BUSINESS ACTIVITIES

🧠 Business Activities MCQs

1. **Which of the following is not an economic activity?**
   A. Production
   B. Social service
   C. Trading in goods
   D. Professional
   Answer: B) Social service
2. **Which option is not a business activity?**
   A. Production of goods
   B. Transportation
   C. Exchange of goods
   D. Working in a factory for wages
   Answer: D) Working in a factory for wages
3. **Which of the following is a characteristic of business?**
   A. Production
   B. Exchange or sale
   C. Risk element
   D. All of the above
   Answer: D) All of the above
4. **Oil refinery and sugar mill are classified under which industry?**
   A. Primary
   B. Secondary
   C. Tertiary
   D. None of the above
   Answer: B) Secondary
5. **Identify the activity which does not support trade:**
   A. Banking
   B. Warehousing
   C. Insurance
   D. Mining
   Answer: D) Mining
6. **In which occupation do people earn wages or salary?**
   A. Employment
   B. Business
   C. Profession
   D. None of the above
   Answer: A) Employment
7. **Which item does not cause business risk?**
   A. Breakdown of machinery
   B. Efficient management
   C. Riot
   D. Changing government policy
   Answer: B) Efficient management

8. **Why is profit essential in business?**
    A. Return to investors
    B. Funds for expansion
    C. Reputation boost
    D. All of the above
    Answer: D) All of the above

📘 More Business Activities MCQs

1. **Which of the following is a tertiary activity?**
    A. Farming
    B. Manufacturing
    C. Banking
    D. Mining **Answer:** C) Banking
2. **Which of the following is not a feature of business?**
    A. Profit motive
    B. Risk
    C. Salary
    D. Uncertainty
    Answer: C) Salary
3. **Which industry extracts products from natural resources?**
    A. Manufacturing
    B. Construction
    C. Extractive
    D. Service
    Answer: C) Extractive
4. **Which of the following is an example of a commercial activity?**
    A. Teaching in a school
    B. Practicing medicine
    C. Selling groceries
    D. Volunteering at an NGO **Answer:** C) Selling groceries
5. **Which of the following is not a support service for trade?**
    A. Transportation
    B. Warehousing
    C. Insurance
    D. Agriculture **Answer:** D) Agriculture
6. **Which occupation requires specialized knowledge and training?**
    A. Business
    B. Profession
    C. Employment
    D. Trade **Answer:** B) Profession
7. **Which of the following is not a type of industry?**
    A. Primary
    B. Secondary
    C. Tertiary
    D. Quaternary **Answer:** D) Quaternary

8. **Which of the following is a non-economic activity?**
    A. Working as a doctor
    B. Running a shop
    C. Helping a friend with homework
    D. Selling vegetables
    Answer: C) Helping a friend with homework

Business Activities – MCQ

1. **Which of the following is a primary industry?**
    A. Banking
    B. Fishing
    C. Construction
    D. Retail
    Answer: B) Fishing
2. **Which of the following is a feature of commerce?**
    A. Involves production
    B. Includes trade and auxiliaries to trade
    C. Requires specialized knowledge
    D. Offers personal services
    Answer: B) Includes trade and auxiliaries to trade
3. **Which of the following is not a function of management?**
    A. Planning
    B. Staffing
    C. Cooperating
    D. Controlling
    Answer: C) Cooperating
4. **What is the main objective of business?**
    A. Social welfare
    B. Profit earning
    C. Employment generation
    D. Innovation
    Answer: B) Profit earning
5. **Which of the following is a false statement?**
    A. Commerce includes trade and auxiliaries to trade
    B. Foreign trade is purchase and sale by traders of the same country
    C. Traders serve as a link between producers and consumers
    D. The scope of commerce is narrower than business
    Answer: B) Foreign trade is purchase and sale by traders of the same country
6. **Which of the following is not a type of auxiliary to trade?**
    A. Transportation
    B. Warehousing
    C. Manufacturing
    D. Insurance
    Answer: C) Manufacturing

7. **Which of the following is a non-economic activity?**
   A. Practicing law
   B. Selling vegetables
   C. Helping a friend move house
   D. Running a shop
   Answer: C) Helping a friend move house
8. **Which of the following is a characteristic of employment?**
   A. Profit motive
   B. Risk
   C. Fixed wages or salary
   D. Ownership
   Answer: C) Fixed wages or salary

