

## **M.COM 104 – Business Environment**

### **Semester-I**

#### **Section A: Long Answer Type Questions**

##### **◆ Unit I: Business Environment – Concept and Components**

1. Define business environment. Explain its nature and significance.
2. Discuss the various components of business environment in detail.
3. Explain the difference between internal and external environment of business with examples.
4. How does business environment influence managerial decisions?
5. Analyse the changing dimensions of business environment in India.
6. Explain how technological changes affect the business environment.
7. Discuss the micro and macro environment of business.
8. Write a detailed note on the dynamic nature of the business environment.
9. What are the key forces shaping today's business environment?
10. Explain how demographic factors affect the business environment.

##### **◆ Unit II: Environmental Analysis**

1. Define environmental analysis. What are its characteristics?
2. Explain the process of environmental scanning with suitable examples.
3. Discuss the significance and objectives of environmental analysis in strategic management.
4. What are the different types of environment scanning?
5. What are the limitations of environmental analysis?
6. How does SWOT analysis help in environmental scanning?
7. Discuss the tools and techniques used in environmental analysis.
8. Write a note on the importance of environmental analysis for business firms.
9. Explain how forecasting is used in environmental scanning.
10. Describe the relationship between strategic planning and environmental analysis.

##### **◆ Unit III: Economic Environment**

1. Discuss the major elements of the economic environment.
2. What is an economic system? Discuss the types and their impact on business.
3. Explain the relationship between economic reforms and the business environment.
4. Write a note on liberalization and its effect on Indian industries.
5. Discuss the impact of privatization on the Indian economy.
6. Explain how globalization affects business operations.
7. Describe the role of the government in shaping the economic environment.
8. Analyse the post-1991 economic reforms in India.
9. How does the economic policy of a country affect business firms?
10. Explain the objectives and key features of New Industrial Policy.

## **Unit IV: Political and Legal Environment**

1. Discuss the key components of the political environment of business.
2. Explain the role of the government in business development.
3. What is the importance of fiscal policy in shaping the business environment?
4. How does the legal environment influence business operations in India?
5. Write a note on the relationship between business and politics.
6. What are the implications of monetary policy for business?
7. Explain the critical elements of the Indian legal environment for business.
8. Discuss how political stability affects business activities.
9. Analyse the impact of regulatory bodies on business performance.
10. What are the major legal reforms undertaken in India in recent years?

## **◆ Unit V: Socio-Cultural and International Environment**

1. Explain the socio-cultural environment and its components.
2. How does the social environment affect consumer behavior and business decisions?
3. Discuss the challenges posed by uneven income distribution to businesses.
4. What is the role of business in fulfilling its social responsibilities?
5. Examine the influence of cultural values on business.
6. Write a note on the importance of the international business environment.
7. What is the role of IMF, WTO, and World Bank in global trade?
8. How do international institutions impact the Indian economy?
9. Discuss the changing global economic order and its impact on India.
10. Explain the need for businesses to adapt to international environments.

## **Section B: Short Answer Type Questions**

### **◆ Unit I**

1. Define business environment.
2. List four components of the external business environment.
3. What is meant by internal environment?
4. Write any two features of business environment.
5. What is the importance of studying the business environment?
6. Name any two forces affecting business decisions.
7. Differentiate between micro and macro environment.
8. What do you understand by the term 'dynamic environment'?
9. State two examples of technological changes in business.
10. What are the dimensions of business environment?

### **◆ Unit II**

1. Define environmental scanning.
2. Mention any two objectives of environmental analysis.
3. What is SWOT analysis?
4. List any two characteristics of environmental analysis.
5. What are the limitations of environmental scanning?
6. Give two examples of environmental forecasting techniques.

7. What is meant by strategic fit?
8. Define the term 'environmental turbulence'.
9. What is the role of information in scanning?
10. Write any two benefits of environmental analysis.

### ◆ Unit III

1. What are economic reforms?
2. Define liberalization.
3. Mention two features of the economic system.
4. Name any two elements of the economic environment.
5. What is globalization?
6. State two impacts of privatization.
7. What do you mean by economic planning?
8. Give an example of a policy reform post-1991.
9. What is the New Industrial Policy?
10. List two ways government policies affect businesses.

