



**BRAINWARE UNIVERSITY**  
**Term End Examination 2020 - 21**  
**Programme – Bachelor of Business Administration**  
**Course Name – Business Environment**  
**Course Code - BBAD010403**  
**Semester / Year - Semester I**

Time allotted : 85 Minutes

Full Marks : 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

**Group-A**

(Multiple Choice Type Question)

1 x 70=70

1. (Answer any Seventy )

(i) The planning commission was set up in \_\_\_\_\_

- |         |         |
|---------|---------|
| a) 1948 | b) 1950 |
| c) 1952 | d) 1961 |

(ii) The persistent rise in price level due to shocks generated within the demand system is known as

- |              |                |
|--------------|----------------|
| a) Inflexion | b) Inflation   |
| c) Recession | d) Stagflation |

(iii) The computation of HDI was made on the following dimensions

- |                             |                                  |
|-----------------------------|----------------------------------|
| a) Life expectancy at birth | b) . Expected years of schooling |
| c) Decent standard of life  | d) All of these                  |

(iv) The concept of Merit Good was given by

- |                     |               |
|---------------------|---------------|
| a) Alfred Marshall  | b) Adam Smith |
| c) Richard Musgrave | d) J.S. Mill  |

(v) The Cash which is used to carry out day to day transaction is known as

- |                |               |
|----------------|---------------|
| a) Liquid Cash | b) Cold Money |
| c) Vault Cash  | d) Hot Money  |

(vi) The Prime Minister of India during the Demonetization is

- a) A B Vajpayee
- b) Tanseen
- c) Narendra Modi
- d) Zakir Hussain

(vii) The rate at which the commercial bank borrows money from Central Monetary Authority is known as the

- a) Repo Rate
- b) Ratio Analysis
- c) Cash Reserve Ratio
- d) Reverse Repo Rate

(viii) When  $G=T$  then the budget is called

- a) surplus budget
- b) balanced budget
- c) deficit budget
- d) None of these

(ix) The collection of Resources like Knowledge , Talent , Skill ,Ability, Judgement , Wisdom is known as

- a) Physical Capital
- b) Human Capital
- c) Derived Demand
- d) Induced Demand

(x) The flexible Monetary targeting approach was followed by

- a) Chakroborty Committee
- b) Sarkar Committee
- c) Mukherjee Committee
- d) Nag Committee

(xi) Monetary and Fiscal Policy is ineffective along the zone of

- a) . the liquidity trap.
- b) zone of equality
- c) critical zone
- d) Phase region

(xii) Significant role and functions of the capital market includes

- a) mobilisation of savings
- b) acceleration of capital formation
- c) provision of investment avenue
- d) All of these

(xiii) The money which is kept violating the Income Tax Laws is known as

- a) Cold money
- c) Hot money

- b) black money
- d) White money

(xiv) The economic policy which refers to the actions undertaken by a nation's Central Bank to control money supply to achieve macroeconomic goals that promote sustainable economic growth.

- a) Foreign Policy
- c) Export Policy

- b) Monetary Policy
- d) Import Policy

(xv) This is a type of banking service provided to unemployed or low-income individuals or groups who otherwise would have no other access to financial services.

- a) Gold Loan
- c) Land Lease

- b) Microfinance
- d) Credit Card

(xvi) This is a microfinance organization and community development bank founded in Bangladesh widely renowned for doing good works for the rural poor.

- a) Grameen Bank
- c) Swiss Bank

- b) Bank of Bangladesh
- d) RBI

(xvii) Find the equilibrium level of income in the closed economy if  $C=100+.75Y$  and  $I=100$   $G=T=50$

- a) 890
- c) 420

- b) 850
- d) 450

(xviii) One of the root cause of Cost Push Inflation is

- a) Change in Fashion
- c) Monopoly power of Labor Unions

- b) Change in Technology
- d) None of the above

(xix) Bombay Stock Exchange (BSE) partners with which bank, to empower Small and Medium Enterprises?

- a) Yes Bank
- b) ICICI
- c) Axis Bank
- d) IDBI

(xx) Which Banking company has partnered with American Express to offer its premium products on American Express network?

- a) SBI Cards
- b) Indian bank
- c) ICICI
- d) Axis

(xxi) Which country is to provide USD 1.9 million to support informal sector and micro enterprises in India?