🧠 Business Activities – MCQ

1. **Which of the following is not a characteristic of business?**
   A. Uncertainty
   B. Risk
   C. Salary
   D. Profit motive **Answer:** C) Salary
2. **Which of the following is an example of extractive industry?**
   A. Textile manufacturing
   B. Fishing
   C. Banking
   D. Software development **Answer:** B) Fishing
3. **Which of the following is not a function of management?**
   A. Planning
   B. Staffing
   C. Cooperating
   D. Controlling
   Answer: C) Cooperating
4. **Commerce includes which of the following?**
   A. Trade only
   B. Trade and auxiliaries to trade
   C. Industry
   D. Agriculture
   Answer: B) Trade and auxiliaries to trade
5. **Which of the following is a false statement?**
   A. Commerce includes trade and auxiliaries to trade
   B. Traders serve as a link between producers and consumers
   C. Foreign trade is purchase and sale by traders of the same country
   D. The scope of commerce is narrower than business
   Answer: C) Foreign trade is purchase and sale by traders of the same country

6. **Which of the following is not an auxiliary to trade?**
    A. Transportation
    B. Warehousing
    C. Manufacturing
    D. Insurance
    Answer: C) Manufacturing
7. **Which of the following is a non-economic activity?**
    A. Practicing medicine
    B. Selling groceries
    C. Helping a neighbor for free
    D. Running a shop
    Answer: C) Helping a neighbor for free
8. **Which of the following is a characteristic of employment?**
    A. Profit motive
    B. Risk
    C. Fixed wages or salary
    D. Ownership
    Answer: C) Fixed wages or salary

Business activities refer to all the tasks and operations a business performs to produce goods or services, sell them, and manage finances—ultimately aiming to earn revenue.

🧩 Types of Business Activities

Type	Description	Examples
Operating	Day-to-day activities that generate revenue	Production, sales, customer service
Investing	Activities related to acquiring or selling long-term assets	Buying machinery, acquiring companies
Financing	Activities that raise or manage funds for the business	Issuing shares, taking loans, paying dividends

🏭 Industry vs. Commerce

- **Industry**: Involves production—like manufacturing, mining, or construction.
- **Commerce**: Involves distribution—like trade, banking, insurance, and warehousing.

📌 Examples of Business Activities

- Producing smartphones
- Selling groceries
- Advertising a new product
- Paying employee salaries
- Investing in new technology
- Taking a bank loan for expansion

🔄 How Business Activities Drive the Economy

Business activities are the engine of economic growth. Here's how:

- **Production** creates goods and services that satisfy consumer needs.
- **Trade** enables distribution across regions and countries.
- **Employment** is generated through hiring in production, sales, and support services.
- **Tax Revenue** from businesses funds public services like education and healthcare.
- **Innovation** leads to new products, services, and industries (think: smartphones, electric cars).

📌 *Example:* When a company like Walton in Bangladesh expands its electronics production, it boosts local employment, increases exports, and contributes to GDP.

📊 Business Activities in Accounting

Accounting tracks and analyzes business activities to ensure financial health:

Activity	Accounting Impact
Buying inventory	Recorded as an asset or expense
Selling products	Generates revenue
Paying salaries	Operating expense
Taking a loan	Liability on the balance sheet
Investing in assets	Capital expenditure

🧮 Trial balances and control accounts help verify that these activities are recorded accurately.

⚖️ Ethics in Business Activities

Ethical business practices build trust and long-term success:

- **Fair pricing** avoids exploitation.

- **Transparent accounting** prevents fraud.
- **Eco-friendly production** protects the environment.
- **Respecting confidentiality** ensures client trust.

💡 *Real-world tie-in:* If a company misreports its earnings to attract investors, it may face legal penalties and lose credibility.

🌐 Global Business Activities

International business involves:

- **Importing and exporting**
- **Foreign investment**
- **Cross-border partnerships**
- **Adapting to cultural and legal differences**

🛫 *Example:* A Bangladeshi garment exporter must understand U.S. consumer preferences, comply with international labor laws, and manage currency exchange risks.

Commerce refers to the **large-scale exchange of goods and services**, especially involving buying and selling between businesses or across regions and countries 🌍💼.

🧾 Core Meaning

At its heart, **commerce** is about:

- **Trade**: The act of buying and selling.
- **Distribution**: Moving goods from producers to consumers.
- **Support Services**: Activities like banking, insurance, transportation, and warehousing that help trade happen smoothly.

