



Dr.G.R.Damodaran College of Science

(Autonomous, affiliated to the Bharathiar University, recognized by the UGC) Re-
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I B.COM IB [2017-2020]

SEMESTER I

GLOBAL BUSINESS ENVIRONMENT

Multiple Choice Questions.

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 Non-Financial

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 _____ impact on business

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

ANSWER: C

4. _____ environment is within 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. economic environment
- D. . political environment

ANSWER: B

7. Macro environment is also called as _____.

- A. a. general environment
- B. operating environment
- C. economic environment
- D. . political environment

ANSWER: A

8. The environment which is close to business and affects 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

11. External factors affecting a business environment also be referred to ____factors.

- A. . controllable
- B. . uncontrollable factors
- 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. which one is LPG policy?

- A. 1947
- B. 1991
- C. 1956
- D. 1957

ANSWER: B

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

- A. language

- B. Internet.
- C. Belief.
- D. air

ANSWER: B

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

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

- A. technology.
- B. culture
- C. demographic
- D. legal

ANSWER: A

18. _____ 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

19. 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

20. Corporate values are the _____ of the corporate sector

- A. shared values.
- B. moral beliefs.
- C. customer satisfaction.
- D. goodwill.

ANSWER: B

21. 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

22. Under ____ economic system, all the economic activities of the country are controlled and regulated by the Government in the interest of the public.

- A. capitalism
- B. socialism.
- C. democratic
- D. mixed

ANSWER: B

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

- A. capitalism.
- B. socialism.
- C. democratic.
- D. mixed.

ANSWER: D

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

- A. 1964.
- B. 1989
- C. 1986
- D. 1990

ANSWER: B

25. 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. backward
- 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. ethos .
- C. education.
- D. wealth.

ANSWER: B

29. Self fulfillment and immediate gratification are _____ cultural

- A. decreases
- B. rises

- C. diminishes
 - D. corporate
- ANSWER: B

30. National stock exchange was set up as 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. The benefit of OCTEI is _____.

- A. it offers complete transparency in dealings.
- B. it offers both liquidity and security.
- C. transactions are made fast and quick
- D. it is not investor friendly.

ANSWER: D

32. . Which can be a method of privatization?

- A. Denationalization.
- B. Purchasing shares
- C. Takeover.
- D. Merger.

ANSWER: A

33. . In India liberalization and privatization began from_____.

- A. 1991
- B. 1971
- C. 1981
- D. 1947

ANSWER: C

34. Industrial policy of 1948 aimed at _____.

- A. industrialization
- B. growth of agriculture.
- C. development of infrastructure.
- D. development of service sector.

ANSWER: A

35. The industrial policy resolution was passed first in the year _____.

- A. 1931
- B. 1947
- C. 1956
- D. 1958

ANSWER: C

36. Which can be possible restrictive trade practice?

- A. take over
- B. merger
- C. Price discrimination
- D. Monopoly

ANSWER: C

37. _____% of economic growth of USA, UK, and Germany has come from technical progress achieved in these countries.
- A. 60
 - B. 70
 - C. 50
 - D. 55

ANSWER: C

38. . _____ change is a potent force for the reconfiguration of industrial boundaries.
- A. Technological
 - B. Economical.
 - C. Organizational.
 - D. Environmental.

ANSWER: A

39. Obsolescence means _____ of products.
- A. implementation.
 - B. outdated.
 - C. assessment
 - D. quality.

ANSWER: B

40. Corporate contribution to political parties are now been _____ in our country.
- A. legalized.
 - B. customized.
 - C. introduced.
 - D. authorized.

ANSWER: A

41. The authority courts to settle _____.
- A. family disputes
 - B. legal disputes
 - C. personal disputes.
 - D. business disputes.

ANSWER: B

42. The _____ is an introduction to the constitution and contains its basic philosophy.
- A. preamble.
 - B. society.
 - C. process.
 - D. service.

