



INDIAN SCHOOL SOHAR  
TERM II EXAMINATION (2023-2024)  
BUSINESS STUDIES (054)

No. of printed pages: 7

CLASS XI

Date: 11/02/2024

MAX.MARKS: 80

TIME: 3 HOURS

**General Instructions:**

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1. IEC stands for:

- |                              |                                    |
|------------------------------|------------------------------------|
| (a) Import Export Clause     | (b) Import Export Code             |
| (c) Import Export Convention | (d) Import Export Constitution (1) |

2. Mr. Rakesh as an entrepreneur started an agro based business. Now he decided to expand the operations of the business. Rakesh needs more workforce and resources. Identify what is the role of Mr. Rakesh here.

- |                  |                    |
|------------------|--------------------|
| (a) Job-seeker   | (b) Job-applicant  |
| (c) Job-provider | (d) Job-hunter (1) |

3. Read the following statement carefully and choose the correct alternative.

**Statement I:** In ancient times, silk route and maritime trade were quite prominent in transporting goods and commodities for trading purposes.

**Statement II:** In ancient times, the goods were traded both internally and to the foreign lands, which generated surplus income.

- |   |   |
|---|---|
| (a) Both the statements are true.               | (b) Both the statements are false.                  |
| (c) Statement I is true, Statement II is false. | (d) Statement II is true, Statement I is false. (1) |

4. Which of the following statement is not true in case of private company?

- (a) There is no need to issue a prospectus as public issue of securities are not done.
- (b) Allotment of shares can be done without receiving the minimum subscription.
- (c) A private limited company can start business as soon as it receives the certificate of incorporation.
- (d) A private company is required to keep an index of members. (1)

5. Which of the following is not a type of public sector enterprise?

- (a) Joint Hindu Family business
  - (b) Departmental undertaking
  - (c) Statutory Corporation
  - (d) Government Company
- (1)

6. Observe this picture and identify the related industry.



- (a) Genetic Industry
  - (b) Extractive Industry
  - (c) Analytical Industry
  - (d) Processing Industry
- (1)

7. Your father has an old scooter and you want to replace it with a new scooter. Your father is not ready to sell old scooter because he thinks he will not get good price for his old scooter and he cannot afford a new scooter. You found a buyer for your scooter at OLX who was ready to buy your scooter at a good price so you finally sold your old scooter. Which type of e-commerce did you use?

- (a) B2B
  - (b) B2C
  - (c) B2E
  - (d) C2C
- (1)

**Read the following carefully and answer question no. 8-9 on the basis of the same:**

FabTex Co., a textile manufacturing company, aimed to expand its business. They were considering two options: either venturing into producing furniture or electronic gadgets. The company intended to invest in purchasing land to establish a manufacturing facility in the backward regions of Maharashtra. The management assigned the task of financial planning to Ms. Neha, the finance manager. She was instructed to identify the best sources for obtaining funds in the long term to finance investment decisions and short-term sources for managing working capital.

8. Name the source of finance having least financial risk on the business.

- (a) Debentures
  - (b) Trade credit
  - (c) Equity shares
  - (d) Public deposits
- (1)

9. This is a short-term source of finance extended by one trader to another for the purchase of goods and services. It facilitates the purchase of suppliers without immediate payment. Identify the source of finance stated above.

- (a) Commercial paper
  - (b) Retained earnings
  - (c) Subsidy
  - (d) Trade Credit
- (1)

10. Read the following Assertion (A) and Reason (R) and choose the correct alternative:

**Assertion:** It is quite easy to provide adequate personal attention to the customers in departmental stores.

**Reason:** Departmental stores are organised at a very large scale, the benefits of large-scale operations may be obtained.

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- (c) Assertion (A) is true, but Reason (R) is false.
- (d) Assertion (A) is false, but Reason (R) is true. (1)

11. Entry of MNCs in to Indian market is an example of:

- (a) Privatisation (b) Liberalisation
- (c) Disinvestment (d) Globalisation (1)

12. Match the following documents with the concerned authorities-

(A) Shipping Order	(i) Excise Commission
(B) Inspection Certificate	(ii) Captain of the ship
(C) Railway receipt	(iii) EIA
(D) Excise Clearance	(iv) Railway authorities

- (a) (A-ii) (B-i) (C-iv) (D-iii) (b) (A-iii) (B-ii) (C-i) (D-iv)
- (c) (A-ii) (B-iv) (C-iii) (D-i) (d) (A-iii) (B-i) (C-iv) (D-ii) (1)

13. Ethics is concerned with what is right and what is wrong in human behaviour judged based on socially determined standards of behaviour. Ethical behavior is just and fair conduct which goes beyond observing laws and \_\_\_\_\_

- (a) Government regulation (b) NGO's regulation
- (c) Company's regulation (d) Employee's views (1)

14. DTH services are provided by

- (a) Transport companies (b) Banks
- (c) Insurance companies (d) Cellular companies (1)

15. Ankur saves ₹3,000 every month. Which type of Bank Account he should open with the bank?

- (a) Current account (b) PPF account
- (c) Recurring deposit account (d) Saving account (1)

