

DEHRADUN PUBLIC SCHOOL
ASSIGNMENT (2022-23)
SUBJECT- BUSINESS STUDIES (054)
CLASS - XI

CHAPTER - 1 (NATURE AND PURPOSE OF BUSINESS)

Answer the following 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. None of these
- 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. None of these
- Q5.** Business risk is not likely to arise due to :
a. Changes in government policy b. Good management
c. Employee dishonesty d. Power failure

- Q6.** Match the 'Types of Industries' given under 'A' with the suitable statements under 'B' :

	Column A		Column 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. None of these
- Q7.** 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. None of these
- Q8.** Buying of goods from a foreign nation for further selling them to a third nation is _____.
a. Import b. Export
c. Trade d. Entrepot
- Q9.** A business has two sets of objectives, one is social and another is economic objective. Which of the following is not an economic objective of a business?
a. Productivity b. Manager's development

due to changes in consumer tastes and fashion. Also, despite being in business for such a long time they cannot say with certainty as to what amount of profit will be earned by them in future.

By quoting lines from paragraph identify various features of business discussed above.

Q16. "Profit maximization cannot be the sole objective of the business." Comment.

Q17. "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.

Q18. Draw a chart showing the classification of business activities.

Q19. 'Human beings are required to perform different types of activities to satisfy their needs.' What are these different types of activities?

Q20. 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 `10 crores for his business. Moreover, he has taken a loan of ` 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.

Q21. Describe specialty of following leading trade centers in ancient India.

i. Patliputra ii. Peshawar iii. Taxila

Q22. Identify and explain the following.

i. Type of industry in which the basic raw material is broken into different part 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 product 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 organism.

CHAPTER - 2 (FORMS OF BUSINESS ORGANISATIONS)

Answer the following questions:

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

- a. Sole proprietorship
- b. Partnership
- c. Company
- 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 lacks 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. A prospectus is issued by :

- a. A private company
- b. A public enterprise
- c. A public company

d. A public company seeking investment from public

Q5. The capital of a company is divided into number of parts, each one is called :

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

Q6. Match the items given under 'A' with the suitable statements under 'B' :

	Column A		Column 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 states 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. b., ii. a., iii. c., iv. e., v. d.

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

d. None of these

Q7. The Karta in Joint Hindu family business has _____.

- a. Limited liability
- b. Unlimited liability
- c. No liability for debts
- d. Joint liability

Q8. Cooperative societies which performs various marketing functions such as transportation, warehousing, packing, grading, marketing research, etc for the members are known as _____.

- a. Farmers cooperative society
- b. Credit cooperative society
- c. Cooperative housing society
- d. Marketing cooperating society

Q9. 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. Inseparable
- c. Diluted
- d. None of the above

Q10. Life of business is longer in case of HUF business as compared to sole proprietorship. After the death of karta _____ takes his position.

- a. Youngest member of the family
- b. Next eldest member of the family
- c. Eldest son of karta
- d. None of the above

Q11. Read the following statement Assertion(A) and Reason (R). Choose one of the correct alternative given below.

Assertion (A): Credit cooperative societies are established for providing easy credit on reasonable terms to the members.

Reason(R): Credit cooperative societies provide loans to members out of the amount collected as capital and deposits from the members and charge low rates .

- a. Both Assertion (A) and Reason (R) are correct and (R) is the correct explanation of (A).
- b. Both Assertion (A) and Reason (R) are correct and (R) is not the correct explanation of (A).
- c. Assertion (A) is correct but Reason (R) is wrong.
- d. Assertion (A) is incorrect and Reason (R) are correct.

Case based questions

Q12. Read the following case and answer the questions given below.

Sadbhav Ltd. took a loan of ₹ 1 crore from State Bank of India for its working capital requirement and expansion plans. The company failed to repay because of heavy losses. The company asked its shareholders to take the responsibility and contribute towards repayment of loan. The Shareholders refused to contribute towards repayment of loan because they had already paid the full amount but on their shares, bank filed a suit against Sadbhav Ltd.

The court said that company could not ask share holders to repay loan as they have no unpaid amount of shares. It was the responsibility of Sadbhav Ltd. to use its assets to repay loan amount.

- i. Identify the kind of liability which is enjoyed by the shareholder of Sadbhav Ltd.
 - a. Unlimited liability
 - b. Limited liability
 - c. General liability
 - d. None of these
- ii. Identify the feature of company form of business organization which protected shareholders, i.e., owner of business not to pay.
 - a. Perpetual succession
 - b. Artificial person
 - c. Separate legal entity
 - d. Ease of formation
- iii. Suppose Kanta is a shareholder in Sadbhav Ltd. holding 5000 shares of ₹100 each on which she has already paid ₹ 80 per share. What will be her liability in repayment of bank loan?
 - a. ₹ 20,000
 - b. ₹ 10,000
 - c. ₹ 50,000
 - d. ₹ 1,00,000
- iv. Which of the following statement is true about liability of shareholders of the Sadbhav Ltd.?
 - a. The liability of shareholders is unlimited.
 - b. The liability of shareholders is limited to the extent of unpaid amount on shares hold by them.
 - c. The liability of shareholders can be extended in case the company fails to repay the loan.
 - d. None of these

Q13. "One man control is the best in the world, if that man is big enough to manage the whole show."
Comment.

