



Biyani Institute of Science and Management
I Internal Examination 2019-20
MBA (III Semester)
Subject-Business Environment (M-107)



Time: 1.30 Hrs.

Set:A

MM: 30

[I] Subjective Questions(Attempt any two questions) (2*10=20)

- Q.1**“Environmental scanning should provide inputs for strategic decision making.” Elaborate.
- Q.2**Discuss the impact of globalization and liberalization on telecom and education sector in India.
- Q.3**Do you think that present economic environment is favorable to business? Elaborate with example.

[II]Case Study – Compulsory (1*10=10)

The Public sector Indian Oil Corporation (IOC), the major oil refining and marketing company which was also the canalizing agency for oil imports and the only Indian company in the fortune 500, in terms of sales planned to make a foray into the foreign market by acquiring a substantial stake in the balal oil field in Iran of the premier oil. The project was estimated to have recoverable oil reserve of about 11 million tones and IOC was supposed to get nearly four million tones.

When IOC started talking to the Iranian company for the acquisition in October 1998, Oil prices were rock bottom (\$11 per barrel) and most refining companies were closing shop due to falling margins. Indeed a number of good oil properties in the Middle East were up for sale. Using this opportunity several developing countries made a killing by acquiring oil equities abroad.

IOC needed governments permission to invest abroad. Application by Indian company for investing abroad is to be scrutinized by a special committee represented by the Reserve Bank of India and the finance and commerce ministries. By the time the government gave the clearance for the acquisition in December 1999 (i.e. more than a year after the application was made), the prices had bounced back to \$24 per barrel. And the EIF of France had virtually took away the deal from IOCs nose by acquiring the premier Oil.

The RBI which gave IOC the approval for \$15 Million investment, took more than a year for clearing the deal because the structure for such investment were not in a place, it was reported.

Questions:

Q.1 Discuss internal, domestic and global environments of business revealed by this case.

Q.2 Discuss whether it is the domestic or global environment that hinders the globalization of Indian business.