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CA FOUNDATION

Assignment

Business and Commercial Knowledge

Business Environment

1. Organisations depend upon which environment for Input:
 - (a) External Environment
 - (b) Legal Environment
 - (c) Technological Environment
 - (d) Social-Economic Environment
2. In which of the following basic categories can Business Environment be divided?
 - (a) Internal and External
 - (b) Financial and Non-financial
 - (c) Local and Regional
 - (d) Regional and National
3. represents all external forces, factors or conditions that exert some degree impact on the business decisions, strategies and actions taken by the firm.
 - (a) Business Threat
 - (b) Business Surrounding
 - (c) Business Location
 - (d) Business Environment
4. Organisations depend upon which environment for Input
 - (a) External Environment
 - (b) Legal Environment
 - (c) Technological Environment
 - (d) Social-Economic Environment
5. Business Environment represents _____ forces that exert some degree of impact on the business decisions taken by the firm.
 - (a) Financial Forces
 - (b) National Forces
 - (c) Internal Forces
 - (d) External Forces
6. _____ environment is within the control of the business
 - (a) Micro
 - (b) Macro
 - (c) Internal
 - (d) External
7. _____ environment is beyond the control of the business
 - (a) Micro
 - (b) Macro

- (c) Internal
 - (d) External
8. Environmental Analysis helps in:
- (a) Anticipate opportunities and to take optimal responses
 - (b) Providing input for strategic decision making
 - (c) Turning threat's to firms advantage
 - (d) All of the above
9. Internal factors affecting a business environment is also referred to as _____ factors.
- (a) Relevant
 - (b) Global
 - (c) Controllable
 - (d) uncontrollable factors
10. Trends relate to:
- (a) Demands made by Interested group
 - (b) Happening of events in internal Environment
 - (c) Grouping of similar or related events
 - (d) None of the above
11. External factors affecting a business environment is also referred to as factors.
- (a) Global
 - (b) Uncontrollable
 - (c) Controllable
 - (d) relevant
12. Which of the following does not characterize the Business Environment?
- (a) Uncertainty
 - (b) Relativity
 - (c) Methods of production
 - (d) Complexity
13. Which of the following exhibit characteristic of Business Environment?
- (i) Environment is static
 - (ii) Environment is dynamic
 - (iii) Environment is complex and multi-faceted
 - (iv) It has short term reach Options
- (a) Point II & IV
 - (b) Point II & III
 - (c) Point I& III
 - (d) Point I, II & III
14. Trends relate to:
- (a) Demands made by Interested group
 - (b) Happening of events in internal Environment
 - (c) Grouping of similar or related events
 - (d) None of the above
15. A threat is
- (a) An unfavourable condition in organisation environment which consolidates its strength
 - (b) An unfavourable condition in organisation environment which creates risk or damage to the environment
 - (c) An inherent limitation or constraint

- (d) None of the above
16. Which type of Enterprise does not have the need to interact with the Environment?
- (a) Micro Enterprises
 - (b) Small Enterprises
 - (c) Proprietary Firm
 - (d) None of the above
17. Who occupies the central position in the marketing environment?
- (a) Organisation
 - (b) Consumer
 - (c) Customer
 - (d) All of the above
18. Characteristics of a Business Environment include-
- (a) Multi-faceted
 - (b) Dynamism
 - (c) Complex
 - (d) All of the above
19. The price sensitivity of the market is an important factor of which element of Micro environment:
- (a) Intermediaries
 - (b) Customer
 - (c) Suppliers
 - (d) Market
20. Which of the following exhibit characteristic of Business Environment?
- (I) Environment is static
 - (II) Environment is dynamic
 - (III) Environment is complex and multi- faceted
 - (IV) It has short term reach option
- (a) Point II & IV
 - (b) Point II & III
 - (c) Point I & III
 - (d) Point I, II & III
21. The basic goals of Environmental Analysis include-
- (a) Facilitating strategic thinking
 - (b) Knowing and understanding the changes in the environment
 - (c) Collecting relevant information for decision making
 - (d) All of the above
22. _____ with their own bargaining power affect the cost structure of the industry.
- (a) Consumer
 - (b) Intermediaries
 - (c) Suppliers
 - (d) Government
23. Procedure of analyzing threats and opportunities of organization's environment is classified as
- (a) Environmental planning
 - (b) Environmental scanning
 - (c) Environmental influences
 - (d) Environmental economics
24. In external environmental scanning, interest rates, cycle of recessions and inflation are classified as

