P R E F A C E

The idea for the book "**NTA UGC NET COMMERCE Examination – Answers & Explanations**" arose from need of a book to plan strategy for entry level commerce competitive examinations, specifically the NTA UGC NET Exam.

This book covers over **sorted questions** of UGC NET JRF Exam from last **13 years** (June 2012- JUNE 2024**)** with **answers and explanations**. The question are sorted as per updated syllabus of commerce and placed under 10 units namely,

1. Business Environment and International Business,
2. Accounting and Auditing,
3. Business Economics,
4. Business Finance,
5. Business Statistics and Research Methods,
6. Business Management and Human Resource Management,
7. Banking and Financial Institutions,
8. Marketing Management,
9. Legal Aspects of Business,
10. Income-tax and Corporate Tax Planning

The answers and explanations to each questions were provided using standard commerce books or the author's best knowledge. The ultimate goal of this book is to provide the reader with brainstorming challenges and concepts for commerce and applied aspect examinations.

I have made every effort to ensure that the book is error-free, but I am under no illusion. I welcome reader feedback, criticism, and suggestions for improving the content of this book.

A C K N O W L E D G E M E N T

First and foremost, I'd like to thank our entire Institute for Advanced Studies (IFAS) students for inspiring me to write this book. I would like to express my gratitude to Er. Radheshyam Choudhary, founding CEO of IfAS Edutech Pvt. Ltd. and Director of IFAS Publications, for his invaluable assistance and critical suggestions in completing the work.

My special thanks to **Prof. Monika Rajendra Parihar** for proofreading and verifying answers, reviewing and assisting me in preparing the systematic layout; your comments were invaluable in improving the content of this book.

I also want to thank you to Rohit Rajendra Parihar for his assistance in sorting and compiling questions by chapter and section.

I would not forget to thank all the IfAS team where I was able to further continue my teaching and especially learning the many facets of the process of building this book.

This book is the result of a collaborative effort, and it would not have been possible without the outstanding members of the IFAS publication team. During the production of this book, it was a pleasure to collaborate with many other dedicated and creative IFAS publications.

Special thanks to Gitanjalle Jadhav for keeping track of this project on a regular basis and Vikendra Metha for turning our ideas into a beautiful cover page design and text diagram. Kuldeep Singh Rathore and his team should also be thanked for formatting and typesetting. And finally, my humble greetings to all who put their significant efforts and are unmentioned.

UGC NET COMMERCE

CUT-OFF

Year	Category	UNRESERVED	OBC (NCL)	EWS	SC	ST	PWD
2023 DEC	Assistant Professor	160	174	148	136	134	108-138
	JRF & Assistant Professor	184	170	174	162	152	108-164
2023 JUNE	Assistant Professor	98.12	92.27	94.36	85.69	86.82	34.34 - 91.02
	JRF & Assistant Professor	99.78	98.79	99.37	96.14	97.62	96.04 – 61.59

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UNIT-1		2012		2013			2014		2015		2016		2017		2018		2019		2020	2021	2022	2023			2024
BUSINESS ENVIRONMENT & INTERNATIONAL BUSINESS		JUN	DEC	JUN	SEP	DEC	JUN	DEC	JUN	DEC	JUL	AUG	JAN	NOV	JUN	DEC	JUN	DEC	OCT	NOV	SEP	MAR	JUN	DEC	JUN
1	Concepts and elements of business environment	7	6	4	3	6	5	6	2	1	5	7	1	7	5	3	3	4	5	5		1	1	-	5
2	Scope and importance of international business; Globalization and its drivers; Modes of entry into international business	3	2	2	5	1	2	3	1	5	2	3	1	3	2	3	3	2	3	1	4	2	2	1	2
3	Theories of international trade; Government intervention in international trade; Tariff and non-tariff barriers; India's foreign trade policy	1	2	2	2	1	6	2	5	2	3	3	3	1	4	2	2	-	1	-	1	1	-	-	2
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5	Balance of payments (BOP):	3	1	3	1	1	1	1	3	-	2	1	1	2	1	1	-	-	-	1		1	1	-	-
6	Regional Economic Integration:	3	1	1	-	2	-	2	3	4	1	1	2	1		1	-	-	-	2			2	2	-
7	International Economic institutions:	3	4	1	-	1	1	1	2	3	2	2	2	4	2	1	1	1	-	1		1	-	-	-
8	World Trade Organisation (WTO):	1	2	2	7	4	1	2	2	1	3	4	2	1	1	1	1	1	1	1	1		-	1	3
9	General Questions	-	-	2	-	1	1	1	1	1	-		-	-		-	-	-	-	-			-	-	-

CHAPTER-1 BUSINESS ENVIRONMENT & INTERNATIONAL BUSINESS

Unit 1.1: Concepts and Elements of Business Environment: Economic Environment- Economic Systems, Economic Policies (Monetary and Fiscal Policies); Political Environment Role of Government In Business; Legal Environment- Consumer Protection Act, Fema; Socio-Cultural Factors and Their Influence on Business; Corporate Social Responsibility (CSR)

Previous Year Exam Questions

(JUNE-2012)

1. **Which of the following denotes the structural changes in the Indian economy?**
   (a) Primary sector contribution has gone down.
   (b) Service sector contribution has gone up.
   (c) The Secondary sector has not changed much.
   (d) All of the above

(JUNE-2012)

2. **Broad Money has to be sensitized through:**
   (a) CRR
   (b) SLR
   (c) Repo Rate
   (d) All of the above

(JUNE-2012)

3. **Out of the following, which are the four dimensions of the Human Development Index?**
   (i) Life Expectancy
   (ii) Literacy Level
   (iii) Success Rate of Marriages
   (iv) Standard of Living
   (v) Crime Rate
   (vi) Corruption Level
   (vii) Economic Entitlement
   (viii) Foreign Visits
   Codes:
   (a) (i), (ii), (vi) and (viii)
   (b) (i), (ii), (iv) and (vii)
   (c) (ii), (iii), (vi) and (vii)
   (d) (iii), (v), (vii) and (viii)

(JUNE-2012)

4. **Public Enterprise is defined as**
   (a) An organisation run by joint efforts of Centre and State Governments.
   (b) An organisation which caters to the needs relating to public utilities.
   (c) An organisation in which capital is invested by the public.
   (d) An organisation owned and managed by public authorities for a definite set of public purposes.

(JUNE-2012)

5. **Assertion (A):** Internal factor of a business environment controllable factors.
   Reason (R): The company can or modify such factors to suit the environment.
   Codes:
   (a) Both (A) and (R) are correct.
   (b) (A) is correct, but (R) incorrect.
   (c) Both (A) and (R) are incorrect.
   (d) (A) is incorrect.

