



## BUSINESS STUDIES

### BOOKS - VK GLOBAL PUBLICATION BUSINESS STUDIES (HINGLISH)

#### EVOLUTION AND FUNDAMENTALS OF BUSINESS

11 Mcqs

1. Which of the following is a non - economic activity ?

(A) A factory owner producing school bags for sale in the market.

(B) Person begging at a busy traffic intersection.

(C) Services of a domestic help doing household chores at an employer 's house.

Services of a housewife doing household chores at home.

A. B

B. D

C. Both B and D

D. All of these

**Answer: b**



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2. Which of the following is an economic activity?

A. A housewife cooking food for her family.

B. A person selling cold water on the payment.

C. A young boy driving his motorycle in the city.

D. An old man offering prayers in a temple.

**Answer: b**



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3. Which of the following does not characterise business activity?

- A. Production of goods
- B. Presence of risk and services
- C. Sale or exchange
- D. Salary or wages

**Answer: d**



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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 economic activity in which specialised knowledge is required is \_\_\_\_\_.

- A. Business
- B. Employment
- C. Profession
- D. None of them

**Answer: c**



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6. The reward a businessman gets for bearing the risks is called \_\_\_\_\_.

A. Remuneration

B. Commission

C. Bonus

D. Profit

**Answer: d**

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7. Taking photographs of mountains as a hobby is \_\_\_\_\_ (an economic / a non - economic) activity.

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8. Teaching in a school is a non - economic activity . True/ False ? Given reason.

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9. Business is an economic activity . True / False ? Give reason.

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10. Sale of one 's ancestral house will not fit into the description of a business . True/ False ? Give reason.

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11. A business activity may be without a profit motive . True / False ? Give reason.

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12. A housewife sells old newspapers for Rs. 100 . Is it a business activity ?  
Why?

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13. If a person sells his / her domestic T.V set at a profit , will it be considered as a business ? Why?

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14. Given an example of a activity which is economic in one sense and non - economic in other sense.

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15. Ritika produces goods not for the purpose of sale but for personal consumption . Will it be a business activity ? Why ?

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16. Chhavi cooks foods at home for her family but Shelly cooks food and sells it to others in a restaurant . Who is engaged in business activity?

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17. \_\_\_\_\_ is the primary objective of business . Fill in the blank.

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18. Profit is essential for covering \_\_\_\_\_ of the business . Every business must earn reasonable profit to \_\_\_\_\_.

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19. A person repairs scooters on roadside . How will you describe this activity?

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20. "Business activities are undertaken under conditions of uncertainty" .

Which characteristic of business is highlighted in this statement?



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21. "Business is undertaken with the object of earning money " . Which characterstic of business is highlighted in this statement?



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22. Nitin is a salesman and sells mobile phones on behalf of his empolyer .

What will be his remuneration?



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23. Which economic activity requires minimum academic and other qualifications?

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24. A hawker sells toys for children . How will you describe this activity?

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25. Name the type of economic activity wherein a doctor operates his clinic.

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26. Name the economic activity which is conducted by a person having some special knowledge and skills which is used to serve different sections of the society.



## 11 Case Problem

1. All the four children of Mr . Madan Mohan Lal are doctors . Shyam is a skin specialist . Krishna is a heart specialist , Radhika is a chil specialist and Gauri is a physician . Dr . Shyam joined a multispeciality private hospital . Dr Krishna established his own nursing home . Dr . Radhika works in a government hospital adn also treats the poor people free of cost in a charitable dispensary . Dr . Gauri opened a medical store wherein she sells genuine medicines , getting the minimum profit margin.

(a) State , giving reasons , wherein they are engaged in economic or non - economic activities .

(b) Also explain in which form of the economic activities and non - economic activities they have been engaged.

