

BUSINESS ENVIRONMENT

M.com First Semester

MC1C1

Multiple Choice Questions

1. The term business environment refers to factors which impact functioning of a firm
 - a) External factors
 - b) Management related factors
 - c) Internal factors
 - d) Internal and External factors
2.are generally considered as controllable factors.
 - a) Internal factors
 - b) Cost of production
 - c) External factors
 - d) None of these
3. Factors which are beyond the control of a business are called.....
 - a) Supply
 - b) Profit
 - c) Demand
 - d) External factors
4. Marketing intermediaries are categorized under..... Environment.
 - a) External
 - b) Micro
 - c) Macro
 - d) Remote
5. Value system followed by the management of a firm as certain influence on its..... environment.
 - a) Internal
 - b) Macro
 - c) External
 - d) None of the above
6. Which among the following is part of micro environment?
 - a) Customers
 - b) Competitors
 - c) Suppliers
 - d) All the above
7. Macro environment consist of.....
 - a) Political system
 - b) Culture of the society
 - c) Demographic factors
 - d) All the above
 - c)

8. Entry barriers include.....
- a) Capital requirements
 - b) Requirement of investment
 - c) Monopoly
 - d) All the above
9. Low income economies are also called.....
- a) Third world
 - b) Developing nations
 - c) Under developed nations
 - d) Second world
10.sector contributes more than 70% of world GDP
- a) Agriculture
 - b) Automobile
 - c) Service
 - d) Manufacturing
11. The analysis which helps to diagnose the competitive forces and to identify the strength and weakness is called.....
- a) SWOT analysis
 - b) Structural analysis
 - c) Competitive analysis
 - d) Financial analysis
12. A mission statement explains of a firm.
- a) Philosophy
 - b) Tasks
 - c) Scope
 - d) All the above
13. Strategy of a firm is shaped by.....
- a) Mission
 - b) SWOT
 - c) Objectives
 - d) All the above
14. process by which a firm determine whether their strategic choice as implemented in meeting the objectives.
- a) Evaluation of strategies
 - b) Screening of strategies
 - c) SWOT analysis
 - d) None of these
15. Generation of electricity includes in which sector?
- a) Industry
 - b) Primary
 - c) Tertiary
 - d) Service
16. Commodities are the goods produced by sector
- a) Primary
 - b) Tertiary
 - c) Secondary
 - d) None of these

17. involves all those activities encompassing the trade in goods and services
- a) Business
 - b) Economic activity
 - c) Commerce
 - d) Trading
18. Industries receive raw materials as inputs and dispense intermediates or finished goods.
- a) Primary
 - b) Manufacturing
 - c) Textile
 - d) Allied
19. is a form of oligopoly where some degree of differentiation exists between products of different firms.
- a) Perfect oligopoly
 - b) Duopoly
 - c) Imperfect oligopoly
 - d) Monopsony
20. Following are the features of a perfectly competitive industry.
- a) Free entry and exit
 - b) Mobility of factors
 - c) large number of firms
 - d) All the above
21. industries provide essential inputs for the development of other industries and economy.
- a) Capital goods industries
 - b) Allied industries
 - c) Service sector
 - d) Basic industries
22. are goods undergone manufacturing process and are meant for further processing.
- a) Intermediate goods
 - b) Work-in –progress
 - c) semi-finished goods
 - d) None of the above
23. is the process of analyzing the environment for the identification of the factors which impact on the business.
- a) Environmental analysis
 - b) Business analysis
 - c) Environment scanning
 - d) Factor analysis
24. Is the technique used to forecast the occurrence of complex environmental events.
- a) Scenario analysis
 - b) Economic forecast
 - c) Business forecast
 - d) demand forecast

