

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

Q1.	<b>Explain</b>	the c	bjective	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.

Q2. 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.
- Q3. What are the qualities of good businessman.

Ans 1: i. Ability of foreseeing.

- ii. Courteous.
- iii. Hard working.
- iv. Honest
- v. Confident
- vi. Ability to plan and organize.
- vii. Experienced and skilled.
- 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. What is meant by favorable balance of payment.
  - **Ans 1:** The function and object of business is to make balance of payment favorable by increasing exports and decreasing imports. Because, this position makes the country prominent in the world.
- Q6. What is meant by un-commended human activities.
  - **Ans 1:** Un-commanded activities include all those activities, taking place in the body, where we have no control of our own, e.g., the palpitation of heart and the working stomach etc.

$\Omega$ 7	Define	comma	anded	human	activities
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**Ans 1:** The activities in which human desire plays an important part i.e., speaking, walking and thinking etc. are called commanded human activities.

- Q8. 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.
- Q9. 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.
- Q10. 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.