- (a) economic influences
 - (b) geographic influences
 - (c) government influences
 - (d) technological advancement
25. Which of the following is not a factor of Demographic Environment?
- (a) Population size
 - (b) Geographic Distribution
 - (c) Ethnic Mix
 - (d) Legal
26. A threat is
- (a) An unfavourable condition in organization environment which consolidates its strength
 - (b) An unfavourable condition in organization environment which creates risk or damage environment
 - (c) An inherent limitation or constraint
 - (d) None of the above
27. Who occupies the central position marketing environment?
- (a) Organisation
 - (b) Consumer
 - (c) Customer
 - (d) All of the above
28. The price sensitivity of the market is important factor of which element of environment:
- (a) Intermediaries
 - (b) Customer
 - (c) Suppliers
 - (d) Market
29. In external environmental scanning, legislations, social security legislations tax provisions are classified as
- (a) economic influences
 - (b) technological advancement
 - (c) geographic influences
 - (d) government influences
30. Business and technology are:
- (a) Interrelated & Interdependent
 - (b) Interrelated
 - (c) Interdependent
 - (d) None of the above
31. Which of the following is not a part of external environment of the organization?
- (a) Legal factor
 - (b) Organizational structure
 - (c) Technological factor
 - (d) Political factor
32. Environment which is close to business and affect its capacity to work is known as _____ environment:
- (a) Internal
 - (b) Micro
 - (c) Macro
 - (d) External

33. SWOT analysis refers to –
- (a) Strength, weakness, Options and Traits
 - (b) Strength, Weakness, Options and Threats
 - (c) Strength, Weakness, Opportunities and Threats
 - (d) Strength, Weakness, Opportunities and Traits
34. _____ with their own bargaining power affect the cost structure of the industry.
- (a) Consumer
 - (b) Government
 - (c) Intermediaries
 - (d) Suppliers
35. A Firm's capacity to take advantage over its competitors is known as –
- (a) Strength
 - (b) Prospect
 - (c) Opportunity
 - (d) Power
36. Study of human population is called as _____ environment.
- (a) Global
 - (b) Economic
 - (c) Political
 - (d) Demographic
37. _____ is an inherent limitation or constraint which creates a strategic disadvantage.
- (a) Risk
 - (b) Weakness
 - (c) Threat
 - (d) Competition
38. Opportunity is a _____ condition in the Firm's environment which enables it to consolidate and strengthen its position.
- (a) Favourable
 - (b) New
 - (c) Unfavourable
 - (d) Risky
39. What is the single word that can best describe today's business?
- (a) Profit making
 - (b) Technology
 - (c) Persistence
 - (d) Change
40. Which of the following is not a factor of Demographic Environment?
- (a) Population size
 - (b) Geographic Distribution
 - (c) Ethnic Mix
 - (d) Legal
41. Internal factors in SWOT analysis include-
- (a) Opportunities and Threats
 - (b) Threats and Weakness
 - (c) Strength and Weakness
 - (d) Strength and Opportunities

42. Under SWOT Analysis, Strength of a Firm does not refer to-
- (a) Advantages enjoyed by Employees
 - (b) Favourable Market
 - (c) Competitive Advantage
 - (d) Availability of Resources
43. Competition is beneficial to the competing firms besides benefiting the _____?
- (a) Producers
 - (b) Financiers
 - (c) Intermediaries
 - (d) Customers
44. Effective use of social media for marketing is
- (a) Opportunity
 - (b) Strength
 - (c) Weakness
 - (d) Threat
45. Business and technology are:
- (a) Interrelated & Interdependent
 - (b) Interrelated
 - (c) Interdependent
 - (d) None of the above
46. Environment which is close to business and affect its capacity to work is known as _____ environment:
- (a) Internal
 - (b) External
 - (c) Micro
 - (d) Macro
47. Interactions with Environment does not include-
- (a) Exchange of influence
 - (b) Exchange of information
 - (c) Exchange of resource
 - (d) None of the above
48. _____ is the process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business for the purpose of taking strategic decisions.
- (a) Scanning
 - (b) Forecasting
 - (c) Assessment
 - (d) None of the above
49. The following statement relates to which strategic response approach to the environment: They seek to monitor the changes in that environment, analyse their impact on their own goals and activities and translate their assessment in terms of specific strategies for survival, stability and strength.
- (a) Dynamic response
 - (b) Static Response
 - (c) Proceed with caution
 - (d) Least resistance
50. Study of human population is called as _____ environment.
- (a) Global
 - (b) Economic