2. After completing their graduation, Salman and Ram decided to set up a flour mill to earn income. Their main job is to purchase wheat from the market and have ground it into flour. Their flour is available in the packets of 5 kg, 10 kg and 20 kg. They sell these under the brand name 'Desh ka Atta' and earn a reasonable profit of 10% on cost. They worked very hard to flourish the business on a regular basis, and hence in no time their brand became very popular in the market. The main reasons for the success of their business are superior quality and low price. Their business was running very well. But one day, the flour mill caught fire, and as a result they had to suffer a heavy loss. However, Salman and Ram did not lose their heart, and worked even harder. Gradually, their business was back to normal. Now, they are fully satisfied with their business.

Quoting the lines from the above para, explain any four characteristics of business.



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3. Name and explain the two characteristics of business which involve possibility of loss.

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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. Anshul is a farmer . His elder brother Ankur is an advocate while his sister Priyanka is a clerk in a government office . Name the economic activities in which they are engaged and distinguish among them on the basis of : (i) Reward / Return (ii) Capital investment (iii) Risk.

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6. Only sale or exchange of goods/ services for profit is business . ' Do you agree with the statement? Give reason in support of your answer.



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7. Categorise the following into business profession and employment.

(i) A farmer

(ii) An advocate

(iii) A clerk

(iv) A doctor

(v) A hawker selling toys for children

(vii) A person repairing scooters on roadside



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1. \_\_\_\_\_ (speculative/ pure) risks means chance of loss without any possibility of gain.

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2. \_\_\_\_\_( speculative / pure) risks means chance of loss with possibility of gain.

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3. ABC Ltd . Is planting trees on the road side . It is trying to achieve \_\_\_\_\_ objectives of the business.

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4. Risks arise in business due to uncertain future . True / False ? Give reason.





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5. Profit is the reward for bearing risks . True/ False ? Give reason.



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6. Earning profits is the sole objective of business . True / False ? Give reason.



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7. Risk is an essential element of every business activity . True / False ? Give reason.



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8. Business risks is not likely to arise due to



A. Changes in government policy

B. Good management

C. Employee ' s dishonesty

D. Power failure

**Answer: b**



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## 12 Case Problem

1. Sherya and Vrinda joined together and established a partnership firm dealing in electronic goods. Each one of them looks after one particular department . They had made it certain that every Saturday they would hold a meeting and share the information on the activities of their respective departments . In one of their meetings they discuss about some key areas on which they should focus their attention . Shreya says , ' we should focus on increasing the number of products and profits . ' On

the other hand , Vrinda says , " we should keep clear of the anti - social activities like adulteration , hoarding and profiteering ,and contribute to the benefits of the society like opening charitable dispensary , educational institution , etc.



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2. Manjeet Pvt . Ltd. Is a reputed company manufac - turing computers . The company is earning a considerable profit . Both the propritors and the and the employees are puutting their best efforts to make good quanlity products available to the customers at a low price , paying its shareholders a good amount of dividends and the employees a reasonable remuneration . This contributes to the successful operations of the business . With increased profits over time , the company 's foundation becomes strong , and it earns a good reputation in the society . It utilises its profits to finance its growth and expansion requirements. Explain the role of profit in business of Manjeet Pvt . Ltd by quoting the lines from the above para.



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3. Ganga Ltd. Is a popular company manufacturing water coolers . Its product is very much liked by people in the market . The traders are in a race to become the company 's distributors . The company had been earning huge profits for many years . However , in the year 2018 , the company 's half yearly report shows a great decline in the company 's profit . The top management is worried about this . A team of specialists from outside is appointed to solve this serious problem . After a thorough examination , the specialists presented the following reasons for the decline in the profits of the company.

- (i) Increase in competition and change in taste of the consumers.
- (ii) Theft of cash and goods by the employees. Identify and explain the two causes of decline in profits.



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1. Choose the correct alternative :The service which helps in removing hindrance of knowledge.

