

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

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Teacher name – Ajay Kumar Sharma

BUSINESS SERVICES

Question 1:

DTH services are provided by _____.

- (a) Transport companies
- (b) Banks
- (c) Cellular companies
- (d) None of the above

ANSWER:

Direct-to-home (DTH) services are provided by **cellular companies** to transmit media-related services to their customers. They use satellites for transmitting information to enable their customers to watch multiple television channels of their choice by installing a small dish antenna and a set-top box.

Hence, the correct answer is option (c).

Question 2:

The benefits of public warehousing include _____.

- (a) Control
- (b) Flexibility
- (c) Dealer relationship
- (d) None of the above

ANSWER:

Public warehouses provide a high degree of **flexibility** to its agents in the following aspects.

- **Storage of goods:** Goods can be stored as per the convenience and preferred locations of the agents.
- **Negligible fixed costs:** The agents need to incur only negligible fixed costs to store their goods.

- *Safety*: Safety is ensured, and the risk of loss by theft is minimal.
- *Other benefits*: Other benefits include facilities such as packaging and labelling.

Hence, the correct answer is option (b).

Question 3:

Which of the following is not a function of insurance?

- (a) Risk sharing
- (b) Assist in capital formation
- (c) Lending of funds
- (d) None of these

ANSWER:

Insurance is a contractual policy through which an individual gets financial protection by spreading the risks or losses that may be caused by the occurrence of unpredictable events. It gives individuals an assurance that a certain sum of money will be given to them in case of any damage to the insured goods. In return for this assurance, the insured makes a regular payment (monthly, quarterly or yearly) to the insurer, which is termed premium. Thus, insurance helps in pooling financial resources and **assists in capital formation**.

Insurance does not involve lending of funds; lending is a function of commercial banks. Insurance is also not risk sharing, as the risk associated with the occurrence of unpredictable events is not shared, but rather spread out.

Hence, the correct answer is option (b).

Question 4:

Which of the following is not applicable in life insurance contract?

- (a) Conditional contract
- (b) Unilateral contract
- (c) Indemnity contract
- (d) None of the above

ANSWER:

In a life insurance contract, the insurer pays a fixed sum of money to the insured or the insured's beneficiaries either at the time of his or her death or on the maturity of the contract, whichever comes earlier. This implies that an indemnity contract is not applicable in the case of life insurance, as human life cannot be compensated.

In an indemnity contract, the insured is paid only the actual amount of the loss and not an assured sum. However, in the case of a life insurance contract, the insured or his beneficiaries are paid an assured sum of money in the event of death of the insured or on the maturity of the contract.

Hence, the correct answer is option (c).

Question 5:

CWC stands for_____.

- (a) Central Water Commission
- (b) Central Warehousing Commission
- (c) Central Warehousing Corporation
- (d) Central Water Corporation

ANSWER:

The abbreviation 'CWC' stands for the *Central Warehousing Corporation*. It is a government organisation that manages and operates the warehouses owned by the government.

Hence, the correct answer is option (c).

Question 1:

Define services and goods?

ANSWER:

Services are intangible activities that require personal interaction between the consumer (purchaser of the service) and the service provider (seller of the service) at the time of delivery. The services need not involve any production or sale of goods. Generally, services are classified into the following two categories.

- (a) *Business services*: These include banking, insurance and warehousing services.
- (b) *Professional services*: These include legal services, medical advice and tax consultancy.

In contrast to services, the term 'goods' refers to physical and tangible objects whose ownership gets transferred to the buyers as soon as he or she purchases these objects. Examples of goods are televisions, radios and shoes.

Question 2:

What is e-banking? What are the advantages of e-banking?

ANSWER:

e-banking refers to the use of the electronic medium for conducting various banking operations such as transferring money, checking accounts and applying for loans. These services are provided by commercial banks to make it easy for their accountholders to conduct banking transactions online from anywhere and at any time.

The following are a few advantages of e-banking.

- (i) 24x7 availability:** e-banking is available round the clock and throughout the year. A customer can access his or her own bank account and conduct banking transactions online at any time. This provides greater flexibility and a high degree of comfort to bank customers as they need not to visit their banks in person.
 - (ii) Easy access:** Transactions can be made as and when required on mobile phones and through computers.
 - (iii) Reduced load on banks:** e-banking reduces the workload on banks as a significant portion of functions can be carried out electronically.
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Question 3:

Write a note on various telecom services available for enhancing business?

ANSWER:

The following are the various types of telecom services that enable a business to carry out its operations efficiently.

- (i) Cellular mobile service:** It include voice and non-voice transmission services and data transmission services.
- (ii) Radio paging service:** It is a one-way communication service by which information is transmitted in the form of a tone or numeric or alphanumeric message.
- (iii) Fixed-line service:** Under this kind, fiber optic cables are laid across the country for transmitting information including both voice and non-voice messages.

(iv) Cable service: This service is used to transmit media-related information to a defined area of operation for which a licence has been acquired. In this type of telecom service, the flow of information is one way.

(v) VSAT service: The abbreviation 'VSAT' stands for 'very small aperture terminal'—it is a satellite-based communication service through which information can be transmitted to far-flung and remote areas. Therefore, it provides a wider reach and high degree of flexibility to businesses.

(vi) DTH service: The abbreviation 'DTH' stands for direct-to-home—DTH service is a type of telecom service provided by DTH companies. The companies transmit TV channels to customers through satellites. The customers can watch multiple channels by installing a small dish antenna and a set-top box connected to their television set.