ANSWER: A

43. The term fraternity implies the spirit of _____
- A. brotherhood.
 - B. judiciary.
 - C. justice.
 - D. value.

ANSWER: A

44. _____ signifies the absence of any arbitrary restraint on the freedom of individual action and creations for the development of personality of the individual
- A. Fraternity.
 - B. Liberty.

C. Secularism.

D. Socialism.

ANSWER: B

45. Secularism is understood to mean according equal encouragement to all _____

A. country.

B. ethics.

C. values.

D. religion.

ANSWER: D

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

A. Democratic.

B. Autocratic.

C. Socialized.

D. Republic.

ANSWER: A

47. Anzcert means Australia and _____ closer economic relation

A. New jersey

B. Netherland.

C. Newzealand.

D. Nepal

ANSWER: C

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

A. 1950

B. 1980

C. 1991

D. 1960

ANSWER: A

49. . Identification of companies technological assets that may provide _____ in new businesses.

A. opportunities.

B. development.

C. failure.

D. authority.

ANSWER: A

50. _____ occupies the central place in business.

A. a. Raw material.

B. Labor.

C. Finished goods.

D. Finished goods.

ANSWER: B

51. Businesses represent the organized efforts of enterprises to supply _____ with goods and services.

A. producers.

B. consumers.

C. intermediaries.

D. . suppliers.

ANSWER: A

52. India is good example for _____ economy

- A. socialist
- B. mixed.
- C. capitalist.
- D. communist.

ANSWER: B

53. _____ are a primary mechanism for motivating business activities.

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

ANSWER: A

54. According to whom, business environment is defined as total of all things external to firms and industries which effect their organization and operations?

- A. Arthur.m.welmer.
- B. John wick.
- C. Bayord.o.wheeler.
- D. Mathew smith.

ANSWER: A

55. Business includes _____.

- A. non-economic activities.
- B. economic activities.
- C. social activities.
- D. production activities.

ANSWER: B

56. Is business a vast and fascinating subject?

- A. technology.
- B. profit making.
- C. change.
- D. people.

ANSWER: A

57. What is the single word that can best describe todays business?

- A. Technology.
- B. Profit Making.
- C. Change.
- D. people.

ANSWER: A

58. How many main characteristics the today businesses have?

- A. 6
- B. 4
- C. 10
- D. 8

ANSWER: D

59. Is the modern business dynamic?

- A. mass production.
- B. mass marketing.
- C. . mass sales.
- D. mass purchase.

ANSWER: A

60. Which of the following is not an economic activity?

- A. A doctor practicing.
- B. A lawyer practicing law.
- C. A professional cricketer playing cricket.
- D. A student playing cricket.

ANSWER: D

61. 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

62. Is today's business is not characterized by diversification?

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

ANSWER: B

63. Does internationalization of business is a mean of sustaining a strong domestic base in term of technology, product, market and capital over a longer period ?

- A. 6
- B. 4
- C. 10
- D. 8

ANSWER: A

64. Is interference of government in business is common in every country?

- A. 1960
- B. 1940
- C. 1980
- D. 1990

ANSWER: A

65. Is ties interference of government in business was on the ascendancy

- A. Mission, targets.
- B. Mission, objectives, target.
- C. Target.
- D. Mission

ANSWER: C

66. ____ 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

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

- A. . producers.

- B. finances.
- C. intermediaries.
- D. consumers.

ANSWER: D

68. Mission is a statement which defines the role that _____ plays in a society.

- A. people.
- B. organization.
- C. labour.
- D. . market.

ANSWER: B

69. Does the targets will have much longer time span?

- A. People
- B. organization.
- C. labour.
- D. market.

ANSWER: B

70. Goals realization continuously will lead to _____?

- A. mission fulfillment.
- B. maximize customers.
- C. high revenue.
- D. maximize suppliers.

