

# VIDYA BHAWAN BALIKA VIDYA PITH

## शक्ति उत्थान आश्रम लखीसराय बिहार

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### LATEST CBSE QUESTIONS

#### Question 1:

Metlapp Networks and Technologies Ltd. is a leader in technology innovation in the United States, creating products and solutions for connecting the world. It has, a large research and development team which invented the first smart watch, named as W-7. The watch besides showing the time, also monitors few health parameters like heart beat, blood pressure etc.

While in search of markets abroad, the company found that in India, the reform process was underway with the aim of accelerating the pace of economic growth. The company decided to take advantage of simplified export procedure and removal of quantitative as well as tariff restrictions in India.

It set up its office in Jamnagar with a view to capture the Indian market. In a short span of time, the company emerged as a market leader. Success of the company attracted many other players to enter the market. Competition resulted in reduction in prices, thereby benefiting the customers.

1. In the above paragraph, two major concepts related to government policy have been discussed. Identify and explain these concepts.
2. Also, explain briefly any three impacts of these concepts on Indian business and industry.

#### Answer:

1. Liberalisation and globalisation are the two major concepts related to government policy that have been discussed.
  - Liberalisation: These economic reforms signalled the end of the licence-permit-quota raj and were aimed at liberalising the Indian business and industry from all unnecessary controls and restrictions.
  - Globalisation: Globalisation means the integration of the various economies of the world leading towards the emergence of a cohesive global economy.
2. The three impacts of reforms on Indian business and industry are outlined below:
  - Increasing competition: The Indian firms are facing lot of competition due to changes in the rules of industrial licensing and entry of foreign firms. This change is more apparent in the sectors which were earlier reserved for private sector only like banking, insurance, telecommunications, etc.
  - More demanding customers: With the easy availability of wider choice in purchasing better quality of goods and services due to high competition consumers have become more aware and demanding. The growing expectations of the consumers has increased the pressure on the business firms.
  - Rapidly changing technological environment: With the entry of new firms which are far more superior in terms of technology the small firms are facing a lot of challenges. Moreover, the firms are constantly involved in innovating new products and upgrading present products with the help of better technologies in order to satisfy the customers demands.

#### Question 2:

Naman and Govind after finishing their graduation under vocational stream decided to start their own

travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested them to first analyse the business environment which consists of investors', competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasised on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.

1. Identify and state the component of business environment highlighted in the above Para.
2. State any two features of business environment as discussed by Professor Mehta with Naman and Govind.
3. Also state two points of importance of business environment as stated by Professor Mehta in the above situation.

### Answer:

1. Technological Environment is the component of business environment highlighted in the above Para. Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.
2. The two features of business environment as discussed by Professor Mehta with Naman and Govind are as follows:
  - Dynamic nature: It is dynamic in nature and keeps on changing due to technological upgradations, shifts in consumer preferences or increase in competition in the market.
  - Inter-relatedness: All the elements of business environment are closely interrelated. Therefore, any change in one element may necessitate corresponding changes in the other elements as well.
3. The two points of importance of business environment as stated by Professor Mehta in the above situation are described below:
  - It enables the firm to identify opportunities and getting the first mover advantage: The dynamic business environment provides numerous opportunities for a business to evolve as per the changing needs. Therefore, early identification of the forthcoming opportunities helps an enterprise to be the first to exploit them instead of losing them to the competitors.
  - It helps the firm to identify threats and early warning signals: Sometimes the changes in the external environment may pose as a threat and hinder a firm's performance. An awareness about the business environment helps the managers to identify such threats on time and take necessary decisions and action.

### Question 3:

With changes in the consumption habits of people, Neelesh, who was running a sweet shop, shifted to the chocolate business. On the eve of Diwali, he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove.com for taking orders online. He got a lot of orders online and earned huge profits by selling the chocolate. Identify and explain the dimensions of business environment discussed in the above case.

### Answer:

The various dimensions of business environment being referred to in the above case are as follows:

1. Social environment: Social Environment includes the social forces like customs and traditions, values, social trends, society's expectations from business, etc.
2. Technological environment: Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.

#### Question 4:

A recent rate cut in the interest on loans announced by the banks encouraged Amit, a science student of Progressive School, to take a loan from State Bank of India to experiment and develop cars to be powered by fuel produced from garbage. He developed such a car and exhibited it in the Science Fair organised by the Directorate of Education. He was awarded the first prize for his invention.

Identify and explain the dimensions of business environment discussed in the above case.

#### Answer:

The various dimensions of business environment being referred to in the above case are as follows:

1. Economic Environment: It comprises of factors that can affect management practices in a business enterprise includes interest rates, inflation rates, changes in disposable income of people, stock market indices and the value of rupee etc.
2. Technological Environment: It includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.

#### Question 5:

'Accent Electronics Ltd.' was operating its business in Malaysia. The company started exporting its products to India when the Prime Minister announced relaxation in import duties on electronic items. The company appointed retailers in India who had direct online links with the suppliers to replenish stocks when needed.

Identify and explain the dimensions of business environment discussed in the above case.

#### Answer:

The various dimensions of business environment being referred to in the above case are as follows:

1. Political Environment: Political Environment includes political conditions such as general stability and peace in the country and specific attitudes that elected government representatives hold towards business.
2. Technological Environment: Technological Environment includes forces relating to scientific improvements and innovations which provide new ways of producing goods and services and new methods and techniques of operating a business.

