

DEPARTMENT OF BUSINESS ADMINISTRATION (BBA)

16UBM622-BUSINESS ENVIRONMENT-K1 Questions

Multiple Choice Questions

UNIT-I

1. In which of the following basic categories can business environment be divided?

- A. Local and Regional
- B. Regional and National.
- C. Internal and External.**
- D. Financial and Nonfinancial.

ANSWER: C

2. ____ is a statement Which derives the role that an organization plays in a society.

- A. Goals.
- B. Mission.**
- C. Objective.
- D. Success.

ANSWER: B

3. Economic environment refers to all forces which have a _____.

- A. political.
- B. natural
- C. economic.**
- D. social.

ANSWER: C

4. _____ environment is with in the control of the business.

- A. Internal.**

B. External.

C. Micro.

D. Macro.

ANSWER: A

5 ____ environment is beyond the control of the business.

A. Internal.

B. External.

C. Micro.

D. Macro.

ANSWER: B

6. Micro environment is also called as _____.

A. general environment.

B. operating environment.

C. economics environment.

D. political environment.

ANSWER: B

7. Macro environment is also called as _____.

A. general environment.

B. operating environment.

C. economic environment.

D. political environment.

ANSWER: A

The environment which is close to business and affect its capacity to work is known as ____environment.

A. internal.

B. external.

C. micro.

D. macro.

ANSWER: C

9. Factors that create opportunities and threats to business units is known as _____.

A. internal environment.

B. external environment.

C. micro environment.

D. macro environment.

ANSWER: D

10. Internal factors affecting a business environment also are referred to ____ factors.

A. controllable.

B. uncontrollable factors.

C. relevant.

D. global.

ANSWER: A

External factors affecting a business environment also be referred to ____ factors.

A. controllable.

B. uncontrollable.

C. relevant.

D. global

ANSWER: B

12. Study of human population is called as _____ environment.

A. political.

B. social.

C. demographic.

D. economic

ANSWER: C

13. IN which year the essential commodities act introduced___.

A. 1954.

B. 1955.

C. 1956.

D. 1957.

ANSWER: B

14. Which is the one not included in national culture?

A. Language.

B. Internet.

C. Belief.

D. Attitude.

ANSWER: B

15. Culture spreads from one place to another and such transmission is called as _____.

A. difference.

B. reputation.

C. adoption.

D. heritage.

ANSWER: A

16. An attitude composed of effect ____.

A. flextime.

B. cognition.

C. relationship.

D. culture.

ANSWER: B

17. What is the main occupation of Kshatriyas?

A. engage in cleaning.

B. engaged in trade.

C. engaged in army work.

D. none of the above

ANSWER: C

18. A systematic application of scientific knowledge to practical task is known as_____.

A. technology.

B. culture.

C. demographic.

D. legal.

ANSWER: A

19. ___ is defined as systematic assessment of the social impact of the activities of a business firm.

A. Social audit.

B. Social responsibility.

C. Social interaction.

D. Social benefit.

ANSWER: A

20. What are the elements of business ethics?

A. Values rights and duties.

B. attitudes pressure and environment.

C. value environment and attitude.

D. Responsibilities.

ANSWER: A

UNIT-II

21. Corporate values are the _____ of the corporate sector.

A. shared values.

B. moral beliefs.

C. customer satisfaction.

D. goodwill.

ANSWER: B

22. The economic system in which business units or factors of production are privately owned and governed is called as _____.

A. capitalism.

B. socialism.

C. democratic.

D. republic.

ANSWER: A

23. The economic system in which both public and private sectors co exist is known as ___ economy.

A. capitalism.

B. socialism.

C. democratic.

D. republic.

ANSWER: B

24. One Reserve Bank of India introduced certificates of deposit in _____.

A. 1964.

B. 1989.

C. 1986.

D. 1990

ANSWER: B

Fiscal policy refers to the policy of government regarding taxation public expenditure and ____.

A. public debt.

B. budgets.

C. policies.

D. deposits.

ANSWER: B

26. The sixth plan mentions 17 criteria for determining the prevalence of ____.

A. poor.

B. academician.

C. backwardness.

D. business.

ANSWER: C

27. Fiscal policy is called as _____ policy.

A. monetary.

B. budgetary.

C. industrial.

D. economic.

ANSWER: B

28. One concept of culture determines the ____ of people.

A. experience.

B. ethics.

C. education.

D. wealth.

ANSWER: B

29. Self fulfillment and immediate gratification are_____cultural values.

A. decreases.

B. rises.

C. diminishes.

D. corporte.

ANSWER: B

30. National stock exchange was set up a joint stock company by all indian financial institution and banks on November 27 _____.

A. 1991.

B. 1992.

C. 1993.

D. 1994.

ANSWER: B

31. Which can be a method of privation?

A. Denationalization.

B. Purchasing shares.

C. Takeover.

D. Merger.

ANSWER: A

32. In India liberalization and privatization began from_____.

A. 1991.

B. 1971.

C. 1981.

D. 1947.

ANSWER: C

33. Industrial policy of 1948 aimed at _____.

A. industrialization

B. growth of agriculture.

C. development of infrastructure .

D. development of service sector.

ANSWER: A

34. _____ state can have an elected or hereditary head.

A. Democratic.

B. Autocratic.

C. Socialized.

D. Republic.

ANSWER: A

35. The era of deregulation / liberalization begin in ____.

A. 1950and51.

B. 1980.

C. 1991.

D. 1960.

ANSWER: A

36. _____ occupies the central place in business.

A. People.

B. Raw material.

C. Labour.

D. Finished goods.

ANSWER: B

37. India is good example for _____economy.

A. socialist.

B. mixed .

C. capitalist.

D. communist.

ANSWER: B

38. Business includes _____.

A. non-economic activities.

B. economic activities.

C. social activities.

D. production activities.

ANSWER: B

39. What is the single word that can best describe today s business?

A. Technology.

B. Profit Making.

C. Change.

D. People.

ANSWER: C

40. Is the modern business dynamic?

A. mass production.

B. mass marketing.

- C. mass sales.
- D. mass purchase.

ANSWER: A

UNIT-III

41. A valid definition of a business purpose is to _____.

- A. create a customer.**
- B. maximize profits.
- C. serve the society.
- D. increase the wealth in the firm.

ANSWER: A

42. Is today's business not characterized by diversification?

- A. Social relationship.
- B. Profit.**
- C. Customers.
- D. Assets.

ANSWER: B

43. Is interference of government in business common in every country?

- A. 1960.**
- B. 1970.
- C. 1980.
- D. 1990.

ANSWER: A

44. _____ refers to the system of moral principles and rules of conduct applied to business.

- A. Business culture.

B. Business ethics.

C. Business.

D. Society.

ANSWER: B

45. Competition is beneficial to the competing firms besides benefiting the _____?

A. producers.

B. intermediaries.

C. finances.

D. consumers.

ANSWER: D

46. What are the main concepts concerning about business goals or objectives?

A. Mission, objectives.

B. Mission , targets.

C. Mission, objectives, target.

D. Target, objectives.

ANSWER: C

47. Goals realization continuously will lead to _____.

A. mission fulfillment.

B. maximize customers.

C. high revenue.

D. maximize suppliers.

ANSWER: A

48. _____ is the primary motive for a business enterprise.

A. Profit.

B. Maximize customers.

- C. Human objective.
- D. Maximize suppliers.

ANSWER: A

49. The following statement with respect to culture is false.

- A. Culture is enduring.
- B. Culture is changing.
- C. Culture is evolved among the members of a society.

D. Culture is determined by national boundaries.

ANSWER: D

50. _____ is the business through which new ideas and innovations are given a sharp and are converted into useful products and services .

