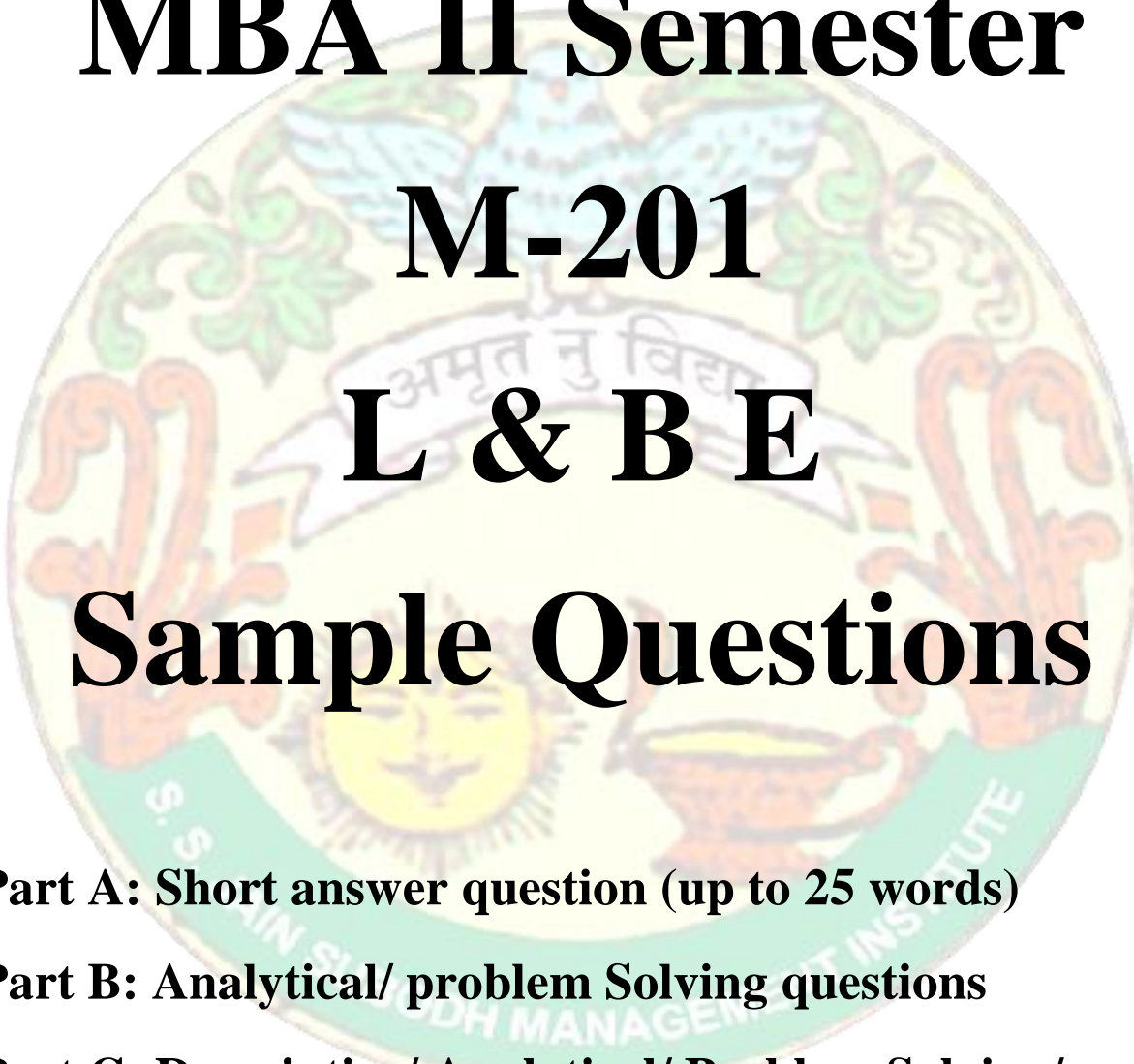


S. S. Jain
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MBA II Semester
M-201
L & B E
Sample Questions



Part A: Short answer question (up to 25 words)

Part B: Analytical/ problem Solving questions

**Part C: Descriptive/ Analytical/ Problem Solving/
Case questions.**

PART A

Very Short – Answer Questions

Module I

1. How can business laws impact business strategy?
2. What legal considerations must a manager take into account when entering into contracts?
3. What are intellectual property rights, and how can a manager protect their business interests?
4. What legal risks are associated with international business operations?
5. How can an understanding of jurisprudence help a manager develop ethical business practices?
6. What are the legal and ethical implications of managerial decision-making?
7. What are the potential consequences of non-compliance with business laws and regulations?
8. How can a manager use their knowledge of jurisprudence to influence the development of laws and regulations?
9. How does the structure of the Indian legal system impact business operations?
10. How do laws and regulations in India impact business practices?
11. What legal risks are associated with doing business in India?
12. How can a manager navigate the legal complexities of the Indian legal system?
13. How do different sources of law impact business operations?
14. What are the potential consequences of non-compliance with laws and regulations?
15. How can a manager stay up to date with changes in laws and regulations?
16. How can a manager use their knowledge of the sources of law to influence the development of laws and regulations?
17. What legal responsibilities does a manager have?
18. What are the potential consequences of non-compliance with laws and regulations?
19. How can a manager navigate the legal complexities of international business operations?
20. How can a manager use their knowledge of the legal system to influence the development of laws and regulations?

