

Key Business Studies Questions and Answers for Exam Preparation

Q1: What are the different types of economic activities?

Answer: Economic activities are broadly classified into three types:

- Profession: Involves specialized knowledge and expertise.
- Business: Includes activities related to the production or sale of goods and services.
- Employment: Where individuals work for others and receive wages or salaries.

Q2: Name one economic pursuit that requires expertise.

Answer: A profession is an economic pursuit that demands specialized knowledge and skills.

Q3: Which industries provide support to other industries?

Answer: Tertiary industries support primary and secondary industries by offering services like transportation, communication, and banking.

Q4: Can fishing be considered a primary industry?

Answer: Yes, fishing is a primary industry as it involves extracting natural resources directly from nature.

Q5: Categorize the occupation where employees work for others and get paid.

- Profession
- Business
- Employment
- None of the above

Answer: Employment.

Q6: Sort the following into business, employment, and profession:

- Farmer: Business
- Clerk: Employment
- Lawyer: Profession
- Doctor: Profession

Q7: What is the reward for bearing risks in business?

Answer: Profit is the reward a businessman earns for taking risks.

Q8: What is the difference between Business and Profession?

Answer:

- In Business, capital investment is required depending on the size and nature of the business. In Profession, limited capital is needed for establishment.
- In Business, profits are uncertain, and there is a higher risk factor. In Profession, the risk is relatively low.

Q9: Mention the risks involved in business.

Answer: Business risks include:

- Uncertainty and unexpected situations.
- Risks are an essential part of business.
- Profit is the reward for managing risks.

Q10: What are the objectives of a business?

Answer: Objectives include:

1. Innovation: Introducing new ideas and inventions to sustain growth.
2. Productivity: Achieving higher output compared to input.
3. Earning Profit: Ensuring financial stability and growth.

Q11: Define Commerce and its significance in modern life.

Answer: Commerce is the exchange of goods, services, or value among businesses or entities. Its significance includes:

- Acts as a bridge between manufacturers and consumers.
- Creates employment opportunities.
- Promotes global trade.
- Supports industrial growth.
- Provides assistance during natural calamities.

Q12: Under which type of industry are oil refineries and sugar mills classified?

Answer: Oil refineries and sugar mills fall under the secondary industry.

Q13: What are the differences between primary and secondary industries?

Answer:

- Primary industries involve the extraction of natural resources, such as mining and fishing. Secondary industries focus on converting raw materials into finished goods, such as oil refineries and sugar mills.
- Primary industries are classified into extractive and genetic industries, while secondary industries are classified into manufacturing and construction industries.

Q14: How do traders overcome hindrances in business?

Answer:

1. Hindrance of Person: Eliminated by enabling manufacturers to sell directly to consumers.
2. Hindrance of Place: Resolved through transportation of goods to marketplaces.
3. Hindrance of Risk: Managed via insurance to cover losses due to theft, fire, or accidents.
4. Hindrance of Information: Removed by advertising to inform consumers about products and

services.

Q15: Why is Insurance considered a tertiary industry?

Answer: Insurance provides support services to both primary and secondary industries by covering risks and ensuring financial security. It is part of the service sector, which includes schools, banks, and restaurants.