NIOS PYQ's SOLUTIONS

PREVIOUS YEARS' QUESTIONS & ANSWERS

APRIL-2025

Your Path to Success

SECTION - A

Q1 - Which of the following is not a profession?

(A) Engineer

(B) Business

(C) Chartered Accountant

(D) Doctor

Answer - (B) Business

Q2 - __________ refers to the process of buying goods and services.

(A) Business

(B) Commerce

(C) Employment

(D) Trade

Answer – (D) Trade

Q3 - 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

Q4. 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

Q5 - 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

Q6 - Reliance Industries Limited is a _________ company.

(A) Private

(B) Public

(C) Subsidiary

(D) NGO

Answer - (B) Public

Q7 - _________ is the process of exchanging information and understanding between two or more persons.

(A) Motivation

(B) Leadership

(C) Cooperation

(D) Communication

Answer - (D) Communication

Q8 - 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

Q9 - 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

Q10 - 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

Q11 - 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

Q12 - 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

Q13 - Mail Order Selling is a ______ channel of distribution.

(A) Direct

(B) Indirect

(C) Sole

(D) None of these

Answer - (A) Direct

Q14 - "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

Q15 - 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

Q16 - 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

Q17 - 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)

Q18 - 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

Q19 - 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

Q20 - 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

Q21 - 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**

Q22 - 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

Q23 - 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.)

Q24 - Fill in the blanks :

(a) Walking with a straight body posture shows _________.

(b) ________ communication flows through officially prescribed channels.

Answer – (a) Confidence

(b) Formal

Q25 - State the full form of the following:

(a) CBS **(b) UPI**

Answer – (a) CBS – Core Banking Solution

(b) UPI – Unified Payments Interface

Q26 - 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

Q27 - 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

Q28 - 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

Q29 - 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)

Q30 - 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 means taking insurance for the same life from two or more insurance companies. In this case, Mrs. Shalini Gupta has insured her life with Bajaj Life Insurance Company Ltd. and LIC; therefore, it is a case of Double Insurance.

Q31 - 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

Q32 - 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.

Q33 - 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.)

Q34 - 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) False

(b) True

Q35 - 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

Q36 - (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.

Q37 - 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.

Q38 - 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.

Q39 - 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.

Q40 - 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.

Q42 - (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.

Q43 - 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.

Q44 - (i) Banita, Promil and Veena do wholesale trade in readymade garments. They got their godown insured for Rs. 10 lakhs 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 obtained from selling the half-burnt goods. This case is based on the **Principle of Subrogation**. According to this principle, after compensating the insured for the loss, the insurer acquires all rights 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 lakhs 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 – 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,** which requires complete and truthful disclosure of all important facts. Due to this concealment of information, the insurance company was justified in rejecting the insurance claim.

Q45 - 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, picture and motion. It is a powerful medium of mass communication.

Two advantages of Television Advertising.

1. It has a wide reach and can attract a large number of viewers.

2. The combination of audio and visual effects makes advertisements more effective and memorable.

Q46 - (i) What precautions do you suggest to consumers while purchasing medicines from the market?

Answer – Precautions to be taken by consumers while purchasing medicines are:

1. Check the expiry date and manufacturing date of medicines carefully.

2. Purchase medicines only on the prescription of a qualified doctor.

3. Buy medicines from authorised and licensed medical stores.

4. Ensure medicines are properly sealed and correctly labelled.

5. Follow the dosage instructions and warnings mentioned on the pack.

6. Always collect and preserve the cash memo/bill for future reference.

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**.

Q47 - 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.

Q48 - (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.

Q49 - 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 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.

Q50 - What is meant by 'Channels of Distribution'? Explain any four services distributed through direct channel with example.

Answer – Channels of distribution refer to the **route** or path through which goods move from the producer to the final consumer. It includes all the intermediaries involved in transferring goods. A direct channel of distribution means that goods are sold directly by the producer to the consumer without involving middlemen.

Services provided through direct channel:

1. Personal selling – The producer sells goods directly to consumers, for example through factory outlets or online company websites.

2. Quick delivery – Goods reach consumers faster, for example online orders delivered directly by the company.

3. Better customer relationship – Direct contact helps in understanding customer needs, for example company showrooms handling complaints.

4. Lower distribution cost – No middlemen reduces cost, for example farmers selling vegetables directly to consumers.

Q51 – (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 licenses, 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.

