Indian & Global Business Environment — Complete Notes

📅 As per LU datesheet

M.Com Sem I · LU · MCCC-05 · All 5 Units (Important Topics 2026) · One-file revision of all five units of Indian & Global Business Environment, built around the Important Topics 2026 list. Each unit section covers the ★★★ and ★★ topics with model answers; numericals follow in the solved examples.

Units I–II

- ★ Environment, MNCs
- ★ Economic systems
- · Non-economic

Unit III

- ★ Monetary policy
- · Fiscal policy
- · Public vs private



Unit IV

- ★ FDI, FPI, SEBI
- ★ NEP 1991
- · FEMA

Unit V

- ★ CSR, sec 135
- ★ RBI, NABARD, SIDBI
- · IMF, WB, WTO

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Exam date: As per LU datesheet	**Time:** As per LU datesheet	**Duration:** 3 hours	**Paper:** MCCC-05

Exam-hall strategy: *Read the whole paper first → start with the question you know best → draw neat, labelled diagrams → box every final answer and formula → keep the last 5 minutes for checking.*

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Important Topics 2026 & Expected Questions

Topic list from LUUPDATE's Important Topics 2026 for M.Com Sem 1 (University of Lucknow, NEP 2025-26). Exam: 10 questions, attempt any 5, 14 marks each (MM 70, 3 hours). ★★★ = must study, ★★ = high chance, ★ = if time permits.

#	Tag	Question / Topic	Unit / Priority
1	★★★	Business environment – nature, scope, significance; internal vs external factors	Unit I Must study
2	★★★	Multinational corporations (MNCs) – impact on Indian business environment	Unit I Must study
3	★	Micro and macro environment; changing dimensions	Unit I If time permits
4	★★★	Economic systems – capitalism, socialism, mixed economy; impact on business	Unit II Must study
5	★★	Interaction of economic and non-economic factors	Unit II High chance
6	★★★	Monetary policy – quantitative and qualitative measures	Unit III Must study
7	★★	Fiscal policy; government intervention in business	Unit III High chance
8	★★	Public vs private enterprises; international trade	Unit III High chance
9	★★★	FDI, FII, FPI – meaning, objectives and importance	Unit IV Must study
10	★★★	SEBI – powers and functions in regulating the capital market	Unit IV Must study
11	★★★	New Economic Policy 1991 (LPG); industrial policy	Unit IV Must study
12	★★	FEMA; disinvestment	Unit IV High chance
13	★★★	CSR and sustainable development (Sec 135, Companies Act)	Unit V Must study
14	★★★	NABARD, SIDBI, IDBI, RBI – objectives and functions	Unit V Must study
15	★★	World Bank, IMF and WTO	Unit V High chance

Also revise: Business = trade + industry + commerce, Keith Davis, PESTLE, SWOT, LPG reforms, digital economy, MNC, transfer pricing, FDI.; Private property, profit motive, price mechanism, consumer sovereignty, central planning, public ownership, Mahalanobis, NITI Aayog, social, political, legal, cultural, technological factors.; Market failure, regulation, promotion, participation, public sector, RBI MPC, repo, CRR, SLR, budget, FRBM, comparative advantage, Foreign Trade Policy 2023.; IPR 1948, 1956, 1991 delicensing, FERA vs FEMA, current vs capital account, LRS, ED, SEBI Act 1992, automatic/government r

Flowcharts & Diagrams — See It at a Glance

→ FLOWCHART: Environmental Scanning Process

Identify relevant factors (PESTLE, competitors) → Collect information (reports, data, news) →
Analyse opportunities and threats → Match with strengths and weaknesses (SWOT/ETOP) →
Formulate strategy → Monitor continuously

→ FLOWCHART: Central Problems Every Economy Solves

What to produce and how much → How to produce (technique) →
For whom to produce (distribution) → How to use resources fully → How to grow over time

