

Part A : Business Environment
Chapter 1. Business Environment

INTRODUCTION AND MEANING BUSINESS

ENVIRONMENT:

1. The purposes of business that goes beyond earning profits :
 - a) An important institution in society
 - b) For the supply of goods and services
 - c) Creating job opportunities
 - d) All of above
2. The purposes of business that goes beyond earning profits:
 - a) Offering better quality of life
 - b) Contributing to the economic growth of the country
 - c) Creating job opportunities
 - d) All of above
3. Environment refers to all forces, which have a bearing on the functioning of business.
 - a) True b) False
 - c) Partly true d) None of above
4. Environment can be forces of apart from internal forces of the organization.
 - a) Economic factors
 - b) Social factors
 - c) Political factors
 - d) Economic, social, political and technological factors
5. Environmental factors may be
 - a) Internal b) External
 - c) Internal or external d) None of above
6. The success of every business depends on adapting itself to the environment within which it functions.
 - a) True b) False
 - c)Partly true d) None of above

FEATURES OF BUSINESS ENVIRONMENT

7. Business environment is the sum total of all things to business firms and, as such, is aggregative in nature.
 - a) Internal b) External
 - c) Not relevant d) None of above
8. Business environment includes
 - a) Specific forces
 - b) General forces
 - c) Both specific and general forces

d) None of above

9. Which of the following is/ are not features of business environment.
 - a) Uncertainty b)Relativity
 - c)Static nature d)Specific and General forces
10. In relation to business environment specific forces includes
 - a) Investors b) Customers
 - c)Competitors d) All of above
11. In relation to business environment general forces includes conditions
 - a) Social b) Political
 - c)Legal and technological d)All of above
12. Business environment is in nature.
 - a) Dynamic b) Static
 - c) Unchanging d) All of above
13. Business environment is largely
 - a) Uncertain b) Static
 - c)Unchanging d) All of above
14. The business environment is in nature
 - a) Multifaceted b) Uncertain
 - c)Dynamic d)All of above

IMPORTANCE OF BUSINESS ENVIRONMENT

15. Early identification of opportunities do not help an enterprise to exploit opportunities.
 - a) False b)True
 - c) Partly true d)None of above
16. Identification of possible threats helps in taking corrective and improving measures to survive the competition.
 - a) False b) True
 - c) Partly true d) None of above
17. In order to effectively cope with significant changes, firms must the environment and develop suitable course of action.
 - a) Understand
 - b) Examine
 - c) Understand and examine
 - d) Understand without examining
18. In which of the following ways proper understanding of various aspects of business environment helps the business ?

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- a) Early identification of opportunities
 - b) Identification of possible threats
 - c) Coping with rapid changes
 - d) All of above
19. In which of the following ways proper understanding of various aspects of business environment helps the business?
- a) It enables the business to identify the areas for growth and expansion of their activities.
 - b) It helps the firms to analyze the competitors' strategies and formulate their own strategies accordingly in order to cope with the rapidly increasing competition.
 - c) Environmental understanding helps the business organizations in improving their image by showing their sensitivity to the environment within which they are working.
 - d) All of above
20. Environmental analysis makes the task of managers easier in dealing with business challenges.
- a) True b) False
 - c) Partly true d) None of above

VISION & MISSION STATEMENT

21. A describes the desired future position of the company.
- a) Vision statement b) Mission statement
 - c) Planning statement d) Forecasting statement
22. A Defines the company's business, its objectives and its approach to reach those objectives.
- a) Vision statement b) Mission statement
 - c) Planning statement d) Forecasting statement
23. Your Is your ultimate goal, your..... is how you will get there.
- a) Mission, Vision b) Vision, Mission
 - c) Vision, Vision d) Mission, Mission
24. Where you want your business to be in 10 years time. This can be termed as :
- a) Mission statement
 - b) Vision statement
 - c) Statement of purpose
 - d) Memorandum of understanding
25. To develop caliber professionals facilitating good corporate governance is Of ICSI.
- a) Mission b) Vision
 - c) Both (a) and (b) d) None of above

26. To be a global leader in promoting good corporate governance is of ICSI.
- a) Mission b) Vision
 - c) Both (a) and (b) d) None of above
27. To give people the power to share and make the world more open and connected is Of Face book.
- a) Mission b) Vision
 - c) Both (a) and (b) d) None of above
28. To organize the world's information and make it universally accessible and useful is mission of.....
- a) Nike b) Face book
 - c) Google d) Sony
29. To bring inspiration and innovation to every athlete in the world is mission of
- a) Nike b) Face book
 - c) Google d) Sony
30. "we invite new thinking, so even more fantastic ideas can evolve. We take chances. We exceed expectations. We help dreamers dream. "This is vision of
- a) Nike b) Face book
 - c) Google d) Sony
31. Mission and Vision Statements are NOT commonly used to :
- a) Guide management's thinking on strategic issues, especially during times of significant change
 - b) Create wider linkages with customers, suppliers and alliance partners
 - c) Help establish a framework for ethical behavior
 - d) Inspire employees to work more productively
 - e) By providing focus and common goals

INTERNAL ENVIRONMENT

32. A business has absolute control in the, whereas it has no control on the
- a) External environment, External environment
 - b) External environment, Internal environment
 - c) Internal environment, External environment
 - d) Internal environment, Internal environment
33. contains the owner of the business, the shareholders, the managing director, the non-managers, employees, the customers, the infrastructure of the business organization, and the culture of the organization.
- a) Internal environment b) External environment

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- c) Outside environment d) All of above
34. Internal environment includes.....M's/
a) 3 b) 4 c) 5 d) 6
35. Man (Human Resource), Money (Financial Factors), Marketing Resources, Machinery (Physical Assets), Management Structure and Nature are..... factors.
a) Internal environment b) External environment
c) Outside environment d) All of above
36. in any organization must have characteristics like skills, equality, high morale, commitment towards the work, attitude, etc.
a) Marketing Resources
b) Financial Factors
c) Human resource
d) All of above
37. Share capital, banking and other financial institutions and unorganized capital markets are.....
a) Marketing Resources
b) Financial Factors
c) Human resource
d) All of above
38. The internal factors that contribute to the business environment is / are :
a) Research and Development
b) Company Image and Brand Equity
c) Value System
d) All of above
39. May include inventions and techniques which affect the way of doing things that is, designing producing and distributing products.
a) Research and Development
b) Company Image and Brand Equity
c) Value system
d) All of above
40. The principles of right and wrong that are accepted by an individual or organization are what comprise.....
a) Research and Development
b) Company Image and Brand Equity
c) Value System
d) All of above
41. Competitor analysis involves :
a) Identifying the actual competitors

- b) Assessing competitors' objectives, strategies, strengths & weaknesses, and reaction patterns
c) Selecting the strategies to deal with competitors
d) All of above

EXTERNAL ENVIRONMENT

42. The..... of an organization comprises of all entities that exists outside its boundaries, but have significant influence over its growth and survival.
a) Internal environment
b) Inner environment
c) Economic environment
d) External environment.
43. An organization has little or no control over its but needs to constantly monitor and adapt to these external changes.
a) Internal environment
b) Inner environment
c) Economic environment
d) External environment
44. Environment factor which are beyond the control of individual is known as.....
a) Internal
b) External
c) Both (a) and (b)
d) None of above
45. Change in technology, political factors, demand of population are.....factors
a) Internal b) External
c) Both (a) and (b) d) None of above
46. The micro environment is also known as the
a) Task environment
b) Operating environment
c) Task environment and operating environment
d) None of above
47. The Consists of the factors in the company's immediate environment that affects the performance and working of the company.
a) Micro environment
b) Macro environment
c) Business environment
d) None of above
48. Micro environmental factors, internal factors close to a business that have a direct impact on its strategy includes:

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- a) Customers b) Employees
c)Suppliers d)All of above
49. Micro environmental factors, internal factors close to a business that have a direct impact on it strategy includes :.....
- a) Shareholders b) Media
c)Competitors d) All of above
50. Macro environment is also known as
- a) General environment
b) Remote environment
c) General environment or remote environment.
d) None of above
51. Micro environmental factors can be described as close to a business that have a direct impact on its strategy.
- a) Employees relationship
b) Internal factors
c) Media relation
d) Competitive environment
52. are generally more uncontrollable than micro environment factors.
- a) Macro factors b) Micro factors
c)Estimated factors d) Non business
53. The macro environment is primarily concerned with major issues and upcoming changes in the environment.
- a) False b) True
c) Partly true d) None of above
54. Factors affects the organization and not necessary to the whole economy.
- a) Micro factor b) Macro factors
c) Both (a) and (b) d)None of above

LIBERALIZATION,
PRIVATIZATION,GLOBALIZATION

55. refers to the process of eliminating un-necessary controls and restrictions on the smooth functioning of business enterprises.
- a) Globalization b) Privatization
c)Liberalization d)All of above
56., which has become a universal trend, means transfer of ownership and / or management of an enterprise from the public sector to the private sector.
- a) Globalization b) Privatization
c) Liberalization d) All of above
57. May be defined as “the growing economic interdependence of countries worldwide through increasing volume and variety of cross border transactions in goods and services and of

international capital flows, and also through the more rapid and widespread diffusion of technology”.

- a) Globalization b)Privatization
c) Liberalization d) All of above
58. Liberalization includes.....
- a) Abolishing industrial licensing requirement in most of the industries
b) Freedom in deciding the scale of business activates
c) Simplifying the procedure for imports and exports
d) All of above
e) Liberalization includes.....
59. Liberalization includes.....
- a) Adopting strict industrial licensing requirement in most of the industries
b) Reduction in tax rates
c) Simplified policies to attract foreign capital and technology to India.
d) (b) & (c)
60. Liberalization has helped us in achieving.....
- a) A high growth rate
b) Easy availability of goods at competitive rates
c) A healthy and flourishing stock market
d) All of above
61. Liberalization has helped us in achieving.....
- a) High foreign exchange reserve
b) Low inflation rate
c) Strong rupee
d) All of above
62. The objects of privatization is/ are :.....
- a) To improve the performance of PSUs so as to lessen the financial burden on taxpayers
b) To encourage and to facilitate private sector investments, from both domestic and foreign sources
c) To generate revenues for the state
d) All of above
63. The objects of privatization is / are.....
- a) To increase the administrative burden on the state
b) To discourage private sector investments
c) To decrease the size and dynamism of the private sector investments
d) None of above
64. The objects of privatization is / are.....
- a) To reduce the administrative burden on the state

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- b) To encourage and to facilitate private sector investments
 - c) To increase the size and dynamism of the private sector
 - d) All of above
65. The benefits of privatization is/ are as follows :
.....
- a) It reduces the fiscal burden of the state by relieving it of the losses of the SOEs and reducing the size of the bureaucracy
 - b) Privatization of SOEs enables the government to mop up funds
 - c) Privatization helps the state to trim the size of the administrative machinery
 - d) All of above
66. The function of privatization is/ are as follows :
.....
- a) Privatization helps accelerate the pace of economic developments as it attracts more resources from the private sector for development
 - b) It may result in better management of the enterprises
 - c) Privatization may also encourage entrepreneurship
 - d) All of above
67. The following factors are key drivers of globalization.....
- a) Government action, exchange rates, competition and socio demographic factors
 - b) Market convergence, competition, exchange rates and cost advantages.
 - c) Cost advantages, government action, economic cycles and competition.
 - d) Market, cost, competition and government Policies
68. Liberalization does not includes :.....
- a) Abolishing industrial licensing requirement in most of the industries
 - b) Freedom in deciding the scale of business activates
 - c) Restriction in fixing prices of goods and services
 - d) Simplifying the procedure for imports and exports
69. Which of the following is Not included in liberalization?
- a) Reduction in tax matters
 - b) Abolition of licensing
 - c) Simplification of policies
 - d) Imposition of tariff barriers

FORMS OF BUSINESS ORGANIZATION

INTRODUCTION & CHARACTERISTICS OF AN IDEAL FORM OF ORGANIZATION

1. The business can always be started by one person only.
a) True b) False
c) Partly true d) None of above
2. Which of the following can be treated as characteristics of business organization.
a) A business firm may be owned by one individual or a group of individuals jointly.
b) Every business undertaking is depend entity.
c) Every business undertaking engaged in the production only and not in destruction of services
d) All of above
3. Which of the following can be treated as characteristics of business organization?
a) All business enterprise engage in operation on a continuous basis.
b) Business undertakings are not exposed to any risk or uncertainty.
c) A business firms are owned by one individual and not by a group of individuals jointly.
d) All of above
4. Every business enterprises must undertake such business which is.....
a) Unlawful b) Lawful
c) Illegal d) All of above
5. Every business undertaking is..... entity.
a) An independent b) A dependent
c) A social d) None of above
6. Every business has its own.....
a) Assets b) Liabilities
c) Both (a) and (b) d) Assets but not liabilities
7. Every business undertaking is engaged in the production and / or distribution of.....in exchange of money.
a) Goods b) Services
c) Money d) Goods or services
8. Business undertakings are always exposed to.....
a) Risk b) Uncertainty
c) (a) & (b) d) Society
9. A business started by only one person is called.....
a) Company b) sole proprietorship

- c) Trust d) Society

10. The business started by a group of persons can be.....
a) Company b) Hindu undivided Family
c) Partnership d) Any of the above
11. A business enterprise may be organized on the basis of Liability.
a) Limited b) Unlimited
c) (a) or (b) d) Non business
12. is essential for any business concern.
a) Unlimited liabilities b) Stability
c) Interrupted existence d) No risk

SOLE PROPRIETORSHIP

13. Characteristics of sole proprietorship form business is/ are.....
a) Single owner
b) Non sharing of profit and loss
c) One-man's capital
d) All of above
14. Characteristics of sole proprietorship form of business is /are.....
a) One-man control b) Unlimited liability
c) Less legal formalities d) All of above
15. Which of following is/ are characteristic(s) of sole proprietorship form of business?
a) Sharing of profits b) Control by partner
c) Limited liability d) None of above
16. Sole proprietorship business includes only shopkeepers.
a) True b) False
c) Partly true d) None of above
17. Which of following form of business is the most simple and common in our country?
a) Statutory corporations b) Sole proprietorship
c) Company d) All of above
18. Which of following is/are advantages of sole proprietorship form of business?
a) Easy to form b) Easy to wind up
c) Both (a) and (b) d) Neither (a) nor (b)
19. In case of sole proprietorship there is a.....between effort and reward.
a) Quick decision and prompt action
b) Maintenance of business secrets

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- c) Close personal relation with the customers and employees
 - d) All of above
20. In case of sole proprietorship there is a.....between effort and reward.
- a) Direct link b) Indirect link
 - c)Thin link d) Thick link
21. In case of sole proprietorship there is a direct link between.....
- a) Profit and loss b) Assets and liabilities
 - c)Goods and services d)Effort and reward
22. In sole proprietorship business the proprietor has full control over each and every activity of the business.
- a) True b) False
 - c) Partly true d) None of above
23. The sole proprietor is always in a position to maintain good personal contact with the customers and employees.
- a) True b) False
 - c)Partly true d)None of above
24. Which of following is/ are disadvantages of sole proprietorship form of business?
- a) Limited capital b) Unlimited liability
 - c)Limited size d) All of above
25. Which of following is/are disadvantages of sole proprietorship form of business?
- a) Lack of managerial expertise
 - b) Lack of continuity
 - c) Lack of capital
 - d) All of above
26. Sole proprietorship form is most suitable:.....
- a) Where the market for the product is small and local.
 - b) Where customers are given personal attention, according to their personal tastes and preferences.
 - c) Where capital requirement is small and risk involvement is not heavy.
 - d) All of above
27. Sole proprietorship form is most suitable:
- a) Where the market for the product is small and local.
 - b) Where customers are given personal attention, according t their personal tastes and preferences.
 - c) Where capital requirement is small and risk involvement is not heavy.
 - d) All of above

