

Class XI

Business Studies Practice Sheet

Chapter 3 Public Private and Global Enterprises

Date 26/07/2023

Q 1. Life Insurance Corporation of India is the largest insurance company in India. It is headquartered in Mumbai. It was founded in the year 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. In the context of the above case:

- (a) Life Insurance Corporation of India is classified as which form of public sector enterprise?
- (b) Was it necessary for the Parliament of India to pass the Life Insurance of India Act for its formation? What does the Act define?
- (c) State any three merits of promoting the Life Insurance Corporation of India in a particular form of public sector enterprise as identified in part(a) of the question.

Q 2. How does the government maintain a regional balance in the country?

Q 3. Can the public sector companies compete with the private sector in terms of profits and efficiency? Give reasons for your answer

Q 4. State the meaning of public-private partnership. Also, state its 3 features.

Q 5. India's telecommunication network is the second largest in the world by number of telephone users and has one of the lowest call-tariffs in the world. Major sectors of the Indian telecommunication industry are telephone, internet and television broadcast.

Indian telecom industry underwent a high pace of market liberalisation and growth since the 1990s and now has become the world's most competitive and one of the fastest growing telecom markets. Moreover, telecommunication has supported the socio-economic development of India and has played a significant role to narrow down the rural-urban digital divide to some extent. It has also helped to increase the transparency of governance with the introduction of e-governance in India. The government has pragmatically used modern telecommunication facilities to deliver mass education programmes for the rural folk of India. In the context of the above case:

- (a) Why was telecommunication sector reserved for public sector at the time of independence?
- (b) Why was telecommunication sector privatised later on?
- (c) Do you think the consumers have been benefitted through privatisation of telecommunication sector?
- (d) List any two values that the telecommunication sector has propagated through its working.

Q 6. Over the years India is plagued by its inefficient and ineffective public sector. 254 Public sector units (PSU) incurred heavy losses. The government of India is slowly divesting from PSUs. Recently, the government gave in-principle approval to a proposal by the aviation ministry for the divestment of the loss-making Air India.

In the context of the above case:

- (a) Outline the concept of disinvestment.
- (b) Explain briefly any three objectives of privatisation.

Q 7. What do you mean by Government Company? Discuss its various features, merits and limitation?

Q 8. The Rajiv Gandhi Super-specialty Hospital in Raichur Karnataka is a venture of the Government of Karnataka and the Apollo Hospitals Group (Private Enterprise), with financial support from OPEC (Organisation of Petroleum Exporting Countries). The basic reason for establishing the partnership was to give super-speciality health care at a low cost to the people Below Poverty Line. The Govt. of Karnataka has provided the land, hospital building and staff quarters as well as roads, power, water and infrastructure. Apollo provided fully qualified, experienced and competent medical facilities for operating the hospital. Identify the form of enterprise.

Q 9. What was the role of the public sector before 1991?

Q 10. Explain the characteristics of Joint venture?

Q 11. Max Ltd, a foreign company, started its business in a underdeveloped country. The size of the business is quite large. The company has plenty of resources. It employs thousands of people in the underdeveloped country. The raw materials used by the company are readily available here. However, since there was no demand for these raw materials here, the producers were unable to get the best price for it. Due to this reason, the producers were discouraged. Some local businessmen used to act arbitrarily earlier, but now they have corrected themselves. The reason for their becoming better is competition with the foreign company. Now their arbitrary approach has ended altogether. Max Ltd. is using completely the latest technology in its various business activities. As a result, the local people also have got the opportunity to learn new technology. Because of using modern technology and doing production at a large scale, the company's cost of production is very low. Because of its huge size and status, the company occupied a dominant position in the market and took over some domestic firms.

- (a) Which type of business enterprise is referred to in the above para?
- (b) State any three features of the enterprise identified in (a) by quoting the lines from the above para.