



**GOVERNMENT OF KARNATAKA**

**DEPARTMENT OF SCHOOL EDUCATION (PRE-UNIVERSITY)**

**REVISED QUESTION BANK (2024-25)**

**BUSINESS STUDIES (27)**

**FIRST YEAR PUC**

## QUESTION BANK PREPARATION COMMITTEE:

1.	Dr.B.Varalakshmi (Co-Ordinator)	Lecturer in Commerce Rajajinagar Parents Association Composite P.U College Rajajinagar, Bengaluru College Code: AN0078
MEMBERS		
2.	Shobha C	Principal, PVP P U COLLEGE FOR WOMEN Rajajinagar 1 <sup>st</sup> Block, Bangalore 560010 College code AN0103
3.	Deepthi B.J	Lecturer in Business Studies Government PU college New vani vilas, Minerva circle VVpuram Bengaluru 560004 College code : AS0110
4.	Sharada U	Lecturer in Business studies Government P U College Ivarakandapura, Hesaraghatta, Bengaluru. College Code : AN0094
5.	Jyothi K P	Lecturer in Business studies Government PU College Agara, HSR Layout Bengaluru - 560102 College Code - AS0547

## CHAPTER -1

### BUSINESS TRADE AND COMMERCE

#### I Choose and write the correct answer :

1. Which of the following does not characterize business activity?
  - a. Production of goods and services
  - b. Sale and exchange of goods and services
  - c. Presence of risk
  - d. Salary and wages
2. The occupation in which people work for others and get remunerated in return is known as:
  - a. Business
  - b. Profession
  - c. Employment
  - d. Transport
3. Which of the broad categories of Industries covers TV manufacturing industry and construction of Buildings, dams, etc.
  - a. Primary
  - b. Secondary
  - c. Tertiary
  - d. None of these
4. Which of the broad categories of Industries covers Mining and Poultry farming?
  - a. Primary
  - b. Secondary
  - c. Tertiary
  - d. None of these
5. The industries which provide support services to other industries are known as:
  - a. Primary Industries
  - b. Secondary Industries
  - c. Commercial Industries
  - d. Tertiary Industries
6. Which of the following cannot be classified as an auxiliary to trade?
  - a. Mining
  - b. Insurance
  - c. Warehousing
  - d. Transport
7. Which of the following cannot be classified as an objective of business?
  - a. Investment
  - b. Productivity
  - c. Innovation
  - d. Profit earning
8. Business risk is not likely to arise due to
  - a. Changes in government policy
  - b. good management
  - c. Employee dishonesty
  - d. Power failure

#### II Fill in the blanks by choosing appropriate answers from those given in the brackets.

(Auxiliaries, Profit, reward, Profession, Economic, Commerce)

1. \_\_\_\_\_ activities are those human activities which are undertaken to earn a source of livelihood.
2. The work of a Chartered Accountant is \_\_\_\_\_ type of economic activity.
3. Business activities are classified into two broad categories as Industry and

- \_\_\_\_\_.
4. Activities which are meant for assisting trade are known as \_\_\_\_\_ to trade.
  5. One of the main purpose of business is to earn income by way of \_\_\_\_\_.
  6. Profit is the \_\_\_\_\_ for risk taking.

**III Match the following :**

- | A                                 | B   |
|-----------------------------------|---|
| a. Business/Profession/Employment | i. Analytical Industries                  |
| b. Sugar Industry                 | ii. Synthetical Industries                |
| c. Fishing                        | iii. Buying and selling of goods          |
| d. Oil Refinery                   | iv. Economic activity                     |
| e. Cement Industry                | v. Processing                             |
| f. Trade                          | vi. Extractive Industry                   |
| g. Banking & Finance              | vii. Unexpected events                    |
| h. Innovation                     | viii. Arrangement of Physical facilities. |
| i. Business risks                 | ix. Auxiliary to trade.                   |
| j. Plant layout                   | x. Objective of Modern Business           |

**IV Answer the following questions in one word or one sentence each:**

1. What is Economic activity?
2. Mention any one type of Economic activity.
3. What is Industry?
4. Give an example for Extractive Industry.
5. Give an example for Genetic Industry.
6. Give an example for Processing Industry.
7. Name the industry which provides services to other Industries.
8. What is Trade?
9. Name the auxiliary to trade which provide protection against business risk.
10. State any one cause of business risk.

**V Answer the following questions in 2 to 3 sentences each. Each question carries 2 marks**

1. What is business?
2. What is Employment?
3. What is Extractive Industry?
4. What is Genetic Industry?
5. What is Manufacturing Industry?
6. What is Analytical Industry?
7. What is Commerce?
8. State any two auxiliaries to trade.
9. What is business risk?

**VI Answer the following questions in 20 to 25 sentences each. Each question carries 8 marks.**

1. What is Business? Explain its characteristics.
2. Compare business with profession and employment.
3. Define Industry. Explain various types of industries with examples.
4. Describe the activities relating to commerce.

(OR)

Write a note on Trade and Auxiliary to Trade.

5. Explain various objectives of business.
6. Explain the concept of Business Risk and its causes.
7. What factors are to be considered while starting a business? Explain.



**III Match the following :**

A	B
a. Indian partnership Act	i. Co-operative society
b. Co-operative society Act	ii. Limited liability
c. Indian Companies Act	iii. Restriction of transfer of shares
d. Public company	iv. Sharing Profit
e. Private company	v. 2013
f. Partnership	vi. 1912
g. Service motive	vii. 1932

**IV Answer the following questions in one word or one sentence each:**

1. In which form of business profits are not shared?
2. Name the form of business organization which is found only in India.
3. Which Act governs partnership business in India?
4. State the nature of liability of partners in partnership firm.
5. Is Registration compulsory for partnership firms in India?
6. Which Act governs Co-operative societies in India?
7. What is the minimum number of persons required to form a Co-operative society?
8. Which Act governs the Joint stock companies in India?
9. Name the type of company in which its shares are freely transferable.
10. Who elects the Board of Directors of a Joint stock Company?