28. Sole proprietorship form is not suitable;
- a) Where capital requirement is large and risk involvement is heavy.
 - b) Where manual skill is required.
 - c) Where the market for the product is small and local.
 - d) All of above

HINDU UNDIVIDED FAMILY (HUF)

29. Business is a form of business organization found only in India.
- a) The company
 - b) The Hindu Undivided Family (HUF)
 - c) The partnership
 - d) The trust
30. In Hindu Undivided Family (HUF) from of business all the members of a Hindu undivided family own the business.....
- a) Individually b) Separately
 - c) Jointly d) With society
31. The affairs of business are managed by the head of the family, who is known as the.....
- a) KARMA b) KARTA
 - c) KARMAVIR d) KARVIR
32. IN A Hindu Undivided Family business only the..... get a share in the business by virtue of their being part of the family.
- a) Female members b) Male members
 - c) Both (a) and (b) d) Either (a) or (b)
33. Member in HUF other than KARTA are called as
- a) Co-parceners b) Co-partner
 - c) Co-manager d) Co-karta
34. Which of the following is/ are feature (s) of KARTA in HUF form of business?
- a) Karta is the eldest male member of the family.
 - b) Karta is the custodian of the income and assets of the HUF.
 - c) Karta is to manage the HUF property.
 - d) All of above
35. No stranger can ever be qualified to be a karta, but an adopted son who is the eldest in the family can be qualified.
- a) False b) True
 - c) Partly true d) None of above
36. The Hindu Undivided Family business is governed by.....
- a) Contract law b) Hindu law
 - c) Muslim law d) Company law
37. Any person can become member of HUF.

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- a) False b) True
c) Partly true d) none of above
38. In a HUF business all co-parceners have equal share in the profits of the business.
a) False b) True
c) Partly true d) None of above
39. In a HUF business all co-parceners have equal share in the profits of the business.
a) False b) True
c) Partly true d) None of above
40. The liability of each member of the HUF business is.....
a) Limited to the extent of share of KARTA
b) Limited to the extent of his share in the business
c) Unlimited
d) Limited to the extent as may be determined by relatives
41. In a HUF business, the liability of the karta is
a) Limited to the extent of share of co-parceners
b) Limited to the extent as may be determined by relatives
c) Unlimited
d) (a) or (b)
42. A HUF business can be dissolved any time.....
a) Through mutual agreement between members
b) By partition
c) Either (a) or (b)
d) Only through order of court
43. Which of the following can be treated as advantage of HUF form of business?
a) Every co-parcener is assured a share in the profits irrespective of his contribution to the successful running of the business.
b) The karta enjoys full freedom in conducting the family business.
c) A HUF business provides opportunity for the young members of the family to get the benefit of knowledge and experience of the elder members and also helps in inculcating virtues like discipline, self-sacrifice, tolerance etc.
d) All of above
44. Which of the following can be treated as advantage of HUF form of business?
a) The liability of the co-parceners is limited, except for that of karta which makes the karta to manage the business in the most efficient manner.
- b) A HUF business is not affected by the insolvency or death of any member including that of karta.
c) Both (a) and (b)
d) (a) or (b)
45. Which of the following can be treated as disadvantage of HUF form of business?
a) HUF business has generally limited financial and managerial resource.
b) There is always a lack of motivation among the members to work hard.
c) Since the karta has absolute freedom to manage the business, there is scope for him to misuse it for his personal gains.
d) All of above
46. Which of the following can be treated as disadvantage of HUF form of business?
a) An inefficient karta can also do harm to the business.
b) In a HUF business the male members of three successive generations are involved which may leads to conflict between generations.
c) The continuity of business is always under threat. It may be due to a small rift within the family and if a co-parcener asks for a partition the business is closed.
d) All of above
47. Which of the following can be treated as advantage of HUF form of business?
a) A HUF business is not affected by the insolvency or death of any member including that of karta.
b) An inefficient karta can also do harm to the business.
c) The continuity of business is always under threat. It may be due to a small rift within the family and if a co-parcener asks for a partition the business is closed.
d) Since the karta has absolute freedom to manage the business, there is scope for him to misuse it for his personal gains.
48. A joint HUF business ceases to exist on the death of the KARTA.
a) True b) False
c) Partly true d) None of above

PARTNERSHIP

49. is an association of 2 or more individuals but not more than 20 who agree to share the profits of a lawful business which is managed and carried on either by all or by any, or some of them acting for all.
a) HUF b) Partnership

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- c) Company d) Trust
50. Partnership is an association of two or more individuals (but not more than 20) who agree to share the profits of a lawful business which is managed and carried on.....
- a) By all
b) By any of them
c) By some of them acting for all
d) (a) or (b) or (c)
51. Each member of firm is individually known as
- a) Partner b) Co-partners
c) Managers d) Director
52. A minimum of..... are required to start a partnership business.
- a) Five persons b) Four persons
c) Three persons d) Two persons
53. The maximum membership for a partnership business limit is..... In case of banking business
- a) 5 b)10 c)20 d)50
54. The maximum membership for a partnership business limit is.....in case of non-banking business.
- a) 5 b)10 c)20 d)50
55. The relation between the partners of a partnership firm is created by.....
- a) Contract b) Birth
c) Status d) All of above
56. The partners enter into partnership through an agreement which may be.....
- a) Verbal b) Written
c) Implied d) Verbal, written or implied
57. If the partnership agreement is in it is known as a 'Partnership Deed'.
- a) Verbal b) Written
c) Implied d) Verbal, written or implied
58. Who of the following cannot enter into partnership agreement?
- a) Minors b) Lunatics
c) Insolvent d) All of above
59. A minor can be admitted to the benefits of partner's ship.
- a) True b) False
c) Partly d) None of above
60. A minor can be admitted to the benefits of partnership, which means.....
- a) He can have a share in the loss only
- b) He can have a share in the profits only
c) He cannot have any share in profit or loss
d) He can have a share in the profits only if other partner by majority agrees to give it
61. The partners can share profit in.....
- a) Capital ration
b) Any ration as agreed
c) In current account ration
d) 5:3:2
62. In the absence of an agreement, the partners must share profit in.....
- a) Capital ration b) Any ration
c) In current account ration d) Equal ration
63. The partners haveliability
- a) Unlimited b) Limited
c) (a) or (b) d) None of above
64. The partners are liable For the debts and obligations of the firm.
- a) Jointly b) Severally
c) Both (a) and (b) d) (a) or (b)
65. Registration of partnership is.....
- a) Compulsory b) Not compulsory
c) Both (a) and (b) d) (a) or (b)
66. Which of the following is/ are advantage of partnership firm?
- a) The partnership, like the sole proprietorship, can be easily organized.
b) Partnership can bring more capital to the business by the joint efforts of the partners as compared to sole proprietorship.
c) As there are many partners involved in the operation of a business, the firm can distribute the duties and responsibilities to each partners for which one is best qualified and suited.
d) All of above
67. Which of the following is/ are advantage of partnership firm?
- a) The partners can keep the business secrets to themselves.
b) As liability of partners is unlimited, the partners, therefore, tend to be careful in taking business decisions.
c) The partnership, like the sole proprietorship, can be easily organized.
d) All of above
68. Which of the following is/ are disadvantage of partnership firm?
- a) Unlimited liability of Partners
b) The duration of the partnership is always uncertain.