### ◆ Unit IV

1. Define fiscal policy.
2. What is the legal environment?
3. Name any two regulatory institutions in India.
4. Define political environment.
5. State two roles of the government in business.
6. What is the objective of monetary policy?
7. Define political stability.
8. Mention two examples of legal acts governing business in India.
9. What is the impact of FDI policy on business?
10. Differentiate between fiscal and monetary policy.

### ◆ Unit V

1. What is meant by socio-cultural environment?
2. Name two critical elements of the socio-cultural environment.
3. What is uneven income distribution?
4. Define social responsibility.
5. Name two international economic institutions.
6. Write two functions of the IMF.
7. What does WTO stand for?
8. Mention two goals of the World Bank.
9. What is the importance of international trade for India?
10. Define international business environment.

## **Section C: Multiple Choice Questions (MCQs)**

### **Unit I**

1. Which of the following is not a component of the business environment?
  - a) Economic
  - b) Political
  - c) Cultural
  - d) Cooking
2. The business environment is:
  - a) Static
  - b) Predictable
  - c) Dynamic
  - d) None of these
3. Internal environment includes:
  - a) Suppliers
  - b) Employees
  - c) Competitors
  - d) Government
4. Macro environment includes:
  - a) Customers
  - b) Shareholders
  - c) Government policies
  - d) Managers
5. Which one is a feature of the business environment?
  - a) Simplicity
  - b) Complexity
  - c) Uniformity
  - d) Stability
6. The legal environment is a part of:
  - a) Micro environment
  - b) Internal environment
  - c) External environment
  - d) None
7. Changing technology is part of:
  - a) Political
  - b) Economic
  - c) Technological
  - d) Cultural
8. Cultural environment affects:
  - a) Legal policies
  - b) Consumer preferences
  - c) Taxation
  - d) Interest rates
9. Micro environment includes:
  - a) Economic policies
  - b) Competitors
  - c) Legal system
  - d) International laws

10. Which is not an internal factor?
- a) Vision
  - b) Strategy
  - c) Suppliers
  - d) HR policies

## **Unit II**

1. Environmental scanning is:
  - a) Financial analysis
  - b) Trend analysis
  - c) Strategic tool
  - d) Marketing plan
2. Which of the following is a feature of environmental analysis?
  - a) Static process
  - b) One-time activity
  - c) Continuous process
  - d) Irrelevant process
3. SWOT analysis is used for:
  - a) Environmental analysis
  - b) Sales promotion
  - c) Customer targeting
  - d) Recruitment
4. PESTLE analysis does not include:
  - a) Economic
  - b) Political
  - c) Technological
  - d) Customer
5. Which one is not a limitation of environmental scanning?
  - a) Expensive
  - b) Time-consuming
  - c) 100% accuracy
  - d) Subjectivity
6. Which is a component of environmental forecasting?
  - a) Budgeting
  - b) Trend extrapolation
  - c) Advertising
  - d) Product design
7. Strategic fit refers to alignment between:
  - a) Vision and mission
  - b) Internal capabilities and external environment
  - c) Strategy and sales
  - d) None
8. One of the major tools of scanning is:
  - a) Job analysis
  - b) Delphi method
  - c) SWOT
  - d) Both b and c
9. Environmental scanning is important for:
  - a) Resource planning

- b) Strategic decision-making
  - c) Marketing research
  - d) Cost reduction
10. Internal strengths and weaknesses are identified through:
- a) PEST
  - b) SWOT
  - c) TOWS
  - d) Value chain

