



# NIOS PYQ's SOLUTIONS

PREVIOUS YEARS' QUESTIONS & ANSWERS



APRIL-2025

Your Path to Success

# SECTION - A

A.   
B.   
C.



**Q1 - Which of the following is not a profession?**

- (A) Engineer (B) Business  
(C) Chartered Accountant (D) Doctor

**Answer -** (B) Business

**Q 2 - \_\_\_\_\_ refers to the process of buying goods and services.**

- (A) Business (B) Commerce  
(C) Employment (D) Trade

**Answer -** (D) Trade

**Q 3 - The liability of Karta is \_\_\_\_\_ while that of the other members is \_\_\_\_\_.**

- (A) Limited; Unlimited (B) Limited; Limited  
(C) Unlimited; Limited (D) Unlimited; Unlimited

**Answer -** (C) Unlimited; Limited

**Q 4 Gokuldham Society is made by a group of people in which these members are to construct or buy houses of reasonable cost. This is an example of :**

- (A) Cooperative Housing Society (B) Cooperative Credit Society  
(C) Marketing Cooperative Society (D) Cooperative Credit Society

**Answer -** (A) Cooperative Housing Society



**Q 5 - Which of the following is a demerit of a partnership firm ?**

- (A) Unfair distribution of profits**
- (B) Unlimited liability**
- (C) Unlimited Managerial ability**
- (D) Dominance of one partner**

**Answer -** (B) Unlimited liability

**Q 6 - Reliance Industries Limited is a \_\_\_\_\_ company.**

- (A) Private**
- (B) Public**
- (C) Subsidiary**
- (D) NGO**

**Answer -** (B) Public

**Q 7 - \_\_\_\_\_ is the process of exchanging information and understanding between two or more persons.**

- (A) Motivation**
- (B) Leadership**
- (C) Cooperation**
- (D) Communication**

**Answer -** (D) Communication



**Q 8 - Online-Banking provides service to customers :**

- (A) 8 hours in a day
- (B) 10 hours in a day
- (C) 24 hours in a day
- (D) None of these

**Answer -** (C) 24 hours in a day

**Q 9 - The insured is expected to disclose all the important facts related to the property insured. Which principle is discussed here ?**

- (A) Mitigation
- (B) Indemnity
- (C) Insurable Interest
- (D) Utmost Good Faith

**Answer -** (D) Utmost Good Faith

**Q 10 - Neeta saves Rs. 5,000 every month. Which type of Bank Account she should open with the Bank ?**

- (A) Current Account
- (B) PPF Account
- (C) Recurring Deposit Account
- (D) Savings Account

**Answer –** (C) Recurring Deposit Account



**Q 11 - Arun mortgages his factory to Varun and gets loan from him. Varun gets it insured for fire. Which principle of insurance is applicable here ?**

- (A) Principle of Insurable Interest**
- (B) Principle of Utmost Good Faith**
- (C) Principle of Indemnity**
- (D) None of these**

**Answer -** (A) Principle of Insurable Interest

**Q 12 - For heavy equipment, which of the following channels is more relevant ?**

- (A) Zero-Level**
- (B) One-Level**
- (C) Two-Level**
- (D) Three-Level**

**Answer -** (A) Zero-Level

**Q 13 - Mail Order Selling is a \_\_\_\_\_ channel of distribution.**

- (A) Direct**
- (B) Indirect**
- (C) Sole**
- (D) None of these**

**Answer -** (A) Direct



**Q 14 - "Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor." Who stated this ?**

- (A) Australian Marketing Association**
- (B) China Marketing Association**
- (C) European Marketing Association**
- (D) American Marketing Association**

**Answer -** (D) American Marketing Association

**Q 15 - Advertising influences the mind of the consumers by creating desire and taste for:**

- (A) Old Products**
- (B) New Products**
- (C) Same Products**
- (D) Different Products**

**Answer -** (B) New Products

**Q 16 - The right to \_\_\_\_\_ refers to the right to be safeguarded from products that are harmful to one's life or health.**

- (A) Consumer Education**
- (B) Safety**
- (C) Seek redressal**
- (D) Information**

**Answer –** (B) Safety



**Q 17 - Which of the following statements is true ?**

- (A) The Consumer movement in India has led to the formation of various organizations locally known as consumer forums or consumer protection councils.
- (B) They guide consumers on how to file cases in consumer court.
- (C) They do not represent individual consumers in the consumer courts.
- (D) Both (A) and (B)

