

CHAPTER-3

Very Short Answer Questions

1. What are the businesses which operate in more than one country known as?
2. Name the two sectors into which the Indian economy is divided.
3. Enumerate any two types of private sector enterprises.
4. List any two types of public sector enterprises.
5. Name the type of public sector enterprise which may come into existence by a special Act of parliament.
6. Identify the type of public sector enterprises which do not have a separate legal entity and have not been constituted as autonomous or independent institutions.
7. What is the source of funding of a departmental undertaking?
8. Which form of public sector enterprise is most suitable where national security is concerned?
9. Name any one type of public sector enterprise whose employees are not government servants.
10. In whose name are the shares of a government company purchased?
11. Name the Act under which a government company is established.
12. Name any two main documents of a government company which contain the objects of the company and its rules and regulations.
13. Which sector was given lot of importance in the initial stages of development of the five year plans?
14. Name any type of public sector enterprises for whose establishment a separate act in Parliament is not required.
15. Name the types of joint ventures.
16. Name the type of joint venture in which a separate business entity jointly owned by two or more parties is formed in accordance with the agreement of the parties.
17. Name the type of joint venture which does not require creation of a new jointly owned entity.
18. Equity based joint venture entity may be in different forms of business organisation. Name any two of them.
19. Explain the term 'private sector'.
20. What is public sector?
21. What is a departmental undertaking?
22. What is a public corporation?
23. What is a government company?
24. Define the term joint venture.
25. What do you understand by public private partnership?

Short Answer Questions

1. Why is Indian economy known as a mixed economy? Explain in brief.
2. Briefly outline the various types of public sector enterprises.
3. Economic policy of 1991 was radically different from all earlier policies. Do you agree with the statement? Give reasons in support of your answer.

4. State the role played by public sector enterprises.
5. Railway and Post and Telegraph department are the prominent examples of this form of public sector enterprise. State any three features of the related public sector enterprise.
6. Red tapeism in day to day operations and lot of political interference through ministry are two main limitations of a departmental undertaking. State any three of its other limitations.
7. This form of public enterprises are considered to be most suitable where national security is concerned. What are the other three merits of this form of public sector enterprise?
8. 'Statutory corporations are set up under an act of parliament'. Explain.
9. 'The conditions of services of the employees of these enterprises are governed by the provision of the Act itself. Identify the form of business organisation and state its any three features.
10. A Statutory Corporation enjoys independence in its functioning and high degree of operational flexibility. State any three other merits of Statutory Corporations.
11. Statutory Corporation form of organisations suffer from several limitations. Discuss in brief any three of them.
12. The management of this form of business organisation is regulated by the provisions of Companies Act. State any four features of this form of business organisation.
13. What are the advantages enjoyed by a Government Company? State any four points.
14. Despite the economic importance given to a government company, it suffers from certain disadvantages. State briefly any three of them.
15. Write a short note on disinvestment.
16. Describe briefly the various types of joint ventures.
17. What is a Public Private Partnership Model? Also, state its key features.

Long Answer Questions

1. Distinguish between private sector and public sector.
2. 'Government's participation in business and economic sectors of the country need some kind of organisational framework to function'. Describe in brief the three forms of business organisations through which the government manifests itself in the economy.
3. Discuss Departmental Undertaking form of business organisation in the light of its relative merits and limitation.
4. This form of business organisation is created by the legislature with define powers and functions. Identify the related form of business organisation and state its features.
5. Discuss briefly the role was assigned to public sector at the time of independence.
6. Briefly outline the government policy towards public sector since 1991 by stating its main elements.
7. Describe in brief, the features of Global Enterprises.
8. Discuss the features of a joint venture.
9. Explain briefly the different types of joint ventures.
10. Distinguish between Departmental Undertaking, Statutory Corporation and Government Company.

11. 'The public private partnership model is considered to be instrumental in 'promoting economic growth of a country'. Explain.

Case Study Based Questions

- The Department of Posts (DOP), trading as India Post, is a government-operated postal system in India, which is part of the Ministry of Communications of the Government of India. It was formed on Pt October 1854,
 - Identify the type of public sector enterprise been described above.
 - State the role of Ministry of Communications of the Government of India with regard to working of the Department of Posts (DOP).
 - Describe any two features of this form of organisation other than the ones which have been mentioned in the given paragraph.
- Oil and Natural Gas Corporation (ONGC) is an Indian multinational oil and gas company in India. It is India's largest oil and gas exploration and production company. It produces around 70% of India's crude oil (equivalent to around 30% of the country's total demand) and around 62% of its natural gas.

ONGC was founded on 14 August 1956 by Government of India, which currently holds a 68.94% equity stake.

 - How will you categorise Oil and Natural Gas Corporation as a public sector enterprise?
 - State any four features of this form of organisation.
- The Life Insurance Corporation of India was founded in 1956 when the Parliament of India passed the Life Insurance of India Act that nationalised the private insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state owned Life Insurance Corporation.
 - What was the need to pass an Act for establishment of Life Insurance Corporation of India?
 - What does the Act define?
- The Food Corporation of India (FCI) was set up on 14 January 1965 having its first District Office at Thanjavur- rice bowl of Tamil Nadu- and headquarters at Chennai (The Headquarters later shifted to Delhi) under the Food Corporations Act 1964. Whereas, Air India is the flag carrier airline of India headquartered at New Delhi. It is owned by Air India Limited, a government-owned enterprise, and operates a fleet of Airbus and Boeing aircraft serving 94 domestic and international destinations. Air India is the largest international carrier out of India with an 18.6% market share. Over 60 international destinations are served by Air India across four continents. Distinguish between the two types of public enterprises being described above. (any four)
- Vistara airlines has come into existence through a collaboration between Tata Sons and Singapore Airlines (SIA). Tata Sons holds 51 % stake while Singapore Airlines (SIA) controls the remaining 49 % in the airline. The two stakeholders are investing in billions of US Dollars into Vistara to expand domestic operations, foray into international markets and expand its fleet of narrow-body and wide-body aircraft. It also holds the unique distinction of being the first airline to operate a domestic flight out of Terminal-2

from Mumbai's Chhatrapati Shivaji International Airport. Vistara is estimated to hold about four to five percent share of India's domestic aviation market.

- (a) Identify the approach to business being described in the above paragraph.
- (b) Also, state any five features of this way of operating business.

