

I. CHOOSE THE BEST ANSWER:

1. The Primary objective of a business is

- (a) Making Profit (b) Not making Profit
(c) Special Skill (d) None of the above

2. Occupation of a Doctor is

- (a) Employment (b) Business (c) Profession (d) Sole Proprietor

3. The following does not characterize business activity?

- (a) Production of goods and services (b) Presence of risk
(c) Sale or exchange of goods and services (d) Salary or wages

4. Activities undertaken out of love and affection or with social service motive are termed as:

- (a) Economic activities (b) Monetary activities
(c) Non-Economic activities (d) Financial Activities

II. VERY SHORT ANSWER QUESTIONS

1. Define Economic Activities.

Activities undertaken with the object of earning money are called economic activities.

2. What do you mean by Business?

Business refers to "Economic activities performed for earning profits."

- James Stephenson

3. Define Profession.

It includes professional activities which are subject to guidelines or codes of conduct laid down by professional bodies

4. What do you mean by Employment?

It refers to the occupation in which people work for others and get remuneration in the form of wages or salaries.

III. SHORT ANSWER QUESTIONS:

1. What do you mean by human activities? Explain.

I. Economic Activities

Activities undertaken with the object of earning money are called economic activities.

Examples:

- Production of goods by manufacturers
- Distribution of goods by wholesalers
- Selling by retailers

II. Non-Economic Activities

Activities undertaken to satisfy social and psychological needs are called non-economic activities.

Examples:

- ❖ Cooking food for family
- ❖ Celebrating festivals
- ❖ Doing meditation

2. Write short notes on: a) Business b) Profession

a). Business:

- ➔ To any human activity undertaken on a regular basis with the object to earn profit through production, distribution, purchase and sale of goods and services.
- ➔ Economic activities performed for earning profits.” - **James Stephenson**

b). Profession:

- ✱ Professions are those occupations which involve rendering of personal services of a special and expert nature.
- ✱ A profession is something which is more than a job. It is a career for someone who is competent in their respective areas.

3. Explain the concept of ‘Business’.

- ➔ Business refers to any human activity undertaken on a regular basis with the object to earn profit through production, distribution, purchase and sale of goods and services.
- ➔ “Economic activities performed for earning profits.” - **James Stephenson**
- ➔ Business activities are connected with raising, producing or processing of goods.

4. Briefly state the human objectives of a business.

i). Economic Objectives

- ▲ It refers to the objective of earning profit.
- ▲ To be pursued to achieve the profit objective,

ii). Social Objectives

- Desired to be achieved for the benefit of the society.
- No activity of the business should be aimed at giving any kind of trouble to the society.

iii). Human Objectives

Its include economic well-being of the employees, social satisfaction of employees and development of human resources.

IV. LONG ANSWER QUESTIONS

1. Explain the characteristics of Business.

i. Production or Procurement of Goods:

- ↔ Goods must be produced or procured in order to satisfy human wants.

ii. Sale, Transfer or Exchange:

- There must be sale or exchange of goods or services.
- When a person weaves cloth for his personal consumption, it is not business because there is no transfer or sale.

iii. Dealing in Goods and Services:

- ↔ Goods produced may be consumer goods like cloth, pen, brush, bag etc.,
- ↔ Services refer to activities like supply of electricity, gas or water, transportation, banking, insurance.

iv. Regularity of Dealings:

- ♥ An isolated dealing in buying and selling does not constitute business.
- ♥ The transactions must be regular.

v. Profit Motive

- ↔ An important feature of business is profit motive. Business is an economic activity by which human beings make their living.
- ↔ It is in fact, the attraction of profit which spurs people to do business.

2. Compare business with profession and employment?

S.no	Transactions	Business	Profession	Employment
1	Qualifications	No qualification	Qualification must	Minimum qualification
2	Basic Motive	Earning profits	Service	Earning wages or salary
3	Capital	Small capital	Limited capital	No capital required
4	Risk	Uncertain	Certain	Fixed
5	Transfer of Interest	Possible	Not possible	Not transferable

3. Discuss any five objectives of business?

i. Economic Objectives:

- ✱ To the objective of earning profit.
- ✱ To achieve the profit objective, this includes creation of customers, regular innovations and best possible use of available resources.

ii. Social Objectives:

- ♠ It's desired to be achieved for the benefit of the society.
- ♠ Since business operates in a society by utilizing its scarce resources,

iii. Organizational Objectives:

- ✱ It's an organization intends to accomplish during the course of its existence in the economy like expansion and modernization, supply of quality goods to consumers, customers' satisfaction.

iv. Human Objectives:

- ♠ It's aimed at the well-being as well as fulfillment of expectations of employees as also of people who are disabled, handicapped and deprived of proper education and training.
- ♠ It may thus include economic well-being of the employees, social satisfaction of employees.

v. National Objectives:

- ✱ To provide employment opportunity to its citizen for earn revenue.
- ✱ Business activities should be conducted keeping these goals of the country in mind.

4. Distinguish between economic and non economic activity.

S.no	Transaction	Economic Activity	Non-Economic Activity
1	Motive	Sole motive is to earn money or financial gain.	Undertaken for satisfaction of social, psychological or emotional needs.
2	Money Measurement	It can be valued.	It cannot be valued.
3	Relationship	To creation of wealth.	Do not create wealth.
4	Duration	It's repetitive.	It's not repetitive.
5	Source of Initiation	To satisfy human needs and wants	To the satisfy emotional pleasures.

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