**Answer –** (D) Both (A) and (B)

**Q 18 - Which of the following is not a responsibility of consumers ?**

- (A) Seeking redressal for grievances
- (B) Being aware of their rights as consumers
- (C) Checking the quality of goods before purchasing
- (D) Using pirated software and media

**Answer –** (D) Using pirated software and media

**Q 19 - An occupation with which opportunities for advancement or promotion can be availed off in life is known as:**

- (A) Career
- (B) Wage-employment
- (C) Self-employment
- (D) All of the above

**Answer –** (A) Career



**Q 20 - Entrepreneur often is known as**

- (A) High risk bearing
- (B) Moderate risk taker
- (C) Low risk bearer
- (D) Prefers risk free business

**Answer –** (B) Moderate risk taker

## SECTION - B

**Q 21 - Usha and Kiran pursued their Masters Degree in Business Management from a reputed institute of Mumbai. After completion of their studies, both of them got engaged in different fields. Usha got a job at an Oil Refinery Industry as a Junior Executive Finance. Kiran joined her family business of Textile Industry at Ludhiana, Punjab. Name the type of industry, Usha and Kiran worked as highlighted in the above case.**

**Answer – (a) Usha:** Oil Refinery → **Secondary Industry**

**(b) Kiran:** Textile Industry → **Secondary Industry**

**Q 22 - Write True or False :**

- (a) The principle of 'one person one vote' applies to Sole Proprietorship.
- (b) It is necessary to get every company incorporated, whether private or public.

**Answer –** (a) False

(b) True



**Q 23 - Ajeet started his Travel Agency in the year 2020 by taking a small room on rent in Shimla. He invested money and efforts to build his business. Quality and timely services provided by his Travel Agency made him popular in Shimla. Identify the form of business organization owned and operated by Ajeet.**

**Answer – Sole Proprietorship** (Ajeet owns and manages the business alone, therefore the form of organization is Sole Proprietorship.)

**Q 24 - Fill in the blanks :**

(a) Walking with a straight body posture shows \_\_\_\_\_.

(b) \_\_\_\_\_ communication flows through officially prescribed channels.

**Answer –** (a) Confidence

(b) Formal

**Q 25 - State the full form of the following:**

(a) CBS

(b) UPI

**Answer –** (a) CBS – Core Banking Solution

(b) UPI – Unified Payments Interface

**Q 26 - Best Answer Test:**

(a) Suman needs leave at work. Which method of communication will she use ?

(b) If a person communicates to other with the help of pictures, symbols, diagrams, will it be considered visual communication ?

**Answer –** (a) Written Communication

(b) Visual Communication



**Q 27 - Give answer in one word:**

**(a) Can an illiterate person be issued Debit Card ?**

**(b) Name the system which can be used for both fund transfers and bill payments.**

**Answer –** (a) Yes

(b) UPI (Unified Payments Interface).

**Q 28 - Fill in the blanks:**

**(a) \_\_\_\_\_ insurance is not covered under General Insurance.**

**(b) The maximum limit of time for fire insurance is \_\_\_\_\_ year.**

**Answer –** (a) Life Insurance

(b) 1 year

**Q 29 - Now-a-days we have such a digital payment system under which the user can do financial transaction by presenting his Aadhaar Number and Finger Print / Iris. The user can use this facility only when his bank account is linked with the Aadhaar Card. Because of Biometric Authentication, it is the safest digital payment system. Name this payment system.**

**Answer – AEPS** (Aadhaar Enabled Payment System)

**Q 30 - Mrs. Shalini Gupta got her life insured by 'Bajaj Life Insurance Company Ltd.' and 'Life Insurance Corporation of India' for Rs. 20 lakh and Rs. 10 lakh respectively. She survived upto the end of the fixed period. What type of 'Insurance Contract' is indicated in Mrs. Shalini Gupta's insurance contract in which two insurance companies are involved ?**

**Answer – Double Insurance** (When a person insures the same life with two insurers, it is called Double Insurance.)



**Q 31 - Write True or False:**

(a) A distribution channel is the path by which all goods and services must travel to arrive at the intended consumer.

(b) Retailer channel member transacts with the final consumer.