Q14. 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.

Q15. What are the two conditions for existence of Joint Hindu Family business and comment on the two communities of the Hindu Law.

Q16. Explain 'Mutual Agency' as a feature of partnership.

Q17. If registration is optional, then why do partnership firms willing to go through this legal formality and get themselves registered? Explain.

Q18. Sparkles Pvt. Ltd. was promoted in the year 2000 by a group of four friends. As business of the company has grown considerably over the years, its management is now planning to convert it into a public company and raise funds in the next six months to finance its future expansion plans in retailing.

In the context of this case, state any four privileges that the company will have to forgo as a private company after conversion.

Q19. Define: i. Qualification Shares ii. One person company

Q20. Explain the term "Minimum Subscription".

Q21. 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:

Assertion (A): Departmental undertaking is most suitable when national security is concerned.

Reason(R): Departmental undertaking is established under a special Act of the parliament.

- a. Both Assertion (A) and Reason (R) are correct and (R) is the correct explanation of (A).
- b. Both Assertion (A) and Reason (R) are correct and (R) is not the correct explanation of (A).
- c. Assertion (A) is correct but Reason (R) is wrong.
- d. Assertion (A) is incorrect and Reason (R) are correct.

Case based questions

Q12. Read the following case and answer the questions given below.

Bharat Heavy Electricals Limited (BHEL) owned and founded by the government of India, is an engineering and manufacturing company based in New Delhi, India. It was established in 1964. BHEL is India's largest power generation equipment manufacturer. It is managed by the board of directors nominated by the government. As government is the majority shareholder, it exercise control over the affairs of the company.

- i. How will you classify BHEL as a form of public sector enterprises?
 - a. Departmental undertaking
 - b. Private sector enterprises
 - c. Government company
 - d. Statutory corporation
- ii. BHEL was formed according to which Act?
 - a. Partnership Act
 - b. Hindu succession Act
 - c. Companies Act
 - d. Cooperative Society Act
- iii. The board of director of the company are appointed by_____.
 - a. Government
 - b. Public
 - c. Shareholders
 - d. None of these
- iv. Capital of such corporation comes from_____.
 - a. Board of director
 - b. Government
 - c. RBI
 - d. None of these

Q13. Explain the meaning and features of public corporation.

Q14. Why is the government company form of organization preferred to other types in the public sector?

Q15. Tata Iron and Steel Co. joined hand with IPCOL Ltd. to promote IPTATA Sponge Iron Ltd. Which form of enterprise is mentioned in the above case? Explain.

Q16. 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:

- i. How will you classify BHEL as a form of public sector enterprise?
- ii. State any three features of the form of public sector enterprise as identified in part i. of the question.
- iii. Explain briefly 'financial and operational autonomy' as a merit of the type of public sector enterprise as identified in part a. of the question.

Q17. 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

- i. Identify the concept mentioned above and write its any three features.
- ii. State any two ways in which the government is likely to be benefited by the pursuing project under the concept identified in part i.

Q18. 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

- i. What form of enterprise Nestle is?
- ii. State any three features of the form of enterprise as identified in part i of the question.

CHAPTER - 4 (BUSINESS SERVICES)

Answer the following questions:

- Q1.** Which of the following feature does not exist in the service?
- a. Intangibility
 - b. Inventory
 - c. Inseparability
 - d. Inconsistency
- Q2.** Which of the following is a business service?
- a. Recreational facilities
 - b. Customer care services
 - c. Providing food for security
 - d. Providing employment opportunities to the differently abled
- 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.** E-banking does not include :
- a. EFT
 - b. ATM
 - c. RTGs
 - d. Safety of valuables
- Q5.** A part of saving automatically converts into fixed deposits, refers to which of the following accounts:
- a. Saving account
 - b. Fixed deposits account
 - c. Current account
 - d. Recurring deposit account
- Q6.** 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.

Q7. _____ is not covered under principle of indemnity.

- a. Fire Insurance
- b. Marine Insurance
- c. Theft Insurance
- d. Life Insurance

Q8. The amount deposited in a savings bank account of a person is an asset for the depositor, while on the other hand it is a liability for the bank. Based on its nature it can be classified as a _____.

- a. Time liability
- b. Demand liability
- c. Long-term liability
- d. None of these

Q9. _____ is a temporary arrangement under which a depositor is allowed to draw by cheque more than the amount to his credit up to a specified limit.

- a. Cash credit
- b. Term loan
- c. Bank overdraft
- d. Consumer Credit

Q10. 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

Q11. Read the following statement Assertion(A) and Reason (R). Choose one of the correct alternative given below.