(JUNE-2012)

6. **The concept of 'Rolling Plan' in India was introduced by the**
   (a) BJP Government
   (b) Janta Government
   (c) Congress Government
   (d) All of the above

(JUNE-2012)

7. **The flagship project of Government of India launched for generating guaranteed employment in rural areas is known as**
   (a) PMRY (b) MNREGA
   (c) JRY (d) NREP

(DEC-2012)

8. **GDP at factor cost is**
   (a) P(Q) + P(S) (b) GDP-IT-S
   (c) GDP + DT + S (d) GDP - DT + S

(DEC-2012)

9. **Which one is not the main objective of fiscal policy in India?**
   (a) To increase liquidity in the economy.
   (b) To promote price stability.
   (c) To minimize the inequalities of income and wealth.
   (d) To promote employment opportunities.

(DEC-2012)

10. **Which one is not an element of the internal environment?**
    (a) Marketing capability
    (b) Operational capability
    (c) Money and capital market
    (d) Personnel capability

(DEC-2012)

11. During which plan was the National Apprenticeship Training Scheme introduced?

(a) 1st Five Year Plan (b) 2nd Five Year Plan
(c) 4th Five Year Plan (d) Annual Plans

(DEC-2012)

12. Match the following:

List-I	List-II
(A) Trade policy	1. Economic Conditions
(B) Trade flows	2. Economic policies
(C) Price trends	3. Global linkages sectoral nature of academy
(D) Internal Sectoral Linkage	

Codes:

	(A)	(B)	(C)	(D)
(a)	3	1	2	4
(b)	2	3	1	4
(c)	1	2	3	4
(d)	1	2	4	3

(DEC-2012)

13. Which one of the following is not an element of the internal environment?

(a) Mission/Objectives
(b) Human Resources
(c) Customers
(d) Shareholders' values

(SEPT-2013)

14. Government regulation of business is basically intended to

(a) make sure all business units have the opportunity to be successful.
(b) Warn consumers against unfair business practices
(c) make sure business firms are socially responsible.
(d) Protect the public from the negative consequences of business behavior.

(SEPT-2013)

15. The first macro-environmental force that a business firm generally monitors is

(a) Economic environment
(b) Demographic environment
(c) Technological environment
(d) International, Political environment

(SEPT-2013)

16. Which of the following statements is true?

(a) The highest growth rate in India is in the Manufacturing Sector.
(b) The Agricultural Sector has the highest share in the GDP in India.
(c) The biggest source of Central Government's revenue is Central Excise.
(d) None of the above.

(DEC-2013)

17. Kyoto Protocol pertains to

(a) Capital formulation
(b) Globalization
(c) Environmental protection
(d) Unemployment reduction.

(DEC-2013)

18. Which of the following are outside the scope of the Consumer Protection Act, 1986?

(a) Newspaper industry
(b) Services provided under contract of personal service
(c) Banking industry
(d) Both (a) and (b)

(JUNE-2014)

19. There is an acute shortage of electricity in some of the states in India. This reflects a problem in which type of business environment?

(a) Economic (b) Demographic
(c) Politico-legal (d) Socio-cultural

(JUNE-2014)

20. Which of the following is true?

(a) A consumer court set up under the Consumer Protection Act, does not have the power to punish for its contempt.
(b) Professional services are outside the purview of the CPA.
(c) A consumer court cannot force a person indulging in misleading advertising to confess his quit.
(d) None of the above.

(JUNE-2014)

21. Which one among the following is not the salient feature of industrial policy since 1991?

(a) Enormous expansion of the private sector.
(b) Redefining the role of the public sector.
(c) Limited exposure of Indian industry to foreign competition.
(d) Pruning of the list of items reserved for SSI units.

(JUNE-2014)

22. The time limit for filing a complaints before the District forum under the Consumer Protection Act, 1986 is

(a) one year
(b) two years
(c) three years
(d) There is no such time limit.

(JUNE-2014)

23. Which of the legislation(s) do (does) not form part of the legal environment of business in India?

(a) The Drugs and Cosmetics Act, 1940
(b) The Prevention of Food Adulteration Act, 1954
(c) The Monopolies and Restrictive Trade Practices Act, 1969
(d) Both (b) and (c) above

(DEC-2014)

24. Which among the following is not a correct sequential combination?

(a) Macro Environment → Economic Environment → National Income → Pattern of Income Distribution
(b) Business Environment→ Internal Environment → Business Ethics→ Payment of Fair Wages
(c) Business Environment→external Environment → Micro Environment→ suppliers
(d) Macro Environment → External Environment → Customers →Prospects of Business Development

(DEC-2014)

25. Which among the following is not a correct combination?

(a) Industrial Policy - 1948
(b) Industrial Policy Statement 1977
(c) Industrial Policy Statement 1980
(d) Industrial Policy Statement 1991

(DEC-2014)

26. Statement I: The industrial policy of the Government of India is aimed at increasing the tempo of industrial development.

Statement II: After the New Industrial Policy - 1991, the Balance of Trade for India has always been positive.

Codes:

(a) Statement (I) is correct, but (II) is incorrect.
(b) Statement (II) is correct, but (I) is incorrect.
(c) Both Statements (I) and (II) are correct.
(d) Both Statements (I) and (II) are incorrect.

(DEC-2014)

27. Assertion (A): The industrial growth in India has been hampered by the burden of many controls and regulations.

Reason (R): The New Industrial Policy seeks to liberate the industry from the shackles of Licensing System.

Codes:

(a) Assertion (A) is correct, but Reason (R) is not correct.
(b) Assertion (A) is correct and Reason (R) is the right explanation of (A).
(c) Both Assertion (A) and Reason (R) are correct.
(d) Both Assertion (A) and Reason (R) are incorrect.

(DEC-2014)

28. Internal environment of a business includes:

(i) Business ethics and moral standards
(ii) Business and managerial policies
(iii) Prospects development
(iv) Government regulations of business rules and
(v) Industrial relations

Codes:

(a) (i), (ii), (iv) and (v)
(b) (ii), (iii), (iv) and (v)
(c) (i). (ii), (iii) and (iv)
(d) (i), (ii), (iii) and (v)

(DEC-2014)

29. Consumer attitudes and beliefs about diet, health and nutrition are influenced by

(a) Economic environment
(b) Cultural environment
(c) Social environment
(d) Natural environment

(JUNE-2013)

30. Match the items of List-I with the items of List-II and select the correct answer.

List - I	List – II
(i) Political and Legal Environment	(A) Important for industries directly dependent on imports.
(ii) Demographic Environment	(B) Close relationship with economic policy.
(iii) Economic Environment	(C) Related to natural resources.
(iv) Geographical and Ecological Environment	(D) Occupational and spatial mobilities of population having implications for business.

