

**DAV KAPILDEV PUBLIC SCHOOL, KADRU,RANCHI**  
**QUESTION BANK**

SUBJECT-B.ST.

CLASS-XII

CHAPTER- PLANNING

MULTIPLE CHOICE QUESTIONS [1 MARK]

1. Which of the following is the first step in the planning process?

- a) Setting objectives
- b) Developing premises
- c) Identifying alternative courses of action
- d) Implementing the plan

2. Planning provides a \_\_\_\_\_ for action.

- a) rigid framework
- b) guideline
- c) basis
- d) structure

3. The type of plan which is used only once and is designed for a specific project is called:

- a) Standing plan
- b) Strategy
- c) Policy
- d) Single-use plan

4. Which of the following is not a type of standing plan?

- a) Rules
- b) Procedures
- c) Budget
- d) Policies

5. Planning is called the \_\_\_\_\_ function of management.

- a) primary
- b) secondary
- c) optional
- d) final

6. Contingency planning deals with:

- a) regular events
- b) unexpected events
- c) day-to-day operations
- d) financial issues

7. Which of the following is not a limitation of planning?

- a) It reduces risks of uncertainty
- b) It leads to rigidity
- c) It involves huge costs
- d) It delays action

8. Which type of plan defines the future course of action?

- a) Policy
- b) Objective
- c) Procedure
- d) Strategy

9. Planning requires logical and systematic thinking, which makes it a:

- a) random process
- b) deliberate process
- c) vague process
- d) mechanical process

10. Which of the following best defines a 'policy'?

- a) A specific task plan
- b) A broad guideline for action
- c) A strict rule to follow
- d) A step-by-step procedure

11. Which plan specifies the end result to be achieved?

- a) Rule
- b) Budget
- c) Objective
- d) Procedure

12. Who is responsible for the strategic planning in an organization?

a) Middle management    b) Top management    c) Lower management d) All employees

13. Planning involves choosing:

- a) the most profitable option    b) the only possible alternative  
c) the best possible course of action    d) a random alternative

14. Which of the following is an example of a single-use plan?

- a) Policy    b) Rule    c) Program    d) Objective

15. What is the main focus of operational planning?

- a) Strategic decisions    b) Daily operations  
c) Long-term goals    d) Vision and mission

16. Which term refers to planning for unforeseen events?

- a) Strategic planning    b) Contingency planning  
c) Operational planning    d) Policy planning

17. In which of the following does planning help managers make more informed decisions?

- a) Coordination    b) Clarity    c) Decision-making    d) Analysis

18. Which of the following is not a feature of planning?

- a) Goal-oriented    b) Time-consuming    c) Reduces flexibility    d) Focuses on present events only

19. A broad and general plan prepared by top management is called:

- a) Procedure    b) Budget    c) Strategy    d) Policy

20. Which of the following establishes a clear direction for an organization?

- a) Rules    b) Procedures    c) Objectives    d) Budget

21. What is environmental scanning in planning?

- a) Examining internal factors only    b) Examining external factors only  
c) Analyzing internal and external factors affecting the organization  
d) None of the above

22. Which of the following is not an advantage of planning?

- a) Provides direction    b) Encourages creativity  
c) Reduces flexibility    d) Improves coordination

23. Which step in the planning process involves predicting future conditions?

- a) Setting objectives    b) Developing premises  
c) Implementing the plan    d) Selecting alternatives

24. A plan that defines limits within which decisions can be made is called:

- a) Policy    b) Rule    c) Procedure    d) Strategy

25. Which of the following is designed to handle repetitive situations in a business?

- a) Single-use plan    b) Standing plan    c) Contingency plan    d) None of the above

26. Which of these is a common feature of objectives, policies, and procedures?

- a) They are all single-use plans
- b) They all provide guidelines for action
- c) They have no impact on employees
- d) They only apply to top management

