



BUSINESS ENVIRONMENT TEXT & CASES

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Business Environment is very vast concept and understanding all the environmental aspects of business is a crucial task. Recent economic crises of US has impacted whole economy at a large scale and hampered trade & commerce around the world particularly in developed countries. Moreover, understanding the impact of such crises on corporate sector is very important for all the business students as well as corporate personnel. Present book by Justin Paul on business environment provides comprehensive understanding of business and its environmental aspects. The topic business environment covers various aspects of business such as economic, political, global and its impact on future of Indian corporate. The process of globalization has become an irreversible phenomenon and it becomes very important for the business personnel or management to understand these aspects.

The book is divided in nine parts. The economic aspects of business are explained in detail. Part one comprises of three chapters. Chapter 1 explain the introduction of nature and dynamics of Business Environment where global capitalism is explained through its history. In order to make the book useful for current market situation, recent sub prime crises and recession has been covered in detail. It also covers economic system, its growth and development in current situation and its importance in business. Chapter 2 comprehend the political environment and economic system of the country and chapter 3 deals with the concept of economic growth, development and measure poverty issues.

Part 2 consists of two chapters, deals with the Indian economic perspective of economic reforms, globalization and its impact on businesses. In this part the author has touched upon the business environment of different sectors. It stated that external sector plays a key role in enabling the conditions to accelerate the

pace of the external liberalization process. It further asserts how different sectors are contributing to the growth and development of country. It also covers the outline the phases of globalization and analyze their impact on different sectors. It explains the problem and issues involved in globalization which can be a threat in growth and development of economy such as unemployment, deterioration in the quality of jobs and increase in economic and political inequalities.

Part 3 comprises three chapters, explaining the business aspects in global business environment, it is very essential to understand the industrial policy including foreign direct investment and policy for small scale industries. Further in relation to explaining various industrial policies in detail, different sectors such as FMCG, Chemical and Pharmaceuticals are explained in detail. SWOT analysis of all the sectors is given after each analysis which reflects cost competitiveness, investment in innovation, and significant export potential. Cases on Cipla, Nicholas Piramal and Dabur India are added to give an idea about sector analysis.

Part 4 consist of three chapters covering the problems and prospects of privatization. It is becoming an important issue these days in India which every business needs to understand and thus author has covered these topics with related policies such as fiscal & monetary policy, union budget, Banking sector reforms and tax related matters. Various objectives of privatization are reduction in burden on government, improving public finance and to fund infrastructure growth. It is also stated that there are some difficulties also in privatization such as union power, social institutions, and corruption. Misuse of power by new owners and private monopoly creation. Monetary policy is a means by which the government regulates the level of aggregate output and money and also the general price level.

Part 5 consisting of one chapter explains the technological environment as an important element in business world. Importance of technology in gaining competitive advantage has been very well covered in part 5. It includes remote banking, effect of technology on risk in banking and delivery channels and channel migration. It is stated that technological initiatives taken by banks are part of their channel diversification strategy. It is concluded that the future of banking will be one in which customers can address most of their needs through self directed means i.e. technological environment.

Part 6 comprises of two chapters and talks about various legal issues involved in financial market and Indian financial system such as derivative market, stock indices and norms for mergers and acquisitions. It gives an idea about the legal aspects involved in the business which should be considered in ensuring the market for long term sustainability of firm. This part of the book highlights the ban on age old badla system, introduction of rolling settlement and addition of three more derivative products, such as options, futures and stock index.

Part 7 consists of six chapters and covers Indian trade policy, WTO agreement, balance of payment, currency convertible, ADR/GDR and global outsourcing and multinational companies and FDI. It explains the causes of global recession and financial crises during 2008-09 and nature and implications of global recession on the new business environment. It is found in part 7 that firms which formulate their business strategy, taking into account all changes and diversify their destination might emerge as winners in the post crises era of globalization. It is also observed that there are no absolute comfortable foreign exchange figures; nor is market sentiment predictable and volatile global financial market leading to many factors such as political, country and economic.

Part 8 with two chapters covers social environment of India and China including child labor issues, women in workforce and poverty. The societal aspects in India and China both have

to work towards the upliftment of the society. There are many issues demanding attention in India and China such as reduction in poverty line, improving working condition and stabilization of population. In today's scenario corporate governance and corporate social responsibility are most talked about topics and authors have very well explained same in easy to understand manner. It also explains the importance of corporate governance and stated that more progressive companies are voluntarily accepting tougher accounting standards and more independent directors than are mandated by law.

Part 9 comprises of five chapters and covers economic and business environment of Europe and SAARC countries. This part also includes business environment of developed countries to compare it with international standards. First chapter of part nine explains economic environment and policies in Europe and potential prospects of doing business in "Euro" countries. It is concluded that many of Latin America have adopted more prudent and open policies that foster competition and participation in global markets. A prudent fiscal policy is crucial to economic stability and several of the economies of the region have made significant strides in this direction.

Justin Paul as an author is becoming a brand in writing qualitative books in India. The present book is third edition of same title and four new chapters have been added in this edition i.e. nature and dynamics of business environment, global recession and new business environment, multinational companies and foreign direct investment and economic and business environment in east and south east Asian countries. And apart from this there are number of new cases and practical problems which are related to current economic situation have been added. And the best part of third edition is coverage of major sectors of economy. The book is meant for professionals and students from management and economics background. It can be useful for all those professionals who act as advisors.