→ FLOWCHART: Forms of Government Intervention

Regulatory — licences, standards, competition and consumer law →
Promotional — subsidies, tax incentives, PLI, Startup India →
Entrepreneurial — public sector enterprises → Planning — NITI Aayog strategy, budgets →
Facilitative — infrastructure, DPI, ease of doing business

PESTLE — Indian Illustrations

Factor	Examples
Political	Government stability, Make in India, PLI, FDI policy, centre–state relations
Economic	GDP growth, inflation, interest rates, GST, exchange rate, rural demand
Social	Young population, urbanisation, education, women in workforce, languages
Technological	UPI, Aadhaar, digital public infrastructure, AI, 5G, Industry 4.0
Legal	Companies Act 2013, IBC 2016, Competition Act, labour codes, DPDP Act 2023
Environmental	Climate change, net zero 2070, EPR, water stress, plastic rules

CPI vs WPI

Basis	CPI	WPI
Prices	Retail	Wholesale/producer
Compiled by	NSO (MoSPI)	Office of Economic Adviser (DPIIT)
Services	Included	Not included
Food weight	High	Lower
Use	Inflation target, DA, wage indexation	Producer price trends, contracts

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Global Institutions at a Glance

Body	Founded	Role
IMF	1944 (Bretton Woods)	Monetary cooperation, BoP support, surveillance
World Bank (IBRD)	1944	Development loans
GATT → WTO	1947 → 1995	Trade rules, disputes
G20	1999 (leaders 2008)	Global economic coordination
BRICS	2009 (SA 2010; expanded 2024)	Emerging-economy cooperation; NDB

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Detailed Revision Notes

Unit I – Business Environment – Introduction

Meaning & Definitions ★★★

- Business environment is the sum total of all internal and external factors, forces and institutions that influence a firm's functioning and performance
- **Glueck & Jauch:** the environment includes factors outside the firm which can lead to opportunities for or threats to the firm
- **Keith Davis:** the aggregate of all conditions, events and influences that surround and affect business
- Business is an **open system** — takes inputs from and gives outputs to the environment

Nature / Features ★★★

- **Totality** of external forces
- **Specific and general** forces (micro and macro)
- **Inter-relatedness** — e.g. policy affects technology and society
- **Dynamic** — constantly changing (COVID-19, AI, geopolitics)
- **Uncertain** — hard to predict
- **Complex** and **relative** — differs by country, region and industry
- **Mostly uncontrollable** — firms adapt or try to shape

Significance of Studying the Environment ★★★

- **Identifying opportunities** — first-mover advantage (Jio and cheap data; Paytm after demonetisation; quick commerce in metros)
- **Early warning of threats** — regulation, substitutes, competition (Nokia ignored smartphones)
- **Tapping useful resources** — finance, technology, talent, incentives (PLI)
- **Coping with rapid change** — agility and scenario planning
- **Planning and policy formulation** — strategy built on environmental assumptions
- **Improving performance** — continuous monitoring links environment to results
- **Image building and stakeholder trust** — sensitivity to social and environmental concerns

Internal Capabilities vs External Realities ★★

- **Internal environment** — mission and values, culture, top management, ownership, human resources, physical assets, technology, financial strength, brand, R&D
- **Resource-based view** (Barney) — sustainable advantage from resources that are valuable, rare, inimitable and organised (**VRIO**)
- **Dynamic capabilities** (Teece) — sensing, seizing and transforming in changing environments
- **Strategic fit** — match internal strengths with external opportunities

Meaning & Features ★★★

- **MNC** — an enterprise that owns or controls production or service facilities in more than one country (UN); headquartered in home country, subsidiaries in host countries
- **Features:** huge size and resources, operations in many countries, centralised control with local adaptation, advanced technology, strong brands, international marketing, oligopolistic power
- **Examples in India:** Unilever (HUL), Suzuki (Maruti), Samsung, Amazon, Apple (via contract manufacturers); Indian MNCs — Tata, Infosys, Reliance, Mahindra