- (i) The service which helps in removing hindrance of knowledge.      A. Advertising  
(ii) The service which helps in removing hindrance of place.      B. Transport  
(iii) The service which helps in removing hindrance of time.      C. Insurance  
(iv) The service which helps in removing hindrance of risk.      D. Warehousing

A. (i) - A , (ii) - B , (iii) - D (iv) -C

B. (i) -C , (ii)- B , (iii) -D , (iv) -A

C. (i) -A , (ii) -D , (iii) -B , (iv) -C

D. (i) -C , (ii) -D , (iii) -B, (iv) -A

**Answer: a**



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

A. Primary

B. Secondary

C. Tertiary

D. None of them

**Answer: b**



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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 industries which provide support services to other industries are known as

- A. Primary industries
- B. Secondary industries
- C. Commercial industries
- D. Tertiary industries

**Answer: d**



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5. Fishing is what type of Industry ?

- A. Primary industry
- B. Secondary industry
- C. Commercial industry
- D. Tertiary industries

**Answer: a**



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**6.** Industry and commerce are interchangeable terms .Terms . True/False?

Given reason.



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**7.** Trade between two countries is known as internal trade . True/ False ?

Give reason.



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**8.** Conversion of cotton into cloth is an example of genetic industry .

True/ False ? Give reason.



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9. Name the business activity which is concerned with conversion of resources into useful products.

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10. Name the category of industry which involves breeding or reproduction of plants and animals .

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11. Name the manufacturing industry in which TV sets or computers are produced.

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12. Name the auxiliary to trade which removes the hindrance of time.

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13. Name the auxiliary to trade which removes the hindrance of exchange.



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14. Name the commercial activity that removes the hindrance of knowledge.



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15. Why do we insure goods ?



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16. Name the type of manufacturing industry in which one material is separated into several useful products.



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17. Name the type of type of manufacturing industry wherein two or more ingredients are combined into one products.



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18. Name the type of type of manufacturing industry wherein a finished product is produced through successive stages.



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19. Is furniture making a manufacturing industry ? Why?



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20. \_\_\_\_\_ industries provide support services to primary and secondary industries.



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21. Why is mining called a primary industry?

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22. Why is construction industry called a secondary industry ?

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23. Why is insurance known as a tertiary industry?

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24. \_\_\_\_\_ facilitate buying and selling of goods and services.

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25. Manufacturing industries are known as secondary industries because\_\_\_\_\_.



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26. Banking is called a tertiary industry because\_\_\_\_\_.



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27. \_\_\_\_\_ . Is concerned with holding goods in stock for sale in future



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28. \_\_\_\_\_ involves movement of goods from one place to another.



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29. Is dairying a genetic or an extractive industry ? Why?



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**30.** Match the following :

- (i) The trade in which goods are bought from other countries.
- (ii) The economic activities concerned with extraction , production, processing
- (iii) The trade in which goods are imported and exported to some other countries.
- (iv) The branch of commerce which removes the hindrance of time.



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### 13 Case Problem

1. Geeta Industries Pvt . Ltd . Is a large company which produces agricultural products like sugarcane, cotton , etc . Instead of selling these agricultural products in the market , the company uses these as raw materials to produce sugar and cloth in its own established sugar mill and cloth mill at some rural area where there was a high unemployment . in this way , the company provided employment to about 200 local

people . to which type and sub - type of industries are related the different products described in the above para ? Explain.

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2. Farhan , a young man , wants to provide employment to the local people of his village . He decided to do the wholesale business of mobile phones made by the latest technique . But so many questions began to crop up in his mind : how will the goods be brought from distant places , how will the finance be arranged , and how will the information on his modern business be conveyed to the people ? He consulted a business expert , Mr . Balram who gave him information on the auxiliaries to trade , which could solve his problem . Farhan understood what the expert told him . He employed 50 workers and started his business.

- (a) Which economic activity is Farhan going to do ?
- (b) On which part of business was the information given to Farhan by the business expert ?
- (c) If we add the answer of (a) to the answer of (b) which part of business shall we have?

