TUTOR MARKED ASSIGNMENT

COURSE CODE	**:**	**ECO-01**
COURSE TITLE	**:**	**BUSINESS ORGANISATION**
ASSIGNMENT CODE	**:**	**ECO-01/TMA/2026-2027**
COVERAGE	**:**	**ALL BLOCKS**

Maximum Marks: 100

Attempt all the questions:

1. a) Define business and explain its nature, scope, objectives, and role in the economic development of a country. **(2+18)**

b) Explain the formation, characteristics, advantages, and limitations of partnership firms. How does partnership contribute to business growth?

2. a) Explain the various stages involved in business promotion. Discuss the role of promoters in establishing a new business enterprise. **(2+18)**

b) Discuss the various methods of raising finance for business enterprises. Explain the factors that influence the choice of financing methods.

3. a) Discuss the functions and significance of stock exchanges in the modern economy. How do stock exchanges facilitate capital formation? **(10+10)**

b) Discuss the various advertising media available to marketers. Evaluate their suitability for different types of products and markets.

4. **Distinguish between the following:** **(2+18)**

a) Business and Profession

b) Private Limited Company and Public Limited Company

c) Equity Shares and Preference Shares

d) Wholesaler and Retailer

5. **Write Short Notes on the following:** **(4×5)**

a) Cooperative societies as a form of business organisation

b) Importance and types of distribution channels

c) Export promotion measures for Indian businesses

d) Role of SEBI in regulating stock exchanges

1. a) Define business and explain its nature, scope, objectives, and role in the economic development of a country. (2+18)

Answer

Business refers to an economic activity in which people regularly produce, purchase or sell goods and services with the aim of satisfying customers and earning an income. A shopkeeper selling groceries, a factory making bicycles and a company providing transport services are all carrying on business. A single sale of a personal mobile phone is normally not treated as business because it is not a regular commercial activity.

Nature of business

Business involves economic activity and usually expects a surplus over its costs. It requires continuous dealings rather than an isolated transaction. Goods may be manufactured, traded or supplied along with services such as banking, tourism and insurance. Another basic feature is risk: demand can fall, competitors can enter, materials can become expensive or goods may be damaged. Profit is the reward for taking such risks, but profits are never guaranteed. Business also needs organised resources, including human effort, capital, machinery, information and managerial ability. Since it operates in society, it must observe laws and act responsibly towards workers, consumers and the environment.

Scope of business

The scope includes **industry** and **commerce**. Industry deals with producing or processing goods. Extractive industries obtain resources such as minerals; genetic industries involve breeding and cultivation; manufacturing converts materials into finished products; and construction creates buildings and infrastructure. Commerce makes the products available to buyers. It includes trade, both wholesale and retail, and services that assist trade: transport, warehousing, banking, insurance, advertising and communication. Modern business also covers digital services, online markets, repairs, hospitality and professional support provided on a commercial basis. Domestic trade operates within a country, while foreign trade connects buyers and sellers in different countries.