Demerits & Control ★★★

- **Demerits:** profit repatriation and outflow of forex, transfer pricing manipulation and tax avoidance, crowding out domestic firms, inappropriate technology, cultural influence, environmental exploitation, political interference
- **Controls in India:** FDI policy (sectoral caps, Press Note 3 of 2020 for land-border countries), FEMA, transfer pricing rules and GAAR, Competition Act 2002, SEBI regulations, environment laws
- **Model long answer — MNCs:** meaning → features → modes of entry → merits → demerits → MNCs in India → controls → conclusion (balanced view)

Unit II – Economic Systems

Capitalism ★★★

- **Features:** private property, freedom of enterprise, profit motive, price mechanism (invisible hand — Adam Smith), competition, consumer sovereignty, limited government (laissez-faire)
- **Merits:** efficiency, innovation, economic growth, variety and quality of goods, freedom of choice, automatic working
- **Demerits:** inequality of income and wealth, monopoly and exploitation, business cycles and unemployment, wasteful competition, neglect of social goods and environment

Mixed Economy ★★★

- Co-existence of public and private sectors; market mechanism with government regulation and planning
- **Features:** both sectors, regulated private sector, economic planning, welfare state, price controls in essential goods, social justice
- **Merits:** combines efficiency with equity, balanced growth, protection of weaker sections
- **Demerits:** inefficient public sector, policy uncertainty, corruption, red tape

Socialism ★★★

- **Features:** public/collective ownership of means of production, central planning, social welfare motive, absence of competition, equitable distribution, administered prices (Karl Marx, Engels)
- **Merits:** reduced inequality, full employment, planned growth, no wasteful competition, social security
- **Demerits:** bureaucracy and inefficiency, lack of incentives and innovation, loss of economic freedom, shortages, concentration of power in state

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Interaction of Economic and Non-economic Factors ★★★

- **Economic factors:** economic system, policies (monetary, fiscal, industrial, trade), GDP growth, inflation, income levels, infrastructure, capital markets
- **Non-economic factors:** political (stability, ideology, government–business relations), legal (laws, courts), social and cultural (values, caste/family, attitudes to work and consumption), demographic, technological, natural/ecological, ethical
- **Interactions:** political stability → investor confidence → FDI and growth; social attitudes → demand patterns (vegetarian food chains, festival sales); technology → new business models (fintech); legal reforms (IBC) → credit discipline; environmental awareness → green products; education levels → skilled workforce and productivity
- Economic growth itself changes social structures (urbanisation, nuclear families) — two-way relationship
- **Implication:** managers must analyse the total environment, not economic factors alone

Unit III – Government & Business

Instruments ★★★

- **Quantitative:** repo rate (policy rate), Standing Deposit Facility (floor of corridor), Marginal Standing Facility (ceiling), bank rate, CRR, SLR, open market operations, variable-rate repo/reverse-repo auctions, forex swaps
- **Qualitative:** margin requirements, credit ceilings, moral suasion, directed lending (priority sector), macro-prudential norms (risk weights on unsecured loans)
- **Transmission:** repo-linked external benchmark lending rates (since 2019) speed pass-through to borrowers

Impact of Monetary Policy on Business ★★★

- **Cost of capital** — rate hikes raise borrowing costs, reduce project NPVs; cuts encourage capex
- **Consumer demand** — EMIs on home, auto and consumer loans change demand for real estate, vehicles, durables
- **Working capital** — liquidity conditions affect bank credit to MSMEs
- **Exchange rate** — interest differentials influence capital flows and the rupee, affecting importers and exporters
- **Valuations** — equity and bond markets react to policy; affects fund-raising
- **Banking sector** — net interest margins, NPAs, credit growth