**Answer –** (a) True

(b) True

**Q 32 - Fill in the blanks:**

(a) \_\_\_\_\_ is not flexible as the message is once fixed it cannot be altered again and again according to the customer.

(b) Advertising helps in educating \_\_\_\_\_ about different products and their use.

**Answer –** (a) Advertising

(b) Consumers.

**Q 33 - Mr. Rajeev, a production manager is a patient of diabetes for which he takes medicines regularly. One day, on his tour to Ambala, he met with an accident and was hospitalized. Due to doctor's negligence a delicate nerve of his left leg was cut rendering him crippled throughout his life. Identify the consumer right that has been violated by the doctors under the Consumer Protection Act, 1986 in the above situation.**

**Answer – Right to Safety** (The doctor's negligence caused permanent injury, violating the consumer's Right to Safety under the Consumer Protection Act.)

**Q 34 - Write True or False:**

(a) National Commission consists of a President and six other members.

(b) Consumer awareness is making a consumer aware of his rights and liabilities.

**Answer –** (a) True

(b) True



**Q 35 - Fill in the blanks :**

(a) An individual who initiates, creates and manages a new business can be called an \_\_\_\_\_.

(b) Entrepreneurship is a \_\_\_\_\_ activity.

**Answer –** (a) Entrepreneur.

(b) Creative

## SECTION - C

**Q 36 - (i) Vinod wants to start a business organization but he is afraid that in case the assets of his business fall short of repaying the liabilities, his personal assets could also be used to repay the liabilities. Suggest Vinod which form of business organization he should start so that his fear comes to an end.**

**Answer – Vinod should start a Limited Liability Company.** In this form of business, the liability of members is limited. If business assets are insufficient to repay liabilities, personal assets of members are not used.

Or

**(ii) A new cooperative store has been set up in Chandigarh through registration under Chandigarh Cooperative Societies Act. It was set up to provide residential accommodation and civic amenities such as roads, parks, street lights, parking etc. to its members at lower cost.**

**Identify the type of cooperative society being described in the above case.**

**Answer –** The cooperative society described is a **Co-operative Housing Society**. It is formed to provide residential accommodation and Public facilities like roads, parks, street lights and parking to its members at reasonable cost.



**Q 37 - State any two advantages of Newspaper Advertising.**

**Answer – Two advantages of Newspaper Advertising are:**

1. Newspaper advertising reaches a large number of people at the same time.
2. The advertisement can be read again and again and is economical.

**Q 38 - What is meant by Right to Safety ? Explain with example.**

**Answer – Right to Safety** means the right of consumers to be protected against goods and services hazardous to life and health. **For example**, sale of defective medicines causing harm violates the consumer's Right to Safety.

**Q 39 - Explain the Bureau of Indian Standards Act, 1986.**

**Answer –** The **Bureau of Indian Standards Act, 1986** was enacted to ensure quality and standardisation of products. BIS grants ISI mark to goods that meet prescribed standards to protect consumers from substandard products.

**Q 40 - State any two responsibilities of consumers.**

**Answer – Two responsibilities of consumers are:**

1. Consumers should check the quality, price and expiry date of goods.
2. Consumers should ask for bills and seek redressal for grievances.

**Q 41 - What is meant by Consumer Protection ?**

**Answer –** Consumer Protection means **safeguarding the interests and rights of consumers**. It protects consumers from exploitation, unfair trade practices and defective goods and services through laws like the Consumer Protection Act.

**Q 42 - (i) What is Business ? Explain any two characteristics of business.**

**Answer –** Business is an economic activity involving the regular production and exchange of goods and services for earning profit. It is carried on to satisfy human needs through the sale of goods and services.



**Characteristics of Business:**

1. Business involves regular dealings, not a one-time activity.
2. Earning profit is the main objective of every business activity.

Or

**(ii) What is meant by Water Pollution ? Explain any two causes of water pollution.**

**Answer –** Water pollution refers to the contamination of water bodies such as rivers, lakes and oceans by harmful substances, making water unsafe for drinking and other uses. Polluted water adversely affects human health and aquatic life.

**Two causes of water pollution are:**

1. One major cause is the discharge of untreated industrial wastes into rivers.
2. The disposal of domestic sewage, garbage and detergents into water bodies.

