

**Solution 2018 19**  
**F.Y.BAF Commerce I Business Environment**

**Q1. A. Match the following**

- 1 - d
- 2 - a
- 3 - g
- 4 - f
- 5 - b
- 6 - h
- 7 - i
- 8 - c
- 9 - j
- 10 - e

**Q1. B. True & false**

False:- 1,5

True:-2,3,4,6,7,8,9,10

**Q2 A. Features of business objectives**

Ans: plural / multiple in character, lengthy process, clear and easily understandable, concrete and specific, challenging, relatable to a time frame, profitability, quantitative and qualitative, subject to constraints, hierarchy of objectives, Manually supportive.

**Q2. B. Components of business environment**

Ans: economic, political, local, technological, ecological, cultural, demographic, legal

**Q2.A. Feature of Corporate culture**

Ans: Corporate culture is collective, corporate culture relates to normal behaviour of employee, corporate culture is emotionally charged, corporate culture has long history, corporate culture is symbolic, corporate culture is dynamic, corporate culture is inherently fuzzy, corporate culture involves ethical values, corporate culture has transmissive quality.

**Q2 B. Importance of environmental scanning**

Ans: Enables a business enterprise to adjust its policies / activities from time to time as per the prevailing environment, Can understand the flexible and dynamic nature of business environment through environmental scanning for suitable adjustments in their business plans and policies, This adaptability with the environment is possible only through environmental scanning, environmental scanning is useful for exploiting business opportunities created by environmental changes to the full extent, Environmental scanning keeps the business enterprise active and alert, Enables an enterprise to understand the possible future problems and prospectus of business well in advance, Facilitates introduction of suitable changes in business activities, Enables a business enterprise to face market competition effectively

**Q3. A. Explain entrepreneurship as career option**

Ans: To identify opportunity, to translate opportunity, to establish organisation structure, to collect resources to select a team, to obtain government assistance, to conduct trial run, to launch the business

**Q3. B. What is meant by consumerism? State and explain its feature**

Ans: Self protection by consumers , Unity among consumers , elimination of consumer exploitation , non political and democratic movement , protection of consumers rights supplement of free market economy , social force , evolutionary concept

**Q3. A. Explain the scope of CSR**

Ans: Environment protection, energy , Fair business practices, Human resources , community involvement , quality products , social service , progressive manpower policies , ensure ecological balance , philanthropy

**Q3. B. Write a detailed note on business ethics**

Ans: Refers to code of conduct , based on moral and social value , provides protection to social groups , provide basic Framework for business , needs willing acceptance , education and guidance required for introduction , not against profit making , act as summon bonum of human life

**Q4. A. Suggest measures for ecological consciousness at business level**

Ans: Measures for effective pollution control , use of green technology , respect legal provisions , prevent soil erosion , prevent leakage , develop wasteland , to preserve wildlife , ecological harmony , protect natural resources , new energy sources , eco friendly products introduction of Eco mark labels , financial assistance , inbuilt pollution control system , awareness among Businessman , promote action by government agencies

**Q4. B Arguments against social responsibility of business**

Ans: Violation of the rule of profit maximization, social responsibility at societies cost, business lacks social skills, social overhead cost, economically irrational, Charity degrades human dignity.

**Q4. A. Distinguish between social audit versus commercial audit**

Ans: meaning, information supplied, who conducts, purpose, scope, legal position, procedure, submission, when conducted, standard format for reporting.

**Q4. B. Implications of FDI inflow on Indian industries.**

Ans: Positive implications of FDI inflow on Indian industry

FDI inflow in the various industrial sector, coverage of industries like infrastructure services industry and construction, globally competitive advantage to industrial sector, benefits of inflow of foreign technology and professional skills, optimum utilisation of resources expansion of automobile sector, UNCTAD reported India as the third top prospective host economic for 2015-17

Negative implications of FDI inflow on Indian industries

sectoral composition, FDI in industrial sectors Limited, not beneficial to industrial expansion, no contribution to removal of regional disparities, FDI benefits to large project, FDI is not available to priority sectors, Limited contribution in Exports.

**Q5. A. Advantages or merits of multinational companies**

Ans: promote foreign investment, facilitate transfer of Technology, accelerate industrial growth, promote exports and guide us imports, provide services of professionals, efficient utilisation of resources, provide benefits of Research and development activities, support enterprises in host countries, Promote Global trade and cooperation, facilitate inflow of foreign exchange, Promote bilateral trade relations, provide massive employment opportunities.

### Q5. B. Explain internal growth strategies briefly

Ans: internal growth strategies are divided into two types of strategies:

#### A. Intensive growth strategy

Raising volume of sales of existing products in unexplored market, increasing sales volume by encouraging new use of existing product, increasing sales volume by introducing minor modification in the popular products, increasing sales in new Geographic areas, increasing volume of sales through new pricing policy.

#### B. Diversification strategy

Diversification through internal research and development, diversification through mergers and takeovers, diversification through patents and licences, diversification through export or joint ventures.

### Q5. Short Note

- a) **Organic objectives** : survival growth and recognition
- b) **Features of Consumer Protection Act 1986** : complaint by concern consumers, complain against public private and cooperative sectors permitted, consumer can approach directly or through consumer Association, the act can bring peaceful socio-economic revolution, easy quick and simple procedure, complaint can be submitted in any language decision is binding on both parties.
- c) **Corporate Governance** is the system by which companies are directed and controlled. Need of corporate governance is as follows: Changing ownership structure, growing popularity of CSR concept, increase in number of scams in corporate sector, indifference on part of shareholders, utility of social audit, multiplicity of takeovers and mergers, trends towards globalisation.
- d) **World Trade Organisation**: Started functioning from 1st Jan 1995 The objectives of WTO are as follows: free trade, growth of less developed countries, protection and preservation of environment, optimum utilisation of world resources, raising standard of living, settlement of trade disputes. The various functions of WTO are as follows: to promote international trade, to administer and implement the trade agreements, to access forum of multilateral trade negotiations, to resolve trade disputes, to implement tariff rate and reduction of nontariff barriers, to co-operate with other international Institutions, to act as a Watchdog of international trade, to assist developing countries in implementing Uruguay agreements, to provide Consultancy Services to member countries, to examine foreign trade policies, to collect trade statistics of member countries
- e) **Balance of trade** is the difference between import and export within a specific period such as one year balance of trade may be favourable and unfavourable balance of trade is unfavourable when the value of export is less than value of import India's balance of trade shows negative position since 2000 India has long history of deficit in balance of trade are the deficit in balance of trade is increasing in continuous manner India referred to promote exports and to reduce imports are not effective as exports are increasing slowly but the imports are increasing with speed