- (c) Political
 - (d) Demographic
51. What is the single word that can best describe today's business?
- (a) Profit making
 - (b) Change
 - (c) Technology
 - (d) Persistence
52. While considering factors for Environmental Scanning what does "Trends" indicate?
- (a) current concerns and emerging issues
 - (b) specific occurrences taking place in different environmental sectors
 - (c) general tendencies or the courses of action along which events take place
 - (d) demands made by interested groups in the light of their concern for issues
53. Which of the following is not a part of the economic environment?
- (a) Strength of consumer spending
 - (b) Interest and exchange rates
 - (c) Market and trade cycles
 - (d) Consumer buying patterns
54. While considering factors for Environmental Scanning what does "Issues" indicate?
- (a) current concerns that arise in response to events and trends and emerging issues
 - (b) specific occurrences taking place in different environmental sectors
 - (c) general tendencies or the courses of action along which events take place
 - (d) demands made by interested groups in the light of their concern for issues
55. The immediate environment with which the firm operates is called –
- (a) External Environment
 - (b) Micro Environment
 - (c) Macro Environment
 - (d) Peripheral Environment
56. Competition is beneficial to the competing firms besides benefiting the _____ ?
- (a) Producers
 - (b) Financiers
 - (c) Intermediaries
 - (d) Customers
57. _____ is the process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business for the purpose of taking strategic decisions.
- (a) Scanning
 - (b) Forecasting
 - (c) Assessment
 - (d) None of the above
58. What is the kind of response that businesses should make efforts to exploit the opportunity and thought the threats:
- (a) Diversify
 - (b) Strategic Responses
 - (c) Least resistance
 - (d) Simplify
59. Which of the following is not a characteristic least resistance strategic response:
- (a) Dynamic

- (b) Simple goal maintaining
 - (c) Passive approach
 - (d) All of the above
- 60.** Indirect Competition means –
- (a) Competition between Firms in different locations
 - (b) Competition between Firms, which are in same business activity
 - (c) Competition between Firms in different areas of activity
 - (d) There is no such competition
- 61.** Competitors refer to the other business entities that compete for –
- (a) Resources as well as markets
 - (b) Resources only
 - (c) Markets only
 - (d) None of the above
- 62.** The following statement relates to which strategic response approach to the environment:
They seek to monitor the changes in environment, analyse their impact on own goals and activities and translate assessment in terms of specific strategies survival, stability and strength.
- (a) Proceed with caution
 - (b) Least resistance
 - (c) Dynamic response
 - (d) Static Response
- 63.** Which of the following is not a part economic environment?
- (a) Strength of consumer spending
 - (b) Interest and exchange rates
 - (c) Market and trade cycles
 - (d) Consumer buying patterns
- 64.** Perceiving the needs of the external environment and catering to them, satisfying the expectations and demands of the clientele groups is
- (a) Management process
 - (b) Interaction process
 - (c) Reciprocal agreement
 - (d) Interdependent process
- 65.** Supplier Environment does not have an impact on –
- (a) Changes in consumer tastes, preferences and expectations
 - (b) Quality of materials
 - (c) Cost of Materials and Service
 - (d) Availability of materials and services
- 66.** Process of strategy formulation starts with:
- (a) Choice of strategy
 - (b) Appraisal of external and internal environment of the of an organization
 - (c) Performance analysis
 - (d) None of the above
- 67.** _____ response not merely recognise and ward o_ threats but also covert threat into opportunities:
- (a) Static
 - (b) Passive
 - (c) Aggressive
 - (d) Dynamic