Assertion (A) : Business services are those services which are used by business enterprises for the production or sale of goods and services.

Reason (R): Business enterprises are much dependent on business services as these services helps the enterprises to carry on their activities smoothly.

- a. Both Assertion (A) and Reason (R) are correct and (R) is the correct explanation of (A).
- b. Both Assertion (A) and Reason (R) are correct and (R) is not the correct explanation of (A).
- c. Assertion (A) is correct but Reason (R) is wrong.
- d. Assertion (A) is incorrect and Reason (R) are correct.

Case based questions

Q12. Read the following case and answer the questions given below.

Rohit has a property. He gets an insurance policy for ₹ 8 lakh from R and Co. and ₹ 4 lakh from S and Co. for his property. Because of fire, property is destroyed to the extent of ₹ 3 lakh. Rohit cannot claim ₹ 3 lakh from R and Co. and ₹ 3 lakh from S and Co. as he cannot make profit by making full claim from both the companies. He can claim a total sum of ₹ 3 lakh from either of the companies or from both companies to the extent of their proportionate share. In case, he claim full loss amount of ₹ 3 lakh from R and Co. then S and Co. will pay its proportionate share to R and Co.

- i. Which principle of insurance has been highlighted in the above case?
 - a. Principle of Subrogation
 - b. Principle of Mitigation
 - c. Principle of Indemnity
 - d. Principle of Contribution
- ii. How much amount will Rohit get as compensation in total?
 - a. ₹ 8 lakh
 - b. ₹ 3 lakh
 - c. ₹ 4 lakh
 - d. ₹ 6 lakh
- iii. What will be the contribution of R and Co. in total claim amount?
 - a. ₹ 1.5 lakh
 - b. ₹ 3 lakh
 - c. ₹ 2 lakh
 - d. ₹ 4 lakh
- iv. What will the contribution of S and Co. in total claim amount?
 - a. ₹ 50,000
 - b. ₹ 1 lakh
 - c. ₹ 2 lakh
 - d. ₹ 3 lakh

Q13. Ragini has insured her house for ₹ 5,00,000 against fire .There is a fire and Ragini suffers a loss of ₹1,00,000 . How much amount she can recover from the insurer?

Q14. What is life insurance? Who have insurable interest in case of a life policy?

Q15. What is e-banking? Explain the range of services offered by e-banking.

Q16. Explain meaning of Registered Post, Parcel, Speed Post and Courier.

Q17. '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.

Q18. Danush 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.

Q19. Gauri took insurance policy for her home without disclosing that the home is being used to a catering business. After few months, a gas cylinder explosion, caused major damage to her property. Consequently, she filed a claim against the insurance company for compensation of loss. On investigating the matter, the insurance company discovered about the commercial use of the home and refused to pay any claims. Identify and explain the principle of insurance which has been violated in the above case.

Q20. Subhash's factory catches fire due to an electric short-circuit. However, Subhash does not take any action to stop the fire, neither does he call up the nearest fire station. Instead he remains inactive and watched his factory burn thinking that why should he be worried when he has taken a fire insurance for the factory. Later on he is denied any claim of loss by the insurance company. Identify and explain the principle of insurance which has been violated in the above case.

CHAPTER - 5 (EMERGING MODES OF BUSINESS)

Answer the following 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. It is not an application of e - business :

- a. Online Bidding
- b. Online Procurement
- c. Online Trading
- d. Contract R & D

Q5. Which of the following is not the advantage of e-Business ?

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

Q6. 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. c., ii. d., iii. b., iv. a.
- c. i. a., ii. b., iii c., iv d.
- d. None of these

Q7. Under _____ method payment is made at the time of physical delivery of goods.

- a. Cash on delivery
- b. Prepaid amount
- c. Debit card payment
- d. Credit card payment

Q8. Out of e-commerce and e-business, _____ is a broader term?

- a. E-business
- b. Both e-business and e-commerce are same thing
- c. E-commerce
- d. None of the above

Q9. Both the parties involved in e-commerce transactions are business firms. This is the case of ____.

- a. B2B
- b. C2C
- c. C2B
- d. B2C

Q10. _____ one of the following is a factor which gives advantage to e-business over traditional business.

- a. Transaction risks
- b. Investment requirements
- c. Ethical fallouts
- d. Personal touch with customers

Q11. Read the following statement Assertion(A) and Reason (R). Choose one of the correct alternative given below.

Assertion (A) : E-business is one of the most speedy modes of doing business.

Reason (R) : E-business offers the convenience of doing business 24 hours×7 days a week.

- a. Both Assertion (A) and Reason (R) are correct and (R) is the correct explanation of (A).
- b. Both Assertion (A) and Reason (R) are correct and (R) is not the correct explanation of (A).
- c. Assertion (A) is correct but Reason (R) is wrong.
- d. Assertion (A) is incorrect and Reason (R) are correct.

Case based questions

Q12. Read the following case and answer the questions given below.

