



## **BUSINESS STUDIES**

**BOOKS - SHREE RADHEY PUBLICATION**

**BUSINESS STUDIES (HINGLISH)**

**PART-A FOUNDATIONS OF BUSINESS**

**Solved Ex**

1. Amar, Akbar and Anthony are three friends pursuing different careers.

(a) Amar is a doctor and is running his own clinic.

(b) Akbar runs a bakery and makes breads and biscuits, whereas

(c) Anthony is an IAS officer.

Your are required to:

(i) Identify their occupations and

(ii) Differentiate between them on the basis of transfer of interest, reward and code of conduct.



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2. Rama bought a readymade dress for rs 5000. her friend liked the design of dress very much, so Rama sold the same dress to her friend for rs 5500 and made a profit of rs500. after completing her studies Rama opened of selling readymade dresses for girls.

(c) can transaction between Rama and her friend be termed as business?

(b) State the features related to 'a'.

(c) Can the sale of dresses on her shop be called as business?



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**3.** Profit is not an objective but a requirement of business. Do you agree with this statement support answer with reasons.



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**4.** Rajiv wants to start a whole safe buisness of readymade garments, but he is hesitating as it involves various problems such as searching for customers, for moving goods from place of production to market , informing customers

about new designs and varieties added every season, threat of risk loss by fire or accident, storing the excess stock of goods etc.

He approaches his friend Sandeep who explained him about some branches of commerce, which can help Rajiv to overcome his hesitation.

(a) State the type of business Rajiv is planning to start.

(b) State which dimension of business can help Rajiv to overcome these hindrances.

(c) Specify different types of Auxiliaries to trade which can help Rajiv to overcome his

problems. Quote the line for each type from above para.



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Ex 1

1. Modern concept of Business insist on

A. (a) Earning type profit

B. (b) Providing services

C. (c) Bearing risk

D. (d) Profit with service

**Answer: (d)**



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2. Canara Bank opened a new Branch in Bangalore, it is fulfilling which of the following organisational objective.

A. (a) Survival

B. (b) Profit

C. (c) Processing

D. (d) Assembly

**Answer: B**



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**3.** Name the type of manufacturing industry in which basic raw material is broken into different parts to produce finish goods.

A. (a) Analytical



B. (b) Synthetic

C. (c) Processing

D. (d) Assembly

**Answer: (a)**



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**4.** Name the service which provides knowledge about new products to customers.

A. Transportation

B. Banking

C. Insurance

D. Advertisement.

**Answer: (d)**



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**5. On which date the Make in India project was launched?**

A. 15th August 2014

B. 2nd October 2014

C. 25th September 2014

D. 8th November 2016

**Answer: (C)**



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6. Buying and selling of goods within the geographical limit of the company is known as

A. External Trade

B. Internal Trade

C. Wholesale Trade

D. Retail Trade.

**Answer: (B)**



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7. Earthquake comes under which type of risk:

A. Natural cause risk

B. Human cause risk

C. Economic cause risk

D. Physical cause risk

**Answer: (a)**



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**8.** Name the reward which Businessman get to bear the risk:

A. (a) Market Standing

B. (b) Goodwill

C. (c) Profit

D. (d) More Business

**Answer: B**



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**9. Timber industry is what type of industry.**

A. Primary

B. Secondary

C. Tertiary

D. Manufacturing.

**Answer: (A)**



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**10.** Planting samplings and plants is related to what type of industry.

A. (a) Manufacturing

B. (b) Construction

C. (c) Genetic

D. (d) Extractive.

**Answer: (d)**



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**Very Short Ans**

1. What is the base for differentiating the economic and non-economic activities?



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2. Name the economic activity in which specialised knowledge is required.



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3. What reward a businessman gets for bearing the risks?



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4. Name the occupation in which people work for others and get remunerated in return.



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5. Name the industries which provide support service to other industries.



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6. What type of industry is fishing?



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7. ABC Ltd. Is planting trees on the roadside.

Which objective is it trying to achieve?



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8. Define Risk.



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**9.** Name any two factors kept in mind while setting up an enterprise.



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**10.** Why do businessmen earn profit?



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**11.** Give an example of activity, which is economic in one sense and non-economic in

other sense.



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**12.** Teena produces goods not for the purpose of sale but for personal consumption, will it be a business activity? Why?



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**13.** Piyush cooks food at his family whereas Rishab cooks food and sells it to others in

restaurant , who is engaged in business activity?



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**14.** Name the economic activity, which involves specialised knowledge and in which entry is restricted.



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**15.** What type of industry is banking.



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**16.** What type of industry are poultry farms and dealing with saplings of plants?



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**17.** How do traders remove hindrance of persons?



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**18.** Name the tertiary industry which removes hindrance of knowledge.



