

## **Chapter-8**

### **Small Business**

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#### **1 Mark Questions**

- Q1. Which type of Industry uses family labour and local available talent while running the business?
- Q2. A micro small scale industry has investment of Rs. 24 lakhs and engaged in manufacturing business. Now, it wants to increase its investment by Rs. 4 Lakhs. what type of small Business will it become and what is the maximum investment limit in such cases?
- Q3. Which type of enterprise is owned, controlled and managed by a woman or a group of women holding share capital not less than 51%?
- Q4. Name any 2 areas where SSLs feel threatened from global enterprises.
- Q5. Name any 2 merits of SSLs in the export trade of India.
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#### **3 / 4 MARK QUESTIONS**

- Q7. Write any three characteristics of small Business.
- Q8. What is the aim of NSIC.
- Q9. What is the difference between ancillary small industrial unit and tiny industrial unit.
- Q10. Write any two objectives of establishment of NABARD.
- Q11. Write any three problems of small business in India.
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#### **5 / 6 MARK QUESTIONS**

- Q12. What are the incentives given by Govt. to the Industries set up in hilly, backward and rural areas.

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Q13. Preet food Industries set up food and beverages processing plant in the rural area of Haryana and opted for labour intensive technique due to easy availability of labour and to provide employment to local people. Board of director decided to invest 50 lakhs to acquire plant & machinery, Rs. 1 crore to buy land, Rs. 20 Lakhs to buy raw material and Rs. 20lakhs to maintain day to day expenses.

(a) Name the Act of Industries which is applicable to the above industry.

(b) which category of part (a) will the above industry come?

(c) State the investment limit in this category.

(d) what value have been followed by the above company.

[Hints:-MSMED Act, 2006, Small Scale Industry, Rs. 5 crores, Employment Generation, Balanced Regional Development, concern for social

Responsibility]

Q14. Board of Directors of “Bio Pure water Ltd.” decides to set up its first unit in the hilly area of Himachal Pradesh Company requires Rs. 3 crores for it and Rs. 50 Lakhs for working capital. The company has earned marked 15% of its profit for Educational and Health needs of its employees and their family members.

(a) The above company comes under which category as per MSMED Act 2006.

(b) Write any one commercial reason for setting up of unit in the hilly region.

(c) According to you, what are the options available to the company for meeting its long term and short term needs.

(d) what are the values promoted by the company.

[Hints: Small scale Industry, Cheap price of Land and Labour, Equity share Capital and Loans from Bank, Balanced Regional Development,

Motivation to employees, Employment Generation and upliftment of rural areas]