



**BBA 3<sup>rd</sup> Semester, Session 2020-21**

**Business Environment**

**Subject Code: BB-303**

**ATKT Assignment**

Note: Attempt any 4 question from Section A, Section B is Compulsory. Each question carries equal marks.

**Section A**

- Q1. What do you understand by the term Micro environment of Business? Explain in detail elements that constitute the Micro Environment of the Firm. Draw Porter's Five Forces Model.
- Q2. Explain the elements of Culture. How does Culture impact Market Related Business Decisions.
- Q3. What are the features of Consumerism? Discuss Problems of Consumerism In India.
- Q4. What do you mean Statutory State Intervention? Discuss Legal Protection of Business Units.
- Q5. What is monetary Policy? How is it different from Fiscal Policy?

**Section B (Case Study)**

**CASE STUDY: TATA NANO-ENVIRONMENTAL ANALYSIS**

In 1868, Tata Gamsi founded Tata group. It is the largest conglomerate in India and is owned by Tata sons. Tata Motors is a leader in manufacturing of commercial, passenger, military and electric vehicles. It is also the world's 4th largest truck and 2nd largest bus manufacturer by volume.

In January 2008, Tata Motors introduced Tata Nano, dubbed as the 'People's Car' and also known as the world's cheapest car. The car was launched in March 2009 which created a significant impact in the Indian automobile market. Tata Motors Ltd. is one of the few companies which has its own R&D centres. It has established an engineering research centre at Pune (with a strength of around 3,500 personnel). The main target group of customers for Tata Nano are the lower- and middle- income families in India, many of whom resisted purchasing four-wheelers mainly due to the price affordability and maintenance cost. Launching of Tata Nano gave an opportunity for these groups to purchase a car within their means. During the initial launch, Tata Nano was priced at about rupees one lakh. In December 2008, the cost of the car increased significantly due to higher raw material costs.

Further, in 2013, Tata Nano was rated as the most trusted 4-wheeler brand by Brand Trust Report India Study.

Tata Motors was so confident about Nano that they thought this is going to be a massive success. But it failed and became one of the most disaster products in the history of marketing.

**Tata Nano Failure Reasons**

- Tata Nano projects itself as the cheapest car. Nobody wants to drive the cheapest car. Buying a car is related to social status and prestige in society.  
Ratan Tata says: "It (Nano) became termed as the cheapest car by the public and, i am sorry to say, by ourselves, not by me, but the company when it was marketing it. I think that is unfortunate."
- So many Nano cars catch fire. This created a complete buzz in media. Despite the low price, everyone hesitated to buy them because of the incidences of fire.
- After the announcement of Nano, the second-hand market of cars faces a drop in price by 15% to 20%. New cars like Alto 800, Maruti 800, Indica, etc., also have to reduce the price. People called it a Nanoeffect.
- The vision of Tata was an affordable car that could fit a family of four. But, in reality, it was not fitting an Indian family of 4 with ease.

**QUESTIONS**

1. What was the vision of Ratan Tata behind the launch of Nano project? How did he analyse the environment?
2. In spite of extensive research and development programme, Nano was a huge failure. Why?