XYZ Electronics does retail business of electronic items at a very large scale. The firm has to pay a lot of attention to advertisement. The owner of the firm are aware that if they spend more times on advertisement, some other important activities are left pending. One of the parties of the firm suggested that if the job of advertisement is handed over the some advertising company, they might be relieved of that important activity. By doing so, they will get benefit of specialisation and their expenditure on that activity will be less also. The firm implemented this, which gave favourable results. Now, the company is growing very fast.

- i. Identify the type of services outsourced by XYZ Electronics from the following outsourcing services.
 - a. Financial services
 - b. Advertising services

- c. Courier services
- d. Customer support services
- ii. Identify the emerging mode of business, taken up by XYZ Electronics.
 - a. E- business
 - b. Traditional business
 - c. Both a. & b.
 - d. None of these
- iii. "The owner of the firm was aware that if they spend more time on advertisement, some other important activities are left pending." Identify the benefit of outsourcing which the owner of the firm is thinking about.
 - a. Fillip to economic development
 - b. Cost reduction
 - c. Quest for excellence
 - d. Focusing of attention
- iv. In Today's competitive world, advertising services are very important as they help to :
 - a. Reduce the expenditure
 - b. Generate interest towards the firm's product
 - c. Get benefit of specialization
 - d. Prepare quality products

Q13. What is the difference between e-business and e-commerce?

Q14. Explain how e-business helps in going global?

Q15. How does outsourcing represent a new mode of business?

Q15. 'Dhoom Ltd.' is a well-known sports equipment company in India. The company has decided to open 10 sports complexes across the country. The company plans to outsource its non-core activities like security services and canteen services besides payroll, human resources, accounting and customer call center relations.

In the context of above case explain any three benefits that the company is going to derive from outsourcing.

Q16. 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 online via video conferencing. The company uses the financial intermediaries like PayPal in order to facilitate payment online. Keeping in mind the scope of e-business identify the various types of e-business activities adopted by 'Splendor Ltd.' by quoting lines from the paragraph.

Q17. Discuss the limitations of electronic mode of doing business. Are these limitations severe enough to restrict the scope? Give reason for your answer.

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

Answer the following questions:

Q1. Social responsibility is :

- a. Same as legal responsibility
- b. Broader than legal responsibility
- c. Narrower than legal responsibility
- d. None of these

Q2. Responsibility of a business to prevent pollution can be categorized in which of the following category?

- a. Political responsibility
- b. Discretionary responsibility
- c. Ethical responsibility
- d. Economic responsibility

Q3. If a business is socially responsible towards its employees, it is able to check movement of labour. What do you mean by labour movement?

- a. Movement of labour from one department to another
- b. Movement of labour from one employer to another
- c. Movement of labour from one country to another
- d. Movement of labour from villages to cities

Q4. A separate department for matters related to environment, department of environment was created by Central Government in year.

- a. 1985
- b. 2005
- c. 1980
- d. 1990

Q5. Which of the following amount of unethical business practices towards customers?

- a. Dishonest advertising
- b. Unfair pricing
- c. Improper after sale servicing
- d. All of the above

Q6. Match the items given under 'A' with the suitable statements under 'B' :

	Column A		Column 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. d., ii. c., iii. b., iv. a., v. e.
- c. i. a., ii. b., iii. c., iv. d., v. e.
- d. None of these

Q7. Business people have the skills to solve _____.

- a. All social problems
- b. Some social problems
- c. No social problems
- d. All economic problems

Q8. An enterprise must behave as a good citizen. This is an example of its responsibility towards _____.

- a. Owners
- b. Workers
- c. Consumers
- d. Community

Q9. Legal provisions make it compulsory for certain classes of _____ to be socially responsible.

- a. Partnership firms
- b. Cooperative societies
- c. Companies
- d. Sole proprietorship firms

Q10. A business enterprise has a responsibility of providing fair returns to _____ on their capital investment.

- a. Labour
- b. Consumers
- c. Government
- d. Investor

Q11. Read the following statement Assertion(A) and Reason (R). Choose one of the correct alternative given below.

Assertion (A) : Legal obligation are the compulsion which should be followed as per the provision of law.

Reason (R) : Social responsibility is the voluntary action on the part of business for its society.

- a. Both Assertion (A) and Reason (R) are correct and (R) is the correct explanation of (A).
- b. Both Assertion (A) and Reason (R) are correct and (R) is not the correct explanation of (A).
- c. Assertion (A) is correct but Reason (R) is wrong.
- d. Assertion (A) is incorrect and Reason (R) are correct.

Case based questions

Q12. Read the following case and answer the questions given below.

Inn Trin Ltd is a well known company in telecom sector. The company is committed to treat everyone fairly with respect and dignity, regardless of difference in age, caste, creed, gender etc. It not only abides by all the laws and pays taxes on time, but also makes sure it participates in social services projects. It prefers to give fair advertisement without any exaggeration, and change fairly from its customers and maintains quality. Its managers work effectively and efficiently and minimise waste to maximize the return to their shareholders. The company is running a charitable hospital to provide medical facilities to the people of that area.

