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Answers Key:

1. It will help in attainment of social objectives:

(a) Concern for environment;	(b) Cleanliness

It will hamper following objectives:.

(a) Maximization of profits	(b) Minimization of cost.

2. Social objectives are getting fulfilled here.
   (a) Help to needy class of society.
   (b) Employment to females of mahila ashram.
   (c) Optimum utilization of resources.
3. No it is not a business. Business has following characteristics:
   (a) It is an Economic Activity.
   (b) It involves production or procurement of goods and services.
   (c) It includes sale and exchange of goods and services for the satisfaction of human needs.
   (d) It deals in goods and services on a regular basis.
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   (e) It aims at earning profit.
   (f) There is uncertainty in return.
   (g) There is an element of risk
   In this case, following features of business are present:
   (a) It is an Economic Activity
   (b) It involves production or procurement of goods and services.
   (c) It deals in goods and services on a regular basis
   Following features are missing:
   (a) Selling newspapers does not involve sale and exchange of goods and services for the satisfaction of human needs.
   (b) Selling newspapers does not aim at earning profit.
   (c) There is no uncertainty in return.
   (d) There is no element of risk.
4. (i) Following values are missing:
   (a) Testing on animals is banned.
   (b) No information about the products on packets is violating right to information under COPRA.
   (c) Cpild labour is banned and hence schools should be opened for them.
   (ii) Yes, It will help in development of tribal society in following ways:
   (a) Upliftment and development of tribal society.
   (b) Equal opportunities for men and women to grow
   (c) School and other supportive activities will help in community development.
5. **(i) Economic Objectives:**

(a) Profit earning	(b) Opening new branches

   (ii) **Social Objectives**
   (a) Providing good working conditions to employees
   (b) Sharing profits with employees.
6. No, he is not right. If an employee is generating a revenue of rupees 5 lakh for a company, it is not an individual effort but team effort. All departments and employees contribute to it in their own ways. There are costs as well in terms of raw material, electricity, stationery and other things and hence if he feels that this entire amount is his right, he is wrong in his approach. Moreover, when he will start his own business, he will not have to give only his labour but also needs to invest capitaL He would also have to take risk and bear uncertainty. Therefore, he must carefully compare the pros and cons of job and business and then he should decide. x.
7. He is making use of following auxiliaries to trade:
   (a) Banking: He took a loan from bank from the same.
   (b) Insurance: He got the raw material insured so as to protect it against marine risks.
   (c) Warehousing: When raw material reached India, he stored it in a public warehouse.
   (d) Transportation: He arranged forsending goods to his factoryin Delhi using railways.
   (e) Communication: He wrote an email to his manager in Delhi to collect good.
8. Types of business risks are as follows:
   (a) Speculative risks: Speculative risks involve possibility ofboth gain as well as loss. They arise due to fluctuations in demand and supply, changes in price, changes in fashion etc.
   (b) Pure Risks: These involve possibility of loss or no loss. Examples chances of fire, accident, theft etc.
   (c) Insurable risks: Those risks which can be insured for because it is possible to determine the probability of such risks. Like fire insurance, marine insurance etc.
   (d) Uninsurable risks: Uninsurable risks are those whose probability cannot be determined and hence no insurance is available for them. Uninsurable risks are called uncertainty.

Reference:

Uninsurable risk: Her tailor may leave job suddenly which may affect is timely completion of orders. Government policies can also change like compulsion of GST or maintaining complete accounting records etc. Pure risks: She is also worried about theft or fire in boutique.

Speculative risks: There are also changes in fashion which may be used as an opportunity or can act as a threat.

9. No, he is not right. CA is not a business but a profession. Even in business, it is not true that first and foremost priority is to generate profits and everything else is secondary but it is absolutely wrong in case of a profession.
CA can be called a profession because it has following features:
(a) Membership of a professional body and certificate of practice required.
(b) Personalized services of expert nature
(c) Professional Qualification and training required
(d) Professional Fee is charged in lieu of services.
(e) Limited capital for establishment
(f) The degree of risk is low.
(g) Professional code of conduct is to be followed given by the concerned authority.
Motive of professional service is to provide service and not earning profits. Two values that are missing in Sanjay are:
(a) Lack of professional ethics.
(b) No concern for social objectives of an economic activity.
10. (a) Some of these objectives are as follows: (Any two)
(i) Market standing: Business can survive for a longer period only if it is able to capture a big share in the market and has market standing.
(ii) Innovation: Means developing new products and their multiple uses, Old customers can be maintained and new can be attracted by innovation only.
(iii) Improving productivity: Every business enterprise must aim at greater productivity by making optimum use of available resources.
(iv) Earning profit: One ofthe objectives of business is to earn profits on the capital employed. Every business must earn a reasonable profit to survive and grow.
(v) Optimum use of physical and financial resources: Every business requires physical (plant, machine, office etc) and financial resources (money or funds) to produce goods & services; the business enterprise must aim to use them efficiently.
(vi) Workers performance and attitude: Every business enterprise must aim at improving its workers performance and creating positive attitudes of workers. It will boost the morale of the employees.
(vii) Social Responsibility: A business is a part of society and so it must meet the expectations of the society. It can set goals in the areas of the environmental protection, Supply of desired Quality of products, employment generatiion etc.
(b) Yes, profits play an important role in business. (Any three)
(i) It acts as a source of income for business persons.
(ii) It acts as a source of funds for meeting expansion requirements.
(iii) It acts as an indication of efficiency of the business.
(iv) It is a reward for risk taking.
(v) It builds up reputation of the company.
(c) These objectives are not conflicting but complementary in nature. Hence both of these are equally important and need to be strived for simultaneously.

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