

## EXERCISE

### OBJECTIVE TYPE QUESTIONS (OTQ's)/MULTIPLE CHOICE QUESTIONS (MCQ's)

[1 mark each]

1. In which condition Government company form of PSU is not suitable?
  - (a) When high degree of public accountability is required
  - (b) When flexibility of operations is required
  - (c) When goods and services are to be provided at reasonable prices
  - (d) When national security is concerned
2. Identify the type of organisation highlighted in the given statement :  
"It is a government service or private business venture which is operated through a collaboration of government and one or more private sector companies."
  - (a) Joint venture
  - (b) Government company
  - (c) Public private partnership
  - (d) Statutory corporation
3. Privatisation of public sector refers to
  - (a) Selling debentures of public sector to the private sector
  - (b) Selling shares of public sector to the private sector
  - (c) Employees are restricted to avail benefits of a public sector enterprise
  - (d) Public sector companies competing with private sector
4. Identify the false statement relating to departmental undertaking.
  - (a) Funding is directly from government
  - (b) Employees are government servants
  - (c) They have complete autonomy in decision-making
  - (d) They are accountable to ministry
5. Public Sector Enterprises (PSEs) consist of various organisations owned and managed by \_\_\_\_
  - (a) HUF
  - (b) Government
  - (c) Private Sector
  - (d) Foreign companies

6. Government decided to sell the shares in telecom department to private sector. This is an example of \_\_\_\_\_.
- (a) Disinvestment  
(c) Reconstruction  
(b) Memorandum of undertaking  
(d) Rehabilitation
7. Pick out the departmental undertaking from the following Public sector undertakings:
- (a) Shipping Corporation of India  
(c) Indian Railways  
(b) Reserve Bank of India  
(d) Life Insurance Corporation of India
8. Match Column 'A' with Column B and C. (1 mark each)

A	B	C
(i) Funding from the government	(a) Statutory corporations	(I) Foreign collaboration
(ii) Special Act	(b) Multinational corporations	(II) Employees are government servants
(iii) Centralised control	(c) Departmental undertakings	(III) Autonomous organisation

9. Which one of the following is NOT a public sector undertaking?
- (a) Departmental undertaking  
(c) Government companies  
(b) Partnership  
(d) Statutory corporation
10. Which one of the following is NOT a feature of departmental undertaking?
- (a) No functional autonomy  
(c) Separate legal entity  
(b) Accountability to concerned ministry  
(d) No financial autonomy
11. Departmental undertakings are suitable in case of \_\_\_\_\_.
- (a) Commercial undertakings  
(c) National security  
(b) Industrial undertakings  
(d) Infrastructural facilities
12. Which one of the following is a statutory corporation?
- (a) Food corporation of India  
(c) Chittranjan locomotive works  
(b) Hindustan machine tools  
(d) Steel authority of India
13. Which one of the following public sector undertakings is established by passing a special law under Parliament?
- (a) Partnership  
(c) Statutory corporation  
(b) Sole proprietorship  
(d) Departmental undertaking
14. Which one of the following DO NOT justify the objective of establishing public sector enterprises?
- (a) To achieve regional balance  
(b) To achieve economic growth  
(c) To achieve economies of scale  
(d) To achieve nuclear power development in the country
15. Reconstruction of sick public sector units is taken by \_\_\_\_\_.
- (a) FERA (Foreign Exchange Regulation Act)  
(b) MOU (Memorandum of Understanding)  
(c) BIFR (Board of Industrial and Financial Reconstruction)  
(d) IDBI (Industrial Development Bank of India)

16. When two business enterprises agree to join together for a common objective and mutual gain it gives rise to \_\_\_\_\_.

- (a) Partnership (b) Joint venture  
(c) Joint stock company (d) MNC

17. Which one of the following is an example of PPP?

- (a) Delhi Metro Railway Corporation (b) Maruti Suzuki  
(c) Tata Sky (d) Hero Honda

18. A company whose ownership and control vested in holding company is known as \_\_\_\_\_

- (a) Statutory corporation (b) Departmental undertakings  
(c) MNC (d) Government companies

19. Reserve Bank of India has been set up as which type of public enterprise?

- (a) Statutory corporation (b) Departmental undertakings  
(c) Government company (d) Multinational company

20. Steel Authority of India Limited is a public enterprise. Identify this form of public enterprise.

- (a) Statutory corporation (b) Multinational company  
(c) Government company (d) Departmental undertaking

21. The oldest form of organisation of public enterprises is

- (a) Statutory corporation (b) Departmental undertaking  
(c) Government company (d) Multinational company

22. State whether the following statements are 'True' or 'False':

(1 mark each)

- (i) The government provides funds to departmental undertakings.  
(ii) Reserve Bank of India (RBI) is an example of government company.  
(iii) Global enterprises are superior to other business organisation.  
(iv) Public sector enterprises are run for the profit motive.  
(v) Green Gas Ltd. is an example of joint venture.

23. State whether the following statements are 'True' or 'False':

(1 mark each)

- (i) Departmental undertaking is answerable to Parliament  
(ii) Indian post is an example of statutory corporation  
(iii) Government company is completely owned, managed and controlled by a government ministry.  
(iv) A departmentally run enterprise enjoys corporate status.  
(v) No Indian company carries on any operations outside India

24. Make the correct pairs from the following :

Departmental undertakings, Government company, Coal India Ltd., Indian Railways

Ans.

25. Correct the table given below, if there is mistake.

(1 mark each)

Features	Types of Business Organisation
(a) Formed by Special Act of Parliament.	Government company
(b) Funds received from the government Treasury as per budget.	Global enterprise

Ans