

Principle of Commerce (English Medium) - 11th Class Principle of Commerce Chapter 1 Short Questions Preparation

Q1. Write down the qualities or elements of good business.

- Ans 1:**
- i. Expert management.
 - ii. Large capital
 - iii. Good planning.
 - iv. Sound organizational structure.
 - v. Ideal location.
 - vi. Trained staff.

Q2. Explain the objective of business management.

Ans 1: Management is the backbone of a business. Every business, irrespective of its size and nature, has management to manage and control the various factors of production.

Q3. How does a business improve the standard of living of people.

Ans 1: It is the national duty and object of business to provide better standard of living to the people. Because, the income of people increases with the expansion in business activities (e.g). The developed countries are rich on account of stable business activities.

Q4. How a business can serve the society.

- Ans 1:** Beside earning profit a business also provides many social services. For example:
- i. Production of quality goods at lower prices.
 - ii. Availability of goods in all the areas.
 - iii. Promotion and assistance in the cultural activities.

Q5. Define the term profession.

Ans 1: When a person provides his services to society on the basis of his specialized knowledge and experience in a particular field, it is known as profession (e.g) doctors, professors, engineers and accountants etc.

Q6. Why the effective management is important for a business.

Ans 1: Effective and good management solves many problems of the business. Therefore, good management is necessary to run the business efficiently.

Q7. How does a business make the savings of people profiable.

Ans 1: Business provides following opportunities of investment to the people.

- i. Owners own investment (owners equity)
- ii. Investment by purchasing shares and debentures.
- iii. Investment in the shape of *Partnership, Musharika or Modarba*.

Q8. What is the role of planning in a good business.

Ans 1: Good planning plays an important role in the success of business. Planning means to decide what, how and when the work has to be performed. Profit of business also depends upon successful and effective planning.

Q9. What are non-economic activities and give their examples.

Ans 1: These activities are done for personal satisfaction and not to earn profit or income e.g.,

- i. Religious activities
- ii. Rights of the parents and relatives.
- iii. Patriotism
- iv. Social welfare.

Q10. Define businessman.

Ans 1: Businessman is a person who is engaged buying and selling or in production of goods and services to earn profit.
