



NEERAJ®

BUSINESS STUDIES

N-215

**Chapter wise Reference Book
Including MCQ's
& Many Solved Sample Papers**

Based on

N.I.O.S. Class – X
National Institute of Open Schooling

By : Kshyama Sagar Meher



**NEERAJ
PUBLICATIONS**

(Publishers of Educational Books)

Mob.: 8510009872, 8510009878 E-mail: info@neerajbooks.com

Website: www.neerajbooks.com

MRP ₹ 320/-

CONTENTS

BUSINESS STUDIES

Based on: **NATIONAL INSTITUTE OF OPEN SCHOOLING – X**

<i>S.No.</i>	<i>Chapters</i>	<i>Page</i>
	Solved Sample Paper - 1	1-5
	Solved Sample Paper - 2	1-5
	Solved Sample Paper - 3	1-5
	Solved Sample Paper - 4	1-5
	Solved Sample Paper - 5	1-5
 <u>MODULE-1 INTRODUCTION TO BUSINESS</u>		
	1. Nature and Scope of Business.....	1
	2. Industry and Commerce	16
 <u>MODULE-2 FORMS OF BUSINESS ORGANIZATION</u>		
	3. Sole Proprietorship, Partnership & Hindu Undivided Family	22
	4. Cooperative Societies and Joint Stock Companies	30
 <u>MODULE-3 SERVICE SECTOR</u>		
	5. Transport Services	39
	6. Warehousing.....	47
	7. Communication Services.....	54
	8. Postal and Courier Services	61

<i>S.No.</i>	<i>Chapter</i>	<i>Page</i>
9.	Banking Services	72
10.	Insurance Services	84
11.	Outsourcing	90
<u>MODULE-4 BUYING, SELLING AND DISTRIBUTION</u>		
12.	Purchase and Sale	95
13.	Channels of Distribution	103
14.	Retail Trade	109
15.	Advertising	119
16.	Sales Promotion and Personal Selling	127
<u>MODULE-5 CONSUMER AWARENESS</u>		
17.	Rights and Responsibilities of Consumers	137
18.	Consumer Protection	142
<u>MODULE-6 CAREER OPPORTUNITIES IN BUSINESS</u>		
19.	Choosing a Career	149
20.	Entrepreneur	154
<u>MODULE-7 PRACTICAL / PROJECT WORK</u>		
21.	Project Work Practical Awareness..... about Business Studies	158
■ ■		

**Sample Preview
of the
Solved
Sample Question
Papers**

Published by:



**NEERAJ
PUBLICATIONS**

www.neerajbooks.com

Solved Sample Paper - 1

Based on NIOS (National Institute of Open Schooling)

Business Studies - X

N-215

Time: 3 Hours]

[Maximum Marks: 100

Note: (i) This question paper consists of 51 questions in all. (ii) All questions are compulsory. (iii) Section A consists of (a) Q.No. 1 to 20 – Multiple Choice type questions (MCQs) carrying 1 mark each. Select and write the most appropriate option out of the four options given in each of these questions. An internal choice has been provided in some of these questions. You have to attempt only one of the given choices in such questions. (iv) Section B consists of (a) Q.No. 21 to 35 – Objective type questions. Q.No. 21 to 35 carry 02 marks each (with 2 subparts of 1 mark each). Attempt these questions as per the instructions given for each of the questions. (v) Section C consists of (a) Q.No. 36 to 41 – Very Short questions carrying 02 marks each to be answered in the range of 30 to 50 words. (b) Q.No. 42 to 47 – Short Answer type questions carrying 03 marks each to be answered in the range of 50 to 80 words. (c) Q.No. 48 to 51 – Long Answer type questions carrying 05 marks each to be answered in the range of 80 to 120 words.

Section – A

Ques. 1 to 20 are MCQs of 1 Mark each. Internal choices have been given wherever necessary.

Q. 1. (i) The business organisation in which a single person owns manages and controls all the activities of the business is _____ .

- (a) Sole proprietorship
- (b) Partnership
- (c) Limited Liability Partnership
- (d) The Joint Hindu Family

Ans. (a) Sole proprietorship.

OR

(ii) The business which is owned by the members of the Joint Hindu Family.

- (a) Partnership
- (b) The Joint Hindu Family
- (c) Limited Liability Partnership
- (d) Sole Proprietorship

Ans. (b) The Joint Hindu Family.

