



INDIAN SCHOOL SOHAR
SECOND TERM EXAMINATION
BUSINESS STUDIES

Class: XI
Date: 24.11.2015

Max Marks: 90
Time: 3 hours

Instructions

1. Answers to questions carrying 1 mark may be from one word to one sentence
2. Answers to questions carrying 3 marks may be from 50 to 75 words
3. Answers to questions carrying 4 marks may be about 150 words
4. Answers to questions carrying 6 marks may be about 200 words
5. Attempt all parts of a question together.

1. What term is used for digitisation of business? **1**
2. When can a public company commence business? **1**
3. What is Hull insurance? **1**
4. Give one example for legal responsibility. **1**
5. What is meant by encryption? **1**
6. Name the agreement whereby the owner of an asset grants another party the right to use the asset in return for a periodic payment. **1**
7. Name the basic document prepared in the partnership. **1**
8. Name the funds needed for day-to-day operations of business. **1**
9. "As a source of finance, retained earnings are better than any source of raising finance" do you agree this view. Give reasons for your answer. **3**
10. State the responsibilities of business towards the Employees. **3**
11. Distinguish between goods and services on the basis of a) intangibility b) Type c) meaning. **3**
12. Explain any three limitations of Partnership firm. **3**
13. Name the following:
 - a) The service which helps in removing the hindrance of place
 - b) The economic activity having risk element and carried on to earn profits
 - c) The service which helps in removing hindrance of knowledge. **3**
14. Can the public sector companies compete with the private sector in terms of profit and efficiency? Give reasons for your answer. **3**
15. Explain the various types of life insurance policies. **4**
16. Give the essential principles of fire insurance. **4**
17. Explain briefly the characteristics of a business. **4**
18. Briefly explain the various ways of E-banking? **4**
19. Vinay a B.Tech from IIT and Kapil an MBA from IIM joined together and started manufacturing certain components used in cars. Over the years, they have expanded the scale of their operations. They are well aware of the fact their factory is polluting the environment and they are supposed to install necessary equipment to check excessive air pollution. Kapil presses the installation of equipment to check air pollution which is being resisted by Vinay. It has been argued by Vinay that such a decision would involve a cash outlay of Rs.5 Lac which would reduce the working capital of the business and profit for the year would also go down by this amount. He further suggests that bribe could be paid to government official if there is pollution audit of the factory.

Questions:

- i) Do you agree with Vinay's viewpoint? Give reasons for your answer.
- ii) Is it ethical to ignore the damage to the environment?
- iii) If you were Kapil, how would you convince to install pollution control equipment in the factory? **5**

20. A partnership with give partners is operating a shoe factory and retail outlets in five big cities. The demand of the firm' products has increased considerably but it does not have the capacity to produce demanded quantity.fo expanding its operations the firm needs more capital, manpower and machinery. For this the firm can admit new partners or convert partnership into a public limited company. Which alternative will you suggest and why? **5**

21. Distinguish between business, profession and employment. **5**

22. What is outsourcing? Why there is a need for outsourcing the business? **5**

23. Name the company formed as a result of partnership between two companies. Explain their advantages. **5**

24. Kiran a sole proprietor over the past decade her business has grown from operating a neighbourhood corner shop selling accessories such as artificial jewellery, bags, hair clips and nail art to a retail chain with three branches in the city. Although she looks after the carried functions in all the branches, she is wondering whether she should form a company to better manage the business. She also has plans to open branches countrywide:

Questions:

1. Explain any two benefits of remaining a sole proprietor
2. Explain two benefits of converting a joint stock company
3. What legal formalities will she have to undergone to form a company.

(OR)

Explain the changing role of public sector. **6**

25. Explain the following Terms:

- a) VIRUS b) E commerce c) COD d) Smart cards

(OR)

Discuss the scope of E-Business. **6**

26. The directors of a company have decided to modernise the plants and machinery at an estimated cost of Rs. 1 Crore. The director decided to issue Equity shares. Explain any three merits and demerits of issuing Equity shares.

(OR)

Mention any three advantages and disadvantages of Lease financing. **6**

27. Distinguish between Memorandum of Association and Articles of Association.

(OR)

“A promoter is called parent of the company” Explain the steps taken by the promoters in the promotion of a company. **6**

Commented [M1]:

Commented [M2]: