

NIOS PYQ's SOLUTIONS

PREVIOUS YEARS' QUESTIONS & ANSWERS



APRIL-2026

Your Path to Success

SECTION - A

Q1 - Which of the following is an economic activity?

(A) Playing games

(B) Teaching without salary

(C) Cooking for family

(D) Selling vegetables

Answer - (D) Selling vegetables

Q2 – Responsibility of business towards the consumer includes:

1. Products and services must be able to take care of the needs of the customers.

2. Product and services must be qualitative.

3. Setting up units as per guidelines of government.

4. Grievances of the consumers if any must be settled quickly.

Choose the correct option from the options given below:

(A) Only 1 and 2

(B) Only 1 and 4

(C) 1, 2, 3 and 4

(D) 1, 2 and 4 only

Answer - (D) 1, 2 and 4 only

Q3 - Which type of e-commerce empowers consumers to invite bids?

(A) B2B

(B) B2C

(C) C2B

(D) C2C

Answer - (C) C2B

Q4 - Himanshi is running a business in sole-proprietorship. Due to loss in business she decided to wind up her business. On the day of winding up the assets are worth ₹ 5 lakhs and liabilities (all creditors) are worth ₹ 10 lakhs. Himanshi has her personal property of ₹ 6,00,000. How much do you think the creditors will get at the time of winding up of business?

(A) ₹ 5 Lakhs

(B) ₹ 7 Lakhs

(C) ₹ 10 Lakhs

(D) ₹ 11 lakhs

Answer - (C) ₹ 10 Lakhs



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Q5 – Which of the following means of communication is used for short messaging service?

(A) Fax **(B) Telegram**

(C) Voicemail **(D) Mobile Phone**

Answer - (D) Mobile Phone

Q6 - Effective communication is impossible when there is a lack of confidence and mutual understanding between superior and subordinates. Identify the type of communication barrier.

(A) Unclarified assumption **(B) Resistance to change**

(C) Inattention **(D) Mutual distrust.**

Answer - (D) Mutual distrust.

Q7 - Registration is compulsory in this form of business.

(A) Partnership and joint Hindu Family **(B) Joint Hindu Family and Sole proprietorship**

(C) Cooperative societies and Joint Stock Company **(D) Partnership and Joint Stock Company**

Answer - (C) Cooperative societies and Joint Stock Company

Q8 - The route through which goods move from producer to consumer is called

(A) Trade **(B) Marketing**

(C) Channel of distribution **(D) Transportation**

Answer - (C) Channel of distribution

Q9 - Which of the following is a direct channel of distribution?

(A) Producer → Wholesaler → Consumer **(B) Producer → Retailer → Consumer**

(C) Producer → Consumer **(D) Producer → Agent → Consumer**

Answer - (C) Producer → Consumer

Q10 - A new coaching institute wants to attract students living in nearby areas at low cost. Which medium is most suitable?

(A) Television **(B) Radio**

(C) Newspaper (local edition) **(D) Internet**

Answer - (C) Newspaper (local edition)



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Q11 - A company advertises the same product repeatedly to remind customers of its presence in the market. This helps in

(A) Market research

(B) Increasing cost

(C) Maintaining demand

(D) Eliminating competition

Answer - (C) Maintaining demand

Q12 - BIS means

(A) Bureau of Industrial Standards

(B) Bureau of Indian Standards

(C) Bureau of Internal Standards

(D) Bureau of Institution Standards

Answer - (B) Bureau of Indian Standards

Q13 - Mr. Dixit bought olive oil from the Global Departmental store and took the cash memo of ₹500. Later on, he found that the MRP of olive oil was ₹425 only but the shopkeeper had put a sticker of ₹500 on the original price. Identify the consumer right being violated in the above case:

(A) Right to choose

(B) Right to be informed

(C) Right to be heard

(D) Right to seek redressal.

Answer - (B) Right to be informed

Q14 - In which year Consumer Protection Act was enforced?

(A) 1972

(B) 1982

(C) 1986

(D) 1995

Answer - (C) 1986

Q15 - Career refers to:

(A) A single job held for life

(B) An occupation with no promotion

(C) A sequence of positions held during work life

(D) Temporary employment

Answer - (C) A sequence of positions held during work life



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Q16 - Which of the following is an example of wage employment?

