt recovery tribunal has initiated

proceedings. Collectively, these units owe around Rs. 260 crore to various banks and financial institutions. More than half of these amount is accumulated interest on loans, KSIDC, which has around 20 units, conducted a study on the sea-food industry before coming up with the proposal for amalgamation, an official said.

The Sea-food Exporters' Association of India (SEAI) and the forum of revival and reconstruction of sea-food export industries in India are now supporting the proposal which suggests that 10 or more units to be amalgamated into one company so that it will have a stronger financial base and better economies of scale.

As a first step toward this plan six units in Kerala have come together to be amalgamated into a single firm. However, this unit now requires approvals of their tenders to go ahead with the scheme for amalgamation which is an optional scheme for the forum.

According to SEAI, the sea-food units started incurring losses and eventually turned sick because of a number of reasons that were "beyond their control." Incidents such as black-listing of cooked shrimp by the US and ban on Indian sea-food announced by the European Economic Community (EEC) are factors that contributed to the weakening of the industry. On the other hand, processing units had to invest in modernizing their facilities to remain competitive in the global markets, but they are facing financial problems. There is not sufficient raw material available and competition in the sector is unhealthy too.

The SEAI and the forum are now seeking the help of the Indian Banks Association and the finance ministry to settle their dues to the banks.

According to SEAI, a similar model of amalgamation was tried out successfully in Iceland 20 years ago. About 100 sick traditional sea-food units in the country were amalgamated into 10 units to achieve a turnaround.

- (i) What are the reasons of sickness of sea-food units?
- (ii) Do you support the strategy of SEAI for revival and reconstruction?

- 6** Write short notes on (any two)
- (i) ISO
 - (ii) Business ethics
 - (iii) Global business environment
 - (iv) Balance of Payments.

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