



4 MULTIPLE CHOICE QUESTIONS (MCQs) WITH ANSWERS

1. Which of the following does not characterise the business environment?
(a) Uncertainty (b) Employees
(c) Relativity (d) Complexity.
2. Which of the following indicates the importance of business environment?
(a) Identification (b) Improvement of performances
(c) Coping with rapid changes (d) All of them.
3. Which of the following is an example of social environment?
(a) Money supply in the economics (b) Consumer Protection Act
(c) The Constitution of the country (d) Composition of family.
4. Liberalisation means
(a) Integration among economics (b) Reduced government controls and restrictions
(c) Policy of planned disinvestments (d) None of them.
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.
6. Many businesses are using social media like face book and twitter to promote themselves. This is an example of which dimension of Business environment:
(a) Social (b) Economic
(c) Legal (d) Technological

7. In winters the demand for woolens rises. This is an example of which feature of Business Environment:

- (a) Dynamic nature
- (b) Inter-relatedness
- (c) Complexity
- (d) Uncertainty

8. Recently the government has decontrolled the price of Diesel. This is an example of:

- (a) Privatisation
- (b) Globalisation
- (c) Liberalisation
- (d) Nationalisation



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1. Dreams can be turned into reality if business thinks in advance what to do and how to do. Identify the function of management.
(a) Planning (b) Organising
(c) Directing (d) Controlling.
 2. Which of the following is a feature of planning?
(a) Pervasive (b) Primary function
(c) Continuous (d) All of these.
 3. Which of the following statements is false?
(a) Planning reduces creativity (b) Planning is economical
(c) Planning focuses on achieving objectives (d) Planning is a mental exercise.
 4. Increasing sales by 10% or earning ROI of 20% is an important type of plan. Identify the type of plan.
(a) Objective (b) Policy
(c) Strategy (d) Programme.
 5. _____ are routine steps on how to carry out activities.
(a) Policies (b) Strategies
(c) Procedures (d) Rules.
 6. What is the last step involved in the process of planning?
(a) Selecting an alternative (b) Implementing the plan
(c) Follow-up action (d) Setting objectives.
 7. Name the type of plan which represents the end point of planning.
(a) Objectives (b) Strategies
(c) Procedures (d) Rules.
 8. Name the type of plan which refers to future decisions defining the organisation's direction and scope in the long run.
(a) Objectives (b) Strategies
(c) Procedures (d) Rules.
 9. Name the type of plan which defines the formal parameters within which the managers may function.
(a) Policies (b) Strategies
(c) Procedures (d) Rules.
 10. Name the type of plan which reflects the managerial decision that a certain action must or must not be taken.
(a) Policies (b) Procedures
(c) Strategies (d) Rules.
 11. "Any employee found logging to any social networking site in the office will be penalised". Identify the type of plan.
(a) Policy (b) Strategy
(c) Procedure (d) Rule.
 12. Following are the steps of Planning Process. Arrange them in correct sequence:
(a) Developing premises (b) Identifying and evaluating the course of action
(c) Setting objective (d) Evaluating alternative courses.
- Select from the choices given below:
- (a) 3, 1, 2, 4 (b) 1, 2, 3, 4
 - (c) 1, 3, 4, 2 (d) 4, 2, 3, 1