

**DEHRADUN PUBLIC SCHOOL**  
**ASSIGNMENT (2023-24)**  
**SUBJECT- BUSINESS STUDIES (054)**  
**CLASS - XI**  
**CHAPTER-1(NATURE AND PURPOSE OF BUSINESS)**

**Answer the following :**

**Multiple choice questions:**

- Q1.** Which of the following does not characterise business activity?  
a. Production of goods and services                      b. Presence of risk  
c. Sale or exchange of goods and services              d. Salary or wages
- Q2.** Which of the following broad categories of industries covers oil refinery and sugar mills?  
a. Primary    b. Secondary  
c. Tertiary    d. Construction
- Q3.** Which of the following cannot be classified as an auxiliary to trade?  
a. Mining    b. Insurance  
c. Warehousing    d. Transport
- Q4.** The occupation in which people work for others and get remunerated in return is known as :  
a. Business    b. Employment  
c. Profession    d. Teaching
- Q5.** Match the 'Types of Industries' given under 'A' with the suitable statements under 'B' :

	<b>Column A</b>		<b>Column B</b>
i.	Processing Industry	a.	Industry in which a product passes through various stages to become a final product.
ii.	Analytical Industry	b.	Industries engaged in breeding plants and animals for their use in further reproduction.
iii.	Construction Industry	c.	Industry in which different components are assembled to make a new product.
iv.	Genetic Industry	d.	Industry engaged in analysing basic raw materials into different finished products.
v.	Assembling Industry	e.	Industry engaged in the construction activities.

- a. i. a., ii. d., iii. e., iv. b., v. c.                                      b. i. b., ii. a., iii. c., iv. e., v. d.  
c. i. a., ii. b., iii. c., iv. d., v. e.                                      d. i. d., ii. a., iii. c., iv. e., v. b.
- Q6.** Employment refers to the occupation in which people work for others in accordance with the service agreement and gets remuneration in the form of \_\_\_\_\_.  
a. Profits    b. Goodwill in society  
c. Wages / Salaries    d. Fee

**Statement based question:**

- Q7. Read the following statement carefully and choose the correct alternative:**

**Statement I:** Industry is concerned with the production or processing of goods and materials.

**Statement II:** Commerce include all those activities, which are necessary for facilitating the exchange of goods and services.

- a. Both the statements are true.  
b. Both the statements are false.  
c. Statement I is true, Statement II is false.  
d. Statement II is true, Statement I is false.

### Subjective type questions:

**Q8.** Identify and explain the following.

- i. Type of industry in which the basic raw material is broken into different parts to produce finished goods.
- ii. Type of risk that involves both possibility of profit as well as loss.
- iii. Type of industry in which finished products are combined to produce a new finished product.
- iv. Type of risk which involves only possibility of loss or no loss.
- v. Type of industry involved in the activity of rearing and breeding of living organisms.

**Q9.** Describe specialty of following leading trade centers in ancient India.

- i. Patliputra
- ii. Peshawar
- iii. Taxila

**Q10.** "Profit maximization cannot be the sole objective of the business." Comment.

**Q11.** "An activity can be an economic activity in one situation and non-economic in other situation." Do you agree? Give an example to justify the given statement.

**Q12.** The auxiliaries to trade help to remove the various bottlenecks such as place, time, person, risk and exchange. Explain how?

### Case based question:

**Q13.** Harshit runs a well-known departmental store in Delhi. He procures different kinds of products from all over the country through railways, roadways and airways. He also owns a godown to hold the stocks. He has also taken an insurance policy worth Rs.10 crores for his business. Moreover, he has taken a loan of Rs. 2,00,000 from ICICI Bank in order to meet short term financial needs of his business. He has placed information about his store on the hoardings, bill boards, etc. in order to popularize them.

In the context of above case:

- i. What are auxiliaries to trade?
- ii. Identify the different auxiliaries to trade that are being used by Harshit in his business by quoting lines from the paragraph.

## CHAPTER-2(FORMS OF BUSINESS ORGANISATIONS)

**Answer the following :**

### Multiple choice questions:

**Q1.** The structure in which there is separation of ownership and management is called :

- a. Sole proprietorship
- b. Company
- c. Partnership
- d. All Business organisations

**Q2.** Which of the following statement is true?

- a. A secret partner cannot participate in the management of the firm.
- b. A partnership firm does not lack continuity.
- c. A minor can be a partner in a firm just like adults.
- d. A partner by holding has unlimited liability towards the acts of the firm.

