

--	--	--	--	--	--	--	--	--	--

Second Semester MBA Degree Examination, Dec.2013/Jan.2014
Macro Business Environment

Time: 3 hrs.

Max. Marks: 100

Note: 1. Answer any THREE full questions from Q.No.1 to 6.
2. Q.No.7 and Q.No.8 are compulsory.

- 1 a. What are fast moving consumer goods? Give example. (03 Marks)
b. Justify the role of private sector in the Indian economy. (07 Marks)
c. List and explain WTO agreements. (10 Marks)
- 2 a. Outline the meaning of industrial policy. (03 Marks)
b. Describe the phases of business cycle with a neat diagram. (07 Marks)
c. Discuss in detail how socio-cultural environment affects business. (10 Marks)
- 3 a. What do you understand by political environment? (03 Marks)
b. Describe the main features of new industrial policy 1991. (07 Marks)
c. Explain the various measures of control imposed by the RBI to regulate the financial system in India. (10 Marks)
- 4 a. What are the different modes of entry strategies in international business? (03 Marks)
b. What are the needs for global outsourcing? (07 Marks)
c. Discuss the various problems faced in India while measuring national income. (10 Marks)
- 5 a. Briefly outline the different concepts of national income. (05 Marks)
b. 'FDI plays an important role in the development of our economy'. Substantiate. (05 Marks)
c. Explain the impact of globalization on Indian economy. (10 Marks)
- 6 a. Explain Michael Porter's national competitive advantage. (10 Marks)
b. Discuss the main features of FTP – 2004-09. (10 Marks)
- 7 a. Mr. Prashant, son of an existing entrepreneur, having completed his MBA, wants to introduce his company's "Indian Millets" in US market through a local partner in US. Justify whether his approach is correct? (05 Marks)
b. An Indian pharmaceutical company wants to launch its brands in Germany, but does not want to put up manufacturing plants there. Apart from exporting, what other alternatives do you suggest? Justify your answer. (05 Marks)
c. X-Government has announced some policies related to Foreign Investment in India. Now 'Y' Government has come to power. Companies investing in India have an apprehension to invest or not. DO you agree with their apprehension? Why? (05 Marks)
d. Mr. Ajay Kumar a rich businessman wants to diversify in manufacturing Bio-medical engineering equipments in Coorg. He has enough money but lacks technical know-how. As an advisor, what is your advice to Mr. Ajay Kumar? (05 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 :

Nirma is an Ahmedabad based soaps & detergent company. They have a broad product portfolio, with salt and soda ash to soap and detergent manufacturing and marketing. Since the time it was established in 1969, it has adopted the strategy of low pricing and low margins to beat the giants in the FMCG sector. By concentrating on distribution network, company has also pushed up its sales. With the effect of globalization and cut throat competition, Nirma wanted to enter South American market as the markets in North America, Europe and Australia were too concentrated. Internally Nirma has created a brand associated with cheap products. However, Nirma faces intense competition from hundreds of small soap makers. If Nirma is interested in entering in to South American market, it has to chalk out the modes of entry strategies. Therefore Nirma appoints Cyprus group of consultants to chalk out two important strategies for its future growth and profitability.

- (i) Diversification into other sectors
- (ii) International trade and commerce with South America in particular and other countries in general.

Cyprus group recommends the diversification of Nirma into other sectors such as education, finance and hospitality.

Questions :

- a. What theory models can be applied in the above case? (05 Marks)
- b. Why Nirma wants to enter in to foreign market? (05 Marks)
- c. Whether the diversification strategies suggested by Cyprus group is feasible to Nirma? (05 Marks)
- d. What are the different modes of entry strategies that Nirma can make use of to sell its soaps and detergents in South America? (05 Marks)
