

VISHESH ACADEMY OF COMMERCE

DSS.33, OLD COURT COMPLEX, NEAR FAWARA CHOWK, HISAR

BUSINESS ECONOMICS AND BUSINESS AND COMMERCIAL KNOWLEDGE

CA FOUNDATION

TEST- (CHAPTER-4 GOVERNMENT POLICIES FOR BUSINESS GROWTH)

Time: 1 Hrs.

Marks:40

1. Model where the state owned everything.

- (a) Restrictive (b) Capitalist
(c) Communistic (d) All of the above

2. The government of India followed a mixed economic path - a mix of policies borrowed from

- (a) Restrictive (b) Capitalist
(c) Communistic (d) Both (b) and (c)

3. A series of measures which were taken towards liberalizing foreign investment included:

- (a) Approval of FDI
(b) Permissions was granted to Non-Resident Indians (NRIS) and Overseas Corporate Bodies (OCBs) to invest
(c) Hike in the foreign equity participation limits to 51 per cent.
(d) All of the above

4. _____ Policies are concerned with regulation of national and foreign trade, business, safety measures, public utilities, etc.

- (a) Regulatory (b) Restrictive
(c) Capitalist (d) Distributive policies

5. Which are meant for specific segments of society. It can be in the area of public distribution to people below poverty line (BPL),

- (a) Regulatory (b) Restrictive
(c) Capitalist (d) Distributive policies

6. Government keeps hold of responsibility and private enterprise handles fully or partly the delivery of product and services.

- (a) Delegation (b) Divestment
(c) Displacement (d) Disinvestment

7. Government surrenders partial ownership and responsibility and sells the majority stake to one or more private entities in course of time.

- (a) Delegation (b) Divestment
(c) Displacement (d) Disinvestment

8. The private enterprise expands and gradually displaces entity. Deregulation facilitates privatisation if it enables private sector to challenge a government monopoly.

- (a) Delegation (b) Divestment
(c) Displacement (d) Disinvestment

9. Selling a portion of ownership (stake) in a public enterprise to private parties.

- (a) Delegation (b) Divestment
(c) Displacement (d) Disinvestment

10. Public policies are always

- (a) Goal oriented (b) Minutely defined
(c) Pro-rich (d) For the poor

11. OCB's mean

- (a) Overseas corporate bodies
(b) Ordnance Commission Bilateral Secretariat
(c) Overseas Civic Boards
(d) Overseas Commercial Bilateral Treaties

12. FEMA replaced FERA as legislation in:

- (a) 1991 (b) 1992
(c) 1999 (d) 2006

13. Decisions on annual financial spending, taxes and Duties and military spending are considered in:

- (a) Policies (b) Budget
(c) Goal setting (d) Long term planning process

14. The form of privatization where government keeps hold of responsibility and private enterprise handles the manage management of it fully partly is known as:

- (a) Disinvestment (b) Deregulation
(c) Delegation (d) Decentralization

15. SEBI, RBI and IRDA are:

- (a) Regulatory institutions (b) Policy institutions
(c) Satellite institutions (d) Goal setting bodies

16. Blackrock invested 30 million USDs as a portfolio investor in Indian stock market. This may be a case of:

- (a) FDI (b) FII investment
(c) Indirect investment (d) NRI investment

17. The method of FDI other than automatic route is called:

- (a) NRI route (b) Government route
(c) Institutional route (d) Priority route

18. _____ refers to taking off restriction in export and import of goods and services

- (a) Liberalization (b) Privatization
(c) Globalization (d) Both (A) and (b)

19. Which Ruler introduced the policy of peace and Harmony?

- (a) Chanakya (b) Ashoka
(c) Akbar (d) Alauddin Khilji

20. Public policy is guided by social, cultural religious and _____ factors.

- (a) Political (b) External
(c) Internal (d) None

21. The United State of American followed strong _____ of Govt.

- (a) Communication model (b) Capitalist model
(c) Mixed Model (d) None

22. FDI is prohibited in

- (a) Lottery Business (b) Gambling and Betting
(c) Nidhi Company (d) All of the above

23. Public process are of how many types

- (a) Restrictive (b) Regulatory
(c) Facilitating (d) All of the above

24. _____ curtail all benefits in some particular issue. For example, custom duties may be imposed to protect Indian products.