Module II

21. What is a contract, and what are its essential elements?
22. What is the difference between an express and an implied contract?
23. What are the different types of contracts recognized under the law?
24. What is an offer, and what are its essential elements?
25. What is an acceptance, and what are its essential elements?
26. What is consideration, and why is it necessary for a contract to be enforceable?
27. What is the difference between a void and a voidable contract?
28. What is a unilateral contract, and how does it differ from a bilateral contract?
29. What is a breach of contract, and what remedies are available to the aggrieved party?
30. What is the doctrine of frustration, and how does it apply to contracts?
31. What is the difference between a contract of indemnity and a contract of guarantee?
32. What is the difference between a contract of sale and an agreement to sell?
33. What is the doctrine of privity of contract, and how does it affect third-party rights?
34. What is the effect of misrepresentation on a contract, and what remedies are available to the aggrieved party?

Module III

35. What is a partnership?
36. What are the essentials of a partnership?
37. What are the rights and duties of partners?
38. What are the types of partners?
39. How is a firm registered?
40. What are the modes of dissolution of firms?
41. What is the meaning and nature of a company?
42. How is a company incorporated?
43. What is the concept of Memorandum of Association?
44. What is the significance of Articles of Association?
45. What is the role of the Board of Directors?
46. How are company meetings conducted?
47. What is the process of winding up a company?

Module IV

48. What is copyright?
49. What is a trademark?
50. What are trade secrets?
51. What are geographical indications?
52. What is legislation for anti-competitive and unfair trade practices?
53. What is arbitration?
54. What is conciliation?
55. What is the Consumer Protection Act 2019?
56. What is the purpose of the Consumer Protection Act 2019?
57. What are the key provisions of the Consumer Protection Act 2019?
58. What is the role of consumer redressal agencies?
59. How are consumer redressal agencies formed?
60. What is the process of filing a complaint with a consumer redressal agency?
61. How do consumer redressal agencies resolve consumer complaints?
61. What remedies can be awarded by consumer redressal agencies?
62. Can the decisions of consumer redressal agencies be challenged?
63. How does the Consumer Protection Act 2019 aim to protect consumer rights?

Module V

64. What is business environment?
65. Why is understanding the business environment important for organizations?
66. What are the types of business environments?
67. What is economic environment?
68. What is non-economic environment?
69. How do the economic and non-economic environments interact?
70. What is environment scanning?
71. What is the process of environment scanning?
72. How do the internal and external environments of a business interact?
73. What is a market-driven economy?
74. What are the essentials of competitive economies?
75. What are some emerging sectors of the Indian economy?

Module VI

76. What is LPG (Liberalization, Privatization, and Globalization)?
77. What is the significance of LPG in India's economic reforms?
78. How has LPG impacted the financial sector in India?

79. What changes have occurred in the automobile industry due to LPG in India?
80. How has LPG affected the FMCG (Fast-Moving Consumer Goods) sector in India?
81. What are the current trends in industrialization?
82. What is the industrial policy and its importance?
83. What is the role of agriculture in economic development?
84. How does the business sector depend on agriculture?
85. What are the business opportunities in the rural sector?

Module VII

86. What are MSME enterprises?
87. What is the role of institutions in supporting MSME enterprises in India?
88. What is the role of SIDBI (Small Industries Development Bank of India) in promoting MSMEs?
89. What is the significance of public sector reforms in improving the performance of enterprises?
90. What is a public-private partnership (PPP)?
91. What is monetary policy?
92. What is fiscal policy?
93. What is the current inflationary position in India?
94. How do monetary and fiscal policies impact the business environment?
95. What are stock exchanges and commodity exchanges in India?
96. What is the role of SEBI (Securities and Exchange Board of India)?
97. What is the role of IRDA (Insurance Regulatory and Development Authority)?
98. What is the role of Pension and Provident Fund regulatory bodies?
99. What is the Board of Financial Supervision?
100. What are the trends in service sector growth?
101. What is the role of RBI (Reserve Bank of India)?
102. What are the various banking reforms in India?
103. What are the challenges faced by the banking sector in India?

Module VIII

104. What is Foreign Trade Policy?
105. What is the difference between Balance of Payment and Balance of Trade?
106. How does the exchange rate impact competitiveness in international trade?
107. What are foreign capital flows and foreign collaboration?
108. What is FDI and its significance in India?
109. How is India's competitiveness assessed in the world economy?