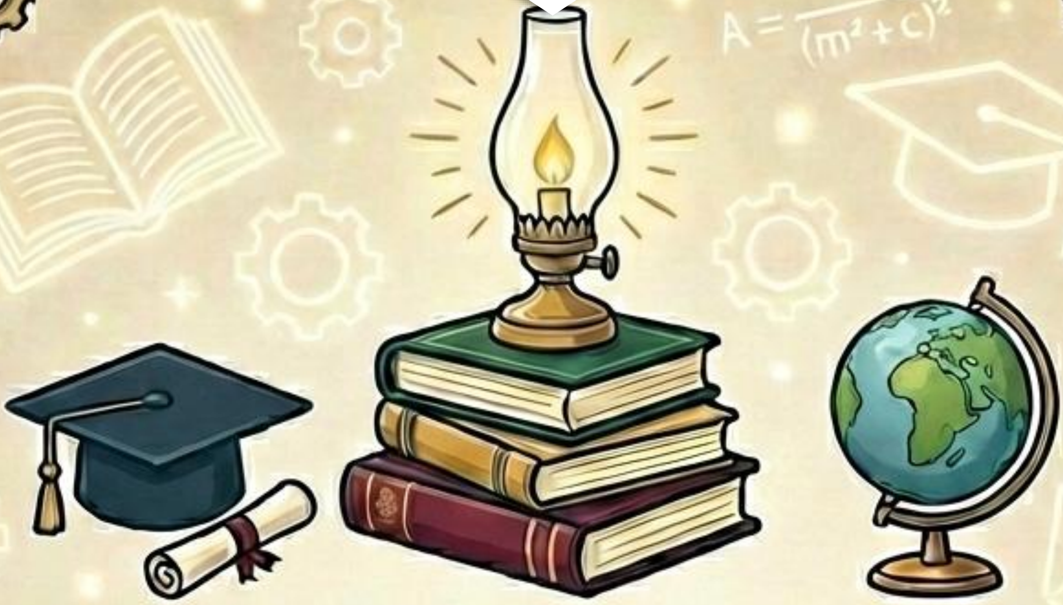
The main functions of an entrepreneur are:

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.



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Your Path to Success

SECTION - A

Q1 - If a consumer buys a defective gas cylinder that leaks and causes injury, he should claim compensation under:

(A) Right to be informed

(B) Right to choose

(C) Right to safety

(D) Right to education

Answer - (C) Right to safety

Q2 - How many consumer rights are stated in the Consumer Protection Act ?

(A) 4

(B) 6

(C) 7

(D) 5

Answer – (B) 6

Q3 - When a complaint is submitted before the District Forum that requires testing of the product, the case is to be decided within a period of

(A) 3 months

(B) 4 months

(C) 5 months

(D) 6 months

Answer – (C) 5 months

Q4. In wage employment, the nature of work is :

(A) Assigned by employer

(B) Decided by the worker

(C) Based on market demand

(D) Not specified

Answer - (A) Assigned by employer

Q5 - The quality of ____ is essential for identifying business opportunities.

(A) Laziness

(B) Alertness and foresight

(C) Irresponsibility

(D) Dependence

Answer - (B) Alertness and foresight

Q6 - A person who is working in a government office as a clerk is an example of:

(A) Self-employed person **(B) Wage-employed person**

(C) Entrepreneur **(D) Part-time businessman**

Answer - (B) Wage-employed person

Q7 - A successful entrepreneur in your area shares that his key to success was learning from past mistakes. This reflects which quality ?

(A) Repeating failures **(B) Overconfidence**

(C) Ability to learn from experience **(D) Blind risk-taking**

Answer - (C) Ability to learn from experience

Q8 - An entrepreneur who starts a business and employs others is engaged in:

(A) Self-employment **(B) Voluntary service**

(C) Wage-employment **(D) Internship**

Answer - (A) Self-employment

Q9 - The first function of an entrepreneur is :

(A) Hiring staff **(B) Identifying business opportunity**

(C) Marketing products **(D) Managing inventory**

Answer - (B) Identifying business opportunity

Q10 - Meena and her three friends started a boutique by pooling their money and skills. They share profits equally, and decisions are made through discussion. Recently, one partner decided to leave and the business was affected. What type of business form is this and what is its major limitation ?

(A) Joint Hindu Family; No continuity **(B) Partnership; Uncertain life**

(C) Sole Proprietorship; Lack of expertise **(D) LLP; Unlimited liability**

Answer – (B) Partnership; Uncertain life

Q11 - A foreign company sets up a factory in India to manufacture electronic goods. It brings in advanced technology, provides jobs, and exports its products to multiple countries. What type of company is being described?