- i. "Company is committed _____ creed and generate etc". Identify towards which interest group,
 - a. Government
 - b. Consumers
 - c. Community
 - d. Employees
- ii. "It not only abides by all the laws _____ and pay taxes on time". In this paragraph, towards which interest group company is fulfilling responsibility?
 - a. Government
 - b. Consumers
 - c. Society
 - d. Employee
- iii. "It prefers to give fair _____ quality". In the above lines, identify towards which interest group company is fulfilling its social responsibility?
 - a. Owners
 - b. Consumers
 - c. Investors
 - d. Employee
- iv. "Managers work effectively _____ return to their shareholders". In the above lines, identify towards which interest group company is fulfilling its social responsibility?
 - a. Owners
 - b. Government
 - c. Society
 - d. Employee

Q13. 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 school 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.

Q14. What is environmental pollution? Why do the enterprises need to adopt pollution control measures?

Q15. A business is supposed to be socially responsible. Explain and mention that how and towards which segments of the societies a business should be socially responsible. Also state the responsibilities required to be fulfilled.

Q16. Yash had started a sugarcane factory in Moradabad 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.

Q17. Explain briefly the social responsibilities of business towards different interest groups.

Q18. Business is essentially a social institution and not merely a profit making activity. Explain.

Q19. “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.

Q20. “Like an individual, business enterprises should also be a loyal citizen of the state.” Discuss.

CHAPTER-7(SOURCES OF BUSINESS FINANCE)

Answer the following questions:

Q1. Internal sources of capital are those that are.

- Generated through outsiders such as suppliers
- Generated through loans from commercial banks
- Generated through issue of shares
- Generated within the business

Q2. The term ‘redeemable’ is used for

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

Q3. Who control the company?

- | | |
|----------------------|----------------------|
| a. Debenture holders | b. Employees |
| c. Shareholders | d. None of the above |

Q4. Equity shareholders are called

- | | |
|------------------------------|----------------------------|
| a. Owners of the company | b. Partners of the company |
| c. Executives of the company | d. Guardian of the company |

Q5. Which of the following instruments to also known as Hybrid security?

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

Q6. Rishabh cares more for the security of investment and stability of income. What will he choose from the amongst _____?

- | | |
|----------------------|-----------------|
| a. Retained earnings | b. Debentures |
| c. Preference share | d. Equity share |

Q7. 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 |

Q8. The deposit made by one company with another company is called_____.

- | | |
|------------------------------|-------------------------------------|
| a. Public deposits | b. Inter corporate deposits |
| c. Loan from commercial bank | d. Loan from financial institutions |

Q9. 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 |

Q10. The funds required by ‘Snapdeal’ to advertise in the newspapers is an example of _____.

- | | |
|-------------------------------|---------------------------------|
| a. Trade credit | b. Ploughing back of profits |
| c. Fixed capital requirements | d. Working capital requirements |

Case based questions

Q11. Read the following case and answer the questions given below.

Share means smallest unit in which share capital of a company is divided and includes stock. Equity share is a common security issued under permanent or owner's fund capital. Equity share are the most important source of raising long term capital. The equity share are those shares which do not carry any special or preferential rights in the payment of annual dividend or repayment of capital. At the time of winding up also capital of equity shareholders is returned only after every claim has been settled.

- i. Equity shares,
 - a. Have preferential right
 - b. Do not carry any preferential right
 - c. Both a. and b.
 - d. None of the above
- ii. At the time of winding up equity shareholders received their capital_____.
 - a. In priority
 - b. After paying debt holders
 - c. After paying every claimant
 - d. None of the above
- iii. Equity shares are also called Hybrid security.
 - a. True
 - b. False
 - c. Partially false
 - d. None of the above
- iv. Equity shares are part of
 - a. Owners fund
 - b. Borrowed fund
 - c. Public deposits
 - d. Retained earnings

Q12. Puto 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 the business through the profits reinvested in the business. Identify the source of finance being mentioned in the given case and state its four merits.

Q13. To meet the problem of short-term capital inadequacy, Tizen Ltd. borrowed 75 crores from Sky Ltd. , which had surplus funds. Although Sky Ltd charged higher interest rates as compared to bank borrowings, still Tizen Ltd. preferred this source as no security had to be given to raise funds. Identify the source of finance being discussed in the given case. Also, state its three merits.

Q14. On 13 May, 2010, Standard Chartered PLC was the first foreign company to raise funds from Indian Securities Market through issue of financial instrument denominated in Indian Rupees. Identify the instrument through which Standard Chartered PLC raised funds from the Indian capital market.

Q15. 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.

Q16. 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 ₹ 15,00,000. She had ₹ 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 ₹ 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?

Q17. What preferential rights are enjoyed by preference shareholders? Explain.

Q18. A company requires funds to meet its working capital. State the sources available along with their features.

