

Business Studies

Original practice in 13 topic units, with explanations, worked examples and answer guidance. Use alongside the prescribed texts and syllabus.



13 practice units

78 tasks with answer guidance

Name / नाम: _____

Original selected-topic practice. Use alongside school lessons and the prescribed textbook. The contents define this book's scope.

CBSE course 054 · 2026–27 · Selected practice, not a complete syllabus or official examination paper.

UNIT 01 / 13 · LEARN & TRY

Business purposes, activities and risk

Name: _____ Date: _____

Goal: Classify economic activities and explain business objectives, commerce services and distinct sources of risk.

Learn

Business involves regularly producing or exchanging goods and services to meet needs while seeking an economic return. A person selling a used bicycle once is not necessarily conducting a business; regularity matters. Profit supports survival, investment and compensation for uncertainty, but a sustainable business also considers customers, workers and society. Risk arises because future demand, costs and events cannot be known perfectly. It does not mean every loss results from poor management. Economic activities include business, employment and professions, each with different arrangements for earning income. Industry converts resources into useful products or extracts resources, while commerce helps products reach buyers through trade and supporting services. Transport, warehousing, banking, insurance and communication remove different obstacles to exchange. These classifications help explain how several organisations contribute to one customer purchase. When answering a case, connect the relevant feature to an observed action rather than simply listing textbook headings.

Worked example

Asha makes notebooks every week for sale. A paper manufacturer supplies material, a bank processes receipts and a courier delivers orders. Notebook production is manufacturing industry; repeated selling is trade; banking and transport support commerce. A sudden paper-price rise creates business risk.

1. A person sells a used bicycle once; another sells notebooks each week. Identify the feature distinguishing the regular business. [1 marks]

UNIT 01 · PRACTISE · 2–6

Business purposes, activities and risk

2. Explain two reasons profit matters to a business. [2 marks]

3. Classify a quarry and a bakery by type of industry. [2 marks]

4. Explain how banking, transport and warehousing each support a notebook sale. [3 marks]

5. A seller faces a flood, a price rise and changing customer tastes. Explain three sources of risk. [3 marks]

6. Explain four objectives a notebook business could pursue alongside profit. [4 marks]

Explain one answer. Choose a question to revisit after a few days.

UNIT 01 · ANSWER GUIDANCE

Business purposes, activities and risk

1. Regular production or exchange: the weekly seller undertakes repeated transactions.
2. Survival and reinvestment for growth are two reasons. Also accept rewarding risk or indicating operating performance, with one explanation each.
3. Quarry: extractive industry. Bakery: manufacturing industry.
4. Banking facilitates finance and payments; transport moves goods to buyers; warehousing stores goods until required. One explained function each.
5. Flood is a natural cause; the input-price rise is economic uncertainty; changing tastes create market uncertainty. Link each cause to a possible loss or disruption.
6. Accept four justified objectives: reliable quality, customer satisfaction, fair employee treatment, efficient resource use, innovation or social responsibility. Explain how each supports the business or its stakeholders.

Teaching note

Distinguish a business objective from a supporting activity such as transport.

Curriculum reference: https://cbseacademic.nic.in/web_material/CurriculumMain27/SecPart2/BusinessStudies_SecP2_2026-27.pdf
Selected practice; outcomes are publisher-defined. School practicals, projects and prescribed readings require separate preparation.