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- c) The partners should be like minded, have a common objective, be large hearted, have a cool temperament, should not unnecessarily cause friction and confusion among the partners.
- d) All of above

COMPANY

- 69. The companies are governed by the Indian Companies Act,.....
 - a) 1872 b) 1936 c) 1956 d) 1856
- 70. As per Companies Act 1956, a company is.....
 - a) Formed and registered under the companies Act, 1956 or
 - b) An existing company registered under any earlier Companies Act.
 - c) (a) or (b)
 - d) None of above
- 71. Characteristics of a company:
 - a) Transferability of shares
 - b) Perpetual existence
 - c) Limited liability
 - d) All of above
- 72. Characteristics of a company :.....
 - a) Transferability of shares
 - b) Perpetual existence
 - c) Limited liability
 - d) All of above
- 73. Is the official signature of the company.
 - a) Rubber stamp b) A common seal
 - c) Both (a) and (b) d) Either (a) or (b)
- 74. In relation to liability of the shareholders of a limited company the shareholders may be asked to pay the.....
 - a) Unpaid value of shares
 - b) Paid up value of shares
 - c) Uncalled amount per shares
 - d) Any of above
- 75. The life of a company is not affected by the Of a share holder.
 - a) Death b) Disability
 - c) Insolvency d) All of above
- 76. The company can.....
 - a) Enter into contracts
 - b) Borrow money
 - c) Open banking account in its name
 - d) All of above

- 77. The management of the company is carried on by the elected.....
 - a) Board of partners
 - b) Board of trustees
 - c) Board of directors
 - d) Board of shareholders
- 78. Which of the following is/ are disadvantage of a company form of organization?
 - a) The formation of a joint stock company is much more complicated than sole proprietorship or partnership.
 - b) A joint stock company has greater tax burden.
 - c) Separation of ownership from control
 - d) All of above
- 79. Which of the following is/ are disadvantage of a company form of organization?
 - a) The window dressing of the prospectus often misleads the investors who are later on exploited by the promoters:
 - b) Lack of secrecy
 - c) Stock exchange speculation
 - d) All of above

STATUTORY BODIES & CORPORATIONS

- 80. Is a body that is created under an Act of Parliament or an Act of State Legislatures?
 - a) Statutory body
 - b) Trust
 - c) Co-operative society
 - d) Multistate co-operative society
- 81. Statutory body is a body that is created under an.....
 - a) Act of Parliament
 - b) An act of state legislatures
 - c) Neither (a) nor (b)
 - d) Either (a) or (b)
- 82. Which of the following is example of a public corporation?
 - a) Life Insurance Corporation of India
 - b) Employees State Insurance Corporation (ESIC) Industrial Development Bank India (IDBI)
 - c) It can acquire an own property but not on its own name.
 - d) All of above
- 83. Feature (s) of a public corporation is /are:.....
 - a) It is a body corporate which is established only under the Companies Act, 1956.
 - b) It enjoys a separate legal entity with perpetual succession and common seal.

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- c) It can acquire an own property but not on its own name
d) All of above
84. Feature (s) of a public corporation is/ are:.....
a) It can sue and be sued and can enter into contracts in its own name.
b) The public corporation is wholly owned by the Central and / or State government (s).
c) It enjoys financial autonomy.
d) All of above
85. Feature (s) of a public corporation is/ are :.....
a) It is generally not exempt from the rigid rules applicable to the expenditure of public funds.
b) A public Corporation is managed by board of directors who are appointed by public financial institutions.
c) A public Corporation is managed by board of directors who are appointed by public financial institution.
d) The primary motive of the corporation is public service rather than private profits.
e) All of above
86. Feature (s) of a public corporation is/ are:.....
a) The primary motive of the corporation is to earn private profits.
b) It cannot sue and cannot be sued and cannot enter into contracts in its own name
c) Both (a) nor (b)
d) Neither (a) nor (b)
87. Which of the following is/ drawback of public corporation?
a) It is very difficult and time-consuming to set up a public corporation.
b) It is very difficult to change the objects and powers because the special law has to be amended
c) There are frequent debates and discussions on the reports and working of public corporations.
d) All of above
88. The public corporation is suitable for undertakings requiring monopoly powers, e.g., public utilities.
a) True b) False
c) Partly true d) None of above
- CO-OPERATIVE SOCIETIES & TRUST**
89. is a voluntary association of persons who work together to promote their economic interest.
a) Sole proprietorship b) Company
c) Co-partnership d) Co-operative
90. The main objectives (s) of co-operative society are / are:
a) Earning lot of profit
b) Competition with private sectors enterprises instead of mutual help
c) Self help in place of dependence
d) All of above
91. are formed to protect the interest of general consumers by making consumer goods available at a reasonable price.
a) Producers' co-operative societies
b) Co-operative marketing societies
c) Housing co-operative societies
d) Consumers' co-operative societies
92. are formed to protect the interest of small producers by making available items of their need for production like raw materials, tools and equipments, machinery, etc.
a) Producers' co-operative societies
b) Co-operative marketing societies
c) Housing co-operative societies
d) Consumers' co-operative societies
93. are formed by small producers and manufactures who find it difficult to sell their products individually.
a) Producers' co-operative societies
b) Co-operative marketing societies
c) Housing co-operative societies
d) Consumers' co-operative societies
94. Are formed to provide financial support to the members.
a) Producers' co-operative societies
b) Co-operative marketing societies
c) Co-operative credit societies
d) Consumers' co-operative societies
95. are formed to provide financial support to the members.
a) Co-operative farming societies
b) Co-operative marketing societies
c) Co-operative credit societies
d) Consumers' co-operative societies
96. are formed to provide residential houses to members.
a) Producers' co-operative societies
b) Co-operative marketing societies
c) Housing co-operative societies
d) Consumers' co-operative societies
97. Which of the following is example of consumers' co-operative society?
a) Haryana handloom

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- b) Gujarat co-operative milk marketing federation
c) Apna bazaar
d) Urban cooperative banks
98. Which of the following is example of producers' co-operative society?
a) Haryana handloom
b) Gujarat co-operative milk marketing federation
c) Apna Bazaar
d) Urban Cooperative Banks
99. Handloom societies like APPCO, Bayanika, Haryana Handloom, etc., are examples of.....
a) Producers' co-operative societies
b) Co-operative marketing societies
c) Co-operative credit societies
d) Consumers' co-operative societies
100. Village Service Co-operative society and Urban Cooperative Banks are examples of.....
a) Producers' Co-operative societies
b) Co-operative marketing societies
c) Co-operative credit societies
d) Consumers' co-operative societies
101. Lift-irrigation cooperative societies and pani-panchayats are some of the examples of.....
a) Co-operative farming societies
b) Co-operative marketing societies
c) Co-operative credit societies
d) Consumers' co-operative societies
102. Which of the following can be treated as characteristic of co-operative society?
a) Voluntary association
b) Separate legal entity
c) Democratic management
d) All of above
103. The income of cooperative society is legally..... As per the Income-tax Act, 1961.
a) Not taxable
b) Taxable
c) Total exempt
d) Taxable if State government pass order
104. In case of cooperative society, no member detects the terms and conditions of the functioning because "....." is the thumb rule.
a) One man two vote b) One man one vote
c) Two man one vote d) No man no vote
105. According to Indian Cooperative Societies Act, 1912, each society must transfer at least..... of its profits to general reserve.
- a) One-third b) One-fourth
c) One-half d) One-tenth
106. According to Indian Cooperative Societies Act, 1912, may distribute maximum up to.....of its surplus as dividend to its members
a) 100 per cent b) 90 per cent
c) 50 per cent d) 25 per cent
107. The advantages of co-operative society is / are as follows:.....
a) It is very expensive and difficult to form co-operative society as compared to a joint stock company.
b) The co-operative societies work on the principle of open membership
c) "One share one vote" is the rule and thus members having maximum share can dominate the management.
d) All of above
108. The liability of members of co-operative society remains limited to the extent of capital contributed by them.
a) True b) False
c) Partly true d) None of above
109. The members of co-operative society are personally liable to pay the liability of co-operative society.
a) True b) False
c) Partly true d) None of above
110. The co-operative society has perpetual succession because it is not affected due to.....of any member.
a) Death b) Insolvency
c) Lunacy d) Any of above
111. The basic aim of the co-operative society is..... help.
a) Mutual b) Self
c) (a) or (b) d) Poor peoples
112. The co-operative society follows the principles of "....."
a) Cash and credit b) Cash and carry
c) Credit and carry d) Cash and carry forward
113. Which of the following is / are disadvantage of co-operatives?
a) Lack of unity among members
b) Lack of motivation
c) Political interference
d) All of above
114. Which of the following is /are disadvantage of co-operatives?
a) Lack of unity among members

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- b) Lack of motivation
- c) Political interference
- d) All of above

115. Which of the following is/ are not disadvantage of co-operatives?

- a) Lack of capital
- b) Mutual help instead of competition
- c) Difficult to maintain business Secrecy
- d) Unwanted interference by the departmental personnel

LIMITED LIABILITY PARTNERSHIP

116. Characteristics of Limited Liability Partnership (LLP)

- a) It shall be a body corporate and a legal entity having perpetual succession separate from its partners.
- b) The mutual rights and duties of partners of an LLP inter se and those of the LLP and its partners shall be governed by an agreement between partners
- c) Each partners is an equal member in a LLP company
- d) All of above

117. Which of the following is / are advantage of LLP?

- a) No separate legal existence apart from its partner
- b) Easy to establish than sole proprietorship
- c) Detailed legal and procedural requirements than sole proprietorship
- d) None of above

118. Which of the following is / are advantage of LLP?

- a) Perpetual existence irrespective of changes in partners
- b) Internationally renowned from of business in comparison to Company
- c) No requirement of minimum capital contribution
- d) All of above

119. Which of the following is / are advantage of LLP?

- a) Restrictions as to maximum number of partners
- b) LLP & its partners are not distinct from each other
- c) Partners are not liable for Act of the partners
- d) All of above

120. Which of the following is / are advantage of LLP?

- a) Personal assets of the partners are liable in all cases.
- b) Much more difficult to dissolve or wind-up
- c) No requirement to maintain statutory record except books of account
- d) All of above

121. LLP can raise funds from public.

- a) True b) False
- c) Partly true d) None of above

CHOICE OF AN APPROPRIATE FORM OF BUSINESS

122. The right choice of the form of the business depends upon.....

- a) Nature of business
- b) Volume of business
- c) Area of operation
- d) All of above

123. Businesses providing direct services like tailors, restaurants and professional services like doctors, lawyers are generally organized as.....concerns

- a) Proprietary concerns
- b) Trust
- c) Co-operative society
- d) All of above

OTHER CORPORATION CLASSIFICATIONS

124. formed by the government to meet some governmental and political purposes.

- a) A Foreign corporations
- b) A Public corporations
- c) A Private corporations
- d) A Professional Corporations

125. Common examples for non-profit corporations are..... Corporations.

- a) Educational b) Charitable
- c) Religious d) All of above

MICRO & SMALL SCALE ENTERPRISES

1. Scale of business determines the.....
 - a) Size of the business
 - b) Production of such business
 - c) Capital involved in business
 - d) All of above
2. The industries which are organized on a small scale and produce goods with the help of small machines, hired labour and power are called as.....
 - a) Large scale industries
 - b) Small scale industries
 - c) (a) or (b)
 - d) (a) and (b)
3. Small scale industrial undertaking is an industrial undertaking in which the investment in fixed assets in plant and machinery, whether held on ownership terms or on lease or on hire purchase, does not exceed.....
 - a) Rs. 4 crore b) Rs. 3 crore
 - c) Rs. 2 crore d) Rs. 1 crore
4. Traditional small industries include.....
 - a) Khadi and handloom b) Village industries
 - c) Both (a) and (b) d) Neither (a) nor (b)
5. Traditional small industries include.....
 - a) Village industries b) Handicrafts
 - c) Sericulture & coir d) All of above

Meaning of sericulture: The production of raw silk by raising silkworms

Meaning of coir: Stiff coarse fiber from the outer husk of a coconut
6. Among traditional village industries, Possess the highest labour productivity
 - a) Handicrafts b) Sericulture
 - c) Coir d) All of above

ROLE OF SSI IN THE INDIAN ECONOMY

7. The small-scale industries sector contributes almost Of the gross industrial value added in the Indian economy.
 - a) 20% b) 40% c) 60% d) 80%
8. SSI Sector contributes..... Of the Indian Exports.
 - a) 25%-30% b) 15%-20%
 - c) 45%-50% d) 95%-100%
9. The small-scale industries sector plays a vital role in the growth of the country.

- a) True b) False
 - c) Partly true d) None of above
10. SSI Sector in India creates very low employment opportunities for the Indian population.
 - a) True b) False
 - c) Partly true d) None ob above
 11. SSI Sector plays a major role in India's present export performance.
 - a) True b) False
 - c) Partly true d) None of above
 12. Small-scale sector units is / are.....
 - a) Less Capital Intensive
 - b) More Capital Intensive
 - c) Not Capital Intensive
 - d) All of above
 13. For the goods having artistic features..... Size of enterprise is preferred.
 - a) Small scale b) Corporation
 - c) Very large d) Large scale
 14. Small scale industries are highly.....
 - a) Capital intensive b) Machine intensive
 - c) Labour intensive d) None of the above
- LARGE SCALE ENTERPRISES**
15. refers to those industries which require huge infrastructure, man power and a have influx of capital assets.
 - a) Large scale industries
 - b) Small scale industries
 - c) Both (a) and (b)
 - d) (a) or (b)
 16. In India, industries with a fixed asset of more than..... are called large scale industries.
 - a) Two million rupees
 - b) One hundred million rupees
 - c) One million rupees
 - d) Five million rupees

17. Example (s) of large scale industries include.....
 - a) Fertilizer b) Cement
 - c) Natural gas d) All of above
18. Example(s) of large scale industries do no include.....
 - a) Petroleum b) Mining
 - c) Handicrafts d) Banking
19. Example(s) of large scale industries do not include.....

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- a) Petroleum b) Mining
- c) Handicrafts d) Banking

20. Economies derived from large scale of business are.....

- a) Internal b) External
- c) Both (a) & (b) d) None of above

PUBLIC ENTERPRISES

21. According to N.N. Malaya, "..... are autonomous or semi-autonomous corporation and companies established, owned and controlled by the state and engaged in industrial and commercial undertaking?

- a) Private enterprises b) Public enterprises
- c) Semi private enterprises d) None of above

22. Who said, "state ownership and operation of industrial, agricultural, financial and commercial undertaking.

- a) N.N.Malya b) I.V.Strake
- c) A.H. Hansom d) O.L. Rehan

23. Which of the following is public enterprise?

- a) Hindustan Machine Tools (HMT)
- b) Gas Authority of India (GAIL)
- c) Both (a) & (b)
- d) Neither (a) nor (b)

24. The chief characteristic(s) of public enterprises is/ are:.....

- a) Public enterprise is an autonomous or semiautonomous organization
- b) The public enterprises are financed, owned and managed by the government may be a central or state government.
- c) The primary objective of the establishment of public enterprises is to serve the public at large by supplying the essential goods at a reasonable price and creating employment
- d) All of above

25. The chief characteristic(S) of public enterprises is/ are:.....

- a) In some specific cases the public enterprises enjoy monopoly in operation like Railways, Post and Telegraph and Energy production
- b) The state enterprises are liable to the general public for their performances.
- c) The public enterprises run as per the whims of the government and as such the economic policies and plans of the government are implemented through public enterprises.
- d) All of above

26. The primary objective of public sector enterprises is to.....

- a) Serve the public
- b) Maximize profit

- c) Act as a catalyst for community development
- d) Provide agricultural products

27. Different forms of organization used for the public sector enterprises in India.....

- a) Departmental undertaking
- b) Statutory corporation
- c) Government company
- d) All of above

28. The organization form of public sector enterprise does not include:.....

- a) Departmental Undertaking
- b) Statutory Corporation
- c) Government Company
- d) Subsidiary to Public Company

29. form of organization is primarily used for provision of essential services such as railways, postal services, broadcasting etc.

- a) Departmental undertaking
- b) Statutory corporation
- c) Government company
- d) All of above

30. refers to a corporate body created by the Parliament or State Legislature by a Special Act which defines its powers, functions and pattern of management.

- a) Departmental undertaking
- b) Statutory corporation
- c) Government company
- d) All of above

31. Refers to the company in which 51 percent or more of the paid up capital is held by the government.

- a) Departmental undertaking
- b) Statutory corporation
- c) Government company
- d) All of above

32. Which of the following is / are statutory corporation?

- a) Life Insurance Corporation (LIC)
- b) Unit Trust of India (UTI)
- c) Food Corporation of India
- d) All of above

33. Bharat Heavy Electricals Limited is.....

- a) Government company
- b) Private sector company
- c) Non-profit making
- d) All of above

34. The role of public sector was redefined. In July..... Government identified nine central public sector enterprises as 'Navaratnas'.

- a) 2007 b) 1997 c) 1967 d) 1957

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35. Which of the following is / are included in public sector enterprises as 'Navaratnas'?
- a) BHEL b) BPCL
c) GAIL d) All of above
36. Which of the following is / are included in public sector enterprises as 'Navaratnas'?
- a) HPCL b) IOC
c) MTNL d) All of above
37. Which of the following is / are included in public sector enterprises as 'Navaratnas'?
- a) NTPC b) ONGC
c) SAIL d) All of above
38. Which of the following is / are included in public sector enterprises as 'Navaratnas'?
- a) UTI b) IOC c) LIC d) (a) and (c)
39. In July 1997, which of the following has not been identified as a 'navratna' public sector enterprise?
- a) SAIL b) BHEL c) UTI d) ONGC
40. Presently there are.....Miniratna Public Sector Enterprises functioning in India.
- a) 5 b) 25 c) 45 d) 105
41. BIFR means.....
- a) Board for Industrial and Financial Recontion
b) Board for International and Financial Reconstruction
c) Board for Industrial and Forex Reconstruction
d) Board for International and Forex Revival
42. BRPSE has made recommendations in respect of central public sector enterprises so far and out of them the Government has approved revival plan of..... cases till 30th March 2006.
- a) 15, 31 b) 5, 21 c) 31, 15 d) 21, 5

MULTINATIONAL CORPORATIONS (MNCs)

43. is a corporation enterprise that manage production or delivers services in more than one country.
- a) A Multinational Corporation (MNC)
b) Multinational Enterprise (MNE)
c) (a) or (b) d) Neither (a) nor (b)
44. Ford, Toyota, Honda and Volkswagen, oil companies like Shell, BP and Exxon Mobil, technology companies like Dell, Microsoft, Hewlett Packard and Canon and food and drink companies such as Coca Cola and McDonalds can be classified as.....
- a) Statutory corporation
b) Multinational corporation
c) Public sector corporation

- d) None of above
45. MNCs have great impact on the development process of the Underdeveloped countries.
- a) False b) True
c) Partly false d) None of above
46. Which of the following is / are advantage of MNC's?
- a) MNC bring inward investment to countries that are not their home base.
b) MNCs bring with them new ideas and new techniques that can help to improve the quality of production and help boost the quality of human capital in the host country.
c) MNCs pay large sums in taxes to the host government.
d) All of above
47. Some MNC's may be 'footloose'' this means that they might locate in a country to gain the tax or grant advantages but then move away when these run out.
- a) True b) False
c) Partly false d) partly true
48. Which of the following is / are advantage of MNC's?
- a) MNC's raise the rate of investment in the host countries and thereby bring rapid industrial growth accompanied by massive employment opportunities in different sectors of the economy.
b) Multinationals act as agents for the transfer of technology to developing countries and thereby help such countries to modernize their industries.
c) Multinationals accelerate industrial growth in host countries through collaborations joint ventures and establishment of subsidiaries and branches.
d) All of above
49. Which of the following is / are advantage of MNC's?
- a) The activities of MNC's in the host countries may be harmful to the national interests as MNC's are solely guided by the profit maximization.
b) MNC's restrict competition and acquire monopoly power in certain areas in the host countries.
c) The activities of MNC's in the host countries may be harmful to the national interests as MNC's are solely guided by the profit maximization
d) MNC's help the host countries to reduce the imports and promote the exports by raising domestic production.
50. Advantages of Multinational companies are.....

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- a) Funds availability
- b) Increasing competitions
- c) Provision of employments
- d) All of above

- a) Reduce transport and distribution costs
- b) Meet different rules and regulations
- c) Avoid trade barriers
- d) All the above

51. What is the reason for MNCs Growth?

NETWORK MARKETING

1. Selling + customer satisfaction =
a) Network marketing b) E-commerce
c) M commerce d) Marketing
2. Network marketing is a mode of.....by the manufacturer.
a) Indirect marketing b) Direct marketing
c) Both (a) and (b) d) Neither (a) nor (b)
3. Which of the following company fall under the network marketing umbrella?
a) Ducati b) Coca Cola
c) Amway d) All of above
4. Under network marketing the product reaches the customers from the.....
a) Manufacturers b) Distributors
c) Manufacturers via distributors d) Agent
5. Advantage of network marketing is / are.....
a) The distribution network grows continuously
b) The network companies can maintain higher margins on their products
c) Lower overhead costs as no infrastructure is required under network marketing.
d) All of above
6. The disadvantages of network marketing is /are:.....
a) Sales forecasting is difficult.
b) Distributors often become the largest customers and hence take over the control of the company
c) Difficult for the manufacturer to exercise effective control over his sales team.
d) All of above
7. Sales forecast is much more easy in network marketing
a) True b) False c) Partly true d) Partly false

FRANCHISING

8. A means the special right given by a manufacturer or a parent organization to another individual or firm to sell to the former's product or service in a specified given area(s).
a) Franchise b) Network marketing
c) Indirect marketing d) All of above
9. Where a firm allows another firm in a foreign market to use its technical know-how and trade mark, it is known as.....
a) Franchising b) Network marketing
c) Indirect marketing d) All of above
10. Franchising is.....
a) Purchasing all parts of the company
b) Allowing another party to use product or service under owner's name
c) Joining two or more companies
d) A company acquiring another company at its will

11. Providing permission to use technical know-how by parent organization to another individual is known as.....
a) Dealership b) Marketing
c) Agency d) Franchising
12. The individual or firm which grants right is called.....
a) Franchisee b) Franchiser
c) Consignor d) Consignee
13. The individual or firm to whom the right is granted is called.....
a) Franchisee b) Franchiser
c) Consignor d) Consignee
14. Which of the following statement is not correct in relation to 'Franchise'?
a) Franchising is the practice of using another firm's successful business model.
b) It is the business relationship between two organizations where a franchiser, who is the owner of a brand name, product, or system of a business, permits a franchisee to use its brand, product, or business process for a fee.
c) The franchisor provides training and continuous assistance to the franchisee.
d) Franchiser shares all business and trade secrete with franchisee
15. The salient feature(s) of franchising is/ are:
a) The franchiser allows the franchisee to use his trade mark under a license.
b) The franchise agreement do not requires the franchisee to follow franchiser's policies regarding mode of operation of business as they are free to conduct business in any way they like.
c) The franchiser do not provide training of personnel working in the franchisee organization or any other type of help.
d) All of above
16. The salient feature(s) of franchising is / are as follows:
a) The franchisee pays to the franchiser a sum of money called lease payments for using his business premises.
b) The right to use the business know-how and trade mark of the franchiser is for a limited period of time defined in the franchise agreement.
c) Both (a) and (b)
d) Neither (a) nor (b)
17. The franchisee pays to the franchiser a sum of money called..... For using his business know-how and trade mark.
a) Trade balance b) Royalty
c) Sales dues d) Account balance

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18. The right to use the business know-how and trade mark of the franchiser is for a period of time.
a) Unlimited b) Limited
c) Only for 5 years d) None of above
19. The franchiser can expand his distribution system in the least possible time.
a) True b) False
c) Partly true d) None of above
20. Franchising enables the franchiser to increase his by expanding his network.
a) Goodwill b) Reputation
c) Both (a) and (b) d) Neither (a) nor (b)
21. Which of the following can be treated as disadvantage of Franchising?
a) There is a danger that the franchisee may start an identical business with slightly different brand name
b) The franchiser's brand name and reputation may get tarnished if the franchisee is not able to maintain standards of quality and service.
c) There is a risk of trade secrets getting leaked out in the foreign market.
d) All of above

BPO, KPO, LPO

22. BPO stands for.....
a) Business patent offer
b) Business process outstanding
c) Business process outsourcing
d) Business public organization
23. KPO stands for.....
a) Know potential output
b) Key public offer
c) Knowledge public organization
d) Knowledge process outsourcing
24. LPO stands for.....
a) Legal process outsourcing
b) Legal process output
c) Legal permanent offer
d) Legal public organization
25. account for the bulk of call centre activities with 24 × 7 handling of inbound customer queries and grievances and out-bound activates customer surveys, payment follow up, and telemarketing.
a) Agent care b) Customer care
c) Seller care d) Manufacturers care
26. BPO that is contracted outside a company's country is called.....
a) Offshore outstanding b) Offshore outsourcing
c) Offer outsourcing d) Shore outsourcing
27. BPO that is contracted to a company's neighbouring or nearby country is called near.....

