



BUSINESS STUDIES

BOOKS - VK GLOBAL PUBLICATION

BUSINESS STUDIES (HINGLISH)

PUBLIC , PRIVATE AND

MULTINATIONAL COMPANY

Obective Type Qns

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

A. 48 percent

B. 51 percent

C. 50 percent

D. 25 percent

Answer: B



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2. PSEs are organisations owned by

A. Joint Hindu Family Business

B. Government

C. Foreign Companies

D. Private entrepreneurs

Answer: B



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3. A corporation established under a special law of Parliament

A. Statutory Corporation

B. Department undertaking

C. Government company

D. Multi-national Corporation

Answer: A



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4. Reserve Bank of India has been and setup as which type of public enterprise ?

- A. Statutory Corporation
- B. Departmental undertaking
- C. Government company
- D. Multi-national Corporation

Answer: A



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5. "Steel Authority of India Limited is a public enterprise". Identify this form of organising public enterprise.

- A. Statutory Corporation
- B. Departmental undertaking
- C. Government company
- D. Multi-national Corporation

Answer: C



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6. The oldest form of organisation of public enterprises

A. Statutory Corporation

B. Departmental undertaking

C. Government company

D. Multi-national Corporation

Answer: B



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7. Disinvestments of PSEs implies

A. Sale of equity shares of public

B. Investing in new areas

C. Buying shares of PSEs

D. Chlosing down private sector/public
operations

Answer: A



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8. Public enterpries are owned by the public.

True/False ? Give reason.



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9. A departmentally run enterprise enjoys corporate status. True/False ? Give reason.



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10. A statutory corporation is a body corporate. True/False ? Given reason.



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11. Reserve Bank of India (RBI) is an example of a Government company. True/False ? Give reason.



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12. A government company enjoys maximum autonomy. True/False ? Give reason.



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13. The government provides funds to departmental undertaking. True/False ? Give reason.



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14. Who heads the departmental undertakings ?



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15. Why are departmental undertaking accountable to the ministry ?



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



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17. Why is there red tapism in day-to-day operations of a departmental undertaking?



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18. Name the organisation of formed by passing a Special Act of the Parliament.



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



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20. In whose name the shares of a government company are purchased ?



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



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22. Name the organisation which is formed by passing a special Act of Parliament of state Legislature.



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Undertaking Applying Analysing Evaluating And Crating Based Question With Answer

1. One upon a time a round of Election to the five Legislative Assemblies of the country was in progress. The different political parties were

putting in the best of their efforts to entice the people elections in these states. One of the political parties made a promise that if they came into power, they would set up such public sector enterprises in the states which will have the partnership of both the public and the government. However in these enterprises, the ownership of the government shall not be less than 51 % . The setting up of these enterprises is done as per the provisions of the Indian Companies Act, 2013. The financing of these enterprises is done jointly by both, the people and the government. The

second political party promised that if they came into power, they would set up such public sector enterprises which will be completely under the ownership of the government. The burden of financing them will not be put on the shoulders of the people, but they will be managed with the general budget. The third political party, which was contesting the elections for the first time, promised that on coming into power they will be no bar to get loan from the people to set up them. They will be set up as per the special Act passed by the Parliament or the State Legislative

Assembly.

On the basis of the above para, Identify the type of public sector enterprises to be set up as being promised by the three political particles. Also state any two merits of each of them



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2. Indian Railways' is a part of Railways Ministry. It is organised , financed and controlled by Railway Ministry. The finances

are allocated from government treasury and whatever 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.



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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 the

government of India. It was registered under the previous Companies Act. It enjoys 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 the appropriate authorities.

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

(b) In whose name does the government buy shares ?

(c) State any three features of the type of

public sector enterprise identified in part (a) other than shareholders. It is also permitted to raise funds from the capital market.



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Objective Type Qns

1. Centralised control in *MNCs* implies control exercised by

A. Branches

B. Subsidiaries

C. Headquarters

D. Parliament

Answer: C



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2. The equity-based joint venture does not include

A. Cooperative development

B. Company

C. Partnership

D. Limited liability partnership

Answer: A



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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 which operates in more than one country.



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5. What is that enterprise called in which a project or service is financed and operated through a partnership of government and private enterprises ?



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6. Which enterprise is formed when two or more firms join together for a common purpose and mutual benefits ?



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3 2 Undertaking Applying Analysing Evaluating And Creating Based Question With Answer

1. Amko Ltd. An American company is manufacturing a high quality products, which is very popular in America. The company is

searching for the possibilities of exporting its product to foreign countries. After a thorough search on the internet it arrived at the conclusion that India. Now the company is looking for such a company which is already established in India. Now the company names 'Surya Ltd.' which was facing severe financial constraints, but it had a very strong distribution system. Amko Ltd. negotiated with Surya Ltd, and both the companies made an agreement to jointly run their businesses. In this way the American company, with the help of Surya Ltd., got a good experience of

entering the foreign markets.

(a) Identify the tupe of business enterprise formed by merging Surya Ltd. with Amko Ltd.

(b) State any four features of such a business enterprise.



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2. Max Ltd., a foreign company , started its business in a under-developed contry. The size of the business is quite large. The company hs plenty of resources. It employs thousands of

people in the under-developed country. The raw materials used by the company are readily available here. However, since there was not demand for these raw materials here, the producers were unable to get the best price for it. Due to this reason, the producers were discouraged. Some local businessmen used to act arbitrarily earlier, but now they have corrected themselves. The reason for their becoming better is competition with the foreign company. Now their arbitrary approach has ended altogether. Max Ltd. is using completely the latest technology in its

various business activities. As a result, the local people also have got the opportunity to learn the new technology. Because of using the modern technology and doing production at a large scale, the company's cost of production is very low. Because of its huge size and status, the company occupied a dominant position in the market and took over some domestic firms.

(a) Which type of business enterprise is referred to in the above para ?

(b) State any three features of the enterprise

identified in (a) by quoting the lines from the above para.



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3. The Government planned to begin a Road Project. The Government needed management specialists and financial help to complete it. The Government contacted the private sector to fulfil this requirement. Now, this project enterprise and state its importance.



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Over To You

1. Differentiate between private sector and public sector enterprises.



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



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3. What do you understand by departmental undertaking ? Give any four examples of departmental undertaking in India.

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4. What do you understand by statutory corporations ? Give any four examples of statutory corporations in India.

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5. What do you understand by Government company ? Given any four examples of Government companies in india.

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6. Name the form of organising public enterprises funded directly from the Government Treasury . State its three merits.

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7. What are the benefits available to government company ?



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8. Name the enterprise which is the result of partnership between companies. Why do companies join together to work as one enterprise ? Give three reasons.



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9. Name the enterprise that operates in several countries . Explain their characteristics.



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10. Explain briefly the following feature of a multinational company :

(a) Huge capital resources

(b) Foreign collaboration

(c) Expansion of market territory



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11. Explain the meaning and four features of department undertakings as a form of public sector enterprise.



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12. Explain any three merits as well as three limitations of a departmental undertaking.



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13. Explain the meaning and any five features of a statutory corporation.



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14. Explain any three merits as well as limitations of a statutory corporation.



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15. Explain the meaning and any five features of a government company.



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16. Explain any three merits as well as three limitations of a government company.



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17. Name the form of public sector enterprises that is constituted as an autonomous unit by an Act of Parliament. Explain any five features of such an organisation.



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18. Identify following enterprises to which form of public enterprises they are related and also write 20 words for each.

(a) Indian Railways

(b) Reserve Bank of India

(c) Bharat Heavy Electricals Ltd.



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19. What is Public Private Partnership ? Explain its features.



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