68. What is the kind of response that businesses should make efforts to exploit the opportunity and thought the threats:
- (a) Diversify
 - (b) Simplify
 - (c) Strategic Responses
 - (d) Least Resistance
69. Which of the following is not a characteristic least resistance strategic response:
- (a) Dynamic
 - (b) Simple goal maintaining
 - (c) Passive approach
 - (d) All of the above
70. Intermediaries in the marketing channel establish a link between-
- (a) Suppliers and the Customers
 - (b) Organisation and Customers
 - (c) Organisation and Suppliers
 - (d) Wholesalers and Retailers
71. _____ occupies the central position in the marketing environment.
- (a) Retailer
 - (b) Advertiser
 - (c) Supplier
 - (d) Customer
72. Through SWOT Analysis:
- (a) Strengths and weakness existing outside the organization can be matched with opportunities and threats with the external environment
 - (b) Strengths and weakness existing within the environment can be matched with opportunities and threats in the organization
 - (c) Strengths and weakness existing outside the organization can be matched with opportunities and threats with internal environment
 - (d) Strengths and weakness existing within an organization can be matched with opportunities and threats in the environment.
73. The elements of the Microenvironment consist of –
- (a) Technology, legal legislation, supply chain and competitors
 - (b) Economics, customers, Social and political forces
 - (c) Political, competitive pressures, social and physical forces
 - (d) Suppliers, competitors, customers and distributors
74. Perceiving the needs of the external environment and catering to them, satisfying the expectations and demands of the clientele groups is:
- (a) Management process
 - (b) Interaction process
 - (c) Reciprocal agreement
 - (d) Interdependent process
75. Elements of Macro Environment include:
- (a) Customers
 - (b) Legal Environment
 - (c) Competitors
 - (d) All of the above

76. The businesses should continuously _____ and _____ to the environment if it is to service and prosper.
- Identify, monitor
 - Monitor, appraise
 - Identify, appraise
 - Monitor, adapt
77. Socio Cultural Factors affecting business environment include –
- Role of women
 - Education levels
 - Population size
 - Political pressure
- Only (ii)
 - (i) and (ii)
 - (i), (ii) and (iii)
 - (i), (ii), (iii) and (iv)
78. Process of strategy formulation starts with:
- Choice of strategy
 - Appraisal of external and internal environment of the of an organisation
 - Performance analysis
 - None of the above
79. "Demographics" denote –
- Characteristics of population
 - Bottlenecks of over population
 - Density of population
 - Growth rate of population
80. According to Peter Drucker aim of the business is to _____ and _____
- Create and retain consumer
 - Create and retain customer
 - Retain customer and create profits
 - Retain consumer and maximise wealth
81. Factors to be considered for analysing Demographic Environment does not include –
- Cultural composition
 - Income distribution
 - Population Size
 - Family structure
82. Analysis of Income Distribution of the population comes under –
- Legal environment
 - Economic Environment
 - Social Environment
 - Demographic Environment
83. _____ response not merely recognise and ward o threats but also covert threat into opportunities:
- Static
 - Passive
 - Aggressive
 - Dynamic
84. The non-specific elements of the organisations, surroundings that may affect its activities are;

- (a) Owners, Board of Directors and Employees
 - (b) Customers, Intermediaries, Suppliers
 - (c) Customers, suppliers and employees
 - (d) Suppliers, owners, employees
- 85.** Monetary Policy includes –
- (a) regulating the inflow of Foreign Investment in various sectors for speeding up industrial development, and related objectives
 - (b) increasing exports and bridge the gap between Exports and Imports
 - (c) activities and interventions that aim at smooth supply of credit to the business and a boost to trade and industry
 - (d) Policy in respect of Public Expenditure, Taxation (both Direct and Indirect) and Public Debt.
- 86.** The _____ environment refers to the nature and direction of the economy in which a company competes or may compete.
- (a) Micro
 - (b) Socio-cultural
 - (c) Internal
 - (d) Economic
- 87.** The businesses should continuously _____ and _____ to the environment if it is to service and prosper.
- (a) Identify, monitor
 - (b) Monitor, appraise
 - (c) Identify, appraise
 - (d) Monitor, adapt
- 88.** Through SWOT analysis:
- (a) Strengths and weakness existing outside the organisation can be matched with opportunities and threats with the external environment.
 - (b) Strengths and weakness existing within an organisation can be matched with opportunities and threats in the environment.
 - (c) Strengths and weakness existing within the environment can be matched with opportunities and threats in the organisation.
 - (d) Strengths and weakness existing outside the organisation can be matched with opportunities and threats with the internal environment.
- 89.** Policy aims at regulating the inflow of foreign investment in various sectors for speeding up industrial development, and related objectives.
- (a) Foreign Investment
 - (b) Fiscal
 - (c) Monetary
 - (d) Both (a) and (c)
- 90.** Which of the following statement is not a factor influencing socio-cultural environment:
- (a) Opportunities arising out of technological innovation.
 - (b) Role of women in society, position of children and adolescents in family and society
 - (c) Family structure and changes in it, attitude towards and within the family, and family values
 - (d) Educational levels, awareness and consciousness of rights, and work ethics of members of society
- 91.** Analysing process of change in the business environment conceptualising it's as:
- (a) Dynamic
 - (b) Complex
 - (c) Static
 - (d) Diverse
- 92.** Relationship between organization environment can be described through:

- (a) Exchange of influence and power
 - (b) Exchange of information
 - (c) Exchange of resources
 - (d) All of the above
93. The Process of integration of the world into one huge market is called as –
- (a) Capitalization
 - (b) Nationalization
 - (c) Globalization
 - (d) None of the above
94. _____ factors describe how and to what extent the Government intervenes in the economy and the activities of Business Firms
- (a) Economic
 - (b) Environment
 - (c) Political
 - (d) Legal
95. The performance of business in the private sector is measured by:
- (a) Number of employees
 - (b) Profitability
 - (c) Customer Satisfaction
 - (d) The salary of BOD
96. PESTLE Analysis involves the analysis of –
- (a) Business Environment
 - (b) Global environment
 - (c) Micro Environment
 - (d) Macro Environment
97. According to Peter Drucker aim of the business is to _____ and _____
- (a) Create and retain consumer
 - (b) Retain consumer and maximise wealth
 - (c) Create and retain customer
 - (d) Retain customer and create profits
98. Analysis is a way of scanning the environmental influences that have affected or are likely to affect an organization or its policy.
- (a) COSMIC
 - (b) SWOT
 - (c) PESTLE
 - (d) None of the above
99. Joint Venture, Federations, Strategic Alliances, etc. are way of –
- (a) Confident response
 - (b) Competitive response
 - (c) Collective Response
 - (d) None of the above
100. Which of the following statement is true about competitive Response?
- (a) It helps Entities to manage environmental uncertainty and person tasks that are too costly and complicated for single Entities to perform
 - (b) It seeks to enhance the Entity's performance by establishing a competitive advantage over its rivals.
 - (c) It aims at defining the Entity's purpose and key tasks in relationship to particular environments

- (d) All of the above
- 101.** The non-specific elements of the organisations surroundings that may affect its activities are;
- (a) Owners, Board of Directors and Employees
 - (b) Customers, Intermediaries, Suppliers
 - (c) Customers, suppliers and employees
 - (d) Suppliers, owners, employees
- 102.** In the PEST framework for environmental analysis what does the letter E stand for?
- (a) Ethical
 - (b) Educational
 - (c) Ecological
 - (d) Economic
- 103.** Business Responses to Environment are classified as
- (a) Administrative, Competitive and Collective
 - (b) Conservative, Cautious and Confident
 - (c) Administrative, Legal, Competitive
 - (d) Conservative, Sluggish and Aggressive
- 104.** Which approach has the least resistance in responding to the Environment?
- (a) Cautious Approach
 - (b) Careful Approach
 - (c) Confident Approach
 - (d) Conservative Approach
- 105.** All are elements of micro environment except:
- (a) Competitors
 - (b) Consumer
 - (c) Suppliers
 - (d) Society
- 106.** The _____ environment refers to the nature and direction of the economy in which a company competes or may compete.
- (a) Micro
 - (b) Economic
 - (c) Socio-cultural
 - (d) Internal
- 107.** Which approach has the dynamic response to the Environment?
- (a) Cautious Approach
 - (b) Confident Approach
 - (c) Conservative Approach
 - (d) Careful Approach
- 108.** The approach adopted by enterprises which are very passive in their behaviour and are solely guided by the signals of external environment.
- (a) Conservative approach
 - (b) Careful approach
 - (c) Cautious approach
 - (d) Confident approach
- 109.** Select the correct statement out of the following:
- (a) Environmental factors are totally within the control of a single industrial enterprise.
 - (b) Environmental factors are totally beyond the control of a single industrial enterprise

