

FOCUS AREA BASED ON PREVIOUS AND EXPECTED QUESTIONS ,
ANSWERS OF PLUS ONE BUSINESS STUDIES 2020-2021

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Chapter 3

BUSINESS SERVICES

1.Name the warehouse which is used to keep imported goods till the customs duty is paid.

a) Government Warehouse b) Public Warehouse. c) Bonded Warehouse. d)Private Warehouse.

Ans:c) Bonded Warehouse.

2. are licenced by the government to accept imported goods prior to payment of tax and customs duty.

a. Co-operative warehouse b. Private warehouse c. Bonded warehouse d. Govt. Warehouse .

Ans: c. Bonded warehouse.

3. The principle of indemnity is not applicable to insurance.

a. Fire b. Marine c. Life . d. Freight.

Ans: c. Life.

4. Identify the type of e- Business transaction listed below.?

a. Kamal withdraws money from ATM.

B .Mohini sold her old watch on e-bay.

c. Tata motors bought tyres from MRF.

Ans:a. Kamal withdraws money from ATM.

5. Name the bank account with over draft facility.....

Ans: Current A/c.

6.Transportation removes the hindrance of in trading activities.

a) Place. b) Time. c) Risk. d) Finance.

Ans:a) Place.

7.“I am a warehouse licenced by the government to accept imported goods prior to payment of tax and customs duty.” Who am I?

Ans: c. Bonded warehouse.

8.Explain the major functions of Commercial Banks in India.? (5 / 8 scores)

Ans:The important functions are:

(i) Acceptance of deposits: It accepts deposits from the public in the form Fixed Deposits, Savings Bank Deposits, Current Deposits, Recurring Deposits etc.

(ii) Lending of funds:Lending of money is the main business of commercial banks and the interest charged on such advances is the main source of income. It may be in the form of cash credit, overdraft, discounting of bills, term loans etc.

(iii) Cheque facility: Banks render a very important service to their customers by collecting their cheques drawn on other banks. The cheque is the most developed credit instrument, a unique feature and function of banks for the withdrawal of deposits.

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(iv) Remittance of funds: Another salient function of commercial banks is of providing the facility of fund transfer from one place to another, on account of the interconnectivity of branches.

(v) Allied services: In addition to above functions, banks also provide allied services such as bill payments, locker facilities, underwriting services. They also perform other services like buying and selling of shares and debentures on instructions and other personal services like payment of insurance premium, collection of dividend etc.

9. Explain the following principles of insurance.

(4/ 8 scores)

a. Causa Proximate

b. Utmost Good faith

c. Mitigation of loss.

d. Contribution.

Ans: a. Proximate Cause: According to this principle, an insurance policy is designed to provide compensation only for such losses as are caused by the perils which are stated in the policy.

b. Utmost good faith: A contract of insurance is a contract of uberrimae fidei i.e., a contract founded on utmost good faith. Both the insurer and the insured should display good faith towards each other in regard to the contract.

c. Mitigation: This principle states that it is the duty of the insured to take reasonable steps to minimise the loss or damage to the insured property.

d. Contribution: As per this principle, it is the right of an insurer who has paid claim under an insurance, to call upon other liable insurers to contribute for the loss of payment.

10. List out any 4 allied services provided by commercial banks? (2 / 4 scores)

Ans: **bill payments, locker facilities, underwriting services, payment of insurance premium, receipts of interest and dividend** etc.

11. Explain the functions of commercial banks.?

(5 / 8 scores)

Ans: **Functions of commercial bank.**

12. The most widely used payment mechanism for online transaction is....

a. Cheque b. Cash on Delivery c. Digital Cash d. Credit or Debit card.

Ans: b. **Cash on Delivery.**

13. Explain any four principles of insurance.?

(4 / 8 Scores)

Ans: **Any 4 principles.**

14. Explain any 4 types of warehouses?

(4 / 8 Scores)

Ans: **(i) Private warehouses:**

Private warehouses are operated, owned or leased by a company handling their own goods.

(ii) Public warehouses:

Public warehouses can be used for storage of goods by traders, manufacturers or any member of the public after the payment of a storage fee or charges. These warehouses provide other facilities also, like transportation by rail and road. They are responsible for the safety of the goods. They have to obtain a license and their working is subject to some government regulations.

(iii) Bonded warehouses:

Bonded warehouses are licensed by the government to accept imported goods prior to payment of tax and customs duty. These are goods which are imported from other countries. Importers are not permitted to remove goods from the docks or the airport till customs duty is paid. These warehouses have facilities for branding, packaging, grading and blending.

(iv) Government Warehouses –These warehouses are fully owned and managed by the government. E.g. Central and State Warehouses, FCI, STC etc.

(v) Co-operative Warehouses – They are owned by co-operative undertakings. Some marketing cooperative societies or agricultural cooperative societies have set up their own warehouses for members.

15. What is meant by e-Business: (2 scores)

Ans:**Electronic banking or internet banking** means that, any user can get connected to the bank's website to perform banking operations and services with help of a computer or mobile phone.

16. "Modern Technology helped Banks a lot". Substantiate your answer?. (4 / 5 scores)

Ans:**Benefits of E-Banking**

- a. E-banking facilitates digital payments and promotes transparency in financial statements.
- b. e-banking provides 24 hours, 365 days a year services to the customers of the bank;
- c. Any where banking is possible (either at home, or office)
- d. It Creates financial discipline.
- e. It helps to reduce work load on branches.

17.FCI is an example of ---- warehouse.

Ans: **Govt. Warehouse**

18.Expand the term " EFTS".

Ans: **Electronic Fund Transfer System.**

19. Find the odd one.

- a. Fixed Deposits b. Savings Deposits c. Current Deposits d. Bank over draft.

Ans:d. **Bank over draft.**

20. A warehouse which is used by the traders , manufacturers etc. Of the public after the payment of a storage fee or charge. Identify the warehouse?

Ans: **Public Warehouse.**

21. Discuss insurance ? (2 Scores)

Ans:**It is a contract or agreement under which one party agrees in return for a consideration to pay an agreed amount of money to another party to make a loss, damage or injury to something of value in which the insured has a pecuniary interest as a result of some uncertain event.**