ANSWER: D

71. 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: C

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

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

ANSWER: C

73. Among the following, what is the nature of business environment?

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

ANSWER: D

74. What is the significance of business environment?

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

ANSWER: D

75. What are the elements of business environment?

- A. MICRO
- B. Macro Environment.
- C. Complex Environment.
- D. Complex Environment.

ANSWER: D

76. Macro environment is also known as _____?

- A. direct environment.
- B. indirect environment.
- C. competitive environment.
- D. social environment.

ANSWER: B

77. Is micro environment is also known as direct environment?

- A. Economic.
- B. Political & Legal.
- C. Competitors.
- D. Suppliers.

ANSWER: A

78. Macro environment consist of _____?

- A. public.
- B. political & legal.
- C. suppliers.
- D. Competitors.

ANSWER: B

79. The macro environment consists of _____.

- A. Economic, Political & Legal.
- B. consumers, competitors.
- C. public.
- D. middlemen.

ANSWER: A

80. What does micro environment consists of _____?

- A. economic.
- B. political & legal.
- C. consumers, competitors.
- D. demographic.

ANSWER: C

81. The micro environment consists of _____.

- A. Technological Environment.
- B. Political Environment.
- C. Political Environment.
- D. Public, middlemen

ANSWER: D

82. Political environments refers to the influence excreted by the _____political Institutions?

- A. 2
- B. 3
- C. 4

D. 5

ANSWER: B

83. What are the bodies which political environment consists of?

- A. Middlemen.
- B. Suppliers.
- C. Customer.
- D. Legislature, Executive & Judiciary.

ANSWER: D

84. _____ decides on a particular course of action.

- A. Legislature.
- B. Executive.
- C. Judiciary.
- D. Public.

ANSWER: B

85. _____ is also called government which implements whatever is decided by the parliament.

- A. Legislature.
- B. Executive.
- C. Judiciary.
- D. Public.

ANSWER: C

86. _____ plays the watch dog in order to ensure that both function in public interest and within the boundaries of constitution?

- A. Legislature.
- B. Executive.
- C. Judiciary.
- D. Public

ANSWER: C

87. Is a stable and dynamic political environment is indispensable for business growth?

- A. 2
- B. 3
- C. 4
- D. 5

ANSWER: B

88. How many goals do the environment analysis has?

- A. 2
- B. 3
- C. 4
- D. 5

ANSWER: B

89. _____ should facilitate & enhance strategies thinking in organization.

- A. Strategic management.
- B. Environmental analysis.
- C. Business environment.
- D. Business analysis.

ANSWER: B

90. The environment analysis that provides inputs for strategies decision making is ____.

- A. Strategic management.
- B. Environmental analysis.
- C. Business environment.
- D. Business analysis.

ANSWER: A

91. Economic growth can be measured by _____

- A. the CPI.
- B. the CBI.
- C. the CBI.
- D. GDP.

ANSWER: D

92. An increase in interest rates _____.

- A. is likely to reduce savings.
- B. is likely to reduce the external value of the currency.
- C. leads to a shift in the MEC schedule.
- D. leads to a movement along the MEC schedule.

ANSWER: D

93. The accelerator assumes _____.

- A. the marginal propensity to consume is constant.
- B. the economy is at full employment.
- C. there is a constant relationship between net investment and the rate of change of output.
- D. the multiplier is constant.

ANSWER: C

94. _____ refers to the density of competition among firms.

- A. Intensity of realty.
- B. Competitiveness.
- C. Absolute competition.
- D. Competition.

ANSWER: A

95. _____ identifies the early signals of possible environment changes.

- A. Scanning.
- B. Monitoring.
- C. Forecasting.
- D. d Forecasting

ANSWER: A

96. _____ involves tracking environment trend, sequence of events (or) streams of activities.

- A. Scanning.
- B. Monitoring.
- C. Forecasting.
- D. Assessing.

ANSWER: B

97. _____ is concerned with developing projection of direction, scope, speed & intensity of environmental change.

- A. Scanning.
- B. Monitoring.
- C. Assessing.
- D. Assessing.