Codes:

	(i)	(ii)	(iii)	(iv)
(a)	(B)	(D)	(C)	(A)
(b)	(B)	(D)	(A)	(C)
(c)	(A)	(B)	(C)	(D)
(d)	(A)	(B)	(D)	(C)

(JUNE-2013)

31. Indicate the ground on which a complaint under the Consumer Protection Act, 1986, shall be invalid.

(a) A product having short weight.
(b) A service provided free of cost.
(c) A misleading advertisement given in the newspaper.
(d) None of the above.

(JUNE-2013)

32. Out of the following, which are the four components of food security?

(i) Food availability
(ii) Food market
(iii) Food accessibility
(iv) Food utilization
(v) Food credit

Codes:

(a) (iii), (iv) and (v) (b) (i), (iii) and (iv)
(c) (i), (ii) and (iii) (d) (i), (ii) and (iv)

(JUNE-2013)

33. The freedom of private enterprise is the greatest in the free market economy. This is characterized by which of the following assumptions?

(i) The factors of production (labour, land, capital) are privately owned and production occurs at the initiative of the private enterprise.
(ii) Income is received in monetary form by the sale of services of the factors of production and from the profits of the private enterprise.
(iii) Members of the free market economy have freedom of choice in so far as consumption, occupation, savings and investments are concerned.
(iv) The free market economy is not planned, controlled or regulated by the government.
(v) The free market economy is prone to corrupt practices.

Codes:

(a) (i), (ii) and (iii)
(b) (i), (ii), (iii) and (iv)
(c) (i), (ii), (iii), (iv) and (v)
(d) (ii), (iii), (iv) and (v)

(DEC 2013)

34. The rationale of expanding the role of the public sector stems mainly from which of the following factors?

(i) The failure of the private sector in certain crucial areas
(ii) The exploitation of the society by the private sector
(iii) The revenue need of the Central Government
(iv) The demand of economic justice
(v) The need for accelerating the pace of economic growth

Codes:

(a) (i), (ii), (iii) and (iv) (b) (ii), (iii), (iv) and (v)
(c) (i), (iii), (iv) and (v) (d) (i), (ii), (iv) and (v)

(DEC 2013)

35. Which of the following factors may lead to a sick industrial unit?

(i) Shortage of funds and faulty financial management
(ii) Investment by the FIIs in Indian industries
(iii) Unauthorized FDI in Indian industries
(iv) Lack of experience on the part of promoters
(v) Technological factors including obsolete or improper technology

Codes:

(a) (i), (ii), (iii) and (iv) (b) (ii), (iii), (iv) and (v)
(c) (i), (iv) and (v) (d) (i), (ii) and (iii)

(DEC 2013)

36. Indicate what is not correct in respect of the Consumer Protection Act, 1986.

(a) No complaint can be entertained in respect of a product purchased more than 2 years back.
(b) A complaint against medical negligence can be filed by the legal heir or representative of the deceased.
(c) A complaint involving a claim of ₹ 15 lakhs is to be filed before the State Commission.
(d) Both (a) and (c)

(DEC 2013)

37. Under which legislation, manufacturers and distributors are required to declare Maximum Retail Price (MRP) commodities?

(a) The on packaged Bureau of Indian Standards Act, 1986
(b) The Consumer Protection Act, 1986
(c) The Standards of Weights and Measures Act, 1976
(d) The Essential Commodities Act, 1955

(JUNE 2015)

38. From the following, identify the tools of fiscal policy:

(i) Public expenditure
(ii) Open market operations
(iii) Deficit financing
(iv) Taxation
(v) Reserve requirements

Codes:

(a) (i), (iii), (iv) and (v) (b) (i), (ii), (iv) and (v)
(c) (ii) and (v) (d) (i), (iii) and (iv)

(JUNE 2015)

39. GNP at market prices - Indirect taxes + subsidies is referred to as:

(a) GNP at factor cost (b) GDP at factor cost
(c) NNP at factor cost (d) NDP at factor cost

(DEC 2015)

40. Which of the following is not the main objective of "Fiscal Policy of India"?

(a) To increase liquidity in economy
(b) To promote price stability
(c) To minimize the in-equality in income and wealth
(d) To promote employment opportunities

(JULY-2016)

41. Match the items of List - I with List II and indicate the correct code:

List – I	List - II
(A) Fiscal Policy	i. Mitigation of Natural hazards
(B) Technology Policy	ii. Balance of Payment
(C) Macro-Economic Policy	iii. Fiscal Federalism
(D) Monetary Policy Federalism	iv. Inflation

	(A)	(B)	(C)	(D)
(a)	i	ii	iii	iv
(b)	iii	i	ii	iv
(c)	iv	iii	i	ii
(d)	ii	i	iv	iii

(JULY-2016)

42. Which of the following is not a forum of Consumer Dispute Redressal System?

(a) Local forum
(b) District forum
(c) State Forum (State Commission)
(d) National Commission

(JULY 2016)

43. Which of the following is not a "Maharatna" industry in India?

(a) CIL (b) SAIL
(c) OIL (d) GAIL

(JULY 2016)

44. Assertion (A): Under FEMA, the receiver of laundered money is to be made culpable, instead of the sender distributor.

Reasoning (R): FEMA differs from the earlier exchange regulation Act FERA with regard to penalties and punishment in case of violation of the Act.

Codes:

(a) (A) is correct but (R) is not correct.
(b) (A) and (R) both are correct but (R) is not the right explanation of (A).
(c) (A) and (R) both are correct and (R) is the right explanation of (A).
(d) (A) and (R) both are incorrect.

(JULY 2016)

45. Who gave the systems approach to industrial relations?

(a) Beatrice Webb (b) John Dunlop
(c) Eric Trist (d) Henry Fayol

(AUG-2016)

46. Assertion (A): Industrialization is the sine-qua-non of economic progress.

Reasoning (R): Government is committed to rapid and balanced industrialization of the country with a view to benefitting the common man.

Codes:

(a) Both (A) and (R) are true and (R) is the correct explanation of (A).
(b) Both (A) and (R) are true but (R) is not the correct explanation of (A).
(c) (A) is true but (R) is false.
(d) (A) is false but (R) is true.

(AUG 2016)

47. Assertion (A): Downward price pressure for a changing economic environment has

Reasoning (R): coincided with some long-term trends in the technological environment.

Through internet, buyers can get instant price comparisons and marketers can monitor customer behaviour to tailor their offers to individuals.

Codes:

(a) (A) is right and (R) is wrong.
(b) (A) is wrong and (R) is right.
(c) Both (A) and (R) are right.
(d) Both (A) and (R) are wrong.