- a) Japan
- b) UK
- c) USA
- d) China

(xxii) The Economic environment of a business includes

- a) Business system
- b) Economic system
- c) Demographic conditions
- d) Physical conditions

(xxiii) The measure for Inequality is known as

- a) Converse Theorem
- b) Gini Coefficient
- c) Euler Theorem
- d) none of these

(xxiv) Which of the following functions are not being performed by the Reserve Bank of India?

- a) Regulation of Banks in India
- b) Regulation of Foreign Direct Investment in India
- c) Foreign Currency Management in India
- d) Control and Supervision of Money Supply

(xxv) A bank is called as ?Scheduled Bank when

- a) Its business has crossed Rs. 1000 crore mark
- b) . It is included in the second Schedule of the RBI Act
- c) Its branch network is over 100
- d) None of these

(xxvi) The Cash which is kept in the lockers of banks are known as

- a) Liquid Cash
- b) Cold Money
- c) Vault Cash
- d) Hot Money

(xxvii) Who publish the Economy Survey of India?

- a) Minister of Finance
- b) Minister of External Affairs
- c) Minister of Home Affairs
- d) Minister Of Commerce and Industry

(xxviii) Product Differentiation is in health services are practiced by

- a) Monopsony
- b) Monopoly
- c) Monopolistic Competition
- d) Duopoly

(xxix) The minimum reserve deposit ratio of the banking system is determined from time to time by the

- a) State Bank of India
- b) AXIS Bank Ltd
- c) .CBI
- d) Reserve Bank of India

(xxx) The National Audit Authority is controlled by

- a) Finance Secretary
- b) Information and Broadcasting Minister
- c) Comptroller and Auditor General
- d) None of these

(xxxi) The RBI acts as a banker's bank. This means

- a) Other banks retain their deposits with RBI
- b) RBI lends funds to the commercial banks in times of need
- c) RBI advices commercial banks on monetary policy
- d) All of these

(xxxii) Metallic money is made up of

- a) Gold
- b) Silver
- c) Copper
- d) All of these

(xxxiii) Which of the following is a direct tax?

- a) Corporate Tax
- b) Gift Tax
- c) Wealth Tax
- d) All of these

(xxxiv) An instrument of demand management which seeks to influence the level of economic activity through control of taxation and government expenditure

- a) Liquidity trap
- b) Fiscal Policy
- c) Monetary Policy
- d) None of these

(xxxv) The tax levied directly on the income of the people by the Central Government is known as

- a) Sales tax
- b) Income tax
- c) Wealth tax
- d) all the above

(xxxvi) National income in India is estimated by

- a) Planning Commission
- b) Finance Commission
- c) Central Statistical Organisation
- d) ISI

(xxxvii) A Saving certificate entitling the bearer to receive interest.

- a) Treasury Bill
- b) Certificate of Deposit
- c) Commercial Bill
- d) Soliciting Funds

(xxxviii) Milton Friedman belongs to this School of Thought

- a) Harvard
- b) Chicago
- c) MIT
- d) Princeton

(xxxix) Which one of the following is a function of money?

- a) Medium of Exchange
- b) Transfer of value
- c) Store of Value
- d) All of these

(xl) System where minimum gold reserve is fixed by law is called

- a) proportional reserve system
- b) minimum gold reserve system
- c) simple deposit system
- d) bonus deposit system

(xli) The full form of FII is

- a) Foreign Intent Invention
- b) Forced Foreign Intention
- c) Foreign Institutional Investment
- d) None of these

(xlii) Which one of the following is called as initial repayment holiday given to a borrower for repayment of loan?

- a) Amortization
- b) Moratorium
- c) Subvention
- d) None of these

(xliii) Who sets up 'Base Rate' for Banks?

- a) Individual Banks Board
- b) Interest Rate Commission of India
- c) RBI
- d) None of these

(xliv) Which of the following are benefited through the Reserve mortgage scheme?

- a) Government employees
- b) Minors
- c) Senior citizens
- d) All of these

(xlv) Which of the following are the amounts owed to a company that are not going to be paid?

- a) Bad debts
- b) Non-performing Assets
- c) Out of order accounts
- d) Overdrawn accounts

(xlvi) Which among the following made the initial contribution for setting up Financial Inclusion Fund and Financial Inclusion Technology Fund?