27. Planning helps in reducing overlapping and wasteful activities by:

- a) Assigning more tasks
- b) Setting priorities and focus
- c) Following strict rules
- d) Eliminating employee autonomy

28. A specific statement that needs to be followed strictly in an organization is called a:

- a) Policy      b) Objective      c) Rule                      d) Strategy

29. Which one of the following is a primary function of management?

- a) Staffing      b) Controlling      c) Planning      d) Organizing

30. Which feature of planning states that planning is a continuous process?

- a) Flexibility      b) Futuristic      c) Continuous                      d) Mental exercise

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**ASSERTION REASON QUESTIONS**

1. Assertion: Planning is the first step in the management process.

Reason: It provides direction and sets objectives for the organization.

2. Assertion: Planning is a continuous process.

Reason: It adapts to changes in the internal and external environment.

3. Assertion: Effective planning leads to optimum utilization of resources.

Reason: Planning helps in forecasting and allocation of resources.

4. Assertion: All managers are involved in the planning process.

Reason: Planning is essential for every level of management.

5. Assertion: Planning reduces the risk of uncertainty.

Reason: It involves assessing the environment and making informed decisions.

6. Assertion: Planning requires coordination among different departments.

Reason: It aligns organizational goals with departmental objectives.

7. Assertion: Strategic planning focuses on long-term goals.

Reason: It helps organizations adapt to competitive environments.

8. Assertion: Tactical planning is more specific than strategic planning.

Reason: It involves short-term actions to achieve strategic goals.

9. Assertion: Contingency planning is essential for risk management.

Reason: It prepares organizations for unexpected events.

10. Assertion: Planning facilitates decision-making in an organization.  
Reason: It provides a framework for evaluating alternatives.
11. Assertion: Budgeting is an essential part of the planning process.  
Reason: It helps in allocating financial resources effectively.
12. Assertion: Planning is not important for small businesses.  
Reason: Small businesses can thrive without a formal planning process.
13. Assertion: Planning helps in setting benchmarks for performance evaluation.  
Reason: It establishes standards against which actual performance can be measured.
14. Assertion: SWOT analysis is a tool used in the planning process.  
Reason: It identifies strengths, weaknesses, opportunities, and threats.
15. Assertion: Short-term planning is less important than long-term planning.  
Reason: Long-term plans provide a vision for the future.
16. Assertion: Planning enhances employee motivation.  
Reason: It involves employees in setting goals and objectives.
17. Assertion: Operational planning is the most detailed form of planning.  
Reason: It outlines specific tasks and timelines for achieving goals.
18. Assertion: Planning is a one-time activity.  
Reason: Once plans are made, they do not need to be revisited.
19. Assertion: Planning helps in identifying potential problems before they occur.  
Reason: It involves anticipating future scenarios and challenges.
20. Assertion: The planning process should be flexible and dynamic.  
Reason: Changes in the environment may require adjustments to the plans.

### **3MARKS**

1. How does planning facilitate decision-making?  
Explain how planning provides a framework that helps managers make consistent and informed decisions.
2. Why is planning considered the primary function of management?  
Briefly explain how planning serves as the foundation for other functions like organizing, directing, and controlling.
3. How does planning reduce the risk of uncertainty?  
Describe how planning anticipates potential issues and prepares solutions to handle them.
4. Explain 'rules' as a type of plan.  
Define rules as strict guidelines for behavior that must be followed within the organization.
5. What is meant by 'budget' in planning?  
Define a budget as a financial plan outlining expected revenues and expenses.

6. What is the importance of setting objectives in planning?

Explain how objectives provide direction and a clear focus for planning efforts.

7. Define 'policy' in the context of planning.

Describe policies as general guidelines that influence decision-making within an organization.

8. How does planning promote innovation?

Explain how planning encourages creative problem-solving to achieve objectives.

9. What is the difference between single-use and standing plans?

Briefly explain that single-use plans are temporary, while standing plans are ongoing.

10. Why is flexibility important in planning?

11. Explain the term 'standing plans' with examples.

OR. Define standing plans and give examples like policies, procedures, and rules.

