

**PLUS ONE BUSINESS STUDIES
-OUT OF FOCUS AREA,
SOME IMPORTANT QNS. WITH
ANSWERS**

(OUT OF FOCUS AREA)

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1. Doctor: Medical Council of India
Chartered Accountant : (1)
Ans.: ICAI (Institute of Chartered Accountants of India)
2. Find the odd one: Clerk, Factory worker, Lawyer, Bank officer. (1)
Ans.: Lawyer (it is profession, all others are Employment)
3. Which one of the following is NOT related to general objectives of the business? (1)
a. Innovation b. Physical and financial resources c. Warehousing d. Productivity
Ans.: Warehousing
4. Mr. Sudheer a businessman incurred so many losses due to the dishonesty of his workers.
This loss is caused due to (1)
a) Natural cause b) Financial cause c) Human cause d) Economic cause
Ans.: Human Causes
5.is an initiative launched by the Government of India , to encourage national, as well as multinational companies to manufacture their products in India. (1)
Ans.: Make in India
6. The eldest member in a Joint Hindu Family Business(JHF) is known as..... (1)
Ans.: Karta
7. The liability of a minor partner is (1)
Ans.: Limited
8. The business operations in a Joint Hindu Family business is controlled by (1)
a. Partners b. Kartha c. Co- parceners d. Shareholders
Ans.: Karta
9. Government decided to sell the shares in Telecom department to private sector. This is an example of (1)
a) Disinvestment b) Memorandum of Undertaking c) Reconstruction d) Rehabilitation
Ans.: a) Disinvestment
10. A company in which not less than **51 per cent** of the paid up capital is held by the government is known as..... (1)
Ans.: Government Company

11. Expand PSU/PSE (1)
Ans.: Public Sector Undertaking/ Public Sector Enterprises
12. Relationship between public and private entities in the context of infrastructure and other services is known as..... (1)
Ans.: PPP (Public Private Partnership)
13. When the same subject matter is insured with more than one insurer, it is known as.... (1)
Ans.: Double Insurance
14. The type of policy is taken by employer of a business to cover risks arising out of fraud and dishonesty of his employees is known as..... (1)
Ans.: Fidelity insurance
15. Expand DTH. (1)
Ans.: Direct To Home
16. *The art of protecting information by transforming it into cypher text (an unreadable format) is known as.....* (1)
Ans.: Cryptography
17. Expand CSR (1)
Ans.: Corporate Social Responsibility
18. Is the socially determined moral principles which should govern business activities (1)
Ans.: Business Ethics
19. Which is considered as code of conduct of business. (1)
Ans.: Business Ethics
20. Expand CIN (1)
Ans.: Corporate Identity Number
21. Receive applications for a certain minimum number of shares before going ahead with the allotment of shares are known as..... (1)
Ans.: Minimum Subscription
22. are the shares issued to Directors (1)
Ans.: Qualification Shares

23. Expand DIN (1)
Ans.: Director Identification Number.
24. Expand OPC (1)
Ans.: One Person Company
25. Which is considered as the **apex bank** in the small business organisations. (1)
Ans.: SIDBI (Small Industries Development Bank of India)
26. The only international non-government organization of micro, small and medium enterprise in India is..... (1)
Ans.: WASME (World Association for Small and Medium Enterprises)
27. The institution formed with a view to promote, aid and foster the growth of small business units in India is..... (1)
Ans.: NSIC (National Small Industries Corporation)
28. Cottage industries are also known as..... (1)
Ans.: Rural Industries or Traditional Industries
29. **MSMED** Act stands for..... (1)
Ans.: Micro, Small and Medium Enterprise Development Act
30. is a kind of retail business which receives orders and delivers the articles through post.(1)
Ans.: Mail Order Houses
31. Expand GST (1)
Ans.: Goods and Service Tax.
32. With the aim of “**One Nation and One Tax**’, Government of India implemented From July 1, 2017. (1)
Ans.: Goods and Service Tax (GST)
33. Expand FDI (1)
Ans.: Foreign Direct Investment.
34. is the receipt **given by** the commanding officer of the ship (**Captain**) to the exporter after the cargo is loaded on the ship. (1)
Ans.: Mate’s Receipt

35. is a document wherein a **shipping company gives** its official receipt of the goods to the Exporter (1)
Ans.: Bill of lading
36.is the **document** filled by the importer at the time of **receiving the goods** and is to be submitted to the **customs office**. (1)
Ans.: Bill of Entry.
37. Expand EPZs (1)
Ans.: Export Processing Zones
38. Which among the following document relating to the payment in International business. (1)
a) Bill of entry b) Bill of lading c) Letter of credit d) Mates receipt
Ans.: c) Letter of Credit
39. 'A public sector undertaking formed by passing an Act in the Parliament.' Identify it. Give an example. (2)
Ans.: Statutory Corporation/Public corporation. Eg.:RBI, LIC, SBI..
40. Expand ADR and GDR. (2)
Ans.: American Depository Receipt, Global Depository Receipt.
41. Write a short note on DICs. (2)
Ans.: DICs (District Industries Centers): *This programme was launched on May 1, 1978, with a view to providing an integrated administrative framework at the district level. It provide all the services and support facilities to the entrepreneurs for setting up small and village industries. DICs are trying to bring change in the attitude of the rural entrepreneurs and all other connected with economic development in the rural areas.*
42. Write any two important Export documents. (2)
Ans.: Bill of lading, Mates receipt, Certificate of inspection, Marine insurance policy..
(Any two)
43. Write any two important Import documents. (2)
Ans.: Bill of Entry, Letter of credit, Bill of exchange, Import general manifest.
(Any two)