- A. Market Leadership.
- B. Challenge.
- C. Joy of Creation.**
- D. Growth.

ANSWER: C

51. what is the nature of business environment?

- A. Aggression.
- B. Relative.
- C. Uncertain.
- D. Aggression, Relative and Uncertain.**

ANSWER: D

52. What is the significance of business environment?

- A. First Mover Advantage.**
- B. Competition.

- C. Information.
- D. Globalization.

ANSWER: A

53. What are the elements of business environment?

- A. Micro Environment.
- B. Macro Environment.
- C. Complex Environment.

D. Steeple factor

ANSWER: D

Macro environment is also known as _____?

A. direct environment .

B. indirect environment.

- C. competitive environment.
- D. social environment.

ANSWER: B

55. Macro environment consist of _____?

A. public.

B. political & legal.

- C. suppliers.
- D. customers.

ANSWER: B

56. The micro environment consists _____.

- A. Technological Environment.
- B. Political Environment.
- C. Economic Environment.

D. Public, middlemen, consumers & competitors.

ANSWER: D

57. _____ refers to all forces which have an economic impact.

A. Technological Environment.

B. Political Environment.

C. Economic Environment.

D. Legal environment

ANSWER: C

58. _____ decides on a particular course of action.

A. Legislature.

B. Executive.

C. Judiciary.

D. Public.

ANSWER: A

59. The first MNC came to India in _____.

A. 1920.

B. 1921.

C. 1919.

D. 1923

ANSWER: B

60. Economic growth can be measured by _____.

A. the CPI.

B. the CBI.

C. GDP.

D. MPC.

ANSWER: C

61. Porter s model represents the relationship between _____.

A. organizational and environment.

B. society and environment.

C. organization and society.

D. society and industry.

ANSWER: A

62. _____environment refers to all economic factors which have a bearing on the functioning of a business.

A. Economic.

B. Technological.

C. Natural.

D. Social.

ANSWER: A

UNIT-IV

63.Capitalism stresses the philosophy of individualism believing in private Ownership comes under _____.

A. legal planning.

B. soviet planning.

C. government planning.

D. agricultural planning.

ANSWER: A

64. In which year socialism the tools production are not managed by government?

A. 1952.

B. 1950.

C. 1951.

D. 1953.

ANSWER: B

65. In capitalism ____ losses assumed by the customers.

A. economics.

B. technological.

C. natural.

D. social.

ANSWER: B

66. Depreciation is permitted in communism _____.

A. legal planning.

B. soviet planning.

C. government planning

D. agricultural planning.

67. In communism the state determines one's employer and employment ____.

A. socialism.

B. economics.

C. communism.

D. capitalism.

ANSWER: A

68. The _____ socialism seems to fall between capitalism and communism ____.

A. increased.

B. decreased.

C. lowlevel.

D. medium.

ANSWER: A

69. Has the per capita income increased or decreased from 1980 to 2009 ____.

A. increased.

B. decreased.

C. medium.

D. narrow.

ANSWER: C

70. Population is a component of the total _____ environment.

A. economic.

B. social.

C. natural.

D. technology.

ANSWER: A

71. Which plan gives priority for family planning?

A. State Policy.

B. Judicial Policy.

C. Industrial

D. Energy

ANSWER: B

72. Governments policy towards industries is called as _____.

A. economic policy.

B. industrial policy.

C. monetary policy.

D. work policy.

73. Industrial policy was set up in the year _____.

A. 1955.

B. 1956.

C. 1957.

D. 1958.

ANSWER: B

74. One of the objectives of industrial policy is to accelerate the rate of economic Growth and speed up industrialization_____.

A. 1955.

B. 1956.

C. 1957.

D. 1958.

ANSWER: A

75. MRTP act was set up in the year _____.

A. 1950.

B. 1951.

C. 1952.

D. 1953.

ANSWER: A

76. The liberalization of the rules relating to FDI permitting _____% equity in wide range of Industries.

A. 50.

B. 51.

C. 52.

D. 53.

ANSWER: B

UNIT-V

77. In some circles, a multinational corporation is also referred to _____.

- A. multinational collaboration .
- B. multinational entity.
- C. multinational enterprises.**
- D. multinational development.

ANSWER: C

78. Multinational corporations is also referred to _____.

- A. multinational collaboration.
- B. multinational entity.
- C. transnational corporation.**
- D. multinational development.

ANSWER: C

79. FERA is foreign exchange regulation act for _____.

- A. industries .**
- B. small scale .
- C. labour.
- D. owner.

ANSWER: A

80. GDP is _____.

- A. Gross Domestic Product.**
- B. Gross Domestic Percentage.
- C. Gross Domestic Personnel.
- D. Gross Domestic Public.

ANSWER: A

81. GNP stands for _____

A. Gross National Product

B. Gross negative product

C. Gross negotiable product

D. None of the above

ANSWER: A

82. SAOIL is _____.

A. Steel authority of India ltd .

B. School authority of India ltd.

C. State authority of India ltd.

D. Span authority of India ltd.

ANSWER: A

83. NDP is _____.

A. Net Domestic Product.

B. Net Domestic Percentage.

C. Net Domestic Personnel.

D. Net Domestic Public.

ANSWER: A

84. Who gave a practical shape to privatization?

A. MARGARAT THATCHER.

B. LOUIS PETER.

C. WILLIAMS.

D. FAYOL.

ANSWER: A

85. In privatization SIP refers to _____.

A. Share issue privatization.

B. Shares in privatization.

C. Share industry privatization.

86. The techniques of privatization are contract _____ and concession.

A. building.

B. free .

C. leases .

D. hire purchase.

ANSWER: C

87. There are _____ sins of privatization.

A. 5.

B. 6.

C. 7.

D. 8.

ANSWER: C

88. The income level of residents in a country is indicated by _____.

A. gross national income.

B. gross domestic product.

C. per capita gross national income.

D. per capita gross domestic product.

ANSWER: C

89. -----is the process of analyzing the environment for the identification of factors which have impact on or have implication for the business.

A. Assessment

B. Forecasting

C. Scanning

D. None of these

ANSWER: C

90. PEST is an acronym which stands for _____.

A. Political, Environment, Societal, Technology. Share institution privatization.

B. Political, Economic, Societal, Technological.

C. Political, Economic, Social, Technological.

D. People, Economy, Standards, Transport.

ANSWER: C

91. The European Union is an example of _____.

A. monetary union.

B. free trade area.

C. common market.

D. economic union.

ANSWER: D

92. The major responsibility of RBI is _____.

A. healthy regulation.

B. monetary regulation.

C. work regulation .

D. industrial regulation.

93. The legal system in India is based on _____.

A. Common law.

B. Civil law.

C. Theocratic law.

D. Hindu law.

ANSWER: D

94. A mixed economy is necessarily a _____.

A. controlled.

B. planned.

C. organised.

D. planned, organised and controlled.

ANSWER: D

95. The origin of Common law is in _____.

A. America.

B. England.

C. Russia.

D. India.

ANSWER: A

96. The focus on increasing profitability and profit growth by reaping the cost reduction that come from economies of scale is _____.

A. global standardization strategy.

B. localization strategy.

C. transnational strategy

D. international strategy.

ANSWER: A

97. The total accumulated value of foreign- owned assets at a given period of time is ___.

A. flow of FDI

B. stock of FDI

- C. inflow of FDI
- D. outflow of FDI

ANSWER: B

98. The taking over of a private firm by the host country government to be run it as a government unit is _____.

- A. expropriation.
- B. confiscation.
- C. nationalisation.**
- D. domestication

ANSWER: C

99. Who is responsible for presenting the Union Budget before the Parliament?

- A. Prime Minister
- B. Finance Minister**
- C. RBI Governor
- D. none of the above

ANSWER: B

100. The goods and the services produced, priced and distributed by the government is ____.

- A. Market economy.
- B. Secular economy.
- C. Command economy.**
- D. Mixed economy.