**V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks**

1. Name any two form of business organisation.
2. Mention any two business suitable for Sole Proprietorship.
3. Give the meaning of HUF Business.
4. Who is the head of HUF business? State the nature of his liability.
5. Name any two types of partnerships.
6. State any two contents of partnership deed.
7. Give the meaning of Co-operative societies.
8. State the minimum and maximum number of members in co-operative societies?
9. Name any two types of co-operative societies.
10. Give the meaning of Joint Stock Company.
11. Define Joint stock company.
12. State the types of Joint stock company.

**VI Answer the following questions in 10 to 12 sentences each. Each question carries Four Marks :**

1. Name the types of the organisation for the following.

- a. A company having at least 7 members.
  - b. An organisation owned by a single person.
  - c. A company in which the numbers of members cannot exceed 200.
  - d. Its main aim is to provide services to the members.
2. State the minimum number of persons needed to form following forms of business organisation.
    - a. Sole proprietorship
    - b. Public company
    - c. Co-operative Society
    - d. Partnership firm
  3. Explain any four features of Sole Proprietorship.
  4. As a sole proprietor, state any four business suitable for proprietorship.
  5. Give the meaning of Hindu undivided family business. Write a short note on it.
  6. Explain the types of partnerships.
  7. Explain any four features of Co-operative Societies.
  8. Explain any two types of Co-operative Society
  9. Write any four differences between private company and public company.
  10. You are planning to start a new business, make a list of any four factors you consider while selecting a suitable form of business organisation.

**VI Answer the following questions in 20 to 25 sentences each. Each question carries 8 marks.**

1. What is Partnership? Explain the features of partnership.
2. Explain any four merits and limitations of sole proprietorship.
3. Explain any four merits and limitation of partnership.
4. Explain types of partners.
5. Discuss four merits and limitation of co-operative society.
6. Why co-operative forms of organisation are formed? Explain various types of co-operative societies.
7. In what type of business, individuals associate voluntarily for profit, having capital divided into transferrable shares, mention the type of organisation and explain its features.
8. Explain any four merits and limitation of Joint stock company.

## CHAPTER -3

### PRIVATE, PUBLIC AND GLOBAL ENTERPRISES

#### I Choose and write the correct answer :

- PSE's are organisations owned by
  - Joint Hindu Family
  - Foreign Companies
  - Private enterprises
  - Government
- A government company is any company in which the paid up capital held by the government is not less than
  - 49%
  - 51%
  - 50%
  - 25%
- Centralised control in MNC's implies control exercised by
  - Branches
  - Subsidiaries
  - Headquarters
  - Parliament
- Reconstruction of sick public sector units is taken up by
  - MOFA
  - MOU
  - BIFR
  - NRF
- Disinvestments of PSE's implies
  - Sale of equity shares to private sector/public
  - Closing down operations
  - Investing in new areas
  - Buying shares of PSE's

#### II Fill in the blanks by choosing appropriate answers from those given in the brackets.

(Majority Owned Foreign Affiliates, President, three, Performance, Departmental Undertakings)

- \_\_\_\_\_ are the source of income for the Government.
- The shares of government company are purchased in the name of the \_\_\_\_\_
- The number of industries reserved exclusively for the public sector in 2001 is \_\_\_\_\_
- The system of MOU was introduced in public sector for the improvement of \_\_\_\_\_.
- The branches of Global enterprises are also called \_\_\_\_\_

#### III Match the following :

- | A                            | B   |
|------------------------------|---|
| a. Mixed economy             | i. Oldest form of Public Enterprises          |
| b. Statutory Corporation     | ii. Existence of both private & public sector |
| c. Departmental Undertakings | iii. Advance technology                       |
| d. Government Company        | iv. Special Act                               |
| e. Global enterprises        | v. Provisions of Companies Act                |

**IV Answer the following questions in one word or one sentence each:**

1. What is Private Sector?
2. Give the Meaning of Public Sector.
3. Who is the owner of public sector enterprises?
4. Mention any one form of organising Public sector Enterprises.
5. Give an example for Departmental Undertakings.
6. Which form of public enterprises is most suitable if it is concerned with National Security.
7. Name the type of business enterprise which operates in more than one country.
8. Give an example for Global Enterprises.
9. Expand MOU.
10. Expand MNC.
12. Expand PPP.

**V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks**

1. What are Departmental Undertakings?
2. Give the meaning of Statutory Corporations.
3. State any two limitations of Statutory Corporations.
4. Give the meaning of Government Companies.
5. State any two limitations of Government Companies.
6. What do you mean by Global enterprises?
7. Give the meaning of Joint Venture.
8. State the types of Joint venture.
9. Mention any two areas where PPP have been completed worldwide.

**VI Answer the following questions in 10 to 12 sentences each. Each question carries Four Marks :**

1. List various forms of organisations that come under private sector.
2. Briefly explain any four features of Departmental Undertakings.
3. Explain in brief any two merits and two limitations of Departmental Undertakings.
4. Name the type of public enterprise which is brought into existence by Special Act of Parliament. Explain any three features of it.

(OR)

- Briefly explain any four features of Statutory Corporations.
5. Briefly explain the merits of Statutory Corporations.
  6. Explain in brief any four features of Government Companies.
  7. Name the type of public sector enterprise which is established, registered and governed by the provisions of Indian Companies Act. State any three

merits of this form.

(OR)

Explain in brief the merits of Government Companies.

8. Explain any four features of Global enterprises.
9. Identify the form enterprises in the following cases:
  - a. Minimum 51% of the paid up capital is held by the Government.
  - b. This is the oldest and traditional form of public enterprise.
  - c. Enterprises which brings in Advance Technology from home country.
  - d. Special act of the parliament brings this into existence.
10. The role of public sector has changed significantly. In the light of this statement state any four points to support your answer.
11. Briefly explain any four benefits of Joint Venture.

