

QUESTION BANK

- Q1.** Organisations depend upon which environment for Input: [SM-1]
(a) Technological Environment
(b) Social-Economic Environment
~~(c) External Environment~~
(d) Legal Environment
- Q2.** Environmental Analysis helps in: [SM-2]
(a) Providing input for strategic decision making
(b) Turning threat's to firms advantage
(c) Anticipate opportunities and to take optimal responses
~~(d) All of the above~~
- Q3.** Trends relate to: [SM-3]
(a) Happening of events in internal Environment
~~(b) Grouping of similar or related events~~
(c) Demands made by Interested group
(d) None of the above
- Q4.** Which of the following exhibit characteristic of Business Environment? [SM-4]
I) Environment is static
II) Environment is dynamic
III) Environment is complex and multi-faceted
IV) It has short term reach
Options :
(a) Point I & III
(b) Point I, II & III
(c) Point II & IV
~~(d) Point II & III~~
- Q5.** A threat is [SM-5]
~~(a) An unfavourable condition in organisation environment which creates risk or damage to the environment~~
(b) An inherent limitation or constraint
(c) An unfavourable condition in organisation environment which consolidates its strength
(d) None of the above

- Q6.** Who occupies the central position in the marketing environment: [SM-6]
(a) Consumer
(b) Customer
(c) Organisation
(d) All of the above
- Q7.** The price sensitivity of the market is an important factor of which element of Micro environment: [SM-7]
(a) Suppliers
(b) Market
(c) Intermediaries
(d) Customer
- Q8.** ___ with their own bargaining power affect the cost structure of the industry. [SM-8]
(a) Intermediaries
(b) Suppliers
(c) Consumer
(d) Government
- Q9.** Which of the following is not a factor of Demographic Environment? [SM-9]
(a) Ethnic Mix
(b) Legal
(c) Population size
(d) Geographic Distribution
- Q10.** Business and technology are: [SM-10]
(a) Interrelated
(b) Interdependent
(c) Interrelated & Interdependent
(d) None of the above
- Q11.** Environment which is close to business and affect its capacity to work is known as ___ environment: [SM-11]
(a) Micro
(b) Macro
(c) Internal
(d) External
- Q12.** Study of human population is called as ___ environment. [SM-12]
(a) Political
(b) Demographic
(c) Global
(d) Economic

- Q13.** What is the single word that can best describe today's business? [SM-13]
(a) Technology
(b) Persistence
(c) Profit making
(d) Change
- Q14.** Competition is beneficial to the competing firms besides benefiting the _____. [SM-14]
(a) Intermediaries
(b) Customers
(c) Producers
(d) Financiers
- Q15.** _____ is the process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business for the purpose of taking strategic decisions. [SM-15]
(a) Forecasting
(b) Assessment
(c) Scanning
(d) None of the above
- Q16.** The following statement relates to which strategic response approach to the environment:
They seek to monitor the changes in that environment analyse their impact on their own goals and activities and translate their assessment in terms of specific strategies for survival, stability and strength. [SM-16]
(a) Proceed with caution
(b) Least resistance
(c) Dynamic response
(d) Static response
- Q17.** Which of the following is not a part of the economic environment? [SM-17]
(a) market and trade cycles
(b) Consumer buying patterns
(c) Strength of consumer spending
(d) Interest and exchange rates
- Q18.** What is the kind of response that businesses should make efforts to exploit the opportunity and thought the threats: [SM-18]
(a) Strategic Responses *Dynamic*
(b) Least resistance
(c) Diversify
(d) Simplify

