

Test - OCM

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Q.1 - - - - ?

- 1) MNCs are powerful economical entities.
- 2) A statutory corporation is answerable to parliament or state assembly whosoever create it.
- 3) In government company minimum 51% paid up capital is held by government.
- 4) The shares of government company are purchased in the name of president of India.
- 5) A statutory corporation is an autonomous corporate body created by the special act of parliament.

Q.2 - - - - ?

- 1) Private sector aims at providing reliable services to customers.
→ False.
- 2) In departmental organizations are ~~owned~~ by government. Flexibility in operations
→ False.

3) The oldest form of business organization under public sector
→ True.

3) Private sector organizations are owned by government.
→ True

4) Minister in charge of the ministry is the head of departmental organization.
→ True

5) Public sector was undertaken as a part of industrial policy in 1956.
→ True

Q 3. - - - ?

1) organizations which are owned by government
→ Public sector organisation

2) The sector which aim at profit maximization
→ Private sector

3) The oldest form of business organization under public sectors.
→ Departmental organisation

4) organizations which owned by individuals or group of individuals.
→ Private sector organisations

5) An organization which is answerable to the parliament or state assembly whosoever created it
→ Statutory Corporation

Q. 4. - - - ? (Any three)

1)
→

	Government Company	Multinational Corporations
1) Meaning	A company which is formed under the Indian Companies Act, 2013, in which the government owns at least 51% of the paid up share capital of the enterprise is called government company.	A company which has business offices in several other countries is called as multinational corporations.
2) Capital	A Government Company can raise 51% or more of the paid-up capital from government treasury and the rest is collected from private investors through issue of shares.	Multinational Corporation can raise very huge capital through the issue of shares and debentures, accepting public deposits, borrowing from international financial institutions.
3) Business activities	A Government Company carries out business activities in its home country in the key sector to compete with the private enterprises and to bring down monopoly of private sector.	A Multinational Corporation carries out business activities in several countries in different forms such as joint ventures, subsidiaries, branches etc.

4) Manage-ment

A Government Company is managed by board of directors appointed by government and the shareholders together.

A Multinational Company carries out business activities in several countries in different form such as joint ventures, subsidiaries, branches, etc.

5) Govern-ment Interference

Government interference is the maximum in government Company.

Multinational Company is subject to minimum interference of host government and foreign government.

6) Examples

Steel authority of India Ltd, Bharat heavy electrical Ltd, State trading Corporation of India Ltd etc

Unilever Ltd, Colgate Palmolive Ltd, Coca Cola, Pepsi, Sony, IBM, Micro soft, Infosys, etc.

2)

i) Government Company of which minimum 51% of paid up share is held by the central government or any state government or partly by central is known as government Company.

ii) The shares of the government company are purchased in the name of President or in the name of governor of state.

iii) In the government company there are mainly 3 features

① Separate legal entity.

• The government company is a legal entity separate from the government. Hence, it can enter into contracts in its own name.

② Own staff.

• A government company has its own staff except government officials who are sent on deputation. Its employees are not governed by civil services rules.

③ Majority of government directors

• In government company majority of the capital is held by the government.

50 in board of director maximum directors are appointed by government.

④ Registration under companies Act

- The government company is formed under the companies act 2013 and is subject to the provisions of the act, however central government may direct certain provisions to be applied with certain modification.

⑤ Free form procedural controls

- A government company is free from budgetary accounting and audit controls which are applicable to government undertaking.

iv) They all are the important feature of government company.

v) They all point are say different meaning - of or different feature of government company.

Q 4. - - - - ?

3) - - - ?

→

i) A statutory corporation is an autonomous corporate body created by the special Act of parliament or state legislature with defined powers, functions and duties.

ii) In the statutory corporation there are mainly 6 type of merits.
Merits means advantages of statutory corporation.

1) Quick decision

- A statutory corporation is relatively free from red tapism, as there is less file work and less formality to be completed before taking decision.

2) Initiative and Flexibility

- Operations and management of a statutory corporation is done independently without any governments interference, with its own initiative and effectiveness.

3) Efficient staff

- Statutory corporations can provide better facilities and effective regulation and attractive terms of services to secure efficient working from its employees.

④ Professional management

- Board of directors of statutory corporation consists of business experts and representatives of various group who are nominated by the government.

⑤ Administrative autonomy

- A statutory corporation is able to manage its affairs with independence and flexibility.

⑥ Easy to raise Capital

- These corporation can easily raise capital by floating bonds at a low rate of interest. These bonds are safe, investors feel comfortable in subscribing such bonds.

iii) These all are important merits of statutory Corporation.

iv) It remain always advantages in statutory Corporation.

v) In this points - show the statutory Corporation