**CHAPTER -4**  
**BUSINESS SERVICES**

**I Choose and write the correct answer**

1. In services activities of production and consumption takes place simultaneously. Which characteristic of service does this statement signify?
  - a. Inseparability
  - b. Intangibility
  - c. Less inventory
  - d. Inconsistency
2. Which of the following is not a type of bank?
  - a. Commercial Bank
  - b. Co-operative Bank
  - c. Central Bank
  - d. Savings Bank
3. The function of commercial Banks
  - a. Acceptance of Deposits
  - b. Granting of Loans
  - c. Locker facility
  - d. All the above
4. In \_\_\_\_\_ type of bank account no interest is paid by the bank.
  - a. Recurring Deposit
  - b. Fixed deposit
  - c. Current
  - d. Savings
5. Bandhan Bank comes under which category of banks?
  - a. Public Sector
  - b. Private Sector
  - c. Co-operative Sector
  - d. None of the above
6. Which of the following is not a e-banking service.
  - a. Cheque
  - b. ATM
  - c. PoS
  - d. NEFT
7. Online Banking provides services to the customers
  - a. 24 hours in a day
  - b. 8 hours in a day
  - c. 20 hours in a day
  - d. None of these
8. Insurance is a contract between ----- and -----.
  - a. Insurer, family
  - b. Insurer, Insured
  - c. Insurer, Agent
  - d. Insured, Insurance Agent
9. The principle of insurance wherein the insured is not allowed to make any profit is called:
  - a. Insurable interest
  - b. Insurable Interest
  - c. Indemnity
  - d. Subrogation
10. To which Insurance contract Principle of Indemnity is not applicable?
  - a. Fire Insurance
  - b. Marine Insurance
  - c. Health Insurance
  - d. Life Insurance

11. DTH Services are provided by
- |                        |                      |
|------------------------|----------------------|
| a. Transport companies | b. Banks             |
| c. Cellular Companies  | d. None of the above |

**II Fill in the blanks by choosing appropriate answers from those given in the brackets.  
(Withdrawn, Periodic, Services, Commercial, Insurable Interest, Ship, Insurance, Banks, Policy)**

1. \_\_\_\_\_ are essentially intangible.
2. \_\_\_\_\_ mobilises the savings of people.
3. Current account deposits can be \_\_\_\_\_ at any time without prior notice.
4. \_\_\_\_\_ must exist at the time of happening of an event.
5. \_\_\_\_\_ is a written agreement in Insurance.
6. Premium is the \_\_\_\_\_ payment made by the insured.
7. In Hull Insurance the subject matter is \_\_\_\_\_.
8. \_\_\_\_\_ distributes the risk of one person among many.

**III Match the following :**

- | A                         | B  |
|---------------------------|--|
| a. Services               | i. Internet banking                              |
| b. Principle of Insurance | ii. Perils of Sea                                |
| c. Reserve Bank of India  | iii. Public sector banks                         |
| d. E-Banking              | iv. cannot be stored for future use              |
| e. Fixed deposit          | v. Financial facilities provided by Post Offices |
| f. Marine Insurance       | vi. Utmost good faith                            |
| g. KVP / NSC              | vii. Higher rate of interest                     |
| h. SBI / PNB              | viii. Central Bank of India                      |

**IV Answer the following questions in one word or one sentence each:**

1. What are services?
2. Mention any one business service.
3. What is Banking?
4. Name the Act which regulates banking in India.
5. What is Central Bank?
6. Name any one Public Sector bank of India.

7. Name any one Private Sector bank in India.
8. State any one type of deposit in commercial banks.
9. What is e-banking?
10. Expand EFT / ATM / POS/ NEFT / RTGS.
11. Give an example for digital Payment.
12. Who is Insured?
13. Who is Insurer?
14. What is 'Policy'?
15. Give one type of life insurance policy.
16. What is Fire Insurance?
17. What is Hull Insurance?
18. What is Cargo Insurance?
19. State any one type of Marine risk.
20. Mention any one type of Marine Insurance.
21. Expand DTH/VSAT/KVP/NSC/PPF.
22. State any one type of Telecom Service.

**V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks.**

1. What are business services?
2. State any two types of banks.
3. What are commercial banks?
4. Give the meaning of Insurance.
5. State any two types of Banks.
6. State the parties in an Insurance contract.
7. Mention any two functions of Insurance.
8. What is life insurance?
9. State the financial services provided by Postal department.
10. Name the Postal Services available to people.
11. Mention any two companies which provide DTH services in India.

**VI Answer the following questions in 10 to 12 sentences each. Each question carries 4 marks**

1. Explain briefly any four nature / Characteristics of services.
2. Bring out any four differences between goods and services.
3. Explain different types of Banks.
4. State the benefits of e-banking to customers of a bank.

(OR)

Mr. Rajiv usually travels for work, He would like to avail banking facilities on his telephone or laptop. Suggest what banking services he can avail.

5. Explain the functions of Insurance.
6. Write a short note on
  - a. whole life policy
  - b. Endowment Policy
7. Describe the transport services in India which acts as a back bone to the nation.
8. Mr. Sunil., took an Insurance policy against his car after three months he sold his car to Mr. Girish. The car was stolen from Mr. Girish's house. Mr. Sunil made a claim to the Insurance Company. His claim was rejected as he does not have Insurable Interest.
  - a) What does 'Principle of Insurable interest' state?
  - b) Was Mr. Sunil right in Making claim?
  - c) Who should get the compensation?
9. A company took fire Insurance policy for Rs.5 Lakh after three months due to fire it suffered a loss of Rs.2 Lakhs.
  - a) How much will the company get as compensation?
  - b) Which principle of insurance is applicable in the above case? Explain.

**VII Answer the following questions in 20 to 25 sentences each. Each question carries 8 marks.**

1. Explain the functions of Commercial banks.
2. Explain the principles of Insurance.
3. Explain the elements of Marine Insurance Policy.
4. Bring out the difference between life Insurance and Fire Insurance?
5. Explain the various facilities offered by the Indian Postal department.