**Q3.** Application for approval of name of a company is to be made to -

- a. SEBI
- b. Registrar of companies
- c. Government of India
- d. Government of state in which company is to be registered

**Q4.** The capital of a company is divided into number of parts, each one is called :

- a. Dividend
- b. Profit
- c. Interest
- d. Share

**Q5.** Match the items given under 'A' with the suitable statements under 'B' :

	<b>Column A</b>		<b>Column B</b>
i.	Partnership	a.	Voluntary association of persons, who join together with the motive of welfare of the member.
ii.	Sole Proprietorship	b.	Association of persons formed for carrying out business activities and has a legal status independent of its member.
iii.	Cooperative Society	c.	Owned, managed and controlled by an individual who is the recipient of all profits.
iv.	Hindu Undivided Family Business	d.	Relation between persons who have agreed to share the profit of the business carried on by all or any one of them acting for all.
v.	Joint Stock Company	e.	Basis of membership in the business is birth in a particular family.

a. i. a, ii. d, iii. e, iv. b, v. c.

b. i. d, ii. c, iii. a, iv. e, v. b.

c. i. b, ii. a, iii. c, iv. e, v. d.

d. i. b, ii. c, iii. a, iv. e, v. d.

**Q6.** Sole proprietor is responsible for all the activities of the business because sole proprietorship firm has legal identity which is \_\_\_\_\_ from that of his owner.

a. Separable

b. Diluted

c. Inseparable

d. Included

**Statement based questions:**

**Q7.** Read the following statement carefully and choose the correct alternative:

**Statement I:** It is necessary to get every company incorporated, whether private or public.

**Statement II:** Statement in lieu of prospectus can be filed by a public company going for a public issue.

a. Both the statements are true.

b. Both the statements are false.

c. Statement I is true, Statement II is false.

d. Statement II is true, Statement I is false.

**Subjective type questions;**

**Q8.** What are the two conditions for existence of Joint Hindu Family business ?

**Q9.** Explain 'Mutual Agency' as a feature of partnership.

**Q10.** If registration is optional, then why do partnership firms willing to go through this legal formality and get themselves registered? Explain.

**Q11.** "One man control is the best in the world, if that man is big enough to manage the whole show." Comment.

**Case based questions:**

**Q12.** Jagat is running a grocery store under the name 'Morning Needs' in a local market. He takes direct reward for his risk bearing.

In the context of above case:

i. Identify and define the form of business organization in which Jagat has promoted his business.

ii. State any two features of this form of business organization mentioned above.

**Q13.** A new cooperative store has been set up in Delhi through registration under Delhi Cooperative Societies Act. It has been setup to make bulk procurement of essential consumer goods from the various wholesalers and supply the same to public at large on reasonable prices, to enable those stores to sell the consumer goods to the public on lower prices than those prevailing in the open market.

In the context of above case:

i. Identify the type of cooperative society being described in the above lines.

ii. State any three features of type of cooperative society so identified in part i. of the question.



### Case based type questions:

- Q11.** Bharat Heavy Electrical Limited (BHEL) was founded in the year 1964 by the government of India. It is the largest power plant equipment manufacturer in the country with 74% market shares in the power sector. It has a network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 services, 8 overseas offices, 15 regional centers, 7 joint ventures and infrastructure allowing it to execute more than 150 projects at site across India and abroad. It has been granted the prestigious Maharatna (big gem) status in the year 2013 by Government of India for its outstanding performance and vast scale. Maharatna status gave the Board of these companies enhanced financial and operational autonomy.
- In the context of the above case:
- How will you classify BHEL as a form of public sector enterprise?
  - State any three features of the form of public sector enterprise as identified in part (i) of the question.
  - Explain briefly 'financial and operational autonomy' as a merit of the type of public sector enterprise as identified in part (i) of the question.
- Q12.** With exponential growth seen in domestic air traffic requiring additional airport infrastructure, the government has decided to offer more airports to private parties for operation and management. In India as many as 300 airports need to be revived and upgraded in coming years to support the double digit growth in the sector this would require huge private investment as public funds are limited for infrastructure development. In February 2017 government announced that airport infrastructure will be built in Delhi, Mumbai, Bangalore and Hyderabad by private developers
- Identify the concept mentioned above and write it's any three features.
  - State any two ways in which the government is likely to be benefited by the pursuing project under the concept identified in part (i).
- Q13.** Nestle S.A. is a Swiss international food and drink company headquartered in Vevey, Vaud, Switzerland. It has been the largest food company in the world. Nestle has over 8,000 brands with wide range of products across a number of markets. In the context of this case study
- What form of enterprise Nestle is?
  - State any three features of the form of enterprise as identified in part i of the question

## CHAPTER - 4 (BUSINESS SERVICES)

**Answer the following :**

**Multiple choice questions:**

- Q1.** Which of the following feature does not exist in the service?
- Intangibility
  - Inseparability
  - Inventory
  - Inconsistency
- Q2.** Minimum amount of RTGS is :
- |           |             |             |           |
|-----------|-------------|-------------|-----------|
| a. 25,000 | b. 2,00,000 | c. 1,00,000 | d. 50,000 |
|-----------|-------------|-------------|-----------|
- Q3.** Which of the following is the function of the Central Bank?
- |                      |   |
|----------------------|---|
| a. Curbing inflation | b. Accepting deposits and providing loans |
| c. Money transfer    | d. Demat services                         |
- Q4.** A part of saving automatically converts into fixed deposits, refers to which of the following accounts:
- Saving account
  - Current account
  - Fixed deposits account
  - Recurring deposit account

**Q5.** Match the 'Principles of Insurance' given under 'A' with the suitable statements under 'B'.

	Column A		Column B
i.	Insurable Interest	a.	Insured must have economic interest at the time of entering into an insurance contract.
ii.	Proximate Cause	b.	Insurer is liable for the loss only when such loss is caused by the perils, which are stated in the policy.
iii.	Utmost Good Faith	c.	Insurer gets all the rights against the third party with respect to subject-matter insured, after compensating the loss.
iv.	Subrogation	d.	This principle ensures equitable distribution of losses between insurer
v.	Contribution	e.	A contract found on utmost good faith.

a. i. a., ii. d., iii. e., iv. b., v. c.

b. i. b., ii. a., iii. c., iv. e., v. d.

c. i. a., ii. b., iii. e., iv. c., v. d.

d. i. b., ii. c., iii. a., iv. d., v. e.

**Q6.** When a property is insured by more than one insurance (i.e. in case of multiple insurance), the insurers are to share losses in \_\_\_\_\_ proportion.

a. Ratio of premiums received

b. Ratio of duration of insurance

c. Ratio of amount insured

d. Equal ratio

**Statement based questions:**

**Q7. Read the following statement carefully and choose the correct alternative:**

**Statement I:** The compensation payable and the loss suffered are to be measured in terms of money.

**Statement II:** The principle of indemnity is applicable to life insurance.

a. Both the statements are true.

b. Both the statements are false.

c. Statement I is true, Statement II is false.

d. Statement II is true, Statement I is false.

**Subjective type questions:**

**Q8.** Ragini has insured her house for Rs. 5,00,000 against fire. There is a fire and Ragini suffers a loss of Rs. 1,00,000. How much amount she can recover from the insurer?

**Q9.** What is life insurance? Who have insurable interest in case of a life policy?

**Q10.** Explain meaning of Registered Post, Parcel, Speed Post and Courier.

**Q11.** What is e-banking? Explain the range of services offered by e-banking

**Case based questions:**

**Q12.** 'Dhanwan Bank' is a popular private sector bank offering varied services to its customers. It offers many types of bank accounts option to its customers. Farhan being a businessman has chosen the type of account in which deposits are the most liquid and there is no limits to the number of transactions or the amount of transactions in a day. On the other hand, his mother has opened a type of account where she can conveniently deposit the money she saves. These accounts provide cheque facility and offer a lot of flexibility for deposits and withdrawal of funds from the account. Farhan's younger brother Sohail has opened a special kind of account wherein he will deposit ` 1000 every month for next two years.

In the context of above case:

i. By quoting lines from the paragraph identify the various types of bank accounts being used by Farhan and his family members.

ii. Describe briefly any two other types of accounts that are also offered by a bank but have not been mentioned in the above paragraph.

**Q13.** Dhanush visited a new restaurant 'Darbaar' with his parents. They all liked the food served in the restaurant. After a week Dhanush took his friend to 'Darbar' and placed an order for the same dishes that he had liked previously. But to his surprise, he found that the taste of the food was not as good as it was during his previous visit. As a result, he felt very disappointed.

In the context of the above case:

i. Identify the feature of services being discussed above.

ii. Explain briefly three other features of services.

