



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet No: 1	Topic: PRIVATE, PUBLIC & GLOBAL ENTERPRISES

1. Private enterprises are those organizations partly owned by central or state government. State True or False

Ans: False

2. “Government Companies has a separate legal entity apart from the Government”. Do you agree?

Ans: Yes. They have separate legal entity.

3. Statutory Corporations are set up under an Act of Parliament and are governed by the provisions of the Act. State True or False

Ans: True

4. The funding of Departmental Undertaking come directly from the _____ and are an annual appropriation from the budget of the Government. The revenue earned by these is also paid into the _____.

Ans: Government Treasury

5. According to the section 2(45) of the Companies Act 2013, a government company means any company in which less than 51 per cent of the paid up capital is held by the central government, or by any state government or partly by Central government and partly by one or more State governments and includes a company which is a subsidiary of a government company.

Ans: False

6. The following enterprises are related to which form of public enterprises:

Ans:

- Indian Railway-Departmental undertaking
- Bharat Heavy Electrical Ltd-**Government company**
- Life Insurance Corporation-**Statutory Corporation**
- Reserve Bank of India-**Statutory Corporation**

7. In Statutory Corporations, Government has a practice of appointing advisors to the Corporation Board. This curbs the freedom of the corporation in entering into contracts and other decisions. If there is any disagreement, the matter is referred to the government for final decisions. This further delays action.

Ans: True

8. _____ form of organization is appropriate when it comes to national security and this form is most suitable since it is under the direct control and supervision of the concerned Ministry.

Ans: Departmental Undertakings

9. How is Red-Tapism a limitation for Departmental undertaking?

There is red tapism in day-to-day operations and no action can be taken unless it goes through the proper channels of authority;

10. Identify the type of enterprises and explain their classifications:

a. Consists of business owned by individuals or a group of individuals-

Ans: Private company

b. Consists of various organizations owned and managed by the government-

Ans: Public enterprise

11. This type of organization can be established by fulfilling the requirements of the Indian Companies Act. A separate Act in the Parliament is not required. Identify the type of organization.

A. Statutory Corporation

B. Government Company

- C. Public Enterprise
- D. Departmental Undertaking

12. Departmental Undertakings are usually insensitive to consumer needs and do not provide adequate services to them.

Ans: True

13. _____ consists of various organizations owned and managed by the government. These organizations may either be partly or wholly owned by the central or state government

Ans: Public Sector

14. Give two examples each for Departmental Undertaking, Statutory Corporation and Government Company.

Ans:

- Departmental undertaking-Railways, postal and telegraphs
- Statutory Corporation-State Bank of India, Unit trust of India
- Government Company-BHEL, Maruthi Udyog Ltd.

15. “These enterprises are established as departments of the ministry and are considered part or an extension of the ministry itself”. Identify the type of organization and explain any four features and merits.

Ans: Departmental undertaking

16. The employees of the enterprise are Government servants and their recruitment and conditions of service are the same as that of other employees directly under the Government. They are headed by Indian Administrative Service (IAS) officers and civil servants who are transferable from one ministry to another.

- A. Departmental Undertakings**
- B. Statutory Corporations
- C. Government Company
- D. Public Enterprises.

17. “This is a corporate body created by the legislature with defined powers and functions and is financially independent with a clear control over a specified area or a particular

type of commercial activity”. Name the type of organization mentioned above and list four demerits of this type of organization.

18. The Reserve Bank of India (RBI) is India's central banking institution, which controls the issuance and supply of the Indian rupee. Until the Monetary Policy Committee was established in 2016, it also controlled monetary policy in India. It commenced its operations on 1 April 1935 in accordance with the Reserve Bank of India Act, 1934. Following India's independence on 15 August 1947, the RBI was nationalized on 1 January 1949. It is a vital financial apex institution of an economy and functions with the goal of maintaining economic stability and growth of an economy. The bank is also active in promoting financial inclusion policy and is a leading member of the Alliance for Financial Inclusion (AFI). The bank is often referred to by the name 'Mint Street'. RBI is also known as banker's bank. And regulator and supervisor of the financial system

- Name the type of organization from public, private and global enterprises.

