

**Subject Code: MB1315/R13**

**M B A - I Semester Regular/Supply Examinations, Dec/Jan – 2015-16**  
**BUSINESS ENVIRONMENT**

**Time: 3 hours**

**Max Marks: 60**

Answer any **FIVE** of the following

All questions carry equal marks. **Q.No.8 is compulsory**

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1. Explain the objectives and implications of 1991 Industrial Policy.
2. What is economic planning? State its objectives and achievements of 12<sup>th</sup> five year plan.
3. Explain the features and merits of mixed economy.
4. Elucidate the disinvestment mechanism and how it benefited to India?
5. Define public revenue. What are the various sources of public revenue?
6. Describe the various agreements in Uruguay round.
7. What are the powers and functions of Consumer Protection Council?
8. **Case Study:**

India's problem is not lack of resources; it is the inability and or unwillingness to mobilize resources into the public sector. The Indian economy is not facing a resources crisis, it is confronting a fiscal crisis.

The reasons for this are the steady decline over the years in the share of direct taxes in spite of the fact that both incomes and savings of the top 10 per cent of the households in the country have been steadily increasing. The government does not appear committed to placing greater reliance on direct taxes to mobilize resources. It is unwilling to tax the rich and therefore has no option except to fall back on indirect taxes and rely more than ever on borrowing from those who expect interest and tax concessions from temporarily parting with their resources to enable the government to continue its "development programmes". Grave inter-sectorial imbalances also exist in India's tax structure because agricultural incomes are virtually tax free. The Raj Committee had recommended the introduction of an agricultural tax to remove this inequity, but the State governments did nothing to implement the recommendation. The long-term fiscal policy also did nothing to eliminate this inter-sectorial inequity.

Public sector enterprises failed to generate the contemplated reinvestible surplus and the small surplus that became available from these enterprises was not attributable to improved efficiency.

The fiscal deficit reflects the total resource gap, which equals the excess of total government expenditure the indebtedness of the government.

**Question:**

Suggest some remedies for the new fiscal policy to combat fiscal crisis.

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