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**19.** What term is used to refer to physical arrangement of machines and equipment needed to manufacture a product?



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20. What is the basis of differentiating between economic and non-economic activities? Classify the following activities as economic or non-economic:

(a) A property dealer selling house for commission

(b) A housewife doing household work at home

(c) A teacher teaching in the school

(d) A person offering prayer in the church.



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21. Name the economic activities in which following people are involved.

(i) Bhuvan, who is practising as chartered accountant

(ii) Piyush running a shop to sell autospare parts

(iii) Rishab working as manager in a bank.



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**22.** Name the following :

(a) The economic activity showing a risk element and carried on profit.

(b) The trade in which two countries are involved.

(c) The trade in which goods are imported from one country for the purpose of exporting to other country.

(d) The industry which involves breeding and reproduction of plants and animals.

(e) The branch of commerce which remove hindrance of place.



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**23.** State with reasons whether the following statements are 'True' or 'False',

(a) Main elements of business activities are industry and trade.

(b) Industries can be classified in five broad categories.

(c) A business activity may be carried out without any sale or exchange.

(d) Conversion of cotton into cloth is an example of a primary industry.



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**24.** Identify the following as traits of business, profession and employment.

(a) Hari sells mobile phones on behalf of his employer.

(b) It requires minimum academic and other qualification.

(c) A hawker sells toys for children outside a function.

(d) V sanjay is an advocate of High Court.

(e) Dhruv is the manager of a mobile company.

(f) A person repairs scooters on roadside.

(g) Shyam works as a Sales Executive in a mobile company.



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## Higher Order

1. Sachin's father had gifted him his old laptop. Sachin wanted a latest laptop with some advanced features on his coming birthday. As the old laptop was not of needed by his father,

he decided to sell the laptop on OLX. Com and then purchase a new one. Sachin sold his laptop and was very delighted to make his first business deal. while making his purchase of new laptop from flipkart. com he read a notice about some relief material being collected for *J&K* Flood relief work. He informed his friends about the relief material, they formed a team of five students and decided to collect the material from their neighbourhood and send for relief work . can the transaction by Sachin be termed as business transaction?

why or why not, state the relevant feature of business.



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2. "Earning of profit cannot be the objective of business any more than the eating is the objective of living" Do you agree with this statement? Give reasons to support your answer.



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3. Why is commerce considered as the backbone of industry and other business activities?



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4. "Business is an institution organised and operated to provide goods and services under the incentive of private gain" Discuss.



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5. Why does a businessman willingly undertake business risk?



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6. Name the service which is related to the following cases:

(i) The service which helps in removing hindrance of knowledge

(ii) The service which helps in removing hindrance of exchange

(iii) The service which helps in removing

hindrance of place

(iv) The service which helps in removing

hindrance of time

(v) The service which helps in removing

hindrance of risk .



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7. Business involves "only sale and exchange of goods for profit". Do you agree with this?



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8. Mr. Bhuvan is a Chartered Accountant in a Multinational Company. He gets rs 85,000 per month as his salary. On weekends. Mr. Bhuvan goes to nearby village and teaches some slum children, he does not charge anything from them, he does it out of sympathy and concern for poor children. this gives him mental and psychological satisfaction.

(a) Working as CA in a MNC refers to which type of human activity.

(b) Teaching students in slum is which type of

human activity.

(c) Identify the values followed by Bhuvan.



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**9.** Mr. Ashwin Verma and Mr. Nikhil Sen entered into a partnership business of marketing ready made garments vide a written and duly registered agreement. They suffer heavy losses due to fluctuating demand and out-fashined designs. What is the nature of risk faced by the firm in the given case-pure or speculative?



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**10.** Differentiate between.

(a) Anjusha running a bakery and Manjusha cooking food at home.

(b) Poultry Farming and Mining



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**11.** Give an explicit example of each of the following:

(a) Any professional body and its associated

profession

(b) Extractive industry

(c) Pure business risk

(d) Entrepot trade



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**12.** Nancy makes some beautiful paper flowers and sells them to her neighbour for rs 600. her Aunt Mrs. Higgins prepares chocolates for supply to a local bakery. Who is engaged in a business activity and why?



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**13.** Ravina is good at stitching clothes. She stitched some clothes for an exhibition she had planned. Some of these clothes were donated by her to orphan children in her locality while other clothes were sold in the exhibition. How are the two activities different from each other?



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**14.** Rakesh's father gifted him a cricket bat on his birthday. The cost of the bat was rs 800. Few months later, Rakesh sold it to Nishant, one of his school friends for rs 850. he was very happy to earn a profit of rs 50. He was boosted by this transaction and after completing his sports materials under the name M/s Rakesh Traders. Rakesh and Nishant both act like an agent as well as principal of each other. Firm soon started earning good profit. Rakesh's father suggested them to spend some money on social responsibilities.

they then decided to donate free sports goods to schools which were financially weak.

