

QUICK DRILL · CBSE CLASS 12

Business Environment

Business Studies · Chapter 3 · 15 MCQs · 20 minutes · PYQ-tagged with time budgets

DATE	TOTAL MARKS	DURATION	MARKING	TARGET
_____	15	20 min	+1 / 0	≥ 12/15

OBJECTIVES

Reinforce the four core topics of Business Environment via 15 PYQ-derived MCQs. Identify weak sub-topics via concept-node IDs (see answer key). Build per-question time budget habit.

INSTRUCTIONS

Attempt all 15. Time budget shown per Q (use it as pacing guide). Mark answers (A/B/C/D) in the margin. Answer key + explanations on the last page. **Don't peek — score yourself honestly.**

SECTION · QUICK DRILL

Q 1-15 · 20 MIN

Q1. Business environment refers to:

- (A) Internal resources of a firm
 - (C) Only the legal rules a firm follows
- PYQ 2018 · Delhi · 1m · 30s

- (B) Sum total of external forces beyond a firm's control
- (D) The firm's employees and machinery

Q2. Which is NOT a feature of business environment?

- (A) Totality of external forces
 - (C) Inter-relatedness
- PYQ 2019 · All India · 1m · 30s

- (B) Dynamic nature
- (D) Fully predictable

Q3. Customers, competitors and suppliers form the:

- (A) General environment
 - (C) Specific (micro) environment
- PYQ 2022 · Delhi · 1m · 30s

- (B) Internal environment
- (D) Legal environment

Q4. A change in interest rates by the RBI belongs to which dimension?

- (A) Social
 - (C) Technological
- PYQ 2020 · Delhi · 1m · 30s

- (B) Economic
- (D) Political

Q5. Rising health awareness increasing demand for organic food is a force of the:

- (A) Economic dimension
 - (C) Social dimension
- PYQ 2023 · Delhi · 1m · 30s

- (B) Technological dimension
- (D) Legal dimension

Q6. The Companies Act and Consumer Protection Act are part of the:

- (A) Political dimension
 - (C) Economic dimension
- PYQ 2018 · All India · 1m · 25s

- (B) Legal dimension
- (D) Social dimension

Q7. The first-mover advantage is gained by a firm that uses the environment to:

- (A) Identify threats only
 - (C) Avoid all change
- PYQ 2022 · All India · 1m · 30s

- (B) Identify opportunities early
- (D) Reduce its workforce

Q8. NEP 1991 stands for which three pillars?

- (A) Licensing, Permits, Quotas
 - (C) Liberty, Profit, Growth
- PYQ 2019 · Delhi · 1m · 25s

- (B) Liberalisation, Privatisation, Globalisation
- (D) Loans, Pensions, Grants

Q9. 'Greater role of the private sector + disinvestment in PSUs' best describes:

- (A) Liberalisation
 - (C) Globalisation
- PYQ 2021 · Delhi · 1m · 30s

- (B) Privatisation
- (D) Demonetisation

Q10. Which is an impact of the 1991 NEP on Indian business?

- (A) Reduced competition (B) Loss of budgetary support to the public sector
(C) Ban on private firms (D) End of foreign trade

PYQ 2020 · All India · 1m · 30s

Q11. The shift from 'sell what is produced' to 'produce what the market demands' is called:

- (A) Privatisation (B) Market orientation
(C) Liberalisation (D) Globalisation

PYQ 2022 · Outside Delhi · 1m · 30s

Q12. Demonetisation in November 2016 primarily aimed to:

- (A) Increase the supply of cash (B) Curb black money and push a cashless economy
(C) Privatised banks (D) Raise import duties

PYQ 2023 · All India · 1m · 30s

Q13. The forces of the business environment being closely connected so that a change in one affects others is its:

- (A) Relativity (B) Inter-relatedness
(C) Uncertainty (D) Complexity

PYQ 2022 · Delhi · 1m · 30s

Q14. UPI and e-commerce changing how retailers sell is a force of the:

- (A) Economic dimension (B) Technological dimension
(C) Political dimension (D) Social dimension

PYQ 2020 · Outside Delhi · 1m · 25s

Q15. The business environment is best described as a source of:

- (A) Only threats (B) Only opportunities
(C) Both opportunities and threats (D) Neither

PYQ 2024 · Delhi · 1m · 25s

ANSWER KEY & EXPLANATIONS

Q 1-15 · MARK YOUR SCORE

Q1. Answer: B

External + beyond control + affects performance.

Q2. Answer: D

The environment is UNCERTAIN, not fully predictable.

Q3. Answer: C

Specific/micro forces affect a particular firm directly.

Q4. Answer: B

Interest rates are part of the economic dimension.

Q5. Answer: C

Customs, values and lifestyles are social forces.

Q6. Answer: B

Laws and regulations form the legal dimension.

Q7. Answer: B

Early opportunity identification yields first-mover advantage.

Q8. Answer: B

LPG = Liberalisation, Privatisation, Globalisation.

Q9. Answer: B

Privatisation = bigger private role + PSU disinvestment.

Q10. Answer: B

PSUs lost automatic budgetary support after 1991.

Q11. Answer: B

Market orientation is an impact of the 1991 reforms.

Q12. Answer: B

It curbed black money/fake currency and pushed digital payments.

Q13. Answer: B

Inter-relatedness — one change triggers others.

Q14. Answer: B

New methods/innovations form the technological dimension.

Q15. Answer: C

The same change can be an opportunity for one firm and a threat for another.