PART B

Short-Answer Questions

Module I

1. What is the role of business laws in shaping business management practices?
2. What are the major types of business laws, and how do they impact business operations?
3. What are the key features of business management, and how do they relate to the legal environment?
4. What are some of the challenges faced by managers in complying with business laws?
5. What is jurisprudence, and how does it relate to business management?
6. How can an understanding of jurisprudence help managers make better decisions?
7. What are the key schools of jurisprudence, and how do they differ in their approach to law?
8. How can a manager ensure that they are acting ethically and within legal bounds in their business decisions?
9. What is the structure of the Indian legal system, and how does it compare to legal systems in other countries?
10. What are the major components of the Indian legal system, and how do they interact with one another?
11. What is the role of the judiciary in the Indian legal system, and how does it relate to business management?
12. What are the key laws and regulations that impact business operations in India?
13. What are the different sources of law, and how do they impact business management practices?
14. How can a manager stay up to date with changes in laws and regulations that impact their business operations?
15. What are some of the key factors that influence the creation and interpretation of laws?
16. How can a manager ensure that they are complying with all relevant laws and regulations in their business operations?
17. What are the key legal issues that managers need to be aware of in their day-to-day operations?
18. What are some of the key risks associated with non-compliance with laws and regulations, and how can managers mitigate these risks?
19. What are some of the key legal responsibilities of managers, and how can they ensure that they are fulfilling these responsibilities?
20. What are some of the key ethical considerations that managers need to take into account in their decision-making processes?

Module II

21. What are the essential elements of a contract, and why are they important? Discuss each element in detail, and provide examples of how they may be applied in a real-life situation.
22. Discuss the different types of contracts recognized under the law, including express, implied, unilateral, and bilateral contracts. Explain the differences between each type, and provide examples of how they may be used in business transactions.
23. What is the doctrine of consideration, and why is it necessary for a contract to be enforceable? Discuss the different types of consideration that may be used in a contract, including past, present, and future consideration, and provide examples of how they may be used in business agreements.
24. What is the difference between a void and a voidable contract, and what are the circumstances under which each type of contract may arise? Discuss the legal consequences of each type of contract, and provide examples of how they may be used in real-life situations.
25. What is the difference between a contract of sale and an agreement to sell, and what are the essential elements of each type of contract? Discuss the legal consequences of breach of a contract of sale, and the remedies available to the aggrieved party.
26. What is the difference between a contract of indemnity and a contract of guarantee, and what are the essential elements of each type of contract? Provide examples of how each type of contract may be used in business transactions, and discuss the legal consequences of breach of each type of contract.
27. Discuss the doctrine of privity of contract, and how it affects third-party rights in a contract. Provide examples of how the doctrine may be applied in real-life situations, and the legal consequences of breach of the doctrine.
28. What is misrepresentation, and how does it affect contracts? Discuss the different types of misrepresentation, including innocent, negligent, and fraudulent misrepresentation, and the legal consequences of each type. Provide examples of how misrepresentation may arise in business transactions and the remedies available to the aggrieved party.

Module III

29. Explain the concept of partnership and discuss its essentials according to the Partnership Act, 1932. What are the key elements that must be present to establish a valid partnership?
30. Enumerate and analyze the rights and duties of partners as outlined in the Partnership Act, 1932. How do these rights and duties shape the relationship between partners and the operation of the partnership?
31. Discuss the different types of partners recognized under the Partnership Act, 1932. What are the characteristics and distinguishing features of each type? How do these different types of partners contribute to the functioning of a partnership?

32. Describe the process and significance of registering a firm under the Partnership Act, 1932. What are the requirements and procedures for firm registration? How does registration affect the legal status and rights of the partnership?
33. Explore the various modes of dissolution of firms as stipulated by the Partnership Act, 1932. Discuss the circumstances and procedures under which a partnership can be dissolved. What are the consequences of dissolution on the rights and obligations of partners?
34. Elaborate on the meaning and nature of a company as per the provisions of the Company Law 2013. What are the essential characteristics that differentiate a company from other forms of business entities? How does a company operate within the legal framework?
35. Explain the process of incorporation of a company under the Company Law 2013. What are the steps and requirements for forming a company? Discuss the significance and legal implications of incorporation for the company and its members.
36. Discuss the concept and significance of the Memorandum of Association in the context of company law. What are its key contents and functions? How does the Memorandum of Association define the scope and objectives of a company?
37. Analyze the role and importance of the Articles of Association within the framework of company law. What are the provisions typically included in the Articles of Association? How do these provisions govern the internal management and operations of the company?
38. Explore the concept of the Board of Directors in a company as governed by the Company Law 2013. Discuss the composition, powers, and responsibilities of the Board of Directors. How does the Board of Directors contribute to the decision-making and overall governance of the company?
39. Explain the various types of company meetings prescribed by the Company Law 2013. What are the purposes and procedures for conducting general meetings, board meetings, and annual general meetings? How do these meetings facilitate communication, decision-making, and accountability within the company?
40. Discuss the process of winding up a company under the Company Law 2013. What are the grounds and methods for winding up a company? How are the assets and liabilities of the company distributed during the winding-up process? What are the implications of winding up for the company and its stakeholders?