## CHAPTER - 5 (EMERGING MODES OF BUSINESS)

**Answer the following :**

**Multiple choice questions:**

**Q1.** E-commerce does not include:

- a. A business's interactions with its suppliers
- b. A business's interactions with its customers
- c. Interactions among the various departments within the business
- d. Interactions with the geographically dispersed units of the business

**Q2.** The payment mechanism typical to e-business :

- a. Cash on delivery (COD)
- b. Cheque
- c. Credit and debit cards
- d. E - cash

**Q3.** A call centre handles :

- a. Only in-bound voice based business
- b. Only out-bound voice based business
- c. Both voice based and non-voice based business
- d. Both customer facing and back end business

**Q4.** Which of the following is not the advantage of e-Business ?

- a. Low personal touch
- b. Global reach
- c. Convenience
- d. Speedy transactions

**Q5.** Match the items given under 'A' with the suitable statements under 'B' :

	Column A		Column B
i.	B2C Commerce	a.	Transactions taking place between two or more customers
ii.	Intra - B Commerce .	b.	Transactions taking place between business firms
iii.	B2B Commerce	c.	Transactions taking place between business and customers
iv.	C2C Commerce	d.	Interaction and dealings among various departments and persons within firm.

- a. i. a., ii. d., iii. c., iv. b.
- b. i. a., ii. b., iii c., iv. d.
- c. i. c., ii. d., iii. b., iv. a.
- d. i. a., ii. d., iii. b., iv. c.

**Q6.** Both the parties involved in e-commerce transactions are business firms. This is the case of\_\_\_\_\_.

- a. B2B
- b. C2C
- c. C2B
- d. B2B

**Statement based questions:**

**Q7.** Read the following statement carefully and choose the correct alternative:

**Statement I:** There is high investment for setting up in e-business.

**Statement II:** E-business is also helpful in personnel recruitment' selection and training .

- a. Both the statements are true.
- b. Both the statements are false.
- c. Statement I is true, Statement II is false.
- d. Statement II is true, Statement I is false.

**Subjective t type questions:**

**Q8.** What is the difference between e-business and e-commerce?

**Q9.** Explain how e-business helps in going global?

**Q10.** Explain the scope of e-business?Also give the example of each.

**Q11.** Differentiate between e-business and traditional business.

**Case based type question:**

- Q12.** Splendor Ltd. is a popular music company. Keeping in line with the changing trends the company uses various types of e-business activities to operate successfully. The company interacts through a network of computers with a number of other business firms who may be suppliers or salespersons. The company carries out a number of promotional activities and sometimes even delivery of products are carried out online. The company has set up call centers for the customers to make toll free calls and register their queries and lodge complaints round the clock at no extra cost. The company makes use of internet for managing interactions and dealing among various departments and persons within the organization. The company provides Virtual Private Network (VPN) technology because of which it is not necessary for the employees to come to office and the meetings can be held on line via video conferencing. The company uses the financial intermediaries like PayPal in order to facilitate payment online.
- Identify the various types of e-business activities adopted by 'Splendor Ltd.' by quoting lines from the paragraph.(keeping in mind the scope of e- business)
  - Discuss any one limitations and benefit of doing e- business.

**CHAPTER - 6 (SOCIAL RESPONSIBILITY OF BUSINESS & BUSINESS ETHICS)**

**Answer the following questions**

**Multiple choice type questions:**

- Q1.** Responsibility of a business to prevent pollution can be categorized in which of the following category?
- Political responsibility
  - Discretionary responsibility
  - Ethical responsibility
  - Economic responsibility
- Q2.** If a business is socially responsible towards its employees, it is able to check movement of labour. What do you mean by labour movement?
- Movement of labour from one department to another
  - Movement of labour from one employer to another
  - Movement of labour from one country to another
  - Movement of labour from villages to cities
- Q3.** A separate department for matters related to environment, department of environment was created by Central Government in year.
- 1985
  - 2005
  - 1980
  - 1990
- Q4.** Legal provisions make it compulsory for certain classes of \_\_\_\_\_ to be socially responsible.
- Partnership firms
  - Cooperative societies
  - Companies
  - Sole proprietorship firms
- Q5.** A business enterprise has a responsibility of providing fair returns to \_\_\_\_\_ on their capital investment.
- Labour
  - Consumers
  - Government
  - Investor
- Q6.** Match the items given under 'A' with the suitable statements under 'B' :

	<b>Column A</b>		<b>Column B</b>
i.	Responsibility towards the Consumers	a.	To ensure safety of such investment.
ii.	Responsibility towards the Society	b.	To pay taxes regularly and honestly.
iii.	Responsibility towards the Shareholders	c.	To provide opportunities for personal growth and development.
iv.	Responsibility towards the Government	d.	To protect natural environment and avoid any type of pollution.
v.	Responsibility towards the Workers	e.	To supply right quality of goods at reasonable prices

a. i. e., ii. d., iii. a., iv., b., v. c.

b. i. a., ii. b., iii c., iv d., v. e.



c. i. d., ii. c., iii. b., iv. a., v. e.

d. i. c., ii. d., iii. a., iv. b., v. e.

