

**KJ SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH**

**MHRDM II SEM (2017-20 BATCH)**

**BUSINESS ENVIRONEMNT**

(End Semester Examination)

14/4/2018

Duration: 3 Hrs

Marks: 50

Attempt any **FIVE** of the following. All questions carry equal marks. Please write about 50 lines per answer.

1. “Business Environment consists of factors that are largely if not totally, external and beyond the control of individual industrial enterprise and their managements”. What are its various segments and how does a business firm cope up with the environment and progress itself in it?
2. Carryout a PESTEL Analysis for businesses in India. How do you rate the overall situation in India in present day context vis-à-vis the other developing countries?
3. How do you analyse the macroeconomic environment of India? Explain your answer with particular reference to the GDP, Savings-Investment, Interest Rates, and Exchange Rate.
4. Differentiate ethics and morals. What are the basic principles of ethics and sources of ethical norms? What typical factors or conditions cause the unethical behavior in people?
5. What is corporate governance? Discuss its significance, principles and practice in the backdrop of some recent corporate scandals in India associated with the Punjab National Bank and the Kingfisher Airlines.
6. How is the technology acting as an enabler to various businesses which cannot be imagined without the use of the state-of-the-art technology? Do you think technology is also a worry for some of the businesses? Elucidate your answer.
7. What are the strengths and limitations of family businesses? Explain your answer with the example of an India or international family-owned business.

8. Please read the following gist on slavery in global chocolate industry. Answer the questions given at the end.

### **Child Labour in Chocolate Industry**

Multinationals of chocolate industry from Germany, France and Belgium that include Nesle, Mars, Kraft Foods Group (Kraft Heinz), Cargill, ADM, and Barry Callebaut are alleged to be involved or are encouraging indirectly child labour and thereby slavery in cocoa plantations from impoverished countries of Africa like Mali, Niger, Burkina Faso, Ivory Coast, Mali, Nigeria, Ghana, etc. Despite all these, popular MNCs of the global chocolate industry having their offices in Ivory Coast for decades now, officials from their headquarters reply in a video interview (shot in year 2012 undercover due to risks of being attacked) that they are not simply aware of any such child labour issues, since they do not hire the workers and the cocoa plantations are not owned by the chocolate companies directly. None of these companies' boards has ever asked their CEOs even for any explanation on this issue let alone sacking.

A senior official from International Labour Organization (ILO), Geneva, Switzerland, merely express their "helplessness" at the whole issue. Interpol has acknowledged to have rescued over 100 child labourers in one of its recent operations in Africa's cocoa plantations.

In this backdrop, please answer the following questions within the framework of corporate governance:

- a) Do MNCs adequately display their commitment to business ethics and exhibit regard to the social values?
- b) Simply by outsourcing the supplies of the vital cocoa beans/ power to third parties, can the large companies absolve from this crime of encouraging child labour?
- c) Can you rate the functioning of the Boards of the above six corporate firms so long as they show healthy top and bottom lines only without any accountability to such grave social issue?
- d) By merely displaying some highly appealing codes and convincing sets of principles on the official web sites, do you feel these companies have been showing an utter disregard to the spirit of good governance? Justify your answer.