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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR**  
**(AUTONOMOUS)**  
**MBA I Year I Semester (R16) Regular Examinations January 2017**  
**BUSINESS ENVIRONMENT**  
 (For Students admitted in 2016 only)

Time: 3 hours

Max. Marks: 60

**SECTION – A**

(Answer all Five Units 5 x 10 = 50 Marks)

**UNIT-I**

**Q.1** What do you mean by business environment? Describe the currently prevailing economic environment in India. 10M

**OR**

**Q.2** What is FDI? Explain the factors influencing FDI. Discuss the impact of FDI on the business environment in India. 10M

**UNIT-II**

**Q.3** What are the objectives of Monetary policy? Explain in brief about the credit control measures of RBI. 10M

**OR**

**Q.4** Discuss the objectives and techniques of Fiscal Policy in India. Suggest necessary reforms in the Fiscal Policy of the country. 10M

**UNIT-III**

**Q.5** Critically examine the 1991 Trade Policy reforms of India with respect to imports and exports. 10M

**OR**

**Q.6** List out the major components of BoP. Explain the causes for disequilibrium in BoPs. 10M

**UNIT-IV**

**Q.7** What do you mean by Trading Blocks? Discuss the potential gains for member countries from trading blocks. 10M

**OR**

**Q.8** a) Explain provisions relating to dispute settlement mechanism. 5M  
 b) Explain about Anti-dumping measures. 5M

**UNIT-V**

**Q.9** What are the provisions of Sick Industrial Companies Act (Special Provisions), 1985? 10M

**OR**

**Q.10** What do you mean by 'consumerism' in India? Explain various methods of consumer protection. 10M

**SECTION – B**  
(Compulsory Question)

1 x 10 = 10 Marks

**Q.11**

**Case Study**

Once it was jewel of India. What a glory it was! We, along with the students, went to see the facilities and activities decades back. We were taken round the premises. We saw excitement everywhere – wheels turning, engines oozing smoke and sound, and dark blue uniformed workers smiling and moving around the briskly. We were shown a lathe (the first manufactured in the company decades earlier, still in use). From tools division, we were taken to the watches division. Same scenario. Interestingly, we were shown a lady in her 40s, sitting on a chair and assembling small parts. What was unique? We were told – she had been sitting at the same place, in the same posture, doing the same thing for almost 20 years! She looked cheerful.

It was evening. We came out of the premises. Just then shift ended. Hundreds of workers were gushing out, getting into company buses, picking up two-wheelers or just walking down to their quarters which were close by. Factory and the surrounding quarters presented the picture of a town by itself.

For an individual interested in the study of human behavior, talking to the workers was jading. Their talk always centered around same topics like bonus, night shift, uniform, pay revision and the like. They were typical organizational men.

We are referring to the Hindustan Machine Tools Ltd, (HMT), Bangalore. It was in 1976 that was visited to complex housing both machine tools and watches division. Once a jewel of India, now looks like is on the way to its last rites. Our recent visit to the same premises made us feel sad.

HMT came into being in 1953 in a small way to meet a big commitment “to manufacture mother machines to build modern industrial India”. HMT indeed did this till 1990s. Particularly 1960s to 1980s was the period of diversification, expansion, multi-locations, profitability, employees and their welfare and all other success-centric activities.

But the beginning of the 21<sup>st</sup> century heralded misfortunes for the company. Liberalization and privatization hit HMT severely and it did not recover since then as the following figures reveal.

	2005-06 (Rs. Lakhs)	2006-07 (Rs. Lakhs)	2007-08 (Rs. Lakhs)	2008-09 (Rs. Lakhs)
Sales	24,218	25,661	26,521	20,060
Loss	603	14,925	3,993	3,657

**Questions:**

- (a) Why did HMT become sick?
- (b) Can HMT be put back on track? If yes, what are the remedial?

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