Q. 2. Under the Consumer Protection Act, the rights of a consumer do not include _____ .

- (a) Safety
- (b) Choose
- (c) Presented
- (d) Informed

Ans. (c) Presented.

Q. 3. (i) The following is not a function of advertising:

- (a) Information
- (b) Brand image Building
- (c) Persuasion
- (d) Pricing

Ans. (d) Pricing.

OR

(ii) Advertising is affected by _____ forces.

- (a) Economic
- (b) Social
- (c) Technological
- (d) All the above

Ans. (d) All of the above.

Q. 4. Which of the following act not pertain to legal protection for consumers?

- (a) The sale of good act 1930
- (b) The trade mark act, 1999
- (c) The competition act, 2002
- (d) None of the above

Ans. (d) None of the above.

Q. 5. (i) Advertising is affected by _____ forces.

- (a) Economic
- (b) Social
- (c) Technological
- (d) All the above

Ans. (d) All the above.

OR

(ii) While moving on roads Mr. XYZ saw large Boards placed on iron frames or rooftops or walls. These are normally boards on which advertisements are painted. Which media of Advertising is this?

- (a) Posters
- (b) Vehicular displays
- (c) Hoardings
- (d) None of the above

Ans. (c) Hoardings.

Q. 6. When you buy a product with a new brand name on the basis of an advertisement claiming best quality and then find it defective, it is a case of _____ advertisement.

- (a) Good
- (b) Untrue
- (c) Misleading
- (d) Unfair

Ans. (c) Misleading.

Q. 7. (i) An appeal against the order of the state Commission can be filed before the _____ .

- (a) Supreme Court
- (b) High court
- (c) National Commission
- (d) District Court

Ans. (c) National Commission.

Solved Sample Paper - 2

Based on NIOS (National Institute of Open Schooling)

Business Studies - X

N-215

Time: 3 Hours]

[Maximum Marks: 100

Note: (i) This question paper consists of 51 questions in all. (ii) All questions are compulsory. (iii) Section A consists of (a) Q.No. 1 to 20 – Multiple Choice type questions (MCQs) carrying 1 mark each. Select and write the most appropriate option out of the four options given in each of these questions. An internal choice has been provided in some of these questions. You have to attempt only one of the given choices in such questions. (iv) Section B consists of (a) Q.No. 21 to 35 – Objective type questions. Q.No. 21 to 35 carry 02 marks each (with 2 subparts of 1 mark each). Attempt these questions as per the instructions given for each of the questions. (v) Section C consists of (a) Q.No. 36 to 41 – Very Short questions carrying 02 marks each to be answered in the range of 30 to 50 words. (b) Q.No. 42 to 47 – Short Answer type questions carrying 03 marks each to be answered in the range of 50 to 80 words. (c) Q.No. 48 to 51 – Long Answer type questions carrying 05 marks each to be answered in the range of 80 to 120 words.

Section - A

Ques. 1 to 20 are MCQs of 1 Mark each. Internal choices have been given wherever necessary.

Q. 1. (i) Which of the following is true?

- (a) A person doing carpentry is engaged in a vocation.
- (b) A cobbler making shoes for himself is engaged in business.
- (c) A shopkeeper selling bread to a customer is engaged in a non-economic activity.
- (d) A farmer growing crops to sell them is engaged in an economic activity.

Ans. (a) and (d).

OR

(ii) Which of the following is true about business objectives?

- (a) They are classified as social, economic, human, national, and global objectives.
- (b) They are classified as social, economic, human, and global objectives.
- (c) They are classified as social, economic, human, and national objectives.
- (d) They are classified as economic, human, national, and global objectives.

Ans. (a) They are classified as social, economic, human, national, and global objectives.

Q. 2. (i) The production side of business activity is referred to as _____.

- (a) Industry
- (b) Commerce
- (c) Insurance
- (d) Retail

Ans. (a) Industry.

Q. 3. (i) The industries that work with the extraction of goods from the soil, air, or water are called:

- (a) Construction Industries
- (b) Extractive Industries

- (c) Manufacturing Industries
- (d) Genetic Industries

Ans. (b) Extractive Industries.

OR

(ii) Which of the following is a limitation of a Multinational Company?

- (a) Least concern for the priorities of host countries
- (b) Adverse effects on domestic enterprises
- (c) Change in tradition
- (d) All of the above

Ans. (a) Least concern for the priorities of host countries.