- a) Government of India, NABARD and RBI
- b) NABARD, UTI and RBI

c) SIDBI, Government of India and IDBI Bank      d) SIDBI, NABARD and UTI Bank

(xlvii) Which one of the following is known as the real return to the investor getting reduced due to sudden rise in the prices of the commodities?

a) Cost risk    b) Demand risk  
c) Market risk    d) Systemic risk

(xlviii) Electronic Payment system used for crediting salary is known as \_\_\_\_\_.

a) ECS Debit    b) ECS Credit  
c) NEFT     d) RTGS

(xlix) The Bank which initiates ECS credit is known as \_\_\_\_\_ Bank

a) Sponsor Bank    b) Destination Bank  
c) Beneficiary Bank                                         d) Merchant bank

(l) Which movement encouraged the formation of commercial banks?

a) Swadeshi movement                                     b) Quit India Movement  
c) Non Cooperation Movement                         d) Civil Disobedience Movement

(li) A capital market financing is most likely to finance

a) New plant and machinery                            b) Seasonal inventory needs  
c) A quarterly dividend payment                      d) The sale of common stock

(lii) Money market is an important financial market because

a) Money market is the world's liquidity market      b) It is the market in which central bank conducts monetary policy  
c) The government finances most of the credit needs in the money market      d) All of these



(liii) Which was the second bank in India with limited liability?

- a) Punjab National Bank
- b) Imperial Bank of India
- c) New Bank of India
- d) State Bank of India

(liv) Indian Financial System Code is

- a) Alpha numeric 11 digit code
- b) Numeric code 11 digit code
- c) Alpha numeric 8 digit code
- d) Numeric code 8 digit code

(lv) Which is the costliest mode of payments?

- a) Cheque
- b) Demand Draft
- c) RTGS
- d) NEFT

(lvi) Absolute Cost Advantage is not necessary for International Trade. This Statement is true according to

- a) Adam Smith
- b) David Ricardo
- c) T .R Malthus
- d) All of these

(lvii) WTO was preceded by

- a) UNCTAD
- b) GATT
- c) ITC
- d) ILO

(lviii) An approach to the study of the economy that emphasizes on institutions and social classes is known as

- a) Biology
- b) Sociology
- c) Political Economy
- d) Civics

(lix) Where is the Head Quarters of WTO located?

- a) Tokyo
- b) New York
- c) Geneva
- d) New Delhi

(lx) The policy that affects international trade including Tariff and Non- Tariff

barriers is known as

- a) MRTP
- b) Trade Policy
- c) Exit policy
- d) All of these

(Ixi) Price Stabilisation Fund is established by the Government to check the price fluctuations of these crops.

- a) tea,coffee
- b) tobacco,rubber
- c) both tea,coffee & tobacco,rubber
- d) none of these

(Ixii) Micro environment relates to internal matters of business such as

- a) Size of the business
- b) Policy relating to business
- c) Product produced
- d) All of these

(Ixiii) This refers to the size and behaviour of the population in a country

- a) Demographic environment
- b) Geographical and ecological environment
- c) Legal environment
- d) Technological environment

(Ixiv) BOT example is

- a) Calcutta Metro
- b) Pune Highway
- c) Mumbai Metro
- d) Hyderabad Highway

(Ixv) Monetization refers to

- a) increase in money supply
- b) decrease on money supply
- c) minting of coin
- d) converting barter into monetary transaction

(Ixvi) Balance of visible imports and exports in a country over a period is called?

- a) Balance of Trade
- b) Balance of Tours
- c) Balance of Payments
- d) Balance of tax

(lxvii) In India, in 2004-05 the number of poor persons below poverty line was the highest in the State of

- a) Bihar
- b) Uttar Pradesh
- c) Madhya Pradesh
- d) Rajasthan

(lxviii) The development which is matched by maintaining a rapport between the present and future

- a) jobless growth
- b) ruthless growth
- c) sustainable development
- d) none of these

(lxix) The full form of WTO is

- a) World Trade Organisation
- b) World Tour Operator
- c) World Travel Owner
- d) None of these

(lxx) The man responsible for reconstructing the monetary policy of USA

- a) David Lucas
- b) Malthus
- c) Milton Friedman
- d) H S Bhilai