12. Describe any two types of single-use plans.

OR Explain types of plan such as budgets and programs, emphasizing their temporary and specific nature.

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#### **4/6 MARKS QUESTION**

##### **Case Study**

1. Case: An electronics company decided to launch a new smartphone without conducting a detailed market analysis. After the launch, they realized that a competitor's similar product had already captured a significant market share, and their product did not offer anything new. As a result, the company faced a huge loss and had to stop production.

Question:

- Identify the importance of planning that the company neglected in this case.
- Explain how planning could have helped the company avoid this situation.
- Suggest two steps the company could take to improve its planning process in the future.

2. Case: A restaurant planned an extensive marketing campaign to attract customers for a new product launch. However, due to a sudden government regulation restricting gatherings in public places, the restaurant had to delay the launch and cancel the campaign. This caused financial losses and disrupted their plans.

Question:

- Identify the limitations of planning highlighted in this case.
- Explain why planning sometimes fails due to external factors.

c) Suggest how the restaurant could adjust its planning to adapt to unforeseen changes in the future.

3. Case: A manufacturing company organized an annual employee awards ceremony to recognize achievements. To ensure the event's success, they created a detailed checklist, budget, and event schedule. At the same time, the company has a policy that requires employees to maintain a high level of quality in production.

Question:

a) Identify and differentiate between the types of plans used by the company in this case.

b) Explain the importance of both single-use plans and standing plans in the smooth functioning of an organization.

c) Give another example of each type of plan for a manufacturing company.

4. Case: A retail company wants to expand its operations across multiple cities. They begin by setting a target to open ten new stores by the end of the year. However, due to a lack of proper market research and resource allocation, they end up opening only five stores, facing financial constraints and operational challenges.

Question:

a) Identify the steps in the planning process that the company missed in this case.

b) Discuss how proper planning would have helped the company achieve its target.

c) Outline a structured planning process the company should follow for future expansions.

5. Case: A software development firm set an objective to increase its customer base by 20% within the year. To achieve this, they aimed to improve customer service and launch innovative software features. However, they did not develop specific strategies or allocate resources for these goals, and by the end of the year, they were unable to meet their objective.

Question:

a) Explain why objectives are essential in the planning process and what went wrong with the firm's approach to meeting its objective.

b) Describe the role of other plans (e.g., strategies, policies) in achieving objectives.

c) Suggest two strategies the firm could implement to meet similar objectives in the future.

6. Case: A clothing brand plans to increase its revenue by 30% over the next year. To achieve this, they plan to launch new designs and open stores in high-demand areas. However, they did not analyze market trends or customer preferences, and by the end of the year, their revenue only increased by 10%.

Question:

- a) Identify the shortcomings in the brand's planning process.
- b) Explain how analyzing market trends and setting realistic objectives could have improved their results.
- c) Suggest two measures the brand could implement to set achievable objectives in the future.

7. Case: A multinational company has implemented a policy that requires managers to promote sustainability in all production processes. However, one branch manager failed to follow this policy, resulting in backlash from customers and the media. The company faced damage to its reputation and had to take corrective measures.

Question:

- a) Explain the role of policies in an organization and why they are important for consistent practices.
- b) Analyze the consequences of not following organizational policies in this case.
- c) Suggest two actions the company can take to ensure policy adherence across all branches.

8. Case Study on Limitations of Planning Due to Rigidity:

Case: A large retail company planned a holiday sale and ordered a large inventory based on previous years' demand. However, due to a sudden economic downturn, customer spending decreased, leaving the company with excess inventory and financial losses.

Question:

- a) Identify the limitation of planning faced by the company in this case.
- b) Explain how planning rigidity can lead to losses in a dynamic market environment.
- c) Suggest two strategies the company could adopt to make its planning more flexible.