Q. 4. Which of the following statements about cooperative societies are true?

- (a) Any competent person can become a member of a cooperative society at any time
- (b) The liability of the members is limited
- (c) It can exist for a long time due to a legal entity separate from its members
- (d) All of the above

Ans. (d) All of the above.

Q. 5. (i) Which transport mode offers door-to-door service?

- (a) Rail transport
- (b) Road transport
- (c) Water transport
- (d) Air transport

Ans. (b) Road transport.

OR

(ii) What is the major benefit of using railways?

- (a) Speed
- (b) Flexibility
- (c) Low cost for bulk goods
- (d) Door-to-door service

Ans. (c) Low cost for bulk goods.

Q. 6. _____ involves two-way communication?

Sample Preview of The Chapter

Published by:



**NEERAJ
PUBLICATIONS**

www.neerajbooks.com

BUSINESS STUDY

Based on NATIONAL INSTITUTE OF OPEN SCHOOLING – X

MODULE-1

Introduction to Business

1

Nature and Scope of Business

SUMMARY

We all are busy with various types of activities to satisfy our wants. These human activities can be categorized as: (i) Economic activities, and (ii) Non-economic activities.

- (i) **Economic activities:** These activities are performed with an aim to earn money. Examples of economic activities are: A farmer grows sugarcane to sell them and a factory worker works to get wage.
- (ii) **Non-economic activities:** These activities are performed not to earn money but to get some satisfaction. Non-economic activities are performed to discharge social obligation or for recreation. Examples of non-economic activities are: People going on a pilgrimage, engaging in sports activities and listening to radio.

Types of Economic Activities: People engaged in various activities on a regular basis and are said to be involved in their occupation. Economic activities can be categorized into three broad types: Business, Profession and Employment.

- (i) **Business:** Business is an occupation in which goods and services are produced and sold with an objective to make profit. Examples of business are manufacturing, trading, transporting, storing and banking.
- (ii) **Profession:** Profession is an occupation which requires specialized knowledge and training

to pursue it. The primary objective of every profession is to offer service. Most of the professions are regulated by a professional body. Every profession has also a code of conduct developed by its professional body.

- (iii) **Employment:** Employment is an occupation in which a person works to earn wages/salary. Examples of employment are people working as government servants, company executives, bank officials and factory workers.

Meaning of Business: Business refers to an activity involving regular production or purchase of goods and services for sale, transfer and exchange with an object of earning profit. Business is undertaken on a regular basis with an aim to earn profit through production, distribution and sale or purchase of goods and services. People are engaged business such as transportation of goods and passengers, banking, insurance, advertising and supply of electricity. These are all service activities.

Characteristics of Business: The characteristics of business are:

Deals in goods and services: Businesses deals in production and distribution of goods and services. The goods include consumer goods such as soap, bread and tea and capital goods like plant and machinery. The services include banking, transportation, insurance, advertising and warehousing.

Sale or exchange of goods and services: In business, goods and services produced or purchased must be exchanged for money or for goods between the buyers and sellers. The activities without sale or exchange of goods cannot be called business.

2 / NEERAJ : BUSINESS STUDY (N.I.O.S – X)

Regular exchange of goods and services: Business is carried out on a regular basis. An isolated transaction is not called as business. For example, if Amit sold his old car to Suresh is not a business unless he continues to buying and selling of old cars regularly.

Requires investment: Business requires some amount of investment in terms of land, labour and capital. These resources are utilized to produce goods and services.

Aims at earning profit: The objective of every business is to earn an income by way of profit. Without profit no business activity can be performed for a long period.

Involves risk and uncertainty of income: Every business faces risk of loss and uncertainty in earnings.

Evolution of Business: India had been a well developed country in terms of its economy and business. The Indian civilization was agriculture based, but there was also flourishing trade and commerce both inside and outside the country. The country contributed a lot to the world of business in different fields. It had a unique, innovative, dynamic and qualitatively superior economy compared to many other countries during that time. This has been proved by excavations, written records, literature and India's immense wealth that attracted several foreigners to attack the country. Earlier people in India used to produce whatever they required for their self-consumption. Later on, needs of the people increased and so did the production. They could produce surplus items. So, a system of exchanging surplus items with the items they need was evolved. This was the starting of trade. In the field of trade and commerce, Indian journey started as back as 5000 B.C.

Classification of Objectives of Business: Business activities are performed with certain objectives. These objectives may be classified in the following ways:

Economic Objectives: Economic objectives mean the objective of earning profit and other objectives required to fulfil the profit objective that includes creation of customers, regular innovations and the best possible use of resources.