(A) Public Limited Company

(B) Private Limited Company

(C) Government Company

(D) Multinational Company

Answer - (D) Multinational Company

Q12 - Identify the main causes of water pollution :

I. Drainage of human excreta into rivers, canals etc.

II. Improper sanitation and sewage system.

III. Dumping of wastes and effluents by various industrial units into the rivers and canals.

IV. Excessive use of fertilizers, chemicals and pesticides in cultivation.

Choose the correct option from the options given below :

(A) Only I and II

(B) Only II and III

(C) I, II, III and IV

(D) Only I, II and III

Answer - (C) I, II, III and IV

Q13 - A profession is regulated by:

(A) Personal wish

(B) Government order

(C) Professional body

(D) Local vendors

Answer - (C) Professional body

Q14 - Which of the following is not a characteristic of business ?

(A) Dealing in goods-in-trade.

(B) A father teaching his son.

(C) Involves risk and uncertainty of income.

(D) Aims at earning profits.

Answer - (B) A father teaching his son.

Q15 - Audio conferencing allows people to:

(A) See each other

(B) Send letters

(C) Hear and respond from different locations

(D) Use fax machines

Answer - (C) Hear and respond from different locations

Q16 - E-mail is considered faster because it :

(A) Is non-verbal

(B) Uses graphics

(C) Sends messages over the internet instantly

(D) Needs paper

Answer – (C) Sends messages over the internet instantly

Q17 - Advertising is a/an ____ form of communication.

(A) Paid

(B) Informal

(C) Free

(D) Indirect

Answer – (A) Paid

Q18 - In a magazine like Femina, which product ad is most suitable ?

(A) Cement

(B) Car battery

(C) Tractors

(D) Sarees

Answer – (D) Sarees

Q19 - The channel involving both wholesalers and retailers is :

(A) Direct

(B) Short

(C) Long

(D) Complex

Answer – (C) Long

Q20 - A retailer sells goods to:

(A) Wholesalers **(B) Producers**

(C) Consumers **(D) Manufacturers**

Answer – (C) Consumers

SECTION - B

Q21 - A company extracts crude oil from deep sea reserves and supplies it to a refinery where it is processed into petrol and diesel. Identify the types of industries involved at both stages.

Answer – Stage 1: Extractive Industry – Crude oil is extracted from natural resources.

Stage 2: Manufacturing Industry – The refinery converts crude oil into finished petroleum products.

Q22 - Dalmia Oil Mills produces refined oil. The entire production is lifted by Ruchi Oil Depot, who in turn sells it to various retailers. Mrs. Priti purchased 2 litre of oil from Balaji Groceries. Name the following

Retailer:

Wholesaler:

Name:

Answer –

Retailer : Balaji Groceries.

Wholesaler : Ruchi Oil Depot.

Name (Manufacturer) : Dalmia Oil Mills.

Q23 - Write True or False:

(a) Traditional business always requires physical presence, whereas e-commerce does not.

(b) B2C e-commerce involves transactions between businesses only.

Answer – (a) True

(b) False

Q24 - Correct the following statements :

(a) Black marketing is the legal sale of products at government prices.

(b) The Consumer Protection Act, 1986 deals only with product-related grievances.

Answer – (a) Black marketing is the illegal practice of selling hoarded goods, secretly at a higher price.

(b) The Consumer Protection Act, 1986 deals with both defective goods and deficiency in services like banking, transport, and insurance.

Q25 - Fill in the blanks :

(a) The ISI mark is granted by the ____.

(b) Sale of ____ products means selling items that look genuine but are fake.

Answer – (a) Bureau of Indian Standards (BIS)

(b) duplicate

Q26 - Answer in one word:

(a) What is the movement to protect consumer interests called?

(b) Who can file a complaint in consumer court?

Answer – (a) Consumerism

(b) Consumer

Q27 - Fill in the blanks :

(a) Indian Oil Corporation and ONGC are the examples of ____.

(b) The risk of loss in a company is spread over a large number of ____.

Answer – (a) Government Companies

(b) members

Q28 - Write True or False:

(a) Death, bankruptcy or insanity of the members does not affect the continuity of cooperative societies.

(b) The co-operative societies can be started with minimum of 2 members.