**Q 43 - What is E-Banking ? Explain any two types of E-Banking services.**

**Answer –** E-Banking refers to the use of electronic means such as the internet and mobile phones to provide banking services to customers. It allows customers to access their bank accounts anytime and anywhere.

**Types of E-Banking services:**

1. Online fund transfer enables customers to transfer money electronically.
2. ATM and debit card services allow customers to withdraw cash, check balance and make payments conveniently.

**Q 44 - (i) Banita, Promil and Veena do wholesale trade in readymade garments. They got their godown insured for Rs. 10 lakh only by 'Reliance General Insurance Company'. A few days after getting the insurance, the godown caught fire and the goods worth Rs. 6 lakhs only were destroyed. They succeeded in getting compensation on their loss from the insurance company. The firm sold off the half burnt goods and got Rs. 50,000 only.**



**Who will be the claimant of this amount, the firm or the insurance company? Also explain the principle of insurance applicable here in this case.**

**Answer –** The **insurance company** will be the claimant of the ₹50,000 received from selling the half-burnt goods.

This case is based on the **Principle of Subrogation**.

According to this principle, after paying the compensation for the loss, the insurer gets the right over the damaged property. Therefore, any amount recovered from the sale of damaged goods belongs to the insurance company and not to the insured firm.

**Or**

**(ii) Aman took fire insurance policy of Rs. 25 lakh for his factory at the annual premium of Rs. 40,000. In order to avoid higher premium, he did not disclose that a highly explosive chemical is being used in his factory. Due to an accidental fire, his factory severely damaged. The insurance company refused to pay the claim as it became aware about the highly explosive chemicals. Can Aman claim compensation? State the name of "Principle of Insurance" violated here.**

**Answer –** No, Aman cannot claim compensation from the insurance company.

While taking the fire insurance policy, he did not disclose that highly explosive chemicals were being used in his factory. This is a violation of the Principle of **Utmost Good Faith**.

**According to this principle**, both the insurer and the insured must disclose all material facts honestly and completely. Since Aman concealed an important fact, the insurance company is justified in rejecting the claim.

**Q 45 - What is meant by Television Advertising? Explain any two advantages of Television Advertising.**

**Answer – Television Advertising** is a form of advertising in which products and services are promoted through television using sound, pictures and motion. It is an effective medium of mass communication.



### Advantages of Television Advertising:

1. **Wide Reach** – Television reaches a large number of viewers across different regions at the same time.
2. **Audio-Visual Impact** – The combination of sound, picture and movement makes the advertisement more attractive, effective and easy to remember.

**Q 46 - (i) What precautions do you suggest to consumers while purchasing medicines from the market ?**

**Answer – The following precautions should be taken by consumers while purchasing medicines:**

- **Check Manufacturing and Expiry Date** – Always check the expiry date before buying medicines.
- **Doctor's Prescription** – Purchase medicines only as prescribed by a qualified doctor.
- **Authorised Medical Store** – Buy medicines from licensed and reputed chemist shops.
- **Proper Sealing and Labelling** – Ensure that the medicine pack is properly sealed and contains complete information.
- **Read Instructions Carefully** – Follow dosage instructions and warnings mentioned on the label.
- **Collect Cash Memo** – Always take and keep the bill for proof in case of any complaint.

Or

**(ii) How does the Government of India protect the interests of consumers ? Explain with three examples.**

**Answer – Measures taken by the Government of India to protect consumers are:**

1. Enactment of the **Consumer Protection Act** to safeguard consumer rights.
2. Establishment of **consumer courts** at district, state and national levels.
3. Enforcement of **quality standards** through BIS and ISI marks.



4. Organisation of **consumer awareness and education programmes**.
5. Action against **unfair trade practices and adulteration**.

**Q 47 - Explain any three possible areas of Self-employment.**

**Answer – Three possible areas of Self-employment are:**

- 1. Agriculture and allied activities:** Activities such as dairy farming, poultry, fisheries and horticulture provide good self-employment opportunities.
- 2. Small retail business:** Running grocery shops, stationery stores, medical stores and small trading units offers self-employment.
- 3. Service sector:** Services like tuition centres, tailoring, repair services, beauty parlours and computer services are popular self-employment areas.