ANSWER: C

BUSINESS ENVIRONMENT

K2 QUESTIONS

UNIT-I

1. What is business environment?
2. .Point out the important characteristics of macro environment and distinguish it from micro environment.
3. What are the objectives behind passing the Industries Development and Regulation Act-1951?
4. What guidelines have been issued by SEBI for the protection of the interest of debenture holders?
5. Write an explanatory note on the main provision of the Consumer Protection Act 1966.
6. What are the objectives of Monetary Policy in India?
7. .Describe briefly the changing role of public sector and private sector in the shaping the economic destiny of India.
8. .-Describe the factors to be considered while selecting an appropriate technology and also underline the problems associated with it. 1
9. What is social responsibility?
10. What necessitated the adoption of New Economic Policy in India?

UNIT-II

11. . What is Globalization?
12. What are the main drivers of globalization?
13. What do you understand by Business Environment? How does its study help in a business organization?

14. Define Unfair Trade Practice. Discuss the provisions in the MRTP act for controlling Unfair Trade Practices.
15. Define Capitalism and describe its features.
16. What are the measures adopted by the Reserve Bank of India to control Credit?
17. What is meant by Micro Business Environment?
18. What is environment analysis?
19. Point out forces pertaining to economic environment.
20. Enumerate Socio-cultural forces to business environment.

UNIT-III

21. What demographic factors are relevant to business?
22. What is meant by mixed economy?
23. Enumerate some of the features of socialistic system.
24. What is Foreign Direct Investment?
25. Explain the rationale of technology adaptation and absorption.
26. How political environment affect business?
27. "Business Social responsibility is confined only up to balancing profit and social goals". Discuss
28. What do you mean by environment forecasting?
29. Discuss the salient features of India's Fiscal Policy.
30. Discuss in brief instruments of monetary policy.

UNIT-IV

31. Write a note on “Globalisation and Liberalization of India’s Foreign Investment Policy.”
32. Explain objectives of Competition Law in india.
33. Give two suggestions to the problems of small scale industries
34. State any two features of business environment.
35. . Mention the different types of business environment.
36. List the various elements of non-economic environment of business.
37. State any two effects of liberalisation of Indian economy.
38. What is meant by the term ‘ethics’?
39. Describe the importance of business environment for the business firm.
40. Explain any two non-economic environment of business?

UNIT-V

41. State the responsibilities of business towards the community.
42. Describe in brief the economic environment of business.
43. . Explain the social responsibility of business towards different groups.
44. What do you mean by monetary policy?
45. What is counter trade?
46. What do you mean by sectoral imbalances?
47. What do you mean by monetary policy?
48. What is technical unemployment?
49. What do you understand by unfavorable balance of payment?
50. What do you mean by creeping inflation?

DEPARTMENT OF BUSINESS ADMINISTRATION

16UBM622-BUSINESS ENVIRONMENT

SECTION –B

UNIT-I

1. What is meant by Micro Business Environment?
2. What is environment analysis?
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4. Enumerate Socio-cultural forces to business environment.
5. What demographic factors are relevant to business?
6. What is meant by mixed economy?
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UNIT-II

11. “Business Social responsibility is confined only up to balancing profit and social goals”. Discuss
12. What do you mean by environment forecasting?
13. Discuss the salient features of India’s Fiscal Policy.
14. Discuss in brief instruments of monetary policy.
15. Write a note on “Globalisation and Liberalization of India’s Foreign Investment Policy.”
16. Explain objectives of Competition Law in india.
17. Explain in detail significance and need to study business environment.
18. How far the new Economic Policy of India has been helpful in the country’s economic development? Point out its defects and give suggestions to remove them.