### Statement based questions

**Q7. Read the following statement carefully and choose the correct alternative:**

**Statement I:** Protecting the natural environment is the example of social responsibility of business towards community.

**Statement II:** Ensuring safety of investment is the responsibility of an enterprise towards owners .

- a. Both the statements are true.
- b. Both the statements are false.
- c. Statement I is true, Statement II is false.
- d. Statement II is true, Statement I is false

### Subjective type questions:

**Q8.** What is environmental pollution? Appreciate the role of business in environmental protection?

**Q9.** Explain briefly the social responsibilities of business towards different interest groups.

**Q10.** "The business are responsible for aggravating pollution, so it becomes the moral duty of businessmen to take some positive steps for controlling this problem." In the light of this statement explain the role of businessmen in checking pollution.

**Q11.** "Like an individual, business enterprises should also be a loyal citizen of the state." Discuss.

### Case based questions:

**Q12.** Britannia Industries Ltd. Is committed to help secure every child's right growth and development through good food every day. The company is working in partnership with Global Alliance for improved Nutrition (GAIN) and the Naandi Foundation to supply iron fortified Tiger biscuits to supplement the Mid Day Meal Program in schools. Iron Deficiency among Indian children is a key cause of schools dropouts as well as decreased productivity. In keeping with its core essence of "Swasth Khao Tan Man Jagao", the company constantly strives to find the sustainable opportunities to drive home the message of nutrition and good food habits among children at the right age.

In the context of above:

- i. Identify the kind of social responsibility being discharged by Britannia Industries Ltd.
- ii. Briefly explain any two other kinds of social responsibilities.

**Q13.** Yash had started a sugarcane factory in Muradabad two years back. He pays wages to the male workers at a rate which is much lower than the minimum wage rate prescribed by the government. The wages paid to the female workers are even lesser. He has also employed child labour extensively in the factory to further reduce the labour cost. Moreover, the working conditions in the factory are inappropriate as there is lack of hygiene, proper ventilation, facility for safe drinking water, etc.His business has always faced the problem of shortage of labour since its inception. In the context of the above case:

- i. Yash has ignored his social responsibility towards which interest group?
- ii. Why do you think it is important for a business enterprise to function in a socially responsible way? Explain by giving any four suitable points.

## CHAPTER-7(SOURCES OF BUSINESS FINANCE)

**Answer the following:**

### Multiple choice questions:

**Q1.** Internal sources of capital are those that are.

- a. Generated through outsiders such as suppliers
- b. Generated through loans from commercial banks
- c. Generated through issue of shares
- d. Generated within the business

**Q2.** The term 'redeemable' is used for:

- a. Preference shares
- b. Commercial paper
- c. Equity shares
- d. Public deposits

**Q3.** Which of the following instruments to also known as Hybrid security?

- a. Equity share
- b. Debentures
- c. Public deposits
- d. Retained earnings

**Q4.** Pluto Electricals Ltd. has been successfully manufacturing electrical accessories for the past ten years. As the profit margin is good, the company has been managing all the financial requirements of the business through the profits reinvested in the business. \_\_\_\_\_ the source of finance being mentioned in the given case.

- a. Trade Credit
- b. Commercial Bank
- c. Debentures
- d. Retained Earning

**Statement based questions:**

**Q5. Read the following statement carefully and choose the correct alternative:**

**Statement I:** Payment of dividend to the shareholders is compulsory.

**Statement II:** Funds required to purchase long-term assets is called fixed capital .

- a. Both the statements are true.
- b. Both the statements are false.
- c. Statement I is true, Statement II is false.
- d. Statement II is true, Statement I is false.

**Q6.** Kapoor Rice Mills, needs funds for meeting its day to day expenses like wages, rent, electricity bill, etc. The business decides to approach its supplier Deepak Wadhwa and Sons. It requests Surajlal and Sons to grant them credit for purchase of goods and services. This would enable them to buy raw materials without making immediate payment. Kapoor Rice Mill's finance position is not very strong and hence it is not enjoying good reputation. Their past record of payments to lenders is also not convincing. \_\_\_\_\_ source of finance discussed in the above case.

- a. Retained earnings
- b. Debentures and Bonds
- c. Public Deposits
- d. Trade credit

**Subjective type questions:**

**Q7.** "Bank credit is a permanent source of funds." Defend or refute the statement.

**Q8.** What preferential rights are enjoyed by preference shareholders? Explain

**Q9.** A company requires funds to meet its working capital. State the sources available along with their features.

**Q10.** Discuss the various sources from which a large industrial enterprise can raise capital for financing modernisation and expansion.

