



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Subject:	BUSINESS STUDIES
A.Y. 2026 - 27	Chapter 1: Nature & Purpose of Business

Qt no.	OBJECTIVE TYPE QUESTIONS
1	Becky Blackbell is a practicing Chartered Accountant. She has her C.A. firm at Hyderabad, Telangana. She deals in providing Income Tax and GST related services to her clients against very reasonable consultancy fees. She has her own professional coaching classes for C.A. Enrolled Students. Identify the types of economic activities performed by Ruchi as referred in the above case. a. Business b. Profession c. Employment d. None of the above
2	The possibilities of inadequate profits or even losses due to uncertainties are known as _____ a. Business contingencies b. Business risks c. Business ventures d. None of these
3	Specialized knowledge and skill is needed in: a. Employment b. Non-Economic activity c. Profession d. None of these.
4	Business risk is not likely to arise due to: a. Change in govt, policy b. Good management c. Employee dishonesty d. Power failure.
5	Dell Inc is a company involved in manufacturing of Computer and related items. It's a very popular name among the computer savvy youth in India. There are different models of Desktop, Laptop, Tabs, Gaming and Workstations manufactured and sold by the company in the Indian market. Which type of Industry highlighted in the above case? a. Genetic Industry b. Extractive Industry c. Processing Industry d. Assembly Industry
6	Cyclone caused lots of damages to the street vendors and retail stores in the state. Rahim, owner of a Grocery Shop suffered a lot because of cyclonic effect. Government declared a relief package to the affected people of the affected areas. Identify the type of risk caused to the Shopkeepers highlighted in the above case. a. Natural Cause b. Human Cause c. Economic Cause d. None of the above
7	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. - Wholesale Trade - Retail Trade - International Trade - Entrepot Trade
8	A teacher provides paid online classes and also teaches her child at home for free. Which statement is correct? - Both are business activities - Both are non-economic - First is economic, second is non-economic - Both are professions
9	Assertion (A): All businesses involve risk. Reason (R): Risk arises due to uncertainty of future events. Options: - Both Assertion(A) and Reason (R) are true, Reason (R) is the correct explanation of Assertion(A) - Both Assertion(A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion(A) - Assertion (A) is true, but Reason (R) is false - Assertion (A) is false, but Reason (R) is true
10	Mr. Lloyd Forger started business of buying and selling of refrigerators. The term for this type of business activity is - Commerce - Trade - Selling - Transaction
11	The following is true about profits, except: - It is a source of income for business persons - It can be a source of finance for meeting expansion requirements of business - It indicates the financial status of the owner - It can be taken as the society's approval of the utility of business,
12	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. - Both A and R are true, R is the correct explanation of A - Both A and R are true, but R is not the correct explanation of A - A is correct, but R is incorrect - A is incorrect, but R is correct
13	Johan Liebert, the Chief Financial Officer of Monster Inc. embezzles funds which weakens the financial status of the business. Identify the type of business risk Monster Inc. will face due to Johan's actions. - Human - Natural - Economic - Physical
14	Mechanical failures, political disturbances and other unforeseen events are - Natural causes - Economic causes - Human causes - Other causes
15	_____ were the trading merchants from the south - Punjabi and Multani - Bhats - Chatts

	d. Mahajans
16	_____ was particularly valued in the Roman Empire and was known as 'Black Gold'. a. Mustard b. Pepper c. Petroleum d. None of the above
17	Which economic activity has zero risk? a. Business b. Profession c. Employment d. All of the above
18	It was an important exporting centre for wool and for the import of horses. a. Broach b. Indraprastha c. Peshawar d. Taxila
19	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. a. Broach b. Indraprastha c. Peshawar d. Taxila
20	Assertion (A): Business represents exchange of Goods and Services. Reason (R): Risk and Uncertainties are always there with any form of business. 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
DESCRIPTIVE TYPE QUESTIONS	
1	Rohan loved baking cakes for his family and friends. Initially, he baked only during festivals without charging anything. Over time, due to increasing demand, he started taking orders and selling cakes online. He now earns regular income and even hires assistants. a. Identify the type of activity Rohan was engaged in initially and now. b. State two features that differentiate both activities. c. Is Rohan's current activity a business? Give reason.
2	"Urban Threads," a clothing brand, launched a new fashion line without proper market research. Due to sudden changes in trends and customer preferences, the products failed to sell. Additionally, a rise in raw material prices increased their losses. a. Identify the type of business risk in the above case. b. Explain the concept of business risk.
3	"GreenLife Pvt. Ltd." decided to invest heavily in eco-friendly packaging even though it increased their costs. The company also provides good working conditions and fair wages to employees. Identify and explain the business objectives highlighted.
4	"PetroMax Ltd." extracts crude oil from underground reserves, processes it into petrol and diesel, and distributes it to fuel stations. a. Classify the activities into types of industry. b. Explain each type briefly.
5	FastMove Logistics" provides transportation, warehousing, and insurance services to various companies. a. Identify the type of business activity performed by the company. b. Explain its importance in business.
6	A farmer grows wheat for personal consumption but sells the surplus in the market regularly. a. Identify economic and non-economic activities. b. Justify your answer.

7	Tia, a saree manufacturer is supplying her sarees to U.S, Canda and Mexico. While manufacturing, a few defective sarees were set aside as Tia believed in providing good quality products only. The defective sarees were later given to Mahila Udyog, where women were entrusted to mend the saree. Later, Tia donated those mended sarees to an orphanage. - What kind of a business activity is undertaken by Tia? - Which objectives are being followed by Tia when she donated the defective saree. State them.
8	Andante Coffee Ltd. is a Japanese based company dealing in import of coffee from India and exporting it into many South Asian countries. It has huge godowns near the seaport for storing and re-exporting. - Name the type of trade in above case. - Name the aids of trade being utilised. - Which utility is created.
9	Thousand Sunny Ltd, 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. Identify and explain the type of industry explained above.
10	Classify the following into business, profession and employment. - Hari sells mobile phones on behalf on his employer. - It requires minimum academic qualifications. - A hawker sells toys for children outside a function. - Sanjay is the advocate of High Court. - Dhruv is the manager of a company. - A person repairs scooters on road side.
11	In business activities, there are some activities that are involved in the removal of hindrances in process of exchange i.e. from the producer to the consumer Identify them. Also classify the activities which help in removing the following hindrances:- - Hindrance of place - Hindrance of risk - Hindrance of time - Hindrance of finance - Hindrance of information