



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
PGDMM/PGDSCM&L – Two Years Course

COMPUTER MARKED ASSIGNMENT (CMA) For **Jan-June 2020 semester.**

Semester 1
PAPER –6
BUSINESS ENVIRONMENT

Instructions:

1. Answer all 50 questions (compulsory). Each question carries 2 marks Total : 100 Marks
 2. Read instructions given on the OMR answer sheet and answer the questions.
-

1. Which of the following does not characterize by Business Environment?

- a) Uncertainty
- b) Employees
- c) Relativity
- d) Complex

2. Company images and brand equity is factor affecting business:

- a) Externally
- b) Internally
- c) Government Policy
- d) Technically

3. By which act Government checks restrictive trade?

- a) Industrial policy act 1991
- b) MRTP Act
- c) FEMA Act
- d) FERA Act

4. Which of the following is not identified as an element of the mega environment?

- a) Technological factors
- b) Legal political situations
- c) Socio cultural factors
- d) Organizational culture

5. Process of Economic Reforms was a result of the ...?

- a) State Governments
- b) Regional Banks
- c) Municipal corporations
- d) Twin deficits

6. The external environment composed of

- a) The general and task environment
- b) The task environment and cultural environment
- c) The global environment and the ecological environment
- d) The mega environment and the industry environment

7. Liberalization means
- Reducing number of reserved industries from 17 to 8
 - Liberating the industry, trade and economy from unwanted restrictions
 - Opening up of economy to the world by attaining international competitiveness
 - Free determination of interest rates
8. Relaxing the restrictions and controls imposed on Business and industry means
- Liberalisation
 - Privatisation
 - Globalisation
 - Government Policy
9. Which among the following is not opened for private sector participation?
- Power sector
 - Telecommunication sector
 - Education sector
 - Railways
10. Which of the following is not a tool of fiscal policy?
- Taxation
 - Public Expenditure
 - Deficit Financing
 - Human Capital
11. Which of the following is a not a social factor?
- Social Change
 - Research & Development
 - System Complexity
 - Social Systems
12. The organization responsible for conducting monetary policy in the India is the
- Comptroller and Auditor General of India.
 - Reserve Bank of India (RBI)
 - Security and Exchange Board of India (SEBI).
 - Supreme Court of India
13. Expansionary monetary policy
- tends to lead to an appreciation of a nation's currency
 - usually has no effect on a currency's exchange value
 - tends to lead to a depreciation of the currencies of other nations
 - tends to lead to a depreciation of a nation's currency
14. Which of the following tasks is NOT performed by a central bank as part of its role as a "bankers' bank?"
- providing loans to banks during periods of financial stress
 - managing the payments system
 - controlling stock prices
 - accepting deposits from banks

15. Which policy is concerned with raising revenue through taxation and deciding on the level and the pattern of expenditure?
- Monetary policy
 - fiscal Policy
 - Cash policy
 - Credit policy
16. Find the odd one out.
- Currency, Coinage and Mint
 - Interest Receipts and Dividends
 - Taxes on Income
 - Other Non-Tax Revenue
17. The purpose of fiscal policy is to
- Alter the direction of the economy
 - Change people's attitudes toward government
 - Educate people as to the importance of economics
 - Offer insight into the way things work
18. Budget Deficit equals to:
- total expenditure – total receipts
 - revenue expenditure – revenue receipts
 - total expenditure – total receipts except borrowings
 - Fiscal deficit- interest payments
19. A country's balance of payments accounts record
- Its international trading, borrowing, and lending
 - Only its official transactions with other governments
 - The country's net indebtedness to foreigners
 - The flow of human and nonhuman resources between it and its trading partners
20. The balance of payments account must always balance because:
- It records international transactions
 - It is a record of flow of foreign exchange between countries
 - It is based on the double-entry principle
 - It is a cash flow statement
21. The apex authority for rural and agriculture finance is
- Land mortgage banks
 - Agriculture cooperative societies
 - NABARD
 - Ministry of finance
22. Which among these is not a method of privatization?
- Denationalization
 - Franchising
 - Sale of Business
 - Deregulation of public services

23. The pre-liberalisation era of Indian Economy was under the grip of
- Unemployment
 - Under-employment
 - Fiscal Deficit
 - Unfavorable and alarming balance of payment
24. The Industrial policy resolution was passed first in
- 1931
 - 1947
 - 1956
 - 1999
25. Full form of TRIMs is
- Trade Related Investment Measures
 - Trade Related Investment Management
 - Trade Related Investment Module
 - Trade Related Intellectual Management
26. FDI stands for
- Foreign Direct Investment
 - Free Direct Investment
 - Flexible Direct Investment
 - Fixed direct investment
27. Which of the following is a subsequent step after SWOT
- Environmental Scanning
 - Forecasting
 - TOWS strategy
 - Michael Porter's Five Force Model
28. Which of the following is not a part of PESTEL
- Political Factors
 - Environmental Factors
 - Environmental Factors
 - Topographic Factors
29. In a market economy, the characteristic of a product that is most likely to be determined by the interaction of supply and demand is the product's _____
- Price
 - Quality
 - Production cost
 - Usefulness to society
30. New industrial policy was introduced in which year?
- 1990
 - 1991
 - 1989
 - 1992

31. Non-Resident Indians (NRIs) were allowed to invest in the export houses, hospitals, hotels, etc.?
- 110
 - 90
 - 100
 - 80
32. Which of the following is a short term source of finance?
- Lease Finance
 - Hire Purchase
 - Public Deposits
 - Trade Credit
33. Which of the following is not a feature of economic planning?
- Democratic
 - Decentralized Planning
 - Periodic Planning
 - Politics
34. Allied services of trade and commerce do not include:
- Banking
 - Insurance
 - Buying and Selling
 - Storage
35. Discretionary Fiscal Policy differs from Nondiscretionary Fiscal Policy in
- The former deals with government spending and the latter deals with tax policy
 - The former is chosen by government while the latter is chosen by the RBI
 - The former is always stabilizing, while the latter is never stabilizing
 - The former often takes years to enact, while the latter takes effect automatically
36. Primary Deficit equals to:
- total expenditure – total receipts
 - revenue expenditure – revenue receipts
 - total expenditure – total receipts except borrowings
 - fiscal deficit- interest payments
37. Where do MNCs choose to set up production?
- Where there are Cheap labour resources
 - Where there is Economic sustainability
 - Where climate is good
 - Where climate is hot
38. WTO World Trade Organization was established on
- January 1, 1995
 - January 1, 1996
 - January 10, 1995
 - January 1,2000

39. Full Form of GATS is
- General Agreement on Trade in Services
 - General Agreement on Trade in Sectors
 - General Arrangement on Trade in Services
 - General Arrangement on Trade in Sectors
40. Timely and regular payment of wages and salaries is an obligation towards which stakeholder?
- Employees
 - Government
 - Community
 - Customers
41. Which of the following pairs is correctly matched
- Economic policy, Fiscal policy
 - Completion Act, 2004
 - Economic Environment, Analyze competition
 - Globalization, Transfer of ownership
42. Which of the following statement is not true?
- The competition Act, 2002 consists no penalties for offences
 - Competitive law covered conscious parallelism
 - The minimum age to become a partner firm is 21 years
 - Company is an incorporate association
43. Which of the following is not an objective of Competition Act, 2002?
- Prohibition of abuse of dominant position
 - Prohibition of restrictive trade practices
 - Prohibition of anti-competitive agreements
 - Regulation of combinations
44. In the Industrial Policy 1991, how many industries were reserved only for public sector?
- 6
 - 8
 - 11
 - 13
45. The main security guard of International trade is
- IMF
 - World Bank
 - WTO
 - IFC
46. Intellectual property rights are pertaining to
- Medicine already patented
 - Matters published on or before 1990
 - Imports of goods and services
 - New technologies, artistic expression and inventions in every field

47. Foreign exchange and Foreign Currencies in India are governed by
- a) SCRA Act
 - b) Banking Regulation Act
 - c) FEMA Act
 - d) SEBI Act
48. Removing barrier or restrictions set by government is known as
- a) Globalization
 - b) Privatization
 - c) Liberalization
 - d) Fair trade practices
49. Globalization can create problems for business because
- a) Increases vulnerability to political risk and uncertainty when operating abroad
 - b) It means that they can increase prices
 - c) It can result in more competition
 - d) Keep balance of payment unfavourable
50. Which institution is known as the Soft Loan Window of the World Bank?
- a) IMF
 - b) IFC
 - c) IDA
 - d) WTO
