

# Business Environment

1. By which act government checks restrictive trade?
  - A. Industrial Policy Act 1991
  - B. MRTP Act
  - C. FEMA act
  - D. None of these
2. Which of the following does not fall within the jurisdiction of MRTP commission?
  - A. Prevention of Monopolistic Trade practices
  - B. Prevention of Restrictive trade practices
  - C. Prohibition of Unfair Trade Practices
  - D. Regulation of Combinations
3. Liberalization means
  - A. Reducing number of reserved industries from 17 to 8
  - B. Liberating the industry, trade and economy from unwanted restrictions
  - C. Opening up of economy to the world by attaining international competitiveness
  - D. Free determination of interest rates
4. When a company taken over another one and clearly becomes the new owner, the action is called
  - A. Merger
  - B. Acquisition
  - C. Strategic Alliance
  - D. None of the above
5. Relaxing the restrictions and controls imposed on Business and industry means
  - A. Liberalisation
  - B. Privatisation
  - C. Globalisation
  - D. None of the above

6. Company images and brand equity is factor affecting business
- A. Externally
  - B. Internally
  - C. Government Policy
  - D. None of these
7. Which among the following is not opened for private sector participation
- A. Power sector
  - B. Telecommunication sector
  - C. Education sector
  - D. Railways
8. \_\_\_\_\_ is an economic system based on the principal of free enterprise.
- A. Capitalism
  - B. Socialism
  - C. Mixed Economy
  - D. Marxism
9. What are the decisions taken by government of India pertaining to Industrial Sector in the new industrial policy of 1991?
- A. VRS to shed the excess load of workers
  - B. Disinvestment of public sector share holding
  - C. Referring sick units to BIFR
  - D. All of the above
10. A monopolistic trade practice is deemed to be prejudicial to public interest except When
- A. Authorized by Central Government
  - B. Authorized by State Government
  - C. Authorized by Supreme Court
  - D. None of the above
11. Which among these is not a method of privatisation?
- A. Denationalisation
  - B. Franchising
  - C. Sale of Business

- D. All of these
12. The pre-liberalisation era of Indian Economy was under the grip of
- A. Unemployment
  - B. Under-employment
  - C. Fiscal Deficit
  - D. Unfavorable and alarming balance of payment
13. Which among these can be condition for the success of privatisation?
- A. Alternative institutional arrangements
  - B. Barriers to enter the market
  - C. Measurability of performance
  - D. All of the above
14. Privatisation of ownership through sale of equity share is called
- A. Denationalisation
  - B. Disinvestment
  - C. Contracting
  - D. None of these
15. Which among these is monopolistic trade practice?
- A. Unreasonably limiting competition
  - B. Manufacturing only one product
  - C. Limiting technical Development
  - D. Selling only one product
16. The Industrial policy resolution was passed first in
- A. 1931
  - B. 1947
  - C. 1956
  - D. 1999
17. Planning is a ----- process
- A. Goal Oriented
  - B. Flexible
  - C. Time bound

- D. All of these
18. which among these is not a global force impacting the Indian Economy
- A. Dynamics of capital flow
  - B. Integrating the role of Purchasing
  - C. Integrating the role of Technology
  - D. Need of Attitudinal Change
19. Globalisation is the term used to describe process of removal of restriction on
- A. Foreign Trade
  - B. Investment
  - C. Both (A) and (B)
  - D. None of the above
20. For the purpose of inquiry under the MRTP Act, the commission has the power equivalent to
- A. Civil court
  - B. consumer court
  - C. High court
  - D. None of these
21. 'The age of Discontinuity' (1969) has been authored by
- A. John Drydon
  - B. Cyril Debydeen
  - C. Peter F. Drucker
  - D. None of these
22. Laissez Faire policy is adopted in
- A. Socialist Economic system
  - B. Capitalist Economic system
  - C. Mixed Economic System
  - D. Communist Economic System
23. Which of the following is the vital question in the economic system?
- A. What to produce
  - B. How to produce
  - C. For whom to produce