Profit Earning: Profit making is the primary objective of every business. Profits help business owners to earn their living and to expand their business activities by reinvesting a part of the profits. To achieve profit-making objective, some other objectives are required to be fulfilled. They are as follows:

Creation of customers: A business needs customers to sell its products and services. To increase its customer base, a businessman has to first provide

quality goods and services at a reasonable price. A business also needs to promote its products through marketing activities.

Continuous innovations: Business needs to be innovative to be successful in a competitive market. Innovation means changes, which bring about improvement in products, process of production and distribution of goods. Innovation also leads to reduction in cost and increase in sales. All these result in more profit.

Best possible use of resources: Business requires various resources such as men, materials, money and machines. It will earn more profit if it makes the best possible use of all its resources.

Social Objectives: Social objectives of business refer to objectives to perform for the benefit of the society. No activity of the business should be aimed to create problem for the society. Social objectives are production and supply of quality goods and services, adoption of fair practices and contribution to the general welfare of society.

Human Objectives: Human objectives are the objectives to work for the well-being and fulfillment of expectations of employees and the people who are disabled and deprived of proper education. The human objectives include economic well-being of the employees, social and psychological satisfaction of employees and development of human resources.

National Objectives: National objectives of business mean the objective to work to fulfil national goals and aspirations. The national objectives of business are as follows:

Creation of employment: Business should aim to create employment opportunities. They can achieve this objective by setting up new business units, expanding markets and widening distribution channels.

Promotion of social justice: A business should provide equal opportunities to all the employees to work and progress. Weaker and backward sections of the society may need more attention and support.

Production according to national priority: Keeping in view the policies of the Government, businesses should produce goods and services. For example, one of the national objectives of business in our country is to increase the production and supply of essential commodities at reasonable prices.

Contribute to the revenue of the country: The business should contribute to the revenue of the country by paying taxes and dues honestly.

Self-sufficiency and export promotion: Business units should restrict import of goods to help the country to become self-reliant. Every business unit should aim at improving exports as it would add to the country's foreign exchange reserves.

Global Objectives: Global objectives refer to the objectives of business units to face the competition in the global market. Globalization has resulted in more competition among businesses. Goods now produced in one country are available in other countries. Some of the global objectives are discussed below:

Raise general standard of living: Business units should aim to produce quality goods at reasonable prices so that the standard of living of people can be improved globally.

Reduce disparities among nations: Businesses should help reduce disparities among the rich and poor countries of the world by expanding their operation. They should invest in developing and underdeveloped countries to foster their industrial and economic growth.

Social Responsibility of Business: Business units should not have only profit-making objective. They must take care of the stakeholders such as the owners, investors, employees, consumers, government and community who are instrumental in securing its existence and survival. Business must work for their benefit also. For instance, business units must ensure a satisfactory rate of return to investors, provide good salary, security and proper working condition to their employees, make available quality products at reasonable price to its consumers and maintain the environment properly.

Social responsibility discourages business units from adopting unfair means like hoarding, adulteration, black-marketing, tax evasion and cheating customers to make profit. The business should aim to earn profit through judicious management of the business, providing better working conditions to employees and offering better products, after sales-service to its customers. It should also simultaneously work to control pollution and conserve natural resources.

Responsibility towards Different Interest Groups (Obligations of Business): A business has various responsibilities towards different groups with whom it interacts such as owners, investors, employees, suppliers, customers, competitors, government and society. These groups get affected by each and every activity of business.

Environmental Pollution and Role of Business: Environmental pollution is contamination of environment by various substances that have adverse effects on living and non-living matters. Every business must take measures to protect the environment. Environmental pollution is of three types: Air Pollution, Water Pollution and Land Pollution

Air Pollution: Air pollution is the presence of any unwanted gases and dust particles in the air which cause damage to people as well as nature.

Causes of Air Pollution: Air gets polluted by:

- (a) Fumes from vehicles;
- (b) Smoke, dust and chemicals from manufacturing plants;
- (c) Gases and dust arising from atomic plants; and
- (d) Smoke from oil refineries, burning of trees and plants.

