

Reg. No..... Name.....

**B A, B SC, B COM DEGREE END SEMESTER EXAMINATION - APRIL 2026**

**UGP (HONS.) SEMESTER - 2: DISCIPLINE SPECIFIC COURSE**

**COURSE: 24UBBADSC104: BUSINESS ENVIRONMENT**

*(For Regular 2025 and Improvement/Supplementary 2024 Admission)*

Time: 2 Hours

Max. Marks - 70

**PART A**

**Answer All**

1. Define Business Environment and explain its importance in decision-making. CO1{U}
2. What is Monetary Policy? Identify one key tool used by the Reserve Bank of India. CO5 {U}
3. How is India described in the Preamble of the Constitution of India? CO4 {K}
4. Define legal environment of business. CO5 {K}
5. Explain the impact of the technological environment on business operations. CO3 {U}

**(2 x 5 = 10)**

**PART B**

**Answer any 6 out of 8 questions**

6. Analyse how political instability in a country can affect business operations using the PESTEL framework with reference to the ongoing Iran–US conflict. CO1 {A}
7. Evaluate the role of technological changes in shaping the business environment. Illustrate your answer with reference to how smartphones like the iPhone have become more affordable in India. CO3 {An, I}
8. Discuss the features of a developing economy with reference to India. CO2 {U, A}
9. How do social and cultural factors influence business strategies? Illustrate your answer using the localization strategy of McDonald's in India. CO3 {U, An, A, E}
10. Using the PESTEL framework, analyse how recent global events (such as energy crises or geopolitical tensions) influence the macro business environment. CO4 {An, A, C}
11. Explain the significance of consumer protection laws in ensuring ethical business practices. CO5 {E, An}
12. Explain liberalization policies in India and analyse their effects on foreign investment. CO1 {U, An}
13. Explain the meaning and objectives of EXIM Policy in India. Analyse its impact on businesses with suitable examples. CO2 {Ap, U}

**(5 x 5 = 25)**

**PART C****Answer any one question out of two questions**

14. Explain the Fundamental Rights guaranteed by the Constitution of India. Discuss their features and importance. CO4 {K, U, E}
15. Discuss fiscal policy and monetary policy in India and evaluate their role in controlling inflation. CO 5 {K, U, An}  
**(1 x 10 = 10)**

**PART D****Case Study****Case Study: The 2026 India-EU Trade Deal – Mother of Trade Deals****Background: A New Era of Alliances**

After 19 years of "on-again, off-again" talks, India and the European Union (EU) signed a historic trade pact in 2026. This wasn't just about business; it was a response to a changing world. With the United States imposing high "Universal Import Levies" and global supply chains breaking down due to regional conflicts, India and the EU realized they needed a stable, long-term partner. Together, they represent 25% of the world's wealth and 33% of global trade.

**The Market Shift: Luxury and Lifestyle**

For decades, India used high taxes (tariffs) to protect its own industries. A BMW or an Audi often cost double in India compared to Europe because of a 110% import tax. Under this new deal, that tax will drop to 10% over several years.

It's not just cars; the "European Lifestyle" is coming to India's middle class. Taxes on olive oil, pasta, and chocolates—previously as high as 50%—have been removed entirely (0% tax). Even the tax on European wines is crashing from 150% down to 25%.

**India's Big Win: Exports and "Green" Growth**

India didn't just open its doors; it secured a massive advantage for its own workers. Indian textiles, jewellery, and seafood can now enter Europe with much lower taxes. Furthermore, the EU is investing €500 Million specifically to help Indian factories upgrade their technology to reduce pollution. This "Green Fund" ensures that Indian products meet strict European environmental laws, allowing India to become a global manufacturing hub.

**Answer all the questions**

16. Write an executive summary of the given case highlighting the key developments and impacts of the India–EU trade agreement. CO1 {U}
17. What were the main global events that led to the India–EU BTIA agreement? Explain briefly. CO2 {An, U}
18. Conduct a **SWOT** analysis of the India–EU trade agreement for Indian businesses based on the given case. CO4 {An, C}
19. Using the given case, analyse the India–EU trade agreement through the **PESTEL** framework. CO2 {An, C}
20. Explain how the reduction in tariffs will affect the automobile and consumer goods industries in India. CO4 {U, An}
- (5 x 5 = 25)**