- (c) Environmental factors are largely beyond the control of a single industrial enterprise
 (d) None of the above
- 110.** Firms that adopt a cautious approach –
 (a) take an intelligent interest to adapt with the changing external environment
 (b) manage to survive by way of coping with their changing external environments
 (c) regard the external environmental forces as partially manageable and controllable by their actions
 (d) all of the above
- 111.** Which of the following statement is not a factor influencing socio-cultural environment:
 (a) Opportunities arising out of technological innovation
 (b) Role of women in society, position of children and adolescents in family and society
 (c) Family structure and changes in it, attitude towards and within the family, and family values
 (d) Educational levels, awareness and consciousness of rights, and work ethics of members of society
- 112.** In response to the changes in the environment organizations in general should:
 (a) Ignore the changes
 (b) Understand the impact of changes on the strategy and make appropriate modifications
 (c) Make efforts that changes are reverted back so that organizations can function smoothly
 (d) None of the above
- 113.** Which one of the following cannot be included under the nature of relationship between business and environment?
 (a) Social Change
 (b) Fixed
 (c) Interdependence
 (d) Dynamic
- 114.** All are elements of macro environment except:
 (a) Government
 (b) Competitors
 (c) Society
 (d) Technology
- 115.** Globalisation can create problems for business because
 (a) It increases vulnerability to the political risk and uncertainty when operating abroad
 (b) It means that they can increase price
 (c) It can result in more competition
 (d) All the options are correct
- 116.** Analysing process of change in the business environment involves conceptualising it's as:
 (a) Dynamic
 (b) Diverse
 (c) Complex
 (d) Static
- 117.** Read the following, three statements:
 (i) The environment is constantly changing in nature.
 (ii) Various environmental constituents exist in isolation and do not interact with each other.
 (iii) The environment has a far-reaching impact on organizations

From the combinations given below select an alternative that represents statements that are true:

- (a) (ii) and (iii)
- (b) (i) and (ii)
- (c) (i) and (iii)
- (d) (i), (ii) and (iii)

- 118.** _____ refers to an external force that have a beating on the functioning of the business.
- (a) System
 - (b) Environment
 - (c) Culture
 - (d) None of these
- 119.** Which environmental factors regulate the values and beliefs, traditions and customs of society?
- (a) Technological factors
 - (b) Political-legal factors
 - (c) Economic factors
 - (d) Socio-cultural factors
- 120.** The performance of business in the private sector is measured by:
- (a) Number of employees
 - (b) The salary of BOD
 - (c) Profitability
 - (d) Customer Satisfaction
- 121.** In the PEST framework for environmental analysis what does the letter E stand for?
- (a) Ethical
 - (b) Educational
 - (c) Ecological
 - (d) Economic
- 122.** Which of the following is not a business opportunity generated by Globalisation?
- (a) Currency Crisis
 - (b) Less stringent regulations of the Business Environment
 - (c) Access to low cost labour
 - (d) Cheap International Transport
- 123.** _____ consists of economic conditions, economic policies, industrial policies and economic system.
- (a) Natural environment
 - (b) Business Environment
 - (c) Economic Environment
 - (d) None of the above
- 124.** All are elements of micro environment except:
- (a) Competitors
 - (b) Society
 - (c) Consumer
 - (d) Suppliers
- 125.** All are elements of macro environment except:
- (a) Competitors
 - (b) Technology
 - (c) Society

(d) Government

126. Select the correct statement out of the following:

- (a) Environmental factors are totally within the control of a single industrial enterprise
- (b) Environmental factors are totally beyond the control of a single industrial enterprise
- (c) Environmental factors are largely beyond the control of a single industrial enterprise
- (d) None of the above

127. In response to the changes in the environment organizations in general should:

- (a) Ignore the changes
- (b) Understand the impact of changes on the strategy and make appropriate modifications
- (c) Make efforts that changes are reverted back so that organizations can function smoothly
- (d) None of the above

128. Read the following three statements:

- (i) The environment is constantly changing in nature.
- (ii) Various environmental constituents exist in isolation and do not interact with each other.
- (iii) The environment has a far-reaching impact on organizations

From the combinations given below select an alternative that represents statements that are true:

- (a) (i) and (iii)
- (b) (i), (ii) and (iii)
- (c) (i) and (ii)
- (d) (ii) and (iii)

129. Which environmental factors regulate the values and beliefs, traditions and customs of society?

- (a) Economic factors
- (b) Socio-cultural factors
- (c) Political-legal factors
- (d) Technological factors

130. The term PESTLE analysis is used to describe a framework for analysing:

- (a) Both Macro and Micro Environment
- (b) Macro Environment
- (c) Micro Environment
- (d) None of above

