



MORE QUESTIONS SOLVED

I. Very Short Answer Type Questions [1 Marks]

Question 1. What is symbol of life?

Answer: Activity is the symbol of life.

Question 2. "Human life is centered on activities which help in satisfying their diverse needs". Why?

Answer: Human life is centered on activities which help in satisfying their diverse needs because the activities are performed with some objectives, i.e. either to satisfy unlimited human wants or to earn for livelihood.

Question 3. List few categories of unlimited human requirements.

Answer: Unlimited human requirements are physical, emotional, religious, social, psychological.

Question 4. Describe the economic system of ancient societies.

Answer: Ancient societies were simple, satisfied and self-sufficient. Each family managed to satisfy their basic needs by self. Due to self-sufficiency, business did not exist during that period.

Question 5. When did business evolved?

Answer: Business emerged when self-sufficiency disappeared. This is because business evolved as a medium for exchange of goods or services for mutual benefit in absence of self-sufficiency.

Question 6. Explain the term 'business'.

Answer: Business is derived from the term 'Busy-ness', meaning people are engaged in certain activities. Thus business is, "the state of being busy in making, distributing or providing of any goods or services which other members of the community need."

Question 7. Define business.

Answer: "Business may be defined as an activity in which different persons exchange something of value, whether goods or services, for mutual gain or profit." —Peterson and Plowman.

Or

Business is "the state of being busy in making, distributing or providing of any goods or services which other members of the community need."

Question 8. Business is an institution. How?

Answer: "Business is an institution organized and operated to provide goods and services to the society under the incentive of private gain."

Question 9. What does Business involve?

Answer: Business involves production, processing, sale or exchange of goods and services at regular basis and aim at earning profit.

Question 10. What are the two categories of the range of activities performed under business?

Answer: The range of activities performed under business can be classified under two categories:

(i) Industry (ii) Commerce

Question 11. Give example of A group of firms producing similar or related goods.

Answer: Textile industry, film industry, etc.

Question 12. Define industry.

Answer: Industry refers to all economic activities involved in converting raw materials into finished products which are ultimately consumed by consumers.

Question 13. According to nature of activities performed, the industries are classified into which categories?

Answer: Primary industry and Secondary industry.

Question 14. What does primary industry include?

Answer: Primary industry includes those activities which are concerned with extraction, producing and processing or extraction of natural resources.

Question 15. What do you mean by Genetic industry?

Answer: Genetic industry is the industry related to the re-producing and multiplying of certain species of animal and plants with the object of earning profits from their sale.

Question 16. Give the example of Genetic industry.

Answer: Nurseries, cattle breeding fish hatcheries, poultry farms, etc.

Question 17. What do you mean by Extractive industry? Give examples.

Answer: Extractive industry is the one which is engaged in raising some form of wealth from the soil, climate, air, water or from beneath the surface of the earth. For example, agriculture, fishing, hunting, mining, etc.

Question 18. What are secondary industries?

Answer: Secondary industries are the industries which are concerned with the changing forms or transformation of the materials provided by primary industries.

Question 19. Give the examples of secondary industries.

Answer: Manufacturing gold jewellery, refining crude oil into kerosene, cement, paint, soap, etc.

Question 20. What are the various types of secondary industry?

Answer: Various types of secondary industry are : A. Manufacturing, B. Construction, C. Tertiary or Service.

Question 21. Write two features of construction industry.

Answer:

1. It deals in creation of infrastructure.
2. Engineering and architectural skills are involved.

Question 22. Define trade.

Answer: Trade is referred as the nucleus of commerce around which other aids/auxiliaries revolve.

Question 23. Give the two classes of commerce.

Answer: Commerce can be classified into two classes: A. Trade B. Auxiliaries.

Question 24. What do you mean by internal trade? Name its types.

Answer: Internal or home trade is the buying and selling of goods within the boundaries of a country, i.e. inside a nation. Home trade is classified as: (a) Wholesale (b) Retail.

Question 25. Define 'Entre pot Trade'.

Answer: It is the purchasing or importing goods from one country to

be sold or exported to some other country.

II. Short Answer Type Questions [2/3 Marks]

Question 1. Describe the characteristics of business.

Answer: Following are the characteristics of business :

- Economic activity: It is an economic activity, which is done with the motive to earn money.
- Production: It deals in either production, purchase, procurement of goods or renders service or both.
- Satisfaction of human want: All the activities performed are for satisfying human wants.
- Regularity: In business, activity is performed on regular basis.
- Profit: Profit earning is the primary aim of an business.
- Risk: Business involve risk of incurring losses or earning inadequate profits.

Question 2. What does business include?

Answer: Business' includes the activities related to the production and distribution of goods and services including all those activities which indirectly help in production exchange of goods such as Transport, Insurance, Banking, Warehousing, Advertising, etc.

Question 3. What are the various categories of business activities?

Answer: Business activities can be divided into following five categories:

- Production of goods
- Rendering of services
- Distribution of goods
- Rendering distribution assistance
- Rendering financial assistance.

Question 4. Explain the term 'Industry'.

Answer: Industry refers to all economic activities involved in converting raw materials into finished products which are ultimately consumed by consumers. It includes:

- Manufacturing of goods, i.e. connected with conversion of resources into useful goods.
- Growing, producing, processing, assembling, extracting, constructing, fabricating, breeding, etc. of products.
- Imparting utility to goods using mechanical appliances and technical skills.
- A group of firms producing similar or related goods, e.g. textile industry, film industry, etc.

Question 5. What are the two types of goods which are the final outcome of any industrial activity?

Answer: "Goods" which are the final outcome of any industrial activity are of following two types:

1. Producer's Goods: The goods produced by one enterprise and used by other enterprises as raw material for further production, for example plant and machinery, equipment, tools, etc.
2. Consumer Goods: The goods used by final consumers for deriving personal satisfaction, for example; jams, clocks, edible oil, etc.

Question 6. Give the features of manufacturing.

Answer: Following are the main features of manufacturing:

- (i) Engaged in the conversion of raw materials into semi-finished or finished goods.
- (ii) Creates firm utility in goods produces by either genetic or extractive industries.
- (iii) Most of the goods which are used by consumers are produced by manufacturing industries.

Question 7. What is processing?

Answer: The industry in which the finished product of one process becomes the raw material of the receiving process and soon the final process produces the finished goods, for example cotton passes through ginning, weaving, dyeing to make cloth as a final product.

Question 8. Explain in brief construction industry.

Answer: Construction industry deals in creation of infrastructure for the smooth development of the economy. It is concerned with the construction of buildings, dams, roads, bridges, canals, etc. Engineering and architectural skills play a leading role in this industry.

Question 9. What do you mean by tertiary industry?

Answer: Service industry comprises of activities concerned with the rendering of services which help other businesses. These serve as the back bone of modern industrial system.

They help in removing various hindrances which arise during the production and distribution of goods and services and deals with:

- Transport facilitates
- Banking
- Insurance
- Warehousing
- Advertising.

Question 10. Give the features of Commerce.

Answer:

1. It deals with activities which facilitate exchange of goods/services.
2. It deals with transfer of goods from one place of production to ultimate consumers.
3. It helps to break the barriers between producers and consumers.
4. Time place and possession utilities are created.

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