

**VPM's**  
**Programme: EpMBA (2017-18)**  
**Batch: 13**  
**First Semester Examination Jan 2018**

<b>Subject Name</b>	<b>Business Environment</b>		
<b>Roll No.</b>		<b>Marks</b>	<b>60 Marks</b>
<b>Total No. of Questions</b>	<b>60</b>	<b>Duration</b>	<b>2 Hours</b>
<b>Total No. of pages</b>		<b>Date</b>	

- Q1. \_\_\_\_\_ is not a part of arguments for social responsibility
- Changed public expectations from business
  - Better environment for business
  - Public Image
  - Lack of social skills
- Q2. The Economic environment of a business includes?
- Economic system
  - Economic policies
  - Economic conditions
  - All of these
- Q3. What are the elements of business ethics?
- Values rights and duties.
  - Attitudes pressure and environment.
  - Value environment and attitude.
  - Responsibilities.
- Q4. What is Repo rate?
- Rate at which RBI lends to the government
  - Rate at which international agencies lend to RBI
  - Rate at which RBI lends to bank
  - Rate at which banks lends to RBI
- Q5. Deficit financing implies:
- Printing new currency notes
  - Public revenue in excess of public expenditure
  - Public expenditure in excess of public revenue
  - Replacing new currency with worn out currency
- Q6. \_\_\_\_\_ environment is within the control of the business.
- Internal
  - External
  - Micro
  - Macro
- Q7. In this type of economic system, the Govt. intervention will be absent.
- Free enterprise economy
  - Socialist economy
  - Mixed economy
  - None
- Q8. What does PPP stand for?
- Public Policy Papers
  - Public Private Partnership
  - Private Procurement & Purchase

d. Personal Production Proposal

Q9. \_\_\_\_\_ is defined as the integration of countries into world economy or one global market.

- a. World Bank
- b. International Monetary Fund
- c. **Globalisation**
- d. Foreign Trade

Q10. Purchase of and sale of Government Securities by the Central Bank is called as

- a. Bank Rate Policy
- b. General Credit Control
- c. **Open Market Operations**
- d. Budget

Q11. Which of the is not a part of the Internal Environment to a company

- a. Human Resources
- b. Physical Assets & Facilities
- c. **Fiscal Policy**
- d. Marketing Resources

Q12. Which of the following is not a common cause of unethical behaviour?

- a. Greed
- b. Pressure
- c. Fear
- d. **Accountable**

Q13. The 12th Five year Plan is between the year(s) \_\_\_\_\_

- a. 1999-2004
- b. 2005-2010
- c. **2012-2017**
- d. 1991-1996

Q14. A government company falling under the status of “Maharatna” are free to decide on investments up to \_\_\_\_\_

- a. **1000 CR – 5000 CR**
- b. Upto 1000 CR
- c. Upto 300 CR
- d. Upto 500 CR

Q15. The contribution of services to GDP and employment is substantially high in \_\_\_\_\_ economies

- a. Developing Countries
- b. **Developed Countries**
- c. Third World Countries
- d. Poor Countries

Q16. Micro environment consists of?

- a. Suppliers
- b. Marketing
- c. Competitors
- d. **All of the above**

Q17. The major responsibility of RBI is \_\_\_\_\_

- a. Healthy regulation.

- b. **Monetary regulation.**
- c. Work regulation.
- d. Industrial regulation.

Q18. The average income of the country is

- a. **Per capita income**
- b. Disposable income
- c. Inflation rate
- d. Real national income

Q19. \_\_\_\_\_ is an economic system based on the principal of free enterprise

- a. Socialism
- b. **Capitalism**
- c. Mixed Economy
- d. Marxism

Q20. Which one is not the main objective of Fiscal Policy in India?

- a. **To increase liquidity in economy**
- b. To promote price stability
- c. To minimize the inequalities of income and wealth
- d. To promote employment opportunities

Q21. In the following, which internal factors influence the strategy and other decisions in the business?

- a. Value System
- b. Mission and Objective
- c. Management structure and nature
- d. **All of the above**

Q22. Indian Economy is an example of \_\_\_\_\_

- a. Capitalist Economy
- b. Closed Economy
- c. Socialist Economy
- d. **Mixed Economy**

Q23. \_\_\_\_\_ is concerned with the withdrawal of State from an industry or sector, partially or fully

- a. Liberalization
- b. Modernization
- c. Globalisation
- d. **Privatisation**

Q24. Which among the following is not the instrument of monetary policy?

- a. **Deficit financing**
- b. Statutory liquidity Ratio
- c. Cash reserve ratio
- d. Open market operation

Q25. PESTLE is an analytical tool which helps to undertake?

- a. An internal analysis
- b. **An external analysis**
- c. A competitor analysis
- d. A strategic analysis

Q26. Economic growth can be measured by \_\_\_\_\_

- a. The CPI.

- b. The CBI.
- c. GDP.
- d. MPC.

Q27. Which one among the following formulates the fiscal policy in India?

- a. Planning Commission
- b. Finance Commission
- c. The Reserve Bank of India
- d. Ministry of Finance

Q28. The record of a country's transactions in goods, services, and assets with the rest of the world is its \_\_\_\_\_; while the difference between a country's merchandise exports and its merchandise imports is the \_\_\_\_\_.

- a. Current account; trade balance.
- b. Capital account; balance of payments.
- c. Balance of trade; capital account.
- d. Balance of payments; balance of trade

Q29. Globalisation is beneficial for firms because

- a. It protects them against foreign competition
- b. It cushions them from the effects of events in other countries.
- c. It opens up new market opportunities
- d. It increases the risk and uncertainty of operating in globalizing world economy

Q30. In \_\_\_\_\_ economic system, there exists both private and public sector?

- a. Social
- b. Capitalist
- c. Mixed
- d. None of these

Q31. Who conducted the social audit in India for the first time?

- a. JRD Tata
- b. Birla
- c. Reliance group
- d. State Bank

Q32. Physical Environment includes \_\_\_\_\_

- a. Natural Resources
- b. Climate
- c. Water
- d. All of these

Q33. What is the full form of SWOT?

- a. Strengths, Weaknesses, Opportunities and Threats
- b. Software Warehousing of Threats
- c. single optimism technique
- d. none of these

Q34. The basic objectives of the companies act are

- a. a minimum standard of good behaviour and business honesty in company promotion and management
- b. a ceiling on the share of profit payable to the managements as remuneration for the services rendered
- c. a check on their transactions where there was a possibility of conflict of duty and interest
- d. all of the above

- Q35. GNP stands for \_\_\_\_\_
- Gross National Product
  - Gross negative product
  - Gross negotiable product
  - None of the above
- Q36. What is FEMA?
- First Exchange Management Act
  - Foreign Exchequer Management Act
  - Foreign Exchange Management Act
  - Foreign Evaluation Management Act
- Q37. Deflation is
- An increase in the overall level of economic activity.
  - An increase in the overall price level.
  - A decrease in the overall level of Deconomic activity.
  - A decrease in the overall price level
- Q38. The basic regulatory authority for mutual funds and stock markets lie with the:
- Stock Exchanges
  - Government of India
  - Reserve Bank of India
  - Securities and Exchange Board of India
- Q39. Letter of Credit can be best defined as:
- An order from a bank to another bank abroad authorizing the payment of a particular amount to a person named in the letter
  - An unconditional undertaking given by the bank ensuing the payment of a particular amount to the drawee at a given date
  - Letter by the bank stating terms and conditions of the loan sanctioned by the bank
  - Statement showing outstanding deposits and credits of a bank for a particular period.
- Q40. The Planning Commission of India is replaced by \_\_\_\_\_
- National Institution for Transforming India
  - Bureau of Indian Standards
  - Competition Commission of India
  - Confederation of Indian Industry
- Q41. Micro factors of external business environment does not include \_\_\_\_\_
- Competitors
  - Customers
  - Government Policies
  - None of these
- Q42. The Industrial policy resolution was passed first in \_\_\_\_\_
- 1931
  - 1956
  - 1947
  - 1999
- Q43. The method used for transferring complex technology is \_\_\_\_\_
- Turnkey Contracts
  - Licensing Agreements
  - Training of Experts
  - None of these

