



INDIAN SCHOOL SOHAR
PRE FINAL EXAM (2017 – 2018)
BUSINESS STUDIES [054]

Date: -28.01.2018

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.

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. “Separation of ownership and management leads to situations in which there is lack of effort as well as personal involvement on the part of the officers of a company. The large size of a company further makes it difficult for the owners and top management to maintain personal contact with the employees, customers and creditors.” [1]
Identify the limitation of Company form of organisation.
4. Why does an importer ask the exporter to send a “Certificate of Origin”? [1]
5. “There are two systems which govern membership in the Joint Hindu family business “Name them. [1]
6. These enterprises are established as department of the ministry and are considered part or an extension of the ministry itself. Identify the enterprise. [1]
7. Cottage and rural industries play an important role in providing employment opportunities in the rural areas, especially for the traditional artisans and the weaker section of society. Development of rural and village industries can also prevent migration of rural population to urban areas in search of employment. In fact promotion of small scale industries and rural industrialization has been considered by the Government of India as a powerful instrument for realizing the twin objective. Identify the twin objectives of the government from the above passage. [1]

8. It is also referred as “sundry creditors” or “accounts payable”. Name the source of finance [1]
9. Who are C&F agents? Why should an importer appoint C&F agent for custom clearance? [3]
10. 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]
- Identify the features of business activities and quote the lines from the above paragraph in support of your answer.
11. 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]
12. Briefly explain three activities which can be suitably undertaken by cooperative societies. [3]
13. A private limited company enjoys some privileges as against a public limited company. Enumerate any three such privileges. [3]
14. World class telecommunications infrastructure is the key to rapid economic and social development of the country. Through this framework the government intends to provide various telecom services for meeting the needs of the country’s economy. Explain any three types of telecom services. [3]
15. Mc Donald, Pizza Hut and Walmart are examples of a form of organisation operating worldwide. [4]
- A. Identify the form of business organisation.
- B. Explain any three weakness suffered by this organisation.
16. Industrial Credit and Investment Corporation of India (ICICI), Industrial Development Bank of India (IDBI) Unit Trust of India, and Life Insurance Corporation of India are the examples of one of the sources of business finance. [4]
- a. Name the source of business finance.
- b. Explain any three reasons why this source of business finance is most preferred in comparison to other sources of finance.
17. 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 [4]

details of sales any time as it was saved automatically in his personal computer.

A. Identify the modes of business before and after associating with Flipkart.

B. Identify the merits of the identified concept by quoting lines from the above.

18. This institution was set up with a view to promote, aid and foster the growth of small business in India. It has introduced a new scheme of 'Performance and Credit Rating' of small business. [4]

A. Identify the above mentioned institution.

B. Discuss any three functions of the identified institution.

19. Identify the principles of insurance from the following : [4]

a) If goods kept in a store house catch fire then the owner of the goods should try to recover the goods and save them from fire to minimize the loss or damage.

b) In case of double insurance, the insurers are to share the losses in proportion to the amount assured by each of them. In case there is a loss, when there is more than one policy on the same property, the insured will have no right to recover more than the full amount of his actual loss.

c) After the insured is compensated for the loss or damage to the property insured by him/her the right of ownership of such property passes on to the insurer.

d) An insurance policy is designed to provide compensation only for such losses as are caused by the perils which are stated in the policy.

20. They are probably amongst the oldest form of retailers in the market place who have not lost their utility even during the modern times. They deal with products such as toys, vegetables and fruits, fabrics, carpets, snacks and ice creams, etc. [5]

A. Identify the type of internal trader.

B. List any two characteristics of this type of trader.

a) State any one advantage and one disadvantages of this type of trader.

21. The main idea underlying the setting up of this international institution was to evolve an orderly and facilitate a system of international payment. [5]

A. Identify this international institution.

B. Explain the other important functions performed by this institution.

22. "Business Process Outsourcing is another trend that is radically reshaping business world in India." [5]
In the light of this statement, explain any five benefits of Business Process Outsourcing.

23. Integral Coach Factory (ICF) is an Indian manufacturer of rail coaches located in Chennai, Tamil Nadu, India. It was established in 1952 and is owned and operated by the Indian Railways. The coach factory primarily manufactures cars for Indian Railways but also exports railway coaches to other countries. [5]

- A. Identify the type of form of public sector undertaking.
- B. List any two merits and two demerits of the identified concept.

24. Ishika has a degree in hotel management and an experience of 5 years working with Hotel Oberoi. [6]
She has a keen desire to start a hotel of her own. Few days back she saw a hotel which was on sale. The hotel was on a highway and had good business potential but needed renovation. She fixed a meeting with the property owner and finalized the deal for ₹25 lakh, she sat down to prepare a business plan and realized that to start off her own business. She will need funds not only to finance the purchase but also to run the business. She will need additional ₹10 lakh to renovate the hotel and ₹ 5 lakhs as bank balance to meet day-to-day expenses. She checked her bank balance and could organize only ₹ 10 lakhs out of her personal savings. She met the bank manager to find out how bank could help to arrange the required funds. Bank manager was ready to give her a loan of ₹5 lakh against hotel ownership papers as security for ten years. Her two friends Shivani and Shreya readily agreed to provide the funds required but would like to be partners in the business.

On the basis of the information given above answer the following questions:

- A. Name the type of capital required to meet day-to-day expenses
- B. What type of capital Ishika requires to buy the hotel?
- C. State any four limitations of borrowing from bank
- D. If she gives ownership rights to her two friends in her business with limiting their liabilities to the extent of their investment made, which source of fund she has used here?
- E. What will be the nature of return on capital employed given to her friends who are also the owners of Ishika's hotel.

25. Starting a new business enterprise is not an easy job. It is complex and difficult. An entrepreneur has [6]
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.

26. After a life-changing internship at the Make-A-Wish Foundation, Jessica Ekstrom decided she [6]
wanted to continue helping children with life-threatening illnesses by starting her own business. Her company, Headbands of Hope, sells made-in-the-U.S. headbands and donates a dollar of each sale to childhood cancer research through the St. Baldrick's Foundation.

- A. Identify the concept discussed above.
- B. Explain any four arguments for the identified concept.
- C. Explain any four arguments against the identified concept.

27. A public company may raise funds by issuing shares. What are the steps involved for raising funds [6]
from the public?