2011

BUSINESS ENVIRONMENT

Time Allotted : 3 Hours　　　　　*Full Marks* : 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words

as far as practicable.

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :

$$10 \times 1 = 10$$

i) When inflation occurs due to increase in the cost of

production in an economy it is called

a) cost push inflation b) running inflation

c) demand pull inflation d) creeping inflation.

ii) Planning Commission was set up in India in

a) 1947 b) 1950

c) 1955 d) 1958.

iii) FICCI is an example of

a) Industry Association b) Employer Association

c) Employee Association d) None of these.

v) IBRD stands for

a) Internal Bank of Reconstruction and Development

b) International Board of Reconstruction and

Development

c) International Bank of Reconstruction and

Development

d) International Bureau of Reconstruction and

Development.

v) Devaluation is profitable when

a) $Dx + Dm > 1$ b) $Dx + Dm < 1$

c) $Dx + Dm = 1$ d) none of these.

vi) Economic environment refers to

a) Legislature, executive and Judiciary system

b) Planning & Policies related with agricultural

industry etc.

c) Custom, religion and ethical issues

d) none of these.

vii) In Fiscal Policy the Govt. undertakes

a) Controlling supply of money

b) Controlling interest

c) Controlling Govt. expenditure

d) None of these.

viii) Balance of Payment is maintained in

a) dual entry system b) single entry system

c) both (a) and (b) d) none of these.

ix) An example of indirect tax is

a) VAT b) Wealth Tax

c) Corporation Tax d) None of these.

x) Which of the following are the main reasons for Low

Rate of Saving ?

a) Low Per Capita Income

b) Unproductive Assets

c) High Price Level

d) All of these.

xi) A strong Balance of Payment (BOP) position in recent

years has resulted in

a) steady accumulation of Foreign Exchange Reserves

b) low trade and fiscal deficits

c) increasing exports

d) increasing FDIs.

xii) Broad Money is equal to

a) M_1 + Time deposits

b) currency with public

c) coins and currency held by general public

d) none of these.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Analyse the various measures to increase the rate of capital formation in India.

3. Distinguish between Balance of Trade and Balance of Payment.

4. State the main causes of economic backwardness and regional imbalances in India.

5. "Trade is an engine of growth." — Do you agree ? Discuss.

6. Examine the methods used for the estimation of National Income in India.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. a) Define the term 'poverty'.

b) Critically evaluate the Poverty Alleviation Programmes in India.   5 + 10

8. What is meant by privatisation ? Mention the objectives of privatisation. Enumerate the arguments for and against privatisation. 4 + 11

9. What do you understand by the term 'monetary policy' ? What measures are adopted by the Reserve Bank for the expansion of credit in recent period ? 5 + 10

10. a) What do you understand by investment ? Discuss the major determinants of investment.

b) Examine the factors that retard industrial development in India. 9 + 6

11. Write short notes on any *three* of the following : 3 × 5

a) New Industrial Policy, 1991

b) Exim policy

c) Impacts of Black Money in an economy

d) Objectives of WTO

e) Parallel economy.

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