

**GM 02/eGM02
ECONOMIC & SOCIAL ENVIRONMENT**

Time: Three Hours

Maximum Marks: 100

Note:

The paper is divided in three sections: Section A, Section B and Section C. There are 7 questions in Section-A, students are required to attempt ANY FOUR. Section-B has 5 questions, attempt ANY THREE. All the questions of Section-C (Case Study) are compulsory.

Section-A (10 Marks)

1. Are Regional trade blocks building blocks or stumbling as far as worldwide free trade is concerned.
2. Discuss the Porter's five forces model of competition analysis.
3. Briefly discuss various elements of macro environment.
4. Explain difference between FERA and FEMA
5. Define 'Consumer' as per the Consumer Protection Act 1986, what are the various remedial measures/actions taken in case the allegations contained in the complaint are proved?
6. Explain the WTO's principle of Most Favoured Nation clause and National Treatment.
7. Briefly discuss the role and performance of public sector enterprise.

Section-B (15 Marks)

8. Though Globalization has brought in new opportunities to developing countries, but at the same time has also thrown challenge like grown inequality, volatility in financial market etc. In the light of above statement, discuss the impact of globalization on Indian Economy.
9. How does various tools in monetary policy help in controlling the liquidation of money supply in market?

10. “Small scale industries are the seedbed of entrepreneurship development”? With reference to the statement, discuss the role of small scale industries on the developing countries like India.
11. Under what circumstances WTO was formed? Explain the functions and organizational structure of WTO.
12. Write short notes on :-
 - (a) Technological Environment
 - (b) Environmental Shock
 - (c) Interaction Matrix

Section-C (15 Marks)

Case Study

A cultural barrier is one of the most talked about in international business problems. It is, however, very interesting to note that cross-border transmission of culture is very rampant. Many politicians, sociologists and others are highly critical of the invasion of the Western culture in the developing countries. The export of American culture is interpreted as means to spread American imperialism. The Coca Cola culture or the corn flakes culture or the pop culture are terms which have come to be very broadly used to include, besides the pop music and associated things, the Western products and styles such as foreign jeans, cola drinks, fast foods, Hollywood movies and the like the youth, particularly, are crazy about. They have fast spread to the developed and developing countries.

The emergence of culture as economic goods that can be traded – crafts, music, films, TV programmes, software, books, tourism etc – has contributed very substantially to the globalization of culture.

A UNESCO study shows that world trade in goods with cultural content – printed matter, literature, music, visual arts, cinema and photographic, radio and television equipment – has grown tremendously. For the United States the largest single export industry is not aircraft, computers or automobiles – it is entertainment, in films and television programmes. Hollywood films grossed more than \$30 billion worldwide in 1997, and in 1998 a single movie, Titanic, grossed more than \$1.8 billion.

As the Human Development Report 1999 points out, the vehicles for this trade in cultural goods are the new technologies. Satellite communications technology from the mid 1980s gave rise to a powerful new medium with a global reach and to such global media networks as CNN. The development of the Internet is also spreading culture around the world, over an expanded telecommunications infrastructure of fiber optics and parabolic antennas.

The Report referred to above points out that the global market for cultural products is becoming concentrated, driving out small and local industries. At the core of the entertainment industry – film, music and television – there is a growing dominance of US products, and many Hollywood reaches every market, getting more than 50 percent of its revenues from overseas, up from 56 percent in 1987 – and 83 percent in Latin America and 50 percent in Japan. By contrast, foreign films rarely make it big in the United States, taking less than three per cent of the market there.

13. Questions:

- a. In the light of the above account, evaluate the view that culture is a highly difficult barrier to international business.
- b. Discuss the impact of pop culture on the domestic business? What strategies they should adopt to fight the adverse impact of the pop culture on their business?

(5+10)