

BCM SCHOOL, BASANT AVENUE, DUGRI ROAD, LUDHIANA
BUSINESS STUDIES
XI
ASSIGNMENT

1	<p>Which of the following will be considered as retailing?</p> <p>(a) Sale of ball pens or some magic medicine or book of jokes in the roadways buses.</p> <p>(b) Sale of cosmetics/detergent powder on a door-to-door sales basis.</p> <p>(c) Sale of vegetables by the road side by a small farmer.</p> <p>(d) All the above</p>	1
2	<p>Which of the following is not a service provided by retailers to manufacturers and wholesalers?</p> <p>(a) Regular availability of products</p> <p>(b) Help with distribution of goods</p> <p>(c) Help with promotion</p> <p>(d) Personal selling</p>	1
3	<p>Which of the following is not a service provided by retailers to consumers?</p> <p>(b) New products information</p> <p>(a) Regular availability of products</p> <p>(d) Convenience in buying</p> <p>(c) Collecting market information</p>	1
4	<p>flagship initiative is a innovation in the country of the Government of India with the objective of carving a strong eco-system for nurturing</p> <p>(a) Start up India scheme</p> <p>(b) Digital India scheme</p> <p>(c) Make in India scheme</p> <p>(d) Growing India scheme</p>	1
5	<p>Which of the following statements is false about the incentives offered by the government to small scale industries?</p> <p>(a) Availability of land at concessional rates</p> <p>(b) Supply of power at 50% and even exemption of payment for power</p> <p>(c) Exemption form sales tax for 5 years</p> <p>(d) Raw materials are supplied at 50% concession</p>	1
6	<p>This type of account interlinks the saving account with a deposit account and an amount in excess of a pre-determined amount is automatically transferred to a fixed deposit account. Identify the type of bank account.</p> <p>(a) Current deposit account</p> <p>(b) Multiple option deposit account</p> <p>(c) Recurring deposit account</p> <p>(d) Fixed deposit account</p>	1

7	<p>Trinity Ltd. is a company which manufactures blankets. The company needs additional capital for expansion of business. So it issues 50,000 shares of the face value of 100 each. Before issuing shares the management of the company decided that they would issue such shares which will not impose any fixed financial charges. In the prospectus they mentioned that in the coming years, the company expected to earn a big profit and as a result, the investors would be able to earn extra dividends. The company collected money from the public and the company's business expanded.</p> <p>Identify and explain the type of shares issued by Trinity Ltd.</p>	3
8	<p>Abhimanyu Ltd. is manufacturing cotton shirts for men. It is planning to expand its business by opening one more unit in another city. It has been consistently earning good profits. So there are sufficient reserves.</p> <p>State the most appropriate source of finance for the company. Explain its features.</p>	3
9	<p>What is 'Marine Insurance'? State the Main Elements of a Marine Insurance Contract.</p>	3
10	<p>Mr. Gurudutt is a trader from Assam and a leading Supplier of "Assam Tea" to wholesalers and retailers in different parts of India. He is facing problem while communicating with his customers, which is given as below:</p> <p>(a) Asgar, a big retailer in Mumbai, asked for a quotation for different flavours of tea from Mr. Gurudutt. Gurudutt wants to send the quotation as quickly as possible along with sample so that Asgar does not shift to his competitors.</p> <p>(b) Chaman, a big wholesaler in Delhi asked Mr. Gurudutt to send a bag of 10 kg special. Assam tea.</p> <p>(c) Dholu, a customer of Mr. Gurudutt, is in default on a payment on his loan even after three reminders. Now, Mr. Gurudutt wants to send him a legal notice and also wants to get assured that it must reach him without fail.</p> <p>Suggest to Mr. Gurudutt, with explanation, the different types of postal services, which he can use to communicate with different customers described in the above cases</p>	4
11	<p>Read the following and answer the questions that follow on the basis of the same and your previous knowledge: Wholesaling is concerned with the activities of those persons or establishments which sell to retailers and other merchants, and/ or to industrial, institutional and commercial users but who do not sell in significant amount to ultimate consumers. Wholesalers serve as an important link between manufacturers and retailers. They enable the producers not only to reach large number of buyers spread over a wide geographical area (through retailers), but also to perform a variety of functions in the process of distribution of goods and services. They generally take the title of the goods and bear the business risks by purchasing and selling the goods in their own name. They purchase in bulk and sell in small lots to retailers or industrial users. They undertake various activities such as grading of products, packing into smaller lots, storage, transportation, promotion of goods, collection of market information, collection of small</p>	4