- a) Offshore outstanding b) Offshore outsourcing
c) Offer outsourcing d) Shore outsourcing

28. The need for outsourcing arises because.....
a) Achieving economy b) Getting better results
c) Specialized performance d) All of above
29. The need for outsourcing arises because.....
a) Ensuring smooth operations
b) Decreasing past losses
c) To take tax advantage
d) All of above
30. Advantages of BPO is / are.....
a) It increase a company's flexibility
b) It reduces business losses
c) It is one of the method to take tax advantage
d) All of above
31. Advantages of BPO is / are.....
a) Effective use of supply chain partners
b) Outsourcing may provide a firm with increased flexibility in its resource management
c) BPO increases organizational flexibility is by increasing the speed of business processes
d) All of above

E-COMMERCE

32. refers to all forms of business transactions which are carried out through electronic processing and transmission of data including text, sound and visual images.
a) M-commerce b) E-commerce
c) B-commerce d) D-commerce
33. By Electronic Commerce, we mean:.....
a) Commerce of electronic goods
b) Commerce which depends on electronics
c) commerce which is based on the use of interest
d) commerce which is based on transactions using computers connected by telecommunication network
34. E-commerce includes buying and selling of.....
a) Goods-e.g. digital cameras, music systems, clothes, accessories
b) Information-e.g. subscription to some law site may give access to some court cases
c) Services- e.g. matrimonial service through shaadi.com, placement services through naukri.com
d) All of above
35. B2B, B2C, C2B are the types of.....
a) Network marketing b) E-commerce
c) M commerce d) Marketing
36. B2C commerce.....

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- a) Includes services such as legal advice
 - b) Means only shopping for physical goods
 - c) Means only customers should approach customers to sell
 - d) Means only customers should approach business to buy
37. Benefit(s) of e-commerce is / are.....
- a) E-Commerce enables business firms to reach out to customers at local market.
 - b) It reduces the cost of business transactions
 - c) It increases customer satisfaction
 - d) (b) & (c)
38. Benefit(s) of e-commerce is / are.....
- a) This saves a lot of time, money and energy in receiving orders and executing the same under the traditional mode of commerce.
 - b) The business firm can get quick supplies from the vendors.
 - c) For the consumers, the whole world becomes a shop
 - d) All of above
39. Benefit(s) e-commerce is / are.....
- a) Customers can shop from home or office.
 - b) It allows quick response to the queries of customers and other business houses through the internet.
 - c) It is easier to launch a new product through the internet.
 - d) All of above
40. Disadvantages of e-commerce.....
- a) Lack of warmth of interpersonal interactions between the seller and the buyer.
 - b) Not suitable where the customer requires personalized service.
 - c) Security continues to be a problem for online business.
 - d) All of above
41. Disadvantages of E-commerce in India are:
- i) Internet access is not universally available;
 - ii) Credit card payment security is not yet guaranteed;
 - iii) Transactions are de-personalized and human contact is missing;
 - iv) Cyber laws are not in place
- a) i and ii b) ii and iii
 - c) i, ii, iii d) i, ii, iii, iv

44. M-Commerce deals with conducting the transactions with the help of.....
- a) Telephone b) Pager
 - c) Calculator d) Mobile

M-COMMERCE

42. M- Commerce means.....
- a) Movable commerce b) Mobile commerce
 - c) Movement commerce d) More commerce
43. Refers to the buying and selling of goods and services through wireless handheld devices such as mobile phone and personal digital assistants (PDAs).
- a) BPO b) E-commerce
 - c) M-Commerce d) N-Commerce

BUSINESS FUNCTIONS

BUSINESS FUNCTIONS

1. Business function is a that is performed routinely to carry out a part of the mission of an organization.
a) Process b) Operation
c) (a) or (b) d) None of above
2. Business process is also called business function.
a) False b) True c) Partly true d) Partly false
3. is the direction and scope of an organization over the long-term; which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations.
a) Function b) Strategy
c) Planning d) Supply chain
4. Feature(S) of strategy is / are:
a) It is a specialized planning to retaliate competitors.
b) It explains how managers have to respond to the subordinate in providing leadership
c) It is one of the ways to manage the people in organization.
d) All of above
5. Feature(s) of strategy is / are:
a) It reflects concern to effectively mobilize resources
b) It maximizes changes to achieve objectives.
c) Formulating strategies is the job of top management
d) All of above
6. Formulating strategies is the job of
a) Low level management
b) Top level management
c) Middle level management
d) All of above
7. is concerned with the overall purpose and scope of the business to meet stakeholder expectations.
a) Operational strategy b) Corporate strategy
c) Business unit strategy d) All of above
8. Is concerned more with how a business competes successfully in a particular market and often described as mission statement.
a) Operational strategy b) Corporate strategy

c) Business unit strategy d) All of above

9. is concerned with how each part of the business is organized to deliver the corporate and business-unit level strategic direction and is concerned with strategic decisions about choice of products, meeting needs of customers etc.
a) Operational strategy b) Corporate strategy
c) Business unit strategy d) All of above
10. Operational strategy focuses on issues of
a) Resources b) Processes
c) People d) All of above

PLANNING

11. The Determines organizational objectives and the policies, programmes, schedules, procedures, and methods for achieving them.
a) Manpower planning function
b) Staffing function
c) Co-ordination function
d) Planning function
12. Planning is the of management
a) Secondary function b) Primary function
c) Either (a) or (b) d) Neither (a) nor (b)
13. Planning is basically
a) An intellectual process b) Physical process
c) Either (A) or (b) d) Neither (a) nor (b)
14. Planning is part of decision-making.
a) True b) False
c) Partly true d) partly false
15. Planning is a fundamental function of management and all other functions of management are greatly influenced by planning process.
a) True b) False c) Partly true d) Partly false

BUDGETARY CONTROL

16. Budget is a Statement prepared and approved prior to defined period of time of the policy to be pursued during that period for the purpose of attaining a given objective. It
a) Financial b) Quantitative
c) Financial and / or quantitative
d) Financial and /or qualitative
17. Budgeting is the formulation of plans for a given in numerical terms.
a) Future period b) Past period

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- c) Current period d) None of above
18. Is defined by the Institute of Cost & Managements Accountants (CIMA) as: " The Establishment of budgets relating the responsibilities of executives to the requirements of a policy, and the continuous comparison of actual with budgeted results, either to secure by individual action the objective of that policy, or to provide a basis for its revision".
- a) Budget b) Budgetary control
c) Material control d) Wages control
19. specifies expected sales of goods during a period(s).
- a) Cash budget b) Material budget
c) Production budget d) Sales budget
20. Specifies volume of production during different period(s).
- a) Cash budget b) Material budget
c) Production budget d) Sales budget
21. specifies estimated quantity and cost of material during different volumes of production.
- a) Cash budget b) Material budget
c) Production budget d) Sales budget
22. specifies expected cash inflow and outflow and net liquidity position at different.
- a) Cash budget b) Material budget
c) Production budget d) Sales budget
23. specifies available working capital, i.e., investment in current assets like inventory, debtors, etc., at different points of time.
- a) R & D budget b) Profitability budget
c) Working capital budget d) Production budget
24. specifies at different levels of sales, expected profit level.
- a) R & D budget b) Profitability budget
c) Working capital budget d) Production budget
25. specifies estimated expenditure to carry out research and development.
- a) R & D budget b) Profitability budget
c) Working capital d) Production budget
26. Advantages of budgeting is / are.....
- a) It helps in attainment of organizational objectives.

