

CLASS XI: BUSINESS STUDIES

CHAPTER 1: NATURE & PURPOSE OF BUSINESS

Answer the following objective type questions:

Instructions: Choose the correct alternative out of the given 3 or 4 options.

1. The possibilities of inadequate profits or even losses due to uncertainties are known as

- (a) Business contingencies
- (b) Business risks
- (c) Business ventures
- (d) None of these

2. Which one of the following may not be a factor behind starting a business?

- (a) Routine workload
- (b) size of the firm
- (c) finance
- (d) location of the business

3. Name the two broad categories of business activities.

- (a) Trade and commerce
- (b) trade and industry
- (c) industry and commerce
- (d) none of these

4. Commerce includes activities relating to trade and _____ to trade.

- (a) Supporting
- (b) subsidiaries
- (c) auxiliaries
- (d) none of these

5. 'Earning of profit is considered to be the subsidiary objective of the business.' The given statement is

- (a) True
- (b) false
- (c) cannot say

6. Following are the characteristics of business risks. One of them is not correct. Please identify it.

- (a) Loss is the reward for risk bearing
- (b) Business risks are due to uncertainties
- (c) Risk is an essential component of every business
- (d) Degree of risk depends mainly upon the nature and size of business

7. Transfer of interest exists in the case of

- (a) Profession
- (b) employment
- (c) business
- (d) none of these

8. Human activities are of _____ types

- (a) One
- (b) two
- (c) three
- (d) four

9. Which of the following is not an example of non-economic activity?

- (a) Patriotism
- (b) teaching
- (c) sentiment
- (d) sympathy

10. Economic activities may be classified into business, _____ and employment

- (a) Profession
- (b) occupation
- (c) vocation
- (d) work

Q1. Give an example of activity which is economic in one side and noneconomic on other side.

Q2. Why is business considered an economic activity?

Q3. If a person sells his domestic computer at a profit, will it be considered a business? Also explain the characteristic of business which is being stressed upon in the above said example.

Q4. Name the economic activity in which specialized knowledge is required.

Q5. Why is the insurance known as a tertiary industry?

Q6. Mr Rajnesh sold his furniture & bike on OLX as he was shifting base to London. Is this a business activity? Which element of business is being referred to here?

Q7. ABC Ltd. is planting a tree on roadside. Which objective it is trying to achieve?

Q8. All human being fulfill their different needs by performing certain activities. Can you suggest and Explain the activities undertaken by them.

Q9. Write four differences among business, profession and employment.

Q10. No business is risk free in the light of this statement, explain the concept of business risk and it's any three causes.

Q11. Explain any four objectives of business

Q12. Define commerce, why is it of great importance in modern life?

Q13. Distinguish between primary & secondary industry Give examples.

Q14. Tea is mainly produced in Assam, while cotton in Gujrat&Maharastra but they are required for consumption in different parts of the country. How can this hindrance of place be removed? Also under what business activity will it be categorised.

LONG QUESTIONS

1. What provides the necessary link between producers & consumers with all those activities which are necessary for maintaining a free flow of goods & services? Discuss all those activities.

2. "Overemphasis on objective to earn profit may exploit the business". What does a business should do to enable itself to bring the balance?

3. Starters of a new business are largely responsible for the success of the business they undertake various functions. Discuss the basic factors which influence the starter functions.

4. Name the Industry which covert the extractive goods into some form of utility. Also identify the kind of industry from the given examples:

- a. A pharmaceutical industry make medicines
- b. Atlas cycle industry manufacturing cycles.
- c. Star fisheries, deals in complete process.
- d. An industry of Bio-gas plant.

5. In what type of business, individuals associate voluntarily for profit, having capital dividend into transferable shares, the ownership of which is the condition of membership? Explain with features.

6. If registration is optional, why do partnership firms willingly go through this legal formality? Explain the reason with procedure to get them registered.

7. Who have equal ownership right over the property of an ancestor? Highlight with its essential characteristics.

8. Why cooperative forms of organisation are formed? Explain various types of cooperative societies.

9. Categories the following into business, profession and employment.

(i) A farmer (ii) An advocate (iii) A clerk (iv) A hawker selling toys for children (v) A doctor (vi) A person repairing scooter on roadside

10. Define business. Explain the characteristics of business (any four)

11. Commerce is the sum total of activities that remove hindrances in the free flow of goods from producers to consumers. Explain.

12.. Explain any six factors that are important to be considered while starting a business. Q19. Write difference among industry, commerce and trade on any five basis.

13.. Profit maximization cannot be the sole objective of a business. Explain.

14.. 'Creative Strokes' is an advertisement agency initiated by Rohit, Shagun&Pratima. They have called a meeting to discuss the below given points:

(i)Increase the profit margin by 10% in May.

(ii) Capturing a bigger share in the market.

(ii) Making use of better cameras & improved techniques.

(iv)Making best use of cameras, lights, cameramen, finance etc. employed by the business

(v) Improve efficiency in all regards of functioning of business.

(a)Which aspects of business objectives are being referred to here?

(b)Also develop each point to be discussed in the meeting by classifying the objective.

15.. NathuLal prepares 'sonpapri' for customers during Diwali season every year. He prepared more 'Sonpapari' than he could sell this year. He employed women and children also and paid them less salary manufacturing on the packages. This way he generated profit for himself.

(a)Do you think he is fulfilling all the objectives of business?

(b) If not which aspects of this objective are not being fulfilled?

16. In business activities, there are some activities that are involved in the removal of hindrances in process of exchange i.e. from the producer to the consumer Identify them. Also classify the activities which help in removing the following hindrances:

(i)Hindrance of place (ii)Hindrance of risk(iii)Hindrance of time (iv)Hindrance of finance

(v)Hindrance of information