Module IV

41. Introduction to Copyright:
 - What is copyright and what does it protect?
 - What are the fundamental principles underlying copyright law?
 - How does copyright provide exclusive rights to creators?
 - What types of works can be protected by copyright?
 - How long does copyright protection last?
 - What are the exceptions and limitations to copyright?
42. Introduction to Trademark:

- What is a trademark and why is it important for businesses?
 - What are the main functions of trademarks?
 - How do trademarks differ from other forms of intellectual property?
 - What are the requirements for obtaining trademark protection?
 - How can trademarks be enforced and what remedies are available for trademark infringement?
 - What is the significance of international trademark registration?
43. Introduction to Trade Secrets:
- What are trade secrets and why are they valuable to businesses?
 - How do trade secrets differ from other forms of intellectual property?
 - What types of information can qualify as trade secrets?
 - What are the legal protections available for trade secrets?
 - How can businesses safeguard their trade secrets?
 - What are the remedies for trade secret misappropriation?
44. Introduction to Geographical Indications:
- What are geographical indications and why are they important?
 - How do geographical indications help protect the reputation and quality of products?
 - What criteria must be met for a product to be eligible for geographical indication protection?
 - How are geographical indications registered and enforced?
 - What is the role of geographical indications in promoting cultural heritage and local economies?
 - What are some notable examples of products protected by geographical indications?
45. Legislation for Anti-competitive and Unfair Trade Practices:
- What is the purpose of legislation governing anti-competitive and unfair trade practices?
 - What are some common examples of anti-competitive practices?
 - How do these practices harm competition and consumers?
 - What are the legal frameworks and regulatory bodies responsible for enforcing anti-competitive laws?
 - What are the penalties and remedies for engaging in anti-competitive behavior?
 - How does legislation address unfair trade practices such as false advertising or deceptive trade practices?
46. Introduction to Arbitration:
- What is arbitration and how does it differ from litigation?
 - What are the advantages and disadvantages of arbitration as a dispute resolution mechanism?
 - How is the arbitration process initiated and conducted?
 - What are the roles and responsibilities of arbitrators and parties involved?
 - How are arbitration awards enforced and challenged?
 - In what types of disputes is arbitration commonly used?

47. Introduction to Conciliation:

- What is conciliation and how does it differ from other forms of dispute resolution?
- What are the key principles and objectives of conciliation?
- How is the conciliation process structured and facilitated?
- What are the roles of conciliators and parties in a conciliation proceeding?
- What are the benefits of choosing conciliation as a means of resolving disputes?
- How does conciliation promote communication and negotiation between parties?

48. Introduction to the Consumer Protection Act 2019:

- What is the Consumer Protection Act 2019, and why was it enacted?
- How does the Consumer Protection Act 2019 aim to safeguard the rights and interests of consumers?
- What are the key objectives and principles underlying the Consumer Protection Act 2019?
- What are some notable changes or enhancements introduced by the Consumer Protection Act 2019 compared to previous consumer protection laws?

49. Formation of Consumer Redressal Agencies:

- What are consumer redressal agencies, and what is their role in the consumer protection framework?
- How are consumer redressal agencies formed and structured under the Consumer Protection Act 2019?
- What are the different types of consumer redressal agencies established under the Act?
- What are the qualifications and selection criteria for members of consumer redressal agencies?
- How are consumer redressal agencies funded and supported in their functioning?

50. Working of Consumer Redressal Agencies:

- What is the jurisdiction and authority of consumer redressal agencies in addressing consumer complaints?
- What is the process for filing a complaint with a consumer redressal agency?
- How do consumer redressal agencies conduct hearings and proceedings?
- What powers do consumer redressal agencies possess in gathering evidence and summoning witnesses?
- How do consumer redressal agencies make determinations and issue orders or judgments?
- What remedies and reliefs can consumer redressal agencies provide to aggrieved consumers?

51. Role of Consumer Redressal Agencies in Consumer Dispute Resolution:

- How do consumer redressal agencies contribute to the resolution of consumer disputes?
- What principles of natural justice and fair play are followed by consumer redressal agencies?
- How do consumer redressal agencies ensure timely and efficient disposal of consumer complaints?

- What are the mechanisms available for enforcing the decisions of consumer redressal agencies?
 - How do consumer redressal agencies facilitate consumer awareness and education?
52. Significance of the Consumer Protection Act 2019 in Consumer Protection:
- What impact does the Consumer Protection Act 2019 have on strengthening consumer protection in the country?
 - How does the Act address emerging issues and challenges in the consumer landscape, such as e-commerce and digital transactions?
 - What are the key provisions of the Act that empower consumers and promote fair trade practices?
 - How does the Act encourage the proactive role of consumer redressal agencies in promoting consumer welfare?
 - What are some notable cases or examples where the Consumer Protection Act 2019 has been effectively utilized to protect consumer rights?

