

## REVIEWS

**Economic Environment of Business,** V. Adhikary, Sultan Chand and Sons, New Delhi, 2nd Edition, 1984, ix, 473, Rs. 35.00.

A firm or a business unit is always subjected to the influence of factors which are beyond its control. These factors influence, in a varying degree, favourably and unfavourably the origin, growth and development of a firm and ultimately shape the destiny of the firm. The complete set of these factors constitute the environment in which the activity of a business unit thrives. There is no point in enumerating them exhaustively and analysing them all in details. Rather judiciously identifying some crucial factors and then grouping them into relevant categories and examining their nature and trend to be used in scientific management and optimisation of scarce resources towards attainment of the avowed goal of an unit may serve some meaningful purpose. In so doing the author of the above book broadly divided the factors into economic and non-economic environmental factors to work out at the outset all possible interactions between them in terms of interaction matrices.

This book has two parts, the first one has been devoted to theoretical framework and the second part has been devoted to, what the author calls, the empirical situation pertaining to Indian case. The two parts, A and B, have the first fourteen chapters equally, followed by the fifteenth chapter on conclusion. At the end of the book an appendix has been added giving twelve tables on some macro level information about Indian economy which are really valuable.

The book deals with the economic environment and adopts the macro economic approach throughout. The author made his stand very

clear in the beginning by suggesting that "the environment furnishes the macro context, the business firm is the micro unit." The author discusses in Chapter II the nature of economic systems in brief which includes mainly free market (capitalist) economy, centrally planned (socialist) economy and mixed economy. Thereafter he completely relies upon Keynesian and post-Keynesian development of macro economic theory to build up the theoretical framework of economic environment of business. It is however little more than just a compilation of materials from ordinary texts of macro economics to serve the purpose of average students at the under-graduate level. The serious readers even at that level may be disappointed if they are carried by the title of the book to expect, quite justifiably, something in the line of externalities interacting with business decisions. However, the theoretical discussions mainly dealt with functioning of the economy, economic policies and planning, problems of fluctuations and growth strategies for long run development.

It should be admitted that the author made an honest attempt in trying to correspond his theoretical discussions with Indian case. Particularly his endeavour to cite the results to highlight the functioning of Indian economy deserves appreciation. The peculiarities and problems of India like parallel economy and poverty which did not feature in Part A have also been covered to give a complete view of the economy. Last of all, the concern of the publisher to have a feedback from the readers towards, perhaps, improvement of the book in subsequent editions is really commendable.

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