

2. Business and Industry

Exercises

1 A. Question

Fill in the blanks with appropriate words:

The best example for Entrepot trade is _____.

Answer

The best example for Entrepot trade is Singapore.

Explanation: Entrepot trade occurs when a country buys goods with the sole aim of selling them to other countries.

1 B. Question

Fill in the blanks with appropriate words:

Cottage industries are mainly concentrated in _____.

Answer

Cottage industries are mainly concentrated in villages.

Explanation: Cottage industries are involved in the production of handicraft goods and are dependent on family oriented labour. They produce goods like carpentry products etc for local markets and are mainly based in villages.

1 C. Question

Fill in the blanks with appropriate words:

The manufacture of chemicals is carried out in _____ industries.

Answer

The manufacture of chemicals is carried out in small-scale industries.

Explanation: Chemical industry, manufacture of engineering goods, shoes, bicycles, fans, radios, sewing machine, soaps, garments are some of the important goods produced in small scale industries.

1 D. Question

Fill in the blanks with appropriate words:

The sole objective of business should be earning _____ profit.

Answer

The sole objective of business should be earning reasonable profit.

Explanation: The sole economic objective of business is not profit maximization. Instead it involves the earning of a reasonable amount of profit firstly to cover the costs accrued by it and secondly to provide the business man with the ability to lead a comfortable life.

1 E. Question

Fill in the blanks with appropriate words:

To safeguard the quality of goods _____ institution has been started.

Answer

To safeguard the quality of goods Bureau Of Indian Standards institution has been started.

Explanation: The antisocial activities that are sometimes followed by the traders to earn more profit include adulteration, charging excess or abnormal rates, using false weights and measures, creating artificial scarcity by hoarding the goods and carrying out black marketing. The government of India has introduced several measures to overcome such unethical practices including establishment of institutions like Bureau of Indian Standards to maintain the standards of goods and essential commodities.

2 A. Question

Answer each of the following questions in two to four sentences:

What is the Business?

Answer

The production and distribution of goods and services to consumers form the basics of business which is considered to be an important economic activity. It can be engaged in commercial, industrial or professional activities. It may be profit oriented or a non-profit organization.

2 B. Question

Answer each of the following questions in two to four sentences:

Which are the different types of mobile shops?

Answer

Mobile traders are those traders who do not have a fixed location of operation. They include

- Hawkers – these traders carry the goods physically and make door to door sales mostly of perishable products like, vegetables, fruits etc.

- Peddlers – these traders carry a variety of goods on carts and make door-to-door sales.
- Street traders – these traders' sale their goods on footpaths but are often forced to change location by the authorities.
- Market sellers – these traders sit in designated market areas which often occur on a weekly basis in rural areas. These weekly markets are also utilized by others who gather there to barter for their requirements.

2 C. Question

Answer each of the following questions in two to four sentences:

Who are wholesalers?

Answer

Wholesalers are those traders who buy goods in large quantity from producers and sell them to the retailers in small quantities. They do not delve in a variety of products and only concentrate on two or three different types. They act as the link between retailers and producers and extend their credit to both parties. They also provide storage facilities, advertisement opportunities etc.

2 D. Question

Answer each of the following questions in two to four sentences:

Name the three types of foreign trade.

Answer

Foreign trade is the trade that occurs between two different countries and includes exports, imports and entrepot trades. When a country sells its goods to other countries it is called export. When a country buys goods from other countries it is called import. Entrepot trade occurs when a country buys goods with the sole aim of selling them to other countries.

2 E. Question

Answer each of the following questions in two to four sentences:

Mention the important goods produced by cottage and small-scale industries.

Answer

Cottage Industries - Carpentry, smithy, carpet weaving, pottery, blanket making, stone carving etc are some of the important goods produced here.

Small scale industries - Chemical industry, manufacture of engineering goods, shoes, bicycles, fans, radios, sewing machine, soaps, garments are some of the important goods produced here.

2 F. Question

Answer each of the following questions in two to four sentences:

Which organizations overcome the hindrance of place and risk?

Answer

The hindrance of place is overcome with the help of transportation services which include, road, railway, air and water transport. The hindrance of risk of loss is overcome with the help of insurance companies.

2 G. Question

Answer each of the following questions in two to four sentences:

Mention the antisocial activities of traders to earn more profit.

Answer

The antisocial activities that are sometimes followed by the traders to earn more profit include adulteration, charging excess or abnormal rates, using false weights and measures, creating artificial scarcity by hoarding the goods and carrying out black marketing.

2 H. Question

Answer each of the following questions in two to four sentences:

What are the steps taken by the government to overcome the antisocial practices in business?