Module V

53. Nature, Concept, and Significance of Business Environment:
- What is the nature of the business environment and why is it dynamic?
 - Define the concept of the business environment and its components.
 - Explain the significance of understanding the business environment for organizations.
 - How does the business environment influence business decision-making and strategy formulation?
 - Discuss the various factors that shape the business environment.
54. Types of Environment: Economic and Non-economic Environment and Their Interaction:
- Differentiate between the economic and non-economic environments.
 - What are the key components of the economic environment?
 - How does the economic environment impact business operations, such as pricing, production, and investment decisions?
 - Discuss the elements of the non-economic environment, including socio-cultural, political, legal, and technological factors.
 - Explore the interaction between the economic and non-economic environments and their combined influence on business performance.
55. Environment Scanning and its Process:
- What is environment scanning and why is it important for organizations?
 - Explain the process of environment scanning, including data collection, analysis, and interpretation.
 - Discuss the tools and techniques used in environment scanning, such as SWOT analysis, PESTEL analysis, and scenario planning.

- How can organizations effectively scan the business environment to identify opportunities and threats?
 - Provide examples of real-world situations where environment scanning played a crucial role in organizational success or failure.
56. Interaction between Internal and External Environments:
- Describe the internal environment of a business, including its organizational structure, culture, resources, and capabilities.
 - Discuss how the internal environment influences the external environment and vice versa.
 - Explain the concept of organizational fit and the importance of aligning the internal and external environments.
 - Explore the challenges and opportunities that arise from the interaction between the internal and external environments.
 - How can organizations leverage the interaction between internal and external environments to gain a competitive advantage?
57. Emergence of Market-Driven Economies:
- Define market-driven economies and their characteristics.
 - Discuss the factors that contribute to the emergence of market-driven economies.
 - Explain the role of market forces, such as supply and demand, competition, and consumer preferences, in shaping market-driven economies.
 - Analyze the benefits and challenges associated with market-driven economies.
 - Provide examples of countries or regions that have transitioned to market-driven economies and the impact it had on their economic growth and development.
58. Essentials of Competitive Economies:
- Define competitive economies and their key features.
 - Discuss the importance of competition in driving economic growth and innovation.
 - Explain the role of regulatory frameworks and policies in promoting competition.
 - Explore the relationship between competitive economies and factors such as productivity, efficiency, and consumer welfare.
 - Highlight the challenges and potential drawbacks of competitive economies and how they can be addressed.
59. Emerging Sectors of the Indian Economy:
- Identify and describe the emerging sectors of the Indian economy.
 - Discuss the factors contributing to the growth and development of these sectors.
 - Analyze the impact of emerging sectors on the overall economy, employment generation, and technological advancements.
 - Examine the challenges and opportunities associated with the growth of these sectors.
 - Discuss the government initiatives and policies aimed at promoting the growth and sustainability of emerging sectors in India

Module VI

60. Introduction of Liberalization, Privatization, and Globalization (LPG):
- Define Liberalization, Privatization, and Globalization and their interconnection.
 - Discuss the rationale behind implementing LPG policies in many countries.
 - Explain the objectives and expected outcomes of LPG in terms of economic growth, efficiency, and global integration.
 - Analyze the impact of LPG on market competition, trade, investment, and employment.
61. Assessment of LPG in India with respect to Financial, Automobile, and FMCG Sectors:
- Evaluate the impact of LPG on the financial sector in India, including changes in regulations, market dynamics, and the growth of financial institutions.
 - Assess the effects of LPG on the automobile industry in India, such as changes in production, sales, competition, and technology.
 - Analyze the impact of LPG on the FMCG sector in India, including market expansion, consumer behavior, and changes in distribution channels.
62. Current Industrialization Trends and Industrial Policy:
- Discuss the current trends in industrialization, such as digitalization, automation, sustainability, and Industry 4.0.
 - Analyze the role of industrial policy in shaping industrialization trends and promoting economic growth.
 - Examine the key components of industrial policy, including infrastructure development, investment incentives, technology adoption, and skill development.
 - Assess the challenges and opportunities faced by industries in adapting to current industrialization trends and aligning with industrial policy objectives.
63. Agriculture and Business: Role of Agriculture in Economic Development:
- Explain the role of agriculture in economic development, including its contribution to employment, income generation, and food security.
 - Discuss the linkages between agriculture and other sectors of the economy, such as manufacturing, services, and exports.
 - Analyze the challenges faced by the agricultural sector, such as productivity issues, climate change, and rural-urban migration.
 - Assess the role of government policies and interventions in promoting agricultural development and ensuring a sustainable and inclusive agricultural sector.
64. Dependence of Business on Agriculture:
- Explore the dependence of various industries and businesses on agriculture for raw materials, inputs, and market demand.
 - Discuss the agribusiness sector and its role in processing, marketing, and value addition to agricultural products.
 - Analyze the challenges faced by businesses in the agriculture value chain, such as supply chain management, quality control, and market access.
 - Discuss the opportunities for businesses to collaborate with farmers, promote agri-entrepreneurship, and develop innovative agricultural technologies and practices.

65. Business Opportunities in the Rural Sector:

- Identify and discuss business opportunities in the rural sector, such as agri-based industries, rural tourism, renewable energy, and rural healthcare services.
- Analyze the potential benefits of rural entrepreneurship and the role of micro, small, and medium enterprises (MSMEs) in rural economic development.
- Discuss the challenges and strategies for businesses operating in the rural sector, including access to finance, infrastructure, and skill development.
- Evaluate the role of government policies and initiatives in promoting rural entrepreneurship and creating an enabling environment for rural businesses.