Fiscal Policy & the Budget ★★★

- **Instruments:** taxation, public expenditure, public debt, subsidies and transfers
- **Union Budget** (Annual Financial Statement, Article 112) — revenue budget and capital budget; presented on 1 February
- **Direct taxes:** income tax (new regime as default), corporate tax (reduced in 2019); **Income-tax Act 2025** replaces the 1961 Act from 1 April 2026
- **GST** (2017) — destination-based tax subsuming many indirect taxes; GST Council (Article 279A) decides rates; CGST, SGST, IGST; rate rationalisation into fewer slabs in 2025
- **Expenditure priorities:** infrastructure capex, defence, social sectors, interest payments, subsidies (food, fertiliser, LPG)

Types of Enterprises ★★

- **Private enterprises** — sole proprietorship, partnership, LLP, private and public companies, cooperatives; driven by profit, efficiency
- **Public enterprises** — departmental undertakings (Railways), statutory corporations (LIC, RBI), government companies (ONGC, Coal India); Maharatna, Navratna and Miniratna status for CPSEs
- **Joint sector / PPP** — public–private partnership in infrastructure (airports, highways)
- **Public Sector Enterprises Policy 2021** — minimum presence in four strategic sectors; privatisation elsewhere

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Unit IV – Economic Policy & Governance

FDI Policy & Routes ★★★

- Governed by FEMA (Non-Debt Instruments) Rules and DPIIT's consolidated FDI policy
- **Automatic route** — no prior approval (most sectors; up to 100% in many: manufacturing, e-commerce marketplace, single-brand retail, railways infrastructure)
- **Government route** — prior approval through the Foreign Investment Facilitation Portal (e.g. multi-brand retail, print media, beyond caps in defence and telecom)
- **Prohibited:** lottery, gambling, chit funds, real estate business (not construction development), tobacco manufacturing, atomic energy
- **Press Note 3 (2020)** — investments from countries sharing a land border with India need government approval
- Top sources: Mauritius, Singapore, USA, Netherlands, Japan, UK, UAE; top sectors: services, computer software/hardware, trading, telecom, automobiles

SEBI ★★★

- Set up 1988; statutory body under the SEBI Act 1992; HQ Mumbai
- **Objectives:** protect investors' interests, promote development and regulate the securities market
- **Functions:** register and regulate intermediaries (brokers, mutual funds, portfolio managers, credit rating agencies, investment advisers), regulate issues (ICDR — IPO norms), prohibit fraudulent and unfair trade practices and insider trading, takeovers (SAST), corporate governance (LODR), investor education
- **Powers:** quasi-legislative (regulations), quasi-executive (inspection, investigation), quasi-judicial (orders, penalties); appeals to Securities Appellate Tribunal (SAT)
- **Initiatives:** T+1 settlement, ASBA/UPI for IPOs, SCORES grievance system, BRSR for ESG, SME platforms, curbs on F&O speculation, finfluencer regulation

FII → FPI ★★★

- **FII** (foreign institutional investors) — term used until 2014
- SEBI merged FIIs, sub-accounts and QFIs into **FPI** (2014); now FPI Regulations 2019
- **FPI** — investment by non-residents in Indian securities below **10%** of paid-up equity of a listed company; 10% or more is FDI
- FPIs are short-term, volatile ("hot money"); FDI is long-term with management interest

Economic Reforms of 1991 (LPG) ★★★

- **Background:** balance of payments crisis, high fiscal deficit, inflation, Gulf war oil shock; forex reserves covered only a few weeks of imports
- **Liberalisation:** abolition of industrial licensing for most industries, reduced reservation for public sector, MRTP restrictions relaxed, interest rate deregulation
- **Privatisation:** disinvestment of PSU shares, private entry in banking, telecom, aviation, insurance, power
- **Globalisation:** lower import tariffs, removal of quantitative restrictions, current-account convertibility, FDI and FPI liberalisation, WTO membership (1995)
- **Financial sector:** Narasimham Committee reforms, SEBI made statutory (1992), NSE (1992–94), dematerialisation