- b) It helps in optimum utilization of resources by allocating them according to the requirements of different department
- c) It is also used for achieving coordination among different departments of an organization
- d) All of above

LOCATION OF BUSINESS & DECISION MAKING

27. Which of the following factor may affect location of business?
- a) Transport facilities b) Availability of Labour
c) Market-Customers d) All of above
28. Which of the following factor may affect location of business?
- a) Supplies of a particular raw material
b) Government policy
c) Transport facilities
d) All of above
29. is regarded as the mental processes resulting in the selection of action among alternative scenarios.
- a) Planning b) Decision making
c) Controlling d) Organizing
30. Decision making is only efficient when it is supported by process of.....
- a) Staffing b) Planning
c) Controlling d) Organizing

SUPPLY CHAIN

31. SCM means.....
- a) Supply characteristic management
b) Super chain management
c) Supply chain management
d) Supply chain model
32. Is the oversight of materials, information, and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer.
- a) Material chain management
b) Supply chain management
c) Information chain management
d) Finances chain management
33. Supply chain management is the oversight of as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer.
- a) Materials b) Information
c) Finances d) All of above

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34. Supply chain management flows includes:.....
- a) Product flow b) Information flow
 - c) Finances flow d) All of above
35. The includes the movement of goods from a supplier to a customer, as well as any customer returns or service needs.
- a) Product flow b) Information flow
 - c) Finances flow d) All of above
36. The Involves transmitting orders and updating the status of delivery.
- a) Product Flow b) Information Flow
 - c) Finances Flow d) All of above
37. The Consists of credit terms, payment schedules, and consignment and title ownership arrangements.
- a) Product Flow b) Information Flow
 - c) Finances Flow d) All of above
38. Objective(s) of supply chain management is / are.....
- a) Greater efficiency and lower cost
 - b) Enhance flexibility and agility
 - c) Improve customer service
 - d) All of above
39. Supply chain management is essential to
- a) Company success b) Customer satisfaction
 - c) Either (a) or (b) d) Both (a) nor (b)
40. Which of the following is not a method of supply chain management?
- a) Job method b) Batch method
 - c) Flow method d) Cash method
41. Require that the work for any task is divided into parts or operations.
- a) Job method b) Batch method
 - c) Flow method d) Cash method
42. Has been defined as a "method of production organization where the task is worked on continuously or where the processing of material is continuous and progressive,"
- a) Job method b) Batch method
 - c) Flow method d) Cash method
43. The aims of flow method is / are:
- a) Reduced need for labour skills
 - b) Improved work & material flow
 - c) Added value / completed work faster
 - d) All of above

44. Common examples where..... Are used are the manufacture of motor cars, chocolates and televisions.
- a) Job method b) Batch method
 - c) Flow method d) Cash method

FINANACE

45. is said to be the lifeblood of an organization.
- a) Cash b) Finance
 - c) Material d) Goodwill
46. Finance represents requirements of organization.
- a) Long –term b) Short- term
 - c) Both (a) and (b) d) Neither (a) not (b)
47. is nothing but management of limited financial resources the organization has, to its utmost advantage.
- a) Material management b) Cash management
 - c) Customer management d) Financial management
48. "Finance may be defined as that administration area or set of administrative functions in an organization may have the means of carrying out its objectives as satisfactorily as possible." This definition is given by.....
- a) B.O. Wheeler b) Howard and Upton
 - c) ICSI d) ICAI
49. "Business finance includes those business activities which are concerned with the acquisition and conservation of capital funds in meeting the financial needs and overall objectives of business enterprise." This definition is given by.....
- a) B.O.Wheeler b) Howard and Upton
 - c) ICSI d) ICAI
50. Financial management is concerned with.....
- a) Investment decisions b) Financing decisions
 - c) Dividend decisions d) All of above
51. Means deciding the quantum of investment out of available finance on long term basis as well as on short-term basis.
- a) Investment decisions b) Financing decisions
 - c) Dividend decisions d) All of above
52. comprises two decisions, viz., (i) Financial Planning; and (ii) Capital structure decision.
- a) Investment decisions b) Financing decisions
 - c) Dividend decisions d) All of above

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53. Decisions for raising funds from long-term sources are called.....
- a) Capital structure decision
 - b) Investment decisions
 - c) Dividend decisions
 - d) Investment of funds
54. means pre-estimating financial needs of an organization to ensure availability of adequate finance.
- a) Financial planning
 - b) Material planning
 - c) Value chain planning
 - d) Capital structure decision

MARKETING MANAGEMENT

55. "marketing may be defined as the performance of business activities that directs the flow of goods and services through producers to consumers." This definition is given by.....
- a) H.L. Hansen
 - b) Indian marketing association
 - c) American Marketing Association
 - d) Howard and Upton
56. Selling is a narrow concept as compared to marketing.
- a) True b) False c) Partly true d) Partly false
57. Caveat emptor means.....
- a) Let the seller beware
 - b) Let the buyer beware
 - c) Let the producer beware
 - d) Let the agent beware
58. Caveat vendor means.....
- a) Let the seller beware
 - b) Let the buyer beware
 - c) Let the producer beware
 - d) Let the agent beware
59. Which of the following business function more focus on customer?
- a) Selling b) Marketing
 - c) Purchasing d) Accounting
60. defines Marketing Mix as "set of marketing tools that the firm uses to pursue its marketing objectives in the target market".
- a) Culliton b) Kotler
 - c) William J. Stanton d) Howard and Upton
61. Defines Marketing Mix is the combination of four inputs which constitute the core

- of a company's marketing system, i.e, the product, the price structure, the promotional activities and the distribution system.
- a) Culliton b) Kotler
 - c) William J. Stanton d) Howard and Upton

62. The general functions of marketing is / are:
- a) Market and consumer research
 - b) Full satisfaction of demand
 - c) Maximizing of economic efficiency
 - d) All of above

HUMAN RESOURCE (HR)

63. Human resource or personnel management involves getting things done through.....
- a) Buyer b) People
 - c) Seller d) Shareholder
64. is a process of bringing people and organizations together so that the goals of each are met.
- a) Financial Resource Management
 - b) Human Resource Management
 - c) Material Management
 - d) Human Recourse Management
65. The various (s) feature of Human Resource Management (HRM) is / are.....
- a) It is all pervasive in nature as it is present in all enterprises.
 - b) Its focus is on results rather than on rules.
 - c) It tries to help employees develop their potential fully.
 - d) All of above
66. The various feature of Human Resource Management (HRM) is / are :.....
- a) It helps employees to minimize their monthly expenditure.
 - b) It is all about people at work, both as individuals and groups.
 - c) It tries to put people on assigned jobs in order to produce good results.
 - d) (b) & (c)
67. The objective of Human Resource Management (HRM) is / are :.....
- a) To ensure effective utilization and maximum development of human resources.
 - b) To identify and satisfy the needs of individuals.
 - c) To achieve and maintain high morale among employees.
 - d) All of above

RESOURCES

68. The functions under the gamut of a company secretary is / are.....
- a) Conducting Board Meetings
 - b) Conducting General Meeting of shareholders
 - c) Representing the organization for registration
 - d) All of above
69. The functions under the gamut of a company secretary is /are:
- a) Issuance of notices b) Business planning
 - c) Recording minutes d) (a) and (c)

70. Accounting is the function of business that includes.....
- a) Record keeping b) Issuance of notices
 - c) Recording minutes d) (a) and (c)
71. The primary function of accounting is to
- a) Protecting business property
 - b) Comply legal requirement
 - c) Record keeping
 - d) All of above