- Q19. Which of the following is not a characteristic least resistance strategic response: [SM-19]
- (a) Simple goal maintaining
 - (b) Passive approach
 - (c) Dynamic
 - (d) All of the above
- Q20. Perceiving the needs of the external environment and catering to them, satisfying the expectations and demands of the clientele groups is: [SM-20]
- (a) Reciprocal agreement
 - (b) Interdependent process
 - (c) Management process
 - (d) Interaction process
- Q21. Process of strategy formulation starts with: [SM-21]
- (a) Appraisal of external and internal environment of the of an organisation
 - (b) Performance analysis
 - (c) Choice of strategy
 - (d) None of the above
- Q22. _____ response not merely recognise and ward off threats but also covert threat into opportunities: [SM-22]
- (a) Aggressive
 - (b) Dynamic
 - (c) Static
 - (d) Passive
- Q23. The businesses should continuously _____ and _____ to the environment if it is to service and prosper. [SM-23]
- (a) Identify, appraise
 - (b) Monitor, adapt
 - (c) Identify, monitor
 - (d) Monitor, appraise
- Q24. Through SWOT analysis: [SM-24]
- (a) Strengths and weakness existing within the environment can be matched with opportunities and threats in the organisation
 - (b) Strengths and weakness existing outside the organisation can be matched with opportunities and threats with the internal environment.
 - (c) Strengths and weakness existing outside the organisation can be matched with opportunities and threats with the external environment.
 - (d) Strengths and weakness existing within an organisation can be matched with opportunities and threats in the environment.

- Q25. Relationship between organisation and environment can be described through: [SM-25]
- (a) Exchange of information
 - (b) Exchange of resources
 - (c) Exchange of influence and power
 - (d) All of the above
- Q26. According to Peter Drucker aim of the business is to ____ and ____ [SM-26]
- (a) Create and retain customer
 - (b) Retain customer and create profits
 - (c) Create and retain consumer
 - (d) Retain consumer and maximise wealth
- Q27. The non-specific elements of the organisations surroundings that may affect its activities are; [SM-27]
- (a) Customers, suppliers and employees
 - (b) Suppliers, owners, employees
 - (c) Owners, Board of Directors and Employees
 - (d) Customers, Intermediaries, Suppliers.
- Q28. The _____ environment refers to the nature and direction of the economy in which a company competes or may compete. [SM-28]
- (a) Socio-cultural
 - (b) Internal
 - (c) Micro
 - (d) Economic
- Q29. Which of the following statement is not a factor influencing socio-cultural environment [SM-29]
- (a) Family structure and changes in it, attitude towards and within the family, and family values
 - (b) Educational levels, awareness and consciousness of rights, and work ethics of members of society.
 - (c) Opportunities arising out of technological innovation.
 - (d) Role of women in society, position of children and adolescents in family and society.
- Q30. Analyzing process of change in the business environment involves conceptualising its as: [SM-30]
- (a) Complex
 - (b) Static
 - (c) Dynamic
 - (d) Diverse

- Q31.** The performance of business in the private sector is measured by: **[SM-31]**
(a) Profitability
~~(a) Customer Satisfaction~~
(b) Number of employees
(c) The salary of BOD
- Q32.** In the PEST framework for environmental analysis what does the letter E stand for? **[SM-32]**
(a) Ecological
~~(b) Economic~~
(c) Ethical
(d) Educational
- Q33.** All are elements of micro environment except: **[SM-33]**
(a) Consumer.
(b) Suppliers.
(c) Competitors.
~~(d) Society.~~
- Q34.** All are elements of macro environment except: **[SM-34]**
(a) Society.
(b) Government
~~(c) Competitors;~~
(d) Technology.
- Q35.** Select the correct statement out of the following: **[SM-35]**
(a) Environmental factors are totally beyond the control of a single industrial enterprise
~~(b) Environmental factors are largely beyond the control of a single industrial enterprise~~
(c) Environmental factors are totally within the control of a single industrial enterprise
(d) None of the above.
- Q36.** In response to the changes in the environment organizations in general should: **[SM-36]**
~~(a) Understand the impact of changes on the strategy and make appropriate modifications.~~
(b) Make efforts that changes are reverted back so that organizations can function smoothly.
(c) Ignore the changes.
(d) None of the above.