- D. All of the above
24. Which of the following is not the objective of Competition act 2002?
- A. Prohibition of abuse of dominant position
  - B. Prohibition of restrictive Trade practices
  - C. Prohibition of anti-competitive Agreement
  - D. Regulation of combinations
25. Which among these is not a restrictive trade practice?
- A. Tie Up sales
  - B. Price Discrimination
  - C. Manipulation of Price
  - D. All are restrictive trade practices
26. In India, Liberalisation & Privatisation began from
- A. 1991
  - B. 1971
  - C. 1981
  - D. 1947
27. 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
28. FEMA signifies
- A. Free Export management act
  - B. Foreign Exchange management act
  - C. Foreign Exchange monitoring act
  - D. Free Export marketing act
29. Which among these is not an objective of planning?
- A. Economic growth
  - B. Setting of heavy industries
  - C. Modernisation

D. None of these

30. 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
31. Globalisation means
- A. Setting of firms branches in other countries
  - B. Adopting a global outlook
  - C. Earning profit from Exports
  - D. Attracting foreign investment
32. Which one is not an element of internal environment?
- A. Marketing capabilities
  - B. Operational Capabilities
  - C. Money and capital market
  - D. Personal Capabilities
33. A possible obstacle to growth of privatisation is
- A. Profit earned by public enterprises
  - B. Sale of least profitable enterprises
  - C. Licensing
  - D. All of these
34. Pollution monitoring and control is done by
- A. Central board of prevention and control of water Pollution
  - B. Central board of pollution control
  - C. Central government
  - D. None of the above
35. First industrial policy resolution was issued in
- A. 1947
  - B. 1948
  - C. 1951

- D. 1954
36. Industrial (Development & Regulation) Act was passed by parliament in
- A. 1947
  - B. 1949
  - C. 1951
  - D. 1956
37. If the amount claimed by consumer is Rs. 89 Lacs, the case under the consumer protection act shall be filed with
- A. District Consumer Redressal forum
  - B. State consumer Dispute Redressal Commission
  - C. National consumer Dispute Redressal Commission
  - D. Supreme court
38. The credit for inventing the word "Privatisation" goes to
- A. Elton Mayo
  - B. F.W. Taylor
  - C. L. Urwick
  - D. Peter Drucker
39. Indian businesses encounter the following problem in the globalisation
- A. Infrastructural Bottleneck
  - B. Lack of interest shown by MNC's
  - C. Both (A) and (B)
  - D. None of these
40. Industrial policy resolution of 1948 was divided industries into
- A. 3 categories
  - B. 4 categories
  - C. 5 categories
  - D. 6 categories
41. Industrial policy resolution 1956 divided industries into ----- categories
- A. 2
  - B. 3
  - C. 4

D. 5

42. Globalisation means

- A. Adopting a global outlook for business
- B. Inviting multinationals in the country
- C. Selling in the foreign market
- D. All of the above

43. Consumer protection in India is ensured by

- A. Consumer protection Act, 1946
- B. Consumer protection Act, 1986
- C. Consumer protection Act, 1990
- D. Consumer protection Act, 1968

44. VAT is imposed

- A. Directly on Consumers
- B. On final Stage of production
- C. On all stages from Production to final sale
- D. None of the above

45. As per Industrial Policy resolution 1956, reserved industries for public sector are

- A. 12
- B. 14
- C. 16
- D. 17

46. The concept of small scale industries (SSIs) was brought to the fore by the

- A. Industrial Policy Resolution 1948
- B. Industrial Policy Resolution 1956
- C. Industrial Policy Statement 1977
- D. None of the above

47. Environment degradation does not consist of

- A. Land degradation and soil erosion
- B. Problem of over grazing and ecological degradation



- C. Floods
  - D. None of the above
48. The MRTP Act of 1969 was abolished in
- A. 1991
  - B. 2002
  - C. 2006
  - D. None of the above
49. India abolished quantitative restrictions on imports of 1429 items in 2000 and 2001 as per the commitment to which of the following
- A. SAFTA
  - B. GATT
  - C. WTO
  - D. NAM
50. Micro factors of external business environment does not include
- A. Competitors
  - B. Customers
  - C. Government Policies
  - D. None of these