**Q11.** What is business finance? Why do business need funds? Explain.

**Case based questions:**

**Q 12.** Jupiter Ltd. is a well known manufacturer of sanitary fittings. Recently, company was short of fund for meeting its day-to-day expenses. So, the company approached one of its suppliers to grant days credit on purchase of raw material. On the basis of creditworthiness of Jupiter Ltd., the supplier granted the credit. Identify the source of finance highlighted in the given case. Also, state its four merits.

**Q13.** After completing the studies, Payal decided to start her own business of hand made chocolates. After analysing all the merits and demerits, she came to a conclusion that total funds required are Rs. 15,00,000. She had Rs. 3,00,000 in her saving bank account. As these funds were insufficient to start the business, she approached HDFC Bank for obtaining a loan of Rs. 12,00,000. The loan was approved within a month. In the context of the above, answer the following questions:

- i. Categorise the two types of funds on the basis of ownership.
- ii. Out of two sources of funds, which one is a permanent source of finance?

**Q14.** Anu has been successful running a soft skills training company for the five years in Bangalore. Her company has become popular and enjoys a good reputation in the city. She now plans to start a chain of skills training centers and has identified four strategic places for the same in the city. Till now she has been managing all the financial requirements of her business through the profits made in her business. However, in order to implement her expansion plans funds will have to be raised externally.

In the context of the above:

- i. Till now she has been managing all the financial requirements of her business through the profits made in business. Name the source of the funds being mentioned in the statement

and state it's any three merits.

ii. Suggest any external source of funds that Anu can use to finance her expansion plans. Also give any two features of such a source of finance.

**Q15.** ABC Ltd. is not having good liquidity position .It has invested in long term investment projects and will get smooth cash flow after five years .It is not in a position to bear risk of fixed burden of paying interest.

i. Suggest which source of finance is suitable for this company.

ii. Suggest other risk factors that are to be kept in mind.

## CHAPTER -8 (SMALL BUSINESS AND ENTERPRISES)

**Answer the following questions:**

**Multiple choice questions:**

**Q1.** Service enterprise having Rs. 5 crore investment in plant and machinery is called:

- a. Micro Enterprises
- b. Small enterprise
- c. Medium enterprise
- d. Partnership

**Q2.** The contribution, or investment or taking loan, order from more than one person is called:

- a. Venture capital
- b. Small business
- c. Crowd funding
- d. Collaboration

**Q3.** When your brand gets legal protection and no one else is allowed to use it, this is called:

- a. Copy right
- b. Small enterprises
- c. Trade Mark
- d. Joint Hindu Family Business

**Q4.** The small scale industry can enjoy the status of \_\_\_\_\_ if it supplies not less than 50% of its production to another industry, referred to as the parent unit.

- a. Village industries
- b. Micro Business industry
- c. Export oriented
- d. Ancillary small industry

**Q5.** \_\_\_\_\_ comes under the Modern Small Industries.

- a. Coir
- b. Handicrafts
- c. Khadi
- d. Power looms

**Q6.** In India \_\_\_\_\_ norm is not used for the measurement of business units.

- a. Number of person engaged in the business
- b. Capital investment in the business
- c. Quantity of production
- d. Number of educated people in the business

**Statement based questions:**

**Q7.** Read the following statement carefully and choose the correct alternative:

**Statement I:** Intellectual Property is intangible.

**Statement II:** 'Trade Secret' is a type of Intellectual Property (IP) .

- a. Both the statements are true.
- b. Both the statements are false.
- c. Statement I is true, Statement II is false.
- d. Statement II is true, Statement I is false.

**Subjective type questions:**

**Q8.** How does the Intellectual Property Rights helps the Entrepreneur?

**Q9.** Write note on – i. Copy rights ii. Patents iii. Trademarks.

**Q10.** What are the different parameters used to measure the size of business?

**Q11.** Briefly describe any one agency he can approach for seeking assistance in setting up his business.

**Case based questions:**

**Q12.** Mayank Food Industries set up food and beverages processing plant in the rural area of Rajasthan and opted for labour intensive technique due to easy availability of labour and to provide employment to local people. The Board of Directors decided to invest Rs. 50 lakhs to acquire plant and machinery, Rs.20 lakhs to maintain day to day expenses.

- i. Name the Act of industries which is applicable to the above industry.
- ii. Which category of part (i), will the above industry come?
- iii. State the investment limit in this category.

**Q13.** Payal food industries set up food and beverages plant in the rural area of Madhya Pradesh and

opted for labour intensive technique due to easy availability of labour and to provide employment to local people. Board of directors decided to invest Rs.50 lakhs to acquire plant and machinery, Rs.1 crore to buy land, Rs.25 Lakhs to buy raw material and Rs.20 lakhs to maintain day to day expenses.