- (a) Restrictive (b) Regulatory
(c) Facilitating (d) All of the above

25. _____ practices regulate the activities of a particular sector of economy. The regulator checks deviations in set practices

- (a) Restrictive (b) Regulatory
(c) Facilitating (d) All of the above

26. _____ policies are the ones which facilitates an activity. The conducive policies towards the development of MSMEs (micro, small & medium enterprises) are an example of facilitating policy.

- (a) Restrictive (b) Regulatory
(c) Facilitating (d) All of the above

27. _____ Model of government with a strong private sector with individual ownership.

- (a) Restrictive (b) Capitalist
(c) Communication (d) All of the above

28. In case of NOCIL (National Organic Chemicals Industries Limited), the Reliance Industries Limited as a private enterprise expanded and gradually displaced the government entity. It was a case of:

- (a) Partial Disinvestment (b) Complete Privatization
(c) Delegation (d) Displacement

29. FDI in sectors/activities which do not require any prior approval either of the Government or the Reserve Bank of India is identified as:

- (a) Green Channel (b) Priority route
(c) Non-Commercial Route (d) Automatic Route

30. The method of FDI other than Automatic route is called:

- (a) NRI Route (b) Government Route
(c) Institutional Route (d) Priority Route

31. FIPB stands for:

- (a) Foreign Institutional Promotion Board (b) Foreign Institutional Preparatory Board
(c) Foreign Investment Priority Board (d) Foreign Investment Promotion Board

32. Identify the sector where, FDI is not permitted:

- (a) Automobile (b) Infrastructure
(c) Textile (d) Real Estate

33. Simplification of trade restrictions related to import is an example of:

- (a) Globalization (b) Privatization
(c) Disinvestment (d) Aggregation

34. Sale of 50% stake in a PSU to a single private sector company is an example of:

- (a) Displacement of stake (b) Decentralization of Authority
(c) Delegation of stake (d) Disinvestment to form a Joint Venture

35. Hyundai India Limited came to India through the FDI route. It followed the path of:

- (a) Divestment in Public Sector Unit (b) Joint Venture
(c) By creating a 100% Indian subsidiary (d) Replacement of a government sector business

36. FDI is allowed in:

- (a) Tea Plantation (b) Coconut Plantation
(c) Sugarcane Plantation (d) All of the above

37. After independence, India followed a:

- (a) Socialistic Path of Development (b) Commonwealth Model of Growth
(c) Mixed Economic Path (d) Capitalistic Model of Development

38. FDI Limit in Insurance Sector is -

- (a) 39% (b) 49%
(c) 29% (d) 59%

39. A _____ emanates from decision and decision is taken in line with _____.

- (a) Policy; Goal (b) Budget; Plan
(c) Plan; Budget (d) Goal; Plan

40. In case of Maruti-Suzuki, the Union Government surrendered partial ownership and sold the majority stake to Suzuki of Japan in course of time. This is a case of:

- (a) Partial Disinvestment (b) Displacement
(c) Delegation (d) Divestment

ANSWER KEY**TEST- (CHAPTER-4 GOVERNMENT POLICIES FOR BUSINESS GROWTH)**

1.	(c)	2.	(d)	3	(d)	4	(a)	5	(d)	6	(a)	7	(b)
8	(c)	9	(d)	10	(a)	11	(a)	12	(c)	13	(b)	14	(c)
15	(a)	16	(b)	17	(b)	18	(c)	19	(b)	20	(a)	21	(b)
22	(d)	23	(d)	24	(a)	25	(b)	26	(c)	27	(b)	28	(d)
29	(d)	30	(b)	31	(d)	32	(d)	33	(a)	34	(d)	35	(c)
36	(d)	37	(c)	38	(b)	39	(a)	40	(d)				