

	(5) Accountable to the ministry. (Any 2 points with explanation)																					
23.	(a) Sole proprietorship. (b) Advantages of sole proprietorship: (1) Fast decision making (2) Confidentiality of information (3) Direct incentive (4) Sense of accomplishment (5) Ease of formation and closure. (Any two points with explanation)	(1+2 =3)																				
24.	Privileges of a private company (1) Only 2 members required (2) No need to issue prospectus (3) Minimum subscription not required (4) Can start its operations after receiving certificate of incorporation (5) Only 2 directors required (6) Not compulsory to maintain index of members (7) No restriction on the amount of loans to its directors.	(1+1+1=3) (Any 3 points)																				
25.	Primary industries includes all those activities which are connected with the extraction and production of natural resources and reproduction and development of living organisms, plants etc. Types: (1) Extractive industries (2) Genetic industries	(1+1+1=3) 1 mark for each point with explanation																				
26.	Types of co-operative societies: (i) Producer's co-operative society (ii) Consumer's co-operative society (iii) Marketing co-operative society (iv) Farmer's co-operative society (v) Credit co-operative society (vi) Co-operative housing societies. (Any 4 points with explanation)	(1+1+1+1=4)																				
27.	Statutory corporation: It is formed by passing a Special Act in the Parliament. Limitations: (i) It does not have operational flexibility (ii) Government and political interference is more (iii) More chance of corruption (iv) Delays action. (Any 3 limitations) OR Principles of insurance (1) Utmost goods faith (2) Insurable interest (3) Indemnity (4) Proximate cause (5) Subrogation (6) Contribution (7) Mitigation (Any 4 points with explanation)	(1+1+1+1=4) (1+1+1+1=4)																				
28.	Business risk refers to the possibility of inadequate profits or even losses due to uncertainties or unexpected events. Causes of business risks: (1) Natural causes (2) Human causes (3) Economic causes (4) Other causes (Any 3 causes with explanation)	(1+3=4)																				
29.	Differences between Life, Fire and Marine Insurance <table border="1"> <thead> <tr> <th>Basis</th> <th>Life</th> <th>Fire</th> <th>Marine</th> </tr> </thead> <tbody> <tr> <td>Subject matter</td> <td>Human life</td> <td>Physical property</td> <td>Ship, cargo or freight</td> </tr> <tr> <td>Element</td> <td>Protection and investment</td> <td>Protection</td> <td>Protection</td> </tr> <tr> <td>Insurable interest</td> <td>Must be present at the only time of effecting policy</td> <td>Must be present both at the time of effecting policy and claim</td> <td>Must be present at the only time of effecting policy and claim</td> </tr> <tr> <td>Duration</td> <td>Time ranges</td> <td>Does not</td> <td>For 1 year or</td> </tr> </tbody> </table>	Basis	Life	Fire	Marine	Subject matter	Human life	Physical property	Ship, cargo or freight	Element	Protection and investment	Protection	Protection	Insurable interest	Must be present at the only time of effecting policy	Must be present both at the time of effecting policy and claim	Must be present at the only time of effecting policy and claim	Duration	Time ranges	Does not	For 1 year or	Any 5 points (1x5 points=5)
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Element	Protection and investment	Protection	Protection																			
Insurable interest	Must be present at the only time of effecting policy	Must be present both at the time of effecting policy and claim	Must be present at the only time of effecting policy and claim																			
Duration	Time ranges	Does not	For 1 year or																			

		from 5 to 30 years	usually exceeds 1 year	voyage	
	Indemnity	Not applicable	Applicable	Applicable	
	Loss measurement	Not measurable	Measurable	Measurable	
	Surrender value or paid up value	Has surrender value	No surrender value	No surrender value	
	Policy value	Can insure for any amount	Can be up to the value of subject matter	Can be up to the value of subject matter	

30.	Differences between Traditional and e-business			
	Basis	Traditional	E-business	
	1 Ease of formation	Difficult	Simple	
	2 Physical presence	Required	Not required	
	3 Locational requirements	Proximity to resources and market	None	
	4 Cost of setting up	High	Low	
	5 Operating cost	High	Low	
	6 Nature of contact with customers and suppliers	Indirect through intermediaries	Direct	
	7 Nature of internal communication	Hierarchical	Non-hierarchical	
	8 Response time for meeting customers	Long time	Instant	
	9 Business process and its length	Longer	Shorter	
	10 Inter-personal touch	Much more	Less	
	11 Ease of going	Less	More	
				Any 5 points 1+1+1+1+1 = 5

	global																												
	12 Govt. Patronage	Shrinking		Increasing																									
	13 Transaction risk	Low		High																									
	OR																												
	Benefits of joint venture: (i) Increased resources and capacity (ii) Access to new markets and distribution networks (iii) Access to technology (iv) Innovation (v) Low cost of production (vi) Established brand name. (Any 5 points with explanation)																												
	(1x5 points=5)																												
31.	<table border="1"> <thead> <tr> <th>Basis</th> <th>Business</th> <th>Profession</th> <th>Employment</th> </tr> </thead> <tbody> <tr> <td>Qualification</td> <td>Not necessary</td> <td>Specified by Professional body of knowledge</td> <td>Specified by employer according to the work</td> </tr> <tr> <td>Reward</td> <td>Profit</td> <td>Fees</td> <td>Salary/wages</td> </tr> <tr> <td>Transfer of interest</td> <td>Possible</td> <td>Not possible</td> <td>Not possible</td> </tr> <tr> <td>Risk</td> <td>More</td> <td>Less</td> <td>No</td> </tr> <tr> <td>Code of conduct</td> <td>No</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table>	Basis	Business	Profession	Employment	Qualification	Not necessary	Specified by Professional body of knowledge	Specified by employer according to the work	Reward	Profit	Fees	Salary/wages	Transfer of interest	Possible	Not possible	Not possible	Risk	More	Less	No	Code of conduct	No	Yes	Yes				(1 x 5 points=5)
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	The industries which are engaged in producing goods through processing of raw materials and thus creating form utilities. Four categories: (i) Analytical industry: It analyses and separates different elements from the same materials. Eg: Oil refinery (ii) Synthetical industry: It combines various ingredients into a new product, eg: cement. (iii) Processing industry: It involves successive stages for manufacturing finished products, eg: sugar and paper. (iv) Assembling industry: It assembles different component parts to make a new product, eg: car, computer. (1 mark each for point with explanation)																												
	(1+4=5)																												
32.	BPO: When the non-primary activities of a business are given on contract to any third party, it is called BPO. Need for outsourcing: (i) Focusing of attention (ii) Quest for excellence (iii) Cost reduction (iv) Growth through alliance (v) Fillip to economic development OR Types of life insurance policies: (i) Whole life policy (ii) Endowment life assurance policy (iii) Joint life policy (iv) Annuity policy (v) Children's endowment policy				(1+5 points=6)																								
	(1.5+1.5+1+1+1=6)																												
33.	Steps involved in capital subscription: (i) SEBI approval (ii) Filing of prospectus (iii) Appointment of bankers, brokers and underwriters (iv) Minimum subscription (v) Application to stock exchange (vi) Allotment of shares OR Meaning: Activities which assists the trade. Auxiliaries to trade:				(1x6 points=6)																								

	(i) Transport and communication (ii) Banking and finance (iii) Insurance (iv) Warehousing (v) Advertising	(1+5=6)
34.	Features of multinational corporations: (i)Huge capital resources (ii) Foreign collaboration (iii)Advanced technology (iv) Product innovation (v) Marketing strategy (vi) Expansion of market territory (vii) Centralised control	(1x6 points=6)
	THE END	