



**INDIAN SCHOOL SOHAR**  
**UNIT TEST 2017-18**  
**BUSINESS STUDIES**

**Date: 21.05.2017**  
**STD: XI**

**Max Marks: 50**  
**Time: - 2hrs**

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**General Instructions:-**

- 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 the parts of the answer in one place

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1. Why is business considered as an economic activity? 1
  2. Name the industry which combines various components to form a new product. 1
  3. Distinguish between partnership firm and cooperative society on the basis of liability of members. 1
  4. Which person cannot transfer his/her interest? 1
  5. You are the student of class 11. You have full knowledge of different forms of organisation. Mr. Sabari wants to set up a business. He needs your help in choosing a business organisation. He has two main expectations from the business organisation (i) limited liability (ii) continuity. What suggestions will you give to Mr. Sabari and why? 3
  6. What is partnership deed? Explain any four contents of partnership deed. 3
  7. What is business risk? Explain the nature of business risk. 3
  8. Explain any three disadvantages of a co-operative society. 3
  9. Explain any four important features of HUF. 4
  10. Distinguish between Employment and profession on the following basis of (i) investment (ii) mode of establishment (iii) code of conduct (iv) nature of work. 4
  11. Why business need multiple objectives. Explain any four objectives. 4
  12. What is trade? Discuss the different classifications of trade. 5
  13. Explain the privileges that a private company has over public company. 5
  14. "Auxiliaries to business activities are indispensable" Discuss. 6

15. 'Rajat', 'Manish', 'Neha', 'Nupur' and 'Charu' formed a partnership business. The partners for the registration of their firm and preparation of partnership deed took services from Mr.Ram a chartered accountant. Mr.Rajat has contributed capital and participated in the management of the firm. He shares profits and losses and is liable to an unlimited extent to the creditors of firm.

Mr.Manish has contributed capital and shares its profits and losses. But he does not take part in day to activities of business.

Association of Ms.Neha with firm is unknown to general public but in all other respects she is like an active partner. Ms.Nupur has allowed the firm to use her name as she enjoys good reputation among clients but she does not either contribute capital or take part in the management. Ms.Charu, 15 years of age is entitled to the benefits of partnership with mutual consent of all other members. She is not eligible to take part in management of firm and shares only profits and not losses.

On the basis of above case study answer the following questions:

1. Which type of activity is carried on by the partners and Mr.Ram?
2. Who is working as an active partner and sleeping partner? What is the nature of their liability?
3. Who is working as nominal partner? Can he be held liable for the losses of the business? What is the nature of liability?
4. Is Ms. Charu a legal partner? Can he be held liable for the losses of the business? What is the nature of his liability?
5. Is it compulsory for the partnership to be registered? What are the benefits of a registered firm? **6**