Answer – (a) True

(b) False

Q29 - A trading company in Mumbai is shipping a large consignment of textiles to Dubai. To cover the risk during this specific journey, the company purchased an insurance policy that is valid only for this particular trip, regardless of the time taken. Identify the type of marine insurance policy purchased by the company.

Answer – Voyage Policy

Q30 - Which of the following statements are true and which are false ?

(a) A savings bank account-holder cannot introduce another person at the time of opening a savings bank account.

(b) The Passbook must be presented to the account-holder for entering deposits and withdrawals by the bank.

Answer – (a) False

(b) True

Q31 - Answer in one word:

(a) Who receives the message?

(b) What is exchanged in communication?

Answer – (a) Receiver

(b) Information

Q32 - Fill in the blanks:

(a) A cheque needs to be attached to the ____ of the pay-in slip before depositing.
(b) Before payment of a cheque, the signature of the account-holder is verified with the ____.

Answer – (a) Counterfoil

(b) Specimen Signature

Q33 - Match the following :

A. Types of Risks	B. Description
A1. Pure Risk	**B1. Involves only the possibility of loss or no loss**
A2. Financial Risk	**B2. Arises from borrowings or investment decisions**
A3. Speculative Risk	**B3. Involves both chances of gain and loss**
A4. Personnel Risk	**B4. Due to employee illness or death**

Answer –

A1. Pure Risk → B1. Involves only the possibility of loss or no loss.

A2. Financial Risk → B2. Arises from borrowings or investment decisions.

A3. Speculative Risk → B3. Involves both chances of gain and loss.

A4. Personnel Risk → B4. Due to employee illness or death.

Q34 - From the sentences given below, write (W) for those belonging to wholesalers and (R) for retailers in your answer book:

(a) Selling goods in small quantities

(b) More capital required

Answer – (a) R (Retailers)

(b) W (Wholesalers)

Q35 - Fill in the blanks :

(a) Advertisements on buses and trains are known as ____ displays.

(b) The primary objective of advertising is to create ____ for products.

Answer – (a) Vehicular

(b) Demand

SECTION - C

Q36 - Write any two features of services that make consumer protection essential.

Answer – Two features that make protection essential are :-

1. **Intangibility :** Unlike goods, the reliability and regularity of services (like transport or electricity) cannot be physically verified before purchase.

2. **Simultaneous Production and Consumption (Inseparability) :** Many services are consumed instantly (e.g., a film show); if the service is poor, the loss cannot be reversed or replaced.

Q37 - Define Consumer Education. Give one example.

Answer – Consumer education means informing consumers about their rights, responsibilities, market practices, and laws to protect themselves from unfair trade practices.

Example - Consumer organizations publish journals and pamphlets to educate people on how to identify defective products and where to file complaints.

OR

Define 'Proof of Transaction'. Give one example.

Answer – 'Proof of Transaction' refers to legal documentation or evidence verifying that a purchase has been made.

Example - A **cash memo** or a receipt provided by a shopkeeper when buying durable goods (like a TV or refrigerator) serves as vital proof of purchase for claiming repairs.

Q38 - Describe the role of Non-Government Organizations in protecting the interest of consumers.

Answer – NGOs play a crucial role by :-

1. **Creating Awareness :** Educating the public about consumer rights and remedies through seminars and training programs.

2. **Legal Aid & Advocacy :** Assisting consumers in seeking legal remedies, filing Public Interest Litigation (PIL), and representing consumer viewpoints in official policy-making bodies.

Q39 - State two disadvantages of Joint Stock Company.

Answer –

1. **Difficulty of Formation :** It is a complex and expensive process requiring the preparation and filing of numerous legal documents with the Registrar of Companies.

2. **Lack of Secrecy :** Companies are legally obligated to disclose financial records and operational details to the public, making business secrets difficult to maintain.

OR

State two disadvantages of Multinational Company.

Answer –

1. **Domination of Local Markets :** Due to their massive scale and technology, they often gain monopoly power, forcing small domestic enterprises to shut down.

2. **Cultural Change :** They often introduce consumption habits (food/dress) that do not conform to local cultural norms, shifting people away from their heritage.

Q40 - State two features of Limited Liability Partnership.

Answer –

1. **Separate Legal Entity :** An LLP is a body corporate and a legal entity distinct from its partners, having perpetual succession.

2. **Limited Liability :** Partners' liability is limited to their agreed contribution in the LLP, protecting them from unauthorized actions or misconduct by other partners.

