

**Institute of Management
JK Lakshmipat University
Jaipur**

MID TERM EXAMINATION FEBRUARY 2019

BBA Semester- II
MM: 20 Marks

Course: Environmental Studies
Time: 90 Minutes
Subject code: GN12

Instructions

1. Attempt any three questions from Section A.
2. Section B is Mandatory.

Section A

- Q1. Write short note on:
➤ Multidisciplinary nature of Business Environment & Environment Studies. (4)
➤ Environmental Challenges faced by India. (4)
- Q2. How RBI is regulating the currency market and Explain the strategies and tools which helps RBI to work as effective tool under Monetary policy of India. Also mention the current CRR, SLR, Bank Rate and Reverse Repo Rate. (4)
- Q3. "Privatization of Profitable enterprises, including potentially profitable, means foregoing future streams of income for the government". Comment in lights of suitable examples including the consequences of Liberalization era. (4)
- Q4. (A) Explain the need and scope of WTO and differentiate between GATT an WTO. Also illustrate various initiatives taken in all the rounds of GATT conferences. (4)
- (B) Guidelines and Powers of SEBI

Section B

(8)

A graphic published in today's (March 16) edition of The Times of India concisely summarizes the massive economic difference between India and China. According to the statistics highlighted, India's current GDP growth rate has once again overtaken China's – while India is said to grow at an estimated 7.5% in 2018, the estimated figure for China is 6.5%. But as the graphic points out, even with this higher growth rate, India adds just a fraction of what China adds to its GDP each year. And that's because China's economy is over four times bigger. In other words, so huge is the Chinese economic base today that in absolute terms Beijing can still add far more to its economy than New Delhi even with a lower growth rate.

In fact, the graphic goes on to state that for India to add as much to its GDP as China will in 2018 it needs to grow by a staggering 40%. These simple figures not only show how far ahead China is

in economic terms, but also put to rest any illusions about India catching up in the foreseeable future. Again, it's not just about GDP growth rate. The sheer size of the Chinese economy gives Beijing a massive lead.

This is the reality between the two countries. And that's precisely why I believe any comparison between India and China is utterly futile. True, some Indian politicians today are obsessing over China and trying to convince the public that they can lead India to become equal to China. This is pure rubbish. The reality is that if ever India catches up to China these leaders will be long gone by then. The only way the gap between the two countries can reduce in our lifetimes is if China experiences a great big crash and goes into years of recession. Then too China would have a big enough buffer over India. Thus, no matter which way one looks at it, the Chinese are, in all likelihood, going to lead us in the economic race over this century.

Now, do we need to be depressed over this? Absolutely not. True, 30 years ago the Indian and Chinese economies were roughly of the same sizes. And it's also a fact that both countries have similarly large populations. But that's where the comparisons end. India in 1947 and China in 1949 chose two very different paths. India went the secular democracy way, while China embarked on the road to Communism with Chinese characteristics. Seventy years later, China is a veritable superpower and has lifted a humongous 300 million people out of poverty. In contrast, India is a rising middle-power that has made comparatively moderate yet significant achievements in the various development sectors.

The two countries are as different as chalk and cheese. India's massive ethno, linguistic, religious and cultural diversity is unparalleled in the world. Add to this its 1.3 billion people and it's simply amazing that we have got so far with a raucous and contentious liberal democracy. In that sense, India truly is an example for the rest of the world that a very large country with unimaginable diversity can still make significant development gains within a democratic set up. Agreed, there is so much that is wrong in India. But people often forget that there is so much that is right.

In comparison, China with its relative social homogeneity, Confucius consensus and communist party-state system has far less entropy. This has allowed it to focus single-mindedly on growth. But growth alone can't be a mark of progress. As former Prime Minister Manmohan Singh once said, there are "other values which are more important than the growth of the gross domestic product" and that "once a democracy decides on the basis of a wide-ranging consensus, any reforms that are undertaken will be far more durable, will be far more effective than reforms introduced by the writ of a ruling group in a non-democratic setup". Thus, it is totally pointless to compare the Indian and Chinese economies. China's achievements have come through sacrifices of things which we in India take for granted.

What could be the best strategy for development of India and to contribute more than China in world's Economy? What are the major challenges for India and suggest measures for Sustainable Growth?