- i. Name the Act of Industries which is applicable to the above industry.
- ii. Which category of part a. will the above industry come?
- iii. State the investment limits in this category.

- Q14.** Parineeta has set up a small business unit in Ghaziabad to manufacture various types of home decorative items. She deals in various kinds of vases, chimes, figurines, and other things that can beautify houses. She now wishes to export her products to different countries and develop export- worthiness. In the context of the above case:
- i. Briefly describe any one such agencies that she can approach in this regard.
  - ii. Parineeta wants to safeguard that her business unit scores a higher rating when she approaches the financial institutions for her financial requirements. How can she ensure this?

### CHAPTER-9 (INTERNAL TRADE)

**Answer the following :**

**Multiple choice questions:**

- Q1.** Choose the correct group.  
 (i) Hawkers                      (ii) Franchise                      (iii) Pedlars                      (iv) Market traders  
 a. (i), (ii) and (iii)                      b. (ii), (iii) and (iv)  
 c. (i), (ii) and (iv)                      d. (i), (iii) and (iv)
- Q2.** A retail shop 'exclusively selling toys and gifts' is a typical example of a \_\_\_\_\_.  
 a. Multiple shop                      b. Speciality shop  
 c. General store                      d. Secondhand Goods Shop
- Q3.** \_\_\_\_\_ is the link between wholesaler and customer.  
 a. Manufacturer                      b. Supplier  
 c. Retailer                      d. Distributer
- Q4.** Shop set up in temporary structure in 'Budh Bazaar' on Wednesday is an example of Street Trader.  
 a. True                      b. False  
 c. Partially True                      d. Partially False
- Q5.** Match the items given under 'A' with the suitable statements under 'B' :

	Column A		Column B
i.	Large scale retailers	a.	Departmental stores
ii	Small scale retailers	b.	General stores
iii.	Speciality shops	c.	Dealing in single line of products
iv.	Itinerant traders	d.	Hawkers and pedlars

- a. i. a, ii. b, iii. c, iv. d                      b. i. b, ii. a, iii. c, iv. d  
 c. i. a, ii. b, iii. d, iv. c                      d. i. d, ii. b, iii. c, iv. a
- Q6.** \_\_\_\_\_ can check the price fluctuations in the market by holding back the goods when prices fall and releasing the goods when prices rise.  
 a. Wholesaler                      b. Agent  
 c. Retailer                      d. Mercantile agent

**Statement based question:**

- Q7. Read the following statement carefully and choose the correct alternative:**
- Statement I:** Departmental stores attract a large number of customers during the best part of the day.
- Statement II:** As these stores are usually located at the central places .
- a. Both the statements are true.
  - b. Both the statements are false.
  - c. Statement I is true, Statement II is false.
  - d. Statement II is true, Statement I is false.

### Subjective type questions:

- Q8.** Who are Itinerant retailers? Explain it's various types.
- Q9.** Explain the role and functions of Indian chamber of commerce and industry in promotion of internal trade.
- Q10.** "Both departmental stores and multiple shops are large retail establishment, yet they are different." Explain how?
- Q11.** How are departmental stores different from multiple shops or chain stores? Give any five points of differences between the two.

### Case based questions:

- Q12.** Itish runs an electronic retail outlet in Kalka ji market, New Delhi. He stocks an Extensive variety of goods so as to provide a wider choice to buyers being an electronic engineer himself he understands the fundamentals of electronic goods very well. Therefore, he is able to explain to the customers about the new technologies very well. This helps them to take appropriate purchases decisions.  
In the context of the above:
- Identify the various types of retailing services Itish is providing to his customers.
  - Also, mention any two other services provided by a retailer to his customers which are not mentioned above.
  - Also, mention any two services that he must be extending to the wholesalers as well. If the wholesaler is eliminated, what difficulties do you think the manufacturer would have to face?
- Q13.** Prakriti Ltd. Is a well known company dealing in all kinds of organic products. The company sells its products through a chain of outlets located in well populated areas, which is in the vicinity of residential areas for the convenience of the customers across the country. All the branches of the company are under the control of the head office.  
In the context of the above case:
- Identify the type of retail outlets as identified in the above lines.
  - State any four other features of the type of retail outlet as identified in part (i) of the question besides the one which has been mentioned in the paragraph.
- Q14.** Ajay is a trader dealing in low cost fashionable footwear. In order to sell his merchandise he opens his shop on fixed days in different markets.  
In the context of the above case:
- How would you classify Ajay as a type of retailer?
  - Name the under category of the type of retail trade as identified in part (i) of the question under which he should be placed.
  - Also, briefly explain any two other types of retailers which fall in the same category as Ajay as identified in part (i) of the question.
- Q15.** The Indian Chamber for Commerce and Industry had recently organized 'Water India's Water Expo' in June 2017 in Pune. It was the most exclusive Trade Show on the Indian Water Industry. It had offered business opportunities to the national players from the water industry to learn and explore the future trend of the Indian water market. A large number of satisfied exhibitors showed their presence in the exhibition displaying wide array of products & services related to Water Treatment Plants, Reverse Osmosis, Reuse and Recycling , Softening, Filtration etc.  
In the context of the above case:
- Why was the Indian Chamber for Commerce and Industry formed?
  - Explain briefly any four points highlighting the role of Chamber of Commerce and Industry in the promotion of internal trade.

