

Solved Paper	Maharashtra HSC Exam February 2018 Set No. J 549	Organisation of Commerce & Management (51)
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Time : 3 Hours

Max. Marks : 80

Note :

1. All questions are compulsory.
2. Figures to the right indicate full marks for the questions.
3. Figures to the left indicate questions numbers.
4. Answer to every question must be started on a new page.

1. (A) Select the proper option from the possible options given below and rewrite the complete statements : [15]
[5]

- (1) The maximum number of partners for a firm carrying on banking business is
(a) ten (b) twenty
(c) seven
- (2) Bonded warehouses are located at
(a) railway stations (b) villages
(c) ports
- (3) To maintain safety of investment is the responsibility of business towards
(a) community (b) investors
(c) employees
- (4) The president of State Commission is
(a) District Court Judge (b) Supreme Court Judge
(c) High Court Judge
- (5) Management principles influence
(a) human behaviour (b) organization
(c) government

(B) Match the correct pairs : [5]

Group 'A'	Group 'B'
(a) Indian Companies Act	(1) Cheapest mode of transport
(b) Air transport	(2) Directly related to Human beings
(c) HTTP	(3) Negotiations with management
(d) Trade Union	(4) 1956
(e) Directing	(5) Hyper Transfer Text Protocol
	(6) 1932
	(7) Not directly related to human beings
	(8) Costliest mode of transport
	(9) Encryption
	(10) To maintain solvency and prestige

(C) Write only 'one' word or phrase or term which can substitute the following statements : [5]

- (1) A partner who gives his name to a partnership firm.
- (2) Name the form of electronic currency that exists only in cyberspace.
- (3) A consumer dispute redressal agency the handles claims of more than ₹ 1 (one) crore.

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- (4) Father of modern management.
(5) An end function where the performance is evaluated in accordance with the plan.
2. **Distinguish between the following (Any three) :** [15]
(1) Joint Hindu Family Business and Company
(2) District Forum and State Commission.
(3) Fire Insurance and Marine Insurance
(4) Partnership and Co-operative society
(5) Organizing and Staffing
3. **Write short notes on the following (Any THREE) :** [15]
(1) Features of a co-operative societies
(2) Advantages of e-business
(3) Responsibilities of business organization towards government
(4) Importance of consumer protection.
(5) Importance of co-ordinating.
4. **Statement with reasons whether the following statements are True or False (Any THREE) :** [15]
(1) In a partnership firm, the liability of partners is unlimited.
(2) Business organisations do not have various types of social responsibilities.
(3) Lok Adalat can rightly be described as "people's court".
(4) According to Taylor, there should be scientific selection and training of employees.
(5) Planning has no vital importance in the process of management.
5. **Write short answers of the following (Any TWO) :** [10]
(1) State the various types of warehouses.
(2) State the advantages of outsourcing.
(3) State the importance / significance of the principles of management.
(4) Explain characteristics of entrepreneurship.
6. Define 'Joint Hindu family'. Explain the features of a joint Hindu family firm. [10]
OR
Define 'bank'. Explain different types of banks. ■■

Answers

1. (A) (1) (B) Ten
 (2) (C) Ports
 (3) (B) Investors
 (4) (B) High Court Judge
 (5) (A) Human Behaviour [5]
- (B) Match the correct pairs :
- | | |
|---|---|
| Group 'A'
(A) Indian Companies Act
(B) Air transport
(C) HTTP
(D) Trade Union
(E) Directing | Group 'B'
(4) 1956
(8) Costliest mode of transport
(5) Hyper Transfer Text Protocol
(3) Negotiations with management
(2) Directly related to Human beings |
|---|---|
- (C) (1) Normal Partner. [5]
 (2) Digital Cash / Electronic Cash.
 (3) National Commission.
 (4) F. W. Taylor.
 (5) Controlling. [5]
2. (1) **Differences between Joint Hindu Family Business and Company**

Sr. No.	Basis of Comparison	Joint Hindu Firm	Sole Trading Concern
1.	Meaning	The ancestral business which is continued and conducted by the members of a Hindu Undivided Family under the direction of the senior most member for earning profit is called Joint Hindu Family Firm.	A business which is owned, managed and controlled by one individual called sole trader for earning profit is called sole trading concern.
2.	Membership	The minimum or maximum number of coparceners is not regulated by Hindu Law. It changes with the number of births and deaths in the family.	Since, sole trading concern is owned and managed by a single person, there cannot be more than one member.
3.	Ownership	All the members of the Hindu Undivided Family are the joint owners of the ancestral business property.	The business assets (properties) are entirely owned by the sole proprietor himself.
4.	Liability	The liability of each coparcener is limited: however, the liability of the Karta is unlimited.	The liability of a sole trader is unlimited.
5.	Financial resources	The financial resources of a Joint Hindu Family Firm are relatively more than that of sole trading concern.	The financial resources of sole trader are very limited in comparison to the Joint Hindu Family Firm.

[1 × 5 = 5]

- (2) **Differences between District Forum and State Commission.**

Sr. No.	Basis	District forum	State Commission
1.	Meaning	It is a consumer dispute redressal forum working at district level.	It is a consumer dispute redressal forum working at state level.
2.	Monetary Jurisdiction	It can entertain cases where the value of goods/services and the compensation claimed, if any, is less than ₹ 20 Lakhs.	It can entertain cases where the value of goods/services and the compensation claimed, if any, is more than ₹ 20 Lakhs and less than ₹ 1 Crore.

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3.	Area Covered	It covers a particular district.	It covers a particular state.
4.	Nature of complaint	Only original cases can be entertained which are within the local limits of a district.	It can entertain original cases and also appeals against the order of District Forum within the geographical limits of the state.
5.	Duration	Every member shall hold office for a term of five years or up to the age of sixty five years, whichever is earlier.	Every member shall hold office for a term of five years or up to the age of sixty seven years, whichever is earlier.

[1 × 5 = 5]

(3) **Differences between Fire Insurance and Marine Insurance**

Sr. No.	Point of Distinction	Fire Insurance	Marine Insurance
1.	Meaning	A contract in which insurer promises to pay compensation to insured if something happens to the subject matter due to fire or related events.	A contract whereby the insurance company undertakes to pay compensation to the insured in case of loss to him due to dangers (perils) of the sea.
2.	Who takes it	It can be taken by individuals for their properties or by businessmen for their goods, properties business liabilities, etc.	It can be taken by exporters, importers and shipping companies.
3.	Subject Matter	In Fire Insurance, the goods and assets or property of the insured is the subject matter.	In Marine Insurance, goods in ship, cargo and freight is the subject matter.
4.	Insurable Interest	It must exist both at the time of contract and also at the time of loss.	It must exist at the time of loss.
5.	Period	It is generally for a short period like one year.	It is generally for a short period and may range from one month to a year. Normally, it does not exceed one year.
6.	Compensation	It is paid only if there is loss due to fire during the term of policy	It is paid only if there is a loss causing event during the term of the policy.

[1 × 5 = 5]

(4) **Differences between Co-operative society and Partnership Firm**

Sr. No.	Basis	Co-operative Society	Partnership Firm
1.	Meaning	It is a voluntary association of individuals which is formed for providing services to its members.	Partnership is the relation between the persons who have agreed to share the profits of a business carried on by all or any one of them acting for all.
2.	Objective	The main object of co-operative society is to provide services to its members	The main object of Partnership firm is to earn profit.
3.	No. of members	Minimum 10 members are required to establish co-operative society, no maximum limit.	Minimum 2 members are required. For banking business maximum 10 members and for non-banking business maximum 20 members are required.
4.	Legal status	Co-operative society enjoys an independent legal status different from its members .	Partnership Firm does not enjoy an independent legal status from its members.
5.	Transferability of shares	Shares can be transferred by the members.	No partner can transfer his share without consent of members.

[1 × 5 = 5]

(5) **Differences between Organisation and Staffing**

Sr. No.	Basis	Organising	Staffing
1.	Meaning	It is relationship between people who work and use resources for achieving common object.	It is related to the recruitment, selection, training and development of personnel.