9. Case: A mobile phone company decided to use a penetration pricing strategy to increase its market share. They launched a new model at a very low price to attract customers and gain a competitive edge. However, they faced financial issues due to the low-profit margin and could not sustain this strategy long-term.

Question:

- a) Define a strategy as a type of plan and explain why it is important for achieving business goals.
- b) Analyze the company's approach in implementing its pricing strategy and where it went wrong.

c) Suggest two adjustments the company could make to its strategy for sustainable growth.

10. Case: A travel agency planned a large promotional campaign for summer vacation bookings. However, due to unforeseen weather conditions and restrictions on travel, many customers canceled their bookings. The agency had no contingency plan, resulting in losses.

Question:

a) Explain the concept of contingency planning and why it is necessary.

b) Discuss the consequences of not having a contingency plan in this case.

c) Suggest two contingency strategies the travel agency could have implemented to mitigate losses.



CLASS-XII

CHAPTER- BUSINESS ENVIRONMENT

**MULTIPLE CHOICE QUESTIONS [1 MARK]**

1. Which of the following best describes a business environment?
  - a) It includes only the external factors affecting a business.
  - b) It is only influenced by internal business factors.
  - c) It includes both external and internal factors.
  - d) It includes only the market factors.
2. Which of the following is NOT a component of a business environment?
  - a) Economic Environment
  - b) Legal Environment
  - c) Cultural Environment
  - d) Technological Environment
3. The term "liberalization" refers to:
  - a) Reducing trade barriers and government control
  - b) Complete government control over all businesses
  - c) Privatization of public sector enterprises
  - d) Social responsibility of business
4. Globalization refers to:
  - a) Privatization of local industries
  - b) Expansion of economic activities across national borders
  - c) Introduction of foreign currency
  - d) None of the above
5. Which factor does NOT influence the economic environment of business?
  - a) Income levels
  - b) Currency exchange rates
  - c) Consumer preferences
  - d) Taxation policies
6. Which of the following is part of the political environment?
  - a) Inflation rates
  - b) Government stability
  - c) Technological advancements
  - d) Education levels
7. Which policy is primarily associated with the idea of "minimum government and maximum governance"?
  - a) Liberalization
  - b) Privatization
  - c) Globalization
  - d) Socialization
8. Technological Environment includes:
  - a) Economic growth
  - b) Levels of income and savings
  - c) Availability of resources
  - d) Innovations and advancements in technology
9. Business laws such as the Companies Act and Income Tax Act are part of:
  - a) Political environment
  - b) Legal environment
  - c) Social environment
  - d) Economic environment
10. Which of the following is NOT an impact of globalization on business?

- a) Increased competition
- b) Access to larger markets
- c) Complete independence from other economies
- d) Increased flow of capital and resources

11. Social environment includes:

- a) Population demographics
- b) Legal regulations
- c) Fiscal policy
- d) Trade restrictions

12. "Privatization" refers to:

- a) Selling government-owned enterprises to private entities
- b) Increasing government control over private firms
- c) Developing social policies for business
- d) Expanding corporate social responsibility

13. The 1991 New Economic Policy (NEP) in India emphasized:

- a) Liberalization, Privatization, and Globalization
- b) Socialization, Industrialization, and Protectionism
- c) Environmental protection
- d) Monopoly control by the government

14. Economic reforms in India began in:

- a) 1990
- b) 1991
- c) 1985
- d) 1980

15. A direct impact of technological environment on business is:

- a) Increased production costs
- b) Improved efficiency and innovation
- c) Decreased availability of capital
- d) Restricted market growth

### **ASSERTION-REASON QUESTION**

For each question, select:

- a) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
- b) Both Assertion (A) and Reason (R) are true, but Reason (R) is NOT the correct explanation of Assertion (A).
- c) Assertion (A) is true, but Reason (R) is false.
- d) Assertion (A) is false, but Reason (R) is true.

1. Assertion (A): Business environment consists of both internal and external factors.

Reason (R): Internal factors only include company policies and management practices..