	<p>and scattered orders of retailers and distribution of supplies to them. They also relieve the retailers of maintaining a large stock of articles and extend credit facilities to them. Most of the functions performed by wholesalers are such which cannot be eliminated. If there are no wholesalers, these functions shall have to be performed either by the manufacturers or the retailers. A retailer is a business enterprise that is engage in the sale of goods and services directly to the ultimate consumers. The retailer normally buys goods in large quantities from the wholesalers and sells them in small quantities to the ultimate consumers. The retails represents the final stage in the distribution where goods are transferred from the hands of the manufacturers or wholesalers to the final consumers or users. Retailing is, thus, that branch of business which is devoted to the sale of goods and services to the ultimate consumers for their personal and non-business use. There may be different ways of selling the goods viz., personally, on telephone, or through vending machines. Also, the products may be sold at different places, viz., in a store, at the customer's house or any other place. Some of the common situations that we encounter in our daily life, for example, are the sale of ball pens or some magic medicine or book of jokes in the roadways buses; the sale of cosmetics/detergent powder, on door-to-door sales basis; and the sale of vegetables by the roadside by a small farmer. But as long as the goods are sold to ultimate consumers, these will be treated as cases of retail selling. Thus, irrespective of 'how' the products are sold or 'where' the sale is made, if the sales are made directly to the consumers, it will be considered as retailing. A retailer performs different functions in the distribution of goods and services. He/she purchases a variety of products from the wholesale distributors and others, arranges for proper storage of goods, sells the goods in small quantities, bears business risks, grades the products, collects market information, extends credit to the buyers and promotes the sale of products through displays, participation in various schemes, etc.</p> <p>(a) Give the meanings of the two types of Internal trade discussed above.</p> <p>(b) Explain any two important services of wholesalers and retailers to each other</p>	
12	<p>Read the following and answer the question that follow on the basis of the same:</p> <p>All of us have seen a petrol station. Have your ever thought how a petrol station owner does his business in a village? How he gets the petrol and diesel to the villages in the interior? How he gets the money to purchase large quantities of petrol and diesel. How he communicates to petrol depots for requirement and also to customers? How he safeguards himself from various risks associated with this business? The answer to all the above questions lies in the understanding of business services. The transportation of petrol and diesel from oil refineries to petrol pumps is carried out by train and tankers. They are then stored at various depots of oil companies situated in all major towns across India. Petrol pump owners use postal, mail and telephone facilities to be in touch with customers, banks and the depots for the availability of their requirements on a regular basis. As oil companies always sell the petrol and diesel on</p>	6

	<p>advance payment, the owners have to take out loans and advances from banks to fund their purchases. Petrol and diesel being highly risky products, the owners have to safeguard themselves from various risks by getting the business, the products, the life of people working there, etc., insured. Thus, we see that a single business of providing petrol and diesel at a petrol pump is actually a collective outcome of various business services. These services are being utilised in the entire process of shipment of petrol and diesel from oil refineries to the point of sale at petrol pumps, spread across the length and breadth of India.</p> <p>(a) Give the meaning of 'Business services'.</p> <p>(b) Explain briefly various types of business services described above, by quoting the lines from it.</p>	
13	Explain briefly any four principles of insurance with suitable examples.	6
14	<p>Rekha Garments has received an order to export 20,000 men's trousers to Swift Imports Ltd. located in Australia. Rekha garments makes necessary enquiries about the creditworthiness of Swift Imports Ltd. and demands a letter of credit from it. After a week, Rekha garments gets a letter of credit issued by the importer's bank.</p> <p>Discuss the six-steps procedure that Rekha Garments would need to go through for executing the export order.</p>	6