

QB365 Question Bank Software Study Materials

Classification of Business Activities Important 2,3 & 5 Marks Questions With Answers (Book Back and Creative)

11th Standard

Commerce

Total Marks : 75

2 Marks

10 x 2 = 20

1) Define Commerce.

Answer : Commerce refers to all those activities which are necessary for bringing goods from the place of production to the place of their consumption.

2) What do mean by industry?

Answer : Industry refers to economic activities, which are connected with conversion of resources into useful goods.

3) What is trade?

Answer : Trade is an essential part of commerce. The term 'Trade' is used to denote buying and selling.

4) Give examples for primary industries.

Answer : a. Agriculture
b. Farming
c. Forestry
d. Fishing
e. Horticulture

5) What is Assembling industry?

Answer : Assembling industry which assembles different component parts to make a new product, as in the case of television, car, computer, etc.

6) What do you mean by personalised service?

Answer : Personalised service:

Individuals and private institutions selling their services to others. Eg. plumber, servant maid, etc.,

7) What is Public service?

Answer : Public service:

Government hospitals, schools, police, Government offices, etc., provide services to the people on behalf of the Government without profit motive.

8) Write a short note on Quaternary service?

Answer : Quaternary service:

Professional or specialised skills and high technology are used to provide this type of service. Eg. Software development, Auditing, Research and Development, etc.,

9) What is Large Industries?

Answer : The term refers to factories that combine at least three characteristics:

Use of machinery employment of labour, and the application of regulatory measures such as the Factory Act, Disputes Act.

10) Define genetic industries.

Answer : (1) These Industries remain engaged in breeding plants and animals for their use in further production.

(2) The seeds nursery companies, poultry, dairy, piggery, hatcheries, nursery, fisheries, apiary, etc. are classic examples of genetic industries.

11) Write a short note on transportation.

Answer : Selling all the goods produced at or near the production place is not possible. Hence, goods are to be sent to different places where they are demanded. The medium which moves men and materials from one place to another place is called transport.

12) What do you mean by tertiary industries?

Answer : Tertiary industries do not produce any goods. These Industries produce utility services and sell them at a profit. They help trade, Industry and Commerce. This term also includes auxiliaries to trade like banking, insurance, warehouse, advertisement etc.

13) What do you mean by Warehousing?

Answer : Goods are not sold or consumed immediately after production. They are held in stock to make them available as and when required. A place where the process of storage is done is known as warehouse. The process of keeping the goods is known as warehousing.

14) What do you mean by Secondary Industries?

Answer : Secondary industries are concerned with using the materials which have already been extracted at the primary stage. These industries process such materials to produce goods for final consumption or for further processing by other industrial units. For example mining of an iron ore is a primary industry, but manufacturing of steel by way of further processing of raw irons is a secondary industry.

15) What is the meaning of Banking?

Answer : Nowadays we cannot think of business without bank. To start the business or to run it smoothly we require money. Banks supply money. Business activities cannot be undertaken unless funds are available for acquiring assets, purchasing raw materials and meeting other expenses. Necessary funds can be obtained from bank. Thus, banking helps business activities to overcome the problem of finance.

16) What is Warehousing?

Answer : Usually, goods are not sold or consumed immediately after production. They are held in stock to make them available as and when required. Special arrangement must be made for storage of goods to prevent loss or damage. Warehousing helps business firms to overcome the problem of storage and facilitates the availability of goods when needed. Prices are thereby maintained at a reasonable level through continuous supply of goods.

17) Write short notes on personalised service and public service of industries.

Answer : Personalised service:

Individuals and private institutions selling their services to others. E.g. plumber, servant maid, etc.

Public Service:

Government hospitals, schools, police, Government offices, etc. provide services to the people on behalf of the Government without profit motive.

18) Write short notes on distributive service and financial service of industries.

Answer : Distributive Service:

Transportation, sales, warehousing, logistics, salesmanship, etc. come under this type of service.

Financial Service:

Banking, factoring, accounting, and insurance, etc. are grouped under this type of service.

19) Write short notes on analytical industries and assembling industries.

Answer : Analytical Industry analyses and separates different elements from the same materials, as in the case of oil refinery. Assembling Industry assembles different component parts to make a new product, as in the case of television, car, computer, etc.

20) Write short notes on quaternary service and quinary service of industries.

Answer : Quaternary Service:

Professional or specialised skills and high technology are used to provide this type of service. E.g. Software development, Auditing, Research and Development, etc.

Quinary Service:

New ideas are generated, new technologies are evolved, new policies are implemented by selected individual experts. Their decisions influence nations, international institutions, etc. i.e., Inventors.