(AUG-2016)

48. Match the items in Column - I to the items in Column - II:

Column - I	Column - II
(A) Fiscal deficit	i. Market Securities
(B) SEBI	ii. Government expenditure
(C) RBI	iii. Economic growth
(D) National Income	iv. Monetary policy

	(A)	(B)	(C)	(D)
(a)	ii	iv	iii	i
(b)	i	iii	iv	ii
(c)	i	ii	iii	iv
(d)	i	iv	ii	iii

(AUG-2016)

49. Withdrawal of government from a sector partially or fully is known as

(a) Modernization (b) Liberalization
(c) Privatization (d) Globalization

(AUG-2016)

50. In case the amount claimed by the consumer is 89 lakhs, then which of the following will handle the case?

(a) District consumer redressal forum
(b) State consumer dispute redressal commission
(c) National consumer dispute redressal commission
(d) Supreme Court of India

(AUG 2016)

51. Read the following statements and find the correct option:

Statement-I: The 1991 industrial reforms exempted all industries from compulsory licensing.

Statement - II: Still there are a few industries under compulsory licensing.

Codes:

(a) Only Statement - I am correct.
(b) Only Statement - II is correct.
(c) Statements - I and II both are correct.
(d) Statements - I and II both are not correct.

(AUG 2016)

52. Assertion (A): FEMA has facilitated the growth of India's export and has helped or procurement of imported raw materials and capital goods required for rapid industrial growth.

Reasoning (R): It is evident from the provisions of FEMA that it has greatly relaxed the conditions for dealing in foreign exchange.

Codes:

(a) (A) is correct but (R) is not correct.
(b) (A) and (R) both are correct and (R) is the correct explanation of (A).
(c) (A) and (R) both are correct but (R) is not the correct explanation of (A).
(d) (A) and (R) both are incorrect.

(JAN-2017)

53. Match the items of List-I with the items of List-II and indicate the correct code:

List-I		List-II	
(A)	Value added Model	i	It is based on the process audit thereby evaluating the corporate social performance.
(B)	Bauer-Fenn Model	ii	It takes into account the social benefits and costs
(C)	ABT Model	iii	It reflects the impact of a business enterprise on its employees, the local community and the public at large.
(D)	ESTs Model	iv	It shows the value added by the value of production of socially desirable outputs minus the value of socially undesirable effects

Codes:

	A	B	C	D
(a)	i	ii	iii	iv
(b)	iv	ii	iii	i
(c)	iv	iii	ii	i
(d)	iv	i	ii	iii

(NOV-2017)

54. From the following statements of Assertion (A) and Reasoning (R), indicate the correct code

Assertion (A): Industrial liberalisation became an imperative condition for the growth of forces of competition leading to high efficiency and productivity in Indian industries'

Reasoning (R): Industrial development and curbing of poverty is only possible through government intervention.

(a) (A) and (R) both are not correct.
(b) (A) is correct but (R) is not the correct explanation of (A).
(c) (A) is correct and (R) is the correct explanation of (A).
(d) (A) is not correct but (R) is correct.

(NOV-2017)

55. Which of the following statements are not correct?

Statement (I): Sustainable development means an attempt to achieve the balance between economic growth and conservation / protection of the environment.

Statement (II): Sustainable development means meeting the needs of industries without compromising the needs of import export balancing.

Statement (III): Sustainable development means creation of sufficient surplus budgets through stock of capital assets including land.

Code:

(a) Statements (I) and (III)
(b) Statements (II) and (III)
(c) Statements (I) and (II)
(d) Statements (I), (II) and (III)

(NOV-2017)

56. Match items of List - I with List -II relating to macro environment of business and indicate the code of correct matching:

List - I	List - II
(A) Economic environment	(i) Ethical issues
(B) Political and government	(ii) Trade and transport policies environment
(C) Socio- cultural environment	(iii) Economic stratification of population
(D) Demographic environment	(iv) Judiciary powers

	(A)	(B)	(C)	(D)
(a)	(ii)	(iv)	(i)	(iii)
(b)	(i)	(iii)	(ii)	(iv)
(c)	(iv)	(ii)	(iii)	(i)
(d)	(iii)	(i)	(iv)	(ii)

(NOV-2017)

57. For which one of the basic reasons, the "Structural Adjustment Programme" was undertaken in India in 1991?

(a) Curbing competition among private sector
(b) Establishing predominant role of public sector
(c) Establishing a free market economy
(d) Regional balancing through planning and licensing

(NOV-2017)

58. Match the items of List I with List II and indicate the correct code of matching:

List - I	List - II
(A) Micro external environment	(i) Economic and political factors
(B) Macro external environment	(ii) Competition among diverse products targeting disposable income of consumers
(C) Non- price competition	(iii) Input suppliers
(D) Desire competition	(iv) Sponsoring of events like sports

	(A)	(B)	(C)	(D)
(a)	(iii)	(i)	(iv)	(ii)
(b)	(ii)	(iii)	(iv)	(i)
(c)	(iv)	(ii)	(iii)	(i)
(d)	(iv)	(i)	(ii)	(iii)

(NOV 2017)

59. Which one of the following is the governing factor in deciding the type of redressal agency which will deal with the dispute of a consumer?

(a) Area of sale of goods and services
(b) Type of goods and services sold
(c) The choice of the consumer
(d) The value of goods and services sold

(NOV 2017)

60. Match List - I with List - II relating to the roles played by the government in an economy and indicate the correct code of their matching.

List – I (Roles)	List – II (Examples)
(A) Regulatory role	(i) Deciding timing and usage of resources
(B) Promotional role	(ii) Capital intensive projects of public sector
(C) Entrepreneurial role	(iii) Imposing of high import duty
(D) Planning role	(iv) Measures to control and cover risk in priority sectors

Code:

	(A)	(B)	(C)	(D)
(a)	(iv)	(ii)	(i)	(iii)
(b)	(iii)	(i)	(iv)	(ii)
(c)	(iii)	(iv)	(ii)	(i)
(d)	(i)	(iii)	(iv)	(ii)

(JUNE-2018)

61. The central bank can significantly influence the savings, investments and consumer spending in the economy through which of the following policies?

(a) Fiscal Policy
(b) Monetary Policy
(c) Industrial Policy
(d) Foreign Exchange Policy

(JUNE-2018)

62. Which one of the following is not the characteristic of capitalism?

(a) Individuals and associations behave with the economic motive of maximising their profit with least sacrifice or cost.
(b) The country's major means of production are either owned by the Government or their use is controlled by the Government.
(c) Producers, consumers and employees compete among themselves, as the resources and opportunities are limited.
(d) Price, the invisible hand, plays a predominant role in the flow of the factors of production and consumption.

(JUNE-2018)

63. Which of the following is not the salient feature of the industrial policy developments since 1991?

(a) The scope of the private sector has been enormously expanded.

(b) Public sector has been withdrawing partially or fully from several of the enterprises by divestment.

(c) The Indian industry is increasingly exposed to foreign competition.

(d) Monopoly or dominant position for the public sector in most of the industries and control of the commanding heights of the economy by the public sector.