Ans: Statutory corporation

- List any three limitation of the above identified concept.

Ans:

- a) statutory corporation does not enjoy as much operational flexibility
- b) Government and political interference has always been there in major decisions or where huge funds are involved;
- c) Where there is dealing with public, rampant corruption exists; (iv) The Government has a practice of appointing advisors to the Corporation Board. This curbs the freedom of the corporation in entering into contracts and other decisions.

19. Bharat Heavy Electricals Limited (BHEL), owned by Government of India, is a power plant equipment manufacturer and operates as an engineering and manufacturing company based in New Delhi, India. Established in 1964, BHEL is India's largest engineering and manufacturing company of its kind. The company has been earning profits continuously since 1971-72 and paying dividends uninterruptedly since 1976-77. BHEL was established in 1964. Its products are Gas and Steam Turbines, Boilers, Electric Motors, Generators, Heat Exchangers, Pumps, Switchgears, Sensors,

Automation and Control Systems, Power electronics, Transmission systems etc. Shareholders (as on 31-December-2014) are Central Government of India and State governments is 63.06%, Foreign Institutional Investors (FII)15.95%, Insurance companies10.52%, Banks, Financial Institutions and Mutual Funds06.80%, Individual shareholders02.33%, andOthers1.34%-Total100.00%

- a. Identify the type of company.

Ans: Government company

- b. Explain any three features of the above identified concept

Ans:

- (i) It is an organisation created under the Companies Act, 2013 or any other previous Company Law.
- (ii) The company can file a suit in a court of law against any third party and be sued;
- (iii) The company can enter into a contract and can acquire property in its own name;
- (iv) The management of the company is regulated by the provisions of the Companies Act, like any other public limited company;
- (v) The employees of the company are appointed according to their own rules and regulations as contained in the Memorandum and Articles of Association of the company
- (vi) These companies are exempted from the accounting and audit rules and procedures. An auditor is appointed by the Central Government and the Annual Report is to be presented in the Parliament or the State Legislature;
- (vii) The government company obtains its funds from government shareholdings and other private shareholders. It is also permitted to raise funds from the capital market.

20. Multiple Choice Questions:

- i. A private company is related to _____
 - a. Public Sector
 - b. Private Sector**
 - c. Government Sector

- d. Mixed Sector
- ii. The units of a public sector are also known as _____
 - a. State enterprises
 - b. Public Sector Undertakings
 - c. All of the above**
- iii. Indian Railways is an example of _____ form of public enterprise
 - a. Departmental Undertakings**
 - b. Public Corporations
 - c. Government Company
 - d. None of the above
- iv. How many industries are reserved for public sector?
 - a. Three**
 - b. Four
 - c. Eight
 - d. Seventeen
- v. A government company is any company in which paid up capital held by the government is not less than _____
 - a. 49 per cent
 - b. 51 per cent**
 - c. 50 per cent
 - d. 25 per cent

21. What is the main objective of private sector?

Ans: to earn profit

22. Can a government school be considered as a public sector enterprise?

Ans:

No, only those government concerns are called public enterprise which undertake business activities.

23. The Government of India wants to expand the Railways. Answer the following questions related to it.

- a. Which Government department will do this job?

Ans: Indian Railways

b. To which department does this type of enterprise belong?

Ans: Departmental Undertakings

c. How will the enterprise manage the finances for this project?

Ans: The finances will be managed through the budget provided by the government.

d. Who is responsible for the completion of this project?

Ans: Railway Minister

24. The government planned to begin a Road Project. The government needed management specialists and financial help to complete it. The government contacted a private sector enterprise to fulfil this requirement. The private sector enterprise agreed to provide the required support.

a. Identify the type of partnership in the above case.

Ans:

Public Private Partnership