Q19. Ann 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 its any three merits.
 - ii. Suggest any external source of funds that Ann can use to finance her expansion plans. Also give any two features of such a source of finance.
- Q20.** 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.
- Q21.** Superb Ltd. is a well diversified company engaged in development of real estate, tourism and textiles. The company plans to raise a sum of ₹ 10 crores in order to finance its expansion plans. Presently, there is a conflict among its financial managers as to whether the company should float an issue of equity shares or debentures to raise the required amount of funds. Which of the two sources of funds will you suggest considering the fact that company has not raised much debt capital so far and why?

CHAPTER -8 (SMALL BUSINESS AND ENTERPRISES)

Answer the following questions:

- Q1.** Service enterprise having ₹ 5 crore investment in plant and machinery is called:
- a. Micro Enterprises
 - b. Small enterprise
 - c. Medium enterprise
 - d. None of these
- 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. None of the above
- Q3.** When your brand gets legal protection and no one else is allowed to use it, this is called:
- a. Copy right
 - b. Small enterprise
 - c. Trade Mark
 - d. None of the above
- Q4.** To process imported raw materials, which institute help SSI:
- a. NSIC
 - b. DIC
 - c. Both
 - d. None of the above
- Q5.** 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
- Q6.** Any industry located in a rural area that produces any goods, renders any service with or without the use of power is known as _____.
- a. City Industry
 - b. Town Industry
 - c. Village Industry
 - d. District Industry
- Q7.** _____ is/are also known as Rural industries or Traditional industries.
- a. Food industry
 - b. Cottage industry
 - c. Agricultural industry
 - d. None of the above
- Q8.** _____ comes under the Modern Small Industries.
- a. Coir
 - b. Handicrafts
 - c. Khadi
 - d. Power looms
- Q9.** 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

Case based questions

Q10. Read the following case and answer the questions given below.

Keeping in view the contribution of SSI to employment generation, balanced regional growth and promotion of export, the government of India has formed various policies and offered various incentives and benefits for growth and promotion of small scale business at central level as well as state level. The government assistance is translated into action through various agencies, departments and corporations etc.

- i. Government is providing lots of benefits to SSI because
 - a. SSI are generating employees
 - b. SSI contributes for balanced regional growth
 - c. SSI promotes export
 - d. All of the above
- ii. The two institutions set up by government of India specially for SSI are
 - a. RBI and SBI
 - b. NSIC and DIC
 - c. SBI and RBI
 - d. None of the above
- iii. The SSI get government assistance at
 - a. central level
 - b. state level
 - c. Both a. and b.
 - d. none of the above
- iv. SSIs play a very important role in the growth of a nation specially for developing nation
 - a. True
 - b. False
 - c. Partially false
 - d. None of the above

Q11. 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 ₹ 50 lakhs to acquire plant and machinery, ₹ 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 limit in this category.

Q12. After completing the graduation, three close friends (Prakash, Sanyog and Manoj) decided to start their own business.

- i. Prakash established a factory to produce readymade garments and invested ₹ 4 crores in Plant and Machinery.
- ii. Sanyog set up a manufacturing unit to produce sanitary fittings. He invested ₹ 7.5 crores in Plant and Machinery.
- iii. Manoj started a manufacturing unit to produce stationery items and invested ₹ 20 lakhs in Plant and Machinery.

Identify the category in which their business will fall under Micro, Small and Medium Enterprises.

Q13. Pradeep started a manufacturing unit of electrical accessories. He is facing severe shortage of adequate finance to carry out the business activities. His manufacturing unit is also suffering from shortage of required inputs and he is unable to buy inputs in bulk due to lack of storage facilities Pradeep wants his product to be of world class quality, but he is unable to hire professional expenses due to shortage of funds. His manufacturing unit is operating below the full capacity level due to shortage of demand. Identify the problems of small scale business faced by Pradeep in his business by quoting lines from the given case.

Q14. 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 ₹ 50 lakhs to acquire plant and machinery, ₹1 crore to buy land, ₹ 25 Lakhs to buy raw material and ₹ 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.

Q15. Lakshay Industries has a permanent capital of ₹ 5 crore with investment in the plant and machinery amounting ₹ 15 lakh. Whereas Ritesh Industries has a permanent capital of ₹ 1 crore with investment in the plant and machinery amounting to ₹ 50 lakh. Which of the two will be classified as small scale industry?

Q16. How does the Intellectual Property Rights helps the Entrepreneur?

Q17. Write note on – i. Copy rights ii. Patents iii. Trademarks.

Q18. What are the different parameters used to measure the size of business?

Q19. Briefly describe any one agency he can approach for seeking assistance in setting up his business.

Q20. 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 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. Chemist shop is an example of

- a. General store b. Speciality shop
- c. Street shop d. None of the above

Q3. 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

Q4. _____ is the link between wholesaler and customer.

- a. Manufacturer b. Supplier
- c. Retailer d. None of these

Q5. 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. None of the above

Q6. Match the items given under 'A' with the suitable statements under 'B' :

	Column A		Column B
i.	Direct marketing	a.	Super markets
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. a, ii. b, iii. d, iv. c
- c. i. b, ii. a, iii. c, iv. d d. None of these

Q7. Wholesalers deals in _____ quantity of goods.

- a. Small b. Limited
- c. Large d. Medium

Q8. _____ are mobile traders who deal in low-priced articles with no fixed place of business.

- | | |
|----------------------|--------------|
| a. Street stalls | b. Retailers |
| c. Itinerant traders | d. Agents |
- Q9.** _____ 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 |
- Q10.** Goods with minor defects are sold at _____.
- | | |
|---------------------------|----------------------|
| a. Second hand goods shop | b. Seconds shop |
| c. General store | d. None of the above |

Case based questions

Q11. Read the following case and answer the questions given below.

Itinerants refer to retailers who have no fixed place for sale. They move one place to another in search of customers. They are also known as mobile vendors. Itinerants deal in low price non-standard items. They deal in daily use items and require small investments. Different categories of itinerants are hawkers and pedlars, periodic market traders, street traders, cheap jacks etc.

- i. The retailers who have no fixed place for sale is known as

a. Small retailer	b. Small trader
c. Itinerants	d. None of the above
 - ii. Itinerants are also known as mobile vendors because

a. They contact their customers at mobile	b. They always carry a mobile phone
c. They move from one place to another	d. None of the above
 - iii. Itinerants deal with

a. Branded items	b. Non branded low price items
c. High price unique items	d. All of the above
 - iv. Monday market, vendor is an example of

a. Hawker	b. Pedlar
c. Periodic market trader	d. Cheap jack
- Q12.** Giriraj is a small trader who carry different types of vegetables in a wheeled vehicle and move from one colony to another to sell vegetables at the doorstep of the customers. Giriraj does not have fixed price policy and price varies depending on the bargaining power of the customers. Identify and explain the type of retailer under which Giriraj should be placed.
- Q13.** Cafe Coffee Day (abbreviated as CCD) is an Indian cafe chain owned by Coffee Day Global Limited, a subsidiary of Coffee Day Enterprises Limited. There are around 1,600 outlets of CCD across India. All the outlets of CCD are under the control of the head office. Identify and explain the type of retail outlet being described in the given case.
- Q14.** Shivam is interested in buying different Computer Accessories (Keyboards, Mouse, Speakers, etc.) from M/s Yes Computers So, he requested Aniket (owner of M/s Yes Computers) to provide details about the prices of different items, which he wishes to buy. Aniket prepares a document which contains detailed information regarding price, quality, brand and all other relevant details about the various items asked by Shivam. Identify the document used by Aniket to give details about the product.
- Q15.** Nitin buys goods from wholesaler in his locality and resell it to customers in small lots, as per the requirements of the customers. He generally maintains variety of products and different brands of the products. Nitin even supplies goods at the customer's doorstep without any extra charges. Even he offer goods on credit to the customers. Name the nature of business in which Nitin is dealing.
- Q16.** 'Go Max' is a large retail showroom having a number of departments under one roof, each department specialising in one line of product such as electronics, clothing, home decor, cosmetics, etc. Each of the department is like a separate shop with centralised purchasing, selling and accounting, each run by departmental manager.

- i. What type of business is 'Go Max is dealing?
 ii. State any three advantages of this type of business.
- Q17.** "Both departmental stores and multiple shops are large retail establishment, yet they are different." Explain how?
- Q18.** Itish runs an electronic retail outlet in Kalkaji 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:
- i. Identify the various types of retailing services Itish is providing to his customers.
 ii. Also, mention any two other services provided by a retailer to his customers which are not mentioned above.
 iii. 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?
- Q19.** 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:
- i. Identify the type of retail outlets as identified in the above lines.
 ii. 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.
- Q20.** 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:
- i. How would you classify Ajay as a type of retailer?
 ii. Name the under category of the type of retail trade as identified in part i of the question under which he should be placed.
 iii. 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.
- Q21.** 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:
- i. Why was the Indian Chamber for Commerce and Industry formed?
 ii. Explain briefly any four points highlighting the role of Chamber of Commerce and Industry in the promotion of internal trade.
- Q22.** Who are Itinerant retailers? Explain it's various types.
- Q23.** Explain the role and functions of Indian chamber of commerce and industry in promotion of internal trade.
- Q24.** Tarun owns a coaching centre in Alwar. He has often observed students buying eatables from street vendors before and after classes at his centre. This habit of the students used to disturb him as roadside food is neither of good quality nor it is hygienically prepared. Thus, for the benefit of the students he recently installed an automated machine at his centre which dispenses various kind of food items on inserting a coin.
 In the context of the above case:
- i. What does 'an automated machine' refer to in the above lines?

- ii. List any two limitations of the type of marketing method as identified in part i. of the question from the customer's point of view.

