



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.

SECTION-A

1. Name the trade which deals in one or limited line of products. **1**
2. Can a member enjoy maximum rights in the co-operative society by holding maximum number of shares? **1**
3. How much share in the share capital of a company the government must hold to call such a company as a government company? **1**
4. Name the deposit account in which the account holder is allowed to operate even with the negative balance. **1**
5. How does e commerce differ from e business? **1**
6. How do small industries prove to be a boon for an over populated country like India? **1**
7. Wipro limited discharges its responsibility beyond the legal compliances through its sincerity, fairness, transparency and good governance towards its employees, regulators and other stakeholders. Which kind of social responsibility is being fulfilled by WIPRO? **1**
8. You, as the finance manager of Nagarjuna Steels limited, have been asked to find out the options available to raise funds from public, which does not involve high flotation cost. You being the finance manager, which source would you suggest and why? **1**

SECTION-B

9. Explain the features of outsourcing. **3**
10. "The path of small scale industries is full of hurdles" Explain. **3**
11. The small industries in India had to bear adverse impact of Goods and Services Tax (GST) in July 2017. These units provide about 90% of the inputs to the large scale industries but the latter stopped taking their output and asked the former to get them registered under GST so that they could avail input tax credit. Government later realized the concerns of small industries and decided to provide certain incentives to boost their business. Identify and explain the business risk involved in the above case. **3**
12. List and give a short note about the documents required for the incorporation of a company. **3**
13. Distinguish between statutory corporations and government companies on the basis of (a) Establishment (b) Control (c) Autonomy. **3**

14. State the merits of public deposits. 3

SECTION-C

15. What are the demerits of HUF? 4

16. India is a mixed economy in which public sector and private sector work for the welfare of the economy. Public sector did not perform well since independence and the government came up with an idea to work together with the private sector. Identify and explain the idea as mentioned in the above case. 4

17. "He enjoys fiduciary position with the company and is responsible to carry out through investigation about the authenticity of the facts mentioned in the various documents submitted with the registrar." At the time of formation of a company, he did not disclose some of the preliminary contracts to attain some personal gains before he got the certificate of incorporation.

(a) Who is the person referred in the above paragraph?

(b) Explain the functions of the person referred in the above paragraph. 4

18. Ram Narain got his factory building insured against fire hazards for Rs.10 Crores. While settling with the insurance company for premium, he hid the fact that the property was in dispute over the ownership with the development authority of the state. A fire broke out due to electric short circuit and Mr.Ram suffered severe losses. The insurance company refused to pay the claim when it learnt about the disputed ownership of the building.

(i) In your opinion which principle of insurance has Mr.Ram violated?

(ii) Explain any other two principles of insurance. 4

19. Explain the following terms: (a)Non-convertible debentures (b)Fixed charge (c) Cumulative preference shares (d)Dividend. 4

SECTION-D

20. Why it is important to choose an appropriate form of organisation. Discuss the factors that determine the choice of form of organisation. 5

21. Distinguish between e-business and traditional business on the basis of (a) operating cost (b) transaction risk (c) nature of human capital (d) Internal communication (e)Government patronage. 5

22. Why does business need multiple objectives? Explain any five such objectives. 5

23. "All time Bank" is a very reputed bank known for its faith among its customers and other stakeholders. The customers have also been loyal to the bank for the past several years due to its innovative facilities.

A marketing company managed to get the personal details of its customers against a hefty amount. The news of the bank selling the personal details was leaked and was spread widely in the media. The general manager of the bank had to call a press conference where he hid the fact saying that the data was leaked by an employee who was sacked and the matter was reported to police.

- (a) Which concept of business responsibility is lacking in the case? Explain its meaning and elements.
- (b) Did the bank fail in fulfilling its social responsibility towards any particular interest group? If yes then name the group? 5

SECTION-E

24. What are the steps involved in the capital subscription of a public limited company? 6

25. "India post" is the part of a ministry of government of India. It is fully managed, controlled, and financed by the concerned ministry. The annual budget of the ministry makes provision for the funds needed by the department. This is not an autonomous independent institution and the ministry answerable to the Parliament for its functioning.