(A) Running a grocery shop

(B) Practicing as a lawyer

(C) Working as a bank clerk

(D) Owning a tailoring shop

Answer - (C) Working as a bank clerk

Q17 - Which skill is most essential for clerical jobs?

(A) Painting

(B) Handling office machines

(C) Farming

(D) Carpentry

Answer - (B) Handling office machines

Q18 - Telephone operators must have fluency in:

(A) Mathematics

(B) Accounting

(C) Language

(D) Law

Answer - (C) Language

Q19 - Which is NOT a quality required for self-employment?

(A) Alertness

(B) Self-confidence

(C) Dependence on others

(D) Knowledge of business

Answer - (C) Dependence on others

Q20 - Small grocery shops are examples of:

(A) Large-scale industries

(B) Wage employment

(C) Self-employment

(D) Government service

Answer - (C) Self-employment



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SECTION - B

Q21 - Identify the type of industries in the following sentences:

(a) It is concerned with production of goods with the help of nature.

(b) It is engaged in re-production and multiplication of certain spices of plants and animals with the object of sale.

Answer - (a) Primary Industry.

(b) Genetic Industry.

Q22 – Given below are some statements relating to the economic objectives of business. Some statements are true and some are false. Write T (TRUE)/ F (FALSE) against each.

(a) It is not always necessary for businessman to make the best possible use of materials.

(b) Businessmen should use profits earned from the business only for their own living.

Answer – (a) F (FALSE)

(b) F (FALSE)

Q23 - Fill in the blanks with appropriate words:

(a) The economic activity in which one is engaged on a regular basis is called his/her _____.

(b) The occupation in which people work for others and earn fixed income, is called _____.

Answer – (a) occupation

(b) employment

Q24 - Give one word answer:

(a) Can minors be members of Hindu Undivided Family Business?

(b) How many successive generations can be the members of Hindu Undivided Family Business?

Answer – (a) Yes

(b) Three



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Q25 – Fill in the blanks:

(a) LLP has a _____ legal identity from its partners.

(b) Partnership requires a minimum of _____ persons.

Answer – (a) separate

(b) two

Q26 – State the full form of the following:

(a) NABARD

(b) SIDBI

Answer – (a) National Bank for Agricultural and Rural Development.

(b) Small Industries Development Bank of India.

Q27 – Correct the following sentences:

(a) A person who sends message is known as receiver.

(b) Receiver's response to the message is termed as facts.

Answer – (a) A person who sends message is known as **sender**.

(b) Receiver's response to the message is termed as **feedback**.

Q28 - Identify the type of bank:

(a) The commercial bank where the majority of share capital is held by the private individual.

(b) The bank that provides assistance and guidance for export of products abroad.

Answer – (a) Private Sector Bank

(b) Export-Import Bank of India (EXIM Bank)

Q29 - Fill in the blanks with appropriate words:

(a) Counterfoil of the pay-in-slip is returned to the _____ by the bank.

(b) The right-hand part of the pay-in-slip is called the_____.

Answer – (a) depositor

(b) foil



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

(a) Deposits made in savings bank account serve to meet present as well as future needs.

(b) A fixed amount is required to be deposited in a Fixed Deposit Account every month.

Answer – (a) True (b) False

Q31 - From the sentences given below, mark (W) for those belonging to wholesalers and (R) for retailers, in the boxes given against each:

(a) Dealing in a limited range of goods only

(b) Direct contact with consumers.

Answer – (a) W

(b) R

Q32 - Fill in the blanks:

(a) Television advertising is more effective because it has _____ impact.

(b) Periodicals have a longer _____than newspapers.

Answer – (a) audio-visual

(b) life

Q33 - Name the quality assurance mark for the following products:

(a) Electrical Appliances

(b) Agricultural goods.