(JUNE-2018)

64. Which one of the following is not covered in the approach adopted by "Niti Aayog"?

(a) Five-year planning approach

(b) Three-year action agenda

(c) Seven-year strategy

(d) Fifteen-year vision

(JUNE-2018)

65. Which one of the following statements defines the correct meaning of the term "boundary spanning"?

(a) It refers to an obligation of an individual, firm or institution to account for its activities and accept responsibility for them.

(b) It refers to the process that helps the organization and its employees to link with their external environment through specific activities/functions.

(c) It refers to the science of morals principles and rules of conduct.

(d) It refers to multiculturalism management.

(DEC-2018)

66. The Industrial Policy, 1956 has been prompted by which combination of the following developments?

(i) Adoption of the Constitution of India.

(ii) Implementation of Economic Planning.

(iii) Acceleration of Economic Growth and Industrialisation.

(iv) Availability of Sufficient Funds for Investment in Public Sector.

Choose the correct answer from the code given below:

Code:

(a) Only (ii) and (iv)

(b) Only (i), (ii) and (iv)

(c) Only (ii), (iii) and (iv)

(d) Only (i) and (ii)

(DEC-2018)

67. Second generation reforms in our country do not comprise of which one of the following?

(a) Clean environment

(b) Growing Indian transnational corporations

(c) Exploiting the knowledge based global economy

(d) Population control measures

(DEC-2018)

68. Indicate the most popular route of privatisation adopted by the Government of India in recent decades.

(a) Management-Employee Buyout

(b) Cross Holdings

(c) Strategic sale

(d) Spontaneous Privatisation

(JUNE-2019)

69. "Doctrine of Caveat Emptor' means

(a) buyer should intake payment well in time

(b) buyer should be beware of an aspect of buying

(c) buyer will be responsible for the whole payment

(d) buyer will not be responsible any cost

(JUNE-2019)

70. Redressal mechanism for consumer disputes under Section 9 of the Consumer Protection Act envisages a

(a) single-tier system

(b) two-tier system

(c) three-tier system

(d) open system independent of hierarchy

(JUNE-2019)

71. Match List-I with List-II:

List-I	List-II
(A) fiscal, monetary and industrial policies	(i) Social responsibilities
(B) Social obligations towards several stakeholders	(ii) Stakeholders' interest group
(C) Consumers, shareholders, suppliers, creditors etc.	(iii) Business ethics
(D) Moral principles that defines the right or wrong	(iv) Economic policies

Choose the correct option those given below:

(a) (A)-(iii); (B)-(i); (C)-(iv); (D)-(ii)

(b) (A)-(i); (B)-(ii); (C)-(iv), (D)-(iii)

(c) (A)-(ii); (B)-(iv); (C)-(iii), (D)-(i)

(d) (A)-(iv); (B)-(i); (C)-(ii); (D)-(iii)

(DEC-2019)

72. Which one of the following is NOT correct according to the Consumer Protection Act?

(a) District Forum shall consist of a lady social worker
(b) State Commission shall consist of person who is or has been a Judge of a High Court
(c) District Forum shall consist of four members
(d) National Redressal Consumer Disputes Commission shall consist of a person who is or has been a Judge of the Supreme Court

(DEC-2019)

73. Match List I with List II

List I	List II
(A) Size of the market	(i) Globalization of business
(B) Demographic environment	(ii) Foreign trade policy
(C) Export oriented units	(ii) Macro environment
(D) Multinational corporations	(iv) Non -economic environment

Choose the correct option from those given below

(a) (A)-(iv); (B)-(ii); (C)-(iii); (D)-(i)
(b) (A)-(ii); (B)-(iii); (C)-(i): (D)-(iv)
(c) (A)-(iii); (B)-(ii); (C)-(i); (D)-(iv)
(d) (A)-(iii); (B)-(iv); (C)-(ii); (D)-(i)

(DEC-2019)

74. Which of the following are plans of Corporate Social Responsibility (CSR) to consumers?

(A) Reasonable chances and proper system for accomplishment promotion
(B) To supply and goods reasonable prices even when there is seller's market
(C) Improving the efficiency of the business operation
(D) To provide an opportunity for being heard and redress genuine grievances (e)

Choose the correct answer the options given below

(a) (A) and (B) (b) (B) and (D)
(c) (B) and (C) (d) (A) and (C)

(DEC-2019)

75. According to FEMA, foreign exchange does NOT include

(a) Deposits payable in any foreign Currency
(b) Bills of exchange drawn in Indian currency but payable inland any foreign currency(R).
(c) Travellers' cheques drawn by Ass institutions outside India but pry payable in Indian currency
(d) Drafts drawn by banks outside India and payable in foreign currency

(OCT-2020)

76. Which of the following policies has lost its sheen consequent to implementation of the GST Laws in India?

(a) Monetary policy (b) Fiscal policy
(c) Trade policy (d) Exim policy

(OCT-2020)

77. The defenders of the sustainability approach toward Corporate Social Responsibility (CSR) point out that.....

(A) All economic activity exists within a biosphere that support all life
(B) The success of business must be judged only against profitability
(C) People have a strong ethical duty to cause no harm and only a prime facie duty to prevent harm
(D) Business sole responsibility is to fulfil the economic functions they were designed to serve
(E) Customer service is most important

Choose the most appropriate answer from the options given below:

(a) (A) and (B) only (b) (B) (C), (D) only
(c) (A) and (C) only (d) (A) only

(OCT-2020)

78. Objective of energy management and audit invariably includes which of the following in a business enterprise?

(A) Minimising cost of energy consumption
(B) Minimising waste in energy consumption
(C) Scaling harmful impacts of pollution on health of the natives
(D) Minimising degradation environmental

Choose the most appropriate answer from the options given below:

(a) (A) (B) and (C) only
(b) (A) (C) and (D) only
(c) (A) (B) and (D) only
(d) (A), (B), (C) and (D) only

(OCT-2020)

79. Which of the following truly describe the govt. intervention in the MSME space in view of Covid-19 pandemic?

(A) Provisioning of collateral free automatic loans worth Rs. 3 lakh crores credit
(B) Provision of 100% guarantee coverage to banks and NBFCs on principal and interest for loans to NBFCS
(C) Redefined MSMEs to include both investment and turnover criteria

(D) Created a war chest of Rs. 3,00,000 crores for the MSME loans and employment protection
(E) Allocated Rs.3,00,000 crores MSME loan moratorium for and waiver

Choose the correct answer from the options given below:

(a) (A), (B) and (C) (b) (B), (C) and (D)
(c) (C), (D) and (E) (d) (A), (C) and (D)

(OCT-2020)

80. Sequence the following CSR eligibility criteria and spending as per the provisions of the Indian Companies Act 2013.

(A) Positive net worth of Rs.500 crores or more
(B) Two percent of average profit spend on CSR
(C) Net profit of Rs.5 crore or more in given financial year
(D) Turnover of Rs. 1,000 crore or more
(E) Penal action for non-compliance

Choose the correct answer from the options given below:

(a) (E) (B), (D) (C) and (A)
(b) (B) (E), (A), (C) and (D)
(c) (A), (D). (C), (B) and (E)
(d) (C), (B), (A), (D) and (E)

Read the given paragraph carefully and answer the questions that follow (Q. 81 to Q. 85)

For a developing economic nation, its industrial policy requires regular updating to meet the growing demands of the industry as well as to increase the share of manufacturing in overall GDP. As India's GDP has been dominated by services rather than agriculture or manufacturing, structural modifications are always required so that manufacturing activity can be increased substantially to meet the global market requirements. This requires legal amendments, with the new laws aimed to facilitate better manufacturing and exports. Actually, India faces two challenges, rather opportunities: that the bullishness on the Indian economy is to be export-oriented as well as to feed its ever-growing domestic consumption. Also, no economy can only be consumption oriented as its people should also save and invest actively. This brings an important direction to the banking system. which plays a critically important role in achieving the above two objectives. The public sector banks are required to build on the capabilities and expertise on the due diligence methods for the credit appraisal for the loan requirements. Worth mentioning here is the data that the non-performing assets valuing Rs.7.7 lakh crore (as on December 2017) as per the latest figures of the Finance Ministry. Nevertheless, given their large structure and geographic percolation, the public sector banks must be recognized in India's development and that there is "no country in the world where banks have not had a problem."

(NOV-2021)

81. Which of the following is not a feature of the consumption economy?

(a) Increasing population with increasing consumption.
(b) It also prompts more exports than imports,
(c) More contribution to indirect taxes
(d) The unsold goods create problems

(NOV-2021)

82. Which of the following sets defines Sustainable Consumption and Production (SCP)?

(A) The use of services and related products which respond to basic needs and bring a better quality of life.
(B) Minimizing the use of natural resources and toxic materials as well as the emission of waste as pollutants.
(C) Pertinent use of service or product so as not to jeopardise the needs of future generations.
(D) Planned cities with a lower cost of production minimizing retail inflation.

Choose the correct answer from the options given below:

(a) (A), (B) and (C) only (b) (A), B and (D) only
(c) (A), (B), (C) and (D) (d) (B). (C) and (D) only

(NOV-2021)

83. The credit appraisal process by a bank does NOT involve evaluation if the borrower on:

(a) Bank ability or credit worthiness
(b) Economic viability
(c) Loan offtakes and paying ability of related companies in the geographical area
(d) Technical feasibility

(NOV-2021)

84. The Indian banking sector requires that it:

(a) be more technology dependent
(b) build more manpower and ICT resources
(c) evaluate loan disbursals
(d) increase the frequency of change of the bank rates

(NOV-2021)

85. What problem is highlighted in the above passage?

(a) Balance of payments issue
(b) High fiscal deficit
(c) Low growth in GDP
(d) Role of banking sector

(MARCH-2023)

86. Arrange the following decision outcomes under the Indian Consumer Protection Act, 1986 in a rising sequence of severity of offences.

(A) Removal of defects
(B) Impose cost on parties
(C) Return of price paid
(D) Discontinuation of unfair practices,
(E) Compensation to consumer

Choose the correct answer from the options given below:

(a) (A), (B), (C), (E), (D) (b) (A), (C), (E), (D), (B)
(c) (C), (D), (A), (B), (E) (d) (D), (E), (B), (C), (A)

(DEC 2023)

87. The exporting firm is termed 'rider' where the other firm with an established distribution channel in the target country is termed 'Carrier'.

This phenomenon is known as:

(a) Counter Trade (b) Barter
(c) Piggy Backing (d) Switch Trading

Read the following passage carefully and answer question No. 88 to 92.

It is rightly said that "It is easy to dodge our responsibilities, but we cannot dodge the consequences of dodging
our responsibilities."-Josiah Charles Stamp, 1880-1941, former director of the Bank of England. In this modern digitalized world, businesses are required to be mindful both in terms of what they are doing and how they are doing it. The company's brand is not just dependent on the quality of products they are offering to people but on the overall impact of the company's operations on the society, environment and the economy.

Their sense of Social responsibility provides them with a competitive edge over their competitors in a crowded marketplace. CSR is a holistic and integrated management concept whereby companies integrate their Social and environmental objectives with their business objectives. It works on a Triple Bottom Line Approach i.e. Company focuses on 3P's: People, Planet & Profit while addressing all the expectations of its stakeholders. The majority of policy initiatives in the country are driven by the objectives of equal opportunities, minimizing poverty and human deprivation, focus on fundamental rights, etc. thereby leading to strong human development.

The choices that we make today will be going to affect and influence our future generations. Despite all this inequality and disparity still exists. This year, the Indian Government implemented new CSR guidelines. These guidelines require Indian companies to spend 2 percent of their net profit on CSR. India is the first country in the world to make CSR mandatory. Including the CSR mandate in Companies Act, 2013 is a great step of engaging the corporate sector in the equitable development of the country. Earlier companies were required to spend 2 percent of profits towards CSR and in case of failure to do so; they were required to give reasons. But as per the present amendment, companies are required to spend 2 percent of profits towards CSR in the given time limit or are required to turn over this amount of profits in funds which are run by the government.

The new amendment will require all the companies which qualify the provisions under CSR guidelines to spend the specified part of their profits towards Corporate Social Responsibility without failing. Researchers have made attempts to study Issues and Challenges associated with CSR in India and also to determine various factors driving CSR practices in Indian Companies.

(JUNE-2024)

88. What is the consequence for companies that fail to meet CSR spending requirements as per the new amendment?

(a) They face no repercussions
(b) They must provide reasons for their failure
(c) The companies operations may be closed for a specific period
(d) They are required to turn over the profits to government-run funds

(JUNE-2024)

89. According to the passage, what is the main point emphasized by Josiah Charles Stamp's quote?

(a) Companies cannot avoid the consequences of neglecting their responsibilities.
(b) Companies must be careful about corporate governance.
(c) Social responsibility has no impact on a company's brand.
(d) The consequences of dodging responsibilities are immediate.

