



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
WORKSHEET : 1	Topic: Nature and Purpose of Business

Case 1: Armaan is very fond of playing indoor games, he requested his father to buy him some indoor games. His father sold his old laptop on Olx.com and bought him a new play station from Cromaelectronix.com.

Can the transaction by Armaan's father to sell the old laptop be termed as a business transaction? Name the related feature of business to support your answer.

Case 2: JPMG is one of the largest transportation industries in India and provides services for different projects including residential, commercial office, retail, industrial, logistics, hospitality and other areas too. It's a familiar name among the business houses in the country because of the large dependency factor.

Which type of Industry is discussed in the above case?

- (A) Genetic Industry
- (B) Tertiary Industry
- (C) Processing Industry
- (D) Assembly Industry

Case 3: Nutan General Store is a big businessman deals in selling Nestle products in his locality. He purchased products of Nestle directly from the State Distributor in bulk quantities and sold in the market. Small shopkeepers from different corners of the city. Identify the type of trade followed by Nutan General Store.

- (A) Wholesale Trade
- (B) Retail Trade
- (C) International Trade
- (D) Entrepot Trade

Case 4: Shiela after graduating from college went back to her home town in Meghalaya. It was a small town with very few job opportunities. The Karbi tribal women in that area were uneducated but still practiced the method of obtaining traditional colours from natural wild herbs. Their most popular dye was indigo obtained from leaf called 'sibu'. Using these colours they added variety to their textiles. The women are mainly confined to their homes and they did not know how to make a living out of their talent. Shiela went from door to door and analysed the problem that existed. She thought of setting up a business of buying textiles from them and converting them to garments in her factory in Noida. Her business turned out to be a great success.

On the basis of the given information about Shiela, answer the following questions:

- (a) Identify the type of business activity Shiela is engaged in.
- (b) Specify the category of the type of business activity performed by Shiela.
- (c) Which type of business activity is undertaken by Karbi tribal women by obtaining indigo from the leaf called 'Sibu'?

Case 5: The banking system in India dated back to 1750 BC. In ancient India, there is evidence of loans from the Vedic period. From the writing of many foreign travellers during the Mughal period we came to know about the use of various instruments in the then great commercial

centres. In the Mughal period, historians found evidence of loan deeds which were called Dastawez. There were two types of dastawez – one was payable on demand and the other was payable after a stipulated time. The most important class of credit instruments of exchange evolved in India at that time. Their use was most widespread in the twelfth century and has continued till today.

On the basis of the given information about the banking system in India, answer the following questions:

- (a) Identify the instrument of exchange prominent in the great ancient commercial centres of India.
- (b) State two important features of the instrument of exchange identified in part (a)

Case 6: Catherine wants to start a retail business of fashion items but changes in taste and preferences of customers may result in loss in such type of business. She is hesitating as she is aware of the risks which are inherent in every business. She approaches her friend Kristina who is the owner of a retail shop. Kristina advises her to go ahead with her idea as she will get profit as return for undertaking risk. She also told her that some risks in business can be insured by taking an insurance policy.

On the basis of the given information about Katherine, it answers the following questions:

- (a) What is Business Risk?
- (b) Identify the main features of business risk discussed in the above case. Also, quote the lines for the identified feature.
- (c) Is the change in taste and preferences of customers, pure risk or speculative, Why?

Case 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 changes 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, the cost of production may increase which, in turn, may reduce profits. Due to natural calamities, the earnings of the company may be affected.

Identify the concept discussed in the above-given information.

- a) Explain the types of the identified concept
- b) Explain any two features of the identified concept
- c) List the causes of the identified concept

8. Assertion (A) Profit earning is essential for the survival, growth and expansion of any business.

Reason (R) It is the sole objective of all business firms.

- (A) Both A and R are true. R is the correct explanation of A
- (B) Both A and R are true, but R is not the correct explanation of A
- (C) A is correct, but R is incorrect
- (D) A is incorrect, but R is correct

9. Assertion (A) Earning Livelihood is the main aim of Economic activities.

Reason (R) It helps people in earning their bread and butter by performing several activities.

- (A) Both A and R are true. R is the correct explanation of A
- (B) Both A and R are true, but R is not the correct explanation of A
- (C) A is correct, but R is incorrect

(D) A is incorrect, but R is correct

10. Case Study:

I. Sankalp is a successful entrepreneur dealing in the Automobile sector, especially with Two Wheelers in Ahmedabad. He has been constantly earning good profits from his business and investing surplus towards the expansion of his business.

All the latest Two-Wheeler models are available at his showroom. His marketing and sales teams are managed to create new customers from time to time. His unique style of business management has brought him success.

1. Name the type of Business activity in which Sankalp is involved?

- (A) Tertiary industries
- (B) Secondary industries
- (C) Trade
- (D) Auxiliaries to trade

2. Name the type of economic activities performs by Sankalp.

- (A) Business
- (B) Profession
- (C) Employment
- (D) Religious Movement

3. Which type of objectives are followed by the entrepreneur?

- (A) Economic Objective
- (B) Social Objective
- (C) Organizational Objective
- (D) Management Objective

4. Which of the following points are involved in the objective identified in part (b) above?

- (A) Profit Earning
- (B) Creating Customers
- (C) Innovation
- (D) All of the above