5 Marks

5 x 5 = 25

21) Compare industry, commerce and trade. (any 5)

Answer : Comparison between Industry, commerce and Trade

Basis	Industry	Commerce	Trade
(1) Meaning	Extraction, reproduction, conversion, processing and construction of useful products.	Activities involving distribution of goods and services.	Purchase and sale of goods and services.
(2) Scope	Consists of all activities involving conversion of materials and semi-finished products into finished goods.	Compnses trade auxiliaries to trade.	Comprises exchange of goods and services.
(3) Capital	Generally large amount of capital is required.	Need for capital is comparatively less.	Small capital is needed to maintain stock and to grant credit.
(4) Risk	Risk involved is usually high.	Relatively less risk is involved	Relatively less risk is involved
(5) Side	It represents supply side of goods and services.	It represents demand side of goods and services	It represents both supply and demand
(6) Utility Creation	It creates form utility by changing the form or shape of materials.	It creates place utility by moving goods from producers to consumers	It creates possession utility through exchange.

22) Write short notes on :

- (a) Analytical Industry
- (b) Genetic Industry and
- (c) Construction Industry

Answer : (a) Analytical Industry :

Analytical Industries analyses and separates different elements from the same materials, as in the case of oil refinery.

(b) Genetic Industry:

- (1) These Industries remain engaged in breeding plants and animals for their use in further production.
- (2) The seeds nursery companies, poultry, diary, piggery, hatcheries, nursery, fisheries, apiary, etc. are classic examples of genetic industries.

(c) Construction Industry:

These Industries are involved in the construction of Buildings, Dams, Bridges, Roads, as well as tunnels and Canals.

d) Extractive Industries:

These industries extract or draw out products from natural sources. Extractive industries supply some raw materials that are mostly products of geographical and natural environment.

23) What are the characteristics of commerce?

Answer : The following are the characteristics of Commerce.

(i) Economic activities:

- (1) All economic activities are undertaken to earn Profit. commerce deals with all economic activities undertaken for profit.
- (2) So, commerce is concerned with all economic activities directed towards earning profit.

(ii) Exchange of goods and services :

- (1) Commerce involves an exchange of goods and services for profit.
- (2) Goods may be produced for the purpose of resale to the consumers.

(iii) Earning motive :

- (1) Profit is an incentive for undertaking all commercial activities.
- (2) Any activity, which does not have the incentive of profit, will not be a part of commerce.

For Example: If a trader gives some goods as Charity.

(iv) Creation of Utility:

Commerce creates form, place and time utility in goods.

(v) Regularity of transaction:

The transaction should be regular. No isolated transaction will be a part of commerce.

- 24) Write a short note on Secondary Industries.

Answer : These industries produced goods for final consumption or for further processing by other industrial units. For example, mining of an iron ore is a primary industry, but the manufacturing of steel is secondary industry. It can be categorized as follows:

1) Manufacturing Industries:

These industries are engaged in producing goods through processing of raw materials and thus creating from utilities. These industries may be further divided into four categories on the basis of method of operation for production.

2) Analytical Industry:

Which analyses and separates different elements from the same materials, as in the case of oil refinery.

3) Synthetically Industry:

Which combines various ingredients into a new products, as in the case of cement.

4) Processing Industry:

Which involves successive stages for manufacturing finished products, as in the case sugar and paper.

5) Assembling Industry:

Which assembles different component parts to make a new product, as in the case of television, car, computer, etc.

6) Construction Industries:

These industries are involved in the construction of building, dams, bridges, roads as well as tunnels and canals.

- 25) Write a note on Tertiary industries.

Answer : The industries which produces utility services and sell them at the profit. These industries help trade, commerce and industry. The auxiliaries to trade like banking, insurance, warehouse, advertisement etc are included in this. These industries are further classified as under:

1) Personalized service:

The individuals and private institutions selling their services to others are called as personalized services. E.g Plumber, servant maid etc.

2) Public service:

The government provide services to the people without profit motive through Government Hospital, schools, police, Government offices etc.

3) Distributive service:

Transportation, sales, warehousing, logistics, salesmanship etc. come under this type of service.

4) Financial service:

Banking; factoring, accounting and insurance etc. are grouped under this type of service.

5) Quaternary service:

Professional or specialized skills and high technology are used to provide this type of service. Eg. Software development, Auditing, Research and Development, etc.

6) Quinary service:

Selective individual experts create new ideas, implement new technologies and implement new policies. These decisions influenced the growth and development of national and international institutions.