

**Short Questions for NCERT Business Studies Solutions Class 11 Chapter 4****1. Define services and goods?**

Services are referred to as any intangible activity that involves interaction between the service provider and consumer. Purchasing the service does not result in ownership of any physical item.

Goods refer to objects that are tangible and have a physical appearance. The ownership of a good is transferred as soon as it is purchased.

**2. What is e-banking? What are the advantages of e-banking?**

Electronic banking or e-banking is the application of electronic medium for conducting different types of banking transactions which includes money transfer, account balance checking, applying for cheque book and applying loans. These services are provided by banks to help their customers access banking facilities anywhere, anytime.

Some advantages of e-banking are:

1. It ensures round the clock availability of most banking services which helps make life comfortable for the customers.
2. Banking transactions can be conducted anytime either through mobile or computer/laptop.
3. It reduces the load on banks by facilitating transactions online.

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

Various types of telecom services are available which help in enhancing business. These are mentioned below:

1. Cellular Mobile Service: This includes all types of voice, non-voice and data transmission services.
2. Radio Paging Service: This service helps transmit information in the form of a tone, numeric or alphanumeric message.
3. Fixed-line service: It is about services that include voice, non-voice and data services that establish links for long distance traffic using network connectivity through fiber optic cables.
4. Cable Service: In cable service media information is transmitted in a defined area and for transmitting such information license needs to be acquired. Flow of information is one sided in this type of service.
5. VSAT Service: VSAT stands for Very Small Aperture Terminal, it is a type of satellite based communication system that can be used to provide information to remote areas.

6. DTH Service: DTH stands for Direct-to-home services, these are satellite based media service in which media channels can be transmitted through a satellite and received through small dish and antenna.

#### 4. Explain briefly the principles of insurance with suitable examples?

Principle of insurance are as follows:

1. Utmost good faith: This principle states that both insurer and insured must have faith in each other and on the contract signed by them. For e.g. if a person is suffering from cancer, and does not inform the same to the insurance company, the insurance can reject the claim.

2. Insurable Interest: The owner of an insurance policy should have an ownership interest in the subject matter or object that is insured. The absence of an insurable interest makes the policy null and void.

For e.g a truck driver has an insurable interest in truck as it is source of income, if he sells the truck he cannot earn any more money from it.

3. Indemnity: The principle of indemnity ensures that the insurance contract protects and compensates the insured from any loss. For e.g if a car is insured for 2 lakhs suffers some damage amounting to Rs.1 lakh, then the insurance company will compensate only the 1 lakh to the insured. The idea is to compensate the insured, not to make him gain any profit.

4. Proximate cause: This principle is used to determine the cause of loss and if that loss is due to the object insured. For e.g. If a house is burnt down by fire, it will be checked to see how fire started, and the compensation will be based on insurance against fire.

5. Subrogation: This principle states that once the appropriate compensation is paid, the ownership of the property or object gets transferred to insurer so that the insured cannot sell the property for profit.

For e.g. If a person receives 1 lakh as damage to car from car insurance, He can repair the car, but not sell it for profit.

6. Contribution: If there are 2 insurers from which insurance is taken then in case of any loss, both the insurance will contribute to fill up the loss. For e.g. a person has taken loan from 2 banks, then in case of repayment both banks should equally contribute.

7. Mitigation: The insured should be taking care of the object that is insured. Like it was taken care before getting the insurance. For e.g. if a car is purchased the owner should take proper care and maintain the car.

**5. Explain warehousing and its functions?**

Warehousing was initially thought of as an arrangement for storing goods in a scientific manner in order to preserve their quality, value and usefulness. In modern times, it has become more relevant as a logistical service provider with emphasis on providing goods at the right time and in a cost effective manner, while preserving the value and quality.

Functions of a Warehouse:

1. Goods that are not needed on an immediate basis can be stored in warehouses. The goods can be supplied as and when required by the customers.
2. Consolidating is necessary for goods that are produced in small quantities but sold to customers in bulk. Warehouse help in consolidation of the goods.
3. A warehouse also stocks goods in bulk and then dispatches the items in small quantities as per requirements of consumers. This is called breaking the bulk.
4. The functions of packaging, labelling and sorting of goods are some of the value added service that a warehouse provides.
5. It also helps in price stabilisation by adjusting supply of goods as per demand in market.