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2.	Objective	The main aim of organising is to identify and bring together all the resources to implement the plans.	The main objective of the staffing is to obtain the most competent and efficient staff to achieve the organisational goals.
3.	Area of function	Organising involves identifying the activities and grouping of relative activities of the organisation.	Staffing involves selection, recruitment, training, promotion, transfer, compensation, etc. of employees.
4.	Factors	In organising function, internal as well as external factors are considered to make arrangement of resources.	In staffing function, only internal factors such as human factor, pay plans, work load, etc. are considered.
5.	Resources	Organising is related with all the physical and human resources as they need to be properly arranged and productively used for attainment of plan objectives.	Staffing is related with procurement, development human resources only.
6.	Levels of management	Usually the function of organising is undertaken by the top level management and middle level management.	Usually the function of staffing is undertaken by Human Resources Management, at middle level management.

[1 × 5 = 5]

3. (1) **The Features of cooperative societies are listed below :**

- Registration :** Cooperative societies are registered under the Cooperative Societies Act 1912. After registration a cooperative society acquires a separate legal entity.
- Voluntary membership :** It is a voluntary association of persons who are atleast 18 years of age and have a common interest. A person can join and leave the cooperative society at any time according to their free will.
- Democratic management :** In case of cooperative society 'one person, one vote' is followed irrespective of number of shares held by him. and all the decisions are taken by the members of the society on the basis of majority.
- Service motive :** Main motive of a cooperative society is to provide service to its members. Surplus if generated, is distributed as dividend among members according to the bye laws of society.
- Limited Liability :** Liability of members is limited to the amount contributed by them as capital in society.

(2) **The advantages of E-Business are explained below :**

- Easy Set Up :** It is very easy to set up E-business as a compared to traditional business
- No Physical Space :** E-business does not require physical space for operation. It required highly qualified technical professionals.
- Quick and Easy Communication :** Communication become wasy as there is no face to face interaction. Through E-business, it is easier and faster for businesses to communicate with their suppliers and their customers.
- Low Start Up Cost :** The initial investment for starting an E-business is generally lower than the costs associated with starting the same business using a traditional model..
- Direct Communication :** E-business provides a platform for direct communication between suppliers and consumers.
- Strong Relationship Building :** E-business enables strong relationship building between suppliers and consumers as their is direct contact between both the parties.
- Global Platform :** E-business provides business with the opportunity to transact with buyers across the globe. It connects the consumers and businesses anywhere from world through internet.
- Govt. support :** In E-business, transaction cost and availability of product at relatively low prices are possible. This is beneficial to society at large. Hence, govt. always supports or favours E-business.

(3) **The responsibilities of organization towards government are as follows :-**

- Timely Payment of Proper Taxes :** The government has levied various taxes on business units such as excise duty, sales tax, corporate tax, etc. Business units should give proper information of product and should pay taxes accurately as per the provisions.
- Respecting Rules and Regulations :** Business unit should follow various laws and regulations created by government. They should conduct business in lawful manner. This helps in smooth conduct of activities of corporate sectors.
- Earning Foreign Exchange :** Large scale business should enter in export trade to earn foreign exchange. They should enable the government to import capital goods and technical know-how.
- Political Stability :** A stable government often brings more returns and peace in a democratic society. Business

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units should not support those groups or individuals who are interested in creating political disturbance.

5. **Implementation of Socio-Economic Programmes:** Business organization is expected to help the government in the implementation of various socio-economic programmes. They should help the government in solving the problems of unemployment, illiteracy, decreasing rate of sex ratio etc.
6. **Miscellaneous.**
 - (A) Helping government during natural calamities.
 - (B) They should not seek any favour from government officials by bribing or influencing them.
 - (C) They should provide complete and correct information to government officials.
 - (D) Giving timely advice to government in framing important policies in field of export-import, retail etc.

(Any five) [1 × 5 = 5]

