

Multiple Choice Questions

1. A commercial, industrial or professional activity undertaken by an individual or a group, e.g. the purchase and sale of goods, providing services etc. in an attempt to make a profit is called
 - (a) Budget
 - (b) Business
 - (c) Hospital
 - (d) Education
2. may refer to a particular area of economic activity, such as the real estate business, computer business, poultry, farming, telecommunication, shipping tours and travels etc.
 - (a) Agriculture
 - (b) Business
 - (c) Balance Sheet
 - (d) Budget
3. Privately owned business have one of their main objectives as the generation of
 - (a) Equality
 - (b) Loss
 - (c) Profit
 - (d) Service the society/nation
4. State owned or Co-operatives business have one of their main objectives as the generation of
 - (a) Loss
 - (b) Profit
 - (c) Service the society/nation
 - (d) None
5. The output of the sector may be information, service, attention, advice, experiences, discussion and the like.
 - (a) Service
 - (b) Manufacturing
 - (c) Engineering
 - (d) Trade
6. is the process of transformation of a regional phenomenon into global one.
 - (a) Organisation
 - (b) Privatisation
 - (c) Globalisation
 - (d) Liberalisation
7. Examples of service sector include
 - (i) news media, hospitality industry, consulting
 - (ii) legal practice, healthcare, waste disposal
 - (iii) real estate, personal services, business services
 - (iv) house decorators, entertainers
 - (a) Only (i)
 - (b) (i) and (ii)
 - (c) (ii) and (iv)
 - (d) All of above
8. make products, from raw materials or component parts, which they then sell at a profit.
 - (a) Service Providers
 - (b) Manufacturers
 - (c) Traders
 - (d) None
9. Following is not advantage of globalization.
 - (a) Increased competition
 - (b) Huge amount of foreign investment
 - (c) Access advanced technology
 - (d) Access to external financing

10. act as middle men in getting goods produced by manufacturers to the consumer.
- (a) Service Providers (b) Manufacturers
(c) Traders (d) All
11. is also called as commerce.
- (a) Trade (b) Service
(c) Manufacturing (d) Economics
12. Manufacturing sector contributes of India's GDP.
- (a) 5% (b) 30%
(c) 15% (d) 25%
13. make profit in the form of commission.
- (a) Service Providers (b) Manufacturers
(c) Traders (d) All
14. India is the largest market in the world for
- (a) Cars (b) Three wheelers
(c) Heavy vehicles (d) Public travels
15. is a willing exchange of goods.
- (a) Service (b) Trade
(c) Manufacturing (d) Both (a) and (b)
16. Globalisation leads to
- (a) clean environment (b) reduce competition
(c) increased terrorism (d) none of the above
17. The various industrial sectors are: Engineering, Process, Textile, Chemical, Agro, IT, Banking, Insurance, Retail, Hospitality and Health Care.
- (a) True (b) False
18. Annual growth of approximate is recorded in last Five Years by service industry.
- (a) 10% (b) 30%
(c) 20% (d) 5%
19. industry primarily deals with the design, manufacture and operation of structures, machines or devices.
- (a) Engineering Industry (b) Process Industry
(c) Hospitality Industry (d) Health Care Industry
20. LPG policy stands for
- (a) Localisation, Privatidation and Globalisation Policy
(b) Liberalisation, Privatisation and Globalisation Policy
(c) Liberalisation, Privatisation and Government Policy
(d) Liberalisation, Privatisation and Generalisation Policy
21. industry primarily comprises sectors like civil, electrical, electronics and aeronautical.
- (a) Engineering Industry (b) Process Industry
(c) Textile Industry (d) Chemical Industry

