

Chapter -1 Nature & purpose of Business

Multiple Choice Questions

1. Documents used for carrying out transactions in which money passed from hand to hand in ancient times.
a. Cheques, b. B/E, c. Hundi, d. Demand Draft. (c)
1. How many crops were raised by ancient people in a year?
a. One to two, b. Four to five, c. three to four, d. two to three. (d)
2. Which place was prominent for skilled artisans to work and convert raw material into finished goods which were high in demand?
a. Village, b. Karkhana, c. Jhopari, d. Chopal. (b)
3. Which type of duty was used to be charged on imported articles by King in ancient times?
a. Import Duty, b. Sales Tax, c. Export Duty, d. Octroi. (d)
4. Patliputra was popularly known as commercial centre for.....
a. Export of stones, b. Import of Horses, c. Centre of learning, d. Centre of Textiles. (a)
6. The position of an enterprise in relation to its competitor are called
a. Worker Performance c. Earning Profit
b. Productivity d. Market Standing (d)
7. The main objective of business is
a. Manager Performance c. Social Responsibility
b. Earning Profit d. innovation (b)
8. In which economic activity capital is not required
a. Business c. Profession
b. Employment d. Trade (b)
9. In which economic activity rendering of personalized expert service is required .
a. Profession c. Employment
b. Business d. Trade (a)
10. In which economic activity transfer of interest is not possible
a. Trade c. Business
b. Employment d. Industry (b)
11. 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

12. Which of the following broad categories of industries covers oil refinery and sugar mills ?
- a) Primary industries
 - b) Secondary industries
 - c) Commercial industries
 - d) Tertiary industries

Answer :- B

13. An industry which is concerned with the extraction of natural resources from the earth .
- a). Synthetically industry
 - b).Assembling Industry
 - c). Genetic Industry
 - d). Primary Industry

Answer :- D

14. An industry which is concerned with breeding , reproduction and multiplication of species.
- a). Analytical Industry
 - b). Genetic Industry
 - c). Process Industry
 - d). Tertiary Industry

Answer :- B

15. An industry which is concerned with the nature of various material to form single product .
- a). Analytical Industry
 - b). Assembling Industry
 - c). Synthetically industry
 - d). Primary Industry

Answer :- C

16. Commerce is a combination of two types of activities these are
- a) industry and trade
 - b) trade and Commerce
 - c) Trade and auxiliaries to trade**
 - d) production and consumption of goods

17. This trade refers to purchase of goods from one country for the purpose of selling them to another country. Identify it.
- a) import Trade
 - b) entrepot trade**
 - c) wholesale trade
 - d) export trade

18. There is a time gap between production and consumption of goods therefore warehousing is required which overcomes the problem of..
- a) Funds
 - b) Storage**
 - c) Time
 - d) place

19. No business can survive without enough amount of funds. Banks are providing financial assistance to the businesses to overcome one of the following hindrance of trade.
- a) hindrance of place
 - b) hindrance of time
 - c) **hindrance of finance**
 - d) hindrance of information
20. Which of the following combinations are correct for internal trade?
- a) Import and export
 - b) wholesale trade and entrepot
 - c) retail trade and import Trade
 - d) wholesale and retail trade
21. Which among the following is not a characteristic of a business activity:
- a) Production or procurement of goods and services.
 - b) Sale or exchange of goods and services.
 - c) Donation of a percentage of profit for charity.
 - d) Uncertainty of returns.

Ans.- (c)

22. Due to which characteristic of business there is always a possibility of losses being incurred, despite the best efforts put into the business:
- a) Uncertainty of returns
 - b) Production or procurement of goods and services .
 - c) Economic activity
 - d) Profit earning.

Ans.-(a)

23. How many types of risk does a business enterprise get exposed to :
- a) One.
 - b) Two
 - c) Three
 - d) Four

Ans.-(b)

24. Business Risk generated out of carelessness or negligence of employees would emerge due to which of the following cause:
- a) Natural cause.
 - b) Human Cause.
 - c) Economic cause
 - d) Other cause.

Ans.-(b)

25. Changes in market conditions, changes in price or changes in fashion and tastes of customers refers to which type of risk?

- a) Pure risk.
- b) High Risk.
- c) Low Risk.
- d) Speculative Risk.

Ans.-(d)

State True or False

1. The first five year plan was implemented in the year 1950. (F)
 2. India relied heavily on borrowings from foreign sources and finally , agreed to economic liberalisation in 1991.(T)
 3. Initially, Europeans come to punder but soon they realised the rewards of trade in exchange⁴ of gold and silver. (T)
 4. Inraprastha was the social junction on the royal road where most routes leading to the east, west, south and north converged.(F)
 5. Documents such as Hundi and Chitti were used for carrying out transactions in which barter system used.(F)s
 6. Salary is reward for business . **False**
 7. Chartered Accountancy is a Profession **True**
 8. Membership of a professional body and certificate of practice is called Employment. **False**
 9. Workers performance and attitude determine their contribution towards Productivity and Profitability of any enterprise **True**
 10. Productivity is use for measuring efficiency **True**
11. Industry may be divided into broad categories namely analytical synthetical and processing industry **FALSE**
12. Extraction industries draw products from natural resources **TRUE**
13. Manufacturing industries may be further divided in to primary , secondary and tertiary industry **False**
14. Secondary industries process such material to produce goods for final consumption by other industrial units **TRUE**
15. Engineering and architectural skills are as import part in construction industries **TRUE**
16. Mark the statement as true or false:
Auxiliaries are integral part of Commerce in particular and business activities in general. (T)
17. Mark the statement as true or false:
Transport is removing hindrance of funds. (F)
18. Mark the statement as true or false:
Trade is buying and selling of goods and services. (F)
19. Mark the statement as true or false:
Commerce provides the necessary link among producers, consumers and middlemen. (F)

20. Mark the statement as true or false:

Trade is classified into two broad categories- internal and external. (T)

21. Risk can be minimized but cannot be eliminated.- True

22. Greater the risk involved in a business , higher is the chance of profit. – True.

23. Human causes include such unexpected events like flood, famine, earthquake etc.- False

24. Economic activities are those by which we can earn our livelihood.-True

25. If goods are produced even for personal consumption, it can be called a business activity.- False.

Match the following

1. Match the statement as per the historical events

1.The economic and commercial evolution of any land depends upon its	a. Bhats managed the trade in the states of Gujrat and Rajasthan.
2.Indigenous banking system played a promised role in lending money and financing domestic and foreign trade	b. 18 th Century .
3.Punjabi and Multani merchants handled business in the northern region, while	c. Physical Environment.
4. The British empire began to take roots in India in the mid	d. With currency and letter of credit.
Ans: 1-c 2-d 3-a 4-b	

2.Match the statement as per the historical events

1.The group of trading communities, in western India	a.Collectively represented by their chief called Nagarseth.
2. In urban centers, such as Ahmedabad the Mahajan community	b. Punjabi and Multani merchant handled business in the Northern Region.
3. Other urban groups included professional classes	c. Were called Mahajan.
4. The Bhats managed the trade in the states of Gujrat and Rajasthan, while	d. Such as Hakim & Vaid (physician), Wakil, Pundit or Mulla, Painters, Musicians, Calligraphers, etc.
Ans: 1-c 2-a 3-d 4-b	

3.

1. Despite the growing commercial sector, the 18 th century India was	a. Adopted to economic liberalisation in 1991.
2. After independence, the process of rebuilding the economy started and	b. Made the Europeans embark great voyage of discovery.
3. India relied heavily on borrowings from foreign sources and finally	c. Far behind western Europe in technology, innovations and ideas.
4. The pre-colonial period in Indian history was an age of prosperity for Indian economy and	d. India adopted centralized planning.
Ans. 1-c, 2-d, 3-a, 4-b	

4.

5. Kaveripatta	a. It was an emporium of trade and people here subsisted on commerce.
2.Surat	b. Chinese used to come in foreign ships to purchase pearls, glass and rare stones and in return they sold gold and silk.
3.Mathura	c. It was the centre of trade for perfumes, cosmetics, scents,silk,wool,cotton,etc....
4.Kanchi	d. It was the emporium of western trade during the mughal period. Textile was famous for gold borders (Zari).
Ans. 1-c, 2-d, 3-a, 4-b	

5.

1.	Which objective of business need managers to conduct and co – ordinate business activity .	A	Business
2.	No business enterprise can flourish in a competitive environment without	B	Profession
3.	In which economic activity of goods and service are sold	C	Innovation
4.	Fee is reward for which economic activity	D	Manager performance

Answer

1-----→ D	3----→A
2-----→ C	4----→B

6.

1.	For which economic activity salary is a reward	A	Profit
2.	Position of an enterprise in relation to its competitor are called	B	Innovation
3.	The excess of revenue over cost	C	Marketing Standing
4.	Introduction of new idea or method in a way some thing done or made is called	D	Employment

Answer

1-----→ D	3----→A
2-----→ C	4----→B

7.

1.	Entrepreneur's decision & other legal formalities is needed in	A	Business
2.	In which economic activity no capital I required	B	Employment

Answer

1-----→ A	2----→B
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8.

1.	In which objective of business ascertained by comparing the value of input	A	Earning Profit
2.	In which objective important for its survival & growth	B	Productivity

Answer

1-----→ B	2-----→ A
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9.

1.	Define in concrete term what the business is going to do achieve	A	Social responsibility
2.	Obligation of business firms to contributed resources for solving social problem	B	Objective

Answer

1-----→ A	2-----→ B
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10. Classified

1	Reproduction and development of living organism, plants	A	Secondary
		B	Extraction
2.	Concerned with the extraction and productive of natural resources	C	Manufacturing
		D	Genetic

Answer - 1--→ C , 2==→ A

11. Classification of secondary industry

1	These industries are engaged in productive goods	A	Construction industry
		B	Analytical industry
2.	These industries are involved in the construction of dams , bridge	C	Synthetically industry
		D	Manufacturing

Answer - 1--→ D , 2==→ A

12. Example of manufacturing industry

1	Analytical industry	A	Cement
2	Synthetically industry	B	Television
3	Processing industry	C	Oil refinery
4	Assembling industry	D	Sugar

Answer - 1--→ C , 2==→ A, 3 ==→ D, 4 =→ B

13.Example of industry

1	Primary	A	Banking
2	Secondary	B	Agriculture
		C	Textile

Answer - 1--→ B , 2==→ C,

14.Example of Industry

1	Analytical industry	A	Dams
2	Synthetically industry	B	Car
3	Construction industry	C	Cement
4	Assembling industry	D	Oil refinery

Answer - 1--→ D , 2==→ C, 3 ==→ A, 4 =→ B

15.Join the following services to trade with the hindrances which they remove:

- | | |
|----------------|----------------|
| a) Transport | i) information |
| b) Insurance | ii)storage |
| c) warehousing | iii)place |
| d) advertising | iv) person |
| | v) risk |

a) iii), b) v), c) ii), d) i)

16.Relate the types of trade with their meanings:

- | | |
|--------------------|--|
| a) Wholesale trade | i) selling outside the country |
| b) Retail trade | ii) buying and selling in bulk |
| c) External trade | iii) buying and selling in small quantity |
| d) Export trade | iv) buying and selling goods outside the country |

a) ii), b) iii), c) iv), d) i)

17.Match the following terms with the options given describing them:

- | | |
|--------------------------------|--|
| a) Commerce | i)removes hindrance of storage and information |
| b) Trade | ii)buying and selling of goods and services |
| c) Warehousing and Advertising | iii)includes import export and and report |
| d) Foreign trade | iv) trade and auxiliaries to trade |
| | v) buying and selling of goods |

a) iv), b) v), c) i), d) iii)

18. Join the following services to trade with the examples given:

- | | |
|------------------|--|
| a) Transport | i) bharti Airtel |
| b) Communication | ii) haryana Roadways |
| c) Finance | iii) iCICIiDBI |
| d) Insurance | iv) oriental Insurance Company Limited |
| | v) Bhakti Storage house |

a) ii), b) i), c) iii), d) iv)

19. Relate the following items with the concept written below:

- | | |
|--------------------------------------|--|
| a) Services to trade
this process | i) buying and selling of goods and activities required to do |
| b) Entrepot trade | ii) one of the type of foreign trade |
| c) Communication | iii) transportation, advertising etc. |
| d) Commerce | iv) helps in exchange of information |
| | v) Removes hindrance of time |

a) iii), b) ii), c) iv), d) i)

20. Which among the following is not a characteristic of a business activity:

- e) Production or procurement of goods and services.
- f) Sale or exchange of goods and services.
- g) Donation of a percentage of profit for charity.
- h) Uncertainty of returns.

Ans.- (c)

21. Due to which characteristic of business there is always a possibility of losses being incurred, despite the best efforts put into the business:

- e) Uncertainty of returns
- f) Production or procurement of goods and services .
- g) Economic activity
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Ans.-(a)

22. How many types of risk does a business enterprise get exposed to :

- e) One.
- f) Two
- g) Three
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Ans.-(b)

23. Business Risk generated out of carelessness or negligence of employees would emerge due to which of the following cause:

- e) Natural cause.
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- g) Economic cause
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24. Changes in market conditions, changes in price or changes in fashion and tastes of customers refers to which type of risk?

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- g) Low Risk.
- h) Speculative Risk.

Ans.-(d)

Complete the following items with appropriate words

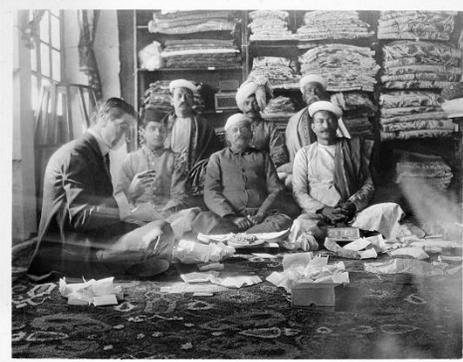
1. The maritime routes linked the east and the west by Sea and were used for the trade of spices is known as SPICE ROUTE.
2. Commercial Cities like Harappa and Mohenjodaro were founded in the year THIRD MILLENNIUM B.C.
3. Documents such as HUNDI and CHITTI were in use for carrying out the transactions in ancient times.
4. Pepper was particularly valued in the Roman Empire and was known as BLACK GOLD.
5. Guild Merchants undertook the task of building temples and made donations by levying a CORPORATE Tax on their members.
- 6.. It is generally believed that business activity is carried out for PROFIT
7. It is the excess of revenue over cost PROFIT
- 8.Obligation of business firm to contribute resource for solving social problem and work in a desirable manner is called SOCIAL RESPONSIBILITY.
- 9.Introduction of new idea or method in the way something is done or made is called INNOVATION.
10. In which economics activity salary is reward or return EMPLOYMENT.
11. The term used for activities in which mechanical appliances and technical skills are involved is Industry
12. The type of industry which is engaged in breeding plants and animals for their use in further reproduction is Genetic Industry
13. The type of industry which is concerned with providing support services to primary and secondary industries as well as activities related to trade is Tertiary Industry
14. The type of manufacturing industry which involves successive stages for manufacturing finished product is Processing industry
15. The type of manufacturing industry which analyses and separate different elements from the same materials is Analytical Industry
16. Transport, banking, insurance are the services/auxiliary to trade.
17. Auxiliaries to trade are helpful in the removal of hindrance in the process of exchange.
18. Business risks can be covered with the help of insurance service of trade.
19. The auxiliary to trade which provides vital information about goods and services to customers is called advertising.

20. The term which is used for buying and selling of goods is called trade.
21. No business can survive for long without Profit.
22. Business may be defined as a(n) economic activity involving the production.
23. Pure risk involve only the possibility of loss or no loss.
24. Business risks refers to the possibility of inadequate profits or even losses due to uncertainties or unexpected events.
25. The reward for taking risk is profit.

Pictorial Identification

answer :- Ancient trader

1



2



answer :-Harappa

3



answer :-Hundi

link the image with their economic activity .

4



Ans: Profession.

5



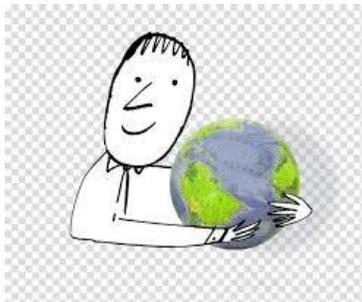
Ans: Employment.

6



Ans: Business.

7



Ans: Social Responsibility of business

8



Ans: Earning Profit

9. Identify the type of manufacturing industry shown in the image given below:



Ans: Processing industry

10. Identify the major category of industry shown below:



Ans. Primary industry

11. Which primary industry is depicting in the picture:



Ans: Extractive industry

12. Which type of secondary industry is shown below:



Ans: Construction industry

13. Which hindrance of trade is removed by the activity shown in image given below:



Ans: Storage

14. Identify the aid to trade shown in the below given picture:



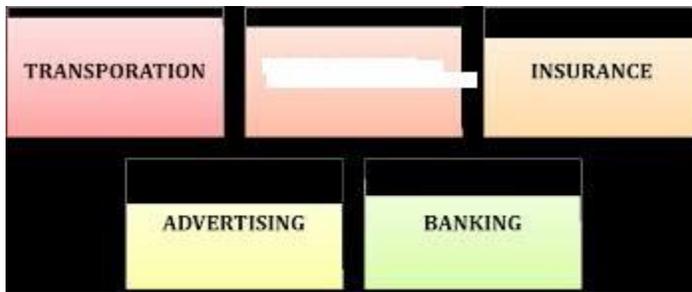
Ans. Insurance

15. Which type of requirement of the business is met by the organisation shown in the picture given below:



Ans. Funds requirement

16. Give the name of the remaining auxiliary to trade missing in the picture:



Ans. Warehousing

17. Identify the type of Internal trade in the given image:



Ans. Wholesale trade

18. Identify the causes of Business Risk in each of the following pictures.



Ans- Natural Cause

19.

Ans.- Economic Cause



18.



Ans. Human Cause

Chapter 2 :- Forms of business organisation

Fill in the Blanks:-

- 1- A type of business organisation where a person individual responsible for capital, bearing risk & management is called _____ (Sole Proprietorship).
- 2- Forms of Business which is suitable for small business is _____ (Sole Proprietorship).
- 3- Sole proprietors have _____ liability (Unlimited)
- 4- Sole proprietorship is a form of business organisation which is outlined, managed and controlled by an _____ (Individual).
- 5- A person running a retail shop, beauty parlours, saloons in a locality is known as _____ (Sole proprietor) form of business.
6. Hindu Undivided Family Business is governed by **Hindu succession** act 1956.
- 7 The head of the family, in Hindu Undivided family is called **Karta**.
- 8.The liability of all member, except the karta in Hindu Undivided family is **limited**.
9. After the death of Karta, as the next **eldest** member takes up the position of Karta.
10. The regulatory body, which is set up for the protection of investors is **SEBI**.
11. Minimum number of members in a partnership business are 2 persons.
12. The most important document used in partnership business is **Partnership Deed**.
13. Registration of a partnership business is **optional**.
14. Partners share profit and lose in an **agreed** ratio.
15. In a general partnership liability of partners is **unlimited**.

16. The liability of members of a cooperative society is limited to the extent of their capital contribution. **U**
17. The membership of a cooperative society is voluntary. **R**
18. In a cooperative society, the power to take decisions lies in the hands of an elected managing committee. **R**
19. The capital of a cooperative society is raised from its members through issue of shares. **U**
20. The cooperative society lays emphasis on service motive. **U**
21. In a Joint Stock Company the board of directors are elected by the _____.
22. Joint stock Company enjoys _____, as members may come and go, but the co. continues to exist.
23. The company acts through its Board of Directors and enters into an agreement through a(n) _____.
24. The liability of a company is limited to the extent of the amount _____ on the shares held by them.
25. The formation of a company is a time consuming, _____ and a complicated process.

Answers:-

21. Shareholders
22. Perpetual succession
23. Common seal
24. Unpaid
25. Expensive
26. Private Ltd. Company can start business after completion of _____ stage. (2nd)
27. The maximum number of shareholders in any Private company is _____ (200)
28. To start any Private Ltd. company minimum paid up required is _____ (1lakh)
29. Shareholders of Private Ltd. Company have _____ Liability. (limited)
30. Minimum _____ number of members can start private company. (2)
31. To start a public co. minimum paid up capital is Rs. ----- (5 lakh)
32. There is ----- restriction on transfer of share. (no)
33. MOA is also known as ----- of the co. (charter)

34. Object clause defines the -----for which the co.is formed.
(purpose)

35. Articles of association are the rules regarding ----- management of a co.
(internal)

- State whether statement is true or false:

1. Sole proprietor bears profit and loss individually. T
2. There is a separate law that governs sole proprietorship. F
3. There is lack of business continuity in sole proprietorship business organisation. T
4. Sole proprietors have limited liability. F
5. In sole proprietorship business operations are confidential and secret. T
6. . Mitakashara system prevails all over India and allow only male member to be coparceners in the business. **(TRUE)**
7. The HUF business come to an end after the death of the Karta. **(False)**
8. Before commencing business, it is necessary to receive minimum subscription in Public Company. **(True)**
9. Appointment of underwriters is necessary in the capital subscription stage. **(False)**
10. A company inviting funds from general public must conceal any material information from potential investors. **(False)**
11. A nominal partner is one who allows the use his/her name by a firm, but does not contribute capital.(True)
12. A sleeping partner is having limited liability. (False)
13. General public is having greater confidence in partnership business. (False)
14. On the basis of liability partnership is classified into general partnership and limited partnership. (True)
15. Registration of a cooperative society is not compulsory.(False) **R**
16. The cooperative society can be started with a minimum of two members.(False) **R**
17. In a cooperative society each member is entitled to equal voting rights.(True) **R**
18. Farmer's cooperative society is set up to help people to construct houses at reasonable cost.(False) **U**
19. Marketing cooperative society is established to help small producers in selling their products.(True) **U**
20. The written agreement made by the partners is called partnership deed. (True)
21. hardly any legal formalities are required for the formation of a company.
22. The common seal is engraved equivalent of an official signature of a company.

23. The shares of a public ltd. co. can easily be sold and can be converted into cash.
 24. In a joint stock professional management is not possible .
 25. Communication as well as approval of various proposals in a co. is done very quickly.

Answers:-

21.F 22. T 23. T 24. F 25. F

26. Members of any Private Ltd. Company cannot transfer his shares without permission of shareholders.(True)
 27. A Private company can raised funds after issuing prospectus.(False)
 28. A Private company should appoint minimum three Board of Directors.(False)
 29. Minimum Paid up capital to start any Private company is 1 lakh rupees.(True)
 30. The maximum members of any Private Ltd. Can be two hundred.(True)
 31. There is no limit on maximum member in a public co.
 true
 32. A co. is legally entitled to undertake an activity which is beyond the object clause. False
 33. Articles of association can be altered from time to time as per the act.
 True
 34. A public co. can commence the business after incorporation.
 False
 35. Issued capital of A tech ltd. was Rs. 50 cr, co. gets the subscribed capital of Rs.44 cr. Now co. can allot share to shareholders. false.

Multiple Choice Questions :-

- 1- In which type of business organisation the owner does not share his/her profit.
 a) Partnership c) Sole proprietorship
 b) Cooperative society d) Joint Hindu family (C)
- 2- Which type of business organisation is the most popular and suitable for Small business.
 a) Joint Hindu Family c) Partnership
 b) Sole Proprietorship d) Cooperative society (B)

(a). 4 (b). 2 (c). 5 (d). 6

14. A sleeping partner is otherwise known as. (b)

- (a). Nominal partner (b). Dormant partner (c). Partner by estoppel
(d). Limited partner

15. The form partnership which was restricted in India is. (d)

- (a). Particular Partnership (b). General Partnership
(c). Partnership at will (d). Limited Partnership

16. The minimum number of members required to form a cooperative society is-

- a) Five b) Ten
c) Twenty d) Two

Ans-b

17. Which of the following business organisation has service motive?

- a) Sole Proprietorship b) Joint Hindu Family
c) Cooperative Society d) Company

Ans- c

18. In a cooperative society, the power to take decisions lies in the hands of-

- a) Elected Managing Committee b) Karta
c) Board of directors d) Members

Ans- a

19. This type of cooperative society is set up with the aim of eliminating middlemen

- a) Producer's Cooperative Society b) Marketing Cooperative Society
c) Consumer's Cooperative Society d) Farmer's Cooperative Society

Ans- c

20. The cooperative society is required to be registered under the Cooperative Society Act _____

- a) 2013 b) 1932
c) 1956 d) 1912

Ans- d

21. Name the business organisation which has a legal status independent of its members.
 a) HUF b) Sole proprietorship c) Joint Stock Co. d) Cooperative Societies
22. Who undertakes the management & control of the affairs of the company on behalf of its owners?
 a) Board of Directors b) Departmental Heads
 c) Managing Directors d) Vice president
23. Find out the liability of Kavita in a company. Who is a shareholder, holding 3,000 shares of Rs. 10 each. She has already paid Rs. 6 per share.
 a) Rs 10,000 b) Rs. 1,20,000 c) Rs 18,000 d) Rs. 12000
24. The directors take all decisions on behalf of the shareholders, keeping in mind their own benefit. Identify the demerit stated above.
 a) Delay in decision making b) numerous regulations
 c) Lack of secrecy d) oligarchic management
25. Which form of organisation is suitable if direct control over operations & absolute decision making power is required in business?
 a) Joint Stock Co. b) cooperative society c) Sole proprietorship d) HUF

Answers :-

21.c 22. a 23. d 24. d 25. C.