(4) **Importance of Consumer Protection :**

1. **Seller dominant market :** If the market is dominated by sellers then the consumer's choice as well as his welfare gets the last preference. All the transactions are finalised in favour of sellers, middlemen and manufacturers, e.g. if there is shortage of goods then the buyer will have to buy a product at the price quoted by the seller.
2. **Ignorance of consumer :** Ignorance of consumers about their rights, market conditions, price levels, product details, etc. result into consumer exploitation. Many times consumers do not even realise that they are being cheated. e.g. a shopkeeper may sell a product which is actually received by him as free sample.
3. **Tendency of the consumer:** Majority of the consumers get attracted towards the products of cheap prices, discounts, various schemes, etc. This weakness of the consumers leads to their exploitation without their knowledge.
4. **Unorganised consumer :** Consumers are neither organized nor united. Compared to them the producers and sellers are in a superior position. An individual consumer cannot fight against powerful traders. Thus, it is easy to exploit unorganized and innocent consumers.
5. **Nature of products :** Now a days modern products are the end results of complicated production processes. It is beyond the capacity of poor and illiterate consumers to judge the quality or safety aspects of product. Moreover these consumers/customers cannot take legal help even though they realize that they are being cheated because they do not understand production process thoroughly.
6. **Lack of information :** Today's consumer lives in a complex world. Distance between producer and consumer is vast. It is impossible to establish direct contact between producer and consumer. After globalization and liberalization policy of the government, the market is full of domestic as well as imported products. But it is difficult for the consumer to get reliable information about the product before it is purchased. He relies on commercials of the product or on trial and error method. In both the cases chances of consumer exploitation are high.
7. **Lack of participation of consumers :** It is observed that certain decisions, which directly affect consumers interest are taken without any consultation with consumers or their organizations. e.g. Charges of cooking gas, telephone, electricity, etc. Only a strong consumer movement can pressurize various organizations to allow consumer participation in the decision making process.
8. **Increase in consumption rate :** Compared to earlier period, consumption rate is increased due to increase in population as well as tendency of the people to lead a comfortable life. It results into mass production, many varieties, increased prices, unfair trade practices, etc. Such a situation in the market confuses the consumers and they fall easy prey to exploitation.
9. **To restrict unfair trade practices :** When more and more consumers start taking support of Consumer Protection Act (1986) to resolve their grievances then it will automatically pressurize the manufacturers, middlemen and traders for not conducting the trade by unfair means. [Any five], [1x5=5]

(5) **Importance of co-ordinating are as follows :**

1. **Integrated group efforts :** The specialisation and the corresponding division of work into small parts disintegrate the efforts of all individuals. Co-ordination is concerned with integrated group efforts. Team work under the guidance, direction and motivation of the manager encourages the subordinates to work sincerely and give better performance to achieve organisational goals. Co-ordination helps to reduce the conflicts between the employees and increase their team spirit.
2. **Creative force :** Group or combined efforts of all the employees in an organisation helps to co-ordinate with each other and forms a creative force to achieve the desired goals.
3. **Unity of direction :** In the modern age of large scale business, various types of activities are performed by different groups and sub-groups. Co-ordinating function gives direction to bring together these activities to achieve common goals and objectives of the organisation.
4. **Facilitates motivation :** In the proces of co-ordination the superiors motivate their subordinates by providing them with monetary and other incentives. The subordinates get encouraged and put in better performance.

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5. **Optimum utilisation of resources :** Proper and effective co-ordination helps to bring together all the resources of the organisation. Co-ordination also helps to avoid wastage of resources due to duplication, overlapping, confusion or misuse by certain employees working in different departments.
6. **Achievement of objectives :** Proper coordination helps to reduce wastages, delays and other problems of the organisation to a great extent. It develops team spirit among the subordinates and brings out harmony and integration in their activities. This ensures smooth working of the organisation in the process of achievement of objectives.
7. **Improve relations :** Co-ordination brings employees nearer to each other and develops good relations among the employees working at different levels of management. Proper co-ordination always helps employees to improve and develop the relations among the employees working in different departments of the organisation.
8. **Higher efficiency :** Co-ordination facilitates the optimum use of physical and human resources. This may lead to higher returns at lesser cost, thereby showing higher efficiency. Co-ordination ultimately leads to balanced development of the organisation.
9. **Improves goodwill :** A well co-ordinated organisation improves efficiency and quality of work. As a result, organisation achieves its goals faster, renders satisfactory services to clients and earns a name and goodwill in the corporate world.
10. **Specialisation :** In every business organisation all departments are headed by qualified and specialised professionals in their respective field. Proper and efficient co-ordination among these professionals helps top management to achieve organisational goals (targets) as planned by the top management.

(Any five) [1 × 5 = 5]

4. (1) This statement is **True**.

Reasons :

1. Partnership is the relation between two or more persons agreed to share profits and losses.
2. The liability of every partner is unlimited and is joint and several.
3. If any debts arise in a firm and the firm is unable to pay it then the partners are liable to pay from their personal property.
4. There will be no distinction between partners and business. Hence their liability is unlimited. [1+4=5]

- (2) The statement is **False**.