Module VII

66. Emergence of Micro, Small, and Medium Enterprises (MSMEs):

- a) Discuss the factors that have contributed to the emergence and growth of MSMEs.
- b) Analyze the importance of MSMEs in fostering economic development, employment generation, and poverty alleviation.
- c) Explain the challenges faced by MSMEs in terms of access to finance, technology, infrastructure, and market linkages.
- d) Discuss the government initiatives and policies aimed at promoting the growth and sustainability of MSMEs.

67. Role of Institutions in Micro, Small, and Medium Enterprises in India:

- a) Identify and explain the role of various institutions supporting MSMEs in India, such as NSIC (National Small Industries Corporation), NSDC (National Skill Development Corporation), and NABARD (National Bank for Agriculture and Rural Development).
- b) Discuss the role of industry associations, such as CII (Confederation of Indian Industry) and FICCI (Federation of Indian Chambers of Commerce and Industry), in promoting MSMEs and representing their interests.
- c) Evaluate the impact of institutions in providing financial assistance, skill development, technology support, and market access to MSMEs.

68. Role of SIDBI and Other Institutions:

- a) Explain the role and functions of SIDBI (Small Industries Development Bank of India) in supporting MSMEs, including providing financial assistance, refinancing, and venture capital.
- b) Discuss the initiatives taken by SIDBI to address the challenges faced by MSMEs in terms of credit availability, technology adoption, and capacity building.
- c) Explore the role of other financial institutions like NABARD, EXIM Bank, and commercial banks in supporting MSMEs and their specific offerings.

69. Public Sector Reforms and Performance; Public-Private Partnership:

- a) Discuss the need for public sector reforms in improving the performance and efficiency of public enterprises.
- b) Analyze the impact of privatization and disinvestment on the performance of public sector enterprises.
- c) Explain the concept of public-private partnership (PPP) and its role in infrastructure development and service delivery.

d) Evaluate the benefits, challenges, and key considerations in implementing successful PPP projects.

70. Monetary Policy, Fiscal Policy, Current Inflationary Position, and their Impact on the Business Environment:

a) Explain the objectives and tools of monetary policy in India.

b) Discuss the components and objectives of fiscal policy in India.

c) Analyze the current inflationary position in India and its implications for businesses.

d) Evaluate the impact of monetary and fiscal policies on the business environment, including investment, interest rates, and consumer spending.

71. Stock Exchange, Commodity Exchanges in India, Role of SEBI, IRDA, Pension, and Board of Financial Supervision:

a) Explain the functioning and significance of stock exchanges in India, such as BSE (Bombay Stock Exchange) and NSE (National Stock Exchange).

b) Discuss the role of SEBI (Securities and Exchange Board of India) in regulating the securities market and protecting investor interests.

c) Explain the role of IRDA (Insurance Regulatory and Development Authority) in regulating the insurance sector.

d) Discuss the role of pension regulatory bodies in ensuring the sustainability and transparency of pension schemes.

e) Explain the role and functions of the Board of Financial Supervision in overseeing the functioning of financial institutions in India.

72. Trends in Service Sector Growth; Role of RBI and Various Banking Reforms and Challenges:

a) Analyze the recent trends in the growth of the service sector in India and its contribution to the economy.

b) Discuss the role of RBI (Reserve Bank of India) in regulating the banking sector and maintaining financial stability.

c) Explain the major banking reforms implemented in India, such as the introduction of core banking solutions, digital banking, and the implementation of Basel III norms.

d) Evaluate the challenges faced by the banking sector in India, including non-performing assets (NPAs), cybersecurity risks, and financial inclusion.

Module VIII

73. Foreign Trade Policy:

a) Explain the concept of Foreign Trade Policy and its objectives.

b) Discuss the key components and features of India's Foreign Trade Policy.

c) Analyze the role of Foreign Trade Policy in promoting exports, imports, and enhancing competitiveness in the global market.

d) Evaluate the challenges and opportunities faced by India in the implementation of its Foreign Trade Policy.

74. Balance of Payment and Balance of Trade:

a) Define Balance of Payment (BoP) and Balance of Trade (BoT).

b) Discuss the factors influencing the balance of payment and balance of trade in a country. c) Analyze the significance of a positive or negative balance of payment and balance of trade. d) Evaluate the measures taken by governments to address trade imbalances and ensure sustainable economic growth.

75. Exchange Rate and Competitiveness:

a) Explain the concept of exchange rate and its role in international trade.

b) Discuss the impact of exchange rate fluctuations on a country's competitiveness in the global market.

c) Analyze the factors influencing exchange rate movements.

d) Evaluate the strategies adopted by countries to manage exchange rate risks and enhance their competitiveness.

76. Foreign Capital Flows and Foreign Collaboration:

a) Define foreign capital flows and foreign collaboration.

b) Discuss the types and sources of foreign capital flows in an economy.

c) Analyze the benefits and challenges associated with foreign capital flows and foreign collaboration.

d) Evaluate the role of foreign capital flows and foreign collaboration in promoting economic growth and development.