26. Maximum number of members in Private company are

(a)50 (b)100 (c)150 (d)200 Ans. D

27. Minimum paid up capital to start a Private Ltd company is

(a) one lakh (b) Two lakhs (c) Five lakhs (d) Ten lakhs Ans.A

28. Minimum numbers of Board of Directors in any Private company can be

(a) 3 (b) 2 (c) 4 (d)5 Ans. B

29. Prospectus is issued by

- (a) Public Enterprise (b) Public Company (c) Private Company
(d) Public Sector (B)

30. Minimum number to form any Private company is

- (a) 7 (b) 5 (c) 2 (d) 10 Ans (C)

31. Minimum members to form a public co. is

- a) 2 b) 7 c) 50 d) 1 b

32. Capital clause specifies—

- a) authorised capital b) subscribed capital
c) paid up capital d) issued capital a

33. Which document is subsidiary of the MOA

- a) prospectus b) articles of association
c) consent of directors d) table A b

34. One person co. must be converted into a pvt. ltd co. if it crosses an annual turnover of Rs.---

- a) 1 cr. b) 5 cr. c) 2 cr. d) 50 lakh c

35. The profit distributed among the shareholders is known as:

- a) incentives b) bonus c) interest d) Dividend d

Match the following:-

- Match the forms of business organisation with their merits.
 - Cooperative society 1 Confidentiality of information
 - Sole Proprietorship 2 Increase loyalty and Cooperation
 - Joint Hindu family 3 Balanced Decision Making

d) Partnership 4 Service motive

(a) 4 (b) 1 (c) 2 (d) 3

2. Match the following business organisation with their limitations.

- | | |
|------------------------|--------------------------------|
| a) Partnership | 1 Government control |
| b) Joint Hindu family | 2 Possibility of conflicts |
| c) Cooperative society | 3 Limited resources |
| d) Sole Proprietorship | 4 Unlimited liability of karta |

(a) 2 (b) 4 (c) 1 (d) 3

3. Match the following forms the business organisation with their suitable example.

- | | |
|------------------------|----------------------------|
| a) Sole Proprietorship | 1 Jassus & Siya Book Store |
| b) Cooperative society | 2 Sharma General Store |
| c) Private Company | 3 Idea |
| d) Partnership | 4 Amul milk union ltd. |

(a) 2 (b) 4 (c) 3 (d) 1

4. Match the following forms of business organisation with the minimum number of members required.

- | | |
|------------------------|--------|
| a) Public company | (1) 2 |
| b) Sole Proprietorship | (2) 10 |
| c) Cooperative society | (3) 7 |
| d) Partnership | (4) 1 |

(a) 2 (b) 4 (c) (d) 1

5. Match the following forms of business organisation on the basis of control and management.

- | | |
|------------|--|
| a) Company | (1) Owner takes all decisions, quick decision making |
|------------|--|

- b) Cooperative society (2) Separation between ownership & Management
- c) Joint Hindu family (3) Elected Representative managing committee takes decisions
- d) Sole Proprietorship (4) Karta takes decisions

(a) 2 (b) 3 (c) 4 (d) 1

6. Match the Column on the basis of features of Hindu Undivided Family-

- | | |
|----------------|--|
| (i) continuity | a) Karta takes all the decisions |
| (ii) Control | b) Does not require any agreement |
| | c) Remain even after the death of Karta. |

Answer: (i) –d (ii) -a

7. Match the Acts with their years-

- | | |
|--------------------------|-------------|
| (i) Hindu Succession Act | a) Act 1932 |
| (ii) Partnership | b) Act 1912 |
| | c) Act 1956 |

Answer: (i) –c (ii) -a

8. Match the minimum number of member require in the form of business organization-

- | | |
|------------------|---------------|
| (i) HUF | a) 10 members |
| (ii) Cooperative | b) 2 members |
| | c) 5 members |

Answer: (i) –b (ii) - a

9. Match ups the work of professionals in capital subscription stage-

- | | |
|-------------------|--|
| (i) Brokers | a) Buy the share if they are not subscribe by the public |
| (ii) Underwriters | b) Application of the money receive |
| | c) Sale of the share |

Answer: (i) – c (ii) - a

10. Match the following on the basis of the functions of the promoters-

- | | |
|-----------------------|---|
| (i) Feasibility study | a) Select name and submit it to registrar |
| (ii) Name approval | b) Detail study of business profitability |
| | c) Identifying the business opportunity. |

Answer: (i) – b (ii) - a

11. Match the business organization on the basis of their features

HUF Business - Mutual Agency

Partnership - Minor members allowed
- Limited liability

Ans- 1-b,2-a,3-c

12. Match the following on the basis of registration

Partnership - No need of formalities like registration
Co-operative society - Registration is optional
Sole Proprietorship Business - Compulsory registration
-Separate legal entity

Ans- 1-b, 2-c, 3-a

13. Match the following on the basis of types of partners-

Do not participate in management Active Partner
Only name is available in partnership deed Sleeping Partner
Participates in management Nominal Partner

Ans- 1-b, 2-c, 3-a

14. Match the following Act

Indian Partnership Act - 1912
Hindu Succession Act - 1932
Indian Companies Act - 1956
Co-operative societies Act - 2013

Ans- 1-b,2-c,3-d 4-a

15. Match the following

Unlimited - Partnership business
200 - Public Company
50 - Private company

Ans- 1-b, 2-c, 3-a

16. Match the columns on the basis of features of Joint Stock Co.

a) Company acquires an identity of its own. i) Control
b) A co. can not breath, eat like a human being. ii) Separate legal entity
iii) Artificial person

Ans. a) iii b) ii.

17. Match the following on the basis of merits of Joint Stock Co.

a) shareholder can sell the shares. i) limited liability
b) Existence of co. not affected by ii) transfer of interest
death & retirement of its members. iii) perpetual existence

Ans:- a) ii b) iii

18. Match the following on the basis of demerits of Joint Stock Co.

i) Owners cannot maintain personal a) lack of secrecy
contact with employees.

ii) BOD enjoys freedom in exercising Their power.

b) complexity

c) Impersonal work environment

d) Oligarchic management

Ans i. c ii. d

19. Match the following on the basis of choice of form of business organisation.

i) Division of work among members

a) sole proprietorship

ii) Inexpensive way of starting a business

b) HUF

c) Partnership

Ans. i. a ii. c

20. Match the following on the basis of minimum paid up capital.

i. Public Co.

a) Rs. 1 Lakh

ii. Private Co.

b) Rs. 3 lakh

c) Rs. 10 lakh

d) Rs. 5 lakh

Ans. i. d ii. a

21. Match the following cooperative societies with their objective-

1 Farmer's Cooperative Society	a To eliminate middlemen
2 Marketing Cooperative Society	b To protect the interest of small producers
3 Consumer's Cooperative Society	c To help small producers in selling their products
4 Credit Cooperative Society	d To protect the interest of farmers
	e To provide loan facility on reasonable terms

Ans-1-d 2-c 3-a 4-e

22. Match the following forms of business organizations with the minimum number of members required-

1 Partnership	a Five
2 Cooperative Society	b Seven
3 Private Company	c Two
4 Public Company	d Ten
	e Fifteen

Ans- 1-c 2-d 3-c 4- b

23 Match the following forms of business organizations with their suitable examples-

1 Sole Proprietorship	a AMUL
2 Cooperative Society	b Airtel
3 Private Company	c Gupta General Store
4 Public Company	d BHEL

Ans- 1-c 2- a 3-b 4-d

24 Match the following acts with their years-

1 Partnership Act	a 2013
2 Cooperative Society Act	b 1956
3 Companies Act	c 1932
4 Joint Hindu Succession Act	d 1912
	e 1986

Ans- 1-c 2-d 3-a 4-b

25 Match the following business organizations with their advantages-

1 Sole Proprietorship	a Service motive
2 Partnership	b Loyalty and cooperation
3 Cooperative Society	c Pooling of resources
4 Joint Hindu Family	d Easy formation
	e Common Seal

26. Minimum numbers to start form of business

A	B
Private company	7
Public Limited company	10
Co-operative society	2

27. Paid up capital to start Public Ltd company require

A	B
Public Ltd.	1 Lakh
Private Ltd.	5 Lakhs
	10 Lakhs

28 Maximum members of Business organization

A	B
---	---

Private company	Unlimited
Partnership	50
Public Ltd.	200

29. following company can start business

A	B
Private company	After receiving of certificate of incorporation
Public Ltd. Company	After receiving of certificate of business commencement
	Promotion

30. Minimum number of Board of directors for

A	B
Private company	10
Public Ltd. Company	2
	3
	5

31. Match the following column with no. of members:

1) A public co. can start with a) 10

Minimum no.

2) A pvt. co. can start with

Minimum no. of members b) 1

3) A one person co. can be

Start with minimum member c) 7

ans 1) c) 2) d) 3) B)

32) Match the column with suitable key words:

1) registration of a co. a) promotion

2) capital collection b) incorporation

3) seeding stage of an idea.

1 © 3(a)

33) identify with main content of MOA.

1) registered office of the co. a) name clause

2) main object of the co. b) domicile

3) approved name of the co. c) object clause

4) up to unpaid amount of the co. d) liability

Clause

e) authorised

capital of

the co.

Ans. 1. (c) 2(a) 3(b) 4(d)

34. identify no. of directors require in a co.

1) public co. a) 3

2) private co. b) 2

c) 5

ans. 1(a) 2(b)

35. identify the correct term of documents

1. an invitation to public a) moa

2. birth certificate of a co. b) prospectus

3. charter of the co. c) incorporation

d) articles of
association.

1(b)2(c)3(a)

Pictorial questions:-



1.

Name the type of Business. Answer :- Partnership



2

Name the type of Partner. Answer :- Sleeping Partner .



3. Describe the liability of a nominal partner. Answer :- Nominal Partner having unlimited liability



4. Name the type of partnership. Answer :- Particular Partnership



5. Name the feature of partnership business. Answer :- Earning profit



6. What can Pvt. Ltd. Co. do after receiving this certificate?

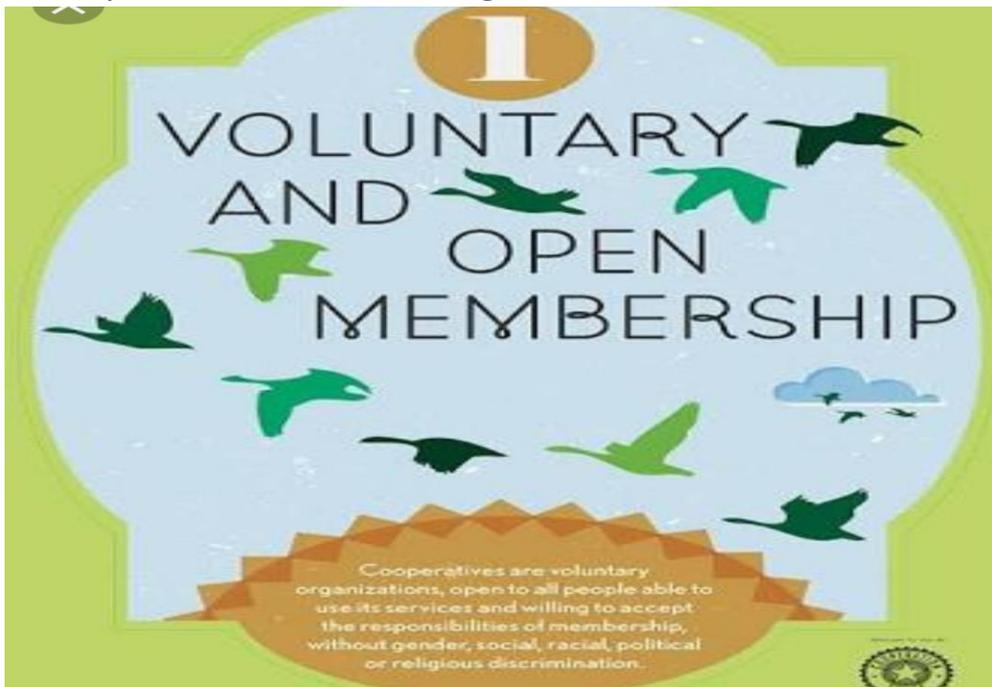


7. Identify the type of business organisation?



8. Identify the type of cooperative society.

9. Identify the form of business organization.



10 Identify the form of business organization.



11. which type of cooperative society is this?



12. Identify the cooperative society?



Ch-3

Q1. **Fill up the blanks with the appropriate word in the following statements.**

- 1) Huge Industrial organization which extend their industrial operations through a network of their branches in several countries are known as **Global Enterprises**.
- 2) MNC's are in a position to exercise massive control on the world economy because of their **capital** resources.
- 3) Huge investment which only global enterprises can afford is **qualitative** research.
- 4) "MNC'S have their headquarters in their home country and exercise control over all branches and subsidiaries". Name these feature. **Centralised control**.
- 5) Global enterprises operate through a network of **subsidiaries**, branches and affiliates in host countries.

- 6) Indian economy is composed of both Privately owned and Government owned business enterprises so it is known as **Mixed** Economy.
- 7) The Public sector consists of various organizations owned and managed by the **government**.
- 8) The private sector consists of business owned by **individuals**.
- 9) Public sector can be classified into **three** divisions.
- 10) Sole proprietorship is an example of **private** sector.
- 11) A business agreement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task is referred to as _____
- 12) If a foreign partner or a Non Resident Indian is involved in a Joint Venture, a government approval has to be taken which can be obtained from either _____ or FIPB depending upon circumstances.
- 13) The agreement in a partnership is referred to as a Partnership Deed while that in a Joint Venture is referred to as a/an _____
- 14) A long term contract between a private party and a government entity for providing a public asset or service is regarded to as _____
- 15) These kinds of businesses are typically found in transport infrastructure such as highways, airports, railroad, hospital etc. Such businesses are often formed as _____

- 16) ANSWERS: 1. Joint Venture 2. Reserve Bank Of India 3. Memorandum of Understanding 4. Public Private Partnership 5. Public Private Partnership

Q2. **Answer the following statements as true and false.**

- 1) the branches of Global Enterprises are also called majority owned foreign affiliates. **TRUE**
- 2) MNC's concentrate more on selling consumer goods which are always desirable for developing countries. **False**.
- 3) MNC's do not have aggressive marketing strategies in order to increase the sales in a short period. **FALSE**.
- 4) Global enterprises operate through a network of subsidiaries, braches and affiliates in host countries. **TRUE**.
- 5) Top 200 MNC's control over quarter of the world economy. **TRUE**.

- 6) Private enterprises are accountable to the public through the parliament. **False**
- 7) Indian economy is a mixed economy. **True**
- 8) A public company necessarily is a public sector organization. **False.**
- 9) The private sector consists of business owned by individuals or a group of individuals. **True**
- 10) The main objectives of public sector is to accelerate the rate of economic growth and industrialization. **True**
- 11) Public enterprises are owned by public. **False**
- 12) A joint venture may be the result of an agreement between businesses in different countries.
- 13) Two private organizations may not come together to form a Joint Venture.
- 14) The laws for Joint Venture companies are very different from the laws of Domestic Companies in India.
- 15) A government approval is required to be able to form a Joint Venture in case a party to the venture is a foreigner or an NRI.
- 16) A Public Private Partnership ensures higher quality and timely provision of public services.

ANSWERS: 1.TRUE 2. FALSE 3.FALSE 4.TRUE 5. TRUE

Choose the best alternative from the following:

- 1) Huge size, large number of products, network of operations all over the world is a
 - a) Global enterprises
 - b) Partnership firm
 - c) Public sector undertaking
 - d) Departmental undertaking (a)
- 2) 'Global enterprises may issue equity shares, debentures or bonds to public' identify this feature:
 - a) Foreign collaboration
 - b) Huge capital resource
 - c) Product innovation
 - d) Centralized control. (b)
- 3) MNC's are able to conform to international standards and quality specifications because of their
 - a) Marketing strategies
 - b) Centralised control
 - c) Huge capital resource
 - d) Advanced technology (d)
- 4) MNC's are in a position to exercise massive control of world economy because of their
 - a) Capital resources and latest technology
 - b) Political interference
 - c) Low cost of production
 - d) Established brand name (a)
- 5) There are various restrictive clauses in the agreement relating to transfer of technology, pricing, dividend payments etc. is a feature of
 - a) Partnership firm
 - b) Government companies

- c) Statutory corporations
 - d) Global enterprises (d)
- (6) Partnership is an example of
- (a) Joint stock company
 - (b) Private sector
 - (c) Statutory corporation
 - (d) Public sector
- (7) Indian economy is a _____ economy
- (a) Socialist economy
 - (b) Capitalist economy
 - (c) Industrial economy
 - (d) Mixed economy
- (8) Disinvestments of PSE's implies
- (a) Sale of equity shares to public
 - (b) Investing in new areas
 - (c) Buying shares of PSE's
 - (d) Closing down private sector
- (9) The role of private and public sector were clearly defined by the government through
- (a) Industrial policy 1991
 - (b) The parliament
 - (c) The industrial policy resolution 1948
 - (d) The Indian companies act 1956
- (10) Public sector enterprises are organizations owned by
- (a) joint Hindu Family business
 - (b) government
 - (c) foreign Companies
 - (d) private entrepreneurs

(1-b, 2-d, 3-a, 4-c, 5-b)

11. All the below are Joint Ventures except:

- A. Maruti Suzuki Ltd
- B. Kinetic Honda
- C. Hindustan Aeronautics Ltd
- D. Mahindra and Mahindra

12. Companies typically pursue Joint Ventures for all of the following main reasons except:

- A. To access a new market
- B. To gain scale efficiencies
- C. To bring out regional development
- D. To share risks for major investment

13. Joint Ventures are formed by making an agreement which is legally termed as:

- A. Joint Venture Contract
- B. Joint Venture Deed
- C. Memorandum of Undertaking
- D. Joint Venture Agreement

14. Which one of the following is a feature of Public Private Partnership

- A. Foreign collaboration
- B. Balance regional development
- C. Joint management responsibility
- D. Self reliance

15. Which one of the following is an example of public private partnerships

- A. Oil and Natural Gas Commission
- B. Delhi Metro
- C. Indian Railways
- D. Gas Authority of India Ltd

ANSWERS: 1. D 2. C 3. C 4. C 5. B

Q4. (I) identify the features of MNC on the basis of the following.

A	B
1. Investors and banks of the host country are willing to invest in them 2. Global enterprise usually enter into agreements with Indian companies pertaining to the sale of technology, production of goods etc.	a) Product innovation b) Marketing strategies c) Advance technology d) Huge capital resources e) Foreign collaboration

(1-d, 2.-a)

(II) Match the following with the appropriate features.

A	B
1. The products produced are able to	a) Foreign collaboration

<p>conform to international standards and quality specifications .</p> <p>2. Qualitative research requires huge investment which only global enterprises can afford.</p>	<p>b) Advanced Technology</p> <p>c) Product innovation</p> <p>d) Huge Capital resources</p>
--	---

(1-b, 2-d)

(III) Match the following with the appropriate options:

A	B
<p>1. Huge industrial organisations which extend their industrial and marketing operations through a network of their branches in several countries.</p> <p>2. Even investors and banks of the host country are willing to invest in Global enterprises because of this feature.</p>	<p>a) Departmental Undertaking</p> <p>b) Global enterprises</p> <p>c) Statutory Corporations.</p> <p>d) Huge capital resources</p>

(1-b, 2-d)

(iv) Match the following with the appropriate options:

A	B
<p>1. Huge Capital resources</p> <p>2. Product innovation</p> <p>3. Centralised control</p> <p>4. Marketing strategies</p>	<p>a) International Brands</p> <p>b) Head quarters in home country</p> <p>c) Qualitative research</p> <p>d) Advertising and sales promotion techniques</p> <p>e) International banks and investors</p>

(1-e, 2-c, 3-b, 4-d)

(v) Match the following with the appropriate type of enterprise:

A	B
<p>1. Walmart</p> <p>2. Toyota Motors</p> <p>3. Bharat Heavy Electricals LTD.</p> <p>4. Indian Railways</p>	<p>a) Departmental undertaking</p> <p>b) Statutory Corporation</p> <p>c) Government Company</p> <p>d) Global enterprise</p>

(1-d, 2-d,3-c, 4-a)

Q3. (VI)

S.N.	COLUMN A	COLUMN B
A	Parties to a Joint Venture	a. Global enterprises
B	Oligopolistic power	b. Public Private Partnership
		c. Co-Venturers

VII. Match the following features with suitable enterprises:

S.N.	COLUMN A	COLUMN B
A	Enables public sector to harness expertise from private sector	a. Global enterprises
B	Huge organizations extending their branches in several countries	b. Joint Ventures
		c. Public Private Partnerships
		d. Public Sector

VIII.

S.N.	COLUMN A	COLUMN B
A	Purpose of Joint Venture	a. Public Private Partnership
B	Require approval from the government	b. Public Companies
		c. Specified project

IX.

S.N.	COLUMN A	COLUMN B
A	Business of one company is transferred to a new company	a. Public sector
B	A cooperative arrangement between two sectors	b. Joint venture
		c. Public Private Partnership

(X) Match the following with the appropriate terms:

A	B
1. The business organization owned and managed by the government. 2. The business enterprises which operate in more than one country.	a) Global enterprises b) Public sector c) Joint Venture d) Private sector

(1-b,2-a)

(XI) Match the following with appropriate terms:

A	B
1. The organization owned by individuals or group of individuals 2. Indian Economy	a) Departmental undertaking b) SAIL c) Private sector d) Mixed economy

(1-c, 2-d)

(XIII) Match the following

A	B
1. Public sector 2. Private Sector	a) Joint hindu family business b) Mixed Economy c) Departmental undertaking

(1-c,2-a)

(XIV) match the following industrial policy with their objectives:

A	B
1. Industrial policy resolution 1948 2. Industrial policy 1991	a) Disinvestment b) Profit c) Define the role of private and public sector

(1-c, 2-a)

(XV) match the following with their objectives given in column B

A	B
1. Private sector 2. Public sector	a) Mixed Economy b) Define the role of private and public sector c) Profit d) Accelerate the rate of economic growth and industrialisation

(1-c, 2-d)

XVI

S.N.	COLUMN A	COLUMN B
A	Parties to a Joint Venture	d. Global enterprises
B	Oligopolistic power	e. Public Private Partnership
		f. Co-Venturers

XVII Match the following features with suitable enterprises:

S.N.	COLUMN A	COLUMN B
A	Enables public sector to harness expertise from private sector	e. Global enterprises
B	Huge organizations extending their branches in several countries	f. Joint Ventures
		g. Public Private Partnerships
		h. Public Sector

XVIII

S.N.	COLUMN A	COLUMN B
A	Purpose of Joint Venture	d. Public Private Partnership
B	Require approval from the government	e. Public Companies
		f. Specified project

XIX

S.N.	COLUMN A	COLUMN B
A	Business of one company is transferred to a new company	d. Public sector
B	A cooperative arrangement between two sectors	e. Joint venture
		f. Public Private Partnership

Chapter 4 – Business Services

Write True or False

1. E-banking provides communication services through internet . Ans.F
2. Load on branches of the banks can be reduced by e-banking . Ans.T
3. “Kisan Vikas Patra” is a saving scheme provided by Indian Post and Telegraph Department .
Ans.T
4. The Radio paging services are to way communication service . Ans. F
5. Life insurance is not based on the principle of indemnity. Ans.T

1. Services are intangible in nature. (T)
2. Foreign exchange bank is a type of specialized bank. (T)
3. Buying and selling of shares and debentures on instructions is a service provided by Central Bank. (F)
4. Crossed Cheques are to be deposited only in the payees account. (T)
5. Savings account deposits can be withdrawn to the extent of the balance at any time without any prior notice. (F)

1. Principle of Utmost Good Faith is not applicable in Life Insurance.
2. Marine Insurance does not have any surrender value or paid up value.
3. Ship, cargo and freight are important elements of Fire Insurance.
4. VSAT offers a highly flexible and reliable communication in business and government agencies.
5. A trustee has insurable interest in the property held on behalf of others.