44. Mention any four role of profit in business. (4)

Ans.: 1. *It is a source of income for business man.*

2. *It is the reward for risk taking.*

3. *Survival of business: A business cannot have existence for long without making profit. A business which sustains losses year after year will have to be shut down.*

4. *It is a source of income for the growth and development of business.*

45. A business organisation join hands with another one for mutual benefits.

a) Name the type of a business referred here.

b) Describe any three benefits.

(4)

Ans.: Joint Ventures.

Benefits: 1. **Increased resources and capacity:** Joining hands with another adds to existing

resources and capacity enabling the joint venture company to grow and expand more quickly and efficiently.

2. **Easy access to new markets and distribution networks:** When a business enters into a joint venture with a partner from another country, it opens up a vast growing market and distribution channels.

3. **Access to new technology:** By engaging in partnership with a foreign company, Indian company can enjoy the benefit of the latest and advanced new technology.

4. **Innovation:** Joint ventures allow business to come up with something new and creative for the same market.

5. **Low cost of production:** They get the benefits of economy of large scale of production. As a result the cost of production is reduced.

6. **Competitive strength:** When two companies together do the business, certainly the strength to face competition increased.

7. **Established brand name:** When two businesses enter into a joint venture, one of the parties benefits from the other's goodwill which has already been established in the market. **(Any three)**

46. Expand: SIDO , NSIC, DICs, WASME

(4)

Ans: SIDO - The Small Industries Development Organisation

NSIC -National Small Industries Corporation

DICs-District Industries Centers

WASME- World Association for Small and Medium Enterprises

47. Explain any five **objectives of business.**

(5)

Ans: 1. Earning Profit: Business activities are primarily undertaken to earn profit. Profit is an indicator of the performance of the business during its operation period.

2. Market standing: It refers to capture the market share. The business can survive only if there is demand for its goods and services. So it must aim at satisfaction and winning of customers.

3. Innovation: To innovate means to introduce something new into the market. It includes new products, new method of production, new method of distribution etc. Eg. Introduction of lap top, changes in mobile phone, conversion of traditional photography to digital, direct marketing etc.

4. Productivity: It is ascertained by comparing the value of output with the value of inputs. Every business must aim at greater productivity through the best use of available resources.

5. Efficient utilization of physical and financial resources: Any business require physical resources like plants, machines, materials... and financial resources. The business enterprise must aim at acquiring these resources according to their requirements and use them efficiently.

48. Explain any five **functions of warehousing**.

(5)

Ans.: 1. Consolidation: In it the warehouse receives and consolidates goods from different production plants.

2. Break in bulk: They divide the bulk quantity of goods received from the production plants into smaller quantities.

3. Storage of goods: They store seasonal goods or materials.

4. Value added services: They provide various value added services like grading, packing, labeling.....

5. Price stabilization: By adjusting the supply of goods with the demand situation, warehousing performs the function of stabilizing prices.

6. Financing: Warehouse owners advance money to the owners on security of goods and further supply goods on credit terms to customers. **(Any five)**

49. Point out any five difference between Domestic business and International business.

(5)

Ans.: Distinction between Domestic Business and International Business.

Domestic Business	International Business
1.Exchange of goods with in the nation	1. Exchange of goods between two nations
2.Regulations and laws of only one country	2. Regulations and laws of different countries
3.Less documents needed	3. More documents needed
4.Cost of transportation is less	4. Cost of transportation is higher
5.Insurance is not compulsory	5.Insurance is compulsory
6.Goods are subject to less risk	6. Goods are subject to greater risk
7.Accounts are settled in national currency	7. Accounts are settled in foreign currencies
8.Limited formalities	8. Many formalities
9.Carried on retail and wholesale	9. Carried on wholesale only
10.Business system and practices are relatively same	10. Business system and practices between nations may vary.

50. Krishna Ltd., is a company established in India. They extended their operations to the UK and the USA by establishing places of business in these countries.

a) Identify which type of company is Krishna Ltd.

b) Explain its features.

(8)

Ans.:Multi National Companies (MNCs)/Global Enterprises.

Features:

1. **Huge capital resources:** These enterprises are characterised by possessing huge financial resources and the ability to raise funds from different sources.
2. **Foreign collaboration:** Global enterprises usually enter into agreements with foreign companies related to sale of technology, production of goods, use of brand names
3. **Advanced technology:** These companies used most modern technologies for their production. They are able to conform to international standards and quality specifications.
4. **International market:** They have vast access to international market; therefore they are able to sell any product globally.
5. **Product innovation:** They have sophisticated R & D Department engaged in the task of developing new products and superior designs.
6. **Marketing strategies:** They use aggressive marketing strategies in order to increase their sales in a short period.
7. **Centralised control:** They have their headquarters in their home country and exercise control over all branches and subsidiaries.