



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/MMA/SEM-2/MMA-202/2013  
2013**

**BUSINESS ENVIRONMENT**

**( Retail, Primary & Secondary Markets )**

Time Allotted : 3 Hours

Full Marks : 70

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

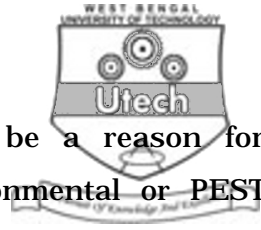
**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

- i) Which of the following accurately summarises the main forces affecting organisations ?
  - a) External stakeholders, management and staff
  - b) Government, competitors and consumers
  - c) Existing and potential competitors, suppliers, customers and substitute products or service
  - d) General environmental factors, competitive forces, factors internal to the organisation and the interests of stakeholders.



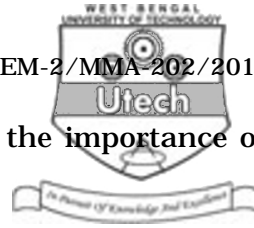
- ii) Which of the following would *not* be a reason for management carrying out an environmental or PEST analysis ?
- a) To identify all potential influences on the future of the organization
  - b) To consider how organisational strategy should take account of changes in the outside world
  - c) To determine the external factors most likely to impact upon the organization
  - d) To determine environmentally responsible business practices.
- iii) According to Porter, which group of forces together determine the level of competitiveness and profitability in an industry ?
- a) Existing and potential competitors, customers and suppliers, plus the availability of substitute products or services
  - b) Stakeholders, senior management, major competitors and customers
  - c) Existing and potential competitors, government regulators, buyers and suppliers
  - d) Supplier cartels, dominant buyers and other powerful stakeholders.



- iv) Which of the following would *not* help a firm to improve its competitive position ?
- a) Gaining sole rights to the extraction of key raw materials
  - b) Reducing its scale of production
  - c) Developing good relationships with its suppliers
  - d) Building a strong brand.
- v) Which of the following would *not* typically characterise a highly competitive industry ?
- a) Little scope for differentiation between firms, products and customers can switch easily between suppliers
  - b) Many firms but one has preferential access to distribution channels, substitute products under development but not yet widely available
  - c) Many firms, but none has dominant share
  - d) Several firms in an industry, with high fixed costs of production, creating pressure to use capacity, substitute products available.



- vi) Which of the following firms is likely to operate in the least complex environment ?
- a) A firm manufacturing components for the global consumer electronics industry
  - b) A firm specialising in selling domestic properties in South Kolkata
  - c) A firm engaged directly in the production, distribution and sale of fashion garments
  - d) A firm exporting fresh produce to more than 50 countries across the world.
- vii) In large organisations, which of the following groups is least likely to have a role in environmental analysis and strategic planning ?
- a) Individual Product or Market Divisions
  - b) Corporate Planning Departments
  - c) Corporate Communications Departments
  - d) Strategic business units.
- viii) Liberalisation means
- a) Integration among economies
  - b) Reduced government controls and restrictions
  - c) policy of planned disinvestment
  - d) none of these.



- ix) Which of the following best indicates the importance of business environment ?
- a) Identification
  - b) Improvement in performance
  - c) Coping with rapid changes
  - d) All of these.
- x) Which of the following does *not* characterise the business environment ?
- a) Uncertainty
  - b) Employees
  - c) Relativity
  - d) Complexity.
- xi) Which one does *not* explain the impact of Government policy on industry ?
- a) More demanding customers
  - b) Increasing competition
  - c) Change in agricultural prices
  - d) Market Orientation.
- xii) Which of the following is an example of social environment ?
- a) Money supply in the economy
  - b) Consumer Protection Act
  - c) The Constitution of the Country
  - d) Composition of family.



**GROUP – B**

**( Short Answer Type Questions )**

Answer any *three* of the following.  $3 \times 5 = 15$

2. List the main objectives and functions of SEBI.
3. Define new issue market. How is it linked to the secondary market ?
4. What is insider trading ? List some of the steps taken by SEBI to prevent it.
5. Mention the procedure for the listing of shares by a company.
6. Briefly explain the various stages of a retail life cycle.
7. List the various factors that must be considered while choosing a retail location.
8. Differentiate between fixed price process and book building process of IPO price determination.
9. What do you understand by private placement of securities ? Explain.

**GROUP – C**

**( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

10. What do you understand by SWOT analysis ? Give an example.  $9 + 6$
11. What is competitive analysis ? Briefly explain the nine forces of industry analysis.  $6 + 9$



12. Write down the functions of the lead manager, registrar and underwriters to the issue in an IPO.
  13. Explain the main issues affecting entrepreneurship and small scale businesses in general.
  14. What do you understand by business opportunity ? List the process of business identification and selection. 6 + 9
  15. What do you understand by green marketing ? List and briefly explain the 4 P's of green marketing. Is green marketing the same as green-washing ? 6 + 6 + 3
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