

Chapter - 1 Business, Trade and Commerce

Question 1

What are the different types of economic activities?

Answer: There are various types of economic activities. Namely,

- Profession
- Business
- Employment

Question 2

Name one economic pursuit, in which expertise is required.

Answer: Profession is an economic pursuit, in which expertise is required.

Question 3

Name the industries that furnish support to other fellow industries.

Answer: Tertiary industries are involved in furnishing support to all the primary and secondary industries.

Question 4

Can fishing be contemplated as a primary industry?

Answer: Yes.

Question 5

Categorise the occupation in which the employees work for others and get paid in return.

- Profession
- Business
- Employment
- None of the above

Answer: Employment

Question 6

Sort the following into a business concern, employment and profession.

- Farmer
- Clerk

- Lawyer
- Doctor

Answer:

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

Question 7

What is the reward that a businessman earns for bearing risk?

Answer: When a businessman bears the risk, the reward that he'll get is – earning the profit.

Question 8

What is the difference between Business and Profession?

Answer:

Business	Profession
In the business, capital investment is necessary according to the size and nature of the business.	In the profession, limited capital is required for the establishment of the business enterprise.
Here, profits are uncertain.	Here, the risk factor is not to that extent.

Question 9

Mention the risks that are involved in the business.

Answer: Every aspect has its own risk factors. So does business has too. Namely,

- Business risks arise due to a few uncertain and unexpected situations
- It is a quintessential part of any business
- However, profit is the reward for bearing the risks

Question 10

What are the objectives of a business?

Answer: Objectives of business are mentioned below:

- **Innovation:** Every business concern must come up with novice ideas, inventions and implement them; which are helpful for survival and growth.
- **Productivity:** Productivity is certainly determined by contrasting the value of the output with the value of the input.
- **Earning Profits:** Any business entity that is operating must earn a reasonable amount of profits in order to sustain survival and growth.

Question 11

What is commerce and its significance in modern life?

Answer: Commerce is the control of business among economic agents. Usually, it refers to the exchange of commodities, services or items of value, among companies or entities.

The significance of Commerce are,

- Commerce acts as a catalyst between the manufacturers and customers
- It establishes employment opportunities
- It encourages trade in the Global level
- Assists in the growth of developing the industries
- Helps during exigencies like the natural calamities – earthquake, flood, drought etc.,

Question 12

Under which type of industry do oil refinery and sugar mills are classified?

Answer: Secondary industry

Question 13

What are the differences between primary and secondary industry?

Answer:

Primary	Secondary
Pursuits that are concerned with the extraction and manufacturing of natural resources.	These industries manufacture raw materials to produce the commodities for final utilisation.
Classified as follows: • Extractive industries	Classified as follows: • Manufacturing industries

• Genetic industries	• Construction industries
Example: Mining, fishing	Example: Oil refinery, Sugar mill

Question 14

How does a trader get rid of the hindrance of a person?

Answer:

- Getting rid of hindrance of a person by making the commodities obtainable to the customers from the manufacturers via trade.
- Transportation removes hindrance of a location by transporting the commodities from the place of manufacturing to the market place for selling purpose.
- However, insurance removes the hindrance of perils of loss or damage of commodities due to fire, theft and accidents etc.,
- Advertising removes the hindrance of the data by keeping the customers informed regarding the commodities and services that are obtainable in the market place.

Question 15

Insurance is known as the tertiary industry. Explain.

Answer: Insurance is the support service to both the primary and secondary industries.

The tertiary industry is the section of the economy that contributes services to its customers, including a broad array of businesses such as schools, financial institutions and restaurants. It is also called as the tertiary sector or service industry/sector.