77. FDI in India:

a) Define Foreign Direct Investment (FDI) and its significance for a country's economy.

b) Discuss the trends and patterns of FDI inflows into India.

c) Analyze the impact of FDI on various sectors of the Indian economy.

d) Evaluate the government policies and initiatives to attract and promote FDI in India.

78. India's Competitiveness in the World Economy:

a) Assess India's competitiveness in the global market based on various indicators and rankings.

b) Discuss the strengths and weaknesses of the Indian economy in terms of competitiveness. c) Analyze the factors contributing to India's competitiveness in specific sectors or industries. d) Evaluate the challenges and opportunities for India to enhance its competitiveness in the world economy.

PART C

Long-Answer Questions

Case Study:

1. Avinash and Bipin have a partnership in manufacturing an electronics product. They intend to start a joint stock company in order to expand their business further. You are a consultant who is supposed to help them to start the company. Explain to them the complete procedure and legalities of starting a company.

2. China's entry into the WTO has made it more active in the field of international trade through interactions with other LDCs. Long before joining the WTO, China lowered its tax rates on several occasions and realized the need for convertibility of the Chinese currency (RMB). After becoming a member, it has cut the average tax level of over 5000 imported goods from 15.3 per cent to 12 percent. China is opening its agricultural goods and general goods markets, as well as services markets. It is expected that all these will boost foreign investment in China. Contd. in page 2 Page 1 of 2 Code: 17E00102 However, it will not be an unmixed blessing for China. The import bill now is likely to be much higher than before. So, if China is not able to constantly increase its exports, its current account balance of payment may pose a problem as in other developing countries. The downside of its entry to the WTO is that there would be an expanded pressure of neo-liberal globalization and Western influence in China, which may affect its traditional taboos and culture. China also actively participates in the activities of the Asian-Pacific economic cooperation organization and plays a very decisive role in all its policy making processes. China's role in bilateral trade relations with many developed countries including the USA, the EU, Russia and Japan are strengthened ever year. India's experience with the WTO is not a happy one. Before the introduction of agricultural liberalization in India, agricultural commodity prices were lower than their international market prices. Hence, exports of farm products from a country like India were rather a lucrative proposition for the peasants and as farmers are price-responsive, they used to increase production for exports. This trend continued in the first phase of globalization in the 1980s. However, the trend reversed since the 1990s, particularly after the so-called special and differential treatment of the less developed agriculture by the WTO. The typical LDCs studied by the FAO showed a rise in the export of agricultural products based in their performance in the phase of globalization of the 1980s, but in the 1990s in spite of the WTO's special and differential policy, the imports of agricultural products as a result of subsidy-induced price fall in the international market increased several times in these developing countries (FAO 2000). Since the prices of agricultural products have become lower in the international market. Indian farm products' exporters have become much poorer. This has led to widespread protest, frustration and even farmer's suicides. The growing economic problem has now become a human problem. In India, agricultural exports as a percentage of total exports went down from 30.7 (1980-81) to 19.4 (1990-91) to 15.4 (1999-2000) to 13.5 (2000-01). The

situation is quite opposite of what was expected. The large amount of imports has created two adverse problems: export-import imbalance and fall in the prices of domestic food products. Although exports went up by 83 percent, the import of agricultural products in India escalated to 168 percent. This export-import imbalance in India has been responsible for a structural adjustment that led to lower the compound rates of growth of food grains production in India. However, there has been some sort of apathy towards the agricultural sector, as it is not remunerative any longer, wealthy peasant (Kulaks) are shifted to other business in the non-agricultural sector, city ward migration has been increasing and employment in agriculture, mining and quarrying and community and personal services has indeed decelerated.

Questions:

- (a) India's experience with the WTO is not a happy one. Explain.
- (b) What do you think is the likely impact of China's entry in WTO? Give reasons for your answer.
- (c) How has Indian agricultural been affected by the WTO's policy? Discuss.

3. India and China have a long history of trade. Integral part of the ancient silk route, the two countries have shared communalities and close exchanges since distant past. Recent economic development of the two economics has taken simultaneously and the GDP growth rate for both the countries has been close to 10 percent for the past one decade. These apart, India and China are neighboring countries separated only by the Himalayas. Despite these similarities, and both being dubbed by the West as part of the enchanting East, there is lots of cultural difference one has to take care of while engaging in bilateral trade. Though both the countries are known for their age old rich cultural heritage, both are poles apart when it comes to culture and value sets. For example, a Chinese business person will seldom be late and would consider timeliness as a gesture of respect for the other person. Indians, however, do not usually accord high accord for punctuality. Bargaining for lowest prices while buying is another prominent characteristic features of the average Indian trader. On the other hand, Chinese culture doesn't allow charging any price. Price has to be commensurate with quality as per Chinese culture. Cultural differences are at times determinants to trade. While language serves as a major barrier to Indo-Chinese trade, India has taken steps towards bridging the language divide. Many Indian universities such as Jawaharlal Nehru University (JNU), Calcutta University (CU) and Delhi University are offering degree and diploma courses in Chinese. In comparison, Peking University also offers course in Hindi. Shanghai International University is also mulling over providing Hindi courses. While it is known that both countries are trying hard to take bilateral trade forward and reach trade worth \$100 billion annually by 2015, cultural differences may spoil the effort, For that people from the two countries should develop better understanding of each other's cultures in coming days. **Questions:**

- (a) List some similarities between Indian and Chinese culture.