Ans: i- False, ii-True, iii- False, iv-True, v- True

- i. Fire insurance is a contract of indemnity. **True**
- ii. Principles of insurance means that the parties to an insurance contract must be truthful in the declaration they make. **True**
- iii. The subject matter of a Marine Insurance is Intangible assets.**False**
- iv. Life insurance contract has an element of uncertainty.**False**

- v. DTH reduces the dependency on the services provided by the service provider. **True.**

Fill in the Blanks

1. The function of insurance which provide safety from probable chances of loss is -----
Ans. Protection
2. The central bank of India is-----
Ans. RBI
3. One can receive media services directly through a satelite with the help of dish antenna and a set top box ; ----- type of communication service is this .
Ans.DTH services
4. Fire insurance policy usually does not exceed ----- year .
Ans.one
5. Satellite based communication services offered by businesses and government agencies is-----.
Ans.VSAT services

1. The bank which controls and coordinates currency and credit policy of India is Reserve Bank of India.
2. The commercial banks of India are governed by Indian Banking Regulation Act, 1949.
3. Banking is a type of business service.
4. The bank which acts as a government banker is Central Bank.
5. The banks which are owned, managed and controlled by private promoters are private sector commercial banks.
6. The principle of insurance that requires full and accurate disclosure of facts and other important information is called _____.
7. The principle of insurance that gives right to an insurer to stand in place of the insured after settlement is called _____.
8. The type of insurance that gives protection of the life to a person is called _____.
9. The insurer in Marine Insurance is known as _____.
10. Without insurable interest the contract of Life Insurance is _____.

**Ans i-Utmost good faith, ii- subrogation ,iii- Life Insurance,
iv- Underwriter, v-void**

- a) Principle of indemnity is not applicable to Life Insurance

- b) Written contract between the insured and the insurer is known as Policy
- c) Small periodic payment for a risk of large possible loss is known as Insurance Premium
- d) Business Service sector to minimize the impact of uncertainties Insurance
- e) John took a health insurance policy. At the time of taking policy, he was a smoker and he didn't disclose this fact. He got cancer. Insurance company won't pay anything as John didn't reveal the important facts. John has violated the insurance principle of utmost good faith.

Match the following

1. Match these types of Telecom services with their respective meanings :

Cellular mobile services	a) Satellite based communications service offered by businesses and government.
Radio paging services	b) Media services with the help of small dish antenna and a set top box.
Fixed line services	c) All types of mobile voice and non voice messages and data services .
VSAT services	d) A network connected through fibre optic cables .
DTH services	e) One way information broadcasting solutions .
ANS . i) c ii) e iii) d iv) a v) b	

2. Match these services to the features or facilities included under each :

i) E- banking	a) Mobile telecom services
ii) Postal Services	b) Movement of goods and passengers
iii) Telecom services	c) Mail and financial facilities
iv) Transportation	d) Banking services provided through internet
Ans. i) d	

ii)c iii)a iv)b	
-----------------------	--

3. Match these types of insurance to their subject matter:

Life insurance	a)Physical property or assests
Fire insurance	b) Ship , cargo or freight
Marine insurance	c)Human life
Ans. i)c ii)a iii)b	

4. Match the nature of services to their particular meaning:

Intangibility	a)participation of customer is required
Inconsistency	b)cannot be stored for future
Involvement	c)one can only experience
Inventory	d)performed exclusively
Ans. i)c ii)d iii)a iv)b	

5. Anu wants to take life insurance policies for different purposes . Guide her to take right policy for a particular objective :

i)For her children to meet the expenses of their education or marriage	a)Endowment life assurance policy
ii)For herself to protect from the liabilities of her business partner after his death.	b)Annuity policy
iii)She wants a regular income after a certain age .	c)Children’s endowment policy
iv)She wants to take a policy which matures after a limited number of years .	d)Joint life policy
Ans. i)c ii)d iii)b iv)a	

Q1

1. HDFC	a) Bearer cheque
2. The bank which supervises, controls and regulates the activities of all the commercial banks of the country	b) Commercial Banks
3. Cheques which are encashable immediately at bank counters	c) Private sector commercial bank
4. This bank has basic function of acceptance of deposits and lending of	d) Crossed cheque

funds	
5. Such cheque is to be deposited only in payees account	e) Public Sector commercial bank
	f) Central Bank of the country

Answers:

1. - (c)
2. - (f)
3. - (a)
4. - (b)
5. - (d)

Q2.

1. Transfer of fund from one place to another on account of inter-connectivity of branches	a) Lending of funds
2. Providing loans and advances out of money received through deposit	b) Savings Account
3. Withdrawal from account has restrictions in relation to the amount and number of times in a given period.	c) Remittance of funds
4. Reserve Bank of India	d) Commercial Bank
5. State Bank of India	e) Central Bank
	f) Current Account

Answers:

1. - (c)
2. - (a)
3. - (b)
4. - (e)
5. - (d)

Q3.

1. VSAT services is a type of	a) Insurance Company
2. Mail facilities	b) Telecom services
3. Insurer	c) Postal services
4. Endowment Life Assurance Policy	d) Nominee
5. Public Provident Fund	e) Post Office's saving scheme
	f) Insurance Services

Answers:

1. - (b)
2. - (c)
3. - (a)
4. - (f)
5. - (e)

Q4.

1. Uberrimae Fidei	a) Indemnity
2. ATM is a service provided by	b) Utmost good faith
3. Life Insurance is not based on the principle of	c) Subrogation
4. DTH service is a type of	d) E-banking
5. It is the duty of the insured to take reasonable steps to minimize the loss or damage to the insured property	e) Telecom Service
	f) Mitigation

Answers:

1. - (b)
2. - (d)
3. - (a)
4. - (e)
5. - (d)

6.

Q5. Match the following on the basis of types of life insurance policies:

1. Policy is taken by person for his/her children to meet expenses of their education/marriage.	a) Joint Life Policy
2. Policy is taken by two or more persons	b) Annuity Policy
3. Policy in which assured sum or policy money is payable after assured attains certain age in monthly, quarterly, half yearly or annual installments	c) Endowment Life Assurance Policy
4. Insurer undertakes to pay a specified sum when the insured attains a particular age or on his death whichever is earlier	d) Whole Life Policy
5. Policy in which the amount is not paid to the insured before death of the assured.	e) Children's Endowment Policy

Answers:

1. - (e)
2. - (a)
3. - (b)
4. - (c)
5. - (d)

(A) Ramesh is a teacher who wants to open an account in a bank with an aim to do saving. He approaches the Bank Manager who guides him of various accounts and their utilities. Assist him to identify the features of various accounts.

- | | |
|--|-----------------------|
| (i) The accounts that encourages savings. | (a) Fixed accounts |
| (ii) Amount is deposited for a fixed period. and carries higher rate of interest . | (b) Current accounts |
| (iii) Amount is withdrawn regularly, especially for business. | (c) Saving accounts |
| (iv) A fixed amount is deposited regularly for a fixed period. | (d) Recurring deposit |

Ans i-c, ii-a, iii-b, iv-d

(B) Shyamlal owns a General Insurance company and his friend deals with only Life Insurance. Assist a customer who wants to understand Life Insurance and General Insurance.

- | | |
|--|----------------------|
| (i) This insurance helps his family members after his death. | (a) Fire Insurance |
| (ii) Insurance is for a period of one year and then renewed. | (b) Marine Insurance |
| (iii) Protection against loss by marine perils. | (c) Crop Insurance |
| (iv) Protection to crops for the loss caused. | (d) Life Insurance |

Ans: i-d, ii-a, iii-b, iv-c

(C) Radha's grandfather gave rs 10,000 to her on her birthday which she deposited in post office in Provident Fund account. The Manager acquainted her with the other allied facilities given by their department.

- | | |
|--|-------------------------|
| (i) A range of attractive greeting cards. | (a) Media post |
| (ii) Indian Corporates advertise through it. | (b) Speed post |
| (iii) Facilitating passport application. | (c) Greeting post |
| (iv) Fastest delivery in 97 countries. | (d) Passport facilities |

Ans: i-c, ii-a, iii-d, iv-b

(D) Suresh Chand and Sons owns a handicraft business. They want to be acquainted with online payment mechanism system. Guide them of the various options.

- | | |
|---|----------------------|
| (i) Payment done using UPI | (a) Credit card |
| (ii) Transfer money electronically from Bank account. | (b) Cash on delivery |
| (iii) Goods bought on credit. | (c) BHIM |
| (iv) Payment done after receiving the commodity. | (d) Debit card |

Ans: i-c, ii-d, iii- a, iv- b

(E) Following are the four 'I's of services. Help Umesh understand in a better way.

- | | |
|---|--------------------|
| (i) Services cannot be touched. | (a) Inseparability |
| (ii) Services cannot be standardized. | (b) Intangibility |
| (iii) Simultaneous activity of production and consumption. | (c) Involvement |
| (iv) Participation of customer in service delivery process. | (d) Inconsistency |

Ans: i-b, ii-d, iii- a, iv-c

1. I. Match the following on the basis of type of service offered:

- | | |
|---|------------------------------|
| a) Telecom service that utilize any type of network equipment connected through fiber optic cables laid across length and breadth of the country. | i) Cable services |
| b) Type of mobile telecom services including voice and non voice messages and data service. | ii) fixed line services |
| c) Linkages and switched services within a licensed area of operation. | iii) DTH |
| d) Satellite based media service Provided by cellular companies through a satellite with the help of dish antenna | iv) cellular mobile services |

ANSWERS: A(II),B(IV),C(I),D(III)

II. On the basis of services offered match the following to the respective banks

- | | |
|------------------------------|-----------------------|
| a). Lending for investments | i) co-operative Bank |
| b) Cheap credit to customers | ii) Specialized Banks |

- | | |
|--|---------------------|
| c) Financial aids to industries in heavy turnkey projects and foreign trade. | iii) Post office |
| d) Kisaan Vikas patra | iv) commercial Bank |

ANSWER A(iv),B(i), C(ii), D(iii)

III. On the basis of the given features match the following

- | | |
|---|-----------|
| a) Contract of indemnity Insurance | i) Marine |
| b) Contract for protection and investments. Insurance | ii) Fire |
| c) Contract for one period and voyage insurance | iii) Life |

ANSWERS A(ii), B(iii), C(i)

1V Match the stated objectives to the respective banks

- | | |
|---|---------------------------|
| a) Important source of rural credit | i) commercial bank |
| b) Social objective rather than Profitability | ii) specialized banks |
| c) Regulates the activities of all commercial banks | iii) cooperative Bank |
| d) Catering to the specific needs | iv) Reserve Bank of India |

ANSWERS A(iii), B(i), C(iv), D(ii)

V). Following are the features of services. Relate each feature to the concept by which it is known.

- | | |
|---|------------------|
| a) Services are experiential in nature. | 1) Inconsistency |
| b) Services are to be performed | |

- exclusively each time. II) Intangible
- c) Simultaneous activities of production and consumption III) Inventory less
- d) Services cannot be used for future IV) Involvement
- e) Participation of customer and delivery process V) inseparability.

ANSWERS A(ii), B(i), C(v), D(iii), E(iv).

Multiple Choice Questions

1. "PPF" in Postal service stands for
 - a) Pre postal funds
 - b) Public provident fund
 - c) Paid postal facility
 - d) Private public funds

ANS . b

2. Cheques which are to be deposited only in the payees account are
 - a) Order cheque
 - b) Blank cheque
 - c) Crossed cheque
 - d) Bearer cheque

ANS. C

3. DTH services are provided by
 - a) Transport companies
 - b) Banks
 - c) Insurance companies
 - d) Cellular companies

ANS d

4. The banking services provided through internet is called
 - a) C – banking
 - b) Exchange banking
 - c) E – banking
 - d) Wide banking

ANS. C

5. Which type of Insurance has the elements of protection and investment both?

- a) Life insurance
- b) Fire insurance
- c) Marine insurance
- d) All of them

ANS. A

1. Kotak Mahindra bank is an example of:

- a) Public Sector Bank
- b) Private Sector bank
- c) Cooperative bank
- d) Specialized bank

Answer : (b) Private Sector Bank

2. The premature withdrawal is permissible with a percentage of interest being forfeited in:

- a) Savings Account
- b) Current Account
- c) Fixed Account
- d) None of the above

Answer: (c) Fixed Account

3. Which of the following bank acts as a government banker?

- a) Specialized Bank
- b) Cooperative bank
- c) Central bank
- d) Commercial bank

Answer: (c) Central Bank

4. Who decides the rate of interest provided by commercial banks on deposits in India?

- a) Reserve Bank of India
- b) Commercial Bank
- c) Foreign Exchange Bank
- d) Export- Import bank

Answer: (a) Reserve bank of India

5. Commercial Banks provide the facility of fund transfer from one place to another, on account of inter-connectivity of branches. Such facility is called as:

- a) Acceptance of deposits
- b) Allied services
- c) Lending of funds

d) Remittance of funds

Answer: (d) Remittance of funds

- (i) The principle of insurance wherein insured is not allowed to make any profit.
- (a) Insurable Interest
 - (b) Proximate Cause
 - (c) Subrogation
 - (d) Utmost Good Faith
- (ii) In which type of insurance, loss is not measurable.
- (a) Life Insurance
 - (b) Fire Insurance
 - (c) Marine Insurance
 - (d) Burglary Insurance
- (iii) Janaklal insured his property with two insurers ,AIG Ltd. For rs. 200,000 and Shreekrishnan General Insurance for rs 600,000. His loss of property actually was for rs 400,000. What amount he can claim from both the insurers?
- (a) AIG Ltd- 200,000
Shreekrishnan General Insurance-200,000
 - (b) AIG Ltd- 100,000
Shreekrishnan General Insurance-300,000
 - (c) AIG Ltd- 300,000
Shreekrishnan General Insurance-100,000
 - (d) AIG Ltd- 280,000
Shreekrishnan General Insurance-120,000
- (iv) Which insurance reimburses the loss of freight to the shipping company?
- (a) Cargo Insurance
 - (b) Ship Insurance

- (c) Hull Insurance
- (d) Freight Insurance
- (v) Crop Insurance is a part of which type of insurance?
 - (a) Life Insurance
 - (b) Marine Insurance
 - (c) Fire Insurance
 - (d) Other Insurance

Ans: i-c, ii-a, iii-b, iv-d, v-d

- a) The person who insures the risk is:
 - I. Assured.
 - II. Insured.
 - III. Underwriter.**
 - IV. Party
- b) Fire insurance contract has an element of
 - I. Protection**
 - II. Investment
 - III. Profit
 - IV. Income.
- c) If a person has insured for Rs 4, 00,000. A fire broke out and the actual amount of loss amounted to Rs 2, 50,000. How much amount can he claim:
 - I. 4,00,000.
 - II. 2,00,000
 - III. 2,50,000**
 - IV. None of the above
- d) This principle of insurance is one by which a policy-holder is compensated for the loss incurred.

- I. **Insurable Interest**
- II. Utmost Good Faith

- III. Indemnity
- IV. Proximate Cause

e) Proximate cause means :

- I. Natural causes.
- II. Human causes
- III. Economic causes
- IV. **Losses which are caused by perils stated in the policy.**

Chapter 5 – Emerging Modes of Business

Write True or False

1. Internet is a private and secure network.
2. E-business has developed business into a two-way traffic which was earlier a one-way traffic only.
3. E-business has helped businesses in achieving higher efficiency but the cost has increased due to technological inputs.
4. ATM's are an example of e-business transactions.
5. E-business is also helpful in personnel recruitment, selection and training.

Ans.: 1. FALSE 2. TRUE 3. FALSE 4. TRUE 5. TRUE

1) Formation of e-business is a simple process.
(true)

2) There is high investment for setting up in e-business.
(false)

3) There is direct contact with the supplier and the customer in traditional business.
(false)

4) High operating cost in traditional business due to fixed charges associated with investment in procurement and storage production ,marketing and distribution facilities.
(True)

5)vertical shape of the traditional business due to chain of command.
(true)

1. In e-business there is a limitation of time for purchase and sale of goods.

F

2. Outsourcing means sending the employees to the outside firm to complete the job.

F

3. An old customer has sold his used refrigerator to another customer through OLX. It is an example of C2C commerce.

T

4. To establish e- business large investment is needed to purchase various requirements for the business.

F

5. Through B2 B commerce one businessman firm can interacts with another business firm to make any transaction.

T

6. A captive BPO unit provides services to a wide base of clients, cutting across industries
7. Knowledge process outsourcing requires competent and highly skilled professionals.
8. Outsourcing involves contracting out of business services in non-core activities.
9. Basic education is enough, in case you want a job in BPO sector
10. BPO means contracting out non- core and routine activities to outside

Agencies with a view to benefiting from their experience,expertise and efficiency.

Ans: false, true, true, true, true

Fill in the Blanks

1. Companies can service their customers round-the-clock with the development of _____ variant of e-business.
2. In the C 2 C variant of e-business, the business originates from the _____ and the ultimate destination is also a _____ .
3. The dimension of e-commerce that helps the consumers in dealing in pre-owned goods is known as _____ commerce.
4. A firm's interaction with its employees on the intranet facilities is known as _____ commerce.
5. The speed of movement of money, information and documents has tremendously increased with the use of _____.

Ans. 1. B 2 C 2. Consumer 3. C 2 C 4. B 2 E 5. e-commerce

- 1) In e business ease of formation is (simple)
- 2) The cost of setting up inhigh. (traditional business)
- 3) The supplier and the customer havecontact in e-bussiness. (direct)
- 4) Physical presence isin traditional business . (required)
- 5) The shape of the orgnisational structure isin e-business. (horizontal)

1. In e-business there is no need of face to face interaction between the buyer and _____.
(Seller)

2. E-business can be easily started sitting at home with the help of computer and _____ Facility.
(Internet)

3. "Use of internet has considerably reduced the need of filling up form and physical documentation, eventually leading towards a _____ society.
(Paperless)

4. " E- business affords to the buyer a freedom to choice product from almost any part of the world." This statement shows one of the benefit of e-business, that is _____ . (Global Reach)

5. In the _____ variant of e-business, a businessman is purchasing raw material from another businessman. (B2B Commerce)

1. It refers to a long-term contracting out generally the non-core and even some of the core activities to captive or third party specialists is known as _____

2. The outsourcing of services are hired from _____
(Within the organization/ outside of the organization)

3. Xyz is specialized in consultancy service. The company makes software for reputed bank of USA. It is specialized in making accounts of that bank.To carry on this work, XYZ Ltd.hires

another company which has professionals like engineers CA,s etc. Identify the concept type of BPO

4. Give the names of 2 services that are covered under BPO.

1. _____ 2 _____

5. under _____ outsourcing _____ of _____ service _____ the _____ services are _____ (costly/cheap)

ANS: 1 bpo,2 outside the organisation 3.cheap 4. kpo merchant banking, customer support services,financial services etc.

Match the following

1. Identify the Technologies used in e-commerce with their primary utility.

a) Intercom	a) multimedia and 3D communication
b) Intranet	b) Communication between different organisations
	c) voice communication within the office
2. Link the Computer Networks used by business organisations business with their main feature

a) Intranet	a) Public network
b) Internet	b) Private and secure network
c) VPN	c) private networks
3. Identify the primary purpose of following variants of e-business

a) C 2 C	a) firm's interaction with another firm
b) B 2 E	b) dealing in used goods
	c) firm's interaction with its personal
4. Identify the activities involved in various dimensions of e-business with the respective mode.

a) Placing order with suppliers/Coordinating with intermediaries	a) B2C commerce
b) promotion and delivery of products	b) Intra-B commerce
c) Recruitment, inventory management training	c) B2B commerce
5. On the basis of the parties involved in the interaction, identify the dimension of e-business-

a) Buyers	a) B2B
b) Employees	b) Intra-B
c) Suppliers	c) B2E

d) Departments of the firm

d) B2C

**Ans: 1. a-c, b-a
d-b**

2. a-c, b-a, c-b

3. a-b, b-c

4. a-c, b-a, c-b

5. a-d, b-c, c-a,

1) On the basis of level of difficulty information of the business, identify the correct answer?

a) Simple formation

1) traditional business

b) Difficulty in formation

2) e-business

3) hawkers

4) shop

2) On the basis of investment in business?

a) high investment

1) traditional business

b) low investment

2) e-business

3) shop

4) hawkers

3) On the basis of shape of organisational structure?

Facts

Statement

1) traditional business

a) vertical shape

2) e-business

b) horizontal shape

c) diagonal

d) cross

4) on the bases of command in business.

1) Traditional business

a) chain of command

2) e-business

b) directness of command

c) flat command

d) common command

5) On the bases of business process and length of the cycle.

- | | |
|------------------------|----------------|
| 1)traditional business | a)sequential |
| 2)e-business | b)simultaneous |
| | c)queue |
| | d)group |

1. Given topics given in part A are explained in part B. Identify and match with the suitable meanings:

- | A | B |
|-----------------|--|
| (a) Outsourcing | (i) Interaction within the departments of any organization |
| (b) B2B | (ii) Interaction between customer and customer. |
| (c) C2C | (iii) One firm purchasing raw material from another firm. |
| (d) Intra B | (iv) assigning the work to the outside agencies. |

(a- iv, b- iii, c- ii, d-I)

2. Different benefits of e-business are explained here. Find out with suitable headings.

- | Benefits | Concepts |
|---|---|
| (a) Ease of formation and closure | (i) Its very convenient as it offers 24x 7 days a week. |
| (b) Convenience | (ii) It can be easily accessed with a click of a mouse. |
| (c) Global reach | (iii) Low investment is required. |
| (d)Movement toward a paperless Society. | (iv) Reduce dependence on paperwork. |

(a- iii, b- i, c- ii, d- iv)

3. In e-business different business applications are included through which we can understand the meaning of e-business correctly. Identify the correct meaning matching with application.

Application	Meaning
(a) E- trading displaying images banner	(i) It includes publication of online catalogue of goods, advertisements through
(b) E-delivery	(ii) It involves securities trading, that is online buying and selling of shares and other financial instruments.
(c) e-bidding	(iii) It includes electronic delivery of computer software, photographs, videos to the user's computer.
(c) E-communication	(iv) It includes e-tendering whereby one may submit tender quotations online.

(a-ii, b- iii, c- iv, d- i)

4. Every type of business has certain characteristics. Identify and match the various characteristics to the type of business:

(a) Departmental Stores	(i) There is a personal interaction between buyer and seller.
(b) Formation of e-business	(ii) e-business
(c) Transactional risk is higher	(iii) High investment is required.
(d) Personal Touch	(iv) Low capital is required.

(a- Iii, b- iv, c- ii, d- i)

5. Identify the given concepts of business with their respective meanings:

Fact	Statements
(a) E-commerce outside agencies.	(i) Completing the routine jobs from the
(b) Outsourcing with the	(ii) Performing the various business activities help of internet.
(c) Intra B commerce	(iii) Assigning authorities and responsibilities to employees.
(c) B2E commerce	(iv) Interaction between the different departments within the organization.

(a- ii, b- i, c- iv, d- iii)

A. Match the following outsourcing service providers to the services provided by them

- | | |
|---------------------------------|--|
| 1. Captive service providers | a) are the firms which specialized in one or two industries. |
| 2. Horizontal service providers | b) It provides services of a given Kind to only one firm. |
| 3. Vertical service providers | c) are the firms which provides Their services to a wide base Clients, cutting across industries |

Ans: 1-b, 2-c, 3- a.

B) Match the column. BPO segments to the type services provided by them

- | | |
|------------------------------|--|
| 1.Kpo | a) provides services of a given Kind only to one firm. |
| 2.Bpo | b) long term contracting activities |
| 1. Captive service providers | c) high knowledge work
d) Low knowledge work |

ANS: 1-c, 2-b, 3-a

C) Match the columns the factors responsible for the growing importance of BPO

- | | |
|--------------------------|--|
| 1. lower prices | a. customer support services |
| 2. emerging technologies | b. financial services |
| 3. Better customer care | c. global competitive pressure & cost reduction.
d. e – business. |

ANS:1-C.2-c, 3-a

D Match the given concepts to the correct meaning

The features of the concept of outsourcing.

- | | |
|---------------------------------|---|
| 1. Contracting | a) refers to primary activities of business |
| 2. Non core business activities | b) outside agencies |
| 3. Core business activities | c) secondary activities of the Business. |

Ans:1-b, 2-c,3-a

E) Match the following efforts to their expected outcomes.

- | | |
|--------------------------|---|
| 1. focusing of attention | a) enables the firm to pursue excellence. |
| 2. Quest for excellence | b) create utilities of value, business engages in a no of processes like purchase & production, |
| | c) global competitive pressure |

Ans 1 b , 2 a

Multiple Choice Questions

1. A firm using a network of computers for placing orders, monitoring production, delivery of goods and making payments to its supplier firm is an example of
 - a) B 2 B commerce
 - b) B 2 C commerce
 - c) C 2 C commerce
 - d) Intra-B commerce

2. The dimension of e-business that allows the customers to stay-in-touch with the business round the clock is
 - a) B 2 B
 - b) C 2 B
 - c) B 2 E
 - d) C 2 C
 3. The various departments of a firm can constantly interact with each other for achieving efficiency in operations through the use of one of the following networks,
 - a) Intranet
 - b) Internet
 - c) Cell phones
 - d) Intercom
 4. In this dimension of e-business the different departments of a firm constantly interact with each other for achieving efficiency in operations,
 - a) B 2 B
 - b) C 2 B
 - c) Intra-B
 - d) C 2 C
 5. The private and secure networks used by firms for efficient management of their internal functions are known as
 - a) Internet
 - b) Intercom connections
 - c) Closed-user-groups
 - d) VPN (Intranet)
-
- 1) e-bussiness does not include.?
 - a)a business interaction with its supplier .
 - b)a business interaction with its customer .
 - c)interaction among the various departments within the business.
 - d)interaction among the geographically dispersed unit of the business.
 - 2) The payment mechanism typical to e-bussiness?
 - a) cash on delivery
 - b)cheque
 - C)debit card
 - d)e-cash
 - 3) Nature of contact with the supplier and customer in traditional business can explained as?

- a) direct personal contact
 - b) indirect contact
 - c) indirect through intermediaries
 - d) no contact
- 4) Shape of the organizational structure in e-business?
- a) vertical
 - b) horizontal
 - c) diagonal
 - d) cross
- 5) The degree for interpersonal touch in e-business?
- a) less
 - b) high
 - c) nil
 - d) medium
1. Which payment method is not suitable in e-business?
- a. Cash on delivery
 - b. E-cash
 - c. Cheques
 - d. Credit or Debit card (e-cash)
2. Intra B commerce includes
- a. Interaction between the different departments within the organization.
 - b. Interaction between two business firms.
 - c. Interaction between two customers
 - d. Interaction between business and customers. (a)
3. Outsourcing does not include-
- a. Assigning task to the outside agency.
 - b. Processing work to third party.
 - c. Assigning non-core activities to third party.
 - d. Getting things done from the existing employees. (d)
4. Various departments of the organization like production, purchase, marketing etc. can interact with each other by using
- a. B2B commerce
 - b. B2C commerce
 - c. C2C commerce
 - d. Intra B commerce (d)
5. Job work is an example of:

- a. B2B commerce
 - b. E- business
 - c. Outsourcing
 - d. C2C commerce (c)
2. The term outsourcing has more popularly come to be associated with
- (a) job- work
 - (b) knowledge process outsourcing
 - (c) business process outsourcing
 - (d) legal process outsourcing
3. call centre,s working for various tele com. Companies are an example of
- (a) business process outsourcing
 - (b) knowledge process outsourcing
 - (c) legal process outsourcing
 - (d) industrial process outsourcing
3. which one of the four is not a key segment of outsourcing?
- (a) contract manufacturing
 - (b) contract informatics
 - (c) contract research
 - (d) contract registration.
4. Job-work is an example of :
- a) Contract manufacturing
 - b) Contract Research
 - c) Contract sales
 - d) Contract informatics.
- 5.A Ltd outsources several services instead of doing them itself. Among these services are included advertising services, courier service,etc. similiarly, B ltd is getting some services done by other firms such as research and development, business and technical analysis etc.
- Identify the concept of A ltd as well as of B ltd in the above mentioned Para.
- (a) Business process outsourcing and kknowledge process outsourcing.
 - (b) Knowledge process outsorcing and business process outsourcing
 - (c) Services being outsourced are same by both these companies.
 - (d) Horizontal service provider.

ANS. 1 C, 2.A, 3.D, 4 A, 5A

Group 6

Chapter 6: Social Responsibility and Business Ethics

Fill in the Blanks

Q.1 The assumption of social responsibility by business enterprises implies that they respect the aspiration of _____
Ans: Society

Q.2 One of the argument for the social responsibility states that “Social Responsibility helps in converting problems into _____
Ans: Opportunities

Q.3 Some people have unclear belief that a firm’s only responsibility is towards its _____
Ans: Owners

Q.4 Social responsibility is a broader concept than _____ Responsibility. **Ans: Legal**

Q.5 The social responsibility may respect the aspirations of society along with _____ interest.
Ans: Profit

Q6. Business enterprise should create right kind of working conditions to the **workers** to win their cooperation’s.

Q.7. An enterprise must respect the **laws** of the country.

Q.8. Protecting the natural environment is the example of social responsibility of business towards **community**.

Q.9 The enterprise must respect the democratic rights of the workers to form **trade unions**.

Q.10The workers should be ensured of fair wage and a fair **deal** from the management.

Q.11 Ensuring safety of investment is the responsibility of an enterprise towards _____ (shareholders)

Q.12 Supply of right quality and quantity of goods & services is the responsibility of business towards _____ (consumers)

Q.13 The company must take about poor quality, adulteration, avoiding practices of misleading and dishonest advertising is the responsibility of business towards _____(consumer)

Q.14 The company provide the regular, accurate, full information related to its future growth is the company, is it responsibility towards whom _____(shareholders)

Q.15 _____are the real owner of the company (shareholders)

Q.16 The Socially determined moral principles which should govern business activities refers to _____
Ans. Business ethics

Q.17 The principles of conduct for the whole organization in the form of written documents is _____
Ans. Code

Q.18 Top level of management has a crucial role in guiding the entire organization towards _____ behavior. Ans. Ethical upright

Q.19 Involving _____ at all levels is important to implement ethics policies to make ethical business a society. Ans. Employees

Q.20 It is difficult to accurately measure the _____ of ethics programmes. Ans. End results

Q.21 A definite commitment by _____management is requiredto create,maintain and develop work culture for environmental protection. [top]

Q.22 To increase the progress with respect to environment protection the periodic assessment of pollution control programme in terms of _____ and _____ is done.
[cost,benefit]

Q.23 For prevention of pollution complying of laws enacted by _____ is must.
[government]

Q.24 To generate more employment opportunities is the social responsibility of business towards _____
[society]

Q.25 To stop polluting the environment _____ can enact the laws to ban hazardous products.
[government]

Multiple Choice Questions

Q.1 Social Responsibility is:

- a. same as Legal Responsibility
- b. Broader than social responsibility
- c. Narrow term then Legal Responsibility
- d. Parallel to Social Responsibility

Ans: (b)

Q.2 Business people have the skills to solve:

- a. All social Problems
- b. some Social problems
- c. No any Social problem
- d. All economic problems

Ans: (b)

Q.3 An organization must behave as a good citizen. This is an example of the responsibility towards:

- a. Owners
- b. workers
- c. Society
- d. Government

Ans: (c)

Q.4 converting problems into opportunity is an:

- a. Argument not in the favor of social responsibility
- b. Argument for the legal Responsibility
- c. Argument for the social Responsibility
- d. Argument neither for social nor for the legal responsibility.

Ans: (c)

Q.5 Social Responsibility of business refers to its obligation to take those decisions and perform those actions which are desirable in terms of _____ of our society.

- a. Profit and Gain
- b. Objectives and values
- c. Losses and harms
- d. risks and threats

Ans: (b)

Q.6 All social problems can't be solved by business enterprise because of lack of:

- (a)** Broad public support
- (b)** Social skills
- (c)** Resources
- (d)** all of the above
- (b)**

Q.7 An enterprise should avoid bad smoky chimneys is an example of its responsibility towards

- (a) Workers (b) Government
(c) Community (d) Customers (d)

Q.8 Which of the following refers to the code or system for controlling means to serve human ends?

- (a) Ethics (b) Values
(c) Traditions (d) Policy (a)

Q.9 An enterprise provides right of information about products to the consumers by

- (a) Labelling (b) Advertising
(c) Pricing (d) All of the above (a)

Q.10 Maximum good to society can be ensured by following which concept?

- (a) Profit Maximisation (b) Ethics
(c) Professional Management (d) Laws and regulations (b)

Q.11 Right to information about the products produced is the responsibility towards which interest group?

- Employees b) government c) consumer d) shareholders (C)

Q.12 An enterprise must behave as good citizens. This is an example of its responsibility towards.

- Owners b) workers c) consumers d) community (D)

Q.13 Which the following brings is changes the physical, chemical and biological characteristics of air, land, and water.

- Ethics b) pollution c) global warming d) social skill (B)

Q. 14 "it is the concept of highest goal as 'services to society' when a firm stand in a long run and earn maximum profits". This statement relates to one of the arguments for society responsibility.

Q.15 Maintenance of society b) availability of resources c) long term interest d) better environment (C)

Providing the right quality & quantity of goods & services to people in the society is the responsibility for which interest group?

- Employees b) community c) consumer d) government (C)

Q.16 Ethical behavior is just and fair conduct which goes beyond observing laws and _____

- a) government regulation
- b) NGO's regulation
- c) company's regulation
- d) Employee's views

Ans. (a)

Q.17 The word 'ethics' has its origin in the Greek word _____

- a) 'ethics'
- b) 'ethos'
- c) ethnic
- d) None

Ans. (a)

Q.18 _____ management has a crucial role in guiding the entire organization towards ethically upright behavior.

- a) Lower
- b) Middle
- c) Top
- d) None

Ans. (c)

Q.19 Whose involvement in implementing ethics programmes is a must.

- a) Employer
- b) Employees
- c)Managers
- d) None

Ans. (b)

Q.20 The firms can certainly audit to monitor compliance with _____.

- a) Social standards
- b) Ethical standards
- c) economic standards
- d) organizational standards

Ans. (b)

Q.21 Although it is difficult to measure the end of ethical programmes , the firms can audit to monitor compliance with ethical standards. Is related to which element of business ethics:

(a)Establishment of compliance mechanism

(b) Measuring results

(c) Involving employees at all levels

(d) Top management commitment

ans: b

Q.22 The public image of any firm would also be improved when it supports:

(a) social goals

(b) legal goals

(c) economic goals

(d) political goals

Ans:a

Q.23 It is the responsibility of every business to provide accurate and full information about its working as well as schemes of future growth. Towards which interested group is this social responsibility related to :

(a) consumers

(b) employees

(c) investors

(d) government

ans:c

Q.24 Companies do not have to be socially responsible to whom:

a)Customers

(b) Investors

(c) Society

(d) Competitors

ans:d

Q.25 It is the moral obligation business to get involved in solving social problems, instead of expecting other social agencies dealing with them. Is related to which justification of social responsibility:

(a) Better environment for doing business

(b) Holding business responsible for social problems

(c) Maintenance of society

(d) Converting problems into opportunities.

Ans:b

True or False

Q.1 Better environment for doing the business is one of the basis for the social responsibility. **(True)**

Q.2 The Social responsibility is essentially not an ethical issue. **(False)**

Q.3 A firm and its image stands to gain maximum profits in the long run when it has its highest goal as 'Service to Society'. **(True)**

Q.4 Business is to operate in a society which is full of diverse and complicated problems. **(True)**

- Q.5 Social responsibility is narrow term than legal responsibility. **(False)**
- Q.6 The principle of caveat venditor has been substituted by caveat emptor (F)
- Q.7 Ethics are concerned with establishing linkages between individual good and social good (T)
- Q.8 Profit motive is the only justification for the existence of the business(F)
- Q.9 Professional managers are interested in satisfying multiplicity of interest groups then profit goals (T)
- Q.10 Ethics is important for the top level management only. (F)
- Q.11 All Business ethics is important for non-managerial employees. (F)
- Q.12 The enterprise responsibility towards the shareholders is to provide a fair return to the owner. This statement true or false. (T)
- Q.13 From the point of business, Government regulations are undesirable because they limit their freedom. (T)
- Q.14 "Mental disorder" is the example of Land pollution. (F)
- Q.15 "Payment of taxes in the regular", is the example of responsibility towards community. True or false. (F)
- Q.16 The word 'ethics' has its origin from the Latin word 'ethics'. Ans. False
(Greek)
- Q.17 Business ethics refer to the politically determined moral principles which should govern business activities. Ans. (False) Socially
- Q.18 Top level managers need to be openly and strongly committed to ethical conduct. Ans. True
- Q.19 Emphasizing corporate ethics in training is an example of establishment of compliance mechanism. Ans. True
- Q.20 It is very easy to accurately measure the end results of ethics programmes. Ans. False
(difficult)
- Q.21 Yearly assessment of pollution control in terms of risk and benefit is done to increase the progress with respect to environmental protection. [false]

Q.22 The only obligation of business towards its employees is to pay them well so that they work to their maximum capacity. [false]

Q.23 For purpose of pollution control, organisations should develop clear cut policies for purchasing raw material ,using scientific techniques for disposal and treatment of waste. [true]

Q.24 Complying with the laws and regulations enacted by government for prevention of pollutionis voluntary. [false]

Q.25 Social responsibility involves an element of compulsory action on the part of business people for the benefit of the society. [false]

Match the Following

Q.1 Match the following on the basis of difference between the two concepts:

1.	Social responsibility	a.	The objective and the values desired by the society
2.	Legal Responsibility	b.	Is performed for the purpose of profit maximization
		c.	May be fulfilled by merely compliance of law

Ans: (1 – a), (2 – c)

Q.2 Match the following on the basis of arguments for the concept of Social Responsibility:

1.	An Argument for the Social Responsibility	a.	All firms not follow the social responsibility
2.	Avoidance of Government Regulation	b.	Long term interest of the firm
		c.	Helps to reduce the need for new laws

Ans: (1 – b), (2 – c)

Q.3 Match the following on the basis of environmental and ethical issue of a business firm:

1.	Better environment for doing business	a.	“A society with fewer problems provides good environment for a firm to conduct its
-----------	---------------------------------------	-----------	--

			business”.
2.	Social responsibility is an ethical issue	b.	“Business system should do something to meet the need before it is confronted with a situation”.
		c.	Involves the question of what is morally right or wrong.

Ans: (1 – a), (2 – c)

Q.4 Match the column on the basis of various services and examples of social responsibility.

1.	Service to the society	a.	Is the highest goal to maximize Profits in the long run.
2.	These are the examples/parts of social Responsibility	b.	Is not at all required to follow by a business firm
		c.	Paying Taxes, Fair Dealing with customers, etc.

Ans: (1 – a), (2 – c)

Q.5 Match the following on the basis of subject matter of social responsibility.

1.	Socially undesirable Practices	a.	Earning profit, good behavior with customers, obeying law.
2.	Moral Obligations	b.	Manufacturing adulterated goods, misleading advertisements, Polluting the environment.
		c.	To get involved in solving the problems like corruption, Pollution, Unsafe workplace.

Ans: (1 – b), (2 – c)

Q.6 Match the following social responsibility with suitable stakeholders:-

1. workers	a) regular, accurate and full information about the organisation
2. government	b)respect trade unions
	c) behave as a good citizen
	d) respect the laws of country

1-b, 2-c

Q.7 Match the following concept with their meaning:-

1. obligation to fulfill	a) business ethics
---------------------------------	---------------------------

social interest	
2.codes or system or principles governing business activities	b)legal responsibility
	c)social responsibility

1-c, 2-a

Q.8 Match the following example with relevant stakeholders:-

1. right of information about the product	a) government and community
2.environment friendly methods of production	b)consumers
	c) shareholders

1-b, 2-a

Q.9 Match the following forces of social responsibility in a business:-

1.threat of public regulatory	a)increasing competition in the market
2.impact of consumerism	b) actions taken by the government
	c) educated stakeholders

1-b,2-a

Q.10 Match the following arguments for social responsibility with their reasons:-

1. availability of resources with business	a) social problems perpetuated by business
2.maintenance of society	b)pool of capital and years of experience
	c) laws can't be passed for all circumstances

1-c,2-a

Q.11 Match the following stakeholders with expected social responsibility of enterprise.

1	Employees	A	Providing the desired quality of goods & services.
2	Consumers	B	Providing good working condition & satisfactory remuneration
		C	Providing the regular rate of return

			their regular investment.
--	--	--	---------------------------

(1-B) (2-A)

Q.12 Match the following concepts with their meaning.

1	Ethics	A	The objectives and values desired by the society
2	Social responsibility	B	It has a legal or political power.
		C	What is right what is wrong.

(1-C) (2-A)

Q13 Match the coloumson the basis of social responsibility& their related interest groups.

1	Community	A	Giving the regular basis of good condition environment
2	Employees	B	Protect the natural environment and avoid bad, effluent , smoking conditions
		C	Misleading of advertisement, adulteration, false information to the people

(1-B) (2-A)

Q.14 Match the type of pollution with the relevant causes.

1	Land pollution	A	Industrial & commercial activities done by business man.
2	Air pollution	B	Dumping of toxic wastes on land.
		C	Smoking, chemicals, of manufacturing plants created a hole in the ozone layer, which is created the pollution.

(1-B) (2-C)

Q.15 Match the following concepts.

1	Noise pollution	A	Dealing with the fair wages & fair dealing from the management.
2	Responsibility towards workers	B	It is the responsibility to operate within the laws of the land.
		C	It is the created through malfunctioning of health, mental disorder & loss of hearing.

(1-C) (2-A)

Q.16 Match the followings on the terms with the relevant examples.

- | A | B |
|--|--------------------------|
| i) Caring for environment | a) Legal responsibility |
| ii) To produce goods according to social needs | b) Social responsibility |
| | c) Ethics |

{ Ans. i- (b) , ii- (a) }

Q.17 Match the following on the basis of the meaning of the elements of business ethics

- | A | B |
|------------------------------|---|
| i) Too management commitment | a) Involvement of all the employees |
| ii) Publication of Code | b) CEO to be strongly committed to ethical conducts |
| | c) principles of norms of behaviours |

{ Ans. i-(b), ii – (c) }

Q.18 Match the following stake holders on the basis of their related responsibilities.

- | A | B |
|------------------|-------------------------|
| i) Share holders | a) pay taxes regularly |
| ii) Employees | b) Safety of investment |
| | c) safety of employee |

{ Ans. i- (b), ii- (a) }

Q.19 Match the following on the basis of social responsibilities and stake holders.

- | A | B |
|--|-------------------------------|
| i) Responsibility towards the consumer | a) pay tax regularly |
| ii) Responsibility towards the Govt. and community | b) supply right kind of goods |
| | c) providing meaningful work |

{ Ans. i- (c) , ii- (a) }

Q.20 Match the following on the basis of concerns with the business ethics.

- | A | B |
|---------------------------|--|
| i) Compliance mechanism | a) The firm can audit to monitor compliance with ethical Standards |
| ii) Measuring results and | b) Paying attention to values and ethics in recruiting |

Hiring

c)small group of employees can be formed

(Ans. i- (b) , ii- (a))

Q.21 Match the following socially irresponsible behavior with the stakeholders:

1 A company is charging Rs 35 for mineral water whereas
the actual cost is Rs 20

a)workers

2) In order to save tax the company decided not to declare
their actual tax paying amount.

b) consumers

c) government

ans: 1 (b) ,2(c)

Q.22 Match the following statements with the given arguments for social responsibility.

(1) Business can avoid the problem of government regulation
by voluntarily assuming social responsibility.

a)maintenance of society

(2) Business has a pool of managerial talents and capital resources,
Supported by years of experience in organizing business
Activities.

b)avoidance of government
regulation.

c) availability of resources
with business.

Ans:1(b) ,2(c)

Q.23 Match the following social responsibility related to the stakeholder:

(1) To maintain and develop work culture for environmental
protection.

a) by educational workshop

(2) Complying with the laws and regulations enacted for pollution
Control.

b) by top management

c) by government.

Ans : 1(b), 2(c)

Q.24 Match the statement towards which stakeholder is social responsibility followed:

1) to supply right quality of goods and services at reasonable

a)consumers

Prices.

2) to ensure safety of investment

b)society

c)investors

Ans: 1(a) ,2(c)

Q.25 Match the statementwith the element of business ethics:

1) this covers areas such as honesty and adherence to laws

a) Involving employees at all

And are in the form of written documents.

levels.

2) they must give continuous leadership for developing and

b)top management comit-

Upholding the values of the organization.

ment.

c) Publication of code.

Ans: 1(c), 2(b)

Pictorial Questions

Q.1



Identify the type of responsibility depicted from the picture above?

Ans. Legal

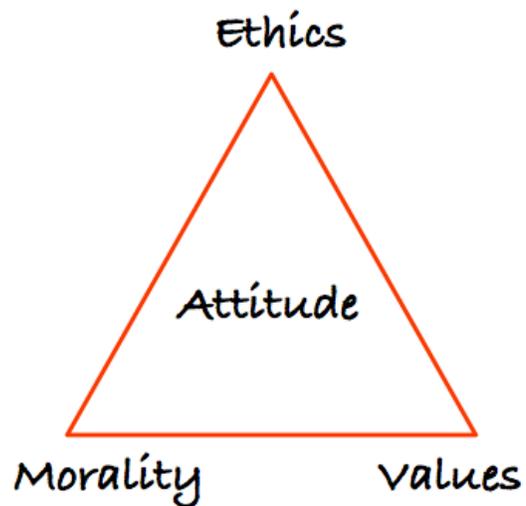
Q.2



Towards which interest group the responsibility of a business firm is shown in the above picture?

Ans. Government

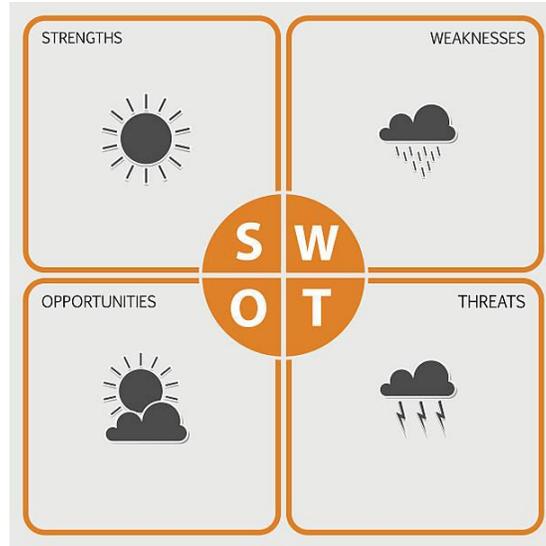
Q.3



One of the concepts of Business is described in the picture. Identify that.

Ans. Social Responsibility

Q.4



Which argument for the social responsibility is described through the above picture out of the following?

- a. Justification for existence and growth
- b. Avoidance of government
- c. Availability of resources with business
- d. Converting Problems into Opportunities

Ans. D

Q.5 identify the element of business ethics from the picture below.



Ans. Involving employees at all the levels.

Q.6 Towards which interest group the social responsibility is shown in the given picture?



Ans: Shareholders

Q.7 Identify the element of the business ethics depicted in the picture below.



Ans. Publication of Code of Conduct

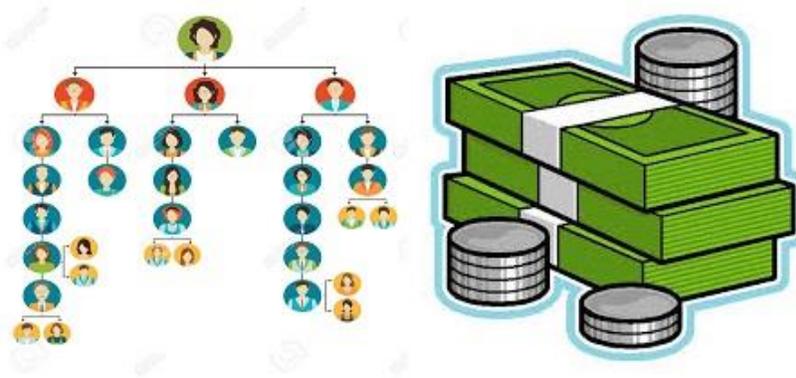
Q.8



Write the social responsibility of an enterprise to be assumed in the above given case.

Ans. No Over Pricing of the products.

Q.9 One of the argument for the social responsibility is expressed in the given picture. Identify that.



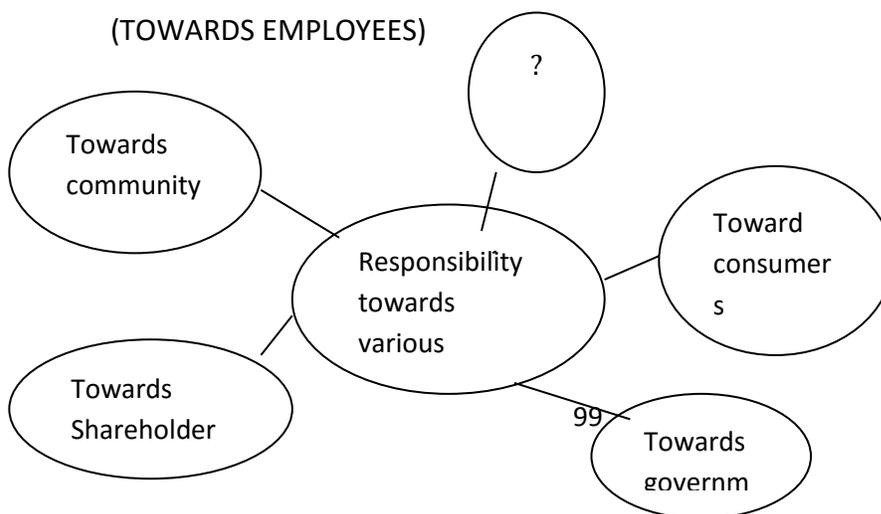
Ans. Availability of Resources with the business Firm

Q.10 Which element of Business ethics is shown in the given picture?



Ans: Measuring Results

Q.11 Identify stakeholders from the picture given below.



Q.12 This picture is related to which concept of business enterprise where the interest of society, employees, consumers and community are considered? (SOCIAL RESPONSIBILITY)



Q.13 This picture shows one of the environmental pollution. Name it. (AIR POLLUTION)



Q.14 Business enterprise have added these principles create a core value of the business for future growth. Identify the core value with the help of given below picture. (BUSINESS ETHICS)



Q.15 What concept of business social responsibility is shown in this picture? (ETHICS)



Q.16 Which element of business ethics is this? Identify



Ans. Top management commitment

Q.17 Identify the unsatisfied stake holders shown in the picture.



Ans. Workers

Q.18 Identify the argument for social responsibility based on the given picture.



Ans. Maintenance of society

Q.19 Identify of the element of business ethics which is violated here?



Ans. establishment of compliance mechanism

Q.20 Give one of the measures to be taken by a business enterprise to control the type of pollution shown in the picture.



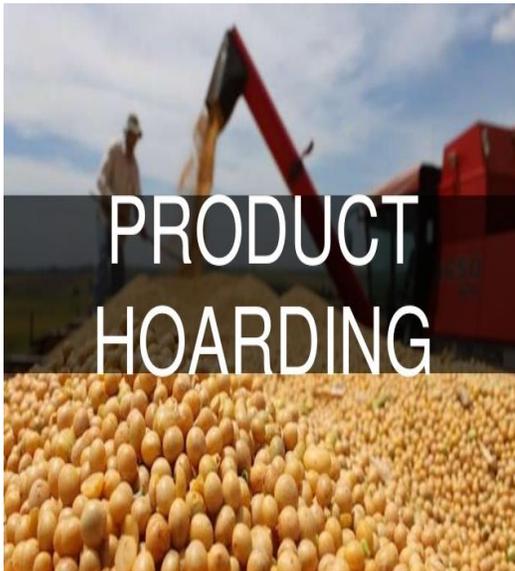
Ans. Use of non polluting techniques of production.

Q 21. Identify the role of business in environmental protection depicted in the above picture.



Ans: use of eco friendly technique of production

Q.22. Identify towards which stakeholder is the business enterprise not showing a socially responsible behavior?



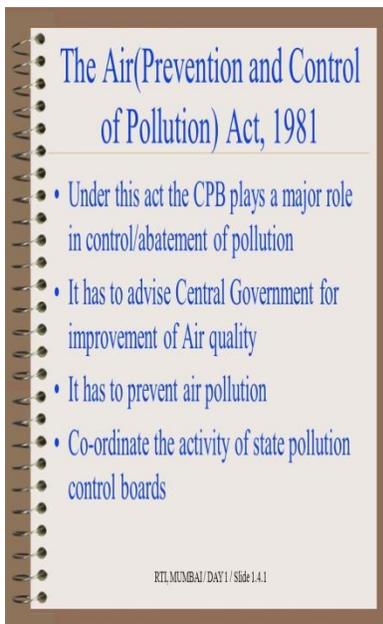
Ans : towards consumers

Q.23.The picture depict the responsibility towards which stakeholder by the business enterprise



Ans: towards society

Q.24 Identify the step taken by business enterprise in environmental protection depicting the above picture?



Ans: Complying with the laws and regulations

Q.25 Identify the concept which is depicted in the picture related to social responsibility?



Ans: business ethics

CH: 7 Sources of Finance

TOPICS: Commercial Banks; Public Deposits, Trade Credit and ICD

NAME: HARSH SHARMA, RATTAN SINGH, PRADEEPNARUKA, ANJUMAN KHAN

Fill in the Blanks:

1. Bank Credit is not a _____ source of funds. **(PERMANENT)**
2. The borrower is required to provide _____ before a loan is sanctioned by the bank. **(SECURITY)**
3. Loan from bank is a _____ source of finance. **(Flexible)**
4. Trade credit is used as a _____ source of finance. **(Short-Term)**
5. The rate of interest on the Inter Corporate Deposits is _____ than, that of banks. **(HIGHER)**
6. Debentures are an important instrument for raising ----- term debt capital. **(long)**
7. Debentures bear a ----- rate of interest. **(Fixed)**
8. Debenture issued by a company is a written ----- of debt taken from public. **(Acknowledgment)**
9. Each company has certain ----- capacity to take the debts. **(Borrowing)**
10. The loan is repaid either in _____ or in installments. **(lump sum)**
11. Equity shareholders are also known as residual owners ,since they receive what is left after all the other claims of the company's income and assets have been settled.
12. Retain earning does not involve explicit cost in the form of interest, dividend or floatation cost.
13. Equity capital serves a permanent capital as it is to be repaid only at the time of liquidation of the company.
14. Payment of dividend to the shareholders is not compulsory.
15. Preference shareholders have a preferential right of repayment over equity shareholders in the event of liquidation of a company.
16. Funds required to purchased fixed assets is called fixed capital requirement.
17. Internal sources of funds are those that are generated from within the business.
18. Funds needed for the day to day operations is called working capital.
19. External sources of funds include those sources that lie outside an organization.
20. Short term funds are those which are required for a period not exceeding one year.

True and False:

1. Financial Institutions are also known as Development Banks. **(T)**
2. The procedure of obtaining funds from commercial banks is complex. **(T)**
3. The rate of interest charged by banks depends on various factors such as the characteristics of the firm and the level of interest rates in the economy. **(T)**
4. Commercial banks are not playing the vital role in the capital market for providing funds. **(F)**
5. Assets, which are mortgaged, with the commercial banks can't be used in the business. **(F)**
6. Financing through debentures is less costly. **(T)**
7. Debentures carry voting rights **(F)**
8. The FCCB's are issued in any foreign currency **(T)**
9. FCCB's are listed and traded in foreign stock exchanges **(T)**
10. Debentures don't put a permanent burden on the earnings of a company. **(F)**
11. The rate of dividend on preference shares is generally lower than the rate of interest on debentures.(False)
12. Equity shareholders are also called partners of the company. (False)
13. The dividend paid to shareholders is deductible from profits as expense. (False)
14. The equity share capital is a prerequisite to the creation of a company. (True)

15. Preference shareholders generally do not enjoy any voting rights. (True)
16. Funds required for purchasing current assets is an example of lease financing. (False)
17. ADR'S are issued only to American citizens. (True)
18. Standard Chartered PLC was the first company that issued Indian Depository Receipt in India securities market in June 2010. (True)
19. The medium term sources of funds fulfill the financial requirements of an enterprise for a period exceeding five years. (False)
20. A GDR holder can at any time convert his holdings into the number of shares it represents. (True)

MCQ:

1. Public deposits are the deposits that are raised directly from **(a)**
 (a) The public (b) The directors (c) The auditors (d) The owners
2. The Financial Institutions are established by: **(a)**
 a) Both State and Central Govt. b) State Govt. c) Central Govt. d) Municipal Corporation
3. Trade Credit is granted to those customers who have reasonable amount of: **(c)**
 a) Funds in their Bank A/c b) Financial standing and goodwill c) Weakness d) Zero Balance in their A/c
4. Companies generally invite public deposits for a period upto: **(c)**
 a) 5years b) 4years c) 3years d) 10 years
5. Internal sources of capital are those that are: **(d)**
 (a) generated through outsiders (b) generated through loans such as suppliers from commercial banks
 (c) generated through issue (d) generated within of shares the business
6. Which source of finance is preferred by investors who want fixed income at lesser risk
(a) Debentures **(b)** Equity shares
(c) Preference shares **(d)** Bank loan **(a)**
7. Which of the following is an external source of finance?
(a) Retained earnings **(b)** Equity shares
(c) Preference shares **(d)** Debentures **(d)**
8. What does Debenture holders get in return of their debt in company
(a) Dividend **(b)** Interest
(c) Profit **(d)** Loss **(b)**
9. Which type of funds are equity linked debt securities that are to be converted into equity or depository receipts after a specific period
(a) Foreign currency convertible bonds **(b)** ADR
(c) Equity shares **(d)** GDR **(a)**
10. Financial institutions aim at promoting the industrial development of a country, these are also called ?
(a) Children banks **(b)** Development banks
(c) Rural banks **(d)** urban banks **(b)**
11. Preference shareholders are called :
 (a) Partners of the company
 (b) Owners of the company
 (c) Executives of the company

(d) Guardians of the company

Ans: (b)

12. The term redeemable is used for :

- (a) Commercial papers
- (b) Equity shares
- (c) Preference shares
- (d) Public deposits

Ans: (c)

13. Retained earnings is also known as:

- (a) Residual owners of the company
- (b) Loan capital of the company
- (c) Short term capital of the company
- (d) Ploughing back of profits

Ans: (d)

14. Which one of the following is **not** the feature of preference shares:

- (a) Provides fixed rate of return
- (b) Provides voting rights
- (c) Get Preference over equity shares
- (d) Part of owner's capital

Ans: (b)

15. Retained earnings is a :

- (a) Permanent source of funds
- (b) Temporary source of funds
- (c) Fixed source of funds
- (d) Expensive source source of funds

Ans: (a)

16. External sources of capital are those that are :

- (a) Generated through outsiders
- (b) Generated through loans from commercial banks
- (c) Generated through issue of shares
- (d) Generated within the business

Ans: (a)

17. Short term funds are those funds which are required for a period not exceeding:

- (a) Three years
- (b) Two years
- (c) One year
- (d) Five years

Ans: (c)

18. ADRs are issued in:

- (a) Canada
- (b) China
- (c) India
- (d) USA

Ans: (d)

19. On the basis of period the different sources of funds can be categorized into :

1-b, 2-c

7. Match the following terms on the basis of their features:

1. Interest	a) FCCB's
2. foreign stock exchange	b) Debentures
	c) Legal compulsory payment for debt taken by the company
	d) It is not a Legal compulsory payment for debt taken by the company

1-c, 2-a

8. Match the following financial instruments on the basis of concept:-

1. Debentures	a) These are issued in a foreign currency
2. Foreign Currency Convertible Bonds	b) They create charge on assets
	c) They Don't create charge on assets
	d) These are Don't issued in a foreign currency

1-b, 2-a

9. Match the following terms on the basis of applicability of condition:-

1. Charge on assets	a) Interest
2. TDS deductible	b) Debentures
	c) Equity shares
	d) Dividend

1-b, 2-a

10. Match the following Abbreviation with their full forms :-

1. CRISIL	a) Foreign Currency Convertible Bonds
2. FCCBs	b) Company Rating and Information Sytem of India Ltd.
	c) Credit Rating and Information Services of India Ltd.
	d) France Currency Convertible Bonds

1-c, 2-a

11. Match the following terms on the basis of meaning:

SIDE A	SIDE B
a. The ploughing back of profits in the business	a. Share
b. The capital of the company is divided into small units	b. Shareholders
	c. Retained earnings

Ans: a-c, b-a

12. Match the following sources of finance on the basis of sources of raising funds:

SIDE A	SIDE B
a. Equity shares and retained earnings	a. Long term source of finance
b. Equity shares and preference shares	b. External source of finance
	c. Owner's funds

Ans: a-c, b-a

13. Match the following terminologies on the basis of meaning :

SIDE A	SIDE B
a. External sources of funds include those funds that lie outside the business	a. Working capital
b. The capital which is required for day to day operations of the business	b. Fixed capital
	c. Issue of shares

Ans: a-c, b-a

14. Match the following financial instruments on the basis of features:

SIDE A	SIDE B
a. Democratic control over the management of the company	a. Retained earnings
b. Do not enjoy the voting rights	b. Equity shares
	c. Preference shares

Ans: a-b, b-c

15. Match the following stakeholders on the basis of benefits they enjoy:

SIDE A	SIDE B
a. They enjoys a preferential right	a. Equity shareholders
b. Residual owners of the company	b. Creditors of the company
	c. Preference shareholders

Ans: a-c, b-a

16. Match the following statements on the basis of concept of International financing:

SIDE A	SIDE B
a. It is an negotiable instrument and can be traded freely like any other security	a. IDR
b. An Depository Receipt that is denoted in Indian rupees	b. ADR
	c. GDR

Ans: a-c, b-a

17. Match the following organizations on the basis of their salient features:

SIDE A	SIDE B
a. Regulatory authority of Stock Exchange	a. RBI
b. Regulatory authority of private and public banks	b. ICICI
	c. SEBI

Ans: a-c, b-a

18. Match the following sources of finance on the basis of duration:

SIDE A	SIDE B
a. It fulfills the financial requirement of an business for the period exceeding 5 years	a. Short term finance
b. It fulfills the financial requirement of an business for the period not exceeding 5 years	b. Long term finance
	c. Medium term finance

Ans: a-b, b-c

19. Match the following sources of finance on the basis of their nature:

SIDE A	SIDE B
a. Shares and Debentures	a. Short term financing
b. Trade credit	b. Medium term financing
	c. Long term financing

Ans: a-c, b-a

20. Match the following instruments on the basis of their issuance:

SIDE A	SIDE B
a. Can be issued to only American citizens	a. IDR
b. Can be issued to only Indian citizens	b. GDR
	c. ADR

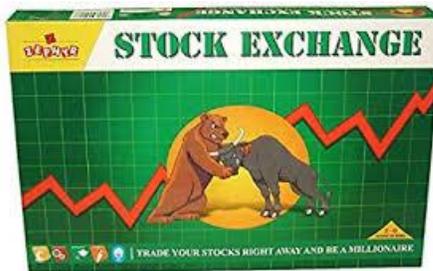
Ans: a-c, b-a

Pictorial Questions:

1. Which of the following business require higher amount of working capital? **(B)**



2. Identify the different sources of finance traded in the organisation shown in the picture? **(Shares/ Debentures)**



3. Identify the primary function of the institution shown in the picture? **(Accepting/ Lending of money)**



4. Identify the one of the method of providing credit by the commercial banks with the help of given picture: **(Short Term Loans)**



5. Identify the banking services offered by the commercial banks in the given pictures: **(ATM & E-Banking)**



6. Identify the type of security traded in the given market: **(Foreign Currency Convertible Bonds)**



7. Which of the following business require higher amount of fixed capital? **(A)**



a)



b)

8. Identify the mode of payment other than, shown in the picture:

(Credit)



9. Name the kind of return on investment given to the investors shown in the given picture:
(Dividend)

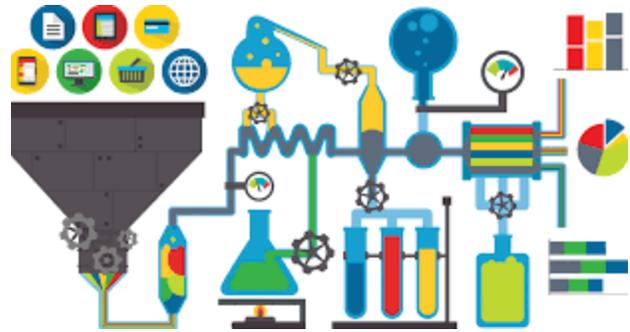


10. Write the nature of return on investment given to the debenture holders in the business situation shown in the picture: **(Fixed rate of Interest)**



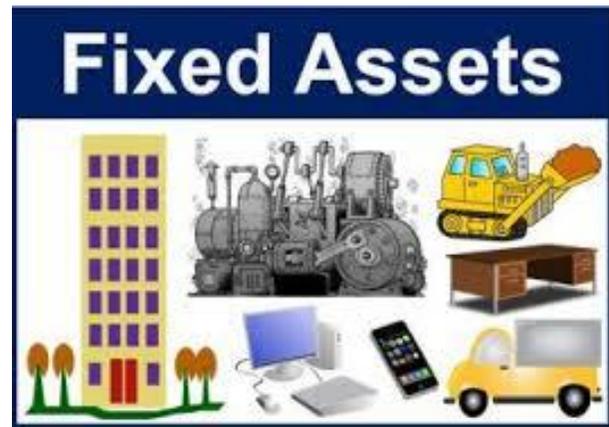
11. Identify the capital which is required for day to day operations of the business?

Ans : Working Capital



12. Identify the capital which is required to purchase fixed assets?

Ans : Fixed Capital



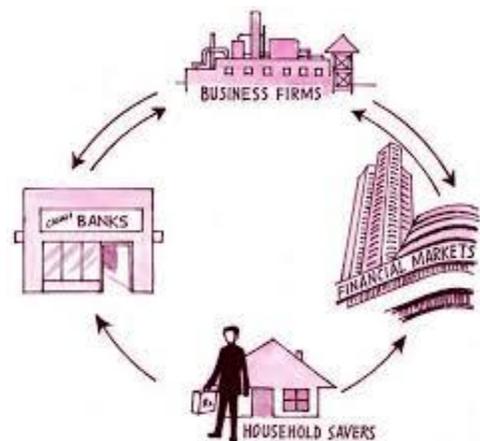
13. Identify the financial instruments used by the business from the organizations depicted in the given picture?

Ans : (a) Bank Loan

(b) Shares

(c) Debentures

(d) Public Deposits



14. Identify the internal source of finance when the company plough in excess profits in the business?

Ans : Retained earnings



15. Identify the source of finance by opening up the economy and operations of the business becoming global?

Ans : International Finance



16. Identify the source of finance on the basis of ownership provided by the institution given in the picture?

Ans: Borrowed Funds



17. Identify the source of finance on the basis of generation?

Ans : External sources



18. Identify the name of the organisation and source of finance traded by the organization shown in the given picture?

Ans : BSE and Shares & Debentures



19. Identify the international financial instrument that can be issued –traded in the given stock exchange?

Ans : ADR's



20. Write fullform of the abbreviation shown below along with its status ?

Ans : Securities Exchange Board Of India
Status : Regulatory Authority



Ch-8

Small business

Team 7

Fill ups

- 1) A registered word , name or symbol that lets us identify the goods made by an individual, or organization.....
(trademark)
- 2) The limit for investment in plant & machinery for micro enterprises in service sector is uptors. (10 lakh)
- 3) Ais an exclusive right granted by govt. which provides the exclusive right to exclude all others and prevent them from using or offering from sale.
(patent)
- 4) The MSMED Act came into force on
(6 oct 06)
- 5) The full form of NABARD is (national bank for agriculture and rural development)
- 6) In manufacturing, micro enterprises investment in Should not exceed rs 25 lakh (plant and machinery)
- 7)Intellectual property rights related with creativity of mind is being given for (legal protection)
- 8) is a concept in which job seekers become job provider. (entrepreneurial development)
- 9) Promoting credit rating and maintaining good financial record is the objective of Institution. (NSIC)
- 10) Change in attitude of rural entrepreneurs are the main objective of Institution. (DIC)
- 11) Full form of DIC is (District industrial centre)

- 12) In service sector , medium enter prise is one where the investment in equipments is more than rs but does not exceed rs five crores. (2crore)
- 13) A trademark helps in distinguishing similar products in the market from its (competitors)
- 14) Small scale enterprise as defined in act . (MSMED 2006)
- 15) NSIC was set up in the year (1955)
- 16) Enterprise the investment in plant and machinery does not exceed 5 crores rs. (small)
- 17) The village and small industries consists of bothand small industries (traditional and modern)
- 18) The small industries is based on the investment inand (plant & machinery)
- 19) The MSMED act 2006 came into force in (oct06)
- 20) Entrepreneurship is activity. (creative)
- 21) The person who set up his business is called an (entrepreneur)
- 22) Start up is an entity which annual turnover does not exceed crore in preceeding year. (Rs 25)
- 23) NSIC has implemented a new scheme of small business. (performance and credit rating)
- 24) allow creators and inventors to have control over their creations and inventions. (IPR)
- 25) Industries in which investment in fixed assests does not exceed rs one crore are..... (small business)
- 26) Full form of NSIC (national small industries corporation)

27) The total contribution of raw material and machinery is rs 2 crore is..... (medium enterprises)

28) NABARD was set up in the year..... (1982)

29) Full form of SFURTI is..... (Scheme of fund for regeneration of traditional industries)

30) The DIC's was launched in year (1978)

[Chapter 8] [Small businesses and enterprises]

[Team7]

MCQs

1. In case of service enterprise, where investment in equipment is more than 10 lakhs rupees but does not exceed 2 crore rupees is

[a]Micro enterprise

[b]small enterprise

[c]Medium enterprise

[d]cottage industries [b]

2. National small industries corporation was set up in the year

[a]1956

[b] 1955

[c] 1953

[d] 1954 [b]

3. Literary work is protected under

[a]copy right

[b]Patent

[c]trade mark

[d]crowd funding [a]

4. IPR stands for

[a]Indian property rights

[b]Important property rights

[c]Intellectual property rights

[d]Institutional property rights [c]

5. As per notification issued by the ministry of commerce and industry, a start up means, with reference to period

[a]not older than 5 years

[b]not older than 10 years

[c]not older than 12 years

[d]not older than 13 years [a]

6. Modern small industries include

[a]Handloom

[b]Power loom

[c]sericulture

[d]Handicrafts [b]

7. Khadi and village industries are identified as

[a]Large scale industries

[b]Traditional small scale industries

[c]Modern small scale industry

[d]Medium scale industry [b]

8.As per government of India size of small scale industry can be decided on the basis of

[a]Number of employees working

[b]Volume of output

[c]power consumed for business

[d]Investment in plant and machinery [d]

9. as per MSMED act which of the following issue is not addressed by it

[a]credit

[b]Technology up gradation

[c]Marketing products

[d]Global competition [d]

10. MSMED act came into existence

[a]October2007

[b]October2006

[c]October1991

[d]October2013 [b]

11. Mr.X is individual with surplus cash and interested to invest in upcoming start ups. Which method is suitable him

[a]Crowd funding

[b]Venture capital

[c]boot strapping

[d]Angel investment [d]

12. A-----includes shape, pattern and arrangement of lines or color combination that is applied to any article

[a] Design

[b]copy right

[c]patent

[d]Trade mark [a]

13.Agency works for the benefit of socially and economically disadvantaged groups and individuals

[a]RWE

[b]SFURTI

[c]RSBDC

[d]DIC [c]

14.It is not a problem of small Business

[a]Finance

[b]Technology

[c]Sickness

[d]Regional balance [d]

15. The limit for investment in plant and machinery in manufacturing unit Which does not exceed Rs.5 lakh? Company falls under which category

[a]micro enterprise

[b]small enterprise

[c]medium enterprise

[d]large enterprise [a]

16.people who own, operate and take risk of a business venture

[a]Aptitude

[b]employee

[c]Entrepreneur

[d]Entrepreneurship [c]

17. who can register Geographical indications

[a]individual

[b]company

[c]producers

[d]consumers [c]

18.Copyright protection is not available for

[a]Literary work

[b]Music work

[c]Artistic work

[d]Assembling [d]

19. The total contribution of raw material and machinery is Rs.10 lakh

[a] Micro enterprise

[b]small enterprise

[c]medium enterprise

[d]large enterprise [a]

20.Small scale industries owned and managed by women entrepreneurs have share capital of not less than

[a]20%

[b]50%

[c]25%

[d]51% [d]

21.The contribution in Gross value added of small scale industries

[a] 40%

[b] 45%

[c] 47%

[d] 49% [b]

22. How much is the service investment limit for small scale industries

[a] 20 lakh to 2 crore

[b] 10 crore to 20 crore

[c] 4.5 crore to 505 crore

[d] 5 crore to 25 crore [b]