Answer

The antisocial activities that are sometimes followed by the traders to earn more profit include adulteration, charging excess or abnormal rates, using false weights and measures, creating artificial scarcity by hoarding the goods and carrying out black marketing. The government of India has introduced several measures to overcome such unethical practices. These measures include

- Introduction of the Public Distribution System.
- Establishments of institutions like Bureau of Indian Standards to maintain the standards of goods and essential commodities.
- Printing of ISI and Agmark on goods to inform consumers of their certified quality.
- Legal mandatory provisions to include the quantity, the date of manufacture, date of expiry, Maximum retail price (MRP) on every industrial product.

3 A. Question

Answer each of the following questions in eight to ten sentences:

What are the economic objectives of business?

Answer

The production and distribution of goods and services to consumers form the basics of business which is considered to be an important economic activity. It can be engaged in commercial, industrial or professional activities. It may be profit oriented or a non-profit organization. The sole economic objective of business thus, is not profit maximisation. Instead it involves the earning of a reasonable amount of profit firstly to cover the costs accrued by it and secondly to provide the business man with the ability to lead a comfortable life. It is important for the consumers as they access the goods and services supplied by business. It also enables technological development as it is in tune with customer demands and requirements. It supports the field of advertising as it utilizes advertisements to inform customers about different products available for consumption.

3 B. Question

Answer each of the following questions in eight to ten sentences:

What are the social objectives of business?

Answer

The production and distribution of goods and services to consumers form the basics of business which is considered to be an important economic activity. It can be engaged in commercial, industrial or professional activities. It may be profit oriented or a non-profit organization. One of the biggest social objectives of business is to provide employment opportunities to the population of a country and this increases the standard of living. The goods and services provided through business also aid in the development of the country. The taxes, rates and duties paid by business increases the income of the government. This income is then spent for the welfare of the country through development of schools, roads and public spaces. Thus, business indirectly contributes towards the social development of the country.

3 C. Question

Answer each of the following questions in eight to ten sentences:

Mention the services rendered by retail traders.

Answer

Retail traders are a part of the business community in a country. They along with the whole sellers are responsible for the home trade in a country. Retail traders buy goods from whole sellers with the purpose of selling them to consumers. They form the major connecting link between the producers, whole sellers and the consumers. They are knowledgeable about the demands of the consumers and stock according to the needs. They are also familiar about the goods that are being produced and impart this knowledge to the consumers and form a source of free advertisement. They also offer credit

facilities to consumers. Retail traders operate either through permanent shops or as mobile traders moving from place to place.

3 D. Question

Answer each of the following questions in eight to ten sentences:

List out the different retail traders and write two/three sentence son each of them.

Answer

Retail traders are a part of the business community in a country. Retail traders operate either through permanent shops or as mobile traders moving from place to place. The different retail traders are as follows –

1) Permanent shops – these are fixed in location and carry out trade through their location.

2) Mobile traders – these traders do not have a fixed location of operation. They include

- Hawkers – these traders carry the goods physically and make door to door sales mostly of perishable products like, vegetables, fruits etc.
- Peddlers – these traders carry a variety of goods on carts and make door-to-door sales.
- Street traders – these traders' sale their goods on footpaths but are often forced to change location by the authorities.
- Market sellers – these traders sit in designated market areas which often occur on a weekly basis in rural areas. These weekly markets are also utilized by others who gather there to barter for their requirements.

3 E. Question

Answer each of the following questions in eight to ten sentences:

Explain briefly the two types of Industries.

Answer

The secondary sector of economic activities is concerned with the processing of raw materials into products and goods. Industry belongs to this secondary sector and is involved with the production of goods, extraction of minerals and/or the provision of services. There are various manners of classifying industries as they vary on the basis of raw materials, size and ownership. Industries are classified into two main types - primary industries and secondary industries.

- Primary Industries – these industries utilize natural resources to produce goods and include agriculture, fishing, dairy farming, mining etc. they are further divided into

i. Genetic Industries – these industries like horticulture, dairy farming, poultry farming, etc are engaged in reproduction of different crops, plants and animals and thereby increasing the wealth of the nation.

ii. Extractive Industries – these industries like extraction of ores, drilling of oil wells etc., deal with extracting different raw materials and ores from the earth's surface.

- Secondary industries – these industries utilize labour for production of goods. They are further divided into

i. Manufacturing Industries – industries like those converting iron ore to steel or sugarcane to sugar and are thus, engaged in converting raw materials or semi-finished products into finished goods fall in this category. These industries are highly labour intensive.

ii. Construction Industries – these industries are engaged in construction of various transport and communication requirements and thus aid in development of economic activities.

3 F. Question

Answer each of the following questions in eight to ten sentences:

What is the need of foreign trade to a country?

Answer

Foreign trade is the trade that occurs between two different countries and includes exports, imports and entrepot trades. Natural resources are available in varying quantities all over the world. This makes all countries lack self-sufficiency when it comes to fulfilling their populations demands. Often countries that are rich in certain natural resources produce excess goods which are then exported to those countries that need those goods, but lack available natural resources to produce them. The countries that lack the natural resources need to import the required goods and hence trade relations are established. Foreign trades are also necessary to promote friendly relations between different countries.