



**INDIAN SCHOOL SOHAR  
FINAL EXAMINATION (2019 – 2020)  
BUSINESS STUDIES [054]**

**CLASS: XI  
DATE: 13/02/2020**

**MAX MARKS: - 80  
DURATION: - 3HRS**

**General Instructions: -**

- 1) This paper contains 34 questions in 5 parts.
- 2) All questions in both the sections are compulsory.
- 3) Attempt all parts of a question together.
- 4) The instructions for each part are given separately. Read them carefully and follow.

**PART A**

**This part contains 20 questions carrying 1 mark each**

1. Which of the following is an incorporated form of business? [1]
  - A. Company
  - B. Sole Proprietorship
  - C. Partnership
  - D. Hindu Undivided Family
2. A prospectus is issued by a ..... [1]
  - A. Public Company
  - B. Private Company
  - C. A One Person Company
  - D. A government Company
3. It is also referred as “sundry creditors” or “accounts payable”. Name the source of finance {1}
4. Name the form of Organisation which is established under the Indian Companies Act, 1956 and is registered and governed by the Provisions of the Indian Companies Act. [1]
5. Auxiliaries are an integral part of business activity in general. These activities help in removing various hindrances which arise in connection with the production and distribution of goods. Identify the hindrance removed from the following information: [1]
  - a) Miss Rani found out that a full consignment of dress materials she bought will be required in the market during the festive season. She had to store her dress materials in the warehouse for two months.
  - b) Aryan has an apple orchard in Himachal Pradesh. He used trucks to transport his produce to Delhi, Mumbai and other parts of India where apple is in demand and consumed in large quantity.

6. Who are co-parceners of a joint Hindu family? [1]
7. Rati owns a small gift shop in Rajasthan. She keeps various gift items like bracelets, soft toys, fancy clocks, wall hangings etc. Her suppliers are based in Mumbai. However, they do not send the goods to Rajasthan, instead Rati collects the goods from Gujarat and takes them to Rajasthan where they are sold to consumers. At which place will GST be applied to the goods? [1]
- A. Rajasthan
  - B. Mumbai
  - C. Gujarat
  - D. Gujarat and Mumbai
8. Inter-corporate deposits can be issued for a minimum period of \_\_\_\_\_ and can be extended up to \_\_\_\_\_. [1]
- A. 10 days, 3years
  - B. 7 days, 1 year
  - C. 6 months, 2 years
  - D. 5 days, 5 years
9. Agile Ltd is a well-known automobile company in India. The process of manufacturing of an automobile require assembly of different kinds of components which in turn are being manufactured either within the vicinity of the automobile factory or have to be procured from a foreign country. Instead of depending on only one supplier, the factory works in coordination with multiple vendors for each of the components. The company is able to operate efficiently through a network of computers which facilitates the process of placing orders, monitoring delivery of components, and making payments. In the context of the above case: Identify and explain the component of e-business being discussed in the case. [1]
10. What does cryptography refer to? [1]
11. 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]
12. Distinguish between cumulative and non-cumulative preference shares [1]
13. Why does an importer ask the exporter to send a "Certificate of Origin"? [1]

14. Mohan runs a garment shop in a mall. Two years back he had taken a loan of ₹ 10 lakh from HSBC bank [1]  
for the renovation of his shop. However due to his poor health for the past one year his earnings have declined considerably as he is not able to devote sufficient time to the business. He now plans to sell off his shop. In the context of the above case, identify the limitation of the business organization being discussed above.
15. Cottage and rural industries play an important role in providing employment opportunities in the rural [1]  
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
16. Debentures represent [1]  
A. fixed capital of the company.  
B. Loan capital of the company  
C. Fluctuating capital of the company.  
D. Permanent capital of the company.
17. Safe Drink India Ltd. Is a famous company in the field of its own industry. It packs its drink material in [1]  
bottles of a special shape. The customers continue to like the shape of the bottle. The company wants no other company should copy its shape of the bottle. Identify the Property Right through which Safe Drink India Ltd. can use the well protected identity.
18. Application for approval of name of a company is to be made to ..... [1]  
A. Registrar  
B. SEBI  
C. Government of India  
D. Company Law Board
19. e-commerce does not include [1]  
A. a business's interactions with its suppliers  
B. a business's interactions with its customers  
C. interactions among the various departments within the business.  
D. interactions among the geographically dispersed units of the business
20. A business enterprise is basically an economic entity and, therefore, its primary social responsibility is [1]  
economic i.e., produce goods and services that society wants and sell them at a profit. Identify the social responsibility.

