

Chapter - 3 Private, Public and Global Enterprises

Question 1

What are the different types of PSEs?

Answer: The different types of Public Sector Enterprises or PSEs are:

- Statutory Corporation
- Departmental Undertaking
- Statutory Corporation

Question 2

Mention the types of business enterprise which operates in more than one nation.

Answer: Companies that operate business in more than one nation are called as Multinational Companies (MNCs). However, such companies have their headquarters in one country where all the primary business activities take place. For instance, Capgemini, Amazon, etc.,

Question 3

What are the objectives of a public sector enterprise?

Answer:

- To accomplish rapid economic enhancement through industrial growth
- To prevent the development of monopoly and concentration of the economic power in the private hands

Question 4

Provide 2 features of a public-private partnership.

Answer:

- The private sector's role in the partnership is to make maximum use of its skills in managing tasks, innovation and operations to run the business effectively
- The public partners in a public-private partnership (PPP) are the government organisations, i.e., municipalities, government departments, ministries or state-owned enterprises. The private partners can be either local or international and include businesses or investors with financial or technical skills that are relevant to the project

Question 5

What are the features of an MNC?

Answer:

- Product innovation
- Foreign collaboration
- Advanced technology
- Huge capital resources

Question 6

What is Joint venture?

Answer: A joint venture is a business arrangement in which two or more persons give their consent in pooling their resources for the purpose of completing a particular task. This task can either be a new project or any other business pursuit. In a joint venture (JV), each of the participant is accountable for profits, losses and costs related with it.

Question 7

What is departmental undertaking?

Answer: Departmental undertaking is a form of organisation in the public sector where a public enterprise is allowed to function like a full fledged division. It is maintained, organised and financed by the government. For e.g. India Posts functions as a department within the Ministry of Communication.