2. Assertion (A): Liberalization leads to greater competition in the market

Reason (R): Liberalization removes restrictions on businesses, allowing more players to enter the market.

3. Assertion (A): Privatization involves transferring ownership from the private to the public sector.

Reason (R): Privatization aims to reduce government control and increase efficiency.

4. Assertion (A): The business environment is static.

Reason (R): Business environment changes with political, social, and economic changes.

5. Assertion (A): Globalization has increased market access for companies.

Reason (R): Globalization eliminates trade barriers and encourages foreign investment.

6. Assertion (A): Economic environment impacts business operations directly.

Reason (R): Economic environment includes inflation, interest rates, and taxation policies.

7. Assertion (A): Political instability can negatively impact businesses.

Reason (R): Political instability often leads to frequent policy changes.

8. Assertion (A): Technology has no impact on business operations.

Reason (R): Advancements in technology have simplified production processes and improved efficiency.

9. Assertion (A): Legal environment includes trade laws and consumer protection acts.

Reason (R): Laws affecting business are part of the business environment.

10. Assertion (A): Economic reforms of 1991 included liberalization, privatization, and globalization.

Reason (R): These reforms aimed at restricting foreign trade.

11. Assertion (A): Globalization promotes foreign investments. Reason (R): Foreign investment restrictions discourage globalization.

12. Assertion (A): Social environment impacts consumer preferences. Reason (R): Culture and social trends shape demand.

13. Assertion (A): Technological changes are slow and predictable. Reason (R): Businesses must adapt to technological advances to remain competitive.

14. Assertion (A): Inflation affects consumer purchasing power. Reason (R): Inflation decreases the value of money.
15. Assertion (A): Corporate Social Responsibility (CSR) is mandatory in India. Reason (R): CSR is a voluntary commitment by businesses.
16. Assertion (A): Environmental scanning helps in business strategy formulation. Reason (R): It identifies external threats and opportunities.
17. Assertion (A): Privatization increases government control over enterprises. Reason (R): Privatization transfers ownership to the private sector.
18. Assertion (A): Economic environment is solely affected by government policies. Reason (R): Economic factors like inflation and income levels also affect it.
19. Assertion (A): Political environment includes foreign policies. Reason (R): Changes in government can lead to shifts in foreign policy.
20. Assertion (A): Globalization restricts businesses to their home country. Reason (R): Globalization expands a company's market to international borders.
21. Assertion (A): Technology can improve productivity. Reason (R): Innovation reduces operational inefficiencies.
22. Assertion (A): Social factors affect the demand for luxury goods. Reason (R): Social class influences purchasing decisions.
23. Assertion (A): Legal environment changes rapidly. Reason (R): Legal compliance requires companies to adapt quickly.
24. Assertion (A): Business environment has a significant impact on organizational structure. Reason (R): A dynamic environment demands flexible structures
25. Assertion (A): Globalization only benefits large companies. Reason (R): Small firms also access international markets through globalization.
26. Assertion (A): Population demographics are part of the economic environment. Reason (R): Demographics affect the social environment.
27. Assertion (A): A stable political environment is necessary for foreign investment. Reason (R): Political instability deters investors.
28. Assertion (A): Business environment can be controlled by the company. Reason (R): Companies cannot control external factors.
29. Assertion (A): Social responsibility impacts a business's reputation. Reason (R): Consumers favor companies that contribute to social causes.
30. Assertion (A): Economic policies have a direct impact on production costs. Reason (R): Taxes and subsidies influence business expenses.
31. Assertion (A): Liberalization reduces barriers to entry. Reason (R): More competition leads to lower prices for consumers.