Answer – (a) ISI mark

(b) AGMARK

Q34 - Match the following:

Column-A	Column-B
(a) Advertisements falsely represent a product of superior quality	(i) Hoarding
(b) Stocks are intentionally held back	(ii) Sale of duplicates
(c) Measuring sticks to measure the Products	(iii) Misleading advertisement
(d) Goods indicate mark of superior quality than actually it is	(iv) Use of false weights and measures



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Answer – (a) Advertisements falsely represent a product of superior quality – (iii) Misleading advertisement

(b) Stocks are intentionally held back – (i) Hoarding

(c) Measuring sticks to measure the Products – (iv) Use of false weights and measures

(d) Goods indicate mark of superior quality than actually it is – (ii) Sale of duplicates

Q35 - State, which of the following statements is true and which is false.

(a) Nothing can be done by businessmen to protect the interest of consumers.

(b) Government is indifferent towards safeguarding consumer interest.

Answer – (a) False

(b) False

SECTION - C



Q36 - 'Members may come and members may go but the company continues to exist.' Identify and state the related feature of Joint Stock Company.

Answer – The related feature is **perpetual succession**. A joint stock company has a separate legal existence and continues despite the death, insolvency or departure of its members or directors. Its existence does not depend on its shareholders; therefore, members may come and go, but the company continues to exist.

OR

This form of organization is only found in India. Identify and state the features of this business organization.

Answer – This is the **Joint Hindu Family Business**, also called Hindu Undivided Family (HUF) Business. Membership arises by birth, and the eldest member, called the Karta, manages it. Three successive generations may be members. The business continues despite the death of a member.

Q37 - State any two contents mentioned in the Partnership agreement.

Answer – A partnership agreement may include the following contents:

1. The amount of capital contributed by each partner.
2. The profit or loss-sharing ratio.



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It may also specify the salary or commission payable to partners, the duration of the business, and the duties and powers of each partner.

OR

State any two features of a Government Company.

Answer – A Government Company has the following features:

1. At least 51% of its paid-up share capital is held by the Central or State Government.
2. It has a separate legal existence.

Its employees are not civil servants.

Q38 - What are the types of risk borne by retailers? Mention any two risks.

Answer – Retailers face risks while goods remain unsold. Two important risks are:

1. **Risk of loss:** Goods may be lost due to fire or theft.
2. **Risk of deterioration:** The quality of goods may deteriorate before they are sold.

Retailers may also suffer losses due to changes in fashion and consumer tastes.

Q39 - How do businessman help in consumer protection?

Answer – Businessmen help protect consumers by supplying quality goods and services at reasonable prices, respecting consumer rights, avoiding unfair trade practices, and handling complaints properly. Trade associations and manufacturers' associations should also receive consumer complaints and take action against members who engage in malpractice.

OR

State the jurisdiction of District Commission as per Consumer Protection Act.

Answer – The District Commission hears complaints where the value of goods or services, or the compensation claimed, does not exceed ₹50 lakh. An individual consumer or a consumer association may submit a written complaint before it for the settlement of a consumer dispute.

Q40 - As the part of their right to consumer education, what should consumers expect to be educated about?

Answer - Consumers should be educated about laws that prevent unfair trade practices, methods used by dishonest traders to deceive them, ways to protect their own interests, and the procedure for making complaints. This knowledge helps consumers understand their rights and take action against unfair treatment.



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Q41 - Briefly outline the purpose of Agricultural Products (Grading and Marketing) Act, 1937.

Answer – The Agricultural Products (Grading and Marketing) Act, 1937 provides for grading and certifying the quality of agricultural commodities. Products that meet the prescribed quality standards may carry the **AGMARK seal** issued through the Government's Agricultural Marketing Department. This helps consumers identify products that meet specified quality standards.

Q42 - Differentiate between traditional and e-business on any three bases.

Answer – Traditional business and e-business differ on the following bases:

Basis	Traditional Business	E-business
Formation	Difficult	Easy
Physical presence	Necessary	Not necessary
Establishment cost	Higher	Lower
Dealing time	More	Less
Global reach	Limited	Wider

E-business uses the Internet for buying and selling. It reduces the need for physical facilities and allows transactions to be completed more quickly. It also enables businesses to reach customers across wider geographical areas.

OR

State any three features of business.

