



BUSINESS STUDIES

BOOKS - SHREE RADHEY PUBLICATION

BUSINESS STUDIES (HINGLISH)

**PRIVATE , PUBLIC AND GLOBAL
ENTERPRISES**

Case Study

1. Indian Railway' is a part of Railway Ministry . It is organised and controlled by Railway Ministry . The finances are allocated from government treasury and what ever revenue it earns is deposited to government treasury only . It is treated as a part of government and even the appointment , recruitment and selection of employees is done in the same way as that of civil servant.

(a) Name the type of public sector enterprise railway is considered as .

(b) What is the status of employees working in

railways?

(c) How does it get its finance?

(d) What does it do with its revenue?



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2. With Enactment of LIC Act , 1956 , an autonomous body , Life Insurance Corporation of India was formed . The act defines its powers , duties and functions . It has a separate legal entity . It is fully owned by government . It has independent financial policy

and can raise funds by borrowing from public and government . however it is not subject to any budgetary accounting or audit control like Railways . It 's annual report is presented in parliament every year.

(a) Name the type of public sector enterprise referred in above case.

(b) Name the act under which it is formed.

(c) Name any other statutory corporation.

(d) State two features of statutory corporation mentioned above.



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3. Gas authority of India Ltd . (GAIL) is carrying on various projects of energy and power . Majority of its shares are held by government of India . It is registered under Companies Act , 1956 and enjoy all the characteristics of a company . The board of directors are appointed by the government . The Board and shareholders are responsible for the efficient working of the company . The company prepares its annual report and submit to appropriate authorities.

(a) Name the type of public sector enterprise

referred in above para.

(b) Government dusy shares in whose name ?

(c) Where does goverment companies submit their reports?



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4. Sony Ltd , is a leader in electronics . It is registered in a company and has its business operations in many countries of world . Its headquarter is in Japan (Tokyo).

To manage its branshes and subsidiaries in

different countries , the company employs trained and professional managers . they always make use of latest technology to remain leader in electronics.

(a) Name the type of enterprise mentioned in above case.

(b) State where the headquarter of sony is located.

(c) State two benefits of Sony mentioned in above para.



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5. In 2005 Mahindra & Mahindra had an agreement with Renault ,a French car manufacturing company to produce and commercialize Logan . It is a 51:49 partnership between Mahindra & Mahindra and Renault . The Logan plant at Nasik has a capacity to produce 50, 000 units per year . the main aim of the two companies t is to produce no - frills Logan car with classifying features at an aggressive price & launch them exclusively for Indian market . Renault wanted to increase the global car sales by 800, 000 by year 2009 & they believed that this figure

could be achieved by investing in Indian market . What kind of arrangement is between the two companies? Define it .



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6. To overcome the difficulties faced by public in transport system , the government of India started the METRO project in which the government involved private sector participation to get the benefits of efficiency of private sector . The project was great

success as lacs of people are enjoying the metro service to move from one place to other.

(a) State the type of enterprise mentioned in above last.

(b) Name the 'PPP' providing metro service in Delhi.

(c) Give any two features of PPP.



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[Exercise Multiple Choice Questions](#)

1. Which of the following Enterprise is formed as a part of government and does not has separate legal entity ?

A. (a) Public Corporation

B. (b) Government Company

C. (c) Departmental Undertaking

D. (d) Public Ltd . Company

Answer: c



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2. Partnership between any two firms is called as :

- A. (a) Joint Sector
- B. (b) Joint Venture
- C. (c) PPP
- D. (d) Partnership Firm

Answer: b



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3. Partnership between private sector firm and a public sector is called :

A. (a) Joint Venture

B. (b) PPP

C. (c) Partnership

D. (d) Public Corporation

Answer: b



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4. Which of the following enterprise formed by passing a special Act in Parliament?

A. (a) Departmental Undertaking

B. (b) Public Corporation

C. (c) Government Company

D. (d) Private Ltd . Company

Answer: b



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5. The government companies buy shares in whose name :

- A. (a) Prime Minister
- B. (b) President of India
- C. (c) Directors of Company
- D. (d) Registrars of company

Answer: b



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6. Public Ltd . Company comes under which sector:

A. (a) Private sector

B. (b) Public Sector

C. (c) Joint Sector

D. (d) PPP

Answer: b



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7. Which Ltd. Company comes under which sector :

A. Private Ltd . Company

B. Multinational

C. Public Sector Company

D. Joint Sector company

Answer: b



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8. When utmost secrecy is required which public sector enterprise is suitable?

A. (a) Public Corporation

B. (b) Government Company

C. (c) Departmental Undertaking

D. (d) PPP

Answer: c



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9. How powers and objectives of public corporation defined ?

A. (a) By Companies Act

B. (b) By Special Act

C. (c) By Partnership Act

D. (d) All of the above

Answer: b



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10. MGTRO' is which form of enterprise :

- A. Public Ltd . Company
- B. Private Ltd . Company
- C. Government Company
- D. PPP

Answer: d



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1. Name the organisation formed by passing a special Act.



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2. Name the organisation which is considered as a part of government only.



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3. Name the company formed as a result of partnership between two companies.



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4. Name the company in which at least 51 % shares are kept by government.



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5. Name the company which operates in more than one country.



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6. Give the classification of companies on the basis of ownership.



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7. What term is used for sale of shares to private/ public sector ?



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8. Give any two reasons to support public sector.



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9. Give example of an enterprise operating as departmental undertaking.



