



**INDIAN SCHOOL SOHAR
SECOND TERM EXAM
BUSINESS STUDIES [054]**

Date: -30.11.2017

STD: - XI

Marks: - 90

Time: - 3hrs

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 parts of a question together.

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1. Suresh, Umesh and Rajesh are three partners, but Suresh's association with the business is not known to outsiders. What type of partner is Suresh? [1]
 2. Anna donates ₹500 every month to CRY, an organisation providing balanced diet to undernourished children. Identify the kind of activity and state any one value exhibited by Anna. [1]
 3. Distinguish between cumulative and non-cumulative preference shares [1]
 4. You want to start a micro business of providing homemade food to office goers and college students. What is the minimum amount of investment required? [1]
 5. What is hull insurance? [1]
 6. Explain the term 'Minimum Subscription'. What is the limit of minimum subscription according to the Companies Act? [1]
 7. Define cryptography [1]
 8. These activities are generally referred to as services because these facilitate the activities relating to trade and industry. They help in removing various hindrances which arise in connection with production and distribution of goods. Identify the activity. [1]
 9. Differentiate between owner's capital and borrowed capital on the basis of [3]
 - a) Nature of obligation
 - b) Nature of returns
 - c) Reward
 10. "They are driven by the need to protect their economic interests in the face of possible exploitation at the hands of middlemen obsessed with the desire to earn greater profits."
A. Identify the type of business organization. [3]
B. Discuss any three features of the organization.

11. Rahul is a sole proprietorship firm with a total liabilities of ₹ 80,000 at the time of dissolution. Its assets are ₹ 60,000 only. In such a situation the proprietor will have to bring in ₹20,000 from his personal sources even if he has to sell her personal property to repay the firm's debts [3]
- A. Which feature of sole proprietorship is indicated above?
- B. Explain two other features of this form of business organisation related to the above passage.
12. 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. [3]
- A. Identify the business concept.
- B. Explain the different types of third party service providers highlighted in the above statement.
13. At the height of its success, Nokia faces a crises in the mobile market. Though one of the best mobile hand set provider, Nokia was not able to compete with the upcoming android phones which were taking over the market share from Nokia. The sudden decrease in sales is resulting into higher losses for Nokia. [3]
- A. Identify the nature of business risk faced by the company.
- B. Explain other characteristics of business risk.
14. Explain the different types of feasibility studies that can be undertaken to examine whether a perceived business opportunity can be profitably exploited. [3]
15. Swati, Swapnil and Satish are friends. Swati works as a legal advisor in Dotex corporate. Swapnil is engaged in running "Design Boutique" and Satish serves as a senior sales executive in a reputed firm [4]
- Identify the forms of economic activity conducted by each of them and present the following points from their view point.
- a) Code of conduct
- b) Establishment
- c) Transfer of interest
16. It is a contractual agreement whereby one party grants the other party the right to use the assets in return for a periodic payment. [4]
- A. Identify the source of financing.
- B. Explain the important advantages of this type of financing
17. Rahul, a small industrialist is keen on establishing a handicraft industry in a backward and tribal dominated village of Chhattisgarh. He wishes to employ local people especially the traditional [4]

artisans and the weaker section of society. Development of the rural and backward areas has been the priority of the government of India. To attract industrialists to set up industries in backward areas, the government has offers a significant package of incentives

Advise Rahul about the incentives provided by the government which he can avail for setting up his dream projects.

18. Business enterprise must aim at standing on stronger footing inters of offering competitive products to its customers and serving them to their satisfaction. The business enterprise must aim at acquiring these resources according to their requirements and use them efficiently. In order to ensure continuous survival and progress, every enterprise must aim at greater productivity by the best use of available resources. Every enterprise must aim at improving its workers performance. It should also try to ensure a positive attitude on the part of workers. [4]

Quote the lines and state the multiple objectives of business.

19. You want to sell your old guitar and some household electronic gadgets, these items do not have an established market. [4]

- A. Identify and explain the scope of e-business to be used in the above mentioned statement.
- B. Explain the other ways in which e business can be conducted.

20. It is an institution set up with a view to promote, aid and foster the growth of small business units in the country. Identify the institution and explain the functions performed by this institution [5]

21. “Public sector enterprises have played vital role in the economic development of India. However, Government of India vigorously pursues the policy of disinvestment of such units.” [5]

- A. Define disinvestment.
- B. What is the primary objectives of disinvestment at this time?

22. Identify the type of life insurance policy: [5]

- 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.

23. “Storage has always been an important aspect of economic development. Today warehouses have ceased to be a mere storage service provider.” In the light of this statement explain the important functions of warehousing. [5]

24. “An enterprise may be good in terms of economic performance but poor in terms of social performance like supplying products of reasonable quality and reasonable prices. This raises the question of what is right or wrong from society’s point of view.” [6]

A. Identify the business concept and define it.

B. What are the elements of the identified concept?

25. “Starting a new business enterprise is not an easy job. It is complex and difficult. An entrepreneur has to consider a number of factors while choosing a form of business organisation.” Discuss the factors that affect the choice of form of business organization. [6]

26. Differentiate between Memorandum of association and Articles of Association [6]

27. 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. [6]

A. State whether the following expenditure by D’ Souza would require long term or short term funding. Explain the reason for your answer.

- i. Buying land for new stores
- ii. Paying wages
- iii. Buying food from farmers and other suppliers
- iv. Buying new lorries for distribution

B. D’Souza Ltd could not sell shares on the stock market to raise finance What sources of finance might be suitable to fund the building of ₹ 350m warehouse for D’Souza Ltd? Explain its advantages.