Answer – Three important features of business are:

1. **Sale or exchange of goods and services:** Goods and services are produced or purchased for sale rather than personal use.
2. **Regular dealings:** Buying and selling must take place regularly. An isolated transaction is not normally considered business.
3. **Profit motive:** Business is mainly carried on to earn profit. However, the income is uncertain, and the businessperson may also suffer losses.

Q43 - Why is insurance considered important? State any three reasons.

Answer - Insurance is important for the following reasons:

1. **Protection against loss:** It spreads the burden of loss or damage among many people and provides a sense of security.



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2. **Support to business:** It protects businesses against covered losses involving property, machinery, plants and goods.
3. **Economic development:** Insurance companies invest premiums in company and government securities. Insurance also creates employment through insurance offices and agents.

Thus, insurance supports individuals, businesses and the national economy.

Q44 - Explain the role of retailers in distribution of goods.

Answer – Retailers connect manufacturers and wholesalers with final consumers. Their main functions are:

1. **Buying and assembling:** They collect different varieties of goods from manufacturers and wholesalers.
2. **Storage:** They store goods to ensure a regular supply to customers.
3. **Personal services:** They advise customers about product quality and usefulness.
4. **Credit facilities:** They may supply goods on credit to regular customers.
5. **Display and information:** They display goods attractively and pass information about consumer preferences to producers through wholesalers.

Q45 - Describe the various problems faced by consumers in their daily life.

Answer – Consumers face several problems due to unfair business practices:

1. **Adulteration:** Adding inferior or harmful substances to goods.
2. **Spurious products:** Selling fake products instead of genuine ones.
3. **False weights and measures:** Supplying less quantity than promised.
4. **Sale of duplicates:** Selling inferior goods as superior products.
5. **Hoarding and black marketing:** Holding back goods to create artificial scarcity and charge higher prices.
6. **Misleading advertisements:** Giving false information about products.

Consumers may also face the sale of substandard goods and unfair conditions attached to sales.

Q46 - How would motivation help an entrepreneur in running a small business?

Answer – Motivation is an essential quality of a successful entrepreneur. It creates interest in work and encourages the entrepreneur to continue until a task is completed. In a small business, motivation helps the entrepreneur remain committed to business goals, take initiative and put in the effort needed to complete tasks. It also supports persistence when difficulties arise and encourages the entrepreneur to work towards success.



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OR

Explain the difference between self-employment and wage-employment.

Answer – Self-employment and wage-employment differ in the following ways:

Basis	Self-employment	Wage-employment
Nature of work	A person manages an economic activity independently.	A person performs work assigned by an employer.
Position	The person is the owner and may employ others.	The person is an employee.
Income	Earnings are not fixed and depend on business performance.	Income is generally fixed and paid as wages or salary.

A self-employed person bears business risks, while a wage-employed person receives payment for work performed.

Q47 - How can small enterprises contribute to national development?

Answer – Small enterprises contribute to national development in several ways:

1. **Employment generation:** They provide work opportunities to people.
2. **Wealth creation:** They help create wealth for individuals and the nation.
3. **Innovation:** Entrepreneurs introduce new ideas, products and methods that support research and development.

Small enterprises are important for economic growth and prosperity. They convert business opportunities into useful goods and services and help strengthen the country's economy.

OR

Why is decision-making ability important for an entrepreneur?

Answer – An entrepreneur must make several decisions while running an enterprise. Decision-making ability helps the entrepreneur choose the right course of action at the right time. Business conditions change quickly, so delayed or unsuitable decisions may cause the loss of valuable opportunities. An entrepreneur who makes timely and suitable decisions can respond to changes, solve problems and reduce the possibility of business losses.

Q48 - Amul is an Indian dairy cooperative, based at Anand in the state of Gujarat. It was formed in 1946 and is a brand managed by a cooperative body the Gujarat Cooperative Milk Marketing Federation Limited, which today is jointly owned by 3.6 million producers in Gujarat. Amul spurred India's white



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revolution, which made the country the world's largest producer of milk and milk products in the process, Amul became the largest food brand in India and has ventured into markets overseas.

In context of the above case:

(a) What is a cooperative society?

(b) Why do you think Amul was promoted in the form of a cooperative? Explain by giving any four merits of a cooperative society form of business organization.

