

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

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**Chapter – 8**

**Internal Trade**

1. ----- is the final stage in the distribution channel of goods.

Ans: **Retail trade.**

2. Coin operated weighing machines seen in Railway station are examples for ----- in retailing.

Ans: **Vending machines.**

3. Suggest two products which are suitable for dealing through vending machines.

Ans: **Newspaper, plat form ticket, milk, soft drink, chocolates etc..**

4. Find the odd one.

a. General Stores, b. Speciality Shop, c. Street stall holders. d. Cheap Jacks.

Ans: **d. Cheap Jacks.**

5. Find the odd one-----

a. Hawkers .b. Speciality shop . c. Market traders d. Cheap jacks.

Ans: **b. Speciality shop.**

6. Identify the type of retailers highlighted in the following statement.

a. Hari sells second-hand books in Tvm city.

Ans. **Second-hand goods.**

7. Identify the type of retail outlets that sells their goods through mail from the following.

a. Mail order house .b. Departmental store . c. Supermarkets. d. Multiple Shop.

Ans: a. **Mail order house.**

8. Name any two types of products which are suitable for vending machines?

Ans: **Newspaper, plat form ticket, milk, soft drink, chocolates etc..**

9..... is the link between wholesaler and customer,

a) Manufacturer. b) Supplier. c) Retailer. d) None of these

Ans: **c) Retailer.**

10. Explain the features of departmental stores.?

Ans: **A departmental store is a large establishment offering a wide variety of products classified into well- defined departments, aimed at satisfying practically every customer's need under one roof and one management. Each department deals in separate line of goods. Departmental store sells everything from 'a pin to elephant'.**

## Features

- They provide additional facilities like restaurant, telephone booth, rest room, play area etc.
- Usually located in central place of a big city.
- It is a large scale retail organization, generally formed as joint stock companies.
- Elimination of middlemen – They are making their purchases directly from the producers.
- Centralized purchases and decentralized selling.
- . Automatic mutual advertisement.
- .Lack of personal attention.

11-----traders are most commonly found in a local market and residential areas.

a. General Stores b. Speciality shops. c. Street stall holders. d. Second-hand goods shop

Ans: **General Stores.**

13.shops selling children's garments, men's wear, ladies shoes, toys and gifts, school uniforms etc. are the example of -----retail stores.

a. General Stores b. Speciality shops. c. Street stall holders. d. Second-hand goods shop.

Ans: b. **Speciality shops.**

14. Selling of used cars or scooters or motorcycles , etc is an examples of.....

a. General Stores b. Speciality shops. c. Street stall holders. d. Second-hand goods shop.

Ans:d. **Second-hand goods shop.**

15. Vinod , an Indian trader is engaged in the business of importing goods from France and exporting the same to America. The category of trade Vinod doing is--

a. Export trade. b. Import trade. c. Entrepôt trade d. Wholesale trade.

Ans: c. **Entrepôt trade.**

16. Absence of salesman is an important feature of this shop. Identify this shop.

Ans: **Supermarket.**

17. Street traders are otherwise called-----

Ans:**pavement vendors.**

18.It is a retail shop which provides variety products under one roof. Identify this shop?

Ans: **Departmental stores.**

19. It is a retail shop to ' Needle to an aeroplane' or 'all shopping under one roof.' Identify this shop?

Ans: **Departmental store.**

20.Everything from 'a pin to an elephant' is the spirit behind of----- retail shop.

Ans:**Departmental Store.**

21.---is an example of retail shops 'Spencers' in Chennai.

Ans: **Departmental Store.**

22. Explain Chain stores , its merits and demerits

Ans: Chain stores or multiple shops are networks of retail shops that are owned and operated by manufacturers or intermediaries. Under this type of arrangement, a number of shops with similar appearance are established in localities, spread over different parts of the country. These different shops normally deal in standardised and branded consumer products, which have rapid sales turnover.

### Advantages

- Economies of large scale buying – Centralized purchase attracts higher discount, low transportation cost, common advertisement etc.
- Elimination of middlemen – Direct bulk purchase from producers.
- No bad debts – They follow cash and carry system.
- Diffusion of risk – Loss in one shop may be compensated by the profits in other shops.
- Low cost – Low cost of operation because of economies of scale.
- Flexibility – Unprofitable branches can be shifted to somewhere else.

### Limitations

- Limited choice – as they deal in one or two lines of goods.
- Lack of initiative and motivation – Due to centralized control, there is only less chance for initiatives from the part of the branch managers.
- No personal contact due to large scale operations.
- Risk due to change in taste and fashion lead to great loss.

23. A large retailing unit , selling a wide variety of consumer goods on low price and with self service concept. Identify it and mention any two features ?

Ans: Super market.

Features:

- A super market generally carries a complete line of food items and groceries, in addition to non-food convenience goods.**
- The buyers can purchase different products as per their requirements under one roof in such markets.**
- A super market operates on the principle of self-service.**
- The prices of the products are generally lower than other types of retail stores.**
- The goods are sold on cash basis only.**
- The super markets are generally located at central locations.**

24. Illustrate vending machines?

Ans: **Vending Machines**

Vending machines are the newest revolution in marketing methods. Coin operated vending machines are proving useful in selling several products such as hot beverages, platform tickets, milk, soft drinks, chocolates, newspaper, etc.,. ATM (Automated Teller Machine) is also a vending machine in banking business. They are suitable for selling pre-packed items of low priced products, with uniform size and weight. Initial cost of the machine, maintenance charges etc. are high. Another drawback is that the consumers cannot see the product before buying.

25. A commerce teacher, while going through the topic 'Internal trade' cites the examples of 'Bata Shoe Company', having its headquarters in Mumbai where it has its showrooms at different locations of the city as well as in various cities all over India. The products of the company carry the same price in all these showrooms.

a) Identify the type of shop cited in the example.

b) List any five advantages of such shops.

Ans: a. **Chain stores**

b. **Advantages of chain stores.**

- Economies of large scale buying – Centralized purchase attracts higher discount, low transportation cost, common advertisement etc.

- Elimination of middlemen – Direct bulk purchase from producers.

- No bad debts – They follow cash and carry system.

- Diffusion of risk – Loss in one shop may be compensated by the profits in other shops.

- Low cost – Low cost of operation because of economies of scale.

- Flexibility – Unprofitable branches can be shifted to somewhere else.

26. Differentiate between Departmental store and Multiple shop?

Ans: **Difference between Department store and multiple shop**

27. The retail shop which is not suitable for perishable type of goods.

a. General stores .b. mail order Business . c. Speciality shop. d. Second-hand shop.

Ans: b. **Mail order Business**

29. V P P stands for.....

ans: **Value Payable By Post.**

30. Consumer 's can buy 'Pin to Plane' from a .....

Ans: **Departmental Store**

31. If shopping is made under one roof, this type of trading is called----

Ans: **Departmental Store.**

32. The business which uses post office as the main agent for selling the goods is called-----

Ans: **Mail order business.**