🧠 Commerce vs. Business vs. Trade

Term	Focus Area	Example
Trade	Actual buying and selling	A shop selling clothes
Business	All activities to earn profit	A company making and selling phones
Commerce	Distribution + support services	Logistics, advertising, banking

So, **commerce is broader than trade**, and it's a key part of business.

📌 Real-World Example

When a Bangladeshi garment company exports shirts to Europe:

- The **trade** is the sale of shirts.
- The **commerce** includes shipping, customs, banking, and insurance.

🧠 Expanded Definition of Commerce

Commerce is the **systematic exchange of goods, services, and information** between producers and consumers. It's not just buying and selling—it's the entire infrastructure that makes trade possible.

Think of it as the **bridge** between production and consumption.

🧩 Components of Commerce

Component	Role in Commerce	Example
Trade	Buying and selling of goods/services	Retail stores, online marketplaces
Transport	Moving goods from one place to another	Trucks, ships, cargo planes
Banking	Facilitating payments and credit	Loans, digital payments
Insurance	Protecting against business risks	Fire insurance, marine insurance
Warehousing	Storing goods until needed	Cold storage, distribution centers
Advertising	Promoting products to consumers	TV ads, social media campaigns

These are called **auxiliaries to trade**—they support the flow of commerce.

🌍 Commerce in Action: A Real-Life Example

Let’s say a Bangladeshi company exports jute bags to Germany:

1. **Trade**: The company sells the bags to a German distributor.
2. **Transport**: Goods are shipped via container.
3. **Banking**: Payment is processed through international banking systems.
4. **Insurance**: The shipment is insured against damage.
5. **Warehousing**: Bags are stored in Germany before retail.
6. **Advertising**: Local ads promote eco-friendly jute bags.

All these steps are part of **commerce**, even though only one involves direct selling.

📊 Commerce vs. Industry vs. Trade

Term	Focus Area	Example
Industry	Producing goods/services	Textile factory, software company
Trade	Buying and selling	Wholesaler, retailer
Commerce	Distribution + support services	Logistics, banking, advertising

So, **commerce includes trade**, but also everything that makes trade possible.

Auxiliaries to trade

🧩 Key Auxiliaries to Trade

Auxiliary	Role in Trade	Real-Life Example
Transport	Moves goods from producers to consumers	Trucks delivering rice from farms to cities
Warehousing	Stores goods until needed	Cold storage for seasonal fruits
Banking	Provides finance and payment systems	Mobile banking apps for business payments
Insurance	Protects against risks like theft or damage	Marine insurance for export shipments
Advertising	Promotes products and builds demand	TV ads for a new detergent brand
Communication	Facilitates exchange of information	Emails between suppliers and retailers
Packaging	Protects and presents goods attractively	Airtight packaging for snacks

🧠 Why They Matter

- **Overcome distance** → Transport connects remote producers to urban markets.
- **Manage risk** → Insurance gives confidence to trade internationally.
- **Ensure availability** → Warehousing balances supply and demand.
- **Boost demand** → Advertising informs and persuades consumers.
- **Enable transactions** → Banking and communication make deals possible.

🌍 Commerce Without Auxiliaries?

Imagine trying to sell mangoes without transport, store them without warehouses, or promote them without advertising. Trade would be slow, risky, and limited to local areas. Auxiliaries make **large-scale, modern commerce** possible.

E-commerce

E-commerce, short for **electronic commerce**, is the buying and selling of goods and services over the internet using digital platforms like websites, apps, and social media 🛒💻.

🌐 Core Features of E-Commerce

- **Online storefronts**: Businesses showcase products digitally.
- **Digital transactions**: Payments are made via cards, mobile wallets, or bank transfers.
- **Remote access**: Customers shop from anywhere, anytime.
- **Automated systems**: Inventory, shipping, and customer service are often managed by software.

🧠 Types of E-Commerce Models

Type	Description	Example
B2C	Business to Consumer	Buying clothes from Daraz
B2B	Business to Business	A wholesaler selling to retailers
C2C	Consumer to Consumer	Selling used items on Bikroy
C2B	Consumer to Business	Freelancers offering services

📦 Benefits of E-Commerce

- **Convenience**: Shop 24/7 from anywhere.
- **Wider reach**: Sellers can access global markets.
- **Lower costs**: No need for physical stores.
- **Data insights**: Businesses track customer behavior to improve services.

🛍️ Real-World Example

Imagine you're selling handmade crafts in Dhaka:

- You create a website or use a platform like Etsy.
- Customers browse your products and pay online.
- You ship the items via courier.
- You promote your shop using Facebook ads.

That’s e-commerce in action!
