MBAC 1004

M.B.A. DEGREE EXAMINATION,
DECEMBER 2016/JANUARY 2017.

First Semester

General

BUSINESS ENVIRONMENT AND LAW

Time : Three hours Maximum : 100 marks

PART A — ($5 \times 6 = 30$ marks)

Answer any FIVE out of the following.

1. What is Business? Describe its goals.

2. What is social responsibility? Write its merits and demerits.

3. Point out the constraints which inhibit the rapid growth of infrastructural facilities.

4. Enumerate the rights and obligations of finder of lost goods.

5. Explain and illustrate the circumstances under which contracts need not be performed.

6. What is a statutory meeting? What are the contents of statutory report?

7. "A company has an identity separate from its members" — Explain the statement critically.

8. Who are dependants and how can they claim compensation under the Act?

PART B — ($5 \times 10 = 50$ marks)

Answer any FIVE out of the following.

9. Explain the different types of Business environment.

10. Bring out the strengths, problems and remedies for different areas of infrastructure.

11. Examine the trend of population growth and its implications on economic growth.

12. What do you mean by crossing a cheque? What are the circumstances in which a banker is entitled to dishonor a cheque?

13. Explain the statutory and statistical books that are to be maintained by a company.

14. What do you mean by Articles of Association? What are the effects of Articles? Can Articles be altered?

Answer the following :

(a) Why did Nissan, along with other Japanese companies, get into difficulties during the 1990s?

(b) In what ways have both Nissan and Renault benefited from alliance synergies since 1999?

(c) Why do you think Renault and Nissan have decided to keep the two companies separate, despite their joint overall management?

(d) Explain the differences and similarities between Japanese and French Cultures in relation to the main dimensions of culture.

---

15. State the methods and manner by which compensation under the Act is settled in the case of (a) Death (b) Permanent total disablement (c) Temporary total and partial disablement.

16. Appraise the impact of economic development on various kinds of environmental issues.

PART C — (20 marks)

Case Study — Compulsory.

17. The alliance between the French car manufacturer, Renault and its Japanese counterpart, Nissan, was formed in 1999. Renault initially bought a 36.8 per cent equity stake in Nissan in return for Nissan's 15 per cent non-voting stake in Renault. Renault later increased its investment in Nissan to 44.4 per cent. The alliance is in effect a joint venture between the two companies, given the cross-shareholdings between them, but it is not a merger; each company remains legally separate with its own brands and market share.

However, the alliance gave Renault management control of Nissan and, since 2005, the two companies have had a single chief executive, Carlos Ghosn.

The remarkable aspect of the alliance is the very different backgrounds of the two companies. Renault had been state owned and during the

1980s the company underwent major restructuring to improve its performance. In 1996, it was largely privatized, with the French government retaining a minority shareholding. Nissan, on the other hand, had reached the peak of its international success by the end of the 1980s, producing high- specification vehicles at its highly productive, state-of-the-art factories. The main things the two companies had in common were their status as symbols of national pride (especially in the case of Renault) and their roots in their respective national cultures.

By 1999, however, when the alliance was formed, Renault had become more adventurous, producing imaginative cars and enjoying its new-found commercial freedom in the private sector, while Nissan - still a highly productive company - had built up debts of ¥ 2000 billion (then about $15 billion), a legacy of its reliance on loan capital to finance its domestic and international expansion. The alliance gave Renault an opportunity to venture into Nissan's markets, share technology and design skills, and achieve cost savings using common suppliers. Nissan was given a rescue line to allow it to return to profitability. Both companies became more significant players in the global car market, with their joint sales placing them close behind the market leaders, Toyota, General Motors, Daimler, and Ford.

The Renault-Nissan alliance represents a cultural conundrum. Carlos Ghosn was brought in as chief executive of Nissan in 1999 by Renault's long standing chairman and chief executive, Louis Schweitzer. Schweitzer had transformed Renault into a successful company and Ghosn was expected to turn Nissan's fortunes round after the alliance was formed. Ghosn was remarkably successful in achieving this goal, helping to reduce Nissan's enormous debt and excess capacity, cut costs, and return the company to profitability by 2001. He then set about introducing new models. Carlos Ghosn's own cultural background is intriguing: he was born in Brazil to Lebanese parents, but educated in France. At Nissan, he gained a reputation as 'le cost killer,' a curious amalgam of French and Anglo-Saxon cultures, both linguistically and socio-economically. Using an approach more commonly associated with the Anglo-Saxon model, Ghosn, was able to build on the success of a French company to transform a quintessentially Japanese company. Surprisingly, he encountered as much praise as resistance from Japanese citizens when closing Nissan plants in Japan and making workers redundant, something normally alien to Japan's collective corporate culture. At the very least, the Japanese were starting to re-evaluate their conventional ideas. Japan had by this time already experienced a decade of economic stagnation and falling corporate profitability, and there was a growing realization that difficult times required drastic measures.