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10. Name the companies having Business operations in more than one country.



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11. Identify the association which exists between 'Maruti' company of India and Japanese Inc. 'Suzuki'.



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12. Identify the form of public sector enterprise in the following cases :

(a) It is under the control of concerned Minister of the Department.

(b) It enjoys maximum autonomy in all

management activities.

(c) LIC and Air india are the examples of this form of enterprise.

(d) Minimum 51 % of the paid up capital is held by the government.

(e) This enterprise is most suitable when national security is concerned.

(f) These enterprises are set up under a special Act of parliament.



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13. Where national security is concerned , which form of public enterprises is most suitable?



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14. Who defines the powers , functions , roles and regulations for a statutory corporation?



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15. How much percentage of shares must be held by government to call a company as government company?



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16. Name the three industries , which are reserved exclusively for public sector since 2001.



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17. Name two enterprises which are operating as department undertaking , public corporation and government company.



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18. Name the enterprise which is the result of partnership between two companies . Why do two companies join together to work as one enterprise?



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Case Studies And Hots

1. What motivates a host country to give entry to multinational companies?



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2. Name the organisation which is formed by passing a special Act of Parliament or State Legislature. Give the features of such enterprise.



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3. Multinational companies are mixed blessing to the developing countries " In the light of this statement explain the return of MNC.



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4. Can the public sector companies compete with private sector in terms of profit and efficiency? Given reasons for your answer.



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5. State any three situations wherein government company is the most suitable form of public sector organisation.



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6. Identify the type of public sector enterprises on the basis of the following clues about it , in each of the following cases and also give an example of the same in real life .

(a) It doesn ' t hold majority shareholding by

the community and neither does it accept any interference in audit and accounting from the government but at the same time enjoys high dividend distribution to its members in case of profits.

(b) It is a soul and heart of the government activities itself with parliamentary accountability.

(c) It has its own constitutional code of conduct and is registered under a special legislation passed by the parliament.



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7. On the basis of following pictures you are required to answer the following questions :

(a) Identify public enterprises to which following organizations belong.

(b) State at least two features for each form identified.



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8. Post and Telegraph Department is part of a Government Ministry . It is fully managed , controlled and financed by the concerned ministry . The annual budget of the ministry makes provision for the funds needed by the department . The ministry is answerable to the parliament for its functioning.

(i) Name the sector under which the post and Telegraph Department comes.

(ii) Name the kind of or organisation it is and also the concerned ministry.

(iii) How the kind of organization to which this

department belongs , is different from other organizations in the same sector ? Give any three differences between all the organisations in the sector.

(iv) How are the revenues of the department treated?



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9. Post and Telegraph Department and Engineers India Limited are two different kinds of public sector undertakings . According to

you how these two types of organisations differ on the basis of :

- (a) Management and Control
- (b) Availing business opportunities
- (c) Revenue sharing
- (d) CAG Audit
- (e) Appointment and status of employees



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Guidelines To Ncert Questions Multiple Choice Questions

1. A government company is any company in which the paid - up capital held the government is not less than

A. (a) 49 per cent

B. (b) 51 per cent

C. (c) 50 per cent

D. (d) 25 per cent

Answer: b



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2. Centralised control in MNCs implies control exercised by

- A. (a) Branches
- B. (b) Subsidiaries
- C. (c) Headquarters
- D. (d) Parliament

Answer: c



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3. PSEs are organisations owned by

A. (a) Joint Hindu Family

B. (b) Government

C. (c) Foreign companies

D. (d) Private entrepreneurs

Answer: b



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4. Reconstruction of sick public sector units is taken up by

A. (a) MOFA

B. (b) MOU

C. (c) BIFR

D. (d) NRF

Answer: c



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5. Disinvestment of PSEs implies

- A. (a) Sale of equity private sector / public
- B. (b) Closing down operations
- C. (c) Investing in new area
- D. (d) Buying shares of PSEs

Answer: a



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Short Answer Questions

1. Explain the concept of public sector and private sector.



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2. State the various types of organisation in the private sector.



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3. What are the different kinds of organisations that come under the public sector?



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4. List the names of some enterprises under the public sector and classify them.



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5. Why is the government company form of organisation preferred to other types in the public sector ?



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6. How does the government maintain a regional balance in the country?



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1. Describe the Industrial Policy 1991 , towards the public sector.



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2. What was the role of the public sector before 1991?



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3. Can the public sector companies compete with private sector in terms of profit and efficiency? Given reasons for your answer.



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4. Why are global enterprises considered superior to other business organisations ?



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5. What are the benefits of entering into joint ventures?



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Very Short Answer Type Questions

1. Define the term public enterprises.



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Test Yourself Very Short Answer Type Questions

1. Define a statutory corporation.



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2. State three objectives of public sector enterprises.



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3. Enumerate the forms of public sector enterprises.



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4. Give two examples of government company.



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5. Define global enterprise.



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6. State three features of multinational companies.



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7. Define joint venture.



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[Test Yourself Short Answer Type Questions](#)

1. Explain merits of departmental undertaking.



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2. Explain the meaning and features of public corporation.



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3. What precautions must be kept in mind while allowing a multinational company to

operate in your country?



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4. Distinguish between public sector and private sector enterprise.



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5. Explain the features of a government company.



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Test Yourself Long Answer Type Questions

1. Explain any four the difference between departmental undertakings and government company.



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2. Explain the characteristics of global enterprise.



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3. Explain the features of joint venture.



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4. Describe briefly the changing role of public sector.



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