## CHAPTER-10 (INTERNATIONAL BUSINESS)

### Answer the following questions:

#### Multiple choice questions:

- Q1.** Which of the following export documents is known as document of title?
- |                     |                     |
|---------------------|---------------------|
| a. Mate's Receipt   | b. Performa Invoice |
| c. Bill of Exchange | d. Bill of lading   |

- Q2.** Identify the first step in the export procedure.
- Receipt of enquiry and sending quotations
  - Obtaining export license
  - Receipt of order or indent
  - Production or Procurement of goods
- Q3.** Patanjali Pharms of India exports Ayurvedic Medicines to Afghanistan Pharmaceuticals in Afghanistan. A guarantee is issued by the Afghanistan National Bank that it will honour the payment of export bills to the bank of the exporter. Name the document highlighted above used in the international transactions
- Letter of Credit
  - Sight Draft
  - Bill of Entry
  - Bank certificate of payment
- Q4.** \_\_\_\_\_ document is made by the exporter which contains details of the goods to be sent by ship like name of the sender, number of packages, shipping bill, destination port, name of ship, etc.
- Shipping bill
  - Packaging list
  - Mate's receipt
  - Bills of exchange
- Q5.** When goods are loaded on the ship, then the captain of the ship issues a receipt which is called \_\_\_\_.
- Shipping receipt
  - Mate's receipt
  - Loading receipt
  - Receipt of rent of bill
- Q6.** \_\_\_\_\_ is not an advantage of exporting.
- Easier way to enter into international markets
  - Comparatively lower risks
  - Limited presence in foreign markets
  - Less investment requirements

**Statement based questions:**

- Q7.** Read the following statement carefully and choose the correct alternative:

**Statement I:** Placing order or indents is a step of import procedure which succeeds that of obtaining letter of credit.

**Statement II:** The exporter has to pay dock dues to obtain port trust dues receipt.

- Both the statements are true.
- Both the statements are false.
- Statement I is true, Statement II is false.
- Statement II is true, Statement I is false.

**Subjective type questions:**

- Q8.** Trendz industries has received an export order of 5,000 kids jeans from Wal-Mart store, USA. What procedure you will follow to execute this export order?
- Q9.** Enumerate various problems faced by international business.
- Q10.** What is a 'Bill of exchange' in the context of export procedure? Distinguish between the two type of bill of exchange.
- Q11.** Quartz industries wanted to import watches from China. What procedure you will follow to execute this import order?
- Q12.** Discuss the formalities involved in getting an export licence.
- Q13.** Write note on the following.
- Entrepot
  - Invisible trade
  - Bills of exchange
  - Dock challan
  - Bill of Lading
  - Bill of entry

**Case based questions:**

- Q14.** Pradeep wants to export auto spare parts to Mr. David in Switzerland. Mr. David has asked for an enquiry to seek information about availability of goods, price, quality and terms and conditions for export of goods. In response to the enquiry, Pradeep sends a reply in the form of Proforma Invoice Mr. David found the price and terms and conditions acceptable. So, he placed the order for goods. After verifying the creditworthiness of Mr. David, Pradeep obtains an export license

and arranges the pre-shipment finance. On the basis of given case study, state the next steps to be followed by Pradeep related to the procedure of export trade.

**Q15.** When Jayant joined his family business last year, after completing his MBA from a premier institute in India, he had an inheritance build on. His great grandfather had ventured into the gold jewellery business 80 years ago by opening the first shop in kolkata's jewellery hub. Presently his family owns a chain of 40 jewellery stores in different parts of the country, besides exporting to Dubai, Singapore, the US and UK.

In the context of the above case:

- i. Identify the two kinds of trade Jayant's family is engaged in on the basis of area covered.
- ii. Differentiate between two types of trade as identified in part (i) of this question.