Reasons :

1. A business unit is set up with the main aim of earning profits, However, a business unit is dependent on the society for its survival.
2. It uses natural resources or inputs from the society like raw materials, air, water, land etc. for producing goods and services.
3. It is also dependent on the various constituents of the society like consumers, investors, employees etc for running its business effectively.
4. Business unit is therefore a part of the society. It operates within the society and is dependent on the society for its survival. Thus, has responsibilities towards the various sections of the society.

[1+4=5]

- (3) This statement is **True**.

Reasons :

1. Lok Adalat is an alternate mode of dispute resolution. It is set up by the government to settle disputes of consumers through compromise.
2. The cases which are pending in courts and which can be settled through compromise are transferred to Lok Adalat if, both the parties agree or one of the parties makes an application and the court sees a chance of compromise.
3. No court fees is charged by the Lok Adalat.
4. If the matter is not resolved in the Lok Adalat then it is returned to the regular court.

Thus, The Lok Adalat resolves disputes in a very smooth manner and it can be rightly described as 'people's court'. [1+4=5]

- (4) This statement is **True**.

Reasons :

1. According to 'Scientific Selection, Training and Development of workers' principle stated by F.W. Taylor, the selection process of employees should be systematic and scientific.
2. The physical, mental and technical or other qualities required for the job should be clearly defined to make

selection easier.

3. The employers should be selected on the basis of tests and interviews. They should be trained from time to time to review in the job.
4. The manager should provide opportunities for development of workers having better capabilities so that they work with maximum efficiency. [1+4=5]

(5) This statement is **False**.

Reasons :

1. Planning means deciding the future course of action. To do any job we have first to study the exact nature of the job, the factors necessary for executing the job, the method of doing the job, the time when the job is to be completed and many other considerations. Thus, planning is the very first stage of management.
 2. Planning is a systematic activity which determines when, how and who is going to perform a specific job. It is a sort of detailed programme regarding the job to be completed in the future. It is the foremost, fundamental and important function of management.
 3. Planning makes the arrangement of requisite men, materials, machinery, methods and money, so that the job can be completed effectively and efficiently. Planning takes into consideration the available and potential human, physical and financial resources of the organisation and gets their effective co-ordination and necessary contribution.
 4. Planning is concerned with both the processes of determining the objectives of the business and choosing the most suitable course of action. Planning bridges the gap between where we are standing now and where we want to reach. It is really looking ahead and preparing for future. [1 + 4 = 5]
5. (1) **A businessman has to keep different kinds of goods, so there is always a need for different types of warehouses, which are as follows :**
1. **Private Warehousing :** Private warehouses are owned and managed by the manufacturers or traders to store their own goods. Big business firms which need large storage capacity on a regular basis construct their own warehouses. Generally these warehouses are constructed by farmers near their fields, by wholesalers and retailers near their business areas and by manufacturers near their factories.
 2. **Public/Commercial Warehouses :** This type of warehouses provide storage facilities to the general public for payment of certain fees. It may be owned by an individual, partnership firm, company, etc. These warehouses have to obtain the license from the government and work as per the rules framed by the government. They are generally located near railway stations, highways, airport, seaport, etc.
 3. **Government Warehouses :** These warehouses are owned, managed and controlled by central and state governments or public corporations or local authorities. It is difficult for the small traders, farmers, businessmen, etc. to own a warehouse, so these government warehouses assist them in storing their goods at a nominal charge. State Warehousing Corporation and Food Corporation of India are examples of agencies maintaining government warehouses.
 4. **Bonded Warehouses :** Bonded warehouses are licensed by the government for storing imported goods till the custom duty is not paid. They are located within the dock area. They are either operated by the government or custom authorities. The goods are held in bond and cannot be withdrawn without paying the custom duty.
 5. **Duty Paid Warehouses :** If an importer faces any problem in transportation of goods, after making payment of duty, then goods can be stored at a Duty Paid Warehouses. All duty paid warehouses are public warehouses which are available to all the importers whether big or small. Such warehouses are more helpful for some businessman, who re-export the goods.
 6. **Co-operative Warehouses :** These warehouses are owned, managed and controlled by cooperative societies. They mainly provide warehousing facilities at the rural areas. These type of warehouses are very useful for farmers and traders. They provide warehousing facilities at the most economical rates to the members of the society and also to the public.
 7. **Cold Storage Warehouses :** Cold Storage warehouses provide facilities for perishable commodities like fisheries, poultry, dairy products, vegetables, fruits, flowers, etc. In cold storage warehouse, goods are stored and refrigerated at very low temperatures so as to preserve them and use them in the future.

(Any five) [1 × 5 = 5]

(2) **The advantages of outsourcing are explained as follows :**

1. **Efficiency and effectiveness :** Many a time tasks are outsourced to the vendors who are specialised in their fields, having deep knowledge, experience, specific equipment and technical expertise. As a result the tasks can be completed faster effectively with greater efficiency and with better quality output.
2. **Concentration on core business process :** Outsourcing supporting the business processes, facilitates the organisation more time to strengthen their business processes as they need not focus on non-core activities.
3. **Cost reduction:** Outsourcing reduces its own cost. Outsourcing avoids the need to hire employees in houses. Hence, recruitment and operational costs can be eliminated or minimised.
4. **Manpower available at low cost :** In every organisation manpower is required to operate machineries, to do

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routine work, to perform jobs, to administer and manage business affairs. Recruitment and appointment of personnel on permanent basis are most costly. Manpower through outsourcing is available at a lower cost. Outsourcing is beneficial in some portions of business process.

5. **Less investment requirement** : Due to lack of expert labour, some portions of business process are outsourced by the organisation. Similarly, to reduce or cut the cost, still some portions of business process are outsourced. As a result organisation itself is required to manage only remaining portions of business process. Hence, investment requirements of the organisation is very less.
6. **Knowledge sharing** : Most of the times tasks are outsourced to the vendors who are specialised and expert (knowledgeable) in their fields. While working together outsourced partners (vendors) share their knowledge, experience, technical expertise, etc. with the employees of the organisation. This is one of the prime advantages of outsourcing.
7. **Stimulates entrepreneurship** : Outsourcing encourages and stimulates entrepreneurship, employment and expertness in the country from where outsourcing is done. [Any five] [1×5=5]

(3) **The significance of principle of management is given as below :**

1. **Helps to improve understanding** : Principles of management help the managers in getting better insight or understanding of situations and problems. They also help managers in resolving these problems and handling various situations.
2. **Helps in increasing the efficiency**: Scientific principles help to cut down the wastages in operations and save time, energy and efforts through the maximum utilisation of the resources. As a result, organisation gets higher returns in terms of quantity and quality of performance at a same or lower cost than before.
3. **Helps to develop the objective approach** : By using principles of management, the manager can develop an objective approach. The manager can find out and identify the problems in right direction and can provide solutions in an objective manner.
4. **Helps to co-ordinate and control**: Principles of management serve as guidelines to co-ordinate the departmental goals with the goals of the organisation. These principles help the managers to co-ordinate the activities of different departments. Managers can easily exercise the control over the entire organisation. The proper use of these principles helps to achieve the given targets easily.
5. **Understanding social responsibility** : Business is a part of the society. It makes use of the resources of the society and therefore, it has to perform some social responsibilities. Management principles guide the managers to understand and perform social responsibilities. *For example*, the principle of fair remuneration insists the management to pay adequate salary to the employees and to take care of other interests of the employees also.
6. **Research and development**: Principles of management are evolutionary in nature and have evolved with passage of time. They have undergone certain changes on account of changes in the business world. They are developed over the years to suit the current needs of organisation. They stress on scientific study, research and development in the organization. [Any five][1× 5= 5]

(4) **The following are the characteristics of entrepreneurship :**

1. **Economic activity** : An entrepreneur produces a new product for the consumers as per their needs. He feels the need of this to satisfy human wants and as well in exchange earn a better livelihood. Hence entrepreneurship is an economic activity.
2. **Innovation** : Entrepreneurship is an innovation. He brings a new product in the market, uses new production technology, discovers new source of supply of raw materials and opens a new market for the specific product. In view of changing taste of consumers from time to time, entrepreneurship is of research and development to produce goods to satisfy the customers.
3. **Creative activity** : Innovation should have a strong support of creativity. Introducing creativity in producing some new is a big challenge for the entrepreneur. Thus creativity is an essential part of entrepreneurship.
4. **Organization building** : It is an activity where various factors of production have to be organized. Different factors like place utility, time utility, form utility, etc. has to be considered to collect them under one roof for new production.
5. **Managerial skill and leadership** : Leadership and managerial skills are the most important facts of entrepreneurship. Other skills can be considered secondary. An entrepreneur must have the ability to lead and manage.
6. **Risk bearing** : Entrepreneur is an agent who buys factors of production at certain prices. In order to combine them into a product, to sell them at uncertain prices in future. Thus they too are risk-bearing agents of production.
7. **Gap filling function** : The most significant feature of entrepreneurship is gap filling. It is the entrepreneur's job to fill the gap or make up the deficiencies which always exist in the knowledge about the production function.
8. **Skillful management** : The success of any entrepreneurship depends on the management of the organization. With professional management and skilled managers, entrepreneurship becomes a successful activity.

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[Any five] [1×5=5]

(6) Definition :

A Joint Hindu Family Business is a family concern that operate under the provisions of the Hindu Law and Hindu Succession Act 1956. It may be defined as a business organisation which is inherited or owned, conducted and managed by the members of a Hindu undivided family jointly under the direction and control of the senior most member of the family called karta for earning profits.

Features :

1. **Formation** : It is formed as per the Hindu law. Each member becomes coparcener by birth .
2. **Karta and coparcener** : The senior most member of joint Hindu Family becomes karta and other members coparcener.
3. **Membership** : The membership of Joint Hindu Family firm is unlimited
4. **Management** : Karta is only manager, controller and co-ordinator of the business managing it in the interest of coparceners.
5. **Joint ownership** : The property of Joint Hindu Business is jointly owned by the three generations after him.

[Any four] [1 × 5=5]

Or

Definition : Bank is an financial institution which deals in money and credit. It accepts deposits from the public and grants loans and advances to those who are in need of funds for various purposes.

Types of Banks :

1. **Central Bank** : Central Bank plays an important role in country. It provides guidance to other banks. It holds control and guides over other banks in country. It is known as bankers bank. Reserve Bank of India is central bank of India. The main function of this bank is to maintain economic stability of the country.
2. **Commercial Bank** : Commercial Banks accept the deposits from public and provide short-term loans to traders, manufacturers and businessmen by way of cash credits, overdraft, etc. There are three types of commercial banks such as public sector banks, private sector banks and foreign banks.
3. **Development Bank** : Development Bank provides loan to business for the purpose of development of business. Such loans may be required for purchase of machinery, expanding business activities, research expenses, etc. Example of Development banks are Industrial Finance Corporation of India (IFCI) State Financial Corporation.
4. **Co-operative Banks** : Co-operative banks are financial institution registered under the Co-operative Societies Act. The main objective of a co-operative bank is to give credit to economically backward people. There are three types of Co-operative banks such as Primary Credit Societies, at village level; Central Co-operative Bank, at district level; State Co-operative Banks and Rural Co-operative Banks at state level.
5. **Specialised Banks** : There are some banks which cater to the requirements of specific sectors and provide overall support for setting up business in specific areas. Exim Bank, SIDBI and NABARD are examples of such banks.
6. **Regional Rural Banks** : These banks were established in 1975 to enhance the banking facilities in the rural areas. In these banks, the features of commercial and co-operative banks are found. These banks are sponsored by some commercial banks. 50% of their capital is provided by the central Government 35% by the Commercial bank concerned and 15% by the state government concerned. The main functions performed by these banks are to provide loans to small traders, small farmers and for the development of agricultural activities.
7. **Exchange Banks** : Exchange banks are mainly concerned with financing foreign trade. Main functions of Exchange bank are remitting money from one country to another country, discounting of foreign bills, helping import and export trade, etc. Bank of Tokyo, Bank of America are the examples of exchange banks working in India.
8. **Indigenous Bankers** : In India, Indigenous or native/domestic bankers have been carrying on banking functions for generations before properly organized commercial and other banks started functioning. They mainly deal in "hundis" and promissory notes. They charge a very high rate of interest on loan. Hundis are regarded as native Bills of Exchange.
9. **Savings Bank** : This bank accepts small savings from public who have fixed income. It creates the saving habit among people. In India, post office saving bank is one of the saving banks. Commercial bank and Co-operative Bank also play a role of saving bank.

[Any five] [1x5=5]