(JUNE-2024)

90. What did the Indian Government implement with regards to CSR?

(a) Mandatory 2% spending of net profit on CSR
(b) Voluntary CSR guidelines
(c) Tax incentives for CSR activities
(d) No specific CSR requirements

(JUNE-2024)

91. What is "Triple Bottom Line Approach" in CSR?

(a) A focus on customer satisfaction, revenue and profit

(b) A focus on people, planet, and profit

(c) A focus on shareholder interests, environment sustainability and innovation

(d) A focus on people, planet and plant

(JUNE-2024)

92. According to the passage, what is the significance of a company's Social responsibility in the modern digital world?

(a) It has no impact on the company's brand

(b) Quality of a product have no relationship with the company's image

(c) It provides a competitive edge in a crowded market place

(d) It leads to wealth maximization

Answer Key									
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
(d)	(d)	(b)	(d)	(a)	(c)	(b)	(b)	(a)	(c)
11	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**
(b)	(b)	(c)	(d)	(b)	(c)	(c)	(b)	(a)	(a)
21	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**
(c)	(b)	(d)	(d)	(d)	(d)	(c)	(d)	(b)	(b)
31	**32**	**33**	**34**	**35**	**36**	**37**	**38**	**39**	**40**
(b)	(b)	(b)	(d)	(c)	(c)	(c)	(d)	(a)	(a)
41	**42**	**43**	**44**	**45**	**46**	**47**	**48**	**49**	**50**
(b)	(a)	(c)	(c)	(b)	(a)	(c)	(b)	(c)	(b)
51	**52**	**53**	**54**	**55**	**56**	**57**	**58**	**59**	**60**
(b)	(b)	(b)	(b)	(b)	(a)	(c)	(a)	(d)	(c)
61	**62**	**63**	**64**	**65**	**66**	**67**	**68**	**69**	**70**
(b)	(b)	(d)	(a)	(b)	(b)	(d)	(c)	(b)	(c)
71	**72**	**73**	**74**	**75**	**76**	**77**	**78**	**79**	**80**
(d)	(c)	(d)	(b)	(d)	(b)	(d)	(c)	(a)	(c)
81	**82**	**83**	**84**	**85**	**86**	**87**	**88**	**89**	**90**
(b)	(a)	(d)	(c)	(c)	(b)	(c)	(d)	(a)	(a)
91	**92**								
(b)	(c)								

SOLUTIONS

1. Correct Answer is (d):- Every economy is typically divided into three sectors: primary, secondary, and service (tertiary). Structural changes refer to shifts in the composition and relative importance of these sectors. Since all the options in the question represent these shifts, option (d) is correct.

2. Correct Answer is (d):- CRR, SLR, and Repo Rate are three tools used to regulate money supply and used to manage broad money in the economy. Broad money is a method used to calculate or measure the total currency circulating within an economy. Therefore, the correct answer is (d) All of the above.

3. Correct Answer is (b):- The Human Development Index (HDI) is a composite index used to measure a country's average achievements in three basic aspects of human development: health, education, and standard of living.

Given these components, the four relevant dimensions among the options provided are:

(i) Life Expectancy (ii) Literacy Level (iv) Standard of Living (vii) Economic Entitlement

4. Correct Answer is (d):- Public enterprises are organizations that are owned and managed by the government (public authorities) and are established to fulfill certain public purposes or provide essential services to the public. These enterprises are typically involved in sectors such as utilities, transportation, and other services that are considered vital for the public welfare and economic development.

Therefore, the correct answer is (d) An organisation owned and managed by public authorities for a definite set of public purposes.

5. Correct Answer is (a):- Assertion (A) is correct because internal factors of a business environment are controllable factors, meaning they are within the control of the company. These factors include management decisions, organizational structure, internal policies, and resources.

Reason (R) is correct because the company has the ability to influence or modify internal factors to suit the business environment. By making strategic decisions and implementing changes internally, the company can adapt to external challenges and optimize its performance. Therefore, both statements (A) and (R) are accurate, and option (a) is correct

6. Correct Answer is (c):- The concept of 'Rolling Plan' in India was introduced by the (c) Congress Government. The Rolling Plan concept was introduced during the tenure of the Congress Government in India. This approach to economic planning involved the implementation of a series of

multi-year plans with overlapping time frames, allowing for flexibility and adjustments in response to changing economic conditions.

7. **Correct Answer is (b):-** MNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) was enacted on 23rd August 2005 during the tenure of Prime Minister Shri. Manmohan Singh. It stands as a landmark initiative of the Government of India aimed at providing guaranteed employment in rural areas. Thus, option (b) is indeed correct.

8. **Correct Answer is (b):-** To arrive at GDP at factor cost, one subtracts indirect taxes and adds subsidies from GDP at market price. Hence, option (b) stands correct in this regard.

9. **Correct Answer is (a):-** Fiscal policy serves as a key tool for governmental influence over a country's economy, encompassing government spending and both direct and indirect tax policies. It's important to note that the central bank, not fiscal policy, manages the liquidity level in the economy through actions like increasing or decreasing it. Therefore, option (a) accurately reflects this distinction.

10. **Correct Answer is (c):-** In the realm of business operations, organizations contend with two distinct environments: internal and external. Money and capital markets fall within the domain of the external environment, beyond the direct control of any single business entity. Hence, option (c) accurately captures this relationship.

11. **Correct Answer is (b):-** The National Apprenticeship Training Scheme was initiated during the second five-year plan (1956-1961), which was formulated based on the Mahalanobis Model. Therefore, option (b) accurately identifies the historical context of the scheme's introduction.

12. **Correct Answer is (b):-** Trade policy, reflecting government regulations on trade, aligns with economic policies. Trade flows, indicative of imports and exports, relate to global linkages. Price trends, illustrating changes in market prices, correspond to economic conditions. Internal linkages, depicting connections within the economy, are linked to the structure and nature of the economy. Therefore, option (b) is incorrect.

13. **Correct Answer is (c):-** The internal environment of a business organization consists of elements present within the organization, such as its missions, objectives, employees, assets, trade unions, organizational structure, values, ethics, and culture. Customers, however, belong to the external environment. Therefore, option (c) is accurate.

14. **Correct Answer is (d):-** The government of each country administers and regulates businesses operating within its jurisdiction. In India, this regulation is carried out through various laws, including:

- The Companies Act, 2013
- The Competition Act, 2002
- The Foreign Exchange Management Act, 1999
- The Securities and Exchange Board of India Act, 1992

These regulations promote and encourage fair trade practices among business organizations and protect the public from the negative consequences of unethical business behavior. Therefore, option (d) is correct.

15. **Correct Answer is (b):-** Business firms typically prioritize monitoring the demographic environment as it provides valuable insights for market segmentation. This segmentation enables companies to divide the target market based on factors such as ethnicity, income level, age, and gender of the customers. Therefore, option (b) is accurate.

16. **Correct Answer is (c):-** Statement C is accurate, while segments A and B are incorrect. This is because the service sector in India experiences the highest growth rate and contributes the most to the Gross Domestic Product (GDP). Therefore, option (c) is correct.

17. **Correct Answer is (c):-** The Kyoto Protocol, founded on the principle of "polluter pays," was adopted on December 11, 1997, by 84 signatory countries and 192 party countries. This international treaty establishes legally binding commitments for its members to protect the environment. Therefore, option (c) is correct.

18. **Correct Answer is (b):-** To protect consumers from potential fraud, misleading advertisements, and inferior quality products, the Consumer Protection

Act was enacted in 1986. This act grants several legally enforceable consumer rights. However, services that are free and not linked to any monetary obligation, as well as those provided under a personal service contract, are not covered by this act. Therefore, option (b) is correct.

