

SEMESTER-III

COURSE 7: BUSINESS ENVIRONMENT

Theory

Credits: 4

4 hrs/week

Course objectives:

- To enable the students to develop an understanding on Indian Business Environment and various factors impacting the business.
- To help them make effective decisions based on analysis of business environment.
- To develop an understanding of the MSME sector and challenges therein.
- To familiarize the students with international trade and issues related to Balance of Payments.
- To comprehend the role of International institutions in the growth of international business.

UNIT-I: INTRODUCTION

Business Environment- Concept, Significance and Nature of Business Environment; Elements of Environment- Internal and External. Salient features of Indian Economy, evolution in the recent years.

UNIT-II: POLITICAL, LEGAL AND ECONOMIC ENVIRONMENT OF BUSINESS

Elements of Political Environment, Role of Government in Business facilitation . Competition Act 'FEMA, Licensing Policies. Elements of Economic Environment, Economic systems. Industrial Policy 1991, Economic Reforms. Planning Commission Vs NITI Aayog.

UNIT-III: MANGEMENT OF MICRO, SMALL & MEDIUM ENTERPRISE (MSME)

Concepts and Definitions of MSME, The MSME Development Act, 2006. Government Policy Initiative, Current Schemes for MSME development. Problems faced by MSME Sector. Role of Clusters in Promoting MSME.

UNIT-IV: BALANCE OF PAYMENTS

International Trade, Components of BOP, Disequilibrium in BOP, Reasons for disequilibrium. Measures to bring back equilibrium in BOP –trade regulation, Exchange Control, Convertibility of Currency, Current Account and Capital Account convertibility.

UNIT–V: INTERNATIONAL BUSINESS ENVIRONMENT

International economic institutions-Significance, Evolution and Functions - International Monetary Fund, World Trade Organization, World Bank , BRICS and EU. Objectives and Evolution of GATT, Uruguay Round. Foreign Direct Investment- Need for FDI in Developing Countries, Role of FDI in India.

Reference Books:

1. Francis Cherunilam, Business Environment-Himalaya Publishing House.
2. Aswathappa, Essentials of Business Environment, Himalaya Publishing House.
3. Mishra and Puri, Indian Economy, Himalaya Publishing House.
4. Raj Aggarwal, Business Environment, Excel Books.