

MCQ ANSWER QUESTION ON NATURE AND PURPOSE OF BUSINESS (WORKSHEET NO: 1)

1. Which of the following does not characteristic of business activity?
 - (i) Production of goods and services
 - (ii) Presence of risk
 - (iii) Sale or exchange of goods and services
 - (iv) Salary or wages
2. Which of the broad categories of industries covers oil refinery and sugar mills?
 - (i) Primary
 - (ii) Secondary
 - (iii) Tertiary
 - (iv) None of them
3. Which of the following cannot be classified as an auxiliary to trade?
 - (i) Mining
 - (ii) Insurance
 - (iii) Warehousing
 - (i v) Transport
4. The occupation in which people work for others and get remunerated in return is known as
(i) Business (ii) Employment (iii) Profession (iv) None of them
5. The industries which provide support services to other industries are known as
(i) Primary industries (ii) Secondary industries (iii) Commercial industries (iv) Tertiary industries
6. Which of the following cannot be classified as an objective of business?
 - (i) Investment (ii) Productivity (iii) Innovation (iv) Profit earning
7. Business risk is not likely to arise due to
(i) Changes in government policy (ii) Good management (iii) Employee dishonesty (iv) Power failure
8. Which of the following is an economic activity?
 - (a) Cooking food for self-consumption (b) Cooking food for sale (c) Cooking food for donation (d) All of the above
9. Which of the following is not a business activity?
 - (a) Production of goods (b) Trading of goods (c) Storage of goods (d) Working in a hospital for wages
10. Which of the following is not a feature of employment?
 - (a) Fixed wages (b) Agreement between employer and employee (c) Terms and conditions (d) Element of risk

11. Choose the odd one out:

(a) Insurance (b) Warehousing (c) Mining (d) Banking

12. Which of the following is not an insurable risk?

(a) Risk of theft (b) Risk of fire (c) Risk of change in pattern of demand (d) All of these

13. Which of the following is a cause of business risk? (a) Natural causes (b) Political causes (c) Economic causes (d) All of the above

14. Profits are necessary for:

(a) Expansion (b) Survival (c) Innovation (d) All of the above

15. Objectives of business do not include:

(a) Higher returns to investors (b) Employee satisfaction (c) Maximum price-from consumers (d) Market standing.

16. Which of the following is an example of genetic industry?

(a) Mining (b) Lumbering (c) Animal husbandry (d) Hunting

17. Which of the following is an example of secondary industry?

(a) Genetic industry (b) Extractive industry (c) Synthetic industry (d) All of the above