Q37.

Read the following three statements:

[SM-37]

- (i) The environment is constantly changing in nature.
 - (ii) Various environmental constituents exist in isolation and do not interact with each other.
 - (iii) The environment has a far reaching impact on organizations.
- From the combinations given below select an alternative that represents statements that are true:
- (a) (i) and (ii).
 - (b) (ii) and (iii)
 - (c) (i) and (iii)
 - (d) (i), (ii) and (iii)

Q38. Which environmental factors regulate the values and beliefs, traditions and customs of society? [SM-38]

- (a) Political-legal factors
- (b) Technological factors
- (c) Economic factors
- (d) Socio-cultural factors

Q39. The term PESTLE analysis is used to describe a framework for analyzing [SM-39]

- (a) Macro Environment
- (b) Micro Environment
- (c) Both Macro and Micro Environment
- (d) None of above

Q40. In which of the following basis categories can Business Environment be divided?

- (a) Local and Regional
- (b) Regional and National
- (c) Internal and External
- (d) Financial and Non-financial

Q41. _____ represents all external forces, factors or conditions that exert some degree of impact on the business decisions, strategies and actions taken by the Firm.

- (a) Business Location
- (b) Business Environment
- (c) Business Threat
- (d) Business Surrounding

Q42. Business Environment represents _____ forces that exert some degree of impact on the business decisions taken by the Firm.

- (a) Internal Forces
- (b) External Forces
- (c) Financial Forces
- (d) National Forces

- Q43. External factors in a Business Environment include-
- (a) Opportunities
 - (b) Threats
 - (c) Both (a) and (b)
 - (d) None of the above
- Q44. ___ environment is within the control of the business.
- (a) Internal
 - (b) External
 - (c) Micro
 - (d) Macro
- Q45. ___ environment is beyond the control of the business.
- (a) Internal
 - (b) External
 - (c) Micro
 - (d) Macro
- Q46. External factors affecting a business environment is also referred to as ___ factors.
- (a) Controllable
 - (b) Relevant
 - (c) Global
 - (d) Uncontrollable
- Q47. Which of the following does not characterize the Business Environment?
- (a) Methods of production
 - (b) Complexity
 - (c) Uncertainty
 - (d) Relativity
- Q48. What are the pre-requisites for a Firm to respond to the External Environment?
- (a) Monitoring the Environment
 - (b) Identifying the factors
 - (c) Capacity to develop effective responses
 - (d) All of the above
- Q49. A change in the Environment-
- (a) is always Accepted by Firms
 - (b) is always declined by Firms
 - (c) may be an opportunity to some and threat to some other Firms
 - (d) None of the above

- Q50. Which type of Enterprise does not have the need to interact with the Environment?
(a) Small Enterprises
(b) Proprietary Firm
(c) Micro Enterprises
(d) None of the above
- Q51. Characteristics of a Business Environment include-
(a) Dynamism
(b) Complex
(c) Multi-faceted
(d) All of the above
- Q52. The basic goals of Environmental Analysis include-
(a) Knowing and understanding the changes in the environment responses
(b) Collecting relevant information for decision making
(c) Facilitating strategic thinking
(d) All of the above
- Q53. Why is it difficult to understand Environmental Influences?
(a) It has different sub-systems
(b) It cannot be predicted easily
(c) It has a complex frame work
(d) All of the above
- Q54. Procedure of analyzing threats and opportunities of organization's environment is classified as
(a) Environmental influences
(b) Environmental economics
(c) Environmental planning
(d) Environmental scanning
- Q55. In external environmental scanning, interest rates, cycle of recessions and inflation are classified as
(a) Geographic influences
(b) Government influences
(c) Economic influences
(d) technological advancement
- Q56. In external environmental scanning, tax legislations, social security legislations and tax provisions are classified as
(a) geographic influences government influences
(b) government influences
(c) Economic influences
(d) technological advancement

