

ASSESSMENT # 1**Total Marks: 30**

- 1. Short questions:** **(15)**
- i.** What is meant by Exim policy?
 - ii.** Identify the types of non-economic environment in the following cases:
 - (a) Demand for new clothes increases during festive seasons.
 - (b) Computers have outdated typewriters.
 - (c) Sugar factories are being set up where sugarcane is grown abundantly.
 - (d) Availability of skilled labour in a particular region.
 - iii.** How does the demographic environment of business influence the business activities?
 - iv.** Describe the importance of business environment for a business firm.
 - v.** Explain the social responsibility of business towards different groups.
- 2. Legal environment is one of the essential areas to concentrate on while starting or working on any business. Discuss** **(7)**

Case study **(8)**

William Simpson opened a news agency as a sole trader in 1998 with the help of his wife. He had previously worked for a supermarket but wanted a new challenge. It cost him £7,000 to set up but he was left to work long hours when his wife fell ill. He employed an assistant manager but the shop began to lose money.

- i.** Using examples from the case study or from your own knowledge, explain the meaning of:
 - 1. limited liability company
 - 2. partnership
- ii.** Describe the advantages of being a sole trader
- iii.** Point out the reasons why a third of sole traders cease trading within their first year of trading.