



INDIAN SCHOOL SOHAR
FINAL EXAM
BUSINESS STUDIES [054]

Date: - 23.02.2017

STD: - XI

General Instructions:-

Marks: - 90

Time: - 3hrs

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

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| 1 | They generally take the title of the goods and bear the business risks by purchasing and selling the goods in their own name. They undertake various activities such as grading of products, packing into smaller lots, storage, transportation, and promotion of goods, collection of market information, collection of small and scattered orders and distribution of supplies to them. Identify the Business concept. | [1] |
| 2 | A business enterprise is basically an economic entity and, therefore, its primary social responsibility is economic i.e., produce goods and services that society wants and sell them at a profit. Identify the social responsibility. | [1] |
| 3 | Define tax holiday. | [1] |
| 4 | At the stage of peak Nokia faces a crises situation in market. Being one of the best mobile hand set provider, the upcoming android phones were taking over the market share from Nokia. The sudden decrease in sales is resulting into higher losses for Nokia. Identify the type of business risk faced by the company. | [1] |
| 5 | Define cryptography. | [1] |
| 6 | Define mate's receipt. | [1] |
| 7 | Name the document which invites the general public to subscribe to the shares and debentures of the company. | [1] |
| 8 | Shubham has taken a loan from Saurabh against the security of his factory. Can Saurabh take a fire insurance policy of that factory? Give reason stating the principle of insurance. | [1] |
| 9 | Compare the status of a minor in a Hindu undivided family business with that in a partnership firm. | [3] |
| 10 | What is business finance? Why do business need finance? | [3] |
| 11 | Business is undertaken with the object of earning money or livelihood and not because of love, affection and sympathy. If goods are produced not for the purpose of sale but say for personal consumption, it cannot be called a business activity. Economic activities may be further divided into three categories, namely business, employment and profession. Every business invests money with the objective of earning profit. No business can altogether do away with risks. | [3] |

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| | Identify and quote the lines from the above paragraph, the features of business activities. | |
| 12 | In order to get a “Certificate of Commencement of Business” from the Registrar of companies, a public company needs to submit a few documents. Name the documents that have to be submitted by a public company to the Registrar of companies. | [3] |
| 13 | Rekha Garments Ltd. Has received an order to export 2000 men’s trousers to Swift Import Ltd. Located in Australia. In order to export goods from India the company needs to obtain an export licence. Explain the formalities involved in getting an export licence. | [3] |
| 14 | Business is primarily a profit making institution and should pursue only economic objective. On behalf of the statement explain the arguments against social responsibility.. | [3] |
| 15 | LJMC is a Calcutta-based public sector company, and manufactures jute machinery (mainly spinning and drawing frames). It employed around 400 employees. It started incurring losses from 1996-97 onward and the turnover was on a decline. LJMC’s net worth as on March 1998 was around Rs. 5 crore and its annual turnover was also around Rs. 5 crore at that time. LJMC sold 74 per cent stake to a strategic partner. This process was handled by LJMC’s holding company, Bharat Bhari Udyog Nigam Limited (BBUNL), under the administrative control and directions of the then Department of Heavy Industries (DHI), Ministry of Industry, and Government of India. A. Name and explain the process undertaken. B. List the objectives of the identified process. | [4] |
| 16 | Identify the special financial institutions and explain their objectives. A. It was established in 1948 as a statutory corporation with the objective of assistance towards balanced regional development. B. It was established in 1955 as a public limited company to encourage participation of foreign capital in the country. | [4] |
| 17 | Differentiate between international business and domestic business. | [4] |
| 18 | Differentiate between joint stock company and cooperative society. | [4] |
| 19 | Mr. Pankaj was running a home-furnishing business through his physical (brick and mortar) store at Panipat. He was observing that the sales were declining over the past two years. His friend Rohan suggested that he should tie up with online market places. On his advice, he contacted Flipkart, which provided him training and convinced him that he could do his business from his shop and godown. The online partner provided all sorts of services round the clock at a click of the mouse. He received the orders from far and wide and saw that his sales multiplied manifolds. Mr. Pankaj also observed that the usage of papers in his firm was considerably reduced and he could get all the details of sales any time as it was saved automatically in his personal computer. (i) Identify the modes of business before and after associating with Flipkart. (ii) Identify the merits of the identified concept by quoting lines from the above. | [4] |
| 20 | It is not uncommon for this type of store in the United States of America to carry ‘needle to an aeroplane’ or ‘all shopping under one roof.’ Everything from ‘a pin to an elephant’ is the spirit behind this store. a) Name the type of fixed shop retailer from the above given details. b) Explain their features. | [5] |

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| 21 | What are wholly owned subsidiaries? Explain the merits and demerits of wholly owned subsidiary | [5] |
| 22 | Corporate social responsibilities means addressing the legal, ethical, commercial and other expectations that society has from corporates who should take decisions and actions that fairly balance the claims of all the stakeholders A. Identify all the stake holders. B. Explain the social responsibilities of business towards its stakeholders. | [5] |
| 23 | Identify the type of life insurance policy: a) This policy is taken by a person for his/her children to meet the expenses of their education or marriage. b) The insurer (Insurance Company) undertakes to pay a specified sum when the insured attains a particular age or on his death whichever is earlier. c) The premium is payable for a fixed period, the policy will continue till the death of the assured. The premium will be payable for a fixed period (20 or 30 years) or for the whole life of the assured. d) The premium is paid jointly or by either of them in instalments or lump sum. The assured sum or policy money is payable upon the death of any one person to the other survivor or survivors. e) The assured sum or policy money is payable after the assured attains a certain age in monthly, quarterly, and half yearly or annual instalments. | [5] |
| 24 | A new trend that is radically reshaping business is the contracting of a specific business task, such as payroll, to a third-party service provider. A. Identify the business concept B. Explain the reason for the emergence of this recent business concept. | [6] |
| 25. | The path of small scale industries is full of hurdles. In the light of this statement explain the problems faced by small scale industries. OR It is the institution at the district level which provides all the services and support facilities to the entrepreneurs for setting up small and village industries. Identify the institution and explain any three functions performed by this institution. | [6] |
| 26. | Mr.Ashok manufacturing garments in Delhi appointed Mr.Vijay for distribution of the garments to Bansal and company who sells it to the customers in Mumbai. Bansal and company has shops at all the suburbs of Mumbai. Mr.Vijay pools orders from Bansal and company and enables to undertake manufacturing in large quantities. Vijay gets the garments from Ashok and stores it in his warehouse thereby reducing the burden of storage and ensures that the goods is stored safely since he bears variety of risks. Mr.Vijay undertakes the marketing activities and reduces the burden of marketing for Mr.Ashok. Mr.vijay purchases the garments from Mr.Ashok and facilitates in producing garments on a continuous basis and stores it till it is required in the market. Mr.Vijay gives the feedback he gets from Bansal and company about customer's likes and dislikes and market conditions to Mr Ashok. Mr.Vijay purchases the garments from Mr.Ashok by paying cash so that the manufacturer need not block the money in stocks. Quote the lines from the above given details and identify the services provided by Mr.Vijay to Mr.Ashok. | [6] |

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| 27. | <p>D'Souza Ltd a private limited company owned by Felix and Tariq D'Souza.is a food wholesaler based in Ahmadabad. It supplies more than 400 stores some of which it also owns. Its wholesale arm supplies fresh and frozen food from a warehouse in Ahmadabad. Other operations include the D'Souza corner shop chain and shop developer Group Property. Sales in 2008 reached ₹27.8bn when the group opened 27 new stores. A further 28 are planned for this year. D'Souza employs 1,847 staff and made a profit of ₹ 755m in 2008.</p> <p>A. State whether the following expenditure by D' Souza would require long term or short term funding. Explain the reason for your answer.</p> <ul style="list-style-type: none"> i. Buying land for new stores ii. Paying wages iii. Buying food from farmers and other suppliers iv. Buying new lorries for distribution <p style="padding-left: 40px;">D'Souza Ltd could not sell shares on the stock market to raise finance</p> <p>B. What sources of finance might be suitable to fund the building of ₹ 350m warehouse for D'Souza Ltd? Explain its advantages.</p> | [6] |
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