Impact of Air Pollution: The following are some of the impact of air pollution:

- (i) Unwanted gases in air cause serious health problems.
- (ii) Air pollution creates smog in the winter reducing natural visibility and irritates the eyes and respiratory tract.
- (iii) Ozone layer, which protects us from harmful ultraviolet rays that come from the sun, gets depleted due to air pollution and thus causes genetic defects and skin cancer.
- (iv) Air pollution raises the earth temperature as whatever heat our earth receives from the sun is not radiated to the atmosphere because of the excessive presence of gases such as carbon dioxide, methane and nitrous oxide.
- (v) Air pollution causes acid rain that causes lot of damage to vegetation, trees and marine life, buildings and monuments.

Environment also gets polluted due to excessive noise, called noise pollution. Noise is an unwanted sound that causes irritation. It is caused by modern machines and gadgets. It distorts communication process. Prolonged exposure to noise pollution can cause loss of hearing, headache and irritation.

Water Pollution: Water pollution is contamination of water with unwanted and harmful substances.

Causes of Water Pollution: Water gets polluted by:

- (a) Dumping of industrial wastes;
- (b) Drainage of toxic substances used in cultivation;
- (c) Drainage of human excreta into rivers and canals;

4 / NEERAJ : BUSINESS STUDY (N.I.O.S – X)

- (d) Improper sanitation and sewage system; and
- (e) Dumping of garbage into the nearby water sources by households.

Effects of Water Pollution: The effects of water pollution are:

- (a) health hazards among human beings and animals;
- (b) endanger lives of various aquatic species; and
- (c) results in scarcity of drinking water.

Land Pollution: Land pollution is dumping of useless, unwanted and hazardous substances on the land that degrades the quality of soil.

Causes of Land Pollution

- (a) Disposal of solid waste from construction of roads and buildings;
- (b) Effluents of plants which are not absorbed by soil;
- (c) Excessive use of fertilizers, chemicals and pesticides in farming;
- (d) Disposal of waste from industries, mines and quarries;
- (e) Excessive use of plastic bags;
- (f) Dumping of non-composable wastes from households, hotels and hospitals.

Effects of Land Pollution

- (a) Reduces cultivable land area.
- (b) Results in water and air pollution.
- (c) Causes health hazards.
- (d) Causes damage to the landscape.

Role of Business in Environmental Pollution

Business contributes to all type of pollution. They cause pollution in the following ways:

- (a) Disposal of industrial wastes;
- (b) Emission of gas and smoke from plants;
- (c) Machines and vehicles contribute to noise pollution;
- (d) Deforestation due to use of forest lands for setting up plants;
- (e) Growth of urbanization and industrialization;
- (f) Mining and quarrying activities; and
- (g) Increase use of transport.

INTEXT QUESTIONS 1.1

Q. 1. State whether the following statements are true or false, by writing ‘T’ against true statement and ‘F’ against false statement.

- (a) A doctor attending to patient in his clinic is engaged in an economic activity.
- (b) A mother stitching clothes for her children is engaged in an economic activity.

- (c) A tailor stitching clothes for his customers is engaged in an economic activity.
- (d) Distributing food to beggars outside the temple is a non-economic activity.
- (e) Sachin Tendulkar playing cricket for the country is performing a non-economic activity.

Ans. (a) T, (b) F, (c) T, (d) T, (e) F.

Q. 2. In the following list of activities, state which are economic activities and which are non-economic activities.

- (i) Playing football with friends
- (ii) Teaching in a school
- (iii) Attending to one’s relative who is unwell
- (iv) Listening to radio
- (v) Selling fruits and vegetables in the local market
- (vi) Preparing food at home
- (vii) Working in an office.

Ans. (i) Non-economic (ii) Economic (iii) Non-economic (iv) Non-economic (v) Economic (vi) Non-economic (vii) Economic.

INTEXT QUESTIONS 1.2

Q. 1. Fill in the blanks with suitable words:

- (i) The economic activity in which one is engaged on regular basis is called his/her
- (ii) A professional requires and training in a particular field.
- (iii) The occupation in which people work for others and earn fixed income is called
- (iv) A professional body regulates every profession by laying down the for all professionals.
- (v) The terms and conditions of employment are decide by the

Ans. (i) occupation (ii) specialized knowledge (iii) employment (iv) code of conduct (v) employer.

Q. 2. Match the phrases in column A with those in column B:

Column A	Column B
(a) Primary objective of business	(i) Special skill
(b) Primary objective of profession	(ii) Making profit
(c) Essential requirement for a profession	(iii) Profession
(d) Occupation of a Chartered Accountant	(iv) Providing service

Ans. (a) (ii), (b) (iv), (c) (i), (d) (iii).