

University of Pune
Department of Management Sciences
MBA-BT Semester IV
Semester End Exams April 2013
403-Socio Economic Environment and Technology

Maximum Marks: 60

Time: 3Hrs

N.B.: i) All questions carry equal marks. ii) All questions are compulsory.

Q.1 Read the following paragraph and answer the questions

A talk with C. Rangrajan (Eco. Times, April 2013)

In the hierarchy of troubles, where would you place inflation, fiscal deficit and current account deficit?

There cannot be a hierarchy with respect to deficits. We need to address all of them. The budget has been very bold and well conceived. It has tried to restrict fiscal deficit and also provide stimulus to investments. If we bring down inflation, then the problem of CAD will also get moderated in the process because as inflation comes down, our commodities also become more competitive in the global market and exports can also pick up. All are interrelated and need to be addressed for a rapid economic growth.

You have in a recent article talked about stagflationary tendencies in some emerging economies like India. Could you explain?

I do not think that India faces a situation of stagflation.

What do you think is a bigger worry-inflation or slowing down growth?

We should move towards a situation in which growth is high and inflation is at an acceptable level. Over the long term, there is no conflict between growth and inflation. Only in an environment of low inflation, can growth be high and sustained. In the short term, there could be conflict, but you need to resolve this conflict in such a way that growth is maintained but inflation is brought down. The policy emphasis will shift according to the circumstances.

- (i) What is Fiscal Deficit?
- (ii) Define inflation.
- (iii) Why is large CAD a matter of concern?
- (iv) Explain the term Economic Growth? How is it different from Economic Development?
- (v) What is stagflation?
- (vi) What are the views of C. Rangrajan about three troubles?

Q.2 **Fill up the gaps.**

- (i) Human Development Index uses three parameters: _____
- (ii) The present Cash Reserve Ratio in India is _____%
- (iii) The present Repo Rate is _____.
- (iv) The percentage of Plan Expenditure is _____ than Non Plan Expenditure in Budget 2013-14.
- (v) SAP refers to _____ where as SP stands for _____.
- (vi) Depreciation of a currency is due to _____.

Q.3 **Attempt any two of the following:**

- i) What are the components of Indian Money Market?
- ii) What is the role of RBI in Money Market?
- iii) Write a note on Indian Capital Market

Q.4 **Attempt any two of the following:**

- i) What is meant by Business Environment?
- ii) Write a note on the importance of Service Sector in India
- iii) Write about Industrial Policy of 1991.

Q.5 **Write notes any two of the following:**

- i) New Agricultural Policy
- ii) Demographic Features of Indian Economy.
- iii) Social Environment of Business
- iv) Technological Environment