Q41 - A book publisher sells books to a wholesaler, who then sells to local book-stores. Name the channel used and the role of the wholesaler.

Answer – Channel Used : Indirect Channel (Producer → Wholesaler → Retailer → Consumer).

Role of Wholesaler : The wholesaler acts as a middleman who buys books in bulk from the publisher and distributes them in smaller quantities to retailers (local book-stores), facilitating the flow of goods.

OR

How do retailers help in stabilising the prices of goods?

Answer – Retailers help stabilize prices by maintaining stocks and ensuring a steady supply of goods in small quantities to consumers, which prevents artificial scarcity and hoarding. By keeping inventory, they balance demand and supply at the local level, helping to keep prices stable and reasonable.

Q42 - An air purifier was advertised on television as "removing 100% germs and viruses". Priya bought it, but the air quality in her room did not improve. She got the product tested and found it had no such capacity. What kind of malpractice is involved here and what rights can Priya exercise?

Answer – The malpractice involved is **Misleading Advertisement**, which falsely represents a product's quality or utility to deceive consumers. Priya can exercise her **Right to seek redressal** to claim compensation for the loss or injury suffered due to the defective product. She also has the **Right to be heard** to present her grievance in the appropriate consumer court for settlement.

Q43 - What are the sources of finance available for setting up a small business?

Answer – A small business owner can arrange funds through various sources. Primarily, the owner can invest their **personal savings** or **borrow from friends and relatives**. Additionally, they can obtain **loans from commercial banks** or approach development institutions like **SIDBI** (Small Industries Development Bank of India), which provides financial assistance on easy terms specifically to promote and develop small-scale industrial units.

Q44 - How does self-employment contribute to reducing unemployment ?

Answer – Self-employment significantly reduces unemployment by creating job opportunities for the owner and often for others. When an individual starts a business, they become self-employed and frequently hire employees to assist in selling goods or providing services. This initiative directly helps in reducing the overall poverty and unemployment rate in the country by creating new roles.

OR

State three examples of self-employment based on professional qualifications.

Answer – Three examples of self-employment requiring professional qualifications include :-

1. **Doctors :** Running a private clinic to provide medical services.
2. **Lawyers :** Practicing law and providing legal support to clients for a fee.
3. **Chartered Accountants :** Offering specialized accounting, auditing, or tax consultancy services to business firms and individuals.

Q45 - What is meant by social objectives of business? State any two social objectives of business.

Answer – Social objectives of business refer to goals aimed at the benefit and welfare of society, ensuring that business activities do not cause trouble to the public. Two social objectives are:

1. **Production and supply of quality goods :** Supplying better quality goods at the right time and reasonable price.
2. **Adoption of fair trade practices :** Avoiding hoarding, black-marketing, and misleading advertisements.

OR

State any three responsibilities of business towards investors.

Answer – The responsibilities of business towards investors include :-

1. **Efficient Management :** Ensuring the business is run efficiently to utilize capital properly.
2. **Fair Return:** Providing a regular and fair return on the capital invested.
3. **Safety and Repayment :** Ensuring the safety of the investment and timely repayment of the principal amount.

Q46 - What is meant by 'Filtering' in communication? How does it hinder effective communication?

Answer – Filtering is the deliberate screening or manipulation of information during transmission, where a receiver at any level passes on only what they think the superior wants to hear. It hinders effective communication because it distorts the original message, making it less accurate or biased by the time it reaches the decision-maker.

Q47 - How do retailers help consumers? (Any 3 ways)

Answer –

1. **Personal Services :** Retailers provide expert advice on product quality, features, and usefulness, helping consumers make informed choices.
2. **Credit Facility :** They often supply goods on credit to regular customers, providing financial convenience.
3. **Display and Availability :** By displaying a variety of goods systematically and keeping ready stock, they save consumers the trouble of buying in bulk and storing goods at home.

OR

Mention any three differences between wholesalers and retailers.

Answer –

Basis of Difference	Wholesalers	Retailers
Quantity	They buy goods in bulk quantities.	They buy goods in small quantities.
Source	They generally buy goods directly from producers.	They generally buy goods from wholesalers.
Contact	They have no direct contact with consumers.	They have direct contact with consumers.

Q48 - A company launching a women's health magazine wants to promote products like herbal cosmetics and kitchen appliances. Which media should it use and why?

