

Answer key  
Business studies

A-1 (a) No the company will not receive the compensation if insurer will found the investigation the actual reason of fire

(b) Trust, honestly

(c) (i) In fire insurance insurable interest will be present in both the case, when policy will be taken and at the time of loss

(ii) The contract of fire insurance is a contract of utmost good faith

(iii) The contract of fire insurance is a contract of strict indemnity.

A-2 By offering warehouses close to the centres of distribution, wholesalers provide what is known as 'place utility'. Wholesalers not only provide warehousing facilities such as collection, storage and protection of goods but also facilitate marketing and distribution, creating 'time utility'.

A-3 To manufacturers, they provide information about the tastes and preferences of customers, conditions prevailing in the market, level of competition in the market and types of goods and features demanded by consumers. This information helps manufacturers to cater to the changing needs of consumers

**A-4** Single-line stores are small shops that deal in only one product. For example garments or shoes. However single-line stores offer a wide variety of the product. For instance a single-line store that deals in garments will have a wide variety of clothes in all sizes for men women and children. On the other hand specialty stores deal only in a particular type of product from a selected product line. For example men's clothing. Such stores generally sell all the brands of the product in which they specialise. For instance if a store specialises in men's clothing then it will have all the brands of men's garments. On the basis of these features we can identify the different types of stores in a locality— whether they are single-line stores or specialty stores. Single line stores are more frequently found in local retail markets while specialty stores are found in wholesale markets.

A-5 Street traders: Retailers who are commonly found at places where huge floating population gathers, for example, near railway stations and bus stands, and sell consumer items of common use, such as stationery items, eatables, readymade garments, newspapers and magazines.

Street shops: They attract floating customers and deal mainly in goods of cheap variety like toys, cigarettes, soft drinks, etc. They get their supplies from local suppliers as well as wholesalers. The total area covered by a stall is very limited and, therefore, they handle goods on a very small scale.

A-6 The reasons that itinerant traders survive in spite of the tough competition from large-scale retailers can be attributed to the following factors: (a) Low price of goods: Itinerant traders generally deal in low-priced goods that are of daily use to customers, such as toiletries, vegetables, fruits, etc.

A-7 Hawkers: A hawker moves about in residential localities. He carries his goods in a hand cart or bicycle. He deals in low-priced goods of daily use. For example, combs, toys, soaps, mirrors, bangles, vegetables, fruits, ice-cream, etc. Peddlers: A peddler also moves from house to house and sells articles of daily use. But he carries his wares on his head or on the back of a mule. Therefore, the basic difference between the two is that hawker has a cycle or cart to carry his goods while peddler carries his goods on heads. So we can say that financially, peddler is weaker than hawker

A-8 The chambers interact with the government at different levels to reorient or put in place policies which reduce hindrances, increase interstate movement of goods, introduce transparency and remove multiple layers of inspection and bureaucratic hurdles. It also aims at establishing right kind of infrastructure and simplifying and harmonizing the tax structure.

**Transportation:** The Chambers of Commerce and Industry help in many activities concerning interstate movement of goods which includes registration of vehicles, surface transport policies, construction of highways and roads.

**Octroi and other Local Levies:** The Chambers of Commerce and Industry ensures that its imposition is not at the cost of smooth transportation and local trade.

**Harmonization between Sales Tax and VAT:** The Chambers of Commerce and Industry plays an important role in interacting with the government to harmonize the sales tax structure in different states. A uniform sales tax is important for balanced growth as it is a source of state revenue.

**Marketing of Agro products and related issues:** The Chambers of Commerce and Industry can intervene and interact with concerned agencies in formulating policies regarding marketing of agro-products and related issues.

**Weights and Measures to prevention of duplication in brands:** It is necessary to protect the interests of the consumers as well as traders. They need to be enforced strictly. The Chambers of Commerce and Industry interact with the government and makes such laws which takes action against wrong doers.

**Promoting sound Infrastructure:** The Chambers of Commerce and Industry in collaboration with the government takes initiative to develop a sound infrastructure.

**Labour Legislations:** The Chambers of Commerce and Industry interacts with the government constantly on issues related to labour laws and retrenchment.

A-9 Weaker sections of society run retail shops in following ways: 1. Hawkers and Peddlers: The hawkers carry their goods in a wheeled vehicle while the peddlers carry the goods on their heads or backs. 2. Market Traders: These retailers open their shops at different places on fixed days. 3. Street Traders or Pavement Vendors: These retailers display their goods at busy street corners or pavements. 4. Cheap Jacks: These retailers generally hire a small shop in a residential colony for a temporary period. No, they are not capable to face competition from large scale retailers. In fact there I do not have to face competition from large scale retailers because their clientele is different from them. Poor and lower middle class people buy from small retail shops while upper middle class and rich people buy from large scale retail shops. Therefore, they can manage to exist due to following advantages over large scale retail shops. A small scale retailer himself looks after his business. He is not required to employ managers or to spend on advertising, etc. Therefore, he can sell goods at lower prices. A small scale retailer can take quick decisions. He is not required to consult others. A small scale retailer can easily adjust his stocks according to the changing needs and fashions of his customers. A small scale retailer can more easily maintain secrecy of his business affairs.

A-10 NCERT difference