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  c) Internal factors
   b) Management related factors  d) Internal and External factors

2. ……..are generally considered as controllable factors.
   a) Internal factors  c) External factors
   b) Cost of production  d) None of these

3. Factors which are beyond the control of a business are called…..
   a) Supply  c) Demand
   b) Profit  d) External factors

4. Marketing intermediaries are categorized under……. Environment.
   a) External  c) Macro
   b) Micro  d) Remote

5. Value system followed by the management of a firm as certain influence on its…… environment.
   a) Internal  c) External
   b) Macro  d) None of the above

6. Which among the following is part of micro environment?
   a) Customers  c) Suppliers
   b) Competitors  d) All the above

7. Macro environment consist of…..
   a) Political system  c) Demographic factors
   b) Culture of the society  d) All the above
8. Entry barriers include………. 
   a) Capital requirements       c) Monopoly 
   b) Requirement of investment  d) All the above 

9. Low income economies are also called……….. 
   a) Third world               c) Under developed nations 
   b) Developing nations       d) Second world 

10. …….sector contributes more than 70% of world GDP 
    a) Agriculture              c) Service 
    b) Automobile               d) Manufacturing 

11. The analysis which helps to diagnose the competitive forces and to identify the strength and weakness is called….. 
    a) SWOT analysis            c) Competitive analysis 
    b) Structural analysis      d) Financial analysis 

    a) Philosophy               c) Scope 
    b) Tasks                    d) All the above 

13. Strategy of a firm is shaped by………………. 
    a) Mission                 c) Objectives 
    b) SWOT                    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 c) SWOT analysis 
    b) Screening of strategies d) None of these 

15. Generation of electricity includes in which sector? 
    a) Industry                c) Tertiary 
    b) Primary                 d) Service 

16. Commodities are the goods produced by …… sector 
    a) Primary                 c) Secondary 
    b) Tertiary                d) None of these
17. .......... involves all those activities encompassing the trade in goods and services
   a) Business  c) Commerce
   b) Economic activity d) Trading

18. .......... Industries receive raw materials as inputs and dispense intermediates or finished
   goods.
   a) Primary  c) Textile
   b) Manufacturing d) Allied

19. .......... is a form of oligopoly where some degree of differentiation exists between
   products of different firms.
   a) Perfect oligopoly  c) Imperfect oligopoly
   b) Duopoly d) Monopsony

20. Following are the features of a perfectly competitive industry.
   a) Free entry and exit  c) large number of firms
   b) Mobility of factors d) All the above

21. ......industries provide essential inputs for the development of other industries and
   economy.
   a) Capital goods industries  c) Service sector
   b) Allied industries d) Basic industries

22. .................. are goods undergone manufacturing process and are meant for
   further processing.
   a) Intermediate goods  c) semi-finished goods
   b) Work-in –progress 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  c) Environment scanning
   b) Business analysis d) Factor analysis

24. ...... Is the technique used to forecast the occurrence of complex environmental events.
   a) Scenario analysis  c) Business forecast
   b) Economic forecast d) demand forecast
25. …………. is a part of economic policy of a country
   a) Industrial policy   c) Import policy
   b) Export policy      d) All the above

26. Approaches of a government towards public expenditure and revenue are known as………
   a) Budgets           c) Monetary policy
   b) Fiscal policy     d) Industrial policy

27. Monetary policy in India is framed by the…..
   a) RBI               c) Ministry of finance
   b) Ministry of corporate affairs      d) Planning commission

28. Which of the following is part of monetary policy decision?
   a) Fixing SLR        c) Fixing CRR
   b) Demonetization    d) All the above

29. SOEs stands for……..
   a) Single owned enterprises       c) State owned enterprises
   b) Society owned enterprises      d) None of these

30. ICSR stands for…….
   a) Indian Council for Scientific Research c) Indian Council for Strategic Research
   b) Indian Council for Social 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    C) Business ethics
   b) Social responsibility d) Ethical code of conduct

33. Delay in accepting modern culture is termed as………….
   a) Cultural delay        c) Cultural diversity
   b) Cultural gap          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 ieas 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  c) 1969
   b) 1919  d) 1949