(b) How does culture act as a determinant to developing better trade relations between two nations?

(c) How can bilateral trade relations be further developed by developing better understanding of culture?

4. Soft core consultancy services is in the information technology sector. Is it currently facing a shortage of skilled man power and is fuelling a hike in employee salaries, which have been posting a 10-40 percent growth during the last couple of years. While there is an abundance of trainable human resources, a dearth in skilled manpower is being felt across the industry and this has resulted in a hike in salaries. Typically, salary jumps happen not only in the conventional manner of being promoted but also because of professionals changing jobs more frequently. The increase in salaries varies from job to job and ranks highest in the IT sector where employees get a hike of over 40 percent when they join a new establishment. There is no dearth in entry-level human resources as there is a large supply, but a severe shortage is felt in the middle-level positions. According to Mr. Raj, CEO of soft core, many new captive and third party off-shore facilities being set up in the country have led to a competition for skilled human resources that are already scarce. This is also leading to an ever-widening demand-supply gap and raise in the average salary level for all positions, apart from pushing up attrition in existing facilities, he said. There is new trend of employees moving to multinational companies abroad for higher salaries and global experience. The salary package and working environment is far better than India in countries like USA. Then returning to India with global experience makes for a higher pay and position. This is also one reason for the shortage of skilled man power and hike in employee salaries in the IT sector.

Questions:

(a) What problems in soft core facing? Suggest some remedies for its problems.

(b) Do you support globalization?

5. Read the following two cases and answer accordingly:

(a) Mr. Anuj is the employer and sends Ajay in search of the pet cat which was missing for 3 days. After Ajay left in search of the cat Anuj advertise in a newspaper saying that whoever finds the cat will give a reward of Rs. 10,000. (i) Can he claim the reward? Justify your answer.

(b) Mr. Arun developed a shopping mall at Mumbai at the request of Mr. Balu who is a municipal corporater. Mr. Chandru makes agreement to pay Rs. 2,50,000. Mr. Arun accept the proposal of Mr. Chandru.

(i) Is this an agreement or a contract? Justify your answer.

6. Kellogg, KFC, Mc-Donald's, Pizza hut.....had it all..... "Our only rivals are traditional Indian foods like idlis and vadas." Denis Avronsart, Managing director, Kellogg India. The above statement was very powerful one and it had made the life tougher for Kellogg India, since when Kellogg launched its products in India, it was a failed launch. The quality of products offered to the Indian customers was quite good and high and the Kellogg India was backed by strong technical, managerial and financial resources of its parent, but still the Kellogg's products failed in the Indian market. Even a very high-profile launch which was very well supported by media activity failed to trigger the success and make an impact on the Indian consumers. Similarly Mc-Donald's, KFC, Pizza hut, etc also faced similar kind of failures in the initial stages of their foray into Indian markets. India was a very important market for all of them, but they all could not achieve success in the initial period. Since they never wanted to leave the potential of Indian consumers, they did a lot of analysis and research on the causes of failure in Indian markets, and they started making the necessary changes in their products, prices, places and communication to the Indian consumers. This triggered a complete new innovation in their menus, appeals and prices to woo Indian customers' tastes and cultures, which in turn gave them the signals of success.

Questions:

(a) Comment on the starting sentence, giving reasons for your remarks and suggest some strategies for the players in order to succeed in Indian business environment. Suggest some innovative and practical strategies, which will help to carve success in this peculiar and dynamic Indian business environment.

(b) Take any one of the above products of your choice as a case and explain in detail, how it could move from failure to success, by understanding the Indian business environments and consumers. Also discuss strategies adopted by it for making the best of the Indian business environment.

7. The Kerala state industrial development corporation (KSIDC) has mooted an amalgamation arrangement of a number of troubled seafood processing units to form a single entity in a bid to help them to overcome their present financial crises. There are around 90 sick seafood 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 this amount is accumulated as 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 seafood exporters association of India (SEAI) and the forum of revival and reconstruction of seafood exports industries in India are now supporting the proposal which suggests that 10 or more units be amalgamated in to one company so that it will have a stronger financial base and better economies of scale. As a first step towards this plan, six units in Kerala have come together to be amalgamated in to 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 seafood unit started incurring losses and eventually turned sick because of reasons that were beyond their control. Incidents such as blacklisting of cooked shrimp by the US and ban on Indian seafood 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 traditional seafood units in the country were amalgamated in to ten units to achieve a turnaround.

Questions:

What are reasons of sickness of seafood units? Do you support the strategy of SEAI for revival and reconstruction?