ANSWER: B

98. Does the assessment involves identifying &evaluating how & why current & projected environment change which effect strategic management of the organization?

- A. U.S.A.
- B. . U.K.
- C. Russia.
- D. Russia.

ANSWER: A

99. The scholar made research in the food canning market is _____.

- A. informal research.
- B. formal research.
- C. indirect viewing.
- D. conditioned Viewing.

ANSWER: B

100. The relation between TRIPS and WIPO conventions is _____.

- A. WIPO conventions are more valid.
- B. TRIPS agreement excludes subjects covered by WIPO conventions.
- C. TRIPS agreement is subordinate to WIPO conventions.
- D. TRIPS agreement incorporates substantive provisions of WIPO conventions.

ANSWER: D

101. _____ involves a degree of purposefulness by manager as he receives

- A. informal research.
- B. formal research.
- C. indirect viewing.
- D. conditioned viewing.

ANSWER: C

102. _____ refers to the managers exposure & perception of information that has no specific purpose.

- A. informal research.
- B. formal research.
- C. indirect viewing.
- D. conditioned viewing.

ANSWER: C

103. Porters model represents the relationship between _____?

- A. organizational and environment.
- B. society and environment.
- C. organization and society.
- D. society and industry.

ANSWER: A

104. _____ environment refers to all economic factors which have a bearing on the functioning

- A. Economic.
- B. Technological.
- C. Natural.
- D. Social.

ANSWER: A

105. Free trade is based on the principle of _____.

- A. comparative advantage

- B. comparative scale.
- C. economies of advantage.
- D. production possibility advantage.

ANSWER: A

106. The first five year plan was given in which year?

- A. 1952
- B. 1950
- C. 1951
- D. 1953

ANSWER: C

107. The first five year plan was

- A. legal planning.
- B. soviet planning.
- C. government planning.
- D. agricultural planning.

ANSWER: A

108. 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

109. During which year Marxism was not followed in Russia and china?

- A. 1952
- B. 1950
- C. 1951
- D. 1953

ANSWER: B

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

- A. 1952
- B. 1950
- C. 1951
- D. 1953

ANSWER: B

111. In capitalism ____ losses assumed by the customers.

- A. economics.
- B. technological.
- C. natural.
- D. social.

ANSWER: B

112. In capitalism profits and wages are in relation to once ability.

- A. legal planning.
- B. soviet planning.
- C. government planning.
- D. agricultural planning.

ANSWER: B

113. Depreciation is permitted in communism.

- A. legal planning.
- B. soviet
- C. government planning.
- D. agricultural planning.

ANSWER: A

114. Marxism is otherwise called as _____.

- A. socialism.
- B. economics.
- C. communism.
- D. capitalism.

ANSWER: A

115. The October revolution of 1917 saw for the first time emergence of a state based on _____ principles.

- A. marxist.
- B. communist.
- C. state.
- D. public.

ANSWER: A

116. ____ weakness of Marxism is the acceptances of individual freedom.

- A. Marxist.
- B. Communist.
- C. State.
- D. Communities.

ANSWER: B

117. The ____ socialism seems to fall between capitalism and communism.

- A. increased.
- B. decreased.
- C. medium.
- D. low

ANSWER: A

118. One of the long term objectives of the five year plan is reducing inequalities of ____

- A. increased.
- B. decreased.
- C. medium.
- D. low level

ANSWER: A

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

- A. Increased.
- B. Decreased.
- C. Medium.
- D. Narrow.

ANSWER: A

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

- A. economic.
- B. social.
- C. natural.
- D. technology.

ANSWER: A

121. Which plan gives priority for family planning?

- A. State Policy.
- B. Judicial Policy.
- C. Industrial.
- D. Energy.

ANSWER: A

122. Governments policy towards industries is called as _____.

- A. economic policy.
- B. industrial policy.
- C. monetary policy.
- D. work policy.

