

**December 2017**

Bachelor of Business Administration (BBA) Examination

**III Semester****Business Environment**

Time 3 Hours]

[Max. Marks 80

**Note : Attempt any four questions from Section A. All questions carry equal marks. Section B is compulsory to attempt.**

**Section A**

- Q. 1. Discuss the various types of roles played by the government in business. Comment on the promotional role of government in the Indian scenario.
- Q. 2. Discuss the elements of culture. How does culture affect the market related business decisions?
- Q. 3. What are the features of consumerism ? Discuss the problems of consumerism in India.
- Q. 4. What do you mean by statutory state intervention ? Discuss legal protection of business units.
- Q. 5. What is monetary policy ? How is it different from fiscal policy ?

**Section B**

- Q. 6. Analyze the given case :

Mahindra & Mahindra manufactures and market jeeps and had a hold over a considerable portion of the jeep market in India in the past. It was ranked sixth in the automobile sector of India in 2004, up from the 10th rank in 2003. The following are the prominent jeeps that operate in the Indian market Currently—Mahindra—Voyager, Mahindra—Armada and Mahindra—Commander. Mahindra & Mahindra is now facing problems like cut-throat competition, price rise, and sluggish market for jeeps. In terms of price competition, Mahindra & Mahindra has an upper hand when compared to Tata Jeeps, whereas Tempo Trax has comparatively low price.

Realising the need to grow fast, a company formulated an export policy. It paid off well. They formulated plans to develop and grow in a foreign market. The first step was participation in trade fairs abroad, particularly in Hanover (Germany) and Paris (France). This has helped to popularise its vehicles in those countries. Mahindra jeeps started selling in France, and jeep export became an important marketing activity of the company.

The company started manufacturing diesel engines in collaboration with Peugeot of France.

As soon as the company came to know that Australia, Denmark, Italy, Norway, and Sweden could prove to be potential markets, plans began to be made accordingly. The company estimated that it would be able to export about 2500 jeeps annually to Australia. In order to cater to the lower segment of the market, the Mahindra jeeps in Australia faced competition from Japanese companies. Stringent design rules and requirements also needed to be met in Australia,

The company is confident of meeting all such requirements. The government's liberalisation policy will also be helpful. The company's new policy has to take into account the environmental factors. The export policy, with a special reference to export market, also deserves a considerable evaluation and analysis because environmental factors, such as technological, economical, social and political influence, relevant to strategic decisions, operate in an industry.

Mahindra & Mahindra assessed all the opportunities in the market as well as the impact of external environment on their strategic planning before expending the production. In 2004 Mahindra & Mahindra showed a significant improvement compared to Maruti Udyog ranked as the number one automobile company, as is evident from the table that follows :

S. No.	Factors	Environmental Consciousness	Dynamism	Belief in Innovation
1	Maruti Udyog	176.0 Points	72.9	174.0
2	Mahindra & Mahindra	118.1 Points	119.0	123.0

**Case Questions :**

In the case discussed above, which are the different environmental factors and lead to opportunities and threats to Mahindra & Mahindra ?

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