23. What is the main objective of small scale industries?

[a] To provide employment

[b] To reduce poverty

[c] To establish link between people and resources

[d] To make profit for the Government [b]

24. Which of the nodal agency works for the Co ordination and development of village and Khadi Industries?

[a] Ministry of agro and rural industries

[b] Khadi and village industries

[c] National small industries corporation

[d] NABARD [a]

25. What is the full form of IPR

[a] Intellectual property right

[b] Indian protection rights

[c] Indian private remuneration

[d] Intellectual private rights [a]

26. District industries centers was launched on

[a] 5 May 1972

[b] 1 May 1978

[c] 13 May 1971

[d] 24 May 1975 [b]

27. Issue related to credit, Marketing of medium, small , micro enterprises come under

[a]NABARD

[b]DIC

[c]MSMED

[d]NSIC [c]

28. Start up India aims at

[a]Innovation and creation

[b]manufacturing

[c]Providing credit

[d]Servicing [a]

29. Entrepreneurship provides

[a]capital investment

[b]self employment

[c]administration

[d]marketing [b]

30. Type if IPR helps in distinguishing similar products in the market from its compititors

[a] copyright

[b]trademarks

[c]patent

[d]Design

[b]

CLASS XI 2019-2020

Small Business and Enterprises (Chapter – 8)

Team No- 7

True or False

Q.1 The **SFURTI** was set up by the state government as well as Central Government ()

Q.2 entrepreneurship is not a mysterious Gift or Charm and something that happens by chance ()

Q.3 **START UP** means is annual turnover does not exceed Rs.25 cr. In any preceding year ()

Q.4 Ministry of commerce and industry notification the start up On 17 February 2017 ()

Q.5 Entrepreneurship is creative because it includes various factors of production , produce goods and services that meet the needs and wants of the society ()

Answer: 1. F 2. F 3. T 4.T 5.T

- Q.6 Copy right is granted for scientific inventions ()
- Q.7 Trademark is a part of Intellectual property right ()
- Q.8 Manufacturing Micro enterprise is one, where investment in Plant And machinery is rupees . Thirty lakhs ()
- Q.9 There is no risk in entrepreneurship in comparison to business ()
- Q.10 the purpose of geographical Indications is to encourage innovation in the scientific field ()

Answer:6. F 7.T 8.F 9.F 10.F 11.F

- Q.11 Purpose of Entrepreneurship is Creation of value for Personal profit and Social gain ()
- Q.12The limit for investment in Plant and machinery in Manufacturing sectors for small enterprises does not exceed 7 cr. is ()
- Q.13 the unique features of copy right is that the protection of work arises automatically as soon as work comes in to existence ()
- Q.14Patent can only be files tpo get rights over an invention and not discovery ()
- Q.15 Boot strapping is the pooling of resources by group of people for a common goal ()

Answer: 11.T 12.F 13.T 14.t 15.F

- Q.16 Cottage and rural industries provide employment to traditional artisans . hence encourage migration of rural artisans.()
- Q.17 accelerated Industrial growth and creating employment in rural areas are their objectives of government for small scale industries ()
- Q.18. small enterprises are those whose investment in plant and machinery is less than twenty five lakh rupees ()
- Q.19 Trade mark helps in distinguishing similar products from its competitors ()
- Q.20 Copy rights is the right to not copy an original ideas ()

Answer: 16. F 17. T 18. F 19 T 20. T

- Q.21Trade secrets in India Is protected under the Indian Contract act ,1872 ()
- Q.22 Is patent is the exclusive right ()
- Q.23 Certification mark can be registered in certification Board()
- Q.24 Certification mark indicates Quality ()
- Q.25 Protection of a design is valid for 5 Years ()

Answer:21.T 22.F 23.F 24.T 25.F

- Q.26 The rural Small business Development centre is Sponsored by RWED ()

Q.27 the district Industries centre was launched On 1 May 1978. ()

Q.28 Medium Enterprises is one in which investment more than 5 crore rupees not exceeding 10 cr. rupees ()

Q.29 Copy right is the right to copy original idea . ()

Q.30 Trade Secrets in India are Protected under the intellectual property rights act ()

Answer: 26.F 27. T 28. T 29. F 30 T

TYPE: MATCH THE FOLLOWING

Q1. Some rights protect the innovation and creation of entrepreneurs as per Intellectual

Property Rights. Match these rights with their applied area:

Column A

Column B

(i) Copyright

(a) differentiation of one good of a co. from another

- | | |
|----------------|--|
| (ii) Trademark | (b) protection of eye catching feature of an Article |
| (iii) Patent | (c) not to copy the original idea |
| (iv) Designs | (d) protects the scientific inventions |

Ans- (i)-c,(ii)-a,(iii)-d,(iv)-b

Q2. Various programmes are available for small enterprises by the government. Match the following programmes as per their launch year:

Column A	Column B
(i) SFURTI	(a) 1978
(ii) NABARD	(b) 2005
(iii) NSIC	(c) 1982
(iv) DIC	(d) 1955

Ans- (i)-b,(ii)-c,(iii)-d,(iv)-a

Q3. Following key terms are associated with small business. Match the following as per their

Correct meaning:

Column A	Column B
(i) Entrepreneurship and self	(a) scheme for nurturing innovation employment
(ii) Startup	(b) investment does not exceed 25 lakh rupees
(iii) Cottage industries	(c) process of setting one's business
(iv) Micro industries labour	(d) rural industries uses family labour

Ans- (i)-c,(ii)-a,(iii)-d,(iv)-b

Q4. Ms. Anjali is a young budding entrepreneur who thought of opening a boutique. She is

Seeking some guidance to start with her new business. So as a student of class 11th

commerce help her by suggesting ‘’ India Initiative Action Plan’’.Match the terminology of

India Initiative Action Plan with its process:

Column A

- (i) Simplification and reallocation
- (ii) Start Up India Hub trademark
- (iii) Legal support exchange and access to

- (iv) Easy exit

Column B

- (a) winding up in case of failure and
- (b) facilitate protection of patents and
- (c) objective to create

Funding

- (d) friendly and flexible method

Ans- (i)-d,(ii)-c,(iii)-b,(iv)-a

Q5. Anuj is the simple rural folk. He believed in power of hardwork and dedication. He dreams big and wants to engage in rendering services enterprises or manufacturing enterprises. Guide Anuj as per MSMED Act, the options available from government. Match the enterprises with capital investment limit in plant and machinery:

Column A

- (i) Micro Manufacturing enterprises
- (ii) Small service enterprises
- (iii) Micro service enterprises
- (iv) Small manufacturing enterprises

Column B

- (a) investment between 25 lakh to 5 crore
- (b) not more than 10 lakh
- (c) investment between 10 lakh to 2cr
- (d) investment less than 25 lakh

Ans- (i)-d,(ii)-c,(iii)-b,(iv)-a

Q6. ‘’Necessity is the mother of all inventions’’.In business managing its intellectual property is critical in taking a business ahead. It is essential to respect

others intellectual property rights not only on the ethical grounds but also legal. Match the type of intellectual property with its terminology:

Column A	Column B
(i) Geographical indication	(a) brand given legal protection
(ii) Patent literary, artist, music	(b) conferred upon the creator of
(iii) Trademark	(c) agricultural and natural products
(iv) Copyright	(d) protection of scientific inventions

Ans- (i)-c, (ii)-d, (iii)-a, (iv)-b

Q7. Start up is an entrepreneurial venture that capitalizes on developing, improving, innovating new product, process and services for the target market. Match the terms with suitable meaning:

Column A	Column B
(i) Boot strapping child	(a) incubator who nurtures the businesslike
(ii) Crowd funding	(b) act as a litmus test
(iii) Angel investment	(c) individual with surplus cash and mentoring
(iv) Venture capital	(d) pooling of resources by group of people
(v) Business Accelerator	(e) self financing

Ans- (i)-e, (ii)-d, (iii)-c, (iv)-b, (v)-a

Q8. Traditionally, rural households in developing countries have been viewed as exclusively engaged in agriculture. Infact government of India is trying to promote small scale industries and rural industrialisations. Match the objectives of institutional support provided by government:

Column A	Column B
(i) village and small scale industries support to	(a) institution at district level providing

Small business

- (ii) Cottage and rural industries (b) performance and credit rating of small business (iii) National Small Industries corporations (c) providing opportunities to traditional artisans and weaker sections
- (iv) District industries centre (d) integral part of industrial strategies and development in villages after 2nd five year plan

Ans- (i)-d,(ii)-c,(iii)-b,(iv)-a

Q9. In India there are various institutions which help small scale business. Match the institutions with their objective:

Column A

(i) NABARD
and

(ii) NSIC
services

setting up

(iii) DICs
industries

approach

(iv) RWED
encourages initiatives

Column B

(a) provides imported machinery to business is easy

Low hire terms

(b) institution at district level which provides all

And support facilities to entrepreneurs for

small and village industries

(c) provides aids to small scale cottage and village

rural artisans using both credit and non credit

(d) creating a business environment that

of rural and women entrepreneurs

Ans- (i)-c,(ii)-a,(iii)-b,(iv)-d

Q10. Match the following examples as per their areas covered under Copyright:

Column A	Column B
(i) Literary work	(a) musical work
(ii) Artistic work	(b) manufacturing
(iii) Dramatic work	(c) poems
(iv) Assembling work	(d) drawing

Ans- (i)-c,(ii)-d,(iii)-a,(iv)-b

Q11. Match their intellectual properties with tenure of protection provided:

Column A	Column B
(i) Copyright	(a) 20 years
(ii) Trademark	(b) author's life plus 70 more years
(iii) Patent	(c) for as long as the mark is used in commerce

Ans- (i)-b,(ii)-c,(iii)-a

Q12. Match the intellectual properties with there products.

Column A	Column B
(i) Copyright	(a) crocin
(ii) Trademark	(b) CDs
(iii) Patent	(c) Adidas

Ans- (i)-b,(ii)-a(iii)-c

Q.13 Institutions Establishment year

1. NSIC	(a) 1 May 1978
2.DIC	(b) 1955
3.MSMED ACT	(c)1951
4. Development of regulation Act	(d) 2006

Ans. 1(b), 2(a) , 3(d), 4(c)

Q.14 .Institution

Objectives

1. RWED (a) To Develop Clusters of traditional industries in various parts of the country
- 2.DIC (b) To support the early phase of entrepreneurship development
- 3.START UP SCHEME (c)To Solve the Problems of industries reports , credit etc.
4. SFURTI (d) Providing training manuals for women entrepreneurship and training them

Ans. -1(d), 2(c), 3(b), 4(a)

Q.15 Institution

Full Form

1. NSIC (a) Micro ,Small and Medium enterprises
2. DIC (b) National Small Industries corporation
3. MSMED (c)Rural and Women entrepreneurship Development
4. RWED (d) district Industries Centers

Ans. :- 1(b); 2(d); 3(a); 4(c)

Q.16 Category

Manufacturing Investment

- | | |
|----------------------|------------------------------|
| 1. large enterprise | (a) 25 lacs |
| 2. Small enterprises | (b) Between 5 lacs. And 10cr |
| 3. medium enterprise | (c) Between 25lacs and 5 cr. |
| 4. Micro enterprises | (d) Between 30 las to 25 cr. |

Ans. :- 1(d); 2(c); 3(b); 4(a)

Q.17 Category

Objectives

- | | |
|---|---|
| 1. Design
appearance or eye catching | (a) It is a protection given to any aesthetic |
| 2. Plant Variety
characteristics | (b) Its growing the plants into botanical |
| 3. Patent | (c) It Protects the scientific Inventions |
| 4. Trade mark
company organization etc | (d) Identify the goods made by an Individual |

Ans. :- 1(a); 2(b); 3(c); 4(d)

Q.18 Mr Rajesh started his business and wanted to know the acts and year related to various things applicable to his business. Help him in identification.

Column A

Column B

- | | |
|---------------|----------|
| 1. MSMED Act | (a) 2006 |
| 2. DIC | (b) 1978 |
| 3. Patent | (c) 2005 |
| 4. Trade mark | (d) 1991 |

Ans.- 1.-a; 2.-b; 3- c; 4-d

Q.19 Mr Sohan wanted to know the product comes under various IPR.Help him in identification of IPR.

Column A	Column B
1.Copy rights	(a) Name and logo
2. patents	(b) books
3. TradeMark	(c) information
4.Trade Sectors	(d) Mobiles

Ans. 1- (b) : 2. (d) ; 3 (a); 4(c)

Q.20 Rahul wanted to know the full form of various abbreviations related to his business. Help him in identifying full forms.

Category	Full form
1. IPR	(a) Intellectual Property rights
2. TKDL	(b) traditional knowledge digital Library
3. RWED	(c) Rural small business development centre
4. RSBDC	(d) Rural and women entrepreneurship development

Ans. 1(a); 2(b) ; 3(d) ; 4(c)

Q.21 Mitali wants to start a small enterprise, but she don't know the investment criteria involved in MSMED Act,2006. Help her so she can start her enterprise.

Column A	Column B
1.Micro service enterprise 5 cr	(a) More than 25 lacs less than
2.Small service enterprise exceed 25 lacs	(b) investment does not
3. micro manufacturing enterprise 10lacs	(c)investment does not exceed

4. small manufacturing enterprise
more than 2 cr

(d) more than 10 lacs but not

Ans- 1(c); 2 (d); 3(b);4 (a)

Q.22. category

establishment Year

1 DIC

(a) 1978

2. NSIC

(b) 1979

(c) 1955

(d) 1956

Ans.- 1(a) 2.(c)

23) MR X wanted to know the different IPR related to his business help him in identifying different IPR's

1) It gives the creator of an original work exclusive rights for a limited time.	a) Design
2) It is a recognizable sign, design or expression which distinguish products from another one.	b) Patent
3) It is a form of right granted by the govt. to an inventor.	c) Copyright
4) It includes shape, pattern and arrangements of lines or colours combinations that applied on any article	d) trademark

Answer- 1) c 2)d 3)b 4)a

24) Mr Y wanted to start a new business projects. He want to arrange funds by different modes, match the different ways of fund as per their meanings.

1) It refers to a self starting a business without external help or capital	a) Venture capital
2) It is a type of private equity, provided by firms or funds who take on the risk of financing	b) Crowd funding
3) Individuals with surplus cash who wants to invest in upcoming startup	c) Boot strapping
4) Pooling of resources	d) Angel Investors

Ans. 1-a, 2-b, 3-c, 4-d

1. Identify the type of IPR applicable in each of the case

Answers

(i)



Trademark

(ii)



Copyright

(iii)



Patents

(iv)



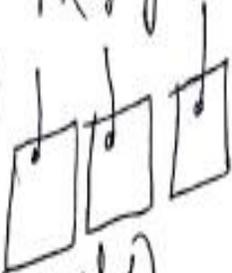
= Wheat Crop (Hybrid)



Geographical Indications

(v)

Patent



Patent

11

4

CHAPTER-INTERNAL TRADE

Fill in the blanks:

1. When buying and selling of goods and services is done with the objective of earning profit, it is called as _____.
2. Trade taking place within the boundaries of a nation is referred to as _____ trade.
3. The traders who purchase in large quantities and sell in small lots to retailers are called _____.
4. The _____ act as an important link between producers and final consumers in the distribution of products and services.
5. Internal trade is classified into two categories _____ and _____ trade.
6. The traders who do not have fixed place of business and they keep on moving with their waves are called _____ retailers.
7. Small retailers who are commonly found at places where huge floating population gathers like bus stand etc. are called _____ traders.
8. On the basis of geographical location of buyers and sellers, trade can be classified into two categories _____ and _____ trade.
9. The traders dealing in retail trade are called _____.
10. Small producers or petty traders carrying their products on bicycle or on their heads are referred to as _____.
11. Trade between two and more countries is called _____ trade.
12. The type of business enterprise engaged in sale of goods and services directly to ultimate consumers is called _____.
13. The traders dealing in bulk merchandised are called as _____.
14. Time utility is being provided by _____ intermediary.
15. Stores which are found in a local market and residential areas are called General Stores .
16. The specialty shops are generally located in a central place.
17. Street stall holders get their suppliers from local suppliers as well as wholesalers.

18. Secondhand goods shops sell their goods at lower prices.
19. Speciality shops are specialize in the sale of a specific line of products.
20. Departmental stores are generally located at a Central place
21. A departmental store is a combination of both types of retailing as well as Warehousing.
22. In departmental stores Sale are decentralized according to different departments.
23. Due to its big size the departmental stores enjoy Joint form Company form of Pvt. Sector enterprise.
24. The stores which offers a wide variety under one roof are known as departmental store
25. All the branches of chain stores are controlled by the ____.
Headoffice
26. Selling the merchandise without involving the middlemen and through the online process is termed as ____.
Mail order house
27. In chain stores, the ____ Manager sends daily reports to the head office.
Branch
28. The fast food retail outlet of Nirula's is an example of ____ shops.
Chain
29. There is absence of after sales services in case of _____ retail outlets.
Mail order house
30. The government of India implemented the Goods and Service Tax(GST) from the year 2017 following the credo of ' One Nation One _____'.
(Tax)
31. GST has replaced _____ number of indirect taxes. (17)
32. GST payable on all interstate supply of goods and services is _____.
(IGST)
33. Tax liability arises when the taxable income of person crosses exemption limit of Rs. ____ lakh. (20)
34. Export and supplies to SEZ are _____ rated.
(zero)

ANSWERS:

1. Trade 2. Internal trade 3. Wholesalers 4. Retailers
5. Internal and external 6. Itinerant 7. Street/pavement vendors 8. Internal and external 9. Retailers 10. Itinerant
11. External 12. Retail trade 13. Wholesaler 14. Wholesaler

True and False:

1. Trade which is performed within the geographical boundaries is referred as external trade. (_____)
2. Wholesaler serve as an important link between manufacturer and consumers. (_____)
3. Wholesaler purchase in bulk quantity and sell in small lots to retailers. (_____)
4. Market traders mainly serve the needs of low income group of customers with low-priced products. (_____)
5. Storage facility provides with time utility. (_____)
6. The wholesaler performs various marketing functions and provide support to the consumers. (_____)
7. Internal trade can be classified into four broad categories.(_____)
8. Retailers sale and purchase goods in relatively small quantity to ultimate consumers,(_____)
9. Wholesalers provide after-sale services to the consumers in the form of home delivery of goods.(_____)
- 10.Both wholesalers and retailers are important marketing intermediaries who perform useful function in the of exchange of goods and services,(_____)
11. Retailers help the producers in the process of actualizing the sale of the products.(_____)
- 12.Speciality shops are generally located in a heart of the city. (F)
- 13.General stores remain open for 24 hours. (T)
- 14.The total area covered by a street stall holders is very limited. (T)

15. Speciality shops is type of retail store which is becoming very popular, particularly in rural areas. (F)
16. Secondhand goods shop may also stock rare objects of historical value and antique items. (T)
17. The departmental stores are located at the remote areas. F
18. The departmental stores attract a large number of customers. T
19. Departmental stores provides maximum service to higher class of customers for whom price is secondary. T
20. In departmental stores both sale & purchase is centralized. F
21. Departmental stores provides all facilities under one roof. T
22. The Inspector supervise the products of chain stores. (T)
23. The losses incurred by one shop in chain stores may not be covered by profits in other shops. (F)
24. Cash on delivery is the only option available for receiving payments in mail order house. (F)
25. Shopping through mail order house is suitable for all types of customers. (F)
26. The multiple shops organisation is able to eliminate unnecessary middlemen. (T)
27. There are three tax slabs applicable in GST.
F
28. The government of India implemented GST from the year 2017.
T
29. The territorial spread of GST is the whole country, Excluding Jammu & Kashmir. F
30. One of the tax rate from the slabs of GST is 26 Percent.
F
31. The CGST/SGST is payable on all intra- state supply of goods and services. F

ANSWERS:

1. False 2. False 3. True 4. True 5. True 6. False

7.False 8. True 9.False 10.True 11. True

Match the columns:

1. On the basis of types of goods sold by itinerant retailers

1. Non-standardized and low value products	a) Market traders
2. Particular line of merchandised	b) Cheap jacks
3. Consumer items as well as services like repair of watches	c) Street traders
4. Consumer items of common use like stationary items and newspapers	d) Peddlers and hawkers

Ans . 1(d), 2(a), 3(b), 4(c)

2. On the basis of services of wholesaler to retailer

1. Undertake advertising and other sales promotion activities	a. Risk sharing
2. Helps them to manage their business with relatively small amount of working capital	b. Availability of goods
3. Maintain adequate stock of commodities to offer variety to customers	c. Grant of credit
	d. Marketing support

Ans. 1(d), 2(c), 3(b)

3. On the basis of nature of types of itinerant retailers :

1. Selling the goods on fixed days	a. Peddlers and hawkers
2. Selling their goods where huge	

floating population gathers like railway station, bus stand etc.	b. Cheap jacks
3. Independent shops of temporary nature in a business locality	c. Market traders
4. Carry the products on bicycle or handcart for sale	d. Street vendors

Ans. 1(c), 2(d), 3(b), 4(a)

iv. On the basis of services of wholesalers to manufacturers

1. Wholesaler provide retailers with time utility	a. Facilitating large scale production
2. They help to maintain the demand of goods by purchasing as and when produced	b. Storage
	c. Facilitate production continuity

Ans. 1(b), 2(c)

v. On the basis of services of retailer to consumer

1. Provides the consumer with choices out of many options	i. After sale services
2. Situated near to residential areas and remain open for long hours	ii. Regular availability of products
	iii. Wide selection
	iv. Convenience in buying

Ans. 1(c), 2(d)

vi. On the basis of nature of trade

1. Buying and selling of	a) Internal trade
--------------------------	-------------------

goods between two or more countries 2. Trading taking place within the boundary of a country	b) Entreport c) External trade
---	---------------------------------------

Ans. 1(c), 2(a)

vii. On the basis of services of wholesaler to manufacturer

1. They enable the producers to take the advantage of economies of scale 2. They deal in goods in their own name and covers variety of risks	a) Bearing risk b) Financial assistance c) Facilitating large scale production
---	--

Ans 1(c), 2(a)

viii. On the basis of services of retailer to consumers

1. Enables the buyer to buy the product as and when needed 2. Providing services like home delivery, supply of spare parts 3. Provide information about special features of new products and effective display	a) After sale services b) New product information c) Expert advice d) Regular availability of products
--	---

Ans. 1(d), 2(a), 3(b)

ix. On the basis of services of wholesaler to retailer

1. Helps them to manage their business with relatively small amount of working capital	a) Specialized knowledge b) Risk sharing
--	---

2. Advise them on the décor of retail outlet and inform about new products, their uses etc.	c) Grant of credit
---	--------------------

Ans 1(c),2(a)

x. On the basis of the services of retailer to consumer

1. Provides the consumer with choices out of many options	a) After-sale service
2. Situated near to residential areas and remain open for long hours	b) Regular availability of products
	c) Wide selection
	d) Convenience in buying

Ans.1(c), 2(d)

11.On the basis of location -

1. Stores found in a local market and residential areas. (a) Secondhand goods shops

2. Shops are generally located (b) Street stall holders
In a central place.
3. Small vendors are commonly © General stores
Found at street crossings.
4. Shops located at street (d) Speciality shops
Crossing or in busy streets
In the form of a stall.

Ans. 1 ©, 2 (d), 3 (b), 4 (a).

12. On the basis of types of goods sold by fixed shop small retailers.

1. Stores specialize in sale of a (a) General store
Specific line of products.
2. Shops deal in secondhand (b) Street stall holders
Or used goods.
3. These vendors deal mainly in © Speciality shops
goods of cheap variety of
products.
4. Shops deals in products of (d) Secondhand goods shop
daily use.

Ans. 1 ©, 2 (d), 3 (b), 4 (a).

13. On the basis of examples of goods sold by fixed shop small retailers.

1. Shops deals in grocery items, (a) Street stall holders
Soft drinks.

2. Vendors deal in goods like hosiery (b) General store
3. Some shops deals in antique goods © Speciality shops
Of historical value.
4. Some shops selling children's (d) Secondhand goods
Garments, men's wear, ladies shops
Shoes, toys and gifts.

Ans. 1 (b), 2 (a), 3 (d), 4 (c).

14. On the basis of information about small relations.

1. The vendors providing convenient (a) Secondhand goods
service to the customers in shops
buying some of the items of their needs
2. These stalls having very little structure (b) general stores
(c) street stall holders

Ans. 1 (c), 2 (a).

15. .On the basis of features of Fixed shop small retailer.

1. Provide credit facilities to the (a) Secondhand shops
Customers
2. Dealings done on cash basis (b) General stores
(c) Departmental stores

Ans. 1 (b), 2 (a).