- Q44. Mr. Y and Mr. Z are planning to share their capital to run a business. They are going to employ which of the following type of business?
- Sole-proprietorship
  - Partnership
  - Corporation
  - None of the given options
- Q45. Development expenditure of the Central government does not include
- Defence expenditure
  - Expenditure on economic services
  - Expenditure on social and community services
  - Grant to states
- Q46. Which of the following denotes an underdeveloped economy?
- High level of inequalities
  - Low level of capital productivity
  - A relatively closed economy
  - All the above
- Q47. A company that owns or controls production in more than one nation is called
- Multinational corporation
  - Joint stock company
  - Global company
  - None of these
- Q48. The most common route for investments by MNCs in countries around the world is to
- Set up new factories
  - Buy existing local companies
  - Form partnerships with local companies
  - Both (a) and (b)
- Q49. One major government initiative to attract foreign companies to invest in India is:
- To raise the standard of education
  - To promote unemployment in the public sector
  - To build special economic zones
  - Both (a) and (c)
- Q50. Which of the following statement is considered as the accountant's snapshot of firm's accounting value as of a particular date?
- Income Statement
  - Balance Sheet
  - Cash Flow Statement
  - Retained Earnings Statement
- Q51. Competition is beneficial to the competing firms besides benefiting the \_\_\_\_\_?
- Producers.
  - Intermediaries.
  - Finances.
  - Consumers.
- Q52. The fall (rise) in value of one currency relative to another is
- Floating (fixing) of the currency.
  - An appreciation (depreciation) of a currency.
  - Depreciation (appreciation) of a currency.
  - A strengthening (weakening) of a currency.

Q53. Which of the following organizations in India is mainly working to meet the credit needs of all types of agricultural and rural development activities?

- a. FCI
- b. **NABARD**
- c. IDBI
- d. ICAR

Q54. If the cash reserve ratio is lowered by the RBI, its impact on credit creation will

- a. **Increase it**
- b. Decrease it
- c. No impact
- d. None of the above

Q55. Which of the following is the most appropriate cause of exports surplus?

- a. Country's exports promotion value
- b. Country's stringent import policy
- c. **Developments in national and international markets**
- d. None of the above

Q56. Which of the following is not true regarding the effects of growth on the balance of payments and vice versa?

- a. Generally, growth raises incomes which will translate into higher consumption and higher imports, causing the current account of the BOPs to deteriorate.
- b. If growth is "export-led", it will boost the current account surplus of the BOPs.
- c. **If the current account deficit reflects an underlying private sector resource deficit, it is likely to be bad for future growth.**
- d. If the current account reflects rising imports of military equipment by the government, it might not be beneficial for economic growth.

Q57. Which one of the following is the banker of the banks?

- a. State Bank of India
- b. **Reserve Bank of India**
- c. Punjab National bank
- d. Central Bank of India

Q58. The banks are required to maintain a certain ratio between their cash in hand and total assets. This is called?

- a. **Statutory Liquid Ratio**
- b. Cash Reserve Ratio
- c. Liquid Ratio
- d. Statutory Ratio

Q59. An increase in the general level of prices, as measured against some baseline of purchasing power is also known as \_\_\_\_\_

- a. **Inflation.**
- b. Recession.
- c. Deflation.
- d. Depression.

Q60. The objectives of import duty is/are \_\_\_\_\_

- a. **To raise income for the government.**
- b. To restrict imports.
- c. To encourage exports.
- d. To raise income and restrict imports.