New Industrial Policy 1991 – Key Features ★★★

- **Delicensing** — licences abolished except for a few industries (now only a handful for security/ environment reasons)
- **Public sector reforms** — reserved sectors cut (now mainly atomic energy and railway operations), disinvestment, MoUs, autonomy
- **MRTP Act** restrictions removed (replaced by Competition Act 2002)
- **Foreign investment** — automatic approval for FDI up to 51% in priority industries initially; foreign technology agreements liberalised
- Location policy relaxed; small-scale sector support
- **Impact:** higher growth, competition, consumer choice, IT and services boom, FDI inflows; concerns — jobless growth, inequality, agrarian distress

FEMA 1999 ★★★

- **Objectives:** facilitate external trade and payments; promote orderly development and maintenance of the foreign exchange market
- **Current account transactions** (trade, travel, education, remittances) — freely permitted except some prohibited/restricted by government rules
- **Capital account transactions** (investment, loans, property abroad) — regulated by RBI and government
- **Liberalised Remittance Scheme** — resident individuals can remit up to US$2,50,000 per financial year
- **Authorised persons** — banks, money changers
- **Enforcement Directorate** investigates; adjudication, appeals to Appellate Tribunal; compounding of contraventions
- Penalty up to three times the sum involved (or ₹2 lakh if not quantifiable)

Disinvestment ★★★

- Sale of government equity in public sector enterprises; managed by **DIPAM**
- **Objectives:** raise resources, improve efficiency, broaden ownership, reduce fiscal burden, market discipline
- **Methods:** minority stake sale (IPO/FPO), offer for sale through stock exchange, strategic sale (transfer of management control), ETFs (CPSE ETF, Bharat 22), buy-back, employee offers
- **Cases:** Air India strategic sale to Tata group (completed January 2022); LIC IPO (May 2022); IDBI Bank — strategic sale of 60.72% stake by government and LIC in progress, expected to close by end of FY 2026-27
- **Criticism:** undervaluation, selling family silver to fund deficits, job concerns

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Unit V – Social Responsibility & Financial Institutions

Meaning & Arguments ★★★

- **Social responsibility** — obligation of business to pursue policies and actions desirable in terms of society's objectives and values (H. R. Bowen)
- **Arguments for:** enlightened self-interest, public image, avoid government regulation, resources and expertise, society gives licence to operate, long-term survival
- **Arguments against:** profit is the only responsibility (Milton Friedman), lack of skills, cost burden, dilutes focus, accountability problems
- **Responsibility towards:** shareholders (fair return), employees (wages, safety), consumers (quality, fair price), government (taxes, laws), community (environment, development), suppliers

CSR in India ★★★

- Mandatory under **Companies Act 2013, s.135** — first country to mandate CSR spending (from April 2014)
- Thresholds and 2% rule (see flow)
- **Schedule VII areas:** eradicating hunger and poverty, health and sanitation, education, gender equality, environment, heritage and culture, armed forces veterans, sports, PM CARES/PM relief funds, rural development, slum development, disaster management, technology incubators
- Penalties for non-compliance; CSR expenditure not deductible as business expense for tax
- Linked to ESG and BRSR reporting

Reserve Bank of India ★★★

- Established 1 April 1935 under the RBI Act 1934; nationalised 1949; HQ Mumbai
- **Functions:** monetary authority; issuer of currency (except ₹1 notes and coins — Government); banker to the government and to banks; lender of last resort; regulator and supervisor of banks, NBFCs, cooperative banks (with NABARD for rural); manager of foreign exchange (FEMA 1999); regulator of payment systems (UPI via NPCI); developmental role (financial inclusion)
- **Recent themes:** digital lending guidelines, scale-based regulation of NBFCs, Account Aggregator framework, e-rupee (CBDC) pilots, consumer protection (Integrated Ombudsman Scheme)