32. Assertion (A): Political environment is predictable. Reason (R): Policies can change with government shifts.
33. Assertion (A): Legal constraints can influence business strategy. Reason (R): Compliance is mandatory for all firms.
34. Assertion (A): Environmental regulations encourage sustainable practices. Reason (R): Firms must adopt eco-friendly practices to comply with laws.
35. Assertion (A): Globalization promotes cultural exchange. Reason (R): Businesses adopt practices from other regions.
36. Assertion (A): Inflation reduces the cost of imports. Reason (R): Inflation increases the price level within the economy.
37. Assertion (A): A favorable economic environment attracts investors. Reason (R): Higher growth prospects encourage investments.
38. Assertion (A): Trade restrictions hinder business growth. Reason (R): Trade restrictions limit access to foreign markets.
39. Assertion (A): Innovation is a part of the technological environment. Reason (R): Technology drives product development.
40. Assertion (A): Companies benefit from economic stability. Reason (R): Stability reduces uncertainty for businesses.

### **3 MARKS**

1. Case Study: A local bakery decides to introduce gluten-free products due to rising health consciousness among consumers.  
Question: What components of the business environment are influencing this decision?
2. Case Study: A smartphone company faces increasing competition from new entrants in the market.  
Question: How should the company analyze its competitive environment to maintain its market position?
3. Case Study: A multinational corporation adjusts its marketing strategy after a change in government regulations on advertising.  
Question: Discuss the significance of the legal environment in this scenario.
4. Case Study: A fashion retailer identifies a shift in consumer preferences towards sustainable clothing.  
Question: How can the socio-cultural environment impact this retailer's product offerings?
5. Case Study: An automobile company invests in electric vehicles in response to environmental concerns and government incentives.  
Question: Explain how the technological and political environments play a role in this decision.

6. Case Study: A startup leverages social media platforms for marketing due to the digitalization trend.

Question: How does the technological environment affect this startup's marketing strategy?

7. Case Study: A food processing company faces challenges due to fluctuating raw material prices influenced by global market trends.

Question: What aspect of the economic environment is impacting this company?

8. Case Study: A telecom company conducts surveys to understand customer satisfaction and preferences.

Question: Why is environmental scanning important for this company's strategy?

9. Case Study: An IT firm is expanding its operations to countries with favorable labor laws and lower costs.

Question: What factors in the global environment are influencing this decision?

10. Case Study: A hotel chain adapts its services to cater to the needs of an aging population.

Question: Discuss how demographic factors influence business strategies in this case.

11. Case Study: A company launches a campaign to promote its CSR initiatives focused on community development.

Question: Why is corporate social responsibility important in shaping the business environment?

12. Case Study: A manufacturer implements new technology to improve production efficiency after analyzing competitor advancements.

Question: What role does the competitive environment play in this decision?

13. Case Study: A beverage company faces backlash over its environmental practices from consumer advocacy groups.

Question: How can socio-cultural factors impact a company's public image and operations?

14. Case Study: A healthcare startup adjusts its services due to new healthcare regulations implemented by the government.

Question: Discuss the implications of the legal environment on this startup's operations.

15. Case Study: A company diversifies its products in response to changing economic conditions and consumer demands.

Question: How does the economic environment influence business diversification strategies?

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**4/6 MARKS QUESTION**

1. Case: A country is facing high inflation, which has led to increased prices for essential goods and services. This inflation has also affected consumer purchasing power, and businesses are experiencing a decline in demand. A retail company operating in this country has started to see its profits drop due to rising production costs and a decline in customer spending.

Question:

- a) Identify two components of the economic environment highlighted in this case.
- b) Explain how inflation can affect business decisions in pricing, production, and marketing.
- c) Suggest two strategies the retail company can adopt to maintain profitability during inflation.

2. Case: The government of a country recently introduced strict environmental regulations that limit the use of plastic in manufacturing and require companies to reduce their carbon footprint. A company producing plastic packaging is now facing challenges in complying with these new regulations, as its primary product line relies heavily on plastic.

Question:

- a) Identify and explain the components of the business environment affecting the company in this case.
- b) Discuss the impact of environmental regulations on the company's operations and product line.
- c) Suggest two ways the company can adapt to this change in the business environment while ensuring compliance.

