



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS / BBA(H), BIRM, BSCM / SEM-3 / BBA-302 / 2011-12**

**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 × 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.



- iv) 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 ?
- Low Per Capita Income
  - Unproductive Assets
  - High Price Level
  - All of these.
- xi) A strong Balance of Payment ( BOP ) position in recent years has resulted in
- steady accumulation of Foreign Exchange Reserves
  - low trade and fiscal deficits
  - increasing exports
  - increasing FDIs.
- xii) Broad Money is equal to
- $M_1 + \text{Time deposits}$
  - currency with public
  - coins and currency held by general public
  - none of these.

**GROUP – B**

**( Short Answer Type Questions )**

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

- Analyse the various measures to increase the rate of capital formation in India.
- Distinguish between Balance of Trade and Balance of Payment.
- 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 :  $3 \times 5$ 
    - 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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