22. industry refers to manufacturing that is associated with formulas and manufacturing recipes.
- (a) Engineering Industry (b) Process Industry
(c) Textile Industry (d) Insurance Industry
23. Which is not the challenge in front of cement industry?
- (a) Power cuts (b) Less market size
(c) Tight policies of government (d) Shortage of coal
24. In the industry fibre is converted into yarn, then fabric, then textiles.
- (a) Textile Industry (b) Chemical Industry
(c) Hospitality Industry (d) Health Care Industry
25. Indian textile industry currently generates employment to more than 3.5 crore people.
- (a) True (b) False
26. Which is the advantage of globalization?
- (a) Increased competition (b) Imported culture
(c) Increased pollution (d) None of the above
27. Investment is the challenge in front of Automobile industry.
- (a) True (b) False
28. Engineering industries output consists of polymers and plastics.
- (a) True (b) False
29. Mechanism that allows trade is called as
- (a) Government (b) Finance department
(c) Industry (d) Market
30. Which of the following is advantage of globalization?
- (a) Increased International Co-operation
(b) Better access to external financing
(c) Threat of terrorism
(d) Both (a) and (b)
31. Following is not the strength of textile industry.
- (a) Cheap workforce (b) Demand is continuous
(c) Import of raw material (d) Huge capacity of production
32. Pickles, papad, basket making are products of
- (a) Chemical Industry (b) Agro Industry
(c) IT Industry (d) Banking Industry
33. industry helps in processing agricultural products such as crops, livestock and fisheries and converting them to edible and other usable forms.
- (a) Textile Industry (b) Chemical Industry
(c) Agro Industry (d) IT Industry
34. Following are the challenges in front of paper industry. Which one is wrong?
- (a) Availability of labour (b) Heavy set-up cost
(c) Tough competition (d) Inadequate quality of raw material

35. Following is not the chemical industry.
- (a) Polymer (b) Petrochemical
(c) Paints (d) Sugar
36. Industries associated with are computer hardware, software, electronics, semiconductors, internet, telecom equipment and e-commerce.
- (a) IT Industry (b) Banking Industry
(c) Insurance Industry (d) Retail Industry
37. has transformed India's image on the global platform, and also fuelled economic growth by energizing the higher education sector especially in engineering and computer.
- (a) Chemical Industry (b) Agro Industry
(c) IT Industry (d) Banking Industry
38. is the business activity of accepting and safeguarding money owned by other individuals and entities.
- (a) Agro (b) IT
(c) Banking (d) Insurance
39. There are two types of banks: commercial/retail banks and investment bank.
- (a) True (b) False
40. SEZ means
- (a) Special Export Zones (b) Special Economic Zones
(c) State Economic Zones (d) Special Engineering Zones
41. Banks are regulated by
- (a) SBI (b) RBI
(c) CBI (d) FBI
42. Punjab National Bank is a
- (a) Public sector bank (b) Private sector bank
(c) Foreign bank (d) Co-operative bank
43. HDFC Bank is a
- (a) Public sector bank (b) Private sector bank
(c) Foreign bank (d) Co-operative bank
44. HSBC is a
- (a) Public sector bank (b) Private sector bank
(c) Foreign bank (d) Co-operative bank
45. is a promise of compensation for specific potential future losses in exchange for a periodic payment.
- (a) Process (b) Chemical
(c) Banking (d) Insurance
46. Principle of involves collecting funds from many insured entities to pay for the losses that some may incur.
- (a) Chemical (b) Banking
(c) Insurance (d) Hospitality

47. Following is not associated with insurance.
- (a) Bajaj Allianz (b) Max Life
(c) LIC (d) ICC
48. policies cover the cost of medical treatments.
- (a) Health insurance (b) Dental insurance
(c) Crime insurance (d) Life insurance
49. protects policyholders for dental costs.
- (a) Health insurance (b) Dental insurance
(c) Disability insurance (d) Crime insurance
50. policies provide financial support in the event of the policyholder becoming unable to work because of disabling illness or injury.
- (a) Auto insurance (b) Health insurance
(c) Dental insurance (d) Disability insurance
51. covers the policyholder against losses arising from the criminal acts of third parties. For example, theft.
- (a) Disability insurance (b) Crime insurance
(c) Life insurance (d) Property insurance
52. provides a monetary benefit to the family of dead person or other designated beneficiary. It may also provide for burial, funeral and other final expenses.
- (a) Health insurance (b) Dental insurance
(c) Life insurance (d) Property insurance
53. provides protection against risks to property, such as fire, theft or weather damage.
- (a) Crime insurance (b) Property insurance
(c) Crop insurance (d) Earthquake insurance
54. protects against property loss due to flooding.
- (a) Flood insurance (b) Life insurance
(c) Property insurance (d) Boiler insurance
55. provides coverage for damage or destruction of the policyholder's home.
- (a) Crime insurance (b) Life insurance
(c) Property insurance (d) Home insurance
56. is the sale of goods and services to the enduser.
- (a) Banking (b) Insurance
(c) Retail (d) Hospitality
57. is the relationship between the guest and the host.
- (a) IT (b) Banking
(c) Insurance (d) Hospitality
58. The income of mostly depends on the availability of leisure time and disposable income.
- (a) Agro Industry (b) Insurance Industry
(c) Hospitality Industry (d) Health Care Industry

59. means maintaining and restoration of health by the treatment and prevention of disease by trained and licensed professionals.
- (a) Insurance (b) Healthcare
(c) Retail (d) Hospitality
60. is the fastest growing sector in India now-a-days.
- (a) Agriculture (b) Fishing
(c) Service (d) Manufacturing
61. WTO stands for
- (a) World Tariff Organisation (b) World Trade Organisation
(c) World Tourism Organisation (d) Wild Trade Organisation
62. Globalization is generally used to refer to economic globalization.
- (a) True (b) False
63. Which of the following is wrong?
- (a) The barriers to international trade are lowered through globalization
(b) Globalization refers to economic globalization
(c) Globalization is a process by which people of entire world are united
(d) Globalization reduces competition
64. Following is not advantage of globalization.
- (a) Greater international travel and tourism
(b) Access to advanced technology
(c) Access to external finance
(d) Consumers prefer foreign goods
65. Following is not advantage of globalization.
- (a) Imported culture may be a danger to an Indian culture
(b) Increased information flow
(c) Access to advanced technology
(d) Access to external financing
66. Which of the following is not correct?
- (a) Globalization reduces access to advance technology
(b) Globalization increases competition
(c) Globalization can help in tackling cross boundary terrorism
(d) Globalization gives better access to external financing
67. Which of the following is correct?
- (a) Global market calls for improved productivity and increased competition
(b) Globalization is a regional phenomenon
(c) Globalization refers to privatization
(d) Globalization reduces tourism

68. Which of the following is correct?
 (a) Globalization is the need of hour
 (b) Globalization helps Indian companies acquiring companies else where in the world
 (c) Globalization helps in access to advance technology
 (d) All of the above
69. GATT stands for
- (a) General Agreement on Tariff and Trade
 (b) General Access to Tariff and Trade
 (c) Great Access to Tariff and Trade
 (d) General Agreement on Tourism and Trade
70. Globalization increases
- (a) Competition (b) Foreign investment
 (c) Access to better quality goods (d) All of the above

ANSWER KEY

1. (b)	2. (b)	3. (c)	4. (c)	5. (a)	6. (c)	7. (d)	8. (b)	9. (a)	10. (c)
11. (a)	12. (c)	13. (c)	14. (b)	15. (b)	16. (d)	17. (a)	18. (b)	19. (a)	20. (b)
21. (a)	22. (b)	23. (b)	24. (a)	25. (a)	26. (d)	27. (b)	28. (b)	29. (d)	30. (d)
31. (c)	32. (b)	33. (c)	34. (a)	35. (d)	36. (a)	37. (c)	38. (c)	39. (a)	40. (b)
41. (b)	42. (a)	43. (b)	44. (c)	45. (d)	46. (c)	47. (d)	48. (a)	49. (b)	50. (d)
51. (b)	52. (c)	53. (b)	54. (a)	55. (d)	56. (c)	57. (d)	58. (c)	59. (b)	60. (c)
61. (b)	62. (a)	63. (d)	64. (d)	65. (a)	66. (a)	67. (a)	68. (d)	69. (a)	70. (d)