25. is a part of economic policy of a country
- a) Industrial policy
 - b) Export policy
 - c) Import policy
 - d) All the above
26. Approaches of a government towards public expenditure and revenue are known as.....
- a) Budgets
 - b) Fiscal policy
 - c) Monetary policy
 - d) Industrial policy
27. Monetary policy in India is framed by the.....
- a) RBI
 - b) Ministry of corporate affairs
 - c) Ministry of finance
 - d) Planning commission
28. Which of the following is part of monetary policy decision?
- a) Fixing SLR
 - b) Demonetization
 - c) Fixing CRR
 - d) All the above
29. SOEs stands for.....
- a) Single owned enterprises
 - b) Society owned enterprises
 - c) State owned enterprises
 - d) None of these
30. ICSR stands for.....
- a) Indian Council for Scientific Research
 - b) Indian Council for Social Research
 - c) Indian Council for Strategic Research
 - d) None of these
31. UNCTAD stands for.....
- a) United Nations Committee on Trade and Development
 - b) United Nations Conference on Trade and Development
 - c) Union of National Committee on Trade and Commerce
 - d) None of the Above
32. refers to the system of moral principles and rules of conduct applied to the business.
- a) Values of Business
 - b) Social responsibility
 - c) Business ethics
 - d) Ethical code of conduct
33. Delay in accepting modern culture is termed as.....
- a) Cultural delay
 - b) Cultural gap
 - c) Cultural diversity
 - d) Cultural lag

34. Which among the following is a claimant of social responsibility of business
- a) Shareholders
 - b) Consumers
 - c) Local community
 - d) All the above
35. is a tool for evaluating how satisfactory a company has discharged its social responsibilities.
- a) Social Audit
 - b) Internal check
 - c) Company audit
 - d) Internal audit
36. CSRC stands for.....
- a) Company Social Reforms Committee
 - b) Corporate Social Responsibility Committee
 - c) Committee for Social Responsibility Commitments
 - d) None of these
37. is an organized movement to protect rights and powers of buyers in relation to sellers.
- a) Consumerism
 - b) MRTP Act
 - c) Consumer protection Act
 - d) Consumer courts
38. Consumer protection Act was enacted in the year.....
- a) 1989
 - b) 1985
 - c) 1986
 - d) 1981
39. National Commission for consumer disputes redressal was formed in the year.....
- a) 1988
 - b) 2009
 - c) 1999
 - d) 1991
40. IRDA Act is enacted in the year.....
- a) 1991
 - b) 1990
 - c) 1999
 - d) 2009
41. Companies Act in India is administered by the.....
- a) Ministry of corporate affairs
 - b) Company law board
 - c) Ministry of Finance
 - d) SEBI

42. IDRA stands for.....
- a) Industrial Development Registration Act
 - b) Industries Development and Regulation Act
 - c) Industries De-recognition and Registration Act
 - d) None of these
43. Which among the following is included in Navaratnas?
- a) NTPC
 - b) BHEL
 - c) ONGC
 - d) All the above
44.is the practice of fixing price by the Government
- a) Administered pricing
 - b) Minimum pricing
 - c) Floor pricing
 - d) None of these
45. Practice of charging different price for a product from different markets is called.....
- a) Dumping
 - b) Price discrimination
 - c) Differential pricing
 - d) Strategic pricing
46. refers to the enterprise owned and managed jointly by the Government and Private sector.
- a) Joint sector
 - b) Public private participation
 - c) Joint venture
 - d) None of these
47. Which among the following is a demerit of privatization?
- a) Connivance
 - b) Monopoly elements
 - c) Wrong labour strategies
 - d) All the above
48. PSE stands for.....
- a) Private sector enterprises
 - b) Private service enterprises
 - c) Public sector enterprises
 - d) None of these
49. In 1993 Government of India set up a committee on disinvestment under the chairmanship of
- a) Dr. Manmohan singh
 - b) Raguram Rajan
 - c) C. Rangarajan
 - d) Y.V Reddy
50. EPZs stand for.....
- a) Energy processing zones
 - b) Export Processing Zones
 - c) Export promotion zones
 - d) None of these