NABARD ★★★

- Established 12 July 1982 under NABARD Act 1981 (on recommendation of the CRAFICARD/Shivaraman Committee); wholly owned by Government of India
- **Functions:** refinance to cooperative banks, RRBs and commercial banks for agriculture and rural sector; Rural Infrastructure Development Fund (RIDF); supervision of cooperative banks and RRBs; SHG–bank linkage programme; farmer producer organisations; watershed and tribal development; financial inclusion and rural innovation

SIDBI ★★★

- Established 2 April 1990 under SIDBI Act 1989; principal financial institution for MSMEs
- **Functions:** refinance to banks/NBFCs for MSME loans, direct lending, venture capital (Fund of Funds for Startups), MUDRA support, credit guarantee (CGTMSE with government), cluster development, Udyam Mitra and Stand-Up India portals

IDBI ★★★

- Set up 1964 as a subsidiary of RBI; transferred to Government of India in 1976 as apex institution for industrial development finance
- Converted into **IDBI Bank Ltd** (universal bank) in 2004; LIC became majority shareholder in 2019
- Earlier functions: term loans for industry, refinance, underwriting, promoting other institutions (SIDBI was its subsidiary initially)
- Current status: government and LIC together hold about 95%; strategic sale of 60.72% stake under way (bids from foreign banks/investors evaluated in 2026)

IMF & World Bank ★★

- **IMF** (1944, Bretton Woods; HQ Washington) — international monetary cooperation, exchange stability, BoP support with conditionality, surveillance (Article IV), SDRs, technical assistance
- India borrowed from the IMF in 1981 and 1991; now a creditor and voice for quota reforms
- **World Bank Group** — IBRD and IDA (development loans), IFC (private sector), MIGA (investment guarantees), ICSID (disputes); India among largest borrowers historically
- **Other:** Asian Development Bank, AIIB, New Development Bank (BRICS)

World Trade Organization ★★★

- Established 1 January 1995 (Marrakesh Agreement), successor to GATT (1947); HQ Geneva; India a founding member
- **Principles:** non-discrimination (MFN, national treatment), freer trade through negotiation, predictability (binding tariffs), fair competition, special and differential treatment for developing countries
- **Agreements:** GATT 1994 (goods), GATS (services), TRIPS (IPR), TRIMs, Agreement on Agriculture (AoA — amber, blue, green boxes), SPS/TBT, anti-dumping, subsidies, Trade Facilitation Agreement
- **Dispute settlement** — Appellate Body non-functional since 2019
- **India's stand:** food security and public stockholding (permanent solution), protection of farmers and fishermen, opposition to e-commerce customs-duty moratorium extensions and to linking trade with labour/environment standards, TRIPS flexibilities for medicines

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Solved Numericals & Illustrations (all units)

Case 1 — Jio and the Telecom Environment

Technological (4G, cheap smartphones) and economic forces were combined with an aggressive strategy; free voice and cheap data changed social behaviour (video, UPI) and forced industry consolidation — an example of a firm shaping its environment.

Case 2 — Air India Privatisation

Loss-making PSU sold to the Tata group (2022) under the disinvestment policy — reflects the post-reform shift of the state from business operator to regulator and facilitator.

Pre- vs Post-1991 Business in India

- Licence raj → delicensing of most industries
- Public sector dominance → private and foreign investment
- High tariffs → lower tariffs, exports
- Controlled prices → market prices (fuel, telecom)

Non-economic Factors in Action

- Festive season → peak sales (cultural)
- Stable government → FDI rise (political)
- DPDP Act → data practices (legal)
- UPI adoption → small business digitisation (technological)

Calculation — Deficits (₹ lakh crore, illustrative)

Revenue receipts 30; revenue expenditure 37; capital expenditure 11; non-debt capital receipts 1; interest payments 12. Revenue deficit = 37 − 30 = **7**; total expenditure = 48; fiscal deficit = 48 − (30 + 1) = **17**; primary deficit = 17 − 12 = **5**.

