



INDIAN SCHOOL SOHAR
TERM 1 EXAMINATION (2019 – 2020)
BUSINESS STUDIES [054]

CLASS: XI

DATE: 24/09/2019

MAX MARKS: - 80

DURATION: - 3HRS

General Instructions: -

- 1) All questions in both the sections are compulsory.
 - 2) Answers to questions carrying 1 mark may be from one word to one sentence.
 - 3) Answers to questions carrying 3 marks may be from 50 – 75 words.
 - 4) Answers to questions carrying 4 – 5 marks may be about 150 words.
 - 5) Answers to questions carrying 6 marks may be about 200 words.
 - 6) Attempt all parts of a question together.
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1. Rakhi had some such books which were rare in the market. One of her friends needed those books. Rakhi sold out all those books of hers to her friend for ₹5000 and earned a profit of ₹1000. Can this activity of hers be called as business? Give one reason to justify your answer. [1]
2. There are eight members in a private company. All of them are sailing in the sea and are on a sightseeing trip. All of a sudden, a storm starts blowing and all of them die. Will their company become non-existent with their death? Give reason for your answer. [1]
3. On Ananya's request, Anna accompanies her to a business meeting and actively participates and represents herself as a partner of the firm in the negotiation process of the business. Identify what kind of partner is Anna in the partnership business. [1]
4. There are two systems which govern membership of the Joint Hindu Family Business. Identify them. [1]
5. Sonakshi visited a nearby village and found that the moneylender in the village was exploiting the farmers. He was charging a very high rate of interest on the money he had lent to the farmers. She decided to help the farmers and advised them to form a farmer's cooperative society. All the farmers of the village formed 'Kissan Agricultural Cooperative Society'. [1]
 - A. Under which Act the society has been formed?
 - B. How many minimum people are required to form the society?
6. Business has to safeguard not only the interest of the parties but the interest of several other parties. Today, only that business is regarded as good, which along with the interests of the owner takes care of all the other, parties like government, community, employees, consumer also. Which concept of business is discussed in the above statement? Identify and define the concept. [1]

7. A micro small-scale industry has an investment of ₹ 24 lakhs and engaged in manufacturing business. Now it wants to increase its investment by ₹24 lakhs. What type of small business will it become and what is its minimum investment limit in such cases? [1]
8. Sonika, Monika and Kanika create a joint firm with the objective to do business. They establish a strong R& D department and come up with an idea of producing writing material using waste material. They get their firm registered under the government's new scheme which had been announced to motivate the Young Entrepreneurs. Identify the Government scheme. When this scheme was first announced? [1]
9. An author wants that only he should get the profits of his creation. The author's creation is his intellectual property. The right granted to keep such property safe is known as intellectual property right. Identify the intellectual property right granted to the author. [1]
10. Mr Mohan, the owner of Govind Fertilisers Ltd. opened a current account in the Punjab National Bank. One day Mr Mohan needed money more than the balance in his account. He was worried about how to arrange the money. He needed this money for a day. One of his friends advised him to get in touch with the bank to avail a facility provided by the bank for current account holders. Identify the facility provided by the bank referred to in this case. [1]
11. Ayush wants to buy a new refrigerator for his house, but he does not have enough space to keep it. He is planning to sell the old refrigerator through OLX, so that he can get some surplus money and space. He gets a very good response and out of the many buyers, he chooses the buyer who gives him the best price. Identify and explain the type of e commerce referred to in this business. [1]
12. A call centre handles [1]
- A. Only in bound voice-based business.
 - B. Only out bound voice-based business.
 - C. Both voices based and non-voice-based business.
 - D. Both customers facing and back end business.
13. Which of the following cannot be classified as Genetic Industry? [1]
- A. Animal husbandry
 - B. Mining
 - C. Poultry farming
 - D. Plantation

14. Business is = [1]
- Industry + Commerce
 - Industry + trade
 - Trade + Commerce
 - Trade + Aids to trade
15. Anita Pvt. Ltd. outsources several services instead of doing them itself. Among these services are included advertisement services and courier services. Bharat Pvt. Ltd. Is also getting some of its services done by other firms such as research and development and technical and business analysis. State whether the services being outsourced by both the companies are the same. Give reasons in support of your answer. [1]
16. It is used for promoting sales, and information about the goods and services available, their features, price etc. to reach customers. Identify the auxiliaries to trade. [1]
17. Identify the type of life insurance policy: [1]
- The insurer (Insurance Company) undertakes to pay a specified sum when the insured attains a particular age or on his death whichever is earlier.
 - 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.
18. The business assets of an organisation amount to ₹ 50,000 but the debts that remain unpaid are ₹ 80,000. What course of action can the creditor take if the organisation is a sole proprietorship? [1]
19. Mr Ram Manohar, Karta of a family business, dies in air crash. His son received the amount of compensation from the Insurance Company. In this case, can this income be treated as HUF income? Give reason in support of your answer. [1]
20. The manufacturer of a local T shirt brand used the logo and name of an established brand on its T shirt and was able to sell them at a high price. Is his act ethical? Give reasons for your answer. [1]
21. What is a partnership deed? What is its role in a partnership firm? Explain its main contents. [3]
22. Entrepreneurship does not emerge spontaneously. It is the outcome of a dynamic process of interaction between a person and his environment. Hence it becomes imperative to understand the process of entrepreneurial development. Explain the process of entrepreneurial development. [3]
23. Sunita is planning to buy a mobile phone online as she got to know from her friends that it is convenient to buy and pay and it costs less. She is not aware of the procedures to buy online. Explain the steps she needs to follow to buy the phone. [3]

