

# Preface

The end of the first decade in the 21<sup>st</sup> century saw the global economic crisis hampering commerce around the world, particularly in the developed countries. Economic reforms, implemented in the form of liberalisation, privatisation and globalisation, have brought about a wide range of challenges and opportunities in most of the countries during the last decade. Understanding the implications of structural adjustment programmes on business, economy and society becomes all the more significant in this competitive era.

The economic growth of China and India has been remarkable over the last decade and the former is expected to overtake the position of United States as the largest economy in the world. Organisations will have to formulate new growth strategies for success, expansion and increasing gains based on day-to-day developments and the fast-moving world. The need of the hour is to learn all the new policies, structures, measures, steps and the implications with reference to legal framework, foreign investment, exports and imports, privatisation, taxation, budget, competition, monetary policy, technology, capital market, foreign exchange transactions, corporate governance and social responsibility. Gaining knowledge about all these spectra of business would help one to be a successful manager in the era of ever-increasing competition.

It is because of the importance of these topics and the changing environment that universities and institutes have made Business Environment/Economic Environment and Policies as a core subject in management and commerce streams. In some institutes this course has been covered under titles like *Economic and Social Environment*, *Business in Asia*, *Indian Economy*, *Developments in Indian and Global Economy*, *Asian Business Environment* and so on.

The idea of this book originated when I was teaching 'Economic Environment of Business' for Mumbai University's Master of Management Studies course and 'Business Environment' for Executive MBA during 2001-03. Later, I got the opportunity to teach this course at the Indian Institute of Management, Indore, Nagoya University, Japan, University of Washington, Great Lake Institute etc., as a visiting professor, which helped me to include updated topics into this textbook. The changes made in the second edition have been widely accepted by professors and students, and they helped the book in becoming one of the best-selling titles on the subject.

This book has been written in accordance with the courses outlined in the University Grants Commission curriculum and will cater to the requirements of students as well as teachers. Candidates aspiring to update their knowledge about current affairs to prepare for interviews will find this book a valuable resource. The book can also serve the purpose of practicing managers who need to understand the permutations and combinations of new business rules and opportunities to take wise corporate decisions.

Many textbooks fail to discuss the implications of the various topics for the real world of business. This textbook takes this into consideration. So more than 75 company/industry based case studies as well as many country cases have been included. They will be very useful for students who will soon be practicing managers.

## **New and expanded topics in this edition**

Many new and expanded topics in this third edition cover issues in global financial crisis and consequences, multinational corporations, foreign direct investment, business environment in East Asian countries, industry trends and market structure. The new chapters included in this book are:

Chapter 1 – Nature and Dynamics of Business Environment

Chapter 15 – Global Recession and New Business Environment

Chapter 20 – Multinational Companies and Foreign Direct Investment

Chapter 25 – Economic and Business Environment in East & South East Asian Countries

Other highlights of this new edition are:

- Class/Field Exercises including web links
- Practical Problems based on numerical calculations in important chapters
- Real life cases to provide insights on the recent developments
- Statistical updates in all chapters

### **Companion Website**

Additional resources for students as well as instructors will be available on <http://mhhe.com/justinpaul>. Additionally, a blog on this subject will also be available on [www.drjustinpaul.com](http://www.drjustinpaul.com), where the students and teachers can exchange their views with the author.

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At a time when the environment concerning business and economy is undergoing paradigm shift and many institutes are still searching for a good textbook covering the current issues of the subject, the publishers at McGraw-Hill deserve appreciation for nudging me to undertake the work for the Third Edition and for helping me to make it a worthy one. I am thankful to Vibha Mahajan, Tapas Maji, Hemant K. Jha, Shalini Negi, Anubha Srivastava, Sneha Kumari, Manohar Lal and Atul Gupta for this. I am deeply grateful to the reviewers of this book as well, some of whom are: A K Upadhyay, Apeejay Institute of Technology, Noida; Faisal Ahmed, Asia-Pacific Institute of Management, New Delhi; Sankalp Srivastava, Kali Charan Nigam Institute of Technology, Banda (UP); Debabrata Mandal, Presidency College, Kolkata; Sunita Malhotra, ITM Universe, Gwalior; Suresh Bedi, Institute of Management Studies and Research, Maharishi Dayanand University, Rohtak.

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