3. Case: A traditional brick-and-mortar bookstore has been struggling to keep up with the competition due to the growing popularity of online shopping. With advancements in technology, more customers are purchasing books online, leading to a decline in the bookstore's foot traffic and sales.

Question:

- a) Identify and explain the component of the business environment impacting the bookstore.
- b) Explain how technological advancements can present both challenges and opportunities for traditional businesses.
- c) Suggest two strategies the bookstore could use to leverage technology and improve its business performance.

4. Case: A food manufacturing company has observed a significant shift in consumer preferences toward healthier and organic food products. With rising awareness of health and wellness, customers are increasingly opting for organic, preservative-free options. The company's current product line, however, primarily consists of processed foods with preservatives.

Question:

- a) Identify and explain the component of the business environment influencing the company's product line.
- b) Discuss how changes in the social environment can impact product demand.
- c) Propose two strategies the company could adopt to align with changing consumer preferences and remain competitive.

5. Case: A small manufacturing firm in India, specializing in household goods, faces stiff competition from multinational brands due to globalization. These global brands have strong marketing strategies and can produce goods at a lower cost due to economies of scale, making it difficult for the small firm to compete.

Question:

- a) Identify and explain the component of the business environment that is affecting the firm.
- b) Explain the impact of globalization on small and medium-sized enterprises (SMEs).
- c) Suggest two strategies the small firm could adopt to compete effectively against multinational brands.

6. Case: A clothing company that manufactures winter wear is planning to expand its operations into a tropical country where the demand for winter wear is minimal. The management is considering adapting its product line to better suit the climate and preferences of the new market.

Question:

- a) Identify and explain the components of the business environment that the company needs to consider in this scenario.
- b) Discuss how demographic factors and climate conditions can influence a business's product strategy.
- c) Suggest two product modifications the company could make to cater to the new market successfully.

7. Case: The government of a country has recently introduced new economic policies, including lower corporate tax rates and incentives for businesses investing in renewable energy. A large manufacturing company is evaluating its options to expand its business and take advantage of these tax incentives.



Question:

- a) Identify and explain the components of the business environment affecting the company in this scenario.
- b) Discuss how economic policy changes can influence business investment decisions.
- c) Suggest two ways the company could take advantage of the government's new economic policies to achieve growth.

8. Case: A pharmaceutical company has recently been penalized for misleading advertisements about the benefits of one of its products. The government has introduced new, stricter advertising regulations to protect consumers from false claims.

Question:

- a) Identify and explain the components of the business environment that are relevant in this case.
- b) Discuss the impact of legal regulations on advertising practices in businesses.
- c) Suggest two steps the company should take to comply with the new advertising regulations and rebuild consumer trust.

9. Case: A manufacturing company has been receiving negative feedback from the local community due to its high carbon emissions and waste disposal practices. The management is considering implementing Corporate Social Responsibility (CSR) initiatives to address environmental issues and improve its public image.

Question:

- a) Identify and explain the components of the business environment impacting the company.
- b) Explain the importance of CSR in enhancing a company's relationship with society.
- c) Suggest two CSR initiatives the company could undertake to address community concerns and improve its image.

10. Case: After economic liberalization, a government-owned telecommunications company faces increased competition from private and foreign telecom operators. These competitors offer better services and innovative packages, causing the government company to lose market share.

Question:

- a) Identify and explain the components of the business environment affecting the government-owned company.
- b) Discuss how liberalization impacts the competitive environment in an industry.

c) Suggest two strategies the government-owned telecom company could use to retain its market share and compete effectively.

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**6 MARKS**

1. Explain the dimensions of the business environment. Support your answer with examples for each dimension.
2. Discuss the impact of economic reforms of 1991 on Indian businesses, focusing on liberalization, privatization, and globalization.
3. What is the role of technology in shaping the business environment? Explain with examples how technological advancements can provide both opportunities and threats to businesses.
4. Describe the process of economic liberalization in India. What are its main objectives, and how has it impacted Indian businesses?