

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)  
MCom DEGREE EXAMINATION MAY 2024  
(First Semester)  
Branch - COMMERCE  
**BUSINESS ENVIRONMENT**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Why is it important for businesses to understand their environment? a) To increase their profit margins. b) To align with government regulations. c) To identify opportunities and threats. d) To establish a strong organizational culture.	K1	CO1
	2	What does the term "business environment" refer to? a) The physical location of a business. b) The set of internal and external factors that impact an organization's operations. c) The specific industry in which a business operates. d) The financial resources of a business.	K2	CO1
2	3	What does the term "GDP" stand for in economics? a) Global Domestic Product b) Gross Domestic Product c) General Development Process d) Government Distribution Plan	K1	CO2
	4	Why is inflation a concern in the economic environment? a) It indicates a booming economy. b) It reduces the purchasing power of money. c) It encourages saving. d) It has no impact on the economy.	K2	CO2
3	5	What is the primary objective of price controls implemented by the government? a) To maximize business profits b) To stabilize prices and protect consumers from price gouging c) To eliminate competition in the market d) To encourage imports and exports	K1	CO3
	6	How does a price ceiling differ from a price floor in terms of government intervention in markets? a) A price ceiling sets a maximum price, while a price floor sets a minimum price. b) A price ceiling encourages competition, while a price floor restricts market entry. c) A price ceiling is typically used in times of inflation, while a price floor is used during deflation. d) A price ceiling is set by businesses, while a price floor is determined by consumer demand.	K2	CO3
4	7	What does the social environment of a business refer to? a) The physical location of the business. b) The set of internal factors that influence business operations. c) The external factors such as demographics, lifestyles, and societal values that impact business. d) The legal regulations governing business operations.	K1	CO4
	8	Why is it essential for businesses to understand and adapt to the cultural diversity of their target markets? a) To promote a uniform global culture. b) To minimize competition from local businesses. c) To improve communication and build stronger customer relationships. d) To ignore cultural differences and focus solely on economic factors.	K2	CO4

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5	9	What does the term "globalization" refer to in the context of Indian business? a) The process of isolating Indian businesses from international markets. b) The expansion of Indian companies into the global market. c) The localization of business practices within India. d) The withdrawal of foreign companies from India.	K1	CO5
	10	Why do Indian businesses increasingly engage in international trade and investments? a) To limit competition from foreign companies. b) To reduce their domestic market presence. c) To access new markets, technologies, and resources. d) To isolate themselves from global economic trends.	K2	CO5

**SECTION - B (35 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Create a set of ethical guidelines for a specific profession or industry, addressing common ethical challenges.	K3	CO1
		(OR)		
	11.b.	Assume the nature and significance of business environment.		
2	12.a.	Examine the function and importants of monetary policy.	K4	CO2
		(OR)		
	12.b.	Examine the potential impact of emerging technologies (AI) on the need for revisions in existing industrial policies.		
3	13.a.	Develop a government relations strategy for a multinational corporation entering the Indian market, considering cultural, legal, and political nuances.	K4	CO3
		(OR)		
	13.b.	Create a comprehensive framework for evaluating the outcomes and impacts of privatization efforts over time.		
4	14.a.	Identify the effects of socio-culture on business.	K3	CO4
		(OR)		
	14.b.	Inspect the social attitudes for business.		
5	15.a.	Develop the influence of the WTO on international trade policies and its role.	K4	CO5
		(OR)		
	15.b.	Simplify causes and consequences of disaster		

**SECTION - C (30 Marks)**

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Create a customized code of ethics for a nonprofit organization, considering its mission and values.	K6	CO1
2	17	Evaluate the risks and benefits of a business relying heavily on government contracts and subsidies, considering potential changes in fiscal policy.	K6	CO2
3	18	Justify merit and demerit of liberation and privatization.	K5	CO3
4	19	Explain how cultural factors influence the organization and operation of social groups in diverse societies.	K5	CO4
5	20	List the impacts of MNCs' operations on host countries, including benefits and challenges.	K4	CO5