

CLASS –XI
ASSIGNMENT- 1

SUBJECT – BUSINESS STUDIES
TOPIC – NATURE AND PURPOSE OF BUSINESS

1. Saksham sells his play station to his friend at a profit of Rs. 2,000. Will it be considered as a business? State the feature of business which is being highlighted in the given example.
2. “An activity can be an economic activity in one situation and non-economic in another situation”. Do you agree? Give an example to justify the given statement.
3. Which hindrance of commerce is highlighted in the following activities?
 - a. It removes the geographical separation between producers and consumers.
 - b. Warehousing facilitate holding of goods till they are required.
 - c. Advertising informs the consumers about the goods and services available in the market.
 - d. Trade provides an organized market where buyers and sellers can contact each other.
 - e. Banking and Financing Institutions provide necessary funds to carry on business activities.
 - f. Insurance protects the goods in case of damage due to theft, fire, accidents.
4. Tata Power is planting trees on roadside of several big cities. Name the objective in which Tata Power is engaged.
5. “No business is risk free.” In the light of this statement explain the concept of business risk and its causes.
6. Which type of business risk involves both the possibility of gain as well as the possibility of loss?
7. Differentiate between Business and Profession.

8. "Earning of profit is regarded as the main objective of the business." Explain by giving any four reasons.
9. Differentiate between Economic and Non-Economic Activities.
10. "Profit maximization can't be the sole objective of a business." Comment.