24. 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]
25. Pollution prevention or control is needed to preserve precious environmental resources and to improve the environmental quality so that the preserved resources can be utilized for the benefit of mankind and the improvement of health and wellbeing of the people. They need to take suitable measures for pollution control not merely to avoid criticisms against them but also to enjoy other benefits of such measures. Explain the reasons which make a case for pollution control [3]
26. Mr Jitendra does wholesale trade of utensils. He purchases the utensils from manufacturers. Every day he makes payment to several other traders. He wants that as soon as he deposits money in his bank it should be credited to the account of the creditors without any delay. On enquiring from the bank, he learnt that through e-banking there are two systems available for sending money from one bank to another. [4]
- A. Identify and explain the two systems available for sending money through e banking.
 - B. Which of the two systems would Mr Jitendra prefer?
27. Ranjan wants to start a business unit manufacturing khadi item. His friend who makes craft items suggests him to start a small-scale industrial unit in some rural, backward area since the government is offering various incentives to small scale industries. [4]
- A. State any four incentives offered by the government for small scale industries
 - B. Name any two institutions set up by the government of India to promote small scale industries in rural India. Explain their role.
28. Home Foods Ltd. deals in grocery items for daily needs. The company has 20 stores spread throughout Delhi. All the business activities are done through the internet. Its main activities are getting information for the customers, receiving goods, making payments inventory management and product development. The use of the internet has resulted in reduced cost of business transactions. The customer can now shop sitting at home or office. The use of the internet has reduced the paper work for the company. [4]
- A. Which system of business is followed by Home Foods Pt. Ltd.?
 - B. State any three benefits of the system of business identified above by quoting lines from the above paragraph.

29. Divina Garments Ltd. has a loan of ₹10,00,000 to pay. They are short of funds so they are trying to find means to arrange funds so they are trying to find means to arrange funds. Their manager suggested claiming from insurance company against stock lost due to fire and claim from Insurance company against stock insured. They will use the claim money to pay loan. [5]
- A. Will the company receive claim if the surveyor from company comes to know the real cause of fire?
 - B. Which values did company ignore while planning to arrange money from false claim?
 - C. Explain three elements of fire insurance.
30. Radeta Garments Pvt. Ltd. outsourced their accounting department to Gauri and Associates. The owner of Gauri & Associates, Mr Rohit instructed one of his employees to save the sales information of Radeta Garments in his personal pen drive and bring it to office. Rohit gave the data to his brother who is in the similar business. This resulted in great loss to Radeta Garments Pvt. Ltd. as it lost many of its regular customers. [5]
- A. What is outsourcing?
 - B. What is the concern involved in the above case of outsourcing?
 - C. What are the other concerns involved in outsourcing?
31. Tabitha, Roshan and Sahel are the residents of the same village. All the three have completed MBA. They want that their country should benefit from their education. With this aim, all the three plans to set up a Small-scale industry in their village. [5]
- A. Do you think they will be able to contribute to the development of the rural India?
 - B. Explain their contribution.
32. As far as initial business setting-up costs are concerned, sole proprietorship is the most inexpensive way of starting a business. Company form of organisation, on the other hand, is more complex and involves greater costs. Companies are in a better position to collect large amount of capital by issuing shares to a large number of investors. Partnership firms also have the advantage of combined resources of all partners. The continuity of joint Hindu family business is not affected by death and insolvency. If direct personal contact is needed with the customers such as in the case of a grocery store, proprietorship may be more suitable. For large manufacturing units, however, when organisation and operations are complex and require professional management, the company form of organisation may be adopted. [6]
- Identify and explain the factors from the above paragraph that affects the choice of form of business organisation.

33. Karan is a Sole Proprietor. Over the past decade, her business has grown from operating a neighbourhood corner shop selling accessories such as artificial jewellery, bags, hair clips and nail art to a retail chain with three branches in the city. Although, she looks after the varied functions in all the branches, she is wondering whether she should form a Company to better manage the business. She also has plans to open branches countrywide. [6]

A. State any three benefits of remaining a sole proprietor.

B. State any three benefits of converting to a Joint Stock Company.

34. Anu and Rene 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. [6]

A. In the context of the above case: Identify the various features of business discussed above.

*****THE END*****