



INDIAN SCHOOL AL WADI AL KABIR

Business Studies	Department: Commerce
Worksheet No: 1	Topic: Unit 1: Evolution and Fundamentals of Business

MCQ's

1. A housewife cooking food for her family, or a boy helping an old man cross the road is a _____.
 - a) Business
 - b) Profession
 - c) Non-economic activity**
 - d) employment
2. It is undertaken with the objective of earning money.
Identify the feature of business from the above given information.
 - a) Uncertainty of return
 - b) Dealings in goods and services on a regular basis
 - c) An economic activity**
 - d) Element of risk
3. If a person sells his/her domestic radio set even at a profit, it will not be considered a business activity. But if he/she sells radio sets regularly either through a shop or from his/her residence, it will be regarded as a business activity. Identify the feature of business from the above given information.
 - a) Uncertainty of return
 - b) Dealings in goods and services on a regular basis**
 - c) An economic activity
 - d) Element of risk
4. It refers to the lack of knowledge relating to the amount of money that the business is going to earn in a given period. Identify the feature of business from the above given information.
 - a) Uncertainty of return**
 - b) Dealings in goods and services on a regular basis
 - c) An economic activity
 - d) Element of risk
5. It is related with factors, like changes in consumer taste and fashion, changes in method of production, strike or lockout at workplace, increased competition in market, fire, theft, accidents, natural calamities, etc. Identify the feature of business.
 - a) Uncertainty of return

- b) Dealings in goods and services on a regular basis
- c) An economic activity
- d) **Element of risk**

6. Which of the broad categories of industries covers dairy farming and mining?

- a) Secondary
- b) Tertiary
- c) **Primary**
- d) None of these

7. Manufacturing of steel by way of further processing of raw irons is an example of _____ industry.

- a) Primary
- b) **Secondary**
- c) Tertiary
- d) None of these

8. These industries provide service facilities. It includes transport, banking, insurance, warehousing, communication, packaging and advertising. Identify the type of industry?

- a) Primary
- b) Secondary
- c) **Tertiary**
- d) None of these

9. It includes trade and auxiliaries to trade. Identify the concept.

- a) Profession
- b) Employment
- c) **Commerce**
- d) None of these

10. Which of the following is a characteristic of a business activity?

- (a) Salary
- (b) Wages
- (c) Absence of risk
- (d) **Sale or exchange of goods and services**

11. It is a trade where goods are purchased from another country

- a) Export
- b) **Import**
- c) Entrepot
- d) None of the above

12. It is a trade where goods are sold to other countries

- a) **Export**
- b) Import
- c) Entrepot
- d) None of the above

13. It is a trade where goods are imported for export to other countries

- a) Export
- b) Import
- c) **Entrepot**
- d) None of the above

14. It removes the barrier of time.

- a) Insurance
- b) Advertising
- c) **Warehousing**
- d) Communication.

15. It removes hindrance of information.

- a) Insurance
- b) **Advertising**
- c) Warehousing
- d) Communication

16. It refers to the position of an enterprise in relation to its competitors- Identify the objective of business

- a) **Market standing**
- b) Innovation
- c) Productivity
- d) Social responsibility

17. It is ascertained by comparing the value of output with the value of inputs. It is used as a measure of efficiency.

- a) Market standing
- b) Innovation
- c) **Productivity**
- d) Social responsibility

18. It refers to the obligation of business firms to contribute resources for solving social problems and work in a socially desirable manner

- a) Market standing
- b) Innovation
- c) Productivity
- d) **Social responsibility**

19. _____ was particularly valued in the Roman Empire and was known as 'Black Gold'.