Calculation — Inflation & Real Return

CPI 180 → 189: inflation = **5%**. FD return 7% → real return ≈ **2%**.

Case — Air India

- Nationalised 1953; continuous losses
- Strategic sale to Talace (Tata Sons) — deal ₹18,000 crore
- Handed over January 2022
- Merged with Vistara in 2024

Case — FDI Liberalisation

- Insurance FDI cap raised over time
- Defence manufacturing — higher automatic-route limits
- Single-brand retail 100% automatic
- Space sector opened (2024)

CSR Calculation

Net profits (₹ crore): 40, 50, 60 → average 50 → minimum CSR spend 2% = **₹1 crore**. Obligation above ₹50 lakh → CSR committee required.

Institutions in Action

- NABARD RIDF funds rural roads and irrigation
- SIDBI Fund of Funds supports start-up VC funds
- IMF SDR allocation 2021 boosted reserves
- WTO disputes — India's sugar and ICT tariff cases

Practice Set with Answers

Cover the answer column, try each question yourself, then check.

#	Question	Answer
1	Commerce?	Trade + aids to trade.
2	Business environment?	All forces affecting business.
3	Micro factors?	Suppliers, customers, competitors, intermediaries, publics.
4	Central problems?	What, how, for whom.
5	Invisible hand?	Adam Smith.
6	Capitalism decision tool?	Price mechanism.
7	Market failure example?	Pollution, monopoly.
8	Regulatory law for competition?	Competition Act 2002.
9	Consumer law?	Consumer Protection Act 2019.
10	IPR 1956 schedules?	A, B, C.
11	NIP year?	1991.
12	MRTP replaced by?	Competition Act 2002.
13	CSR section?	s.135, Companies Act 2013.
14	CSR spend?	2% of average net profit (3 years).
15	CSR net worth threshold?	₹500 crore.

Common Mistakes to Avoid

- Environment without Indian examples
- Micro = internal
- No comparison table
- India called pure capitalist
- Intervention without reasons
- Monetary and fiscal tools mixed
- FERA and FEMA confused
- FII used as current term
- CSR thresholds wrong
- NABARD/SIDBI dates swapped

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Answer Plans — What to Write for Each Question

Q. Business environment
Meaning → nature → scope → significance.

Q. Types of environment
Internal/external, micro/macro table.

Q. Economic system
Meaning → problems → impact.

Q. Capitalism
Features → merits → demerits.

Q. Need for intervention
Market failure, equity, stability.

Q. Forms of intervention
Regulatory, promotional, entrepreneurial, planning.

Q. Industrial policy
Evolution → NIP 1991 → impact.

Q. NEP/LPG
Liberalisation, privatisation, globalisation measures → impact.

Last-Minute Sheet — All Units

Business	Industry + commerce · profit + social objectives
Environment	Internal vs external · micro vs macro · PESTLE · SWOT/ETOP
System	What, how, for whom · ownership, decisions, motive
Capitalism	Private property · price mechanism · profit · inequality
Intervention	Market failure · regulator, promoter, entrepreneur, planner, facilitator
Enterprises	Private forms · public: departmental, statutory, govt company · PSE Policy 2021
Policy	IPR 1948, 1956 · NIP 1991 delicensing · Make in India 2014 · PLI · PSE Policy 2021
FEMA	1999 (from 1-6-2000) · civil · current free, capital regulated · LRS $2,50,000 · ED
CSR	Carroll pyramid · s.135 · ₹500 cr NW / ₹1,000 cr TO / ₹5 cr NP · 2% · Schedule VII
Domestic	RBI 1935 · IDBI 1964 (bank 2004) · NABARD 1982 · SIDBI 1990

Before you enter the exam hall: revise the mind map, the flowcharts and the formula sheet once more. Read the paper fully, draw labelled diagrams, box your answers, and keep 5 minutes for checking. **You have prepared well. All the best!** Team LUUPDATE

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