### **Unit III: Economic Environment**

1. Which of the following is not a type of economic system?
  - a) Capitalist
  - b) Socialist
  - c) Communist
  - d) Monarchical
2. Liberalization refers to:
  - a) Increased government control
  - b) Removal of restrictions
  - c) Decrease in competition
  - d) Nationalization
3. Privatization involves:
  - a) Government taking over private firms
  - b) Selling government stakes to private sector
  - c) Foreign control
  - d) Imposing price controls
4. Globalization helps in:
  - a) Closing domestic firms
  - b) Reducing exports
  - c) Integrating economies
  - d) Eliminating trade
5. Which reform was introduced in India in 1991?
  - a) GST
  - b) Industrial Licensing
  - c) Liberalization
  - d) Digital India
6. Economic policy influences business by:
  - a) Setting tax rates
  - b) Controlling inflation
  - c) Determining subsidies
  - d) All of the above
7. The economic environment does not include:
  - a) GDP growth rate
  - b) Political parties
  - c) Inflation
  - d) Employment levels
8. Industrial Policy is announced by:
  - a) RBI
  - b) SEBI

- c) Ministry of Finance
- d) Ministry of Commerce & Industry
- 9. The post-1991 economic reforms in India were mainly due to:
  - a) Technological boom
  - b) Economic crisis
  - c) Political change
  - d) Judicial orders
- 10. The LPG model stands for:
  - a) Liquidity, Planning, Growth
  - b) Liberalization, Privatization, Globalization
  - c) Legal, Political, Governmental
  - d) Leverage, Production, Goals

#### **Unit IV: Political and Legal Environment**

- 1. Fiscal policy deals with:
  - a) Money supply
  - b) Government spending and taxation
  - c) Interest rates
  - d) Foreign trade
- 2. Who formulates the monetary policy in India?
  - a) Parliament
  - b) RBI
  - c) SEBI
  - d) NITI Aayog
- 3. The legal environment includes:
  - a) Business laws
  - b) Social customs
  - c) Political ideologies
  - d) Market trends
- 4. A politically stable environment leads to:
  - a) Uncertainty
  - b) Low investor confidence
  - c) Growth in investment
  - d) High inflation
- 5. One of the major objectives of fiscal policy is:
  - a) Export promotion
  - b) Inflation control
  - c) Social security
  - d) Law enforcement
- 6. Consumer Protection Act is part of:
  - a) Political policy
  - b) Legal environment
  - c) Economic reforms
  - d) Technological development
- 7. Industrial Disputes Act is concerned with:
  - a) Employee rights
  - b) Environmental protection

- c) Trade laws
- d) Capital markets
- 8. Political risk for business increases when:
  - a) Policies are consistent
  - b) Elections are regular
  - c) Laws change frequently
  - d) Taxes are lowered
- 9. Which of these is a fiscal instrument?
  - a) CRR
  - b) Repo rate
  - c) Taxation
  - d) Bank rate
- 10. Legal reforms aim to:
  - a) Create confusion
  - b) Promote corruption
  - c) Improve regulatory environment
  - d) Discourage entrepreneurship

## **Unit V: Socio-Cultural and International Environment**

- 1. Socio-cultural environment includes:
  - a) Inflation
  - b) Interest rates
  - c) Customs and traditions
  - d) Money supply
- 2. Uneven income distribution causes:
  - a) Economic equality
  - b) Poverty and social unrest
  - c) Stable growth
  - d) High per capita income
- 3. Which of the following is a responsibility of business to society?
  - a) Maximize profits only
  - b) Pollute freely
  - c) Provide safe products
  - d) Ignore consumer rights
- 4. IMF stands for:
  - a) Indian Monetary Fund
  - b) International Marketing Forum
  - c) International Monetary Fund
  - d) Investment Market Fund
- 5. The main purpose of WTO is to:
  - a) Regulate defence deals
  - b) Promote international trade
  - c) Assist with climate control
  - d) Provide education globally
- 6. World Bank provides:
  - a) Military aid
  - b) Short-term trade loans



- c) Long-term development loans
  - d) Tourist visas
7. The key function of IMF is to:
- a) Build roads
  - b) Stabilize exchange rates
  - c) Provide defence training
  - d) Frame education policies
8. International business environment affects:
- a) Only local traders
  - b) Only MNCs
  - c) All global businesses
  - d) Farmers only
9. Cultural diversity impacts business through:
- a) Uniform marketing
  - b) Standard products
  - c) Customized communication
  - d) One-size-fits-all strategy
10. WTO was established in:
- a) 1944
  - b) 1956
  - c) 1995
  - d) 2000