

Nature and Purpose of Business

Question 1.

Which one of the following is NOT the objective of the business?

- (a) Investment
- (b) Innovation
- (c) Creation of customers
- (d) Profit-making

▼ [Answer](#)

Answer: (a) Investment

Question 2.

Which one of the following is an economic activity in which specialized knowledge is required?

- (a) Profession
- (b) Business
- (c) Employment
- (d) None of the above

▼ [Answer](#)

Answer: (a) Profession

Question 3.

Commerce includes activities relating to trade and _____ to trade.

- (a) Auxiliaries
- (b) Subsidiaries
- (c) Supporting
- (d) None of the above

▼ [Answer](#)

Answer: (a) Auxiliaries

Question 4.

Bad debts due to non-payment of debt by the debtor are an example of which type of business risk?

- (a) Human
- (b) Natural
- (c) Physical
- (d) Economic

▼ [Answer](#)

Answer: (a) Human

Question 5.

Which of the following is an economic cause of business risks?

- (a) Demand for goods
- (b) Competition
- (c) Price
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 6.

Business risk is not likely to arise due to

- (a) Power failure
- (b) Employee dishonesty
- (c) Changes in government policy
- (d) Good management

▼ [Answer](#)

Answer: (d) Good management

Question 7.

The word marketing standing is concerned with _____

- (a) Position of an enterprise
- (b) Supply of the product
- (c) Customers
- (d) Competitors

▼ [Answer](#)

Answer: (a) Position of an enterprise

Question 8.

Why a business should earn a profit?

- (a) To provide a return to investors
- (b) To increase the reputation of the business
- (c) To provide funds for future growth
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 9.

Which one of the following is NOT an Auxiliary to trade?

- (a) Mining
- (b) Warehousing
- (c) Insurance
- (d) Transport

▼ [Answer](#)

Answer: (a) Mining

Question 10.

Which of the following is not a natural cause of business risks?

- (a) Earthquake
- (b) Strikes
- (c) Famine
- (d) Heavy Rains

▼ [Answer](#)

Answer: (b) Strikes

Question 11.

Which of the following is not concerned with the profession?

- (a) Manufacturing goods and services
- (b) Specialised body of knowledge and skill
- (c) Code of conduct
- (d) Formal Training

▼ [Answer](#)

Answer: (a) Manufacturing goods and services

Question 12.

Which of the broad categories of industries covers oil refinery and sugar mills?

- (a) Primary
- (b) Secondary
- (c) Tertiary
- (d) None of the above

▼ [Answer](#)

Answer: (b) Secondary

Question 13.

Which of the following is an instrument of exchange, which was prominent in the subcontinent?

- (a) Copper
- (b) Hundi
- (c) Gold
- (d) Silver

▼ [Answer](#)

Answer: (b) Hundi

Question 14.

The occupation in which people work for others and get remunerated in return is known as:

- (a) Profession
- (b) Employment
- (c) Business
- (d) None of the above

▼ [Answer](#)

Answer: (b) Employment

Question 15.

The industries which provide support services to other industries are known as

- (a) Primary industries
- (b) Commercial industries
- (c) Tertiary industries
- (d) Secondary industries

▼ [Answer](#)

Answer: (c) Tertiary industries

Question 16.

Which one of the following is an economic activity in which specialized knowledge is required?

- (a) Profession
- (b) Business
- (c) Employment
- (d) None of the above

▼ [Answer](#)

Answer: (a) Profession

Question 17.

The term business is derived from the word _____

- (a) Buy and selling
- (b) Financial markets
- (c) Proprietorship
- (d) Busy

▼ [Answer](#)

Answer: (d) Busy

Question 18.

Which of the following is an economic activity?

- (a) Social Activities
- (b) Patriotic Activities
- (c) Profession
- (d) Religious Activities

▼ [Answer](#)

Answer: (c) Profession

Question 19.

Which of the following is not a characteristic of business activity?

- (a) Wages
- (b) Sale of product
- (c) The factor of risk
- (d) Manufacturing goods and services

▼ [Answer](#)

Answer: (a) Wages

Question 20.

_____ is an economic activity

- (a) Non-employment
- (b) Employment
- (c) Non profit organisation
- (d) None of the above

▼ [Answer](#)

Answer: (b) Employment

Question 21.

Bad debts due to non-payment of debts by debtors is an example of which type of business risk?

- (a) Human
- (b) Natural
- (c) Physical
- (d) Economic

▼ [Answer](#)

Answer: (a) Human

Question 22.

Tea is mainly produced in Assam; Cotton in Gujarat and Maharashtra; Jute in West Bengal and Orissa; Sugar in U.P, Bihar, and Maharashtra. But these goods are required for consumption in different parts of the country. For this purpose _____ is very important.

- (a) Banking and Finance
- (b) Advertising
- (c) Insurance
- (d) Transport and Communication

▼ [Answer](#)

Answer: (d) Transport and Communication