## PART B

**This part contains 7 questions carrying 3 marks each. Answers to these questions should be in about 100 words.**

21. Harjit Mann visited her native village in Haryana during her vacations along with her parents. She found that the money lender in her village was exploiting the villagers by charging high rate of interest on the money he lent to the farmers. Harjit decided to help the farmers. She along with her grandfather met the farmers and explained to them the various options available to them for raising the funds to finance their needs instead of going to the money lenders. She could convince the farmers to pool their resources and form an organisation so that the members could take loans from the organisation as and when ever needed at a reasonable rate of interest. The purpose of such organisation was not to make profit but to help members. [3]
- A. Name the organisation formed by the farmers in support of Harjit Mann.
  - B. What is the motive of these kind of organisation?
  - C. Who can become members of such organisations?
  - D. What is the minimum number of members are needed for formation of such organisation?
  - E. Under what Act of the government are such organisations governed?
  - F. Is registration of such organisation compulsory?
22. Slander Ltd is a popular music company. The company uses e-business activities to operate successfully. The company interacts through a network of computers with suppliers and salespersons. The company has set up call centres for customers to make toll free calls and complaints the company makes use of intranet for interactions among various departments and the meetings can be held online via video conferencing. The company uses the financial intermediaries like PayPal and Paytm in order to facilitate payments online. [3]
- In the context of the above case, explain the features of outsourcing activities adopted by 'Slander'.
23. Anu and Renu are good friends. After completing a course in Fashion Designing, ten years ago both of them started their own separate outlets in Jaipur and Delhi. Renu buys readymade garments from various manufacturers and sells them in her shop. However, Anu designs her own range of clothes. She gets them made through her team of designers and sells them under the brand name 'Eleganza'. Although both of them are making good profit, in the past they have also incurred huge losses due to change in consumer tastes and fashion. Also, despite being in business for such a long time, they cannot say that as to what amount of profit will be earned by them in future. In the context of the above case, Identify the various features of business discussed above. [3]

24. The Government planned to begin a project of connecting rivers to avoid the situation of droughts in some states and floods in some states. The government needs management specialists and financial help to complete it. For this the government contacted the private sector to fulfil this requirement. Now the project will be completed jointly by the public sector and the private sector. [3]

A. What kind of partnership is highlighted above?

B. State any two features of the partnership identified above.

25. John took a health insurance policy. At the time of taking policy, he was a smoker and he didn't disclose this fact. He got cancer. Insurance company won't pay anything as John didn't reveal the important facts. [3]

Raj has a property worth ₹.5,00,000. He took insurance from Company A worth ₹.3,00,000 and from Company B ₹.1,00,000. As a result of a fire in the premises, he incurred a loss of ₹.3,00,000 to the property. Raj can claim ₹.3,00,000 from Company A but after that he can't make profit by making a claim from Company B. Now Company A can make a claim from Company B to for proportional loss claim value.

Ram took an insurance policy for his Car. In an accident his car totally damaged. Insurer paid the full policy value to insured. Now Ram can't sell the scrap remained after the scrap.

Explain the related Principles of insurance in the above cases.

### **PART C**

**This part contains 3 questions carrying 4 marks each. Answers to these questions should be in about 150 words.**

26. Sparkles Ltd. was promoted in 2010 by a group of four friends. As the business of the company has grown, they are planning to convert it into a public company. [4]

In the context of the above case, state any four benefits that the company will enjoy after converting it into a public company.

27. Advika Ltd. an IT giant company based in India wants to top the huge amount of resources for its growth and expansion from USA for long term needs. It also needs money for a period of less than three years to meet its medium term and short-term needs. The company is following the practise of educating and giving employment to under previlaged youth. 50% of its office electricity is generated through solar power. [4]

A. Which two sources of finance should be used by the company to meet its requirement?

B. Explain the main characteristics of each source of finance.

C. What values does the company exhibit in the above case.

28. This institution was set up with a view to promote, aid and foster the growth of small business in India. [4]  
It has introduced a new scheme of 'Performance and Credit Rating' of small business.
- A. Identify the above-mentioned institution
  - B. Discuss any three functions of the identified institution

#### **PART D**

**This part contains 3 questions carrying 5 marks each. Answers to these questions should be in about 200 words.**

29. 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.
  - C. State any one advantage and one disadvantage of this type of trader.
30. Mc Donald, Pizza Hut and Walmart are examples of a form of organisation operating worldwide. [5]
- A. Identify the form of business organisation.
  - B. Explain any two-weakness suffered by this organisation.
  - C. Explain any two advantages of the identified organisation.
31. Few countries such as Singapore, South Korea and China which saw markets for their products in the foreign countries embarked upon the strategy 'export and flourish', and went on became the star performers on the world map. This helped them not only in improving their growth prospects, but also created opportunities for employment of people living in these countries." [5]  
From the details given above specify the benefit of international business to firms.

#### **PART E**

**This part contains 4 questions carrying 6 marks each. Answers to these questions should be in about 250 words.**

32. A person who undertakes to form a company with reference to a given project and to set it going and who takes the necessary steps to accomplish that purpose. Thus, apart from conceiving a business opportunity they analyse its prospects and bring together the men, materials, machinery, managerial abilities and financial resources and set the organization going. [6]
- a) In the light of the information given above, identify the concept of formation of a company.
  - b) Explain the important functions performed by the identified person from (a)

33. Purchasing ice cream from a store and eating ice cream in a restaurant, watching a movie in a cinema hall or purchasing a video cassette/CD, purchasing a school bus and leasing it from a transporter. If you analysis all these activities, you will observe that there is a difference between purchasing and eating, purchasing and watching and purchasing and leasing. What is common in all of them is that one is purchasing an item and the other is experiencing a service.

Based on the above passage define services and explain the features of services.

34. After a life-changing internship at the Make-A-Wish Foundation, Jessica Ekstrom decided she 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

\*\*\*\*\*THE END\*\*\*\*\*