(a) Can the transaction between Rakesh and Nishant be termed as business transaction?

Give reason.

(b) Can the transaction between M/s Rakesh Traders and other persons be termed as business transaction? Give your reason.

(c) Which feature of partnership form of business is mentioned above?

(d) According to you which value motivated the partners to donate sports goods? Give one suitable value.



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**15.** Nikhil wants to start a wholesale business of stationery items. But he is hesitating as it will involve hindrances related to finding consumers. Moving goods from place of production to market storing goods because of time gap between production and consumption, risk of theft, fire, accidents, procurement of capital to finance above activities, providing information to the consumers about products etc.

He approaches his friend Anant to discuss his problem. Anant, who himself imports the electric appliances for the purpose of exporting them to other countries, advises Nikhil to carry on with his plan and explains of exporting them to other countries, advises Nikhil to carry on with his plan and explains to him various functions performed by the second limb of business i.e., Commerce.

Anant elaborates on various advantages of trade and auxiliaries to trade. After getting convinced by the advice given by Anant, Nikhil starts the business named Nikhil Ltd. and finds

no major problems at all in converting his desire into a business venture. Nikhil gets his company registered under the Companies Act 2013.

(a) Name the part of commerce which exclusively helps in the process of trading the goods and services.

(b) Name the type of trade under which Anant was doing his business.

(c) Name the service which helps Nikhil to remove the hindrance of storing the stationary items.

(d) Name the service which helps Nikhil to remove the hindrance of place.



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**Multiple**

1. 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 of wages.

**Answer: (c)**



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2. Which one of the broad categories of industries covers oil refinery and sugar mills?

A. Primary

B. Secondary

C. Tertiary

D. None of them

**Answer: (a)**



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**3. Which of the following cannot be classified as an auxiliary to trade?**

A. Mining

B. Insurance



C. Warehousing

D. Transport

**Answer: (a)**



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4. 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 them.

**Answer: (b)**



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5. The industries which provide support services to other industries are known as

A. a) Primary industries

B. b)Secondary industries

C. c)Commercial industries

D. d)Tertiary industries.

**Answer: (d)**



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**6. Which of the following cannot be classified as an objective of business?**

A. Investment

B. Productivity

C. Innovation

D. Profit earning

**Answer: (a)**



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7. Business risk is not likely to arise due to

A. Changes in government policy

B. Good management

C. Employee dishonesty

D. Power failure.

**Answer: (b)**



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## Short Ans

1. State the different types of economic activities.



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2. Why is business considered an economic activity?



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3. Explain the concept of business.



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4. How would you classify business activities?



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**5. What are various types of industries?**



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**6. Explain any two business activities which are auxiliaries to trade.**



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7. What is the role of profit in business?



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8. What is business risk? What is its nature?



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9. Describe the concept of Business in modern context.



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**10.** Define Business. Distinguish it from profession and employment.



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**11.** Explain the social objectives of business.



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**12.** Explain the Role of Profit in the Business.



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**13.** Draw a chart showing the classification of Business Activities.



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**14.** Explain the difference between industry, Commerce and Trade.



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**15.** Discuss the causes of Business Risk.



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**16.** Describe different types of Hundis.



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**17.** Explain any three major trade centres in India.



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**18.** Why India was called Swarndweep?



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**Long Ans**

**1.** Explain the characteristics of business.



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2. Compare business with profession and employment.



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3. Explain with examples the various types of industries.



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4. Describe the activities relating to commerce.



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**5.** Why does business need multiple objective?

Explain any five such objectives.



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**6.** Explain the concept of business risk and its

causes.



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1. What is an Economic Activity?



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2. Define Business Risk.



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3. Define insurable Risk.





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4. Write a note on manufacturing industry.



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5. Define Business.



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6. What is meant by industry?







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7. What is meant by Primary industry?



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8. What is the peculiar feature of Construction industry?



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9. State any three major exports of India.



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10. State any three major imports of India.



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**Long Asn**

1. Explain the characteristics of business.



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2. Describe the different types of risks involved in Business transactions.



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3. What are the types of utilities created by a business?



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4. Briefly discuss the economic objectives of a business.



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5. Why is business considered an economic activity?



**Watch Video Solution**

6. Explain in detail the classification of Business Activities on the basis of their function.



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7. What role does profit play in a newly setup business organization? Write in brief.



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



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**9.** Although earning profit cannot be the only objective of business, its importance cannot be ignored.

What are multiple objective of a business?

Explain any other three objectives. Also state why a profits important.



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