- Q57. Which of the following is not a part of the external environment of the organization?
- (a) Technological factor
 - (b) Political factor
 - (c) Legal factor
 - (d) Organizational structure
- Q58. SWOT analysis refers to-
- (a) Strength, Weakness, Options and Threats
 - (b) Strength, Weakness, Opportunities and Threats
 - (c) Strength, Weakness, Options and Traits
 - (d) Strength, Weakness, Opportunities and Traits
- Q59. A Firm's capacity to take advantage over its competitors is known as -
- (a) Opportunity
 - (b) Power
 - (c) Strength
 - (d) Prospect
- Q60. _____ is an inherent limitation or constraint which creates a strategic disadvantage.
- (a) Weakness
 - (b) Threat
 - (c) Risk
 - (d) Competition
- Q61. Opportunity is a _____ condition in the Firm's environment which enables it to consolidate _____ and strengthen its position.
- (a) Unfavourable
 - (b) Risky
 - (c) Favourable
 - (d) New
- Q62. Internal factors in SWOT analysis include-
- (a) Strength and Weakness
 - (b) Strength and Opportunities
 - (c) Opportunities and Threats
 - (d) Threats and Weakness
- Q63. Under SWOT Analysis, Strength of a Firm does not refer to-
- (a) Competitive Advantage
 - (b) Availability of Resources
 - (c) Advantages enjoyed by Employees
 - (d) Favourable Market
- Q64. Effective use of social media for marketing is
- (a) Strength
 - (b) Weakness

- ~~(c)~~ Opportunity
(d) Threat
- Q65.** Interactions with Environment does not include-
- (a) Exchange of information
 - (b) Exchange of resource
 - (c) Exchange of influence
 - ~~(d)~~ None of the above
- Q66.** Interactions between the Organization and Environment include-
- (a) Gathering data about the Organization and its surrounding
 - (b) Collecting information about the Shareholders
 - (c) Gathering information about the Employees
 - ~~(d)~~ All of the above
- Q67.** The Environment offers -
- (a) Opportunities, incentives and rewards
 - (b) Constraints, threats and restrictions
 - ~~(c)~~ Both (a) and (b)
 - (d) Neither (a) nor (b)
- Q68.** While considering factors for Environmental Scanning what does "Trends" indicate?
- (a) specific occurrences taking place in different environmental sectors
 - ~~(b)~~ general tendencies or the courses of action along which events taken place
 - (c) current concerns and emerging issues
 - (d) demands made by interested groups in the light of their concern for issues
- Q69.** While considering factors for Environmental Scanning what does "Issues" indicate?
- (a) specific occurrences taking place indifferent environmental sectors
 - (b) general tendencies or the courses of action along which events taken place
 - ~~(c)~~ current concerns that arise in response to events and trends and emerging issues
 - (d) demands made by interested groups in the light of their concern for issues
- Q70.** The immediate environment with which the firm operates is called-
- ~~(a)~~ Micro Environment
 - (b) Macro Environment
 - (c) External Environment
 - (d) Peripheral Environment
- Q71.** Micro Environment is also known as-
- (a) Internal Environment
 - ~~(b)~~ Task Environment
 - (c) General Environment
 - (d) Both (a) and (b)

- Q72. Macro Environment is also known as -
(a) Internal Environment
(b) Task Environment
 (c) General Environment
(d) Both (a) and (b)
- Q73. Which of the following elements constitute Micro Environment?
(a) Competitors
(b) Customers
(c) Suppliers
 (d) All the above
- Q74. Competitors refer to the other business entities that compete for-
(a) Resources only
(b) Markets only
 (c) Resources as well as markets
(d) None of the above
- Q75. Which of the following groups are important for the self analysis of the Organisation?
(a) Shareholders
(b) Directors
(c) Employees
 (d) All the above
- Q76. Supplier Environment does not have an impact on-
(a) Quality of materials
(b) Cost of Materials and Service
 (c) Changes in consumer tastes, preferences and expectation
(d) Availability of materials and services
- Q77. Intermediaries in the marketing channel establish a link between-
 (a) Organisation and Customers
(b) Organisation and Suppliers
(c) Suppliers and the Customers
(d) Wholesalers and Retailers
- Q78. Elements of Macro Environment include-
 (a) Legal Environment
(b) Competitors
(c) Customers
(d) All the above
- Q79. "Demographics" denote -
(a) Race
(b) Age
(c) Employment status