(OR)

Kamala visits a post office to enquire about the postal services. Guide her and give her all the information about the financial and mail facilities provided by Indian Postal Department.

6. Explain the various telecom services in India.

## CHAPTER-5

### EMERGING MODES OF BUSINESS

#### I Choose and write the correct answer:

- When parties involved in the e-commerce transactions are from within a given business firm is called \_\_\_\_\_
  - Intra C Commerce
  - Intra A Commerce
  - Intra B Commerce
  - Intra D Commerce
- The method of payment made immediately on the physical delivery of goods is called \_\_\_\_\_
  - Debit card payment
  - Cash on delivery
  - Credit card payment
  - Net Banking
- Both sellers and buyers are business firms, under \_\_\_\_\_ type of e-commerce transactions.
  - B2B Commerce
  - C2C Commerce
  - B2C Commerce
  - C2B Commerce
- Out of e-commerce and e-business firms, which is a broader term?
  - e-business
  - e-commerce
  - both e-business and e-commerce
  - None of these.
- Debit and Credit cards are also known as \_\_\_\_\_
  - Plastic money
  - e-money
  - Smart money
  - Card money
- Resources required for successful implementation of e-business is
  - Men, Money, Machines
  - Website
  - Internet
  - All of the above
- Length of the business cycle is generally \_\_\_\_\_ in the case of e-business.
  - Longer
  - Narrower
  - Shorter
  - Wider

#### II Fill in the blanks by choosing appropriate answers from those given in the brackets

(e-business, Cheap Manpower, B2C, Poor conditions, C-business, Intra B, Electronic)

- \_\_\_\_\_ transactions have business firms at one end and their customers on the other end.
- \_\_\_\_\_ is not an application of e-business.
- India is the preferred destination for BPO because of \_\_\_\_\_
- \_\_\_\_\_ forms of business can take us towards a paperless society.
- Mail sent by the purchase department to the production department is an example of \_\_\_\_\_
- Digitization means \_\_\_\_\_ business.

**III Match the following :**

A

B

- |                       |                            |
|-----------------------|----------------------------|
| a. Digitization       | i. Seeking information     |
| b. Internet           | ii. Series of ones & zeros |
| c. Pre-purchase stage | iii. Plastic money         |
| d. Credit card        | iv. Caller ID              |
| e. Cypher text        | v. Most familiar network   |
| f. Cookies            | vi. unreadable format      |

**IV Answer the following questions in one word or one sentence each:**

1. State any one strongest trend shaping in the present business.
2. What is digitization?
3. What is e-commerce?
4. Expand B2C.
5. What is B2E.
6. Give an example for C to C.
7. State any one application of e-business.
8. Expand SSL.
9. Expand VIRUS.

**V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks.**

1. What is e-business?
2. State any two differences between e-business and e-commerce.
3. What is pay-pal?
4. Give the meaning of cookies.
5. What is cryptography?
6. State any two resources required for the successful implementation of e-business.

**VI Answer the following questions in 10 to 12 sentences each. Each question carries 4 marks.**

1. Explain briefly the scope of e-business.
2. Briefly explain any four merits of e-business.
3. Briefly explain any four limitations of e-business.
4. State any four differences between Traditional business and e-business.
5. Explain briefly the steps involved in online transaction.
6. Explain briefly the modes of payment in online transactions.
7. Explain briefly the risks involved in e-business transactions.
8. Aravind has ordered a few information intensive products that can be delivered electronically into his computer. What is the name given to such delivery? List any three products that can be delivered in your computer.

## CHAPTER-6

### SOCIAL RESPONSIBILITY OF BUSINESS & BUSINESS ETHICS

#### I Choose and write the correct answer:

1. Social responsibility is
  - a. Same as legal responsibility
  - b. Broader than legal responsibility
  - c. Narrower than legal responsibility
  - d. None of them
2. If business is to operate in a society which is full of diverse and complicated problems, it may have
  - a. Little chance of success
  - b. Great chance of success
  - c. Little chance of failure
  - d. No relation with success or failure
3. Which of the following is not the social responsibility of business towards investors?
  - a. To ensure safety of capital
  - b. To ensure proper utilisation of capital
  - c. To ensure fair return on investment
  - d. To provide fair wages
4. 'An enterprise must behave as a good citizen' is an example of its responsibility towards
  - a. Owners
  - b. Workers
  - c. Consumers
  - d. Community
5. Environmental protection can best be done by the efforts of
  - a. Business people
  - b. Government
  - c. Scientists
  - d. All the people
6. Carbon monoxide emitted by automobiles directly contributes to
  - a. Water pollution
  - b. Noise pollution
  - c. Land pollution
  - d. Air pollution
7. Which causes land pollution?
  - a. Chemical & waste dumping into rivers & lakes
  - b. Dumping of garbage & toxic waste
  - c. Noise caused by running factories & vehicles
  - d. None of the above
8. Which of the following can explain the need for pollution control?
  - a. Cost savings
  - b. Reduced risk of liability
  - c. Reduction of health Hazards
  - d. All of them
9. Ethics is important for
  - a. Top management
  - b. Middle-level managers
  - c. Non-managerial employees
  - d. All of them

#### II Fill in the blanks by choosing appropriate answers from those given in the brackets

(Ethics, Pollution, Environment, Industry, Ethical)

1. Respecting the religious sentiments is an example for \_\_\_\_\_ responsibility.

2. \_\_\_\_\_ is defined as the totality of man's surroundings- both natural & man-made.
3. The injection of harmful substances into the environment is called \_\_\_\_\_
4. \_\_\_\_\_ is the major generator of waste in terms of quantity & toxicity.
5. \_\_\_\_\_ are the entire body of moral values that society attaches to the actions of human beings.