- (a) Name the sector under which 'India Post' comes.
- (b) Name the kind and concerned ministry of this organization
- (c) Distinguish between India post and a Government Company. 6

26. Retained earnings are the better source of finance than any other source of finance. Why? Explain with valid reasons. 6

27. What is e banking? What precautions should be taken while making e transactions? What are the advantages of e- banking?(any three points) 6

Class XI-C Term II BST 2018-19 Answer key

1. Wholesale trade.
2. No every member carries a single vote irrespective of the number of shares hold by him/her.
3. Minimum 51% of share capital.
4. Current account.
5. E commerce is a narrower term whereas e business is a broader concept. To see the produce online is known as e commerce whereas to bring and retain the customers for repeating the sale in future is e business.
6. SSI has become the second highest employer after agriculture. This has proved a boon for the population of India.
7. Ethical responsibility.
8. debentures is the source of finance which can be used to raise funds from the general public without involving high flotation cost as this source of finance is generally secured through the assets of the company.
9. (a) involves contracting out saves time and cost (b) Outsourcing non-core activities (c) outsourcing to a third party
10. The above statement refers to the problems of small scale industries which are explained as follows:
(a) Finance (b) Raw materials (c) Managerial skills
11. Legal cause: these causes relate to the rules, regulations and laws passed by the government which are expected to be complied by the individuals and business organisations Input tax credit means to recover the tax already paid on the purchases from the taxes payable on the sales.
12. Prospectus –invitation to the general public to offer the shares memorandum of association – main rules of the company Articles of associations – Regulatory work of the company.
13. Establishment – by ministry by the company law
Control - by the department by the board of directors
Autonomy- no autonomy government major shareholder so autonomy
14. (a) simple procedure (b) no charge on assets (c) cost of issue (d) dilution of control
15. (i) Limited resources, (ii) unlimited liability of Karta (iii) Dominance of Karta (iv) Limited managerial skills.
16. Public private partnership.
It is a partnership between public sector and private sector with clear agreement on shared objectives for the completion of government projects meant for public utilities.
17. Promoter and functions of promoter.
(a) Identification of business opportunity
(b) Feasibility studies
(c) Name approval
(d) Fixing up of signatories
(e) Appointment of professionals
(f) Preparation of necessary documents (any three functions)
18. Utmost good faith is missed
Other principles are Insurable interest, subject matter, subrogation

- 19.(a) Non-convertible debentures: Debentures that cannot be converted into shares.
 (b) Fixed charge: When loans are raised with the help of security of tangible fixed assets is known as fixed charge
 (c) Cumulative preference shares: share on which arrears of dividend accumulates and paid when company earns profit.
 (d) Dividend: return of profit given to the shareholders.

20.(a) Selection of line of business (b) Size of the firm (c) Choice of form of ownership (d) location (e) financing of proportion (f) Physical facilities.

21. Operating cost	High	low
Transaction risk	low	high
Human capital	semiskilled labour	skilled labour
Internal communication	hierarchical top to bottom	vertical, horizontal
Government patronage	shrinking	more govt restrictions

22.(a) profit sharing (b) market standing (c) innovation (d) manager's prosperity and development (e) Worker's personality and attitude (f) social responsibility (g) Qualitative products at competitive prices.

23. Business ethics are concerned with the behaviour of a business organization in doing a business in righteous manner.

Elements of business ethics:

1. Top management commitment
2. Publication of a code
3. Establishment of compliance mechanism
4. Involving employees at all levels
5. End results.

24. Approval from SEBI

- Filing prospects
- Appointment of bankers, brokers and underwriters
- Minimum subscription
- Application to stock exchange
- Allotment of shares.

25.(a) Public sector (b) Departmental organization (c) any differences between these two organization

26.(a) permanent source of funds (b) Operational freedom (c) financial soundness (d) Market price of equity share.

27. E banking it refers to electronic/Internet banking to make transactions electronically with the help of internet over the PC or telephone or mobile phone.

Precautions while making online transactions:

1. Have a secure password
2. Privacy of password
3. Take the help of antivirus program
4. Use a secure connection
5. Be vigilant about your account.