

an end to the seven day 279 point rally which had led to a 10 percent rise of the senex. However, on the next day, equities staged a smart recovery, once again lifting the sensex above the psychological mark of 3000 to about 3017 encouraged by Governments liberalization share buyback conditions.

While the anthrax scare caused a set back to the stock market in general, shares of pharmaceutical companies which produce anthrax antidote ciprofloxacin like Ranbaxy, Dr. Reddy's and Cipla gained significantly. The rice of Bayer India scrip increased by 52 percent in 10 days ended 17th October following the news that the Chennai based Indian syntans group was increasing its stake in Bayer through open market purchases.

- (a) Discuss the factors affecting sensex
- (b) Share market is risk, beware of investors.

Explain.

MBA 04

M.B.A. DEGREE EXAMINATION, JUNE 2007.

First Semester

(Common for HRM/Marketing/Finance/International Business)

Paper IV — BUSINESS ENVIRONMENT AND LAW

Time : Three hours Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE out of the following.

1. What are the demographic factors affecting business environment?
2. Explain Social Responsibility of Business.
3. What do you mean by Privatization of Public Sector Undertakings?
4. Define Quasi Contract.
5. Write short note on MNC.
6. Examine the quantum merit.
7. State the difference between a partnership and a firm.
8. What do you understand by the winding up of a company?

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE out of the following.

9. Analyze the advantages and disadvantages of Globalization with reference to India.
10. Discuss the salient features of the Indian Contract Act.
11. What are the provisions of the Company Act 1956 for the prevention of oppression of the minority shareholders and mismanagement of a company?
12. What is memorandum of association? When and how may it be altered?
13. Examine the important and problems of transport in Indian Economy.
14. Give an outline of the trends in the Industrial Production since 1951 in India.
15. Describe the powers of the appropriate Government in the matter of fixing minimum rates of wages.
16. Define Capital Market. State briefly the main provisions of the Securities Contracts (Regulation) Act 1956.

SECTION C — (1 × 20 = 20 marks)

17. Case Study – Compulsory :

That the BSE sensx crashed by 140 points, causing a fall in the investor wealth by Rs. 25,000 crore due to the fall in the market capitalization the day the Economic Survey 2001-02 which indicated the possibility of an economic slow down, was presented in the Parliament is an indication of the importance of economic factors to business. It is interesting to note that four days later when the Finance Minister presented the Union budget for 2001-02. Which was widely regarded business friendly and which claimed to initiate the second generation economic reforms, the sensx soared by 177 points. However, on the second day the sensx nose-dived by 176 points reacting to the news of sustained weaknesses in technology stocks across the globe and certain vicious rumours.

The stock markets all over the world took a severe beating following the terrorist attack on the world Trade Centre and the consequent military actions. Although the sensx made some recovery for about a week around mid October 2001 largely because of positive Government measures and sustained purchases by FIIs. However, the mounting fears triggered by the spread of the deadly anthrax disease and concerns about bio-terrorism triggered panic selling in most European and Asian markets, leading the chain reactions on Indian bourses. The bellwether. Sensx tumbled 62 points or 2 per cent to close below the psychologically important 3,000 mark at 2,981 on 18th October, putting