

BUSINESS ENVIRONMENT & LAW

(For students admitted in 2017 & 2018 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 What is industrial policy of 1991? Explain the components of industrial policy.
OR
- 2 How do you define globalization? Explain how privatization and globalization made impact on India economy after 90's.
- 3 What is the role of monetary and fiscal in balance of payments adjustment? Explain.
OR
- 4 What is GATS? Explain the dumping and anti dumping measures in WTO.
- 5 What is acceptance as per Indian contract act 1872? Explain.
OR
- 6 How do you explain the concept of capacity to contract and free consent of law? Which contract is forbidden by law? Explain.
- 7 How do you explain the formulation of the company? Explain about company's incorporation and documents.
OR
- 8 What are the different kinds of general meeting of a company under company act 1956? What are the provisions of appointing an auditor under company act 1956? How do you explain winding-up of a company?
- 9 Explain digital signature in cyber law. Discuss the provisions relating to e-governance under the IT act 2000.
OR
- 10 What is the penalty for destroying computer source code under information technology act 2000? Explain section 46 under information technology act 2000.

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11 **Case Study:**

China's entry into the WTO has made it more active in the field of international trade through interactions with other LDCs. Long before joining the WTO, China lowered its tax rates on several occasions and realized the need for convertibility of the Chinese currency (RMB). After becoming a member, it has cut the average tax level of over 5000 imported goods from 15.3 per cent to 12 percent. China is opening its agricultural goods and general goods markets, as well as services markets. It is expected that all these will boost foreign investment in China.

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However, it will not be an unmixed blessing for China. The import bill now is likely to be much higher than before. So, if China is not able to constantly increase its exports, its current account balance of payment may pose a problem as in other developing countries. The downside of its entry to the WTO is that there would be an expanded pressure of neo-liberal globalization and Western influence in China, which may affect its traditional taboos and culture. China also actively participates in the activities of the Asian-Pacific economic cooperation organization and plays a very decisive role in all its policy making processes. China's role in bilateral trade relations with many developed countries including the USA, the EU, Russia and Japan are strengthened every year.

India's experience with the WTO is not a happy one. Before the introduction of agricultural liberalization in India, agricultural commodity prices were lower than their international market prices. Hence, exports of farm products from a country like India were rather a lucrative proposition for the peasants and as farmers are price-responsive, they used to increase production for exports. This trend continued in the first phase of globalization in the 1980s. However, the trend reversed since the 1990s, particularly after the so-called special and differential treatment of the less developed agriculture by the WTO. The typical LDCs studied by the FAO showed a rise in the export of agricultural products based on their performance in the phase of globalization of the 1980s, but in the 1990s in spite of the WTO's special and differential policy, the imports of agricultural products as a result of subsidy-induced price fall in the international market increased several times in these developing countries (FAO 2000).

Since the prices of agricultural products have become lower in the international market, Indian farm products' exporters have become much poorer. This has led to widespread protest, frustration and even farmer's suicides. The growing economic problem has now become a human problem. In India, agricultural exports as a percentage of total exports went down from 30.7 (1980-81) to 19.4 (1990-91) to 15.4 (1999-2000) to 13.5 (2000-01). The situation is quite opposite of what was expected. The large amount of imports has created two adverse problems—export-import imbalance and fall in the prices of domestic food products. Although exports went up by 83 percent, the import of agricultural products in India escalated to 168 percent. This export-import imbalance in India has been responsible for a structural adjustment that led to lower the compound rates of growth of food grains production in India. However, there has been some sort of apathy towards the agricultural sector, as it is not remunerative any longer, wealthy peasant (Kulaks) are shifted to other business in the non-agricultural sector, city ward migration has been increasing and employment in agriculture, mining and quarrying and community and personal services has indeed decelerated.

Questions:

- (a) India's experience with the WTO is not a happy one. Explain.
- (b) What do you think is the likely impact of China's entry in WTO? Give reasons for your answer.
- (c) How has Indian agriculture been affected by the WTO's policy? Discuss.
