

School of Business**Bachelor of Business Administration
Semester End Examination - Jul 2024****Duration : 180 Minutes
Max Marks : 100****Sem I - D1UA106T - Business Environment**General Instructions*Answer to the specific question asked**Draw neat, labelled diagrams wherever necessary**Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Explain the role of monetary and fiscal policy in balance of payments adjustment. K2(4)
- 2) Infer the reasons behind the shift from the old industrial policy to the new industrial policy in India. K2(4)
- 3) Explain the impact of technological advancements on the competitive landscape of the financial services sector. In what ways can companies utilize these technologies to expand their market presence, and which ethical challenges should they consider? K2(4)
- 4) How would you apply the principles of the WTO to resolve a trade dispute between two countries? K5(5)
- 5) Explain how does the balance between the public and private sectors affect economic growth and social welfare in a mixed economy? K2(6)
- 6) Evaluate the role and importance of WTO in promoting world trade. K2(6)
- 7) Explain what is data protection and what are the different ways of handling the data protection. Illustrate your answer giving example. K2(6)
- 8) Choose a comprehensive overview of EXIM policy, highlighting its objectives and significance in facilitating international trade. K3(6)
- 9) Discuss how globalization has affected key sectors of the Indian economy, such as agriculture, manufacturing, and services. Which sectors have benefited the most, and which have faced challenges. K3(6)
- 10) Discuss the role of open market operations conducted by the RBI in maintaining monetary stability in India. How have these operations affected market liquidity and interest rates historically? K3(9)
- 11) Imagine an MNC is planning to enter a new emerging market. Apply your understanding of market entry strategies and local business conditions to recommend an entry strategy that could minimize risks and maximize growth potential. K3(9)
- 12) Assume that The government of India is facing a situation where economic growth has slowed down considerably. The latest economic reports indicate that the GDP growth rate has fallen to 1% from an average of 5% in the past five years. Unemployment rates are at a 10-year high, consumer spending is on the decline, K4(8)

and there is an overall lack of investor confidence in the economy. The government has decided to implement a series of fiscal policy measures to stimulate economic growth. Suggest any additional fiscal policy tools that could be used to address high unemployment and stimulate economic growth.

13)

Case Study: 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. 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

K4(12)

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:(each question 4 marks)

(a)Discuss the socio-economic consequences faced by Indian farmers due to the changing dynamics in agricultural exports and imports post-WTO. How has this affected the agricultural sector's contribution to India's economy?

(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.

14) consider case 3(each question 5 marks)

K5(15)

1. Based on the case study, propose recommendations that could have mitigated the adverse effects of WTO policies on Indian agriculture.

2. Analyze how China's entry into the WTO has affected its bilateral trade relations with major developed countries such as the USA, the EU, Russia, and Japan.

3. Explain how China's entry into the WTO has facilitated its increased activity in international trade. Discuss the specific economic reforms China implemented prior to and after joining the WTO.