- a) Mustard
- b) **Pepper**
- c) Petroleum
- d) None of the above

20. _____ merchants handled business in the northern region
- Punjabi**
 - Chatt
 - Mahajan
 - None of the above
21. _____ is were important traders from the South.
- Chatt**
 - Mahajan
 - Punjabi
 - None of the above
22. It was an important exporting centre for wool and for the import of horses.
- Broach
 - Indraprastha
 - Peshawar**
 - Taxila
23. It was the commercial junction on the royal road where most routes leading to the east, west, south and north converged.
- Broach
 - Indraprastha**
 - Peshawar
 - Taxila
24. It was the greatest seat of commerce in Western India. It was situated on the banks of river Narmada and was linked with all important marts by roadways.
- Broach**
 - Indraprastha
 - Peshawar
 - Taxila

Question and answer

1. These include all those activities which are concerned with the extraction and production of natural resources and reproduction and development of living organisms, plants, etc.
- Identify the concept of business, trade and commerce from the information given above.
Primary Industry
 - Explain the classification of the above identified concept.
Extractive – Explain the concept
Genetic-Explain the concept
2. Mining of iron ore is a primary industry, but manufacturing of steel by way of further processing of raw irons is a secondary industry.
- Is it true or false?
True
 - Explain the classification of secondary industry.
Manufacturing Industry-Explain
Construction Industry – Explain
- 3 Which type of business risk involves both the possibility of gain as well as the possibility of loss? Explain.
Speculative risks involve both the possibility of gain, as well as, the possibility of loss. Speculative risks arise due to changes in market conditions, including fluctuations in demand and supply, changes in prices or changes in fashion and tastes of customers. Favourable market conditions are likely to result in gains, whereas, unfavourable ones may result in losses.

3. These are activities which are meant for assisting trade. It is an integral part of commerce in particular and business activity in general. These activities help in removing various hindrances which arise in connection with the production and distribution of goods. These activities facilitate movement, storage, financing, risk coverage and sales promotion of goods. These activities playing a supportive role. In fact, these activities support not only trade, but also industry and, hence, the entire business activity.

a) Identify the concept discussed above.

Auxiliaries to trade

b) Explain the elements of the identified concept.

a) **Transportation and communication.**

b) **Insurance**

c) **Banking and finance**

d) **Warehousing**

e) **Advertisement [explain all the elements in detail]**

4. It is an initiative launched by the Government of India on 25 September 2014, to encourage national, as well as multinational companies to manufacture their products in India.

a) Identify the concept discussed

'Make in India'

b) What are the objectives of the above identified concept?

The major objectives behind the 'Make in India' initiative are job creation and skill enhancement in 25 sectors of the economy.

c) How many sectors are covered in this? Give two examples.

25 sectors.

Automobile, Biotechnology, Aviation & Construction are some of the example.

5. It is an instrument of exchange, which was prominent in the subcontinent. It involved a contract which — (i) warrant the payment of money, the promise or order which is unconditional (ii) capable of change through transfer by valid negotiation.

In the light of the above given details, Identify the document used in the indigenous banking system.

Hundi.

6. In different parts of the country, different communities dominated trade. Multani managed the trade in the northern part of India.

a) From the information given above, Name the trading community from states of Gujarat and Rajasthan

Bhats

b) Name the chief of Mahajan trading community

Nagarseth

6. Russell sells his mobile phone to his friend at a profit of Rs. 1,000.

a) Will it be considered as a business?

No, it will not be considered as Business

b) State the feature of business which is being highlighted in the given example.

Dealings in goods and services on a regular basis- Business involves dealings in goods or services on a regular basis. One single transaction of sale or purchase, therefore, does not constitute business.

c) State any other two features of business activity.

• **An economic activity**

• **Profit earning**

7. It refers to the possibility of inadequate profits or even losses due to uncertainties or unexpected events. For example, demand for a particular product may decline due to change in tastes and preferences of consumers or due to increased competition from other producers. Lower demand results in long sales and profits. In another situation, the shortage of raw materials in the market may shoot up its price. The firm using these raw materials will have to pay more for buying them.

As a result, cost of production may increase which, in turn, may reduce profits. Due natural calamities, the earnings of the company may be affected.

- a) Identify the concept discussed in the above given information.

Business risk

- b) Explain the types of the identified concept

Business enterprises constantly face two types of risk: speculative and pure. [Explain both the types of risk]

- c) Explain any two features of the identified concept

a) **Business risks arise due to uncertainties**

b) **Risk is an essential part of every business** [Explain both the points]

- d) List the causes of the identified concept

a) **Natural causes**

b) **Human causes**

c) **Economic**

d) **Other causes**