#### Question 6:

After completing her MBA, Beni took up a job with a multinational company named Fortio. The company paid good salaries and perks to its employees. The wages were within the paying capacity of the company that provided the employees with a reasonable standard of living. The company also had a good work-culture and the behaviour of superiors was very good towards their subordinates. Beni was very happy in this organisation but due to long working hours, she did not have time to cook her meals. She had to depend upon outside food which was deteriorating her health.

She observed that this problem was faced by many of her colleagues, not only in her company but also in many other companies. This was because of increase in the number of working women and non-availability of hygienic home-cooked food. She identified this as a great opportunity and decided to give up her job to supply packaged home-cooked food to office-goers at a reasonable price. At the end of the day, she also distributed the leftover food to the nearby night-shelters.

1. State the dimension of business environment being discussed above.
2. State the principle of management being followed by Fortio.
3. Identify any two values being communicated by the company to society in above case.

#### Answer:

1. The dimension of business environment being discussed above is Social. Social Environment includes the social forces like customs and traditions, values, social trends, society's expectations from business, etc.
2. The principle of management being followed by Fortio is 'Remuneration of employees'. Remuneration of employees: The overall pay and compensation should be fair to both employees and the organization. The employees should be paid fair wages, which should give them at least a reasonable standard of living. At the same time it should be within the paying capacity of the company i.e. remuneration should be just and equitable.
3. The values being communicated by the company to the society are:
  - Justice
  - Ethical Behaviour

### Question 7:

After completing his MBA from the USA, Mr. Ajay came to India to start a new business under the banner Ecom Creations Ltd. He launched a new product in e-learning for senior secondary school students in the commerce stream which already had an established market in the UK and the USA but not in India. His business started flourishing in India. As a result, more Indian companies entered into the market with other subjects also.

Identify and quote the lines from the above paragraph which highlight the significance of understanding business environment.

### Answer:

1. The understanding of business environment helps in assisting in planning and policy formulation as its understanding and analysis can be the basis for deciding the future course of action or decision making. It enables the firm to identify opportunities and getting the first mover advantage instead of losing them to its competitors.  
" After completing his MBA from USA, Mr. Ajay came to India .to start a new business under the banner Ecom Creations Ltd. He launched a new product in e-learning for senior secondary school students in the commerce stream which already had an established market in UK and the USA but not in India."
2. It helps in improving performance of an enterprise through continuous monitoring of the environment and adopting suitable business practices which help to improve both their present and future performance.  
"His business started flourishing in India."
3. It helps the firm to identify threats and early warning signals that is likely to hinder a firm's performance and take timely actions.  
"As a result, more Indian companies entered into the market with other subjects."

### Question 8:

As per the directions issued by the Supreme Court, the government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions as:

1. Its consumption is injurious to health.
  2. People are becoming more conscious about health and fitness. This indicates the government's attitude towards this business.
- Identify the business environment under three different dimensions by quoting from above paragraph.

### Answer:

The various dimensions of business environment being referred to the in the above case are as follows:

1. Legal Environment: "As per the directions issued by the Supreme Court.'
2. Political Environment: "The government passed an order to ban the sale of tobacco products within the area of 200 meters of all educational institutions."
3. Social Environment: "Its consumption is injurious to health and people are becoming more conscious about health and fitness."

### Question 9:

The court passed an order to ban polythene bags as:

1. These bags create many environmental problems which affect the life of people.
2. Society at large is more concerned about the quality of life.  
The government decided to give a subsidy to the jute industry in order to promote this business. As a result,—
  - Innovative techniques are being developed to manufacture jute bags at low rates.
  - Incomes are rising and people can afford to buy these bags.Identify the different dimensions of business environment by quoting lines from the above particulars.

### Answer:

The various dimensions of business environment being referred to in the above case are as follows:

1. Legal Environment: "The court passed an order to ban polythene bags."
2. Social Environment: "The bags create many environmental problems which affect the life of people and society at large is more concerned about the,,quality of life."
3. Political Environment: "The government decided to give a subsidy to the jute industry in order to promote this business."
4. Technological environment: "Innovative techniques are being developed to manufacture jute bags at low rate."
5. Economic Environment: "Incomes are rising and people can afford to buy these bags."

### Question 10:

The court passed an order that all schools must have water purifiers for the school children as:

1. Society in general is more concerned about the quality of life. .
2. Innovative techniques are being developed to manufacture water purifiers at competitive rates.
3. Incomes are rising and children are drinking purified water at their homes as well.
4. The Government is also showing a positive attitude towards the business of water purification.  
Identify the different dimensions of business environment by quoting from the above details.

### Answer:

The various dimensions of business environment being referred to the in the above case are as follows:

1. Legal Environment: "The court passed an order that all schools must have water purifiers for the school children."
2. Social Environment: "Society in general is more concerned about the quality of life."
3. Political Environment: "The government is also showing a positive attitude towards the business of water purifiers."
4. Technological environment: "Innovative techniques are being developed to manufacture water purifiers at competitive rate."
5. Economic Environment: "Incomes are rising and children are drinking purified water at their homes as well."

### Question 11:

Just after the declaration of the results of the Lok Sabha Elections, 2009, the Bombay Stock Exchange's price index (Sensex) rose by 2100 points in a day. Identify the environmental factor which led to this rise.

### Answer:

Political environment has led to the rise in the sensex.

**Question 12:**

The Government of India is seriously thinking of allowing the oil-marketing public sector undertaking to fix their own prices for petrol and diesel. Which economic reform is the reason for this change in the government's policy?

**Answer:**

Privatisation as a reform is the reason for this change in the government policy.