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10MBA22

Second Semester MBA Degree Examination, December 2012
Indian Business Environment

Time: 3 hrs.

Max. Marks:100

Note: 1. Answer FOUR full questions from Q1 to Q7.
2. Q8 is compulsory.

- 1 a. What is meant by business? (03 Marks)
b. Write the influence of technology and globalization on business. (07 Marks)
c. Evaluate the industrial policy of 1991. (10 Marks)
- 2 a. Write the major revenue and expenditure items of Union Government Of India. (03 Marks)
b. State the objectives of Fiscal Policy. (07 Marks)
c. Describe the features of New Trade Policy. (10 Marks)
- 3 a. What is meant by Testiarsy sector? (03 Marks)
b. Describe the phases of business cycle. (07 Marks)
c. What are the major issues in development of Indian economy? (10 Marks)
- 4 a. What is National Income? (03 Marks)
b. What are ways of measuring National Income? (07 Marks)
c. Write the merits and demerits of public sector enterprises. (10 Marks)
- 5 a. What is WTO? (03 Marks)
b. What are the Principles of WTO? (07 Marks)
c. Draw the SWOT analysis of Indian economy. (10 Marks)
- 6 a. What is meant by monetary aggregate? (03 Marks)
b. Write the factors affecting money supply in Indian. (07 Marks)
c. Write the functions of RBI (Reserve Bank of India). (10 Marks)
- 7 a. What is E – banking? (03 Marks)
b. What are the services of mobile banking? (07 Marks)
c. Evaluate the difference between renewable and non – renewable energy. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

8 Case study

Inclusive banking : RBI Links Bank License to Rural branch.

To inculcate into the corporate culture of the private banking as well as some of the public sector banks (thought to lesser extent relatively) about the legal necessity to incentivize them regarding issuing bank licenses permission, now the RBI has made this conditional on pretext of the proportion of rural branches that these banks are opening. Most new private banks which have already drawn up branch expansion plans in large cities have decided to go ahead even if this means having to identify places that have never seen a bank branch before. Private banks are taking the change in policy in their stride although some feel RBIs policy increases the onus on smaller banks.

“The new branch licensing policy changes priorities as we will now have to go to these rural areas earlier than we would have gone otherwise”, said Shikha Shasma, MD and CEO, Axis bank, she added that although the new policy mandates banks to advance their plans for rural markets, these are growth market and opportunity for banks. Earlier banks were expected to reach most of the unbanked customers through the use of business correspondents. The new circular shifts the emphasis to a physical branch. The rural directive could be a setback albeit a small one for new generation private banks which have turned into profit machines with earning growing over 20%. For these banks with heavy investment in technology, it would be difficult to break even in an unbanked branch unless banks are able to find some way to generate interest income by growing loans here.

Questions :

- a. What is the initiative taken by RBI to improve the rural infrastructure? **(05 Marks)**
- b. Is the above mentioned policy by RBI fruitful for private sector banks? **(05 Marks)**
- c. Suggest various methods to improve and generate profit in rural areas for the profit sector and private sector banks. **(10 Marks)**

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