TUTOR MARKED ASSIGNMENT

COURSE CODE	**:**	**ECO-13**
COURSE TITLE	**:**	**Business Environment**
ASSIGNMENT CODE	**:**	**ECO-13/TMA/2026**
COVERAGE	**:**	**ALL BLOCKS**

Maximum Marks: 100

Attempt all the questions:

1. Discuss the main elements of Nehru-Mahalanobis strategy of development. Give its principal achievements and shortcomings. **(20)**

2. How the grievances of the consumers are sought to be protected under the Consumer Protection Act, 1986? **(20)**

3. Describe the main features of Government policy in relation to industrial sickness. **(20)**

4. Briefly mention the causes of BOP deficits. What are the measures adopted to solve the above problem? **(20)**

5. **Write short notes on the following:** **(4×5)**

(a) Economic Planning

(b) Public Sector

(c) New Industrial Policy, 1991

(d) Foreign Capital

1. Discuss the main elements of Nehru-Mahalanobis strategy of development. Give its principal achievements and shortcomings. (20)

Answer

The Nehru-Mahalanobis strategy gave a definite direction to India's development after Independence, especially from the Second Five Year Plan. Its basic idea was that a poor country could not depend only on the existing pattern of production and private investment. The State had to plan the use of scarce resources, build basic industries and infrastructure, and raise the economy's capacity to produce capital goods. P. C. Mahalanobis provided the analytical basis for this approach, while Jawaharlal Nehru gave it the wider political and developmental framework of a mixed economy with a large public sector.

Main elements of the strategy

1. Planned development and a long-term view. Development was to be guided through Five Year Plans rather than left entirely to market forces. The Planning Commission fixed broad priorities for investment, production and resource mobilisation. The immediate level of consumption was not treated as the only objective; the strategy stressed creation of productive capacity that could support faster growth in later years.
2. Priority to capital goods and heavy industry. The central Mahalanobis proposition was that future growth depends greatly on the domestic capacity to produce machines and other investment goods. Therefore, relatively more investment was directed towards steel, heavy engineering, machine-building, power and other basic industries. This was expected to reduce dependence on imported equipment and to raise the long-run rate of growth.
3. Leading role for the public sector. Large basic industries required huge capital, long gestation periods and carried risks that private business might not accept. The State therefore took responsibility for many strategic and infrastructure industries. The Industrial Policy Resolution of 1956 fitted closely with this approach and expanded the sphere in which public enterprises would play the commanding role.
4. A mixed economy with regulated private enterprise. Private industry was not abolished. It continued in agriculture, trade, consumer goods and many manufacturing activities, but operated within a system of industrial licensing,