

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION MAY 2026
(Second Semester)

Branch - COMMERCE

ECONOMIC ENVIRONMENT OF BUSINESS

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	The internal environment of business includes _____. (i) Government policy (ii) Suppliers (iii) Employees (iv) Competitors	K1	CO1
	2	Environmental analysis is mainly used for _____. (i) Recruitment (ii) Strategic management (iii) Accounting (iv) Auditing	K2	CO1
2	3	FEMA stands for _____. (i) Foreign Exchange Management Act (ii) Federal Economic Management Act (iii) Foreign Economic Market Act (iv) Financial Exchange Monitoring Act	K1	CO2
	4	Fiscal policy is concerned with _____. (i) Money supply (ii) Taxation and public expenditure (iii) Foreign trade (iv) Industrial production	K2	CO2
3	5	Social audit relates to _____. (i) Financial performance (ii) Tax payment (iii) Social responsibility performance (iv) Production cost	K1	CO3
	6	Corporate governance ensures _____. (i) Corporate governance ensures (ii) Ethical management (iii) Political control (iv) Price control	K2	CO3
4	7	The Constitution of India is part of the (i) Economic environment (ii) Political environment (iii) Cultural environment (iv) Technological environment	K1	CO4
	8	State intervention is mainly justified due to (i) Profit motive (ii) Market failure (iii) Competition (iv) Advertising	K2	CO4
5	9	MSME refers to (i) Multi State Market Enterprise (ii) Micro, Small and Medium Enterprises (iii) Modern Small Market Economy (iv) Minimum State Managed Economy	K1	CO5
	10	Global Innovation Index measures (i)) Population growth (ii) Industrial output (iii) Innovation performance of countries (iv) Industrial Index	K2	CO5

Cont...

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.	List the types of Business Environment and Explain.	K1	CO1
		(OR)		
	11.b.	Illustrate the competitive structure of industries.		
2	12.a.	Identify the nature of Economic Environment.	K3	CO2
		(OR)		
	12.b.	Examine Liberalization, Privatization and Globalization.		
3	13.a.	Explain Social Responsibility of Business.	K4	CO3
		(OR)		
	13.b.	Discover Corporate Governance and Business Ethics.		
4	14.a.	Estimate the economic roles of Government.	K5	CO4
		(OR)		
	14.b.	Discuss the rationale for State intervention.		
5	15.a.	Explain the impact of Technology on Business.	K6	CO5
		(OR)		
	15.b.	Elaborate the status of Innovation and Startups in India.		

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	Summarise the process and limitations of Business Environment analysis.	K2	CO1
2	17	Explain Industrial Policy 4.0 and 5.0 and their impact on business.	K3	CO2
3	18	Examine the impact of Demographic Environment on business decisions.	K4	CO3
4	19	Discuss the Constitutional and Legal Environment affecting business.	K6	CO4
5	20	Evaluate the importance of Innovation, IPR and Global Innovation Index in business development.	K6	CO5

Z-Z-Z

END