Answer – The company should use **Periodicals (Magazines)** for advertising. This is highly suitable because periodicals have a selected and targeted readership. Since the company is launching a women's health magazine, it can precisely target its audience, as the magazine's readers are likely interested in health, cosmetics, and household appliances. Furthermore, periodicals have a longer life and are preserved for future reference, allowing readers to see the advertisements multiple times, which creates a lasting impact compared to the daily, short-lived nature of newspapers.

OR

Describe any five points of importance of advertising.

Answer –

1. **Educating Customers :** It informs customers about product features, uses, and benefits (e.g., Iodine in salt).
2. **Creating Demand :** It makes people aware of new product launches, thereby generating initial demand.
3. **Retaining Customers :** By consistently highlighting product improvements, it helps brands keep existing customers from switching to competitors.
4. **Increasing Sales :** By educating and creating demand, advertising directly leads to an increase in total sales volume.
5. **Assisting Salesmen :** It explains product features in advance, saving the salesman's time and helping them close deals faster.

Q49 - "Commercial banks play a vital role in the economic development of a country through various primary and secondary functions." Explain any five important functions performed by commercial banks.

Answer – Commercial banks are essential for national development through these five functions :-

1. **Accepting Deposits :** They mobilize public savings into bank deposits, which are safe and earn interest.
2. **Granting Loans/Advances :** They provide funds to farmers, traders, and businessmen for productive purposes, charging interest.
3. **Discounting Bills :** They provide short-term finance by making payments on bills before their due date.
4. **Safe Custody :** They provide lockers to keep valuables and important documents safe.
5. **Transferring Money :** They facilitate easy money transfer between accounts or branches via cheques and demand drafts.

Q50 - What do you mean by Insurance? Explain the following principles of insurance :

(a) Contribution

(b) Mitigation

Answer – Insurance is a contract where the insurer, in exchange for a premium, agrees to compensate the insured for a loss or pay a fixed sum upon a specific event.

(a) **Contribution :** If a subject matter is insured with multiple insurers, the claim must be shared proportionally by all insurers based on their individual policy amounts.

(b) **Mitigation :** In the event of a mishap, the insured must take all necessary steps to reduce or minimize the loss, behaving as if the property were uninsured.

Q51 – Gopal Sharma and Balram Sharma are two brothers, who inherited some ancestral property. They decided to form a Hindu Undivided Family (HUF) business consisting of four male members. Gopal Sharma is the elder brother. So he became 'Karta'. The business took a loan of ₹20 lakh from Punjab National Bank having maturity period of 5 years. Due to poor financial position of the business, they were unable to repay the loan. They sold the ancestral property for ₹10 lakh and paid the same to Punjab National Bank. They could not pay the balance amount of loan with interest. The bank filed a case for recovery of the balance amount. Gopal Sharma pleaded with the court that the loan was taken out for the purpose of business, therefore, all the members of the business were liable to repay the loan. The

court held that all other members were responsible only to the extent of their share in business, and the business property was already sold. However, Gopal Sharma, being 'Karta' would have to repay the balance amount even by selling his personal properties. Gopal Sharma had to sell some of his personal assets to repay the balance amount of bank loan.

(a) Give reasons in support of court's decision.

(b) State any three other features of HUF businesses.

Answer – (a) The court correctly ruled that Gopal Sharma, as **Karta**, has **unlimited liability**, meaning he is personally liable for all business debts if business assets are insufficient. However, other members (coparceners) are liable only to the extent of their share in the joint family property. Since the business assets were sold, only the Karta is responsible for the balance.

(b) Three other features of HUF :

1. **Membership by birth :** Male children become members automatically at birth.
2. **No maximum limit :** There is no restriction on the number of members.
3. **Unaffected by death :** The business continues even after the death of a member or Karta.

OR

The business assets of the firm are worth ₹2,00,000 but the debts remain unpaid are worth ₹3,00,000. What course of action can the creditors take in the following case ?

(a) The organization is sole proprietorship.

(b) The organization is partnership firm with A and B, two partners sharing profit equally.

Answer – (a) **Sole Proprietorship :** In this form of organization, the owner has unlimited liability. Since business assets of ₹2,00,000 are insufficient to cover the ₹3,00,000 debt, creditors have the legal right to recover the remaining ₹1,00,000 by attaching and selling the proprietor's personal property.

(b) **Partnership :** Partners also hold unlimited, joint, and individual liability for firm debts. Creditors can recover the unpaid ₹1,00,000 from the personal assets of either Partner A, Partner B, or both. The partners are individually and collectively responsible for paying the firm's debts until the full amount is satisfied.

Thank you!

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

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