



Kumadvathi Science and Commerce PU College

Business Studies Question Bank

Chapter-3 Business Environment

Section-A

1. What is Business Environment?

Ans: It means the sum of all individuals, institutions and other forces that are outside the control of a business enterprise but that may affect its performance

2. Which of the following does not characterize the business environment?

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

Ans: b) Employees

3. Which of the following is an example for social environment?

- a) Money supply in the economy b) Consumer Protection Act
- c) The Constitution of the country d) Composition of Family

Ans: d) Composition of Family

4. Liberalization means

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

Ans: b) Reduced government controls and restrictions

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

- a) More demanding customers b) Increasing competition
- c) Change in agricultural prices d) Market orientation

Ans: c) Change in agricultural prices

Section-B

1. Give the meaning of Globalization

Ans: Globalization means the integration of the various economies of the world leading towards the emergence of a cohesive global economy.

2. What is Privatization?

Ans: The new set of economic reforms aimed at giving greater role to the private sector in the nation building process and a reduced role of the public sector.