Answer – (a) A cooperative society is a voluntary association of people who join hands to promote their common economic interests through mutual help. Its main aim is to serve its members rather than simply maximise profit.

(b) Amul was promoted as a cooperative so milk producers could combine their resources and market their products collectively through a common organisation.

Four merits are:

1. **Democratic control:** Each member has one vote.
2. **Open membership:** People with a common interest can join.
3. **Elimination of middlemen's profit:** Collective marketing can reduce the role of middlemen.
4. **Limited liability:** Each member's liability is limited to the capital contributed.

Q49 - Jeevan insures his property with two insurers AIG limited and MetLife limited for ₹ 6,00,00,000 and ₹ 4,00,00,000 respectively. Due to an earthquake, the actual damage caused to Jeevan's property is worth ₹ 3,00,00,000. He filed a claim for rupees ₹ 3,00,00,000 against each of the insurance companies.

(A) Identify and explain the principle of insurance which has been violated in the above case.

(B) Explain any one more principle of insurance.

Answer – (A) **Principle of Contribution :** The principle of contribution is violated. When the same property is insured with more than one insurer, the claim for the actual loss must be shared by the insurers in proportion to the amount insured. Here, the total sum insured is ₹10 crore and the actual loss is ₹3 crore. AIG's share is ₹1.8 crore, while MetLife's share is ₹1.2 crore. Jeevan cannot receive more than the actual loss.

(B) **Principle of Indemnity :** The principle of indemnity aims to restore the insured to the financial position held before the loss. For property insurance, compensation is based on the actual loss or the sum insured, whichever is less. The insured must not make a profit from the insurance contract.



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Q50 - Banks provide funds for business and play a vital role in the development of a nation. Explain the role of banking in the light of the given statement.

Answer - Banks play an important role in business and national development in the following ways:

1. **Encouraging savings:** Banks encourage people to save money and make funds available for productive use.
2. **Providing funds:** They act as intermediaries between people with surplus money and those who need funds for business.
3. **Facilitating payments:** Banks make business payments and receipts easier through cheques.
4. **Providing loans:** They offer short-term and long-term loans to businesses.
5. **Supporting development:** Banks finance farmers, small-scale industries, self-employed people and large business houses. They also support import and export transactions.

Thus, banking supports economic growth and helps improve people's living standards.

OR

Define communication. State the various elements in the communication process.

Answer – Communication is the process of sharing facts, ideas, opinions, thoughts and information through speech, writing, gestures or symbols between two or more persons.

The main elements of communication are:

1. **Sender:** The person who sends the message.
2. **Receiver:** The person who receives the message.
3. **Message:** The facts, ideas, feelings or thoughts being communicated.
4. **Feedback:** The receiver's response or reply to the message, directed towards the sender.

Communication is generally complete when the receiver understands the message and provides feedback. A medium carries the message to the receiver and brings the feedback back to the sender.

Q51 - What is meant by advertising? Explain its features.

Answer - Advertising is an activity of presenting a product, service or idea to prospective customers through a message issued by a producer, trader or service provider.

Its main features are:

1. **Non-personal presentation:** There is no direct, face-to-face contact with customers.



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2. **Paid communication:** The advertiser pays for the use of space or time in advertising media.
3. **Promotion:** It informs people about a product, service or idea and encourages them to buy or accept it.
4. **Identified sponsor:** The identity of the advertiser is disclosed.
5. **Use of media:** Advertisements are communicated through newspapers, magazines, radio, television, the Internet and other media.

OR

What do you mean by channel of distribution? Explain the various types of channels of distribution.

Answer – A **channel of distribution** is the route or path through which goods move from producers to ultimate consumers. There are two main types:

1. **Direct Channel:** Producers sell goods or services directly to consumers without involving any middlemen.

Route: Producer → Consumer

2. **Indirect Channel:** Goods reach consumers through one or more middlemen, such as agents, wholesalers and retailers.

Common routes include:

- Producer → Retailer → Consumer
- Producer → Wholesaler → Retailer → Consumer
- Producer → Agent → Consumer
- Producer → Agent → Wholesaler → Retailer → Consumer



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Thank you!

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