(d) Explain the auxiliaries to trade which may solve the problem of Farhan , as suggested by the business expert.

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3. MVT Construction Pvt . Ltd . Deals in constructing building , bridges , roads and dams by using cement , steel , bricks and wood . There are 1000 employess in all working in this company . The managing director of the company , Mr . Shyamsunder , takes full care of the quality of work done. Recently , the company got a contract of constructing five big duildings , two bridges , one long road and one dam . The company has got a special division also , which owns one hundred trucks . these trucks are used for transpoting goods on hire . This division is working quite successfully under the supervision of the divisional manager . Radhika Dasi.

Identify and state two types of industrial activities from the above para by quoting the lines . 3 marks

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4. Dr . Rajiv Mishra is working against the post of a senior doctor in a government hospital . He does not discriminate between the rich and poor while treating his patients medically . When he returns home from the hospital , he attends to the poor patients at home free of cost between 6 pm to 8 pm. Besides , he gives them the information about the employment opportunities . He advises many young people to go into the fields of advertising and transportation . They went into these fields and remarkably succeeded there.

(i) What type of activities does Dr. Rajiv Mishra perform in the hospital and home ?

(ii) Explain the auxiliaries to trade mentioned in the above para.



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14 Mcqs

1. The maritime routes linked the east and the west by sea and were used for the trade of spices and known as \_\_\_\_\_.



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2. Commercial cities like Harappa and Mohenjodaro were founded in the third millennium B.C. The civilisation had established commercial connections with Mesopotamia and traded in\_\_\_\_\_ coloured gemstones , beads , pearls , sea shells , terracotta pots , etc . fill in the blanks by any two items of trade.



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3. As economic life progressed , metals began to supplement other commodities as money because of its \_\_\_and \_\_\_\_.



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4. In ancient India , documents such as \_\_\_\_ and \_\_\_\_ were in use for carrying out transactions in which money passed from hand to hand.



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5. The Indian subcontinent enjoyed the fruits of favourable balance of trade, where \_\_\_\_\_ exceeded \_\_\_\_\_ with large margins.

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6. \_\_\_\_\_ and \_\_\_\_\_ banks later evolved to finance trade and commerce and agricultural banks to provide both short - and long - term loans to finance agriculturists.

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7. \_\_\_\_\_ Was another important branch of global trade network . Malabar Coast , on which Muziris is situated , has a long history of international maritime trade going back to the era of the Roman Empire.

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8. Pepper was particularly valued in the Roman Empire and was known as\_\_\_\_\_.



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9. Calicut was such a bustling emporium that it was even visited by Chinese Ships to acquire items , like frankincense (essential oil) and myrrh (fragrant resin used in perfumed , medicins) from the Middle East , as well as , \_\_\_\_\_ from India.



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10. On the Coromandel Coast , Pulicat was a major port in the 17th century. \_\_\_\_\_ were the principal export from Publicat to Southeast Asia.



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11. \_\_\_\_\_ was another source of income generation . It had to be paid for passengers , goods , cattle and carts.



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12. Match the Columns :

- |                    |  |
|--------------------|--|
| (i) Pataliputra    | (A) major centre for export of stones                              |
| (ii) Peshawar      | (B) major centre of textile industry                               |
| (iii) Indraprastha | (C) commercial junction on the royal road                          |
| (iv) Varanasi      | (D) important exporting centre for wool and for the import of silk |



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13. The First Five Year Plan was implemented in 1952 . Due importance was given to the establishment of \_\_\_\_\_.

- A. modern industries
- B. modern technological and scientific institutes
- C. space and nuclear programmes

D. All of these

**Answer:**



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14. In the first five year plan ,due importance was given to the establishment of modern industries , modern technological and scientific institutes , space and nuclear programmes . Despite these efforts , the Indian economy could not develop at a rapid pace . why ?



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