**III Match the following :**

- | A                              | B                                   |
|--------------------------------|-------------------------------------|
| a. Socially desirable practice | i. Global warming                   |
| b. Land pollution              | ii. Corporate Social Responsibility |
| c. CSR                         | iii. Supplying good quality goods   |
| d. Charitable contributions    | iv. Dumping of solid waste          |
| e. Environmental problem       | v. Discretionary responsibility     |

**IV Answer the following questions in one word or one sentence each:**

1. Give an example for socially undesirable practice of business.
2. Mention any one kind of social responsibility.
3. 'An enterprise must provide good quality and unadulterated goods and services' is an example for its responsibility towards which group?
4. 'Providing accurate and full information about the working of a company is a responsibility of business towards which interest group?
5. State any one type of pollution.
6. An industrial unit discharges toxic gases from its chemical plant. Mention the type of pollution created by it.
7. Give an example for business ethics.
8. Whose involvement is a must in ethics programmes of business?

**V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks.**

1. What is social responsibility of business?
2. State any two forces which are responsible for increasing concern of business enterprise towards social responsibility.
3. State any two responsibilities of business towards consumers.
4. In what ways, a business can assume responsibility towards the government.
5. What is environmental pollution?
6. Mention any two causes for environmental pollution.
7. State two effects of noise pollution.
8. State any two reasons which make a case for pollution control.
9. What is business ethics?

**VI Answer the following questions in 10 to 12 sentences each. Each question carries 4 marks.**

1. Briefly explain any four arguments in favour of social responsibility.

2. Explain the arguments against of social responsibility.
3. Explain briefly any four reasons responsible for increasing concern of business enterprise towards social responsibility.
4. Explain different kinds of social responsibilities.
5. Explain the social responsibility of business towards  
(a) Shareholders (b) Community
6. State the responsibilities of business towards workers.
7. Explain different types of pollution.
8. An organization manufacturing paints has been enjoying prominent market position since many years. It has been dumping its untreated poisonous waste on the river bank which has created many health problems for the nearby villages.
  - a. What kind of pollution is caused by the above cited organization?
  - b. Which responsibility is not being taken care by the concerned organization?  
Explain.
9. Explain any four steps that an enterprise can take to protect the environment from the dangers of pollution.
10. Briefly explain any four elements of business ethics.

## CHAPTER-7

### FORMATION OF A COMPANY

#### I Choose and write the correct answer:

1. Which of the following are the functions of a promoter?
  - a. Appointment of professionals
  - b. Feasibility studies
  - c. Name approval
  - d. All of the above
2. Which of the following document is to be submitted for getting the company registered?
  - a. Memorandum of Association
  - b. Articles of Association
  - c. Both (a) & (b)
  - d. None of the above
3. Application for the approval of name of a company is to made to
  - a. SEBI
  - b. Registrar of Companies
  - c. Government of India
  - d. Government of state in which the company is to be registered
4. A prospectus is issued by
  - a. A private company
  - b. A public company seeking investment from public
  - c. a public enterprise
  - d. a public company

#### II Fill in the blanks by choosing appropriate answers from those given in the brackets

(7, feasibility, Articles of Association, Memorandum of Association, 2, Certificate of Incorporation, Prospectus, Promotion, Promoters)

1. \_\_\_\_\_ is the first stage in the formation of company.
2. \_\_\_\_\_ performs various functions to bring a company into existence.
3. Promoters undertake detailed \_\_\_\_\_ studies to investigate all aspects of the business they intend to start.
4. No company can legally undertake activities that are not contained in its \_\_\_\_\_.
5. The Memorandum of Association must be signed by at least \_\_\_\_\_ persons in case of a Public Company.
6. The Memorandum of Association must be signed by at least \_\_\_\_\_ persons in case of a Private Company.
7. \_\_\_\_\_ are the rules regarding internal management of a company.
8. \_\_\_\_\_ is considered as the birth certificate of the company.
9. \_\_\_\_\_ is an invitation to the public to apply for securities.

#### III Match the following :

- | A  | B  |
|--|--|
| a. Defines the objectives of the company | i. Model set of Articles given in the companies Act. |
| b. Association clause                    | ii. 90% of the size of the issue for a               |

- |                                  |   |
|----------------------------------|---|
|                                  | Company   |
| c. Table A                       | iii. Memorandum of Association                              |
| d. Limit of Minimum subscription | iv. Defines the relationship of the Members and the company |
| e. Articles of Association       | v. Consent to purchase qualification shares                 |

**IV Answer the following questions in one word or one sentence each:**

1. At what stage a private company can commence its business?
2. At what stage a public company can commence its business?
3. Who are promoters?
4. Directors of which type of company have to subscribe for qualification shares?
5. Which is the main document for a Joint Stock Company?

**V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks.**

1. Name any two stages of formation of a company.
2. State any two functions of promoters.
3. State any two clauses of Memorandum of Association.
4. Give the meaning of prospectus.
5. What is Articles of Association?
6. Give the meaning of minimum subscription.

**VI Answer the following questions in 10 to 12 sentences each. Each question carries 4 marks.**

1. Briefly explain any four functions of promoters in the promotion stage of a company.
2. Explain any four clauses of memorandum of association.
3. State any four differences between Memorandum of Association and Articles of Association.
4. Write a note on prospectus.
5. What is Capital Subscription? State the steps involved in it.
6. Identify the clauses of memorandum of association from the following:
  - a. The name of the company is Alpha Pvt. Ltd.,
  - b. The registered office of the company will be situated in the state of Karnataka.
  - c. The liability of the members is limited and it is limited to the amount unpaid, if any, on the shares held by them.
  - d. The authorised share capital of the company is Rs.1,000 crores divided into 100 crores Equity shares of Rs.10/- each.