ANSWER: B

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

- A. 1955
- B. 1956
- C. 1957
- D. 1958

ANSWER: B

124. . 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

125. Announcement of a new industrial policy was done by Mr.P.V.NARASIMHA RAO in the year _____. a. 1989.

- A. 1989
- B. 1990
- C. 1991
- D. 1995

ANSWER: C

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

- A. 1950
- B. 1951
- C. 1952
- D. 1953

ANSWER: A

127. 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

128. A license is a _____ permission issued by the government to an industrial undertaking.

- A. oral.
- B. written.
- C. verbal.
- D. non verbal.

ANSWER: B

129. In some circles, a multinational corporations is referred to _____.

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

ANSWER: C

130. The legislative frame work for industrial licensing is provided by the _____ development and Regulation act.

- A. industries.
- B. small scale.
- C. labor.
- D. owner

ANSWER: A

131. Multinational corporations is also referred to _____.

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

ANSWER: C

132. FERA is foreign exchange regulation act for _____.

- A. . Industries.
- B. . small scale.
- C. labor.
- D. owner.

ANSWER: B

133. ICPE is Indian center for public enterprises for _____.

- A. Industries.
- B. small scale.
- C. labor.
- D. owner.

ANSWER: B

134. GDP is _____.

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

ANSWER: A

135. PSU is _____.

- A. Private Sector Unit.
- B. Private Serious Unit.
- C. Private Steel Unit.
- D. Private Scale Unit.

ANSWER: A

136. 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

137. NDP is _____.

- A. Net Domestic Product.
- B. Net Domestic Percentage.
- C. Net Domestic Personnel.
- D. Net Domestic Public.

ANSWER: A

138. Who gave a practical shape to privatization

- A. MARGARAT THATCHER.
- B. LOUIS PETER.
- C. WILLIAMS.
- D. FAYOL.

ANSWER: A

139. In privatization SIP refers to _____.

- A. Share issue privatization.
- B. Shares in privatization.
- C. Share industry privatization.
- D. Share institution privatization.

ANSWER: A

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

- A. building.
- B. free.
- C. leases.
- D. hire purchase.

ANSWER: C

141. There are _____ sins of privatization.

- A. 5
- B. 6
- C. 7
- D. 8

ANSWER: A

142. In 1993 _____ committee was appointed by the government to recommend few measures for effective privatization.

- A. Rangarajan.
- B. Soundarajan.
- C. Thangarajan.
- D. Ramarajan.

ANSWER: A

143. A country in the stage of traditional society is characterized by _____.

- A. existence of traditional rule.

- B. non existence of industries.
- C. predominance of agriculture.
- D. complete absence of literacy.

ANSWER: C

144. The stage indicating highest level of economic growth is _____.

- A. age of mass consumption.
- B. age of mass production.
- C. . maturity.
- D. drive to maturity.

ANSWER: A

145. 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

146. For a country with relatively lower level of cost of living PPP per capita GNI will be ___.

- A. lower than per capita GNI.
- B. higher than per capita GNI.
- C. same as per capita GNI.
- D. may be lower or higher than per capita GNI.

ANSWER: B

147. In a business cycle, the phase preceding prosperity is _____.

- A. recession.
- B. depression.
- C. recovery.
- D. recession

ANSWER: C

148. Monetary policy relates to controlling _____.

- A. money supply.
- B. money supply and interest rate.
- C. money supply, interest rate and exchange rate.
- D. credit creation by banks.

ANSWER: C

149. What is SIDBI?

- A. Service Industries Development Business Incorporates.
- B. Small Industries Development Bank of India.
- C. Self Indian District, Backward Industries.
- D. Small Institution Development Bank of India.

ANSWER: B

150. PEST is an acronym which stands for _____.

- A. Product, Economy, Society, Technology
- B. Political, Economic, Societal, Technological.
- C. Political, Economic, Social, Technological
- D. People, Economy, Standards, Transport.

ANSWER: C

Staff Name
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