19. **Correct Answer is (a):-** The acute shortage of electricity in some of the states in India reflects a problem in the economic environment.
The economic environment includes factors such as infrastructure, resource availability, and economic policies that can affect business operations. An electricity shortage directly impacts businesses and the economy by affecting production, operations, and overall economic activities.
So, the correct answer is: (a) Economic

20. **Correct Answer is (a):-** A consumer court set up under the Consumer Protection Act does not have the power to punish for its contempt.
This statement is true. Consumer courts do not have the inherent power to punish for contempt. They primarily deal with consumer disputes and grievances, and their main function is to provide redress to consumers.
Therefore, the correct answer is: (a) A consumer court set up under the Consumer Protection Act does not have the power to punish for its contempt

21. **Correct Answer is (c):-** In response to the economic crisis of 1991, the Government of India liberalized the economy by removing a majority of restrictions, including the license raj, permits, and quotas. Additionally, foreign investments were encouraged, allowing them to enter various sectors of the Indian economy, including the retail sector. Therefore, option (c) is correct.

22. **Correct Answer is (b):-** Under the Consumer Protection Act, 1986, the time limit for filing a complaint before the District Forum is within two years from the date on which the cause of action arises. So, the correct option would be (b) two years. This time limit is crucial because it ensures that consumer grievances are addressed in a timely manner and prevents undue delays in seeking redressal for issues related to consumer rights violations.

23. **Correct Answer is (d):-** The legal environment of business in India encompasses various laws and regulations that govern different aspects of business operations. However, both the Prevention of Food Adulteration Act, 1954, and the Monopolies and Restrictive Trade Practices Act, 1969, have been repealed and replaced by newer legislation.

24. **Correct Answer is (d):-** This sequence is incorrect because the macro environment encompasses broader factors and does not directly narrow down to customers and prospects of business development in this specific order. The external environment includes various factors, but the sequence from the macro environment directly to customers and then to business prospects is not logically sequential.
So, the correct answer is: (d) Macro Environment → External Environment → Customers → Prospects of Business Development

25. **Correct Answer is (d):-** In India, there has always been a strong push to promote and expand the manufacturing sector, mainly because of its potential to generate employment and revenue. To monitor economic development and industrial growth, an Industrial Policy was first established in 1948. Subsequently, two Industrial Policy Statements were introduced, one in 1977 and another in 1980. In 1991, instead of an Industrial Policy Statement, a New Industrial Policy was introduced. Therefore, option (d) is correct.

26. **Correct Answer is (d):-** Statement (I) is correct, but Statement (II) is incorrect. After the introduction of the New Industrial Policy in 1991, the Balance of Payments account showed improvements due to higher exports. However, it still remained negative. Therefore, option (a) is correct.

27. **Correct Answer is (c):-** Both statements (A) and (R) are absolutely correct, but (R) does not completely explain (A). This is because statement (A) discusses various restrictions that hampered industrial growth in India, whereas statement (R) only mentions the establishment of License Raj and the introduction of the New Industrial Policy in 1991. Therefore, option (c) is correct.

28. **Correct Answer is (d):-** The internal environment of a business encompasses all elements directly

controlled by the organization. Government rules and regulations, on the other hand, are part of the external environment and cannot be directly influenced by the company. Therefore, option (d) is correct.

29. **Correct Answer is (b):-** For businesses to develop products that satisfy customer wants and provide satisfaction, it is essential to have a thorough understanding of the cultural environment. This environment is typically influenced by factors such as diet, health, religion, education, family background, traditions, and nutrition. Therefore, option (b) is correct.

30. **Correct Answer is (b):-** (i) Political and Legal Environment is closely related to Economic Policy (b). (ii) Demographic Environment involves Occupational and Spatial Mobilities of Population, which have implications for business (d). (iii) Economic Environment is important for industries directly depending on imports (a). (iv) Geographical and Ecological Environment is related to natural resources (c).Hence, option (b) is the correct answer.

31. **Correct Answer is (b):-** Under the Consumer Protection Act, 1986, a complaint is valid if it pertains to issues such as a product having short weight, or a misleading advertisement given in a newspaper. However, a complaint regarding a service provided free of cost is invalid. The Act is designed to protect consumers who have paid for goods or services and does not cover complaints related to services provided without charge. Therefore, option (b) is the correct answer, as complaints about free services do not fall under the purview of the Act.

32. **Correct Answer is (b):-** Given the options, the correct components related to food security are (i) Food availability, (iii) Food accessibility, and (iv) Food utilization. Thus, the correct answer is option (b).

33. **Correct Answer is (b):-** The freedom of private enterprise in a free market economy is characterized by several assumptions, including private ownership of factors of production, income received in monetary form from the sale of services and profits, freedom of choice regarding consumption, occupation, savings, and investments, and minimal government planning, control, or regulation.
Hence, the correct answer is: (b) (i), (ii), (iii), and (iv)

34. **Correct Answer is (d):-** The rationale for expanding the role of the public sector primarily includes addressing the failure of the private sector in crucial areas, meeting the revenue needs of the central government, ensuring economic justice, and accelerating the pace of economic growth. The exploitation of society by the private sector is also a concern, but the other factors provide a broader and more balanced rationale.
Hence, the correct answer is: (d) (i), (ii), (iv), and (v)

35. **Correct Answer is (c):-** The factors that may lead to a sick industrial unit include a shortage of funds and faulty financial management, lack of experience on the part of promoters, and technological factors such as obsolete or improper technology. Investment by FIIs and unauthorized FDI are not directly related to industrial sickness in the same way.
Hence, the correct answer is: (c) (i), (iv), and (v)

36. **Correct Answer is (c):-** This statement is incorrect. According to the Consumer Protection Act, 1986, complaints involving claims up to ₹ 20 lakhs should be filed before the District Forum. Complaints involving claims between ₹ 20 lakhs and ₹ 1 crore should be filed before the State Commission. Therefore, a complaint involving a claim of ₹ 15 lakhs should be filed before the District Forum, not the State Commission.Hence, the answer is (c).

37. **Correct Answer is (c):-** The Standards of Weights and Measures Act, 1976 mandates manufacturers and distributors to declare Maximum Retail Price (MRP) on commodities to ensure fair trade practices and protect consumer interests regarding pricing transparency.

38. **Correct Answer is (d):-** Fiscal policy refers to the use of government spending and taxation to influence the economy. The tools of fiscal policy typically include public expenditure, deficit financing, and taxation. In contrast, open market operations and reserve requirements are tools of monetary policy, not fiscal policy.

39. **Correct Answer is (a):-** GNP at market prices minus indirect taxes plus subsidies is: GNP at factor cost
This adjustment gives the income received by factors of production by removing the effects of taxes and adding subsidies.