16. On the basis of limitation of Large scale retailer

- | | |
|-------------------------------|-----------------------|
| 1) Lack of personal attention | a) Mail order |
| 2) Delayed delivery | b) Departmental store |
| | c) Multiple shops |

Ans-(1-b,2-a)

17. On the basis of features of departmental store

- | | |
|----------------------------|--|
| 1) Provides all facilities | a) Located in the heart of city |
| 2) Location | b) Restaurant, travel & information bureau, telephone booth, rest room etc |
| | c) Helps in eliminating undesirable middleman |

ans-(1-b, 2-a)

18. On the basis of advantage of mail order house

- | | |
|--------------------------------|---|
| 1) Limited capital requirement | a) Goods sent to all the places having postal services. |
| 2) Absence of Bad debt | b) Goods are delivered at the door step |
| 3) Convenience | c) Does not require heavy expenditure on building & other infrastructural |

facilities.

4)Wide reach

d)Do not extend credit

facilities to customers

Ans(1-c,2-d,3-b,4-a)

19.On the basis of features of mail order house

1 No direct contact

a) Goods may be sent through VPP

2. No risk of bad debts

b) Goods are handed over to the buyers only after full payment.

c) Contact through mail

ans(1-c,2-b)

20.On the basis of disadvantages of Large fixed shop retailers.

(i) Lack of personal Attention

(a) Chain Stores

(ii) Limited selection of goods

(b) Departmental Stores

(c) General Stores

Ans: (i)----(b)

(ii)----(c)

21.On the basis of advantages of Large fixed shop retailers.

(i) Least possible competition

(a) Chain stores

(ii) Flexibility of location

(b) Mail order house

(c)General stores

Ans: (i)---(b)

(ii)----(a)

22.On the basis of features of Large fixed shop retailers.

- i. Managed by board (a) Departmental Store
Of directors (b) General Store
- ii. Direct Supervision of a branch manager (c) Chain stores

Ans: (i)—(a)

(ii)—(c)

23. On the basis of the features of large stores do the appropriate matching

- (i) large establishments offering a wide variety of products under one roof (a) mail order house (b) departmental store
- (ii) Networks of retail shops Having identical merchandising (c) chain store

Ans i(b),ii(c)

24. On the basis of advantages of Large fixed shop retailers.

- (i) Least possible competition (a) Mail order house
- (ii) Diffusion of risk (b) Chain stores (c) Departmental stores

Ans: (i)—(a)

(ii)—(b)

25. On the basis of type of products .

- (i) Standardised and branded consumer Products (a) Departmental stores

(ii) Variety of goods of all kinds

(b) Chain stores

(c) mail order house

Ans: (i)—(c)

(ii)—(a)

26. Match from the following options only, the supply of goods to their GST applicability:

Supply of goods	GST applicability
1. From Delhi to Delhi	
2. From Delhi to Kolkata	a. CGST/SGST
3. From Delhi to Dubai	b. IGST
4. From wholesaler of Delhi to Retailer of Delhi	

Ans. (1,4-a);(2,3-b)

27. On the basis of credo with on which they apply:

7	a. GST
1. Everything from a pin to elephant	b. Chain stores
2. One Nation one Tax	c. Departmental stores
	d. VAT

Ans. 1-c ; 2-a

28. Match from the following options only taxes which are levied on the following:

1. Destination based tax	a. IGST
2. Tax applicable on Interstate supply of goods and services	b. CGST/SGST
3. Tax applicable on intrastate supply of goods and services	c. GST
4. Indirect tax	

Ans. 1,4-c ; 2-a ; 3-b

29. On the basis of features of GST with their specification:

1. No. of tax slabs under GST	a. 17
2. No. of indirect tax replaced by GST	b. 4
3. No. of cesses eliminated by GST	c.3
4. no. of types of GST	d.23

Ans. 1-b; 2-a; 3-d; 4-c

30. On the basis of features with their large scale retailers:

	a. Mail order houses
1. Size of stores is large	b. departmental stores
2. work under supervision of Branch Manger	c. chain stores
	d. speciality shops

Ans. 1-b; 2-c

Multiple choice question:

1. Which of the following is not the type of goods sold by speciality shops:
 - a) Children's garment

- b) Ladies shoes
- c) Toys and gifts
- d) Used books

Ans. (d)

2. Small retailers who are commonly found at places with huge population are called _____

- a) Market traders
- b) Second hand goods shop
- c) Peddlers and hawkers
- d) Street retailers

Ans. (d)

3. Which of the following is not a type of itinerant retailers

- a) Market traders
- b) Street stall holders
- c) Cheap jacks
- d) Peddlers and hawkers

Ans.(b)

4. Wholesale trade refers to

- a) Exporting goods and services
- b) Importing goods and services
- c) Buying and selling of goods and services in large quantities
- d) Buying and selling of goods and services in small lots

Ans.(c)

5. Which type of service is not offered by retailers to manufacturers and wholesalers

- a) New product information
- b) Personal selling
- c) Helps in promotion
- d) Helps in distribution of goods

Ans. (c)

6. Which type of retailers provides door to door services to their customers

- a) Street traders
- b) Peddlers and hawkers
- c) General stores
- d) Street stall holders

Ans.(b)

7. Which of the following is not a service offered by wholesaler to manufacturer

- a) Storage
- b) Bearing risk
- c) Grant of credit
- d) Financial assistance

Ans (c)

8. Retailers who have no fixed place of sale are called _____

- a) Itinerant retailers
- b) Street traders
- c) Market traders
- d) Hawkers

Ans(a)

9. How many types of itinerant retailers are there?

- a) One
- b) Four
- c) Three
- d) Two

Ans (b)

10. Which of the following is a service offered by wholesaler to retailer

- a) Facilitate production continuity
- b) Facilitates large scale production
- c) Risk sharing
- d) Storage

Ans. (c)

11. Which one of the following is the fixed shop small retailers?

- (a) Departmental stores
- (b) Speciality shops.
- (c) Itinerant retailers
- (d) Market traders.

Ans. (b).

12. These vendors are found at street crossing where flow of traffic is heavy?

- (a) Market traders
- (b) Street stall holders
- (c) General Stores
- (d) Speciality shops

Ans. (b).

13. Sale of specific line of products by these vendors.

- (a) Speciality shops
- (b) Mail Order Houses
- (c) Secondhand goods shops
- (d) Departmental stores

Ans. (a).

14. Stores which is not coming under the category of fixed shops.

- (a) General stores
- (b) Street stall holders
- (c) Secondhand goods shops
- (d) Mail Order House

Ans. (d).

15. Identify from the below which is not the characteristics of Fixed shop retailers?

- (a) Dealing in different products
 - (b) Have greater resources
 - (c) Independent shops of
 - (d) Mostly provides credit facilities
- Temporary nature

Ans. (c).

16. The type of retail business acts as a supplier of a wide variety of products under one roof:

- a) Departmental store
- b) Chain-store
- c) Mail-order house
- d) Multiple-shop

Answer- (a)

17. Which of the following is not a feature of departmental store

- a) 24x 7 shopping
- b) Wide range of products
- c) Large in size
- d) Located at a central place

ans-(a)

18. The main disadvantage of departmental store

- a) Centrally located
- b) Operating cost is too high
- c) Attractive services
- d) Promotion of sales

Ans-(b)

19. Which of the following come under fixed shop retailers?

- a) General stores
- b) Multiple shops
- c) Departmental stores
- d) Chain stores

Ans- (d)

20. The orders are received, goods are mailed directly to the buyers in which form-

- a) Departmental store
- b) Chain store
- c) Shopping mall

d) Mail order house

Ans- (d)

21. All the branches of chain stores are controlled by

- a. Branches themselves
- b. Head office
- c. Government
- d. General manager of each branch

Ans: (b)

22. Chain stores usually sell the products.

- a. Produced by themselves
- b. Produced by producers
- c. Produced by others
- d. Supplied by others

Ans: (a)

23. The personnel in chain stores have to obey the instructions received from

- a. Branch supervisor
- b. General Manager
- c. Head office
- d. Board of Directors

Ans: (c)

24. For day to day supervision of chain stores, the head office normally appoints.

- a. Inspectors
- b. Supervisors
- c. Managers
- d. Branch officer

Ans. (a)

25. Lack of initiative in the employees while dealing with customers in chain stores results in

- a. Lack of personal touch
- b. Low sales
- c. Conflicts

d. Loose the customers

Ans: (a)

26. Which one is not the tax slab of GST?

- a. 5%
- b. 14%
- c. 18%
- d. 28%

Ans. (b)

27. What is the exemption limit for a person to pay GST?

- a. 10 Lakh
- b. 30 Lakh
- c. 40 Lakh
- d. 40 Lakh

Ans. (c)

28. Which one is not the part of GST?

- a. IGST
- b. SGST
- c. CGST
- d. RTGS

Ans. (d)

29. GST is a type of _____ tax.

- a. Indirect
- b. Foreign
- c. Direct
- d. Central

Ans. (a)

30. Which type of GST is payable on all interstate supply of goods and services?

- a. CGST
- b. IGST
- c. SGST
- d. FGST

Ans. (b)

Pictorial questions

- c) Risk sharing
 - d) Storage
- Ans. (c)

Pictorial question

1. Selling ice-cream on a bicycle. Identify the type of itinerant retailer

Ans. Peddlers and Hawker



2. Identify the middleman who act as a link between wholesaler and customer



Ans. Retailer

3. Traders who keep on changing their business from one locality to another

Ans. Cheap jacks



4. Reliance is having different shops at different locations. Identify the type of retailer



Ans. Chain store



5. Locate the retail outlets who sell their goods through advertisements without direct contact.

Ans. Mail Order House



School
PVR

V. Pictorial Questions:

1. Identify the picture and tell the name which type of store it is?



Ans: General Store

2. Name this store which deals in specific line of products.



Ans: Speciality Shop

3. Identify the store and give its one advantage.



Ans: Chain Stores

Advantages:- Economies of scale
No bad debts
Transport of goods
Low cost

4. This is the oldest form of retailers in the market place. Identify the name.



Ans: Peddlers and Hawkers

5. The goods which are showed in picture are already used and are here to resale. Identify the shop.



Ans: Secondhand Goods Shop

V. Multiple Questions:

1. Identify the picture and tell the name which type of store it is?



Ans: General Store

2. Name this store which deals in specific line of products.



Ans: Speciality Shops

3. Identify the store and give its one advantage.



Ans: Chain Stores

Advantages:- Economies of scale
No bad debts
Transfer of goods
Low Cost

4. This is the oldest form of retailers in the market place. Identify the name.



Ans: Peddlers and Hawkers

5. The goods which are shown in picture are already used and are here to resale. Identify the shop.

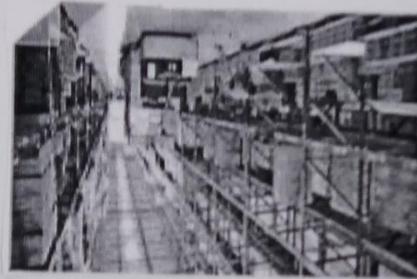


Ans: Secondhand Goods Shop



Ans. Market Traders

3. Intermediary who is buying the goods in bulk quantity



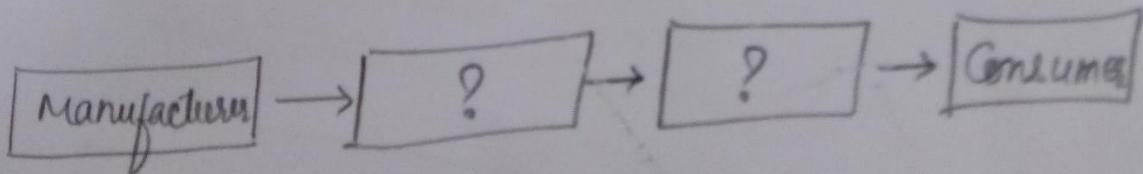
Ans. Wholesaler

4. When a trader is dealing only in selling different types of sauces only



Ans. Speciality shops

5. Complete the flow chart of intermediaries



Ans. wholesaler -> Retailer.

Pictorial questions

1. Identify the kind of activity

Ans → Trade



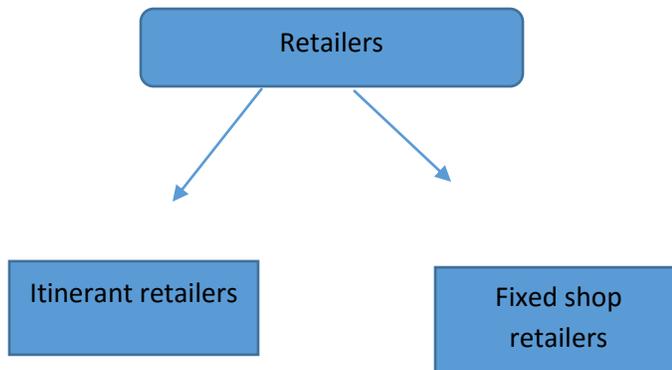
2. Identify the traders who open their shops at different places on fixed days only

16.) Identify the type of fixed shop large scale retailer.



Ans- Departmental store

17. Complete the flowchart for the types of retail trade.



20. Identify the form of business in which this type of document is used.



ans- mail order house

Q21. Identify the type of itinerant trader with one advantage of the same.



21. Identify the type of fixed shop retailer .





Q22. Identify the type of fixed shop retailer.

Q23. Identify and state one advantage of such type of retailers.



Q24. State two advantages of such type of retailers.



 alamy stock photo

EWBDWH
www.alamy.com



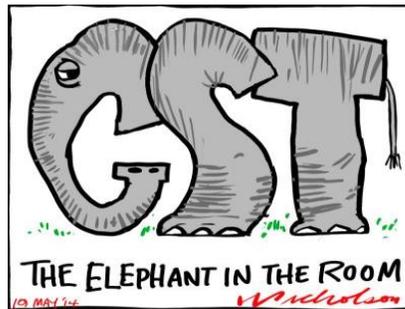
25.



Identify the tax introduced in the given picture.

Ans. GST

27. Give the full form of the given abbreviation.



Ans. Goods and service tax

28.



Identify the feature of GST mentioned in the picture.

Ans . GST is applicable on supply of goods and services



29. What is the territorial applicability of GST according to the given picture?

Ans. Whole country including Jammu and Kashmir



30. Give the year in which the identified tax has been applicable.

Ans. 2017

OBJECTIVE TYPE QUESTIONS

CHAPTER -10 INTERNATIONAL BUSINESS

Category A: WRITE TRUE OR FALSE AGAINST THE STATEMENT GIVEN

Topic: International Trade: Concept and Benefits

1. Domestic markets are heterogeneous in nature. F
2. Intangible aspect of services that trade in services is known as visible trade. T
3. Permitting another party in a foreign country to produce and sell goods under a specific patent is Licensing. T
4. Merchandise means goods that are intangible. F
5. The degree of mobility of factors like labour and capital is generally less between countries than within a country. F
6. Portfolio investment involves direct investment in abroad. F
7. Nationality of the key participants to the business deals differs between domestic and International business. T
8. In International business there is use of domestic currency. F
9. Trading beyond the boundaries of one's own country is known as domestic trade. F
10. The differences in business systems and practices are much more amongst countries than within a country. T

Topic : Export Trade -Meaning and Procedure

- (1) The Registration cum membership certificate is a document certifying that the exporter is a member of the export promotion council. (True)
- (2) The exporter Rahul appointed a C&F agent of XYZ Ltd. to help him in export procedure, as he had no time for the same and the same is permitted in the export procedure. (True)
- (3) One of the pre-requisites for an exporter to obtain an export licence is to have an account in any bank authorised by the RBI. (True)
- (4) After the receipt of the freight the shipping company issues a bill of lading. (True)
- (5) Registration with the ECGC is necessary to protect overseas payment from political and commercial issues. (True)

Topic : Import Trade – Meaning and Procedure

- 1) The information provided in the shipment advice includes details such as invoice number, bill of lading, name of the vessel, etc. (True)
- 2) Placing order or indents is a step of import procedure which succeeds that of obtaining letter of credit. (False)
- 3) The exporter has to pay dock dues to obtain port trust dues receipt. (False)
- 4) Every importer is required to secure the sanction of foreign exchange from a bank authorised by RBI. (True)
- 5) After loading the goods on the vessel, the overseas supplier dispatches the shipment advice to the importer. (True)

Topic : Documents involved in Export Trade

1. Mate's receipt is given to exporter by the commanding officer of the ship after the cargo is loaded. (T)
2. Cart ticket is also known as vehicle pass. (T)
3. Certificate of Origin is a document related to shipment in connection with Export Transactions. (F)
4. It is not compulsory to insure the goods before export. (F)
5. Packing list is a statement containing the name and place of the port at which goods are to be discharged.(F)

Topic : Documents involved in Import Trade

1. Headquarters laboratory of Indian Institute of packaging is situated in delhi. [False]
2. Indian trade promotion organisation was setup in 1st January 1992. [True]
3. A large number of domestic firms in India found it very difficult to compete in the world market. [True]
4. Bills of exchange is a document that contains the details of the imported good. [False]
5. Dock charges are to be paid when all the formalities of the customs are completed. [True]

Topic : World Trade Organisation : Meaning and Objectives

1. World Trade Organization was set up on 1st January 1995 replacing the General Agreement on Tariffs and Trade. ----- (Ans: True)
2. World Trade Organization has a global status similar to that of International Monetary Fund

and World Bank. ----- Ans: True)

3.To facilitate the maximum use of the world’s resources for sustainable development is the major objective of World Trade Organization. ----- (Ans: False)

4. General Agreement on Tariffs and Trade is a successor to World Trade organization. ----- (Ans: False)

5. The basic objective of World Trade Organization and General Agreement on Tariffs and Trade are opposite to each other ----- (Ans: False)

Category B: FILL IN THE BLANKS WITH THE APPROPRIATE ANSWER:-

Topic: International Trade: Concept and Benefits

1. Business transactions taking place within the geographical boundaries of a nation is known as ---
-----.(Domestic trade)
2. Manufacturing and trade beyond the boundaries if one’s own country is known as -----
.(Internationnal business)

3. The fundamental reason behind International business is that the countries cannot produce -----or -----all that they need.(equally well and cheaply)
4. In -----business both buyers and sellers are from the same country.(domestic)
5. In ----- business buyers and sellers can be from different countries.(Internal trade)
6. Goods that are tangible are called -----.(merchandise)
7. Intangible aspect of service is also known as -----.(Invisible trade)
8. Giving permission to produce and sell goods in another country under a specific trademark is known as -----.(licensing)
9. Giving permission for distribution of services in another country under a specific copyright is known as -----.(Franchising)
10. Foreign investment are of -----and -----types.(direct and portfolio)

Topic : Export Trade - Meaning and Procedure

- (1) The document certifying that the export transaction is over and the payment has been received is Certificate of payment.
- (2) The certificate which specifies the country in which the goods are being produced is known as Certificate of origin.
- (3) The most appropriate and secure method of payment adopted to settle international transactions is letter of Credit.
- (4) On the basis of mate's receipt ,document imported goods are unloaded from the carrier.
- (5) The order placed by an importers firm , after being satisfied with all export terms and conditions is also known as intent.

Topic : Import Trade – Meaning and Procedure

- 1) The Trade which refers to purchase of goods from a foreign country is called Import trade.
- 2) Import procedure depends upon the country's Import and customs policies.
- 3) A proforma invoice is a document that contains details as to the quality , design and price of the export product.
- 4) Importers appoint C&F agents who are well versed with the formalities of customs clearance.
- 5) The most appropriate and secured method of payment adopted to settle international transactions is through Letter of credit.

Topic : Documents involved in Export Trade

1. Mate's receipt is given by the _____ officer of the ship. (Commanding)
2. The certificate which specifies the country in which the goods are produced in _____
(Certificate of Origin)
3. Major documents needed in connection with export trade are documents related to Goods, Shipment and _____. (Payment)

4. General agreement for Tariffs & Trade was transformed into _____ on January 1, 1995. (World Trade Organisation)
5. For ensuring quality of goods, the government has made it compulsory for certain products to obtain a Certificate of _____ before exporting them. (Inspection)

Topic : Documents involved in Export Trade

1. The bill which is transferred by the bank to the importer on the instruction of the drawer is known as _____ bill. [Sight Draft]
2. A written instrument issued by a person directly to the other party is called _____ type of bill. [Bills of exchange]
3. International Development Association was established in the year of _____. [1960]
4. Those document sent by the exporter to the importer for informing about shipment of goods is known as _____. [Shipment advice]
5. Indian institute of Foreign Trade was set up in _____ year. [1963]

Topic : World Trade Organisation : Meaning and Objectives

1. An organization which was set up for looking after the promotion of free and fair trade amongst nations is----- (ans: World trade organization)
2. The body which governs trade not only in goods, services and intellectual property rights between different countries ----- (ans: World trade organization)
3. The organization that has a global status similar to that of International Monetary Fund and World Bank is----- (ans: World trade organization)
4. In India World Trade Organization was founded in the -----year. (Ans: 2005)
5. To facilitate the optimal use of the world's resources for sustainable development was the major objective of the ----- organization. (ans: World trade)

CATEGORY C : MULTIPLE CHOICE QUESTIONS

Topic: International Trade: Concept and Benefits

1. Labour productivity and production cost differ among nations due to ----- --
 - a) Geographical reason
 - b) Agricultural reason
 - c) Personal reason
 - d) Government policies

2. Which factor of production is not a part of domestic business?
 - a) Land
 - b) Labour
 - c) Customer
 - d) Capital

3. Goods that are tangible means -----
 - a) Customized goods
 - b) Merchandise
 - c) Free goods
 - d) Licensed goods

4. Intangible aspect of services in International business is known as
 - a) Home trade
 - b) Foreign trade
 - c) Invisible trade
 - d) Local trade

5. A company can acquire full control over subsidiary's operation in foreign market by owing---
 - a) 85%
 - b) 90%
 - c) 100%
 - d) 40%

6. Portfolio investment means-----
 - a) Providing services in another country.
 - b) Investment in research industry.
 - c) A company makes investment into another by acquiring shares.
 - d) Production and marketing of goods.

7. Permission for distribution of services in another country under a specific copyright is :-
 - a) Merchandising

- b) Licensing
 - c) Franchising
 - d) Marketing
8. Manufacturing and trade beyond the boundaries of one's own country is :-
- a) Foreign trade
 - b) Local trade
 - c) Retail trade
 - d) Internal trade
9. Currency used in International business is –
- a) Domestic currency
 - b) International currency
 - c) cryptocurrency
 - d) visual currency
10. The International business as it exists today is to a great extent the result of----
- a) Language specialization
 - b) Geographical specialization
 - c) Cultural differences
 - d) Custom practices

1-a,2-c,3-b,4-c,5-c,6-c,7-c,8-a,9-b,10-b

Topic: Export Trade – Meaning and Procedure

(1) “Rajiv an exporter sent complete information about the quality ,grade, size, weight, type of packing about the product on his enquiry” .Such an above quotation prepared is known as -

- (a) **performa invoice**
- (b) intent
- (c) letter of information
- (d) enquiry performa

(2) A particular number that an export firm needs to have is known as -

- (a) **IEC Number**
- (b) IFC Number
- (c) IIC Number
- (d) IFC Code

(3) "The goods were not loaded on the ship as they did not get the custom clearance due to lack of one of the main document."Identify the document which was required among the following:-

- (a) Bill of clearance
- (b) Custom bill
- (c) **Shipping bill**
- (d) Bill of exchange

(4) Identify the first step in the export procedure-

- (a) **Receipt of enquiry**
- (b) export licence

- (c) intent (d) production of goods
- (5) Performa Invoice is issued by the-
- (a) Shipping company of importer (b) **Exporter to importer**
- (c) Importer to exporter (d) Exporter to the shipping company

Topic: Import Trade – Meaning and Procedure

1) Which of the following documents is not required in connection with an import transaction?

- (a) Bill of lading.
- (b) Shipping bill.
- (c) Certificate of origin.
- (d) Shipment advice.

Ans. (d)

2) Which of the following is not the objectives of import trade?

- (a) To meet consumer demand.
- (b) To improve the standard of living.
- (c) To speed up industrialisation.
- (d) To earn foreign exchange.

Ans. (c)

3) Which of the following indicates the right procedure of import trade?

- (a) Procurement of import license, Placing order or indent, Trade Enquiry, Customs clearance and release of goods.
- (b) Trade enquiry, Procurement of import license, Obtaining letter of credit, arrival of goods.
- (c) Arrival of goods, Retirement of import documents, Obtaining foreign exchange, Obtaining letter of credit.
- (d) Receipt of shipment advice, Trade enquiry, Arranging for finance, Customs clearance and release of goods.

