



Internal Trade

1. A retailer being an important link between producer and ultimate consumers provides useful services to different groups involved in trade. Mention any three services, a retailer provides to its customers.
2. Explain the advantages of consumer cooperative stores.
3. Distinguish between departmental stores and multiple shops.
4. Explain the services provided by a wholesaler to a manufacturer.
5. A pan masala shop is opened near a school. Several students started consuming it. The seller sold it without making children aware about the harmful contents in it. What are the values ignored?

Sources of business finance

6. What is meant by fixed capital? State any two factors affecting the fixed capital requirement of a firm?
7. What is meant by working capital? State the purposes for which a business requires working capital. Also, explain any two factors affecting the fixed capital requirement of a firm?
8. Why is equity share capital called 'Risk Capital'?
9. Shubham Ltd. has decided to expand its production capacity by modernising its plant and machinery at an estimated cost of ₹2 crore. It does not have adequate reserves to finance the expansion. Suggest any four sources of finance for the company.
10. Shobhit has ₹50,000 for investment purposes. Should he invest in equity shares, preference shares, public deposits or debentures? Justify your answer.
11. As a source of finance retained profit is better than other sources. Do you agree with this view? Give reasons for your answer. Can a company grow indefinitely by reinvesting surplus profits?
12. The Directors of Sikha Ltd. have decided to modernise the plant and machinery at an estimated cost of rupees one crore, but are in a fix whether to issue equity shares or debentures for this purpose. As finance manager of the company, advise the directors whether to issue equity shares or debentures in the interest of the company.
13. The Directors of Sheetal Ltd. have decided to expand the business activities by increasing the stock of raw materials and finished goods at an estimated cost of ₹50 lakh. As finance manager of the company, advise the directors about the various methods open to the company to raise necessary finance for this purpose?
14. Michael, a fresh graduate of Institute of Management Studies of Delhi, was influenced by the government of India's initiative, 'Start up India'. He thought to set up a new e-commerce company where the government has planned to offer 7 years' tax holiday. Facing the inadequacy of cash availability, he consulted a financial market expert who told him that due to emergence of cash less economy, people are less burdened with taxes, managing savings and are willing to invest in the risky investments.
 - (a) Which source of finance Michael should not go for?
 - (b) Give one reason to support your answer in part (a).
 - (c) By quoting the lines, state any other source of business finance for which Michael can go?