131. Which of the following is not included in an analysis of the business environment?

- (a) Economic trends
- (b) Animal behaviour
- (c) Social behaviour
- (d) Political trends

132. Opening up of an industry that has been reserved for the public sector to the private sector is an example of:

- (a) Modernization
- (b) Globalization
- (c) Liberalization
- (d) Privatization

133. Which of the following is not correct?

- (a) Identification of possible threats does not help an organization to face the competition

- (b) Identification of possible threats helps an organization to grow even in competition
 - (c) Identification of possible threats helps in taking corrective and improving measures to survive the competition
 - (d) Identification of possible threats require thorough knowledge of business environment
- 134.** Generally the main reason behind starting a business is:
- (a) Social service
 - (b) Earning profits
 - (c) Earning name
 - (d) Spiritual reasons
- 135.** Key goal in the firm's growth phase is:
- (a) Expansion of sales
 - (b) Expansion of capital
 - (c) Cutting costs
 - (d) Expansion of profit
- 136.** Competitors are a part of:
- (a) External business environment
 - (b) Internal business environment
 - (c) Both External and Internal environment
 - (d) Neither External nor Internal environment
- 137.** An activity which is related with continuous and regular production and distribution of goods and services for satisfying human wants is called:
- (a) Production
 - (b) Distribution
 - (c) Service
 - (d) Business
- 138.** The World Trade Organisation (WTO) is stimulating:
- (a) Privatisation
 - (b) Liberalisation
 - (c) Localization
 - (d) Globalisation
- 139.** Internal Environment includes
- (a) Demography
 - (b) Customer
 - (c) Economic
 - (d) Mission and Objectives
- 140.** Competition brings direct benefit to
- (a) Customers
 - (b) Suppliers
 - (c) Government
 - (d) Intermediaries
- 141.** PESTLE analysis does not include
- (a) Legal
 - (b) Economic
 - (c) Technology
 - (d) Policy
- 142.** Opportunity is

- (a) Inherent capacity
- (b) Strategic disadvantage
- (c) Favourable condition
- (d) None of the above

143. Cost structure of an industry is affected by _____ own bargaining power

- (a) Organisations
- (b) Suppliers
- (c) Consumer
- (d) Intermediary

144. What is not a characteristic of business environment?

- (a) Static
- (b) Complex
- (c) Far reaching
- (d) Multi-faced

145. Macro Environment includes

- (a) Strength
- (b) Weakness
- (c) Opportunity
- (d) All of the above

ANSWER KEY

1.	A
2.	A
3.	D
4.	A
5.	D
6.	C
7.	D
8.	D
9.	C
10.	C
11.	B
12.	C
13.	B
14.	C
15.	B
16.	D
17.	B
18.	D
19.	D
20.	B
21.	A
22.	C
23.	B
24.	A
25.	D
26.	B
27.	B
28.	D
29.	D
30.	A
31.	B
32.	B
33.	C

34.	D
35.	A
36.	D
37.	B
38.	A
39.	D
40.	D
41.	C
42.	B
43.	D
44.	A
45.	A
46.	C
47.	D
48.	A
49.	C
50.	D
51.	B
52.	C
53.	D
54.	A
55.	B
56.	D
57.	A
58.	B
59.	A
60.	C
61.	A
62.	A
63.	D
64.	B
65.	A
66.	B

67.	D
68.	C
69.	A
70.	B
71.	D
72.	D
73.	D
74.	B
75.	B
76.	D
77.	B
78.	B
79.	A
80.	B
81.	D
82.	D
83.	D
84.	A
85.	C
86.	A
87.	D
88.	B
89.	A
90.	B
91.	B
92.	D
93.	C
94.	C
95.	C
96.	D
97.	C
98.	C
99.	C

100.	B
101.	A
102.	D
103.	A
104.	D
105.	D
106.	A
107.	B
108.	A
109.	C
110.	A
111.	B
112.	B
113.	B
114.	B
115.	C

116.	C
117.	C
118.	B
119.	D
120.	D
121.	D
122.	A
123.	C
124.	B
125.	A
126.	C
127.	B
128.	A
129.	B
130.	B
131.	B

132.	D
133.	A
134.	B
135.	A
136.	A
137.	D
138.	D
139.	D
140.	A
141.	D
142.	C
143.	B
144.	A
145.	C

