



**Business Studies**

**Chapter 1**

**Business, trade and commerce**

Q. No.	Question	Mark
1.	<p>Anu and Renu are good friends. After completing a course in Fashion Designing, ten years ago both of them started their own separate outlets in Jaipur and Delhi. Renu buys readymade garments from various manufacturers and sells them in her shop. However Anu designs her own range of clothes. She gets them made through her team of designers and sells them under the brand name 'Eleganza'. Although both of them are making good profit, in the past they have also incurred huge losses due to change in consumer tastes and fashion. Also despite being in business for such a long time, they cannot say that as to what amount of profit will be earned by them in future.</p> <p>In the context of the above case: (a) Identify the various features of business discussed above.</p>	5
2.	<p>Shaurya is running a take away fast food unit in Pune under the name 'Swaad'. Recently when his cousin Rahul organized a party at his place, he had placed an order for food at 'Swaad' worth ₹ 10,000. However Shaurya decided not to take money from Rahul because of his love for him.</p> <p>In the context of the above case: (a) Will this activity related to the supply of food from Shaurya's restaurant to Rahul's party be classified as a business activity? (b) Mention the related features of business.</p>	3
3.	<p>India is the third largest producer of eggs and sixth largest producer of chicken meat in the world. The meat production in India has grown by 10% and egg production by 5 % over last 10 years. By 2030, over 40% of India's population will be urbanized and the number of working women is likely to double. This could boost the market for frozen foods, including poultry products, but the potential is concentrated by recurring incidents of disease in poultry products, no awareness on frozen foods and rising feed costs.</p> <p>In the context of the above case: (a) Identify and explain the different kinds of industries being discussed in the above paragraph. (b) State the categories and types of industries to which the different kinds of industries as identified in part (a) belong to.</p>	5
4.	<p>India is the largest producer of milk in the world. Moreover increasing demand for milk and milk products has made dairy farming a profitable business. Considering these facts, Raghu an industrialist has decided to set up a dairy farm and cheese producing unit in Haryana. He plans to deal in fresh mozzarella, processed cheese, pizza cheese, naturally flavoured cheese, and grated cheese for pizza in various combinations.</p> <p>In the context of the above case: (a) Identify the different kinds of industries Raghu wants to set up. (b) State and explain the categories of types of industries to which the different kinds of industries as identified in part (a) belong to.</p>	5

5.	<p>Dipak Enterprizes Ltd. has been earning high profits over the years. As a result its owner Mr Dipak Sethy is leading a good standard of life. Moreover he plans to open a new branch office in a few months.</p> <p>In the context of the above case:</p> <p>(a) Identify the different points highlighting the role of profit in business being discussed in the above paragraph.</p> <p>(b) 'Earning profit cannot be the only objective of business'. Do you agree with this statement? Justify your answer.</p>	5
6.	<p>'Good Health' is a name to reckon with in the Organic food segment. The company enjoys a 40% market share in this segment over the last four years. It introduces new range of products on a regular basis keeping in mind the changing needs of people. Through the best use of available resources, its work efficiency is high. Moreover in order to keep the high morale of its managers various professional programmes are organized by the company from time to time.</p> <p>In the context of the above case:</p> <p>(a) Identify the various objectives of business being discussed in the above paragraph.</p> <p>(b) State any two other objectives which are not mentioned above.</p>	6
7.	<p>Roshni Ltd. is Mumbai based Indian Multi National Company engaged in design, manufacturing, and marketing of products related to power generation, transmission, and distribution. It has also set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas.</p> <p>In the context of the above case:</p> <p>(a) Identify any two values which the company wants to communicate to the society.</p> <p>(b) Identify and explain the type of objectives of business being fulfilled by Roshni Ltd. by setting up a factory in rural area.</p> <p>(c) Briefly explain any two economic objectives of a business organization.</p>	5
8.	<p>Kapil Sharma wants to start a business of fashionable items. But he is hesitating to go ahead with his plans because of the various kinds of risks which are inherent in any business. He consults his friend Sunil in this regard for guidance about ways to overcome such situations effectively in his business.</p> <p>In the context of the above case:</p> <p>(a) Describe briefly the various types of business risks.</p> <p>(b) State any two suggestions which Sunil is likely to give to Kapil Sharma to overcome such situations effectively in his business.</p> <p>(c) Explain briefly any two causes of business risks.</p>	6

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1.	<p>Economic activities are =.....</p> <p>(a) Business + Profession (b) Business + Employment</p> <p>(c) Employment + Profession (d) Business + Profession + Employment</p>	1
2.	<p>Which of the following does not characterize business ?</p> <p>(a) Production of goods and services (b) Presence of risk</p> <p>(c) Sale or exchange of goods and services (d) Salary or wages</p>	1
3.	<p>Code of conduct does not include .....</p> <p>(a) Rules (b) Dishonesty</p> <p>(c) Integrity (d) Morality</p>	1

4	The occupation in which people work for others and get remuneration is ..... (a) Profession (b) Business (c) Employment (d) None of these	1
5.	The occupation in which there is no need of any capital is ..... (a) Profession (b) Business (c) Employment and business (d) Employment	1
6.	Which of the following is not an objective of business? (a) Profit making (b) Creation of customers (c) Investment (d) Innovation	1
7.	Which point is related with the role of profit in business? (a) For long survival (b) For rapid growth (c) For increasing efficiency (d) All of the above	1
8.	Business is = ..... (a) Industry + Commerce (b) Industry + trade (c) Trade + Commerce (d) Trade + Aids to trade	1
9.	Which of the categories cover oil refinery and sugar mills? (a) Primary (b) Secondary (b) Tertiary (d) None of these	1
10.	Which of the following is not auxiliaries to trade? (a) Mining (b) Insurance (c) Warehousing (d) Transport	1
11.	The industries that provide support services to other industries is ..... (a) Primary industries (b) Secondary industries (c) Commercial industries (d) Tertiary industries	1
12.	Which of the following is not genetic industry? (a) Animal husbandry (b) Mining (c) Poultry farming (d) fish hatchery	1
13.	Which of the following is not service industry? (a) Processing industry (b) Banking industry (c) Insurance industry (d) Advertising industry	1
14.	Commerce includes ..... (a) Business and industry (b) Business and trade (c) Trade and Aids to trade (d) Industry and trade	1
15.	Risk is the result of ..... (a) Certainties (b) Uncertainties (c) Both (a) and (b) (d) None of these	1
16.	Business risk is not likely to arise due to ..... (a) Change in government policy (b) Good management (c) Employees' dishonesty (d) Power failure	1
17.	Dishonesty of employees is the ..... Type of cause of risk. (a) Natural (b) Human (c) Economic (d) Political	1
18.	Which of the following is not an example of business uncertainties? (a) Earthquake (b) Innovation (c) Change in price (d) flood	1