



MORE QUESTIONS SOLVED

I. Very Short Answer Type Questions

Question 1. Name any two institutions specially set up to promote small scale enterprises.

Answer: SIDBI and SIDO

Question 2. Give full form of SIDBI.

Answer: Small Industries Development Bank of India

Question 3. Give full form of NABARD.

Answer: National Bank for Agriculture and Rural Development

Question 4. Give one feature of Cottage Industries.

Answer: These are rural-based industries owned and operated by individuals who invest their private resources in these units.

Question 5. Give any two incentives offered by the Government to small scale industries.

Answer:

- (a) Land: In order to encourage the establishment of industries in backward areas, the government provides land plots at concessional rates, especially to industrialists in backward regions.
- (b) Power: Power is an essential requirement for the functioning of business enterprises.

Question 6. What is the investment limit for SSI?

Answer: Rs. One crore (Rs 5 crore for specified 71 products)

Question 7. Give any two problems faced by SSI.

Answer: Obsolete technology and lack of marketing facilities

Question 8. Discuss any two characteristics of SSI.

Answer:

- They are run as sole proprietorship or partnership.
- Normally they use labour intensive methods.

Question 9. Name the institution which was set up in 1982 to promote integrated rural development.

Answer: National Bank for Agriculture and Rural Development

Question 10. Name any two units included in SSI category.

Answer: Export oriented units and Ancillary units

Question 11. What is the role of National Small Industries Corporation for the growth of small business units in India?

Answer: It promotes, provides aid and fosters the growth of small business units in the country. This focuses on the commercial aspects of these functions.

Question 12. Name the apex bank set up to provide direct and indirect financial assistance to small scale sector.

Answer: Small Industries Development Bank of India

Question 13. What is the role of District Industries Centre for the growth of small business in India?

Answer. District Industries Centers programme was launched on May 1, 1978 with a view to providing an integrated administrative framework at the district level which looks at the problem of industrialisation in the district.

Question 14. How much do small industries in India account for the total industrial units?

Answer: 95%

Question 15. What is the parameter used by the government to identify service enterprise?

Answer: An industry is a micro enterprise if investment in equipment does not exceed Rs 10 lakhs. An industry is a small enterprise if investment in equipment is more than Rs 10 lakhs but does not exceed Rs 2 crore. An industry is a medium enterprise if investment in equipment is more than Rs 2 crore but does not exceed Rs 5 crore.

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