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**RAN-1910010102050001****M.B.A. (F.T.) (Sem. II) (CBCS) & (Eve.) (Sem. II) (CBS)  
(Reg. & ATKT) (New Course) Examination****March / April - 2019****Business Environment****Time: 3 Hours ]****[ Total Marks: 70****સૂચના : / Instructions**

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**નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી.****Fill up strictly the details of signs on your answer book**

Name of the Examination:

☛ **M.B.A. (F.T.) (Sem. II) (CBCS) & (Eve.) (Sem. II) (CBS) (Reg. & ATKT) (New Course)**

Name of the Subject :

☛ **Business Environment**Subject Code No.: **1910010102050001**

Seat No.:

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Student's Signature

- (2) Q.1 and Q.7 are Compulsory.  
 (3) Attempt any three questions out of Q. 2,3,4,5 & 6  
 (4) All Questions are of equal marks (14)

- Q. 1. “Firms which systematically analyse and diagnose the environment are more effective than those which don't. - Explain the statement with reference to the importance of studying business environment.
- Q.2. Explain the objectives and instruments of monetary policy.
- Q.3. ‘The modern concept of business views business as a subsystem of the total social system’ - discuss this statement in relation to the relationship between the society and business.
- Q.4. “Technological change is one of the principal drivers of competition.” - discuss this statement in reference to technology and competitive advantage of the firms.

Q.5. Explain balance of payment. What does the term 'deficit or surplus' of Balance of payment mean? Suggest measures to overcome deficit in Balance of payment.

Q.6. Write Short notes (Any two)

1. Elements of New industrial policy
2. Carol's Pyramid of responsibilities
3. Capitalism vs socialism

Q.7. Case study

#### CSR at Tata Group

Ranging from steel, automobiles and software to consumer goods and telecommunications the Tata Group operates more than 80 companies. It has around 200,000 employees across India and thus has the pride to be nation's largest private employer. Mr. Ratan N. Tata has led the eminent Tata Group successfully. He was trained as an architect at New York's Cornell University but he chose to enter the family business. He assumed the Chairmanship of the Group in 1991. Named Business Man of the Year for Asia by Forbes in 2004, Mr. Ratan Tata serves on the board of the Ford Foundation and the program board of the Bill & Melinda Gates Foundation's India AIDS initiative.

Under Tata, the group went through major organisational phases — rationalisation, globalisation, and now innovation, as it attempts to reach a reported \$500 billion in revenues by 2020-21, roughly the size of what Walmart is today.

Approximately two third of the equity of the parent firm, Tata Sons Ltd., is held by philanthropic trusts endowed by Sir Dorabji Tata and Sir Ratan Tata, sons of Jamshedji Tata, the founder of today's Tata empire in the 1860s. Through these trusts, Tata Sons Ltd. utilizes on average between 8 to 14 percent of its net profit every year for various social causes. Even when economic conditions were adverse, as in the late 1990s, the financial commitment of the group towards social activities kept on increasing, from Rs 670 million in 1997-98 to Rs 1.36 billion in 1999-2000. In the fiscal year 2004 Tata Steel alone spent Rs 45 crore on social services.

Tata is accredited to initiate various labour welfare laws. For example - the establishment of Welfare Department was introduced in 1917 and enforced by law in 1948; Maternity Benefit was introduced in 1928 and enforced by law in 1946. A pioneer in several areas, the Tata group has got the credit of pioneering India's steel industry, civil aviation and starting the country's first power plant. It had the world's largest integrated tea operation. It is world's sixth largest manufacturer of watches (Titan).

“In a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence.” - Jamshedji Nusserwanji, Tata Founder, Tata Group.

“Corporate Social Responsibility should be in the DNA of every organization. Our processes should be aligned so as to benefit the society. If society prospers, so shall the organization...” Manoj Chakravarti, G M - Corporate Affairs & Corporate Head - Social Responsibility, Titan Industries Limited in 2004.

Corporate Social Responsibility has always been taken care of by the Tata group. The founder Mr. Jamshedji Tata used to grant scholarships for further studies abroad in 1892. He also supported Gandhiji's campaign for racial equality in South Africa. Tata group has given country its first science centre and atomic research centre. The wealth gathered by Jamshedji Tata and his sons in half a century of industrial pioneering formed but a minute fraction of the amount by which they enriched the nation. Jamshed Irani, Director, Tata Sons Ltd, says, “The Tata credo is that ‘give back to the people what you have earned from them’. So from the very inception, Jamshetji Tata and his family have been following this principle.” (A statement on the Tata group's website [www.tata.com](http://www.tata.com)).

In July 2004, B. Muthuraman, Managing Director, Tata Steel Limited (TISCO) announced that in future TISCO would not deal with companies, which do not conform to the company's Corporate Social Responsibility (CSR) standards. Speaking at the annual general meeting of the Madras Chamber of Commerce and Industry, He stated, “We will not either buy from or sell to companies that do not measure up to Tata Steel's social responsibility standards.”

Introducing Changes in the Company's Article and Rules for Sustaining CSR Clause No. 10 of Tata Group —A Tata Company shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self reliant. Such social responsibility would comprise, to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities. The company would also not treat these activities as optional ones but would strive to incorporate them as integral part of its business plan. The company would also encourage volunteering amongst its employees and help them to work in the communities. Tata companies are encouraged to

develop social accounting systems and to carry out social audit of their operations.

Amendments were made to the Articles of Association of the major Tata group companies in the 1970s. Newly included was an article stating that the “company shall be mindful of its social and moral responsibilities to consumers, employees, shareholders, society and the local community. To institutionalize the CSR charter, a clause on this was put into the group’s ‘Code of Conduct.’ This clause states that group companies had to actively assist in improving quality of life in the communities in which they operated. All the group companies were signatories to this code. CSR was included as one of the key business processes in TISCO. It was one of the eight key business processes identified by TISCO’s management and considered critical to the success of the company.

For bringing back and maintaining the general balance in the economic and social arena it is evident to think deeply and act wisely about CSR. Every business house owes some responsibility towards the society, nation and world in general which provide it with all human, material and natural resources. Considering the long run growth and sustainable development following the norms of CSR, devising new policies and effective implementation is inevitable to bring and sustain a balance between corporate world and society, present generation and upcoming generation, man and nature .

As far as the Tata group is concerned, it has gone a long way in fulfilling its duty and responsibility towards the society and the nation. It has reached the masses to elevate their lives, to nurture their dreams and to hone their skills justifying the statement of the founder -We do not claim to be more unselfish, more generous and more philanthropic than other people. But we think we started on sound and straightforward business principles, considering the interests of the shareholder, our own, and the health and welfare of the employees, the sure foundation of our prosperity.

Questions:

- 1) In context to Tata Group, discuss how the values and vision of the top management can lead to a socially responsible organisation
- 2) Discuss the advantage of triple bottom-line, for socially responsive company, with reference to Tata Group

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