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Insert a paragraph after 8th line, 1st column. Replace uptill village industries.

The emergence of a large services sector has necessitated the government to include other enterprises covering both small scale industries sector (SSI) and related service entities under the same umbrella. Expansion of the small scale enterprises was taking place growing into medium scale enterprises and they were required to adopt higher levels of technologies in order to remain competitive in a fast globalizing world. Thus, it was necessary to address the concerns of such enterprises micro, small and medium and provide them with a single legal framework. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 addresses these issues relating to definition, credit, marketing and technology upgradation. Medium scale enterprises and service related enterprises also come under the purview of this Act. The MSMED Act 2006 came into force w.e.f. October, 2006. Accordingly, enterprises are classified into two major categories viz manufacturing and services.

Manufacturing

In the case of enterprises engaged in the manufacture or production of goods pertaining to any industries specified in the first schedule to the Industries (Development and Regulation) Act, 1951, there are 3 types of enterprises.

- (i) **Micro Enterprises**, where the investment in plant and machinery does not exceed twenty-five lakh rupees.
- (ii) **Small Enterprise**, where the investment in plant to machinery is more than twenty five lakh rupees but does not exceed five crore rupees.
- (iii) **Medium Enterprise**, where the investment in plant to machinery is more than five crore rupees but does not exceed ten crores rupees.

Services

In the case of enterprises engaged in providing or rendering of services there are three types of enterprises.

- (i) **Micro Enterprises**, where the investment in equipment does not exceed ten lakh rupees.
- (ii) **Small enterprise**, where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees.
- (iii) **Medium enterprise**, where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

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Replace box as given below:

Category	Manufacturing Investment limit	Providing of services Investment limit
Micro enterprise	25 lakh	10 lakh
Small enterprise	Between 25 lakh and 5 crores	Between 10 lakh and 2 crores
Medium enterprise	Between 5 crores and 10 crores	Between 2 crores and 5 crores.

While calculating the investment in plant and machinery, the cost of pollution control, research and development, industrial safety devices and such other items shall be excluded.

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Paragraph to be added at the end of page.

The Ministry of Micro, Small and Medium Enterprises designs policies, programme and schemes for promotion and growth of SSIs. The National Small Industries Corporation (NSIC) a public sector enterprise of the Ministry has been providing marketing support to the medium and small enterprises under the Marketing Assistance Scheme.

The Khadi and Village Industries Commission may include the micro or tiny enterprises or the village enterprises as part of small enterprises depending upon the criteria or standards in respect of employment or turnover of the enterprise.

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Additional Table

Table 11.2 A India's exports & imports 2004-05 to 2011-12

Year	Exports	Imports	Trade balance
2004-05	375340	501065	-125725
2005-06	456418	660409	-203991
2006-07	571779	840506	-268727
2007-08	655864	1012312	-356448
2008-09	840755	1374436	-533681
2009-10	845534	1363736	-518202
2010-11	1142649	1683467	-540818
2011-12(P)	1024707	1651240	-626533

Source: DGCIS, Calcutta, as reported in Govt. of India, Economic Survey: 2011-12. New Delhi.

- From 2004-05 to 2011-12 there has been an increase in exports from Rs.375340, to Rs. 10, 24,707 which is almost 3 times in 7 years.
- Imports during the same period have increased more than 3 times, from Rs. 5,01,065 in 2004-05 to 16,51,240 to 2011-12. However, the trade balance had decreased to Rs. 5,18,202 in 2009-10.

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Additional Table

Table 11.3 A **Commodity composition of India's Exports**

Products	Percentage share	
	2009-10	2010-11
Agriculture & allied	10.0	9.9
Ores and Minerals	4.9	4.0
Manufactured Goods	67.4	68.0
Textiles	8.1	6.7
Gems & Jewellery	16.3	14.7
Engineering goods	10.9	12.1
Chemicals & related products	6.3	5.5
Leathers & Manufactures	1.2	0.9
Petroleum, Crude & related Products	16.2	16.8
Others	1.5	1.2

Source: DGCIS, Calcutta, as reported in Govt. of India, Economic Survey: 2011-12. New Delhi.

- In 2009-10 and 2010-11, India's exports of agricultural and allied products, ores and minerals, engineering goods, chemicals, leather & manufactures have declined considerably. (Only petroleum products have increased. See table 11.3A)

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Additional Table

Table 11.4 A **Commodity composition of India's Imports**

Products	Percentage share	
	2009-10	2010-11
Petroleum, Oil & Lubricates (POL)	30.1	28.6
Pearl, Precious and Semi-precious stones	5.6	9.4
Capital goods	15.0	13.1
Electronic goods	7.3	7.2
Gold and Silver	10.3	11.5
Chemicals	5.2	5.2
Edible Oils	1.9	1.8
Coal	3.1	2.7
Iron & steel	2.9	2.8
Professional instruments	1.3	1.1

Source: DGCIS, Calcutta, as reported in Govt. of India, Economic Survey: 2011-12. New Delhi.

From table 11.4 A it can be seen that in 2009-10 and 2010-11 imports of all items are generally on the increase. Only import of edible oils, chemicals and electronic goods as a share in that total imports has declined slightly.

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Additional Table

Table 11.5 A **India's Major Trading Partners**

Country	Percentage share in India's total trade (exports imports)		
	2008-09	2009-10	2010-11
UAE	9.76	9.29	10.81
China	8.59	9.09	10.16
USA	8.18	7.83	7.35
Saudi Arabia	5.09	4.49	4.13
Switzerland	2.54	3.26	4.10
Hong Kong	2.71	2.70	3.18
Germany	3.80	3.37	3.00
Singapore	3.26	3.01	2.81
Indonesia	1.91	2.52	2.60
Belgium	2.09	2.09	2.40
Korea	2.62	2.57	2.35
Japan	2.24	2.22	2.23
Iran	3.04	2.87	2.20
Nigeria	2.12	1.86	2.10
UK	2.58	2.29	2.02
Total of top 15 countries	60.54	59.45	61.45
Others	49.46	50.55	48.55
Total trade	100.00	100.00	100.00

Source: DGCIS, Calcutta, as reported in Govt. of India, Economic Survey: 2011-12. New Delhi.

In 2008-09, 2009-10 and 2010-11, India's major trading partners have changed, UAE and China top the list, USA has come down to number 3 and UK to number 15 if compared to 2003-04 data.

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Additional Table

Table 11.7 A Percentage Shares of Major Services to Total Services Exports

Year	Travel	Transportation	Software	Miscellaneous
1995-96	36.9	27.4	10.2	22.9
2000-01	21.5	12.6	39.0	21.3
2001-02	18.3	12.6	44.1	20.3
2002-03	16.0	12.2	46.2	22.4
2003-04	16.5	13.1	48.9	18.7
2010-11	11.5	10.7	41.7	34.2

Compiled from data as reported in Govt. of India, Economic Survey, 2011-12, New Delhi.

From Table 11.7A . it is seen that in 2010-11, the percentage share of travel, transportation and software services to total services has gone down in comparison to the trend in earlier years.