Ans. (b)

4) Which of the following document is required in connection with an import transaction?

- (a) Certificate of origin.
- (b) Shipping Bill
- (c) Letter of credit.
- (d) Mate's receipt.

Ans. (c)

5) Having identified the countries and firms that export the product, the importing firm approaches the export firms with the help of?

- (a) Trade enquiry.
- (b) Proforma invoice.
- (c) Mate's receipt.

(d) Sight draft.

Ans. (a)

Topic: Documents involved in Export Trade

1. Which of the following was formed for looking after the promotion of free and fair trade among nations?
 - a. International Monetary Fund
 - b. World Bank
 - c. World Trade Organisation**
 - d. General Agreement for Tariffs and Trade
2. Which of the following is not a document related to export transaction?
 - a. Shipping Bill
 - b. Airway Bill
 - c. Mate's Receipt
 - d. Bill of Entry**
3. Which of the following is a document related to payment in connection with export transactions?
 - a. Export Invoice
 - b. Shipping Bill
 - c. Cart Ticket
 - d. Letter of Credit**
4. The document which contain the information regarding the country where the goods have been produced in connection to export-
 - a. Shipping Bill
 - b. Export Invoice
 - c. Airway Bill
 - d. Certificate of Origin**
5. Certificate of inspection related to export trade is issued by-
 - a. Government**
 - b. Inspector
 - c. Exporter
 - d. Importer

Topic: Documents involved in Export Trade

- 1. Which of the bill is supplied by the customs office to the importer?**
a. Airway bill b. Bill of entry c. Bills of exchange d. Bill receivables [b]
- 2. Which type of document contains a gurantee from the importer bank to the exporter bank?**

- a. Letter of credit b. Airway bill c. Import order d. proforma invoice [a]
3. The year of establishment of international financial corporation.
 a. 1945 b. 1988 c. 1956 d. 1966 [c]
4. In which state export processing zone are not set up?
 a. Kerla b. Gujarat c. West Bengal d. Rajasthan [d]
5. Name of the document that contain detail as to the quality, grade, design, size etc.
 a. Proforma invoice b. Purchase invoice c. Sale invoice d. Voucher [a]

Topic : World Trade Organisation : Meaning and Objectives

1. World Trade Organization was founded on -----

- (a)11Nov.2005 (b) 11Dec.2005 (c)11 Jan.2015 (d)11Dec 2015

(ans:B)

2. Identify the alternative which is not the objective of World Trade Organization.

- (a) to ensure reduction of tariffs and other trade barriers imposed by different countries.
 (b) To facilitate the optimal use of the world's resources for sustainable development.
 ©To promote an integrated and more viable and durable trading system.

(d) To promote an orderly international monetary system (ans:D)

3. One amongst the following in not the main objective of World Trade Organization

- (a) To improve the standard of living in world economy
 (b)To create employment in world economy.
 ©To increase income and effective demand in world economy.

(d)To disintegrate more viable and durable trading system in world economy.

(ans:D)

4. The principal international body concerned with solving trade problems between countries and providing a forum for multilateral trade negotiations.

(a) World Health Organisation.

(b) World Trade Organization

©World Bank

(d)World International Bank.

(ans:B)

5. The headquarters of the World Trade Organization is located at

(a)United States (b) United Kingdom (c) Geneva, Switzerland (d) India

Category D : Match the items

1) Match the concepts with its related meaning given below:

A	B
1 Infrastructure	a) Global village
2 World	b) Business development
3 Business	c) No boundaries
4 WTO	d) Transportation

(1-d, 2-a , 3-c ,4-b)

2. Match the given terms with it's meaning:

1.India	a) becoming borderless
2. Factors of production	b) Emerging as a world economy

3. International business c) outside the boundaries
 4. National Economies d) Land/ Labour

(1-b,2-d,3-c,4-a)

3. Match the advantages of IB:

A

1. National economies
2. India
3. Globalisation
4. More firms

B

- a) Forays into International business
- b) Need of the hour
- c) Increasing it's foreign investment
- d) Integrating into world economy

(1-d,2-c,3-b,4-a)

4. Match the benefits of IB:

A

1. International business
2. Countries generally facing problem
3. International Trade Development
4. Foreign trade

B

- a) Leads to increased foreign investment
- b) Improves standard of living
- c) Unequal distribution of natural resources
- d) Across the boundaries of countries

(1-d,2-c,3-a,4-b)

5. Match the reasons for International business:

A

1. Fundamental reason
2. Factors of production
3. Developed nations
4. International business

B

- a) Produce more efficiently
- b) Result of geographical specialisation
- c) Differ among nations
- d) Unequal distribution of resources

(1-d,2-c,3-a,4-b)

6. Match the following concepts of business

A

1. International business
2. World trade organization
3. Whole world changing into
4. Domestic business

B

- a) within the boundary of a country
- b) Global village
- c) Responsible for growth of International business
- d) Outside the boundary of a nation

(1-a,2-c,3-b,4-d)

7. Match the following concepts of International Business:

A

1. International business
2. Business stakeholders
3. Domestic business
4. West Bengal

B

- a) Between two regions
- b) Specialises in jute products
- c) Shareholders
- d) Trade and production of goods and Services.

(1-d,2-c,3-a,4-b)

8. Match the scope of the International Business:

A

1. Merchandise
2. Franchising
3. Licensing
4. Invisible trade

B

- a) Intangible Services
- b) permitting party to produce goods under your trademark.
- c) Tangible goods
- d) permitting party to provide services Under your trademark.

(1-c,2-d,3-b,4-a)

9. Match the benefits of International business

A

1. International business

B

- a) Produce what your country can produce Efficiently.

2. Only domestic consumption

b) Few South Asian countries

3. Star performers on World map

c) Restrict the country's growth

4. Principle of foreign business

d) Helps in earning foreign exchange

(1-d,2-c,3-b,4-a)

10. Match the benefits of International business towards firms:

A

1. International business

B

- a) Able to utilize their production

Capacity

2. Business flourish

- b) Foreign customers

3. Helps in procuring

- c) More profitable than domestic

Business

4. Firms

- d) Demand in domestic market s

Saturated.

(1-c,2-d,3-b,4-a)

Topic: Export Trade – Meaning and Procedure

1. Match the following documents with the concerned authorities-

- | | |
|----------------------------|--------------------------|
| (a) Shipping Order | (i) Excise Commission |
| (b) Inspection Certificate | (ii) Captain of the ship |
| (c) Railway receipt | (iii) EIA |
| (d) Excise Clearance | (iv) Railway authorities |

(a-ii) (b-i) (c iv) (d-iii)

2. Match the following documents with the information contained in it-

- | | |
|---------------------------|---|
| (a) Performa Invoice | (i) Specifies the country in which the goods are being produced |
| (b) Shipping Bill | (ii) Contains all information about goods. |
| (c) Export invoice | (iii) Contains information about price. |
| (d) Certificate of origin | (iv) particulars of goods being exported. |

(a-iii) (b-iv) (c-ii) (d-i)

3. Match the documents with the issuing agencies in export procedure-

(a) Export inspection Agency	(i) Safeguard against risk of non payment
(b) Engineering export promotion council	(ii) Promote and develop exports of different categories of product
(c) Directorate General Foreign Trade	(iii) Import Export code
(d) Export credit & Guarantee Corporation	(iv) Inspection Certificate

(a-iv) (b-ii) (c-iii) (d-i)

4. Match the following documents with their significant usage-

(a) Carting order	(i) Refund of excise duty
(b) Duty Drawback	(ii) Document which the exporter undertakes to identify the bank if payment is not received from the importer.
(c) Letter of credit	(iii) Gaurantees issued by importers bank.
(d) Letter of Indemnity	(iv) Permit of the entry of the cargo inside dock

(a-iv) (b-i) (c-iii) (d-ii)

5. Match the following steps with their next step-

(a) Receipt of enquiry	(i) Export Licence
------------------------	--------------------

(b) Letter of credit	(ii) Receipt of order
(c) Procurement of goods	(iii) Inspection certificate
(d) Certificate of origin	(iv) Shipping order

(a (ii)),(b(i)),(c(iii)),(d(iv))

Topic: Import Trade – Meaning and Procedure

1) Match the documents given below with the authorities issuing the same.

- | | |
|------------------------------------|---|
| 1. Trade enquiry. | (a) Regional import Export Licensing Authorities. |
| 2. Quotation. | (b) Importing firms. |
| 3. Import Export Code (IEC) number | (c) Exporting Firm. |
| 4. Shipment advice. | (d) Overseas supplier. |

Ans. 1-b, 2-c, 3-a, 4-d

2) Match the documents provided in column A with its importance in column B below

- | Documents(A) | Importance(B) |
|------------------------------------|--|
| 1. Bill of lading. | (a) Required to be mentioned on most of the import documents. |
| 2. Proforma invoice | (b) Unloading of cargo takes place. |
| 3. Import Export Code (IEC) number | (c) Contains details as to the quality, grade, size of the products. |
| 4. Import general manifest. | (d) Contains terms and conditions on which the goods are to be taken to the port of destination. |

Ans. 1-d, 2-c, 3-a, 4-b.

3) Match the procedural steps with the activity.

- | | |
|--------------------------------|---|
| 1. Import procedure. | (a) Loading the goods on the vessel-Information about invoice number, bill of lading, port of export-receiving permission dispatch to the importer. |
| 2. Export procedure. | (b) Obtain delivery order-pay freight charges-pay dock dues-bill of entry. |
| 3. Receipt of shipment advice. | (c) Trade enquiry-procurement of import license-obtaining letter of credit-arrival of goods. |

4. Customs clearance and release goods.

(d) Receipt of enquiry-Indent-obtaining pre-shipment finance-customs clearance.

Ans. 1-c, 2-d, 3-a, 4-b.

4) Match the features with the documents given below.

1. Proforma invoice

(a) Obtain an import export code number.

2. Procurement of import license.

(b) Contains details as to the quality, grade, design, size, weight and price of the export product.

3. Bill of entry.

(c) Specifies dock dues by the Importer.

4. Dock Challan.

(d) Assessment of customs import duty.

Ans. 1-b, 2-a, 3-d, 4-c.

5) Match the documents needed in the international trade with its synonyms given below:

1. Receipt of order

(a) Export Order

2. Export Contract

(b) Endorsement for delivery

3. Delivery Order

(c) Documentary bill of exchange against acceptance.

4. Usance Draft

(d) Indent

Ans. 1- d , 2- a, 3- b, 4- c

Topic: Documents involved in International Trade

1. Match the following documents related to International Trade with their issuing authority-

I. Mate's Receipt	a. Issued by Government
II. Export Invoice	b. Commander of the ship
III. Certificate of Payment	c. Seller (Exporter)
IV. Certificate of Inspection	d. Bank

Ans : I-b, II-c, III-d, IV-a

2. Match the documents given below with the type of information they carry.

I. Packing List	a. Quality of goods
II. Mate'	b. Registration number of vehicle

III. Cart Chit	c. Nature of goods
IV. Certificate of Inspection	d. Condition of the Cargo

Ans: I-c, II-d, III-b, IV-a

3. Match the following documents with their issuing authority-

I. Usance Draft	a. Custom Office
II. Bill of Entry	b. Importer
III. Bill of Landing	c. Drawer
IV. Indent	d. Master of Ship

Ans: I-c, II-a, III-d, IV-b

4. Match the information given below with their relevant documents-

I. Country in which the goods are produced	a. Shipment Advice
II. Quality of Goods	b. Certificate of Origin
III. Description of goods and quantity	c. Trade Inquiry
IV. Written request by the Importer	d. Certificate of Inspection

Ans: I-b, II-d, III-a, IV-c

5. Match the following documents with the suitable category-

I. Export Invoice	a. Document related to payment
II. Marine Insurance Policy	b. Document related to goods
III. Bank Certificate of Payment	c. Import Document
IV. Dock Challan	d. Document related to shipment

Ans: I-b, II-d, III-a, IV-c

Topic: World trade Organisation

1. With the organization with its objective

(1) World Trade Organization (a) to provide orderly international monetary system

(2) General Agreement on Tariffs (b) to provide finance to the private sector and Trade

(3) World Bank (c) facilitates international business and trade

(4) International Monetary Fund (d) to liberalize the world from high customs tariffs

(Ans 1-D, 2-B, 3-A, 4-C)

2. Match the establishment dates with the Organization

(1) 1st Jan 1948 (a) World Trade Organization

(2) 1944 (b) International Monetary Fund

(3) 11th Dec. 2005 ©) General Agreement on Tariffs and Trade

4) International Monetary Fund (d) World Bank

(Ans1-C, 2-D,3-A,4-B)

3. Match the problems/objectives with its organisation:

1. To solve problems between two countries (a) inception of the World Trade Org.
and providing for multilateral trade negotiations

2. Helps fostering growth of developing countries (b) Objectives World Trade Org.
by providing them with special and
preferential treatment in trade related items

3. Formed at the Bretton Woods Conference (c) works on similar objectives

4. General Agreement on Tariffs and Trade (d) Benefits of World Trade Org
And World Trade Org

(Ans1-B, 2-D,3-A,4-C)

4. Match the objectives with its organisation

1. Has a global status similar to that of International Monetary Fund and World Bank	(a) Is the successor of General Agreement on Tariffs and Trade
2. The objectives of General Agreement on Tariffs and Trade and World Trade Organization	(b) world Trade Organization
	© more specific and Extended
	(d) international monetary fund

(Ans1-B, 2-C)

5.Match the objectives with its organisation-

1.To ensure reduction of tariff and other barriers imposed by different countries	(a)objectives of world Trade Organization
2.To engage in such activities which improve the standard of living ,create employment,increase income and effective demand and facilitate higher production and trade	(b)objectives of General Agreement on Tariffs and Trade.
	©Benefits of world Trade organisation
	(d)international monetary fund

(Ans1-C, 2-B)

CATEGORY E : Illustrative Questions

(1) Which document is prepared by the exporter to get the goods cleared from the customs before being loaded on the ship?



Shipping Bill

(2)To obtain an export licence the exporter needs to have which number issued by the following organization-



Import Export Code(IEC)Number

(3)For which certificate the exporter needs to approach the following agency-



Inspection Certificate

(4)Name the document to be issued by the authorities in the picture, which serves as a proof for the title of the goods.



Railway Receipt

(5) Which is the order that allows the port staff to unload the cargo to be moved to the port area?



Carting Order

6. By whom is the following document issued?

BILL OF ENTRY DETAILS

Bill of Entry#	654732	Total Amount Paid ₹4,100.00
Date	07 Aug 2017	
Port Code	INMAA1	
Paid Through	Petty Cash	

ITEM DETAILS	ASSESSABLE VALUE*	CUSTOM DUTY + ADDITIONAL CHARGES	TAXABLE AMOUNT	TAX
Galaxy	₹30,000.00 (13 x ₹30,000.00)	₹1,000.00	₹31,000.00	₹3,100.00

*Assessable Value = (Quantity x Rate) + Additional Charges if any

Ans: Custom Office

7. Identify the foreign trade depicted in the business cycle given below.



Ans : Import Trade

8. Who makes payment against the following document in foreign trade?

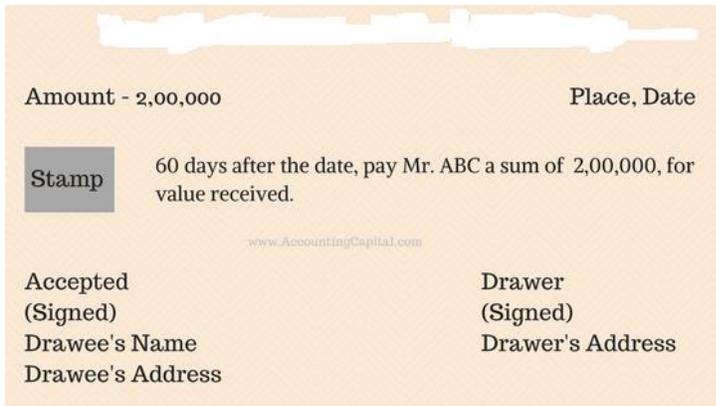
Dock Receipt Page 1 of 1

Bill of Lading		Invoice Number	
Commodity Description		Commodity Reference	
Machinery		Packaging	
Machinery		Machinery	
Place of Receipt		Destination	
Place of Loading		Loading/Unloading	
Place of Receipt on Carrier		Place of Receipt	
Mark and Number	No. of Pkgs	Weight	Measurements

Declared By: _____
 Received by: _____
 Date: _____
 Time: _____
 Place: _____
 Signature: _____
 Date: _____
 Printed on: _____
 This document created using Shipping Solutions Professional export software: www.shipsolutions.com

Ans: Importer

9. Identify the following document.



Ans: Bill of Exchange

10. What is the connection between the images given below.



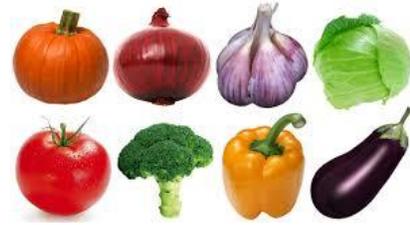
Ans: The headquarter of the organization is situated in the country mention.

11. Which document produce in this image by caption of ship?



(shipping bill)

12. What things we are mostly supply from darzling?



(coffee)

13. Which one is the main source of import the good from another country



(ship)

14. What we are import form IRAQ?



(Petrol)

15. What is the format of shipping bill?



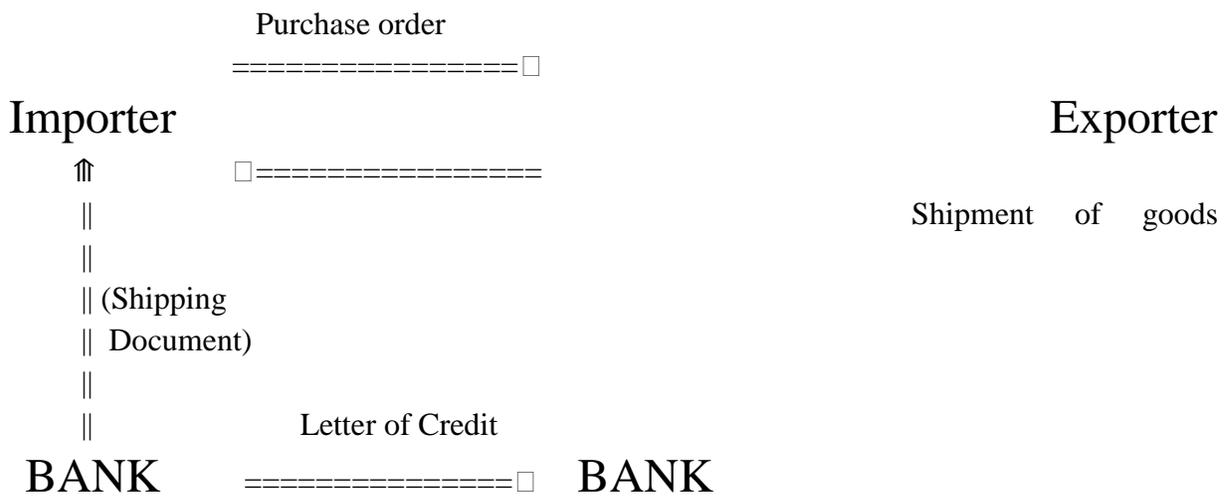
Ans. (1) Import, (2) Export.

17. List the next 2 steps involved after the one mentioned below of one of the type of trade.

Trade Enquiry => Procurement of import license => ?(1) => ?(2) .

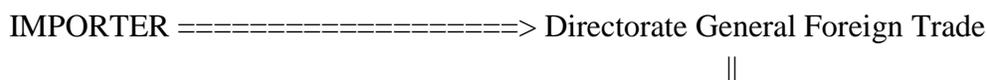
Ans. (1) Obtaining foreign exchange, (2) Placing order or indent.

18. The following chart depicts the process of a trade transaction and identify the type of trade.



Ans. Import trade procedure.

19. Identify the step of the import procedure highlighted below.

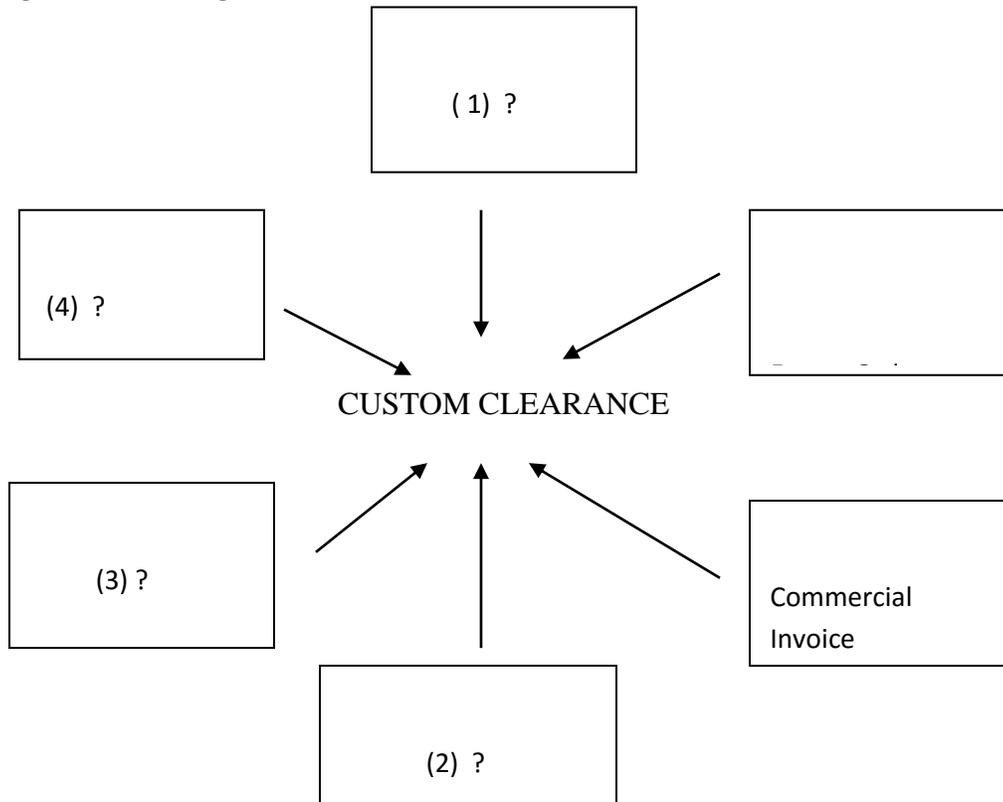


||
||
||
V
(?)

(This is required to be mentioned on most of the documents)

Ans. Procurement of Import License.

20. The exporter prepares the shipping bill and submits it with certain other documents during the export procedure. Name the four more documents other than the ones given in the diagram below.



Ans: 1- Letter of Credit , 2- Certificate of Origin, 3- Certificate of Inspection ,
4 Marine Insurance Policy.

PICTORIAL QUESTIONS

21. Identify the International currency which is commonly used in International business





Ans D

22. Identify the factors of production:



Ans Land, Labour, Capital, Land Managerial skills

23. Identify which one is not a global company:



Ans Muthoot Finance

24. Identify which is not a joint venture company:



Ans.

25. Identify the apex bank responsible to give permission to open bank account for international business:



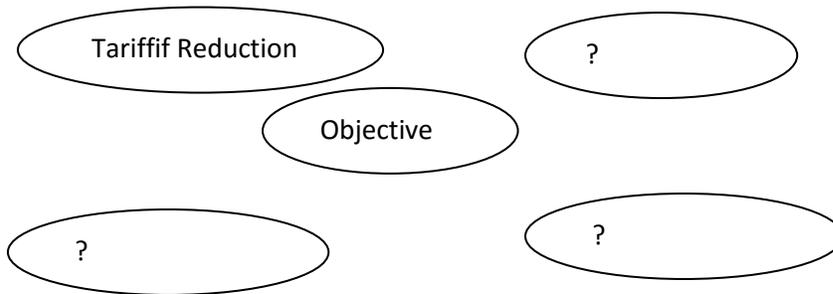
Ans. RBI

26. Fill the factors of production



Ans. Land, Labour, Capital and Entrepreneurial skills

27. State the objectives of WTO-



Ans optimum use of resource, integrated trade and increase in employment

28. Identify International bank which is responsible for Reconstruction and Development.



Ans World Bank

29. Identify country where the headquarters of WTO is situated.



Ans SWITZERLAND

30 Identify the logo-



(ans:WTO)

31. How is GATT associated with WTO.



(ans: WTO originates from GATT)

32. Select the correct number of member countries registered with the World Trade Organisation.

Ans 149 members

33. Identify the type of trade depicted in the picture-