16. Which of the following is not a limitation of e-business?
- (a) Need for technology capability and competence
  - (b) People resistance
  - (c) Paperless society
  - (d) Low personal touch (1)
17. Read the following statements of Assertion (A) and Reason (R) and choose the correct alternative:
- Assertion:** Corporate Social Responsibility is the responsibility of enterprises for their impacts on society.
- Reason:** Need for social responsibility of business arises both because of firm's interest and the interest of society.
- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
  - (b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
  - (c) Assertion (A) is true, but Reason (R) is false.
  - (d) Assertion (A) is false, but Reason (R) is true. (1)
18. In case of service enterprise, where investment in equipment is more than 10 lakhs rupees but does not exceed ₹2 crores is called as:
- (a) micro enterprise
  - (b) small enterprise
  - (c) medium enterprise
  - (d) cottage industries (1)
19. Small producers and petty traders who carry the products on a bicycle, a hand cart, or on their heads and move from place to place to sell their merchandise at the doorsteps of the customer are called:
- (a) Peddlers and hawkers
  - (b) Cheap jacks
  - (c) Pavement vendors
  - (d) Market traders (1)
20. Read the following statement carefully and choose the correct alternative:
- Statement I:** The farmers' Co-operative society is set up to help farmers to construct houses at reasonable cost.
- Statement II:** Marketing co-operative society is established to help small producers in selling their products.
- (a) Statement I is true, Statement II is false.
  - (b) Statement II is true, Statement I is false.
  - (c) Both the statements are false.
  - (d) Both the statements are true. (1)

21. What is e-banking? Explain any two benefits of e-banking to customers. (3)
22. A company engages in the manufacturing, distribution and retail of a product. GST, being a comprehensive tax, simplifies the taxation structure by subsuming various indirect taxes. Enumerate any three features of GST.

**OR**

- Differentiate departmental stores and chain stores. (any three) (3)
23. Enumerate any three responsibilities of a business towards the government. (3)
24. What is an Indent? What is the importance of letter of credit in an international trade?

**OR**

- Explain any three major objectives of WTO. (3)
25. "Finance is the life blood of any business". Do you agree with this statement? Explain why do business need fund? List out the classification of sources of fund on the basis of ownership. (4)
26. 'Wholesalers perform several services to both manufactures and retailers. Explain any four services of wholesalers towards retailers.

**OR**

- Itinerant retailers are traders who do not have a fixed place of business to operate from. Explain four types of itinerant retailers. (4)
27. Rakesh Jain wants to start a business of manufacturing and distributing solar fans. He invested ₹1crore for his first venture. The demand for solar fan is high in summer season. He wants to make sure that he can meet the orders as and when demanded. He wanted to establish it in the rural area of Madhya Pradesh. This will have some socio-economic impact on that remote area. Not only this, he has to ensure that the solar fans reach the customers in all areas.
- (a) State and explain the type of enterprise Rakesh Jain started under MSMED Act, 2006.
- (b) Briefly explain *any three*, role played by the enterprise in the socio-economic development of India.

**OR**

RoboTech Solutions, founded in 2023, envisions creating smart robots for individuals, businesses, industries and governments globally. Their goal is to address challenges affecting human resources, capital, the environment and global lifestyles. They focus on innovating, developing and commercialising technology-driven processes, integrating robotics, computer vision, mechanism design and material sciences. Their mission is to build systems, products, solutions and services that transform everyday life worldwide. They aim to facilitate a smooth transition into the Industrial Revolution, driven by a simple mindset of making the world better. On the basis of the given information about RoboTech Solutions, answer the following questions:

- (a) State the meaning of enterprise established under the flagship initiative of the Government of India.
- (b) State any three objectives that the identified enterprise wants to fulfill. (4)
28. "Main objective of Public-Private Partnership (PPP) is to combine the skills, expertise and experience of both the public and private sector." In the light of this statement,
- (a) explain the meaning of PPP and
- (b) explain any three features of PPP. (4)

29. Rohan, Aarav and Adithya are three partners in a firm. The firm goes by the name 'Knowledge Heaven'. It is a hub for the latest books across various subjects. They collectively decided to allocate 10% of the overall profit for yearly distribution among underprivileged children, contributing positively to the firm's goodwill. Aditya, a well-known entrepreneur, allowed to use his name to the firm without capital investment. Aarav contributed capital into the business but doesn't engage in its day-to-day management. On the other hand, Rohan actively participates in the operations and conducts business on behalf of the other partners.

Identify and explain what types of partners Rohan, Aarav and Adithya are in 'Knowledge Heaven'. (4)

30. XYZ Electronics Inc. specializes in electronic gadgets and devices for everyday use. Its operations are widespread across South India. With 20 retail outlets, XYZ Electronics caters to the tech-savvy residents. The company conducts all its business activities online, from gathering information about the latest electronic products to processing orders, handling payments, managing inventory, and driving product development. Embracing the power of the internet has significantly lowered transaction costs for the company. Customers have the convenience of shopping from the comfort of their homes or offices, accessing the internet to purchase a wide range of electronic goods and services. The shift to online operations has substantially diminished the reliance on traditional paperwork within the company.

(a) Which system of business is being followed by XYZ Electronic Inc.?

(b) State any three benefits of the system of business identified in (a) by quoting the lines from the above paragraph. (4)

31. Mr. Smith secured a fire insurance policy for his garment manufacturing unit. Shortly, a fire broke out on the factory premises, due to a failure in safety measures, leading to substantial losses for Mr. Smith. The incident resulted in severe damage to the garment machinery and inventory. The financial setback posed a considerable challenge to the continuity of Mr. Smith's garment business.

(a) Enumerate any three functions of insurance.

(b) Describe the following Principles of Insurance:

1. Principle of Mitigation
2. Principle of Subrogation
3. Principle of Contribution

**OR**

Rajat Sharma dispatched a shipment of rice sacks to his importer in London using the services of Oceanic Cargo Solutions. Rajat Sharma ensured that the consignment was protected against sea perils through insurance