60. ILO is headquartered at….
   a) Geneva  c) New york
   b) London  d) New Delhi

61. Which among the following is limitation of Trade Union in India
   a) Multiplicity of unions  c) Outside leadership
   b) Lack of integrity  d) All the above

62. NDC stands for……
   a) National Defense Council  c) National Development Council
   b) National Development Committee  d) None of these

63. Which one is not the main objective of fiscal policy of India?
   a) To increases liquidity in the economy  c) To minimize inequalities of income
   b) To promote price stability  d) To promote employment opportunity

64. Which of the following denote the structural changes in Indian economy?
   a) Service sector contribution has gone up  c) Secondary sector has not changed much
   b) Primary sector contribution has gone down  d) All the above

65. Which one is not an element of legal environment?
   a) Act of Parliamentarians in Lok Sabha  c) Indian Contract Act, 1972
   b) Indian Partnership Act 1932  d) Negotiable Instruments Act 19881

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  c) Environment
   b) Atmosphere  d) Values
68. Key actors in a business’s immediate environment include
   a) Regulations               c) Technology
   b) Economy                   d) Politics

69. FEMA is a replacement to which Act?
   a) MRTP Act             c) FERA
   b) Competition Act       d) Companies Act

70. Critical success factors in the public sector usually relate to one of the following:
   a) More than one stakeholder     c) The expectation of service users
   b) Government imposed standards d) The expectation of providers of fund

71. The first year plan was launched on……
   a) 1st April 1951          c) 1st April 1955
   b) 1st April 1952          d) 1st April 1960

72. What was the duration of 12th plan?
   a) 2011-15                 c) 2009-14
   b) 2012-17                 d) 2013-18

73. NITI in NITI Aayog stands for…..
   a) National Institute for Transforming India
   b) National Institute for Trade in India
   c) National Institute for Transforming Industries
   d) None of the above

74. Who is the current Chairman of NITI Aayog
   a) Narendra Modi               c) Nirmala Sitaraman
   b) Amithab kand                 d) None of these

75. NITI Aayog was formed on
   a) 1st April 2015          c) 1st March 2015
   b) 1st January 2015        d) 1st January 2016
76. Who is the Chairperson of NITI Aayog?
   a) President   c) Finance Minister
   b) A senior IAS Officer   d) Prime Minister

77. Who represents a State in NITI Aayog Governing council?
   a) State Finance minister   c) Chief Minister
   b) Governor   d) Chief Secretary

78. Who represents a State in NITI’s Regional council?
   a) State Finance minister   c) Governor
   b) Chief Minister   d) Chief Secretary

79. NITI Aayog is headquartered in …..  
   a) Delhi   c) Noida
   b) Chennai   d) Kolkata

80. Planning Commission of India is dissolved on…
   a) 1\textsuperscript{st} January 2015   c) 17\textsuperscript{th} August 2014
   b) 1\textsuperscript{st} April 2014   d) 15\textsuperscript{th} August 2014

81. Who was the predecessor of WTO?
   a) GATT   c) GAAT
   b) ITO   d) UNCTAD

82. GATT was transformed into a WTO with effect from ……
   a) April 2000   c) March 1991
   b) January 1995   d) April 1995

83. GATT was formed to fill up the gap of…… charter.
   a) ITO   c) WTO
   b) IMF   d) IBRD
84. MFA stands for …
   a) Multilateral Finance Agreement           c) Multifibre Arrangement
   b) Multilateral Federation of Agriculture  d) None of these

85. Multilateral trade negotiation under GAAT is called…..
   a) Rounds                                  c) Conference
   b) Council                                 d) Discussion

86. WTO is headquartered in …
   a) Paris                                   c) Colombo
   b) Geneva                                  d) Washington DC

87. NTB stands for…..
   a) Non-trade barriers                     c) Non-tariff barriers
   b) No trade between                       d) None of these

88. IMF was established in …
   a) 1950                                    c) 1947
   b) 1948                                    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:

32. c  33. d  34. d  35. a  36. b  37. a  38. c  39. a  40. c  41. a  42. b  43. d  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  76. d  77. c  78. b  79. a  80. c  81. a  82. b  83. a  84. c  85. a  86. b  87. 
88. 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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