

Code: 14E00102

MBA I Semester Supplementary Examinations May 2016

**BUSINESS ENVIRONMENT**

(For students admitted in 2014 and 2015 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

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**SECTION – A**

Answer the following: (05 X 10 = 50 Marks)

1 Discuss critically the provisions incorporated to encourage the foreign direct investments in India under industrial policy 1991.

**OR**

2 Political stability leads to business development and vice versa. Discuss with suitable examples.

3 Explain the monetary policy and how it regulates the circulation of money through various instruments.

**OR**

4 Define Fiscal policy of Indian. Analyze its objectives and techniques.

5 Discuss the present EXIM policy of India. Explain the measures adopted in the policy.

**OR**

6 What is balance of payments? Explain the causes for dis-equilibrium in balance of payments.

7 Explain the role of WTO in settling the disputes regarding the trade policies of any country.

**OR**

8 Explain the features of WTO agreement.

9 Explain the features of consumer protection Act 1986.

**OR**

10 Explain the role of board for industrial and finance reconstruction in rehabilitating the poor and sick industrial units.

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

11 **Case study:**

Soft-core consultancy services are in the information technology sector. It is currently facing a shortage of skilled manpower 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 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 rise in the average salary level for all positions, apart from pushing up attrition in existing facilities, he said.

There is a 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 higher pay and position. This is also one reason for the shortage of skilled manpower and hike in employee salaries in the IT sector.

Questions:

- (a) What problems is soft-core facing? Suggest some remedies for its problems.  
 (b) Do you support globalization? **www.FirstRanker.com**

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