- (d) All the above
- Q80.** Factors to be considered for analysing Demographic Environment does not include-
- (a) Population Size
 - (b) Family structure
 - (c) Cultural composition
 - (d) Income distribution
- Q81.** Which of the following are key economic indicators?
- (a) Import/Export factors
 - (b) Stock market trends
 - (c) GDP trends
 - (d) All the above
- Q82.** Which of the following is an effect of Globalization at the Organizational Level?
- (a) Company commits itself heavily with several manufacturing locations around the world and offers products in several diversified industries
 - (b) Company has the ability to compete in domestic markets with foreign competitors.
 - (c) Both (a) and (b)
 - (d) None of the above
- Q83.** The Process of integration of the world into one huge market is called as -
- (a) Nationalization
 - (b) Globalization
 - (c) Capitalization
 - (d) None
- Q84.** ____ factors describe how and to what extent the Government intervenes in the economy and the activities of Business Firms.
- (a) Political
 - (b) Legal
 - (c) Economic
 - (d) Environmental
- Q85.** Joint Ventures, Federations, Strategic Alliances, etc.
- (a) Competitive response
 - (b) Collective response
 - (c) Confident response
 - (d) None of the above
- Q86.** Which approach has the least resistance in responding to the Environment?
- (a) Confident Approach
 - (b) Conservative Approach
 - (c) Cautious Approach
 - (d) Careful Approach

- Q87. Which one of the following cannot be included under the nature of relationship between business and environment?
- (a) Interdependence
 - (b) Dynamic
 - (c) Social Change
 - (d) Fixed
- Q88. To determine a country's attractiveness to business require
- (a) A detailed analysis of elements in the macro environment
 - (b) An assessment of the political and financial risks
 - (c) An analysis of the competitive environment
 - (d) All at the above
- Q89. ____ refers to an external forces that have a bearing on the functioning of the business.
- (a) Environment
 - (b) Culture
 - (c) System
 - (d) None
- Q90. Which of the following is not a business opportunity generated by Globalisation?
- (a) Access to low cost labour
 - (b) Cheap International Transport
 - (c) Currency Crisis
 - (d) Less stringent regulations of the Business Environment
- Q91. ____ consists of economic conditions, economic policies, industrial policies and economic system.
- (a) Business Environment
 - (b) Economic Environment
 - (c) Natural environment
 - (d) None of the above

ANSWERS

1	2	3	4	5	6	7	8	9	10
C	D	B	D	A	A	B	B	B	C
11	12	13	14	15	16	17	18	19	20
A	B	D	B	C	A	B	A	C	D
21	22	23	24	25	26	27	28	29	30
A	B	B	D	D	A	C	D	C	C
31	32	33	34	35	36	37	38	39	40
B	B	D	C	B	A	C	D	A	C
41	42	43	44	45	46	47	48	49	50
B	B	C	A	B	D	A	D	C	D
51	52	53	54	55	56	57	58	59	60
D	D	D	D	C	B	D	B	C	A
61	62	63	64	65	66	67	68	69	70
C	A	D	C	D	D	C	B	C	A
71	72	73	74	75	76	77	78	79	80
B	C	D	C	D	C	A	A	D	B
81	82	83	84	85	86	87	88	89	90
D	C	B	A	B	B	D	D	A	C
91									
B									

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