

Business Environment

Question 1.

Relaxing the restrictions and controls imposed on Business and industry means

- (a) Liberalisation
- (b) Privatisation
- (c) Globalisation
- (d) None of the above

▼ [Answer](#)

Answer: (a) Liberalisation

Question 2.

Which of the following best indicates the importance of the business environment?

- (a) Coping with rapid changes
- (b) Identification
- (c) Improvement in performance
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 3.

What will be the effect of an increase in tax by the government?

- (a) Increase in cost of production
- (b) Creates fear in the minds of investors
- (c) Increase in profit margin
- (d) None of the above

▼ [Answer](#)

Answer: (a) Increase in cost of production

Question 4.

What creates fear in the minds of investors to invest in long term projects?

- (a) Privatisation
- (b) Political Uncertainty
- (c) Liberalisation
- (d) None of the above

▼ [Answer](#)

Answer: (b) Political Uncertainty



Question 5.

Which of the following creates fear in the minds of investors?

- (a) Political uncertainty
- (b) New innovations
- (c) None of these
- (d) Technological improvements

▼ [Answer](#)

Answer: (a) Political uncertainty

Question 6.

Celebration of Diwali is the example of:

- (a) Technological Environment
- (b) Social Environment
- (c) Political Environment
- (d) Legal Environment

▼ [Answer](#)

Answer: (b) Social Environment

Question 7.

Booking of Railway tickets through internet from home or office is an example of

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- (a) Political Environment
 - (b) Technological Environment
 - (c) Economic Environment
 - (d) None of the above

▼ [Answer](#)

Answer: (b) Technological Environment

Question 8.

Export promotion is concerned with _____

- (a) Privatisation
- (b) Globalisation
- (c) Liberalisation
- (d) None of the above

▼ [Answer](#)

Answer: (b) Globalisation

Question 9.

Changes in fashions and tastes of consumers will _____

- (a) Shift the market demand from an existing product to new ones



- (b) Increase the cost of production
- (c) Increase the profit
- (d) Increase the Sale

▼ [Answer](#)

Answer: (a) Shift the market demand from an existing product to new ones

Question 10.

Increased competition in the market will _____

- (a) Increase the tax
- (b) Increase the profit
- (c) Increase the cost of production
- (d) Reduce the profit margin

▼ [Answer](#)

Answer: (d) Reduce the profit margin

Question 11.

Giving freedom to Indian business and industries from all unnecessary government controls and restrictions is an example of _____

- (a) Privatisation
- (b) Globalisation
- (c) Liberalisation
- (d) None of the above

▼ [Answer](#)

Answer: (c) Liberalisation

Question 12.

Technological improvements and innovations result in _____

- (a) Increase in tax
- (b) Render existing products obsolete
- (c) Reduction in profit margins
- (d) None of the above

▼ [Answer](#)

Answer: (b) Render existing products obsolete

Question 13.

Which of the following does not explain the impact of Government policy changes on business and industry?

- (a) More demanding customers
- (b) Change in agricultural prices



- (c) Increasing competition
- (d) Market orientation

▼ [Answer](#)

Answer: (b) Change in agricultural prices

Question 14.

Globalisation aims at _____

- (a) Export Promotion
- (b) Foreign exchange reforms
- (c) Import liberalization
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 15.

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

▼ [Answer](#)

Answer: (b) Acquisition

Question 16.

Which of the following does not characterize the business environment?

- (a) Complexity
- (b) Relativity
- (c) Employees
- (d) Uncertainty

▼ [Answer](#)

Answer: (c) Employees

Question 17.

Gross Domestic Product (GDP) is concerned with _____

- (a) Political Environment
- (b) Legal Environment
- (c) Economic Environment
- (d) Social Environment



▼ [Answer](#)

Answer: (c) Economic Environment

Question 18.

Rise in GDP lead to rise in _____

- (a) Increase in new taxes
- (b) Cost of Production
- (c) Disposable income of people
- (d) None of the above

▼ [Answer](#)

Answer: (c) Disposable income of people

Question 19.

Facebook, Twitter and Whatsapp is the result of _____

- (a) Political Environment
- (b) Social Environment
- (c) Technological Environment
- (d) None of the above

▼ [Answer](#)

Answer: (c) Technological Environment

Question 20.

External environment trends and changes will provide _____

- (a) Threats
- (b) Goodwill
- (c) Less Competition
- (d) Profits

▼ [Answer](#)

Answer: (a) Threats

Question 21.

Liberalization means

- (a) Reduced government controls and restrictions
- (b) Policy of planned disinvestments
- (c) Integration among economies
- (d) None of the above

▼ [Answer](#)

Answer: (a) Reduced government controls and restrictions



Question 22.

Reduction in the role of the public sector is due to _____

- (a) Political Environment
- (b) Privatisation
- (c) Globalisation
- (d) Liberalisation

▼ [Answer](#)

Answer: (b) Privatisation

Question 23.

An increase or decrease in the value of Rupee is an example of _____

- (a) Political Environment
- (b) Economic Environment
- (c) Social Environment
- (d) None of the above

▼ [Answer](#)

Answer: (b) Economic Environment