CHAPTER-10 (INTERNATIONAL BUSINESS)

Answer the following questions:

- Q1.** Name the document containing the guarantee or assurance by the importer's bank to honour bills drawn on it by the exporter.
- | | |
|---------------------|----------------------|
| a. Letter of credit | b. Bill of exchange |
| c. Bill of lading | d. None of the above |
- Q2.** Bill of lading is a document used in
- | | |
|------------------------|----------------------|
| a. International trade | b. Inland trade |
| c. Both of the above | d. None of the above |
- Q3.** 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 |
- Q4.** Identify the first step in the export procedure.
- | |
|--|
| a. Receipt of enquiry and sending quotations |
| b. Obtaining export license |
| c. Receipt of order or indent |
| d. Production or Procurement of goods |
- Q5.** 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
- | | |
|---------------------|--------------------------------|
| a. Letter of Credit | b. Sight Draft |
| c. Bill of Entry | d. Bank certificate of payment |
- Q6.** _____ 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.
- | | |
|-------------------|----------------------|
| a. Shipping bill | b. Packaging list |
| c. Mate's receipt | d. Bills of exchange |
- Q7.** When goods are loaded on the ship, then the captain of the ship issues a receipt which is called_____.
- | | |
|---------------------|----------------------------|
| a. Shipping receipt | b. Mate's receipt |
| c. Loading receipt | d. Receipt of rent of bill |
- Q8.** _____ is not an advantage of exporting.
- | |
|---|
| a. Easier way to enter into international markets |
| b. Comparatively lower risks |
| c. Limited presence in foreign markets |
| d. Less investment requirements |
- Q9.** _____ modes of entry brings the firm closer to international markets.
- | | |
|---------------------------|------------------|
| a. Licensing | b. Franchising |
| c. Contract manufacturing | d. Joint venture |
- Q10.** Manufacturing and selling goods beyond the boundaries of one's own country is called_____.
- | | |
|----------------------|---------------------------|
| a. National business | b. International business |
| c. Domestic business | d. None of these |

Case based questions

- Q11.** Read the following case and answer the questions given below.

The customs officers examines the bill of entry carefully and assesses the customs duty to be paid by the importer and after assessing the duty amount, the bill of entry is given to the appraiser officer who does the inspection of goods and verifies the details given in bill of entry. If the

appraiser officer is satisfied with the information given in the bill of entry then he returns the bill of entry to the importer for making payment of customs duty. After this, the importer presents the bill of entry to the dock superintendent for physical examination of the goods after the examination by dock superintendent, the bill of entry is presented to the port manager who accepts payment of customs duty and issues the release order. On presentation of release order, the importer can take the delivery of goods. In case the importer fails to pay import duty then goods are transferred to a bonded warehouse. The importer can take the delivery from bonded warehouse only after paying the required duty.

- i. The custom duty is calculated by assessing
 - a. Bill of lading
 - b. Bill of entry
 - c. Export invoice
 - d. Import invoice
- ii. Who issues release order?
 - a. Port manager
 - b. Superintendent
 - c. Appraiser officer
 - d. None of the above
- iii. In case importer fails import duty then goods are transferred to
 - a. Government
 - b. Bonded warehouse
 - c. Private warehouse
 - d. Public warehouse
- iv. The physical inspection of goods is done by
 - a. Port manager
 - b. Superintendent
 - c. Appraiser officer
 - d. None of the above

Q12. Your friend Shenoy who is a renowned businessman of Thailand has imported goods from India. He is almost in the final stage of completion of importing the goods but suddenly he has got a huge unexpected expense due to which he cannot make immediate payment to the exporter for the goods he has imported. Now, which kind of bill of exchange Shenoy will sign with the exporter? State.

Q13. Wellness Ltd. of India exports Ayurvedic Medicines to Nepal. It gets tariff concession under the agreement between The South Asian Association for Regional Cooperation (SAARC) countries, For availing such benefit the importer in Nepal asks for the proof that goods have actually been manufactured in India. Identify and state the document highlighted above.

Q14. ABC Ltd. is a leading manufacturer of readymade garments in India. The company decides to purchase some special cloth to be used as a raw material for production from china. For this purpose, the company has arranged funds and has placed an import order with the exporter for the supply of the specified products. Discuss the remaining steps required to be performed in one of the procedures.

Q15. 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.

Q16. 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?

Q17. Enumerate various problems faced by international business.

Q18. 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 the two types of trade as identified in part i. of the question.

Q19. Why do nations trade? Give reasons.

Q20. Rahul owns a commercial printing press in Mysore. He is planning to import printing machine with latest technology from Germany. As he is a new entrant in international trade you are requested to appraise him about the various steps of the import procedure that he needs to perform before placing an order?

Q21. Quartz industries wanted to import watches from China. What procedure you will follow to execute this import order?

Q22. Discuss the objectives of the following institutions.

IDA

IFC

MIGA

IMF

WTO

Q23. Write note on the following.

- i. Entrepot
- ii. Invisible trade
- iii. Bills of exchange
- iv. Dock challan
- v. Bill of Lading
- vi. Bill of entry