19. Discuss disinvestment policy of Government of India. Do you feel that this policy is contributing desired results?
20. Write a detailed note on International Business Environment and its impact on India

UNIT-III

21. What is business environment? How is the study of business environment relevant to a manager?
22. Environment scanning should provide input to strategic decision making” Elaborate.
23. Point out the important characteristics of macro environment and distinguish it from micro environment.
24. What are the objectives behind passing the Industries Development and Regulation Act-1951?How far have these objectives fulfilled?
25. What guidelines have been issued by SEBI for the protection of the interest of debenture holders?
26. Write an explanatory note on the main provision of the Consumer Protection Act 1966.
27. What are the objectives of Monetary Policy in India? Also examine critically the working of monetary system in India.
28. Describe briefly the changing role of public sector and private sector in the shaping the economic destiny of India.
29. destiny of India.
30. Critically examine the role of financial institutions in the growth and development of industries in India.

UNIT-IV

31. Describe the factors to be considered while selecting an appropriate technology and also underline the problems associated with it.
32. What are the important feature of Indian culture and value system? How does the culture effect the business?
33. What is social responsibility? How can business combine its social responsibility with that of profit making objective?
34. What necessitated the adoption of New Economic Policy in India? What were the objective and how far these objectives have been fulfilled?

35. Bring out the redeeming features of India's FDI Policy? Assess whether the policy has been able to
36. Serve the basic purpose of attracting foreign direct investment in India.
37. What is Globalization? What are the main drivers of globalization? Discuss them in brief.
38. What do you mean by demarketing?
39. What is environmental Diagnosis?
40. What do you mean by business environment and economic environment respectively?

UNIT-V

41. Why are Internal factors of a business enterprise regarded as controllable factors?
42. What kind of external factors influence the process of business enterprises?
43. What do you mean by Micro environment?
44. What do you understand by free market economy
45. Mention some important determinants of business strategies
46. What do you understand by free market economy?
47. What Factors show that "the freedom of private enterprises is greatest in the free market economy"?
48. . Mention the socio-cultural fabric as an important environmental factor that should be analysed while formulating business strategies
49. What demographic factors are relevant to business?
50. Describe the advantages and disadvantages of Foreign capital in the industrial development of a country

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DEPARTMENT OF BUSINESS ADMINISTRATION

18UBM622-BUSINESS ENVIRONMENT

SECTION C

UNIT-I

1. Explain the structure and functions of WTO?
2. What are the differences between planning commission and NITI Ayog?
3. Explain the features of MNC?
4. Write a short note on FDI in retail trade?
5. Write a short note on fiscal & monetary policy?

UNIT-II

6. What do you mean by investment climate? How does it influence the working of private sector in India
7. Explain various types of unemployment in India. Discuss the causes and consequences of unemployment.
8. Explain the features of new economic & industrial policy?
9. What do you mean by regional imbalances? How it can be rectified?. Write a short note on: - BRICS, SAARC
10. Write a detailed note on Socialism.

UNIT-III

11. Discuss in detail the political institutions in India.
12. “Joint sector helps in growth of Economy”. Explain.

13. What is social audit? Explain its importance for Business.
14. What are the basic factors influencing corporate governance?
15. Explain the impact of technology on business.

UNIT-IV

16. Discuss competitive strategies that firms usually apply to stay in business.
17. Discuss the various dangers of MNCs to developing country
18. Explain the functions of FDI in developing countries
19. . What is meant by Business environment? Explain its concepts
20. Write down the various constituents of business environment

UNIT-V

21. . explain the various characteristics of business environment in India
22. Enumerate the significance of business environment in detail
23. Write down the need of environmental analysis in business
24. What is meant by SWOT analysis? Explain
25. Explain the limitations of business environment

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