**Q 48 - (i) What is E-Commerce ? Explain any four advantages of E-commerce.**

**Answer – E-Commerce** refers to the buying and selling of goods and services through electronic means such as the internet. It involves online transactions between buyers and sellers using digital platforms. E-commerce has become popular due to its convenience and wide reach.

**Advantages of E-commerce:**

- 1. Convenience** – Customers can shop anytime and from anywhere.
- 2. Wide choice** – A large variety of products and brands are available at one place.
- 3. Lower cost** – Operating costs are reduced, resulting in lower prices.
- 4. Time saving** – Online shopping saves time and effort of consumers.

**Or**

**(ii) What is meant by Industry ? Explain any four types of industries with suitable examples.**



**Answer –** Industry refers to **economic activities** concerned with the production, extraction, processing and manufacturing of goods. Industries play an important role in economic development by creating employment and supplying goods needed by society.

**Types of industries:**

- 1. Primary industry** – It involves extraction of natural resources, such as agriculture, fishing and mining.
- 2. Secondary industry** – It converts raw materials into finished or semi-finished goods, for example textile and steel industries.
- 3. Tertiary industry** – It provides services to support production and distribution, such as transport, banking and insurance.
- 4. Construction Industry** – It is concerned with the construction of buildings, roads, bridges, dams, etc.

**Q 49 - Ramita, after passing her 10th class examination decided to open a small eating joint of her own along with two of her friends in the name of 'Apna Bhoj'. Each one of them contributed Rs. 80,000 towards initial capital. They also decided to share profits equally and that each of them will be liable for the acts performed by other two.**

**(a) Identify the form of business organization which was set up by Ramita and her friends.**

**(b) Explain any four characteristics of that organization which is identified (a).**

**Answer –** (a) The form of business organization set up by Ramita and her friends is **Partnership**..

**(b) Four characteristics of Partnership identified are:**

- 1. Two or more persons** – A partnership requires a minimum of two persons who agree to start and run the business together.
- 2. Agreement** – Partnership is based on an agreement, either written or oral, which defines rights and duties of partners.



**3. Sharing of profits and losses** – All partners share profits and losses of the business in an agreed ratio.

**4. Unlimited liability** – Partners are personally and jointly responsible for business debts.

**Q 50 - What is meant by 'Channels of Distribution' ? Explain any four services distributed through direct channel with example.**

**Answer** – Channels of Distribution refer to the path or route through which goods and services move from the producer to the final consumer.

A Direct Channel means the producer sells goods or services directly to consumers without any middlemen.

**Services provided through direct channel:**

- **Banking Services** – Banks provide services like opening accounts and giving loans directly to customers.
- **Insurance Services** – Insurance companies sell policies directly to customers through their offices or agents.
- **Telecommunication Services** – Companies like Jio or Airtel provide mobile and internet services directly to consumers.
- **Educational Services** – Schools and colleges provide education directly to students without intermediaries.

**Q 51 – (i) Explain any five factors you would like to consider while setting up any small business.**

**Answer** – Factors to be considered while setting up a small business are:

**1. Selection of line of business** – The entrepreneur should choose a business according to market demand, skills and experience, for example grocery shop or tailoring unit.

**2. Availability of finance** – Adequate finance is required for buying machinery, raw material, paying wages and meeting daily expenses.



**3. Location of business** – The business should be located near customers and raw material sources to reduce cost and increase sales.

**4. Availability of labour** – Skilled and semi-skilled workers should be easily available for smooth operation of the business.

**5. Legal requirements** – Necessary licences, registrations and government rules must be followed to avoid legal problems.

Or

**(ii) Who is an Entrepreneur? Explain any four functions of an entrepreneur.**

**Answer** – An entrepreneur is a person who starts, organises and manages a business enterprise by **taking financial and business risks** with the objective of earning profit and achieving growth. An entrepreneur plays an important role in economic development by creating employment and introducing new ideas.

**The main functions of an entrepreneur are:**

**1. Identifying business opportunities** – He identifies market needs and opportunities, such as launching a new product or service.

**2. Risk bearing** – He bears financial and business risks involved in running the enterprise.

**3. Organising resources** – He arranges land, labour, capital and machinery required for production.

**4. Managing the enterprise** – He plans, supervises and controls business activities to ensure efficiency and growth.





# Thank you!

★ We hope you found this material helpful. We wish you the very best for your examination. ✍️

Strive for Excellence – Your Path to Success