51. Expand MSME
- a) Medium , Small and Micro Enterprises
 - b) Micro, Small and Medium Enterprises
 - c) Minimum, Small and Medium Enterprises
 - d) None of these
52. Ancillarisation means.....
- a) Development of supporting industries
 - b) Setting industries to process by products
 - c) Integration of small scale and large industries
 - d) Developing industries to provide inputs
53. MRTP Act has been replaced by..... Act in 2002
- a) Consumer Protection Act
 - b) Monopoly Control Act
 - c) Competition Act
 - d) None of these
54. Moral suasion is nature of credit control
- a) Qualitative
 - b) Restrictive
 - c) Quantitative
 - d) None of these
55. In India finance commission is constituted in every.....
- a) Year
 - b) Fifth Year
 - c) Two years
 - d) Ten years
56. The Securities Contract Regulation Act was enacted in the year...
- a) 1949
 - b) 1956
 - c) 1959
 - d) 1991
57. SEBI was constituted in the year.....
- a) 1998
 - b) 2008
 - c) 1988
 - d) 2018
58. SEBI got statutory body status after enacting
- a) Securities and Exchange Board of India Act 1992
 - b) Securities and Exchange board of India Act 1988
 - c) Securities Contract Regulation Act 1956
 - d) None of these

59. ILO was founded in

- a) 1959
- b) 1919
- c) 1969
- d) 1949

60. ILO is headquartered at....

- a) Geneva
- b) London
- c) New York
- d) New Delhi

61. Which among the following is limitation of Trade Union in India

- a) Multiplicity of unions
- b) Lack of integrity
- c) Outside leadership
- d) All the above

62. NDC stands for.....

- a) National Defense Council
- b) National Development Committee
- c) National Development Council
- d) None of these

63. Which one is not the main objective of fiscal policy of India?

- a) To increase liquidity in the economy
- b) To promote price stability
- c) To minimize inequalities of income
- d) To promote employment opportunity

64. Which of the following denote the structural changes in Indian economy?

- a) Service sector contribution has gone up
- b) Primary sector contribution has gone down
- c) Secondary sector has not changed much
- d) All the above

65. Which one is not an element of legal environment?

- a) Act of Parliamentarians in Lok Sabha
- b) Indian Partnership Act 1932
- c) Indian Contract Act, 1972
- d) Negotiable Instruments Act 1988

66. Public Enterprise is defined as.....

- a) An organization run by joint efforts of Centre and State Governments.
- b) An organization which caters to the needs relating to public utilities.
- c) An organization in which capital is invested by public.
- d) An organization owned and managed by public

67. The fundamental set of assumptions, values, and ways of doing things, that has been accepted by most of a company's members is called its

- a) Culture
- b) Atmosphere
- c) Environment
- d) Values

68. Key actors in a business's immediate environment include
- a) Regulations
 - b) Economy
 - c) Technology
 - d) Politics
69. FEMA is a replacement to which Act?
- a) MRTP Act
 - b) Competition Act
 - c) FERA
 - d) Companies Act
70. Critical success factors in the public sector usually relate to one of the following:
- a) More than one stakeholder
 - b) Government imposed standards
 - c) The expectation of service users
 - d) The expectation of providers of fund
71. The first year plan was launched on.....
- a) 1st April 1951
 - b) 1st April 1952
 - c) 1st April 1955
 - d) 1st April 1960
72. What was the duration of 12th plan?
- a) 2011-15
 - b) 2012-17
 - c) 2009-14
 - d) 2013-18
73. NITI in NITI Aayog stands for.....
- a) National Institute for Transforming India
 - b) National Institute for Trade in Inida
 - c) National Institute for Transforming Industries
 - d) None of the above
74. Who is the current Chairman of NITI Aayog
- a) Narendra Modi
 - b) Amithab kand
 - c) Nirmala Sitaraman
 - d) None of these
75. NITI Aayog was formed on
- a) 1st April 2015
 - b) 1st January 2015
 - c) 1st march 2015
 - d) 1st January 2016

76. Who is the Chairperson of NITI Aayog?
- a) President
 - b) A senior IAS Officer
 - c) Finance Minister
 - d) Prime Minister
77. Who represents a State in NITI Aayog Governing council?
- a) State Finance minister
 - b) Governor
 - c) Chief Minister
 - d) Chief Secretary
78. Who represents a State in NITI's Regional council?
- a) State Finance minister
 - b) Chief Minister
 - c) Governor
 - d) Chief Secretary
79. NITI Aayog is headquartered in
- a) Delhi
 - b) Chennai
 - c) Noida
 - d) Kolkata
80. Planning Commission of India is dissolved on...
- a) 1st January 2015
 - b) 1st April 2014
 - c) 17th August 2014
 - d) 15th August 2014
81. Who was the predecessor of WTO?
- a) GATT
 - b) ITO
 - c) GAAT
 - d) UNCTAD
82. GATT was transformed into a WTO with effect from
- a) April 2000
 - b) January 1995
 - c) March 1991
 - d) April 1995
83. GATT was formed to fill up the gap of..... charter.
- a) ITO
 - b) IMF
 - c) WTO
 - d) IBRD

84. MFA stands for

- a) Multilateral Finance Agreement
- b) Multilateral Federation of Agriculture
- c) Multifibre Arrangement
- d) None of these

85. Multilateral trade negotiation under GAAT is called.....

- a) Rounds
- b) Council
- c) Conference
- d) Discussion

86. WTO is headquartered in

- a) Paris
- b) Geneva
- c) Colombo
- d) Washington DC

87. NTB stands for.....

- a) Non- trade barriers
- b) No trade between
- c) Non- tariff barriers
- d) None of these

88. IMF was established in

- a) 1950
- b) 1948
- c) 1947
- d) 1946

89. Expand TRIPs

- a) Trade relates aspects of investment property
- b) Trade related aspects of intellectual property right
- c) Tariff related aspects of international property rights
- d) None of the above

90. ASEAN stand for.....

- a) Association of South East Asian Nations
- b) Association of South East African Nations
- c) Association of South East American Nations
- d) None of these

91. Expand TRIMs

- a) Tariff related investment measures
- b) Trade related institutions measuring
- c) Trade related investment measures
- d) None of the above

92. Which is not a tariff barrier?

- a) Compound duty
- b) Sliding Scale
- c) Specific duty
- d) Quota system

93. Which among the following is the advanced form of economic integration?

- a) Free trade area
- b) Custom union
- c) Economic union
- d) Common market

94.refers to the investment in a foreign country where the investor retain control over the investment.

- a) FDI
- b) Portfolio investment
- c) FII
- d) Investment in GDR

95. Which of the following is not an international organization?

- a) SAARC
- b) ASEAN
- c) ADB
- d) CBDT

96. SAARC was established in.....

- a) 1995
- b) 1972
- c) 1985
- d) 2002

97. How many members are there in SAARC?

- a) 8
- b) 10
- c) 9
- d) 5

98. SAARC is headquartered in

- | | |
|------------|--------------|
| a) Dhaka | c) Delhi |
| b) Colombo | d) Kathmandu |

99. How many Members are there in BRICS

- | | |
|------|------|
| a) 4 | c) 6 |
| b) 2 | d) 5 |

100. BRICS was established in.....

- | | |
|---------|---------|
| a) 2005 | c) 2006 |
| b) 2010 | d) 2012 |

Answer Key:

1.d 2.a 3.d 4.b 5.a 6.d 7.d 8d. 9.a 10.c 11.b 12.d 13.d 14.d 15.a 16.a
17.c 18.b 19.c 20.d 21.d 22.b 23.c 24.a 25.d 26b.27.a28.d 29.c 30.a 31.b
32.c 33.d 34.d 35.a 36.b 37.a 38.c 39.a 40.c 41.a 42.b 43d. 44.a 45.b
46.a 47.d 48.c 49.c 50.b 51.b 52.c 53.c 54.a 55.b 56.b 57.c 58.a 59.b
60.a 61.d 62.c 63.a 64.d 65.a 66.d 67.a 68.a 69.c 70.a 71.a 72.b 73.a
74.a 75.c 76d. 77.c 78.b 79.a 80.c 81.a 82.b 83.a 84.c 85a. 86.b 87.
c88.d 89.b 90.a 91.b 92.d 93.c 94.a 95.d 96.c 97.a 98.d 99.d 100.c

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