

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

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Teacher name – Ajay Kumar Sharma

Case Studies In Business Studies(BUSINESS ENVIRONMENT)

Question 11:

Just after the declaration of the results of the Lok Sabha Elections, 2009, the Bombay Stock Exchange's price index (Sensex) rose by 2100 points in a day. Identify the environmental factor which led to this rise.

Answer:

Political environment has led to the rise in the sensex.

Question 12:

The Government of India is seriously thinking of allowing the oil-marketing public sector undertaking to fix their own prices for petrol and diesel. Which economic reform is the reason for this change in the government's policy?

Answer:

Privatisation as a reform is the reason for this change in the government policy.

ADDITIONAL QUESTIONS

Question 1:

On 8 November 2016, the Government of India announced the demonetisation making all Rs.500 and Rs. 1,000 banknotes of the Mahatma Gandhi Series invalid past midnight. The government claimed that the action would curtail the use of illicit and counterfeit cash to fund illegal activity and terrorism. The BSE SENSEX and NIFTY 50 stock indices fell over 6 percent on the day after the announcement. The decision was heavily criticised by members of the opposition parties, leading to debates in both houses of parliament and triggering organised protests against the government in several places across India. People seeking to exchange their bank notes had to stand in lengthy queues, and several deaths were linked to the inconveniences caused due to the rush to exchange cash. After demonetisation the demand for point of sales (POS) or card swipe machines has increased. E-payment options like PayTM has also seen a rise.

In context of the above case:

1. Identify and explain the various dimensions of business environment which relate to the above mentioned case.

2. List any through two values that the government seeks to promote through demonetisation.

Answer:

1. The various dimensions of business environment which relate to the above mentioned case are outlined below:
 - Political Environment: Political Environment includes political conditions such as general stability and peace in the country and specific attitudes that elected government representatives hold towards business.
 - Technological environment: Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.
 - Legal environment: Legal Environment includes various legislations passed by the Government administrative orders issued by government authorities, court judgments as well as the decisions rendered by various commissions and agencies at every level of the government— centre, state or local .
 - Social environment: Social Environment includes the social forces like customs and traditions, values, social trends, society's expectations from business, etc.
 - Economic Environment: Economic Environment comprises of factors that can affect management practices in a business enterprise includes interest rates, inflation rates, changes in disposable income of people, stock market indices and the value of rupee etc.
2. The two values that the government seeks to promote through demonitisation are:
 - Transparency in dealings
 - Promote well being of people

Question 2:

Post demonitisation in a further push to cashless economy, the Central cabinet has recently approved the ordinance for paying wages via electronic means. Accordingly, the government approved to Amend Section 6 of the Payment Of Wages Act 1936, to allow employers of certain industries to make payment through the electronic mode and cheques . The new ordinance will be applicable to the public sector. Identify the various dimensions of business environment which relate to the above mentioned case.

Answer:

The various dimensions of business environment which relate to the above mentioned case stated below:

1. Political environment
2. Legal environment
3. Technology environment

Question 3:

Make in India is an initiative launched by the Government of India to encourage national and multinational companies to manufacture their products in India. It focuses on job creation and skill enhancement and is in twenty five sectors of the economy. Under the initiative, brochures on these sectors and a web portal were released. The initiative aims at high quality standards and minimising the impact on the environment. It also seeks to attract foreign capital investment in India.

In context of the above case:

1. Identify the various dimensions of business environment being referred to by quoting lines from the paragraph.
2. List any two values which the Government of India wants to convey through this initiative.

Answer:

1. The various dimensions of business environment being referred to in the above case are as follows:
 - Political Environment: "Make in India is an initiative launched by the Government of India to encourage national and multinational companies to manufacture their products in India."
 - Technological Environment: "Under the initiative, brochures on the twenty five sectors and a web portal were released."
 - Economic Environment: "It also seeks to attract foreign capital investment in India."
2. The two values which the Government of India wants to convey through this initiative are:
 - High quality standards
 - Concern for environment