**Long Questions for NCERT Business Studies Solutions Class 11 Chapter 4****1. What are services? Explain their distinct characteristics?**

Services are referred to as any intangible activity that involves interaction between the service provider and consumer. Purchasing the service does not result in ownership of any physical item.

The distinct characteristics of services are:

1. Intangibility: The first and the foremost characteristic of service is that it is intangible in nature, i.e. it lacks a physical form. It can only be experienced.
2. Inseparability: Services are inseparable in nature unlike goods which can be produced at one time and consumed at a different time. Service have to be consumed as soon as it is presented.
3. Inconsistency: Services need to be performed each time and it should be according to the customer requirements. Hence, it is inconsistent in nature.

4. Involvement: There should be involvement between the user availing the service and provider of the service at the time of service delivery. It is essential for accurate delivery of services.
5. Inventory: Services cannot be stored for being used at a later date, it should be provided as soon as it is asked for. Services loses value if it is not consumed immediately.

### **2. Explain the functions of commercial banks with an example of each.**

Commercial banks perform the following functions:

1. Accepting Deposits: Banks accept deposit from customers in the form savings account, recurring deposit, fixed deposit and current account deposit and pay interest to customers on a quarterly, or yearly basis.
2. Lending: Banks also act as lenders by granting loans in form of overdrafts, cash credit, trade bills etc. The bank earns profit by charging interest to customers on such loans.
3. Fund Remittance: Banks provide the facility of transferring funds of customers to different places. These transfers are facilitated by banks in form of pay orders and bank draft adding some transaction charge.
4. Check extension facility: Banks collect cheques from other banks and therefore act as clearing house for all cheques. Cheques are of two types: bearer cheques and crossed cheques.
5. Other value added service: Banks provide value added services like locker facility, bill payment, selling and buying of shares.

### **3. Write a detailed note on various facilities offered by Indian Postal Department.**

The Indian Postal Department provides the following facilities:

Various saving schemes are offered which includes

1. Kisan Vikas Patra
2. National Savings Certificate
3. Fixed Deposit Scheme
4. Public Provident Fund
5. Recurring Deposit
6. Money order

Mail Services: Post office provides these type of facilities in mailing which includes:

1. Parcel Facility: It is the facility of providing parcel service from one destination to other.
2. Registration of parcels to provide security during the transit.
3. Insurance facility providing safety cushion.

Other Facilities:

1. Passport Service: Helps in applying for Passport
2. Direct Post: These comprises of brochures, questionnaires, pamphlets.
3. This service involves speedy transfer of article to the intended addresses.

(iv) Speed Post:

It involves fast and speedy transfer of articles to the addressees within a specified period.

**4. Describe various types of insurance and examine the nature of risks protected by each type of insurance.**

Following types of insurance are there:

1. Life Insurance
2. Fire Insurance
3. Marine Insurance

Life insurance: It is a type of insurance where there is a contract between the insurer and the insured in which the insurer agrees to pay a pre-specified amount on the event of death of the insured or on the maturity of the insurance policy. The need of an insurance policy arises in current times due to the uncertainties of the life. In case of death of the insured the family members receive the assured amount, while if the insured survives the maturity period, he will be getting a specified sum of money. The insured needs to pay a premium to the insurer which may be monthly, quarterly or yearly. Life insurance policies protects the insured from the risk of dying early.

**Fire Insurance:** This type of insurance protects the insured from damage to property caused by fire, here the insurer accepts a premium from the insured with the assurance of compensating the insured in an event of loss, damage to the property caused due to fire. Fire insurance protects against the risk of property damage due to fire.

**Marine Insurance:** In a marine insurance the owner of a ship, cargo is protected against loss or damage of ship or cargo in sea. It provides protection against the risks faced at the sea in forms of high tides, pirates, storm, rock or damages caused by fire. The insured needs to pay a certain amount of premium based on the amount protected.

### **5. Explain in detail the warehousing services.**

Warehousing was initially thought of as an arrangement for storing goods in a scientific manner in order to preserve their quality, value and usefulness. In modern times, it has become more relevant as a logistical service provider with emphasis on providing goods at the right time and in a cost effective manner, while preserving the value and quality.

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