## CHAPTER-8

### SOURCES OF BUSINESS FINANCE

#### I Choose and write the correct answer:

1. Debentures represent the following
  - a. Additional capital of a company
  - b. Permanent capital of a company
  - c. Fluctuating capital of a company
  - d. Loan capital of a company
2. Equity share holders are called
  - a. Owners of the company
  - b. Partners of the company
  - c. Executive of the company
  - d. Guardian of the company
3. The term 'redeemable' is used for
  - a. preference shares
  - b. commercial paper
  - c. equity shares
  - d. public deposits
4. Public Deposits are the deposits that are raised directly from
  - a. The public
  - b. The directors
  - c. The auditors
  - d. The owners
5. Which of the following is not true in case of commercial papers
  - a. Unsecured
  - b. Short Period
  - c. Promissory note
  - d. issued by Government

#### II Fill in the blanks by choosing appropriate answers from those given in the brackets

(Commercial paper, Long term sources, CRISIL, Working capital, Lease Financing)

1. Funds required for day to day operations is known as \_\_\_\_\_.
2. \_\_\_\_\_ is an example for Borrowed funds.
3. If financial requirement of an enterprise exceeds a period of 5 years, it is known as \_\_\_\_\_.
4. \_\_\_\_\_ is an unsecured money market instrument issued in the form of a promissory note.
5. Public issue of debentures requires that the issue be rated by a credit rating agency like \_\_\_\_\_.

#### III Match the following :

- | A                    | B  |
|----------------------|--|
| a. Equity shares     | i. Owner of the asset                    |
| b. Debentures        | ii. Short term source                    |
| c. Retained Earnings | iii. Owners fund                         |
| d. Factoring         | iv. Internal source of business finance. |
| e. Lessor            | v. Borrowed funds                        |

**IV Answer the following questions in one word or one sentence each:**

1. Name any one fund classified under borrowed funds.
2. Give an example for external sources of business finance.
3. Name any one method of factoring.
4. For which type of assets lease financing is more prevalent?
5. Name one type of shares issued by the companies.
6. State any one type of Debenture.

**V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks.**

1. What is Business finance? Give the meaning of shares.
2. What do you mean by fixed capital requirement of business?
3. Name any two internal sources of business finance.
4. Who are the two parties in a lease contract?
5. What are public deposits?
6. Write the meaning of retained earnings.
7. Give the meaning of Shares.

**VI Answer the following questions in 10 to 12 sentences each. Each question carries 4 marks.**

1. Explain the financial needs of business.
2. List out the sources of raising finance on the basis of ownership and explain.
3. List the sources of raising medium term and short term finance.
4. Explain four merits of public deposit as a source of business finance.
5. Write short notes on : (a) Retained earnings (b) Trade credit
6. What are the merits of equity shares as a source of business finance?
7. Explain briefly any four merits of preference shares.
8. What are the limitations of preference shares as a source of business finance?
9. Explain the merits of retained earnings as source of business finance.
10. Briefly explain any four merits of raising finance through financial Institutions.
11. Explain any four factors that affect the choice of appropriate source of business finance.

## CHAPTER-9

### MSME & BUSINESS ENTREPRENEURSHIP

#### I Choose and write the correct answer:

1. A small unit is defined as an industrial or business enterprise whose investment in plant and machinery is not more than
  - a. 1 crore
  - b. 10 crore
  - c. 25 crore
  - d. 50 crore
2. How many years does a patent allows exclusive rights to the inventor?
  - a. 10 years
  - b. 15 years
  - c. 20 years
  - d. 25 years
3. Recipe of Coca Cola comes under which type of Intellectual Property Right?
  - a. Trade secret
  - b. Patent
  - c. Copyright
  - d. Design
4. Which of the following are considered for protection as trademarks in some parts of the world but not recognised as trademarks in India?
  - a. Smell & Taste
  - b. Logo
  - c. Label
  - d. Colour combination
5. The term of protection of a design is valid for
  - a. 20 Years
  - b. 15 Years
  - c. 10 Years
  - d. 5 Years

#### II Fill in the blanks by choosing appropriate answers from those given in the brackets

(Plant variety, Licensing, temporary, one crore, design)

1. Micro enterprises are those whose investment in plant & machinery does not exceed rupees \_\_\_\_\_.
2. Patent creates a \_\_\_\_\_ monopoly.
3. \_\_\_\_\_ is the process of seeking exclusive rights of the patentee for fees.
4. A \_\_\_\_\_ comes in public domain after the expiry of validity period.
5. \_\_\_\_\_ is grouping of plants into categories based on their botanical characteristics.

#### III Match the following :

A

B

- |                             |                                    |
|-----------------------------|------------------------------------|
| a. Entrepreneurship         | i. An entrepreneurial venture      |
| b. Copyright                | ii. Scientific Innovations         |
| c. Patent                   | iii. Setting up one's own business |
| d. Geographical Indications | iv. Not to Copy                    |
| e. Startup                  | v. Darjeeling Tea                  |

#### IV Answer the following questions in one word or one sentence each:

1. Expand MSME.
2. In which year MSME Act was enacted?
3. How many subgroups are there in MSME?

4. Name any two subgroups of MSME.
5. State the turnover limit for micro enterprises.
6. State the investment limit for medium enterprises.
7. State the turnover limit for small enterprises.
8. Expand IPR.
9. Which repository has been designed by Indian Government to safe and wrongful patenting of our traditional knowledge?
10. Aayush is a great artist. He wants that none of his paintings should be copied without his permission. What he should do to this?
11. State the objective of Startup India scheme.
12. What is Trade Secret?

V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks.

1. State any two parameters used to measure size of the business in case of small business.
2. A micro small scale industry has investment of 95 lakhs and engaged in manufacturing business. Now, it wants to increase its investment by 20 lakhs.
  - a)What type of small business will it become?
  - b)What is the maximum investment limit in such cases?
3. What are village industries?
4. Give the meaning of Intellectual Property.
5. State the two broad categories of intellectual property.
6. Mention any two types of intellectual property.
7. What is a 'Design'?
8. State any two benefits of plant variety.

VI Answer the following questions in 10 to 12 sentences each. Each question carries 4 marks.

1. 'Small Scale Industries contribute to the economic development of the country'. Justify this statement with any four points highlighting the role of small business in India.

(OR)

Briefly explain the role of small business in India with any four points.

2. Explain in brief any four problems faced by small businesses.

(OR)

Small Scale Industries are at a distinct disadvantage compared to large scale industries. In the light of the above statement, explain any four problems faced by small businesses.

3. Explain in brief any four characteristics of entrepreneurship.
4. Explain briefly any four types of Intellectual Property Rights.

## CHAPTER-10

### INTERNAL TRADE

#### I Choose and write the correct answer:

1. The risk of bad debts is \_\_\_\_\_ business is eliminated particularly when payment is received through V.P.P
  - a. Tele-shopping
  - b. Mail-order trading house
  - c. Departmental store
  - d. Co-operative store
2. Wholesalers deals is \_\_\_\_\_ quantity of goods
  - a. Small
  - b. Limited
  - c. Large
  - d. Medium
3. It is a network of a number of branches situated at different localities in the city or is different parts of the country.
  - a. Multiple shops
  - b. Consumers Co-operative store
  - c. Hire purchase system
  - d. Internet marketing
4. Small scale fixed retailers includes \_\_\_\_\_
  - a. Hawkers
  - b. Pedals
  - c. Cheap Jacks
  - d. General Stores
5. Which type of retailer provides door-to-door services to their customers?
  - a. Street traders
  - b. Peddlers & hawkers
  - c. General Store
  - d. Street stall holders.
6. Which of the following is not the type of goods sold by specialty shops
  - a. Children's Garments
  - b. Ladies shoes
  - c. Toys & Gifts
  - d. Used books
7. The orders are received, and goods are mailed directly to the buyers in which form of retail trade.
  - a. Departmental store
  - b. Chain store
  - c. Shopping mall
  - d. Mail-order house
8. Which of the following do not come under the types of itinerant retailers?
  - a. Peddlers and Hawkers
  - b. Market traders
  - c. Cheap Jacks
  - d. Street stall holders
9. Which of the following is not a fixed shop large retailer?
  - a. General Stores
  - b. Chain stores
  - c. Mail order houses
  - d. super markets
10. The goods not suitable for Mail Order houses are
  - a. Those which can be graded and standardized.
  - b. Those which can be transported at low cost.

- c. Those which have ready demand in the market.
- d. Those which are perishable and bulky.

11. Which of the following statement does not apply to a wholesaler?
- a. He buys in bulk from manufacturers and sells in relatively small lots
  - b. He undertakes buying and selling in their own name
  - c. He bears variety of risks.
  - d. He acts as a link between manufacturers and consumers.

**II Fill in the blanks by choosing appropriate answers from those given in the brackets.**

**(Import, Spencers, Vending Machines, Itinerant Retailers, 01-07-2017)**

1. The purchase of goods from a foreign country is called \_\_\_\_\_.
2. \_\_\_\_\_ are mobile traders who deal in low-priced articles with no fixed place of business.
3. \_\_\_\_\_ is an example for Departmental Stores in India.
4. GST was implemented on \_\_\_\_\_ in India.
5. \_\_\_\_\_ are the newest revolution in marketing methods.

**III Match the following:**

<b>A</b>	<b>B</b>
Type of Internal Trade	i. Eliminates middlemen
Itinerant retailer	ii. Raymonds
Chain stores	iii. Goods and Services Tax
GST	iv, Peddlers
Mail Order Business Houses	v. Whole sale trade

**IV Answer the following questions in one word or one sentence each:**

1. What is Internal Trade?
2. What is wholesale trade?
3. Name the type of trader who acts as a link between manufacturers and retailers?
4. What is retail trade?
5. Where do you commonly find street traders in a town?
6. Name the type of itinerant retailers who open their shops at different places on fixed days or dates.
7. What type of service is given by cheap jacks?
8. State any one type of goods dealt in specialty shops?
9. Which type of small fixed shop retailer deals with used goods, books, antique items etc?
10. 'Carry needle to an aeroplane' this statement applies to which type of fixed

shop large retailers?

11. Give an example for multiple shops.
12. Give an example for super markets.
13. Expand AVM.
14. Name the automated vending machines in banking service.
15. Expand GST.
16. When was GST implemented in India?
17. Expand ASSOCHAM.
18. Expand FICCI.
19. Expand CII.

**V Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks.**

1. State the types of internal trade.
2. How do wholesalers help in facilitating large scale production?
3. How do retailers help in collecting market information for manufacturers and wholesalers?
4. Who are itinerant retailers?
5. State any two types of itinerant retailers commonly seen in India.
6. Who are fixed shop retailers?
7. State any two types of fixed shop small retailer.
8. Give the meaning of Speciality Shops.
9. Give the meaning of second hand goods shop.
10. What are Departmental Stores.
11. Give the meaning of Chain Stores.
12. State any two differences between departmental stores and multiple shops.
13. Give the meaning of Mail Order Houses.
14. State any two alternatives available for customers to make payments in mail order business.
15. How can a consumer Co-operative Stores be started?
16. Give the meaning of Super Markets.
17. Give the meaning of Vending Machines.
18. State any two products suitable for selling through vending machines.

**VI Answer the following questions in 10 to 12 sentences each. Each question carries Four Marks**

NO Questions

**VII Answer the following questions in 20 to 25 sentences each. Each question carries 8 marks.**

1. Who is a wholesaler? Explain the services of wholesalers to manufacturers.
2. Explain any four services rendered by wholesalers to manufacturers and any four services to retailers.
3. Who is a retailer? Explain the services of retailers to consumers.

4. Explain any four services rendered by retailers to manufacturers & wholesalers and any four services to consumers.
5. Explain the different types of fixed shop small retailers.
6. Explain any four merits and four Limitations of Departmental stores.
7. What are chain stores? Explain the features of chain stores.
8. Explain any four merits and four Limitations of Multiple / Chain stores.
9. Explain any four advantages and Four disadvantages of Mail order houses.
10. Explain any four merits and four Limitations of consumer co-operative stores.
11. Give the meaning of Super markets. Explain the features of super markets.
12. Explain any four merits and four Limitations of Super markets.
13. You and your friend are planning to go for shopping. You choose to visit large retailers who maintain permanent establishments to sell their merchandise. What are such establishments termed as? List the types of such establishments and give a brief explanation of each type.
14. Explain the role of commerce and Industry associations in the promotion of Internal trade.

## CHAPTER-11

### INTERNATIONAL BUSINESS

#### I Choose and write the correct answer:

1. In which of the following modes of entry does the domestic manufacturer give the right to use intellectual property such as patent and trade marks to a manufacturer in a foreign country for a fee
  - a. Licensing
  - b. Contract Manufacturing
  - c. Joint Venture
  - d. none of these
2. Outsourcing a part of entire production and concentrating on marketing operations in international business is known as
  - a. Licensing
  - b. Franchising
  - c. Contact Manufacturing
  - d. Joint Venture
3. When two or more firms come together to create a new business entity that is legally separate and distant from its parent, it is known as
  - a. Contact Manufacturing
  - b. Franchising
  - c. Joint Venture
  - d. Licensing
4. Which of the following documents are not required for obtaining an export licence?
  - a. IEC number
  - b. letter of credit
  - c. Registration cum membership certificate
  - d. bank account number
5. Which one of the following modes of entry permits greatest degree of control over overseas operations?
  - a. Licensing/ Franchising
  - b. Wholly owned Subsidiary
  - c. Contact Manufacturing
  - d. Joint Venture
6. Which one of the following modes of entry brings the firms closer to international markets?
  - a. Licensing
  - b. Franchising
  - c. Contact Manufacturing
  - d. Joint Venture
7. A receipt issued by the shipping company after collecting freight charges
  - a. Shipping receipt
  - b. Bill of Lading
  - c. Cargo receipt
  - d. Charter receipt.
8. Which one of the following is not a part of export document?
  - a. Commercial invoice
  - b. Certificate of origin
  - c. Bill of entry
  - d. Mate's receipt
9. Which one of the following Document is not required in connection with a import transaction?

- a. Bill of Lading
- b. Shipping Bill
- c. Certificate of origin
- d. Shipment advice

10. The document containing the guarantee of a bank to honour drafts drawn on it by an exporter is

- a. Letter of hypothecation
- b. Letter of credit
- c. Bill of lading
- d. Bill of exchange

**II Fill in the blanks by choosing appropriate answers from those given in the brackets.**

**(Outsourcing, Mates Receipt, Royalty, Country, Service)**

1. \_\_\_\_\_ export is also called invisible export.
2. Contract manufacturing is also known as \_\_\_\_\_.
3. \_\_\_\_\_ is the fee in licensing contact for granting access to patents and Technology.
4. \_\_\_\_\_ is issued by the Commanding officer of the ship when the cargo is loaded to the ship.
5. Certificate of origin specifies the \_\_\_\_\_ in which the goods are produced.

**III Match the following :**

**A**

- a. International Business
- b. Indent
- c. Shipping bill
- d. Securing payment
- e. Bill of entry

**B**

- i. last step in export procedure
- ii. Import document
- iii. order of supply
- iv. Beyond the boundaries of the country
- v. Export document

**III Answer the following questions in one word or one sentence each:**

1. What is International business?
2. What is export?
3. What is import?
4. Give any one reason for international business.
5. Give any one example of international business in services.
6. Mention any one mode of entry into international business.
7. Expand FDI.
8. Which is the easiest mode of entry to international business?
9. By using which mode of entry, does the domestic manufacturer gives the right to use the trademarks to a manufacturer in a foreign country for a fee.
10. Name the term when two businesses mutually agree to share trade secrets and technology

11. Give examples of companies which operate in India through contract manufacturing
12. Expand IEC.
13. State any one way by which Wholly owned subsidiaries enter into international business.
14. Expand ECGC.
15. Expand DGFT.
16. Who issues a bill of lading?
17. What is mates receipt?
18. What is Shipping Bill?
19. What is airway bill?
20. Expand EXIM.

**IV Answer the following questions in 2 or 3 sentences each. Each question carries 2 marks.**

1. What is contract manufacturing?
2. What is licensing?
3. Name the parties in licensing.
4. What is the difference between licensing and franchising?
5. Mention the parties in franchising.
6. What do you mean by joint venture in international business?
7. Give the meaning of Wholly owned subsidiary.
8. What is Proforma Invoice?
9. What is Bill of Entry?
10. What is Import General Manifest?
11. What is pre shipment Finance?

**V Answer the following questions in 10 to 12 sentences each. Each question carries Four Marks**

1. Bring out any four differences between domestic business /National business and international business

(OR)

How domestic business and International Business are different explain any four?

2. Explain briefly the scope of International business.
3. Explain any four advantages of Licensing and Franchising.
4. Explain any four advantages of Joint ventures in international business.
5. Give any two advantages and two limitations of exporting/importing as a mode of international business.

**VI Answer the following questions in 20 to 25 sentences each. Each question**

**carries 8 marks.**

1. Explain briefly the different modes of entry into international business
2. Explain any four benefits of international business to  
a) Nations b) Firms
3. What is Contract manufacturing? Explain the advantages and limitations of contract Manufacturing
4. List out the steps involved in export procedure

(OR)

Gokul Garments Company in India has received an order for supply of 2000 Shirts from Bob imports limited, USA what is the procedure to be followed by Gokul garments to execute the export order?

5. Discuss the principle documents used in exporting.
6. Your firm is planning to import cheap toys from China. Describe the procedure involved in importing these goods.

(OR)

Briefly explain the important procedure.

7. Explain any four merits and four Limitations of consumer co-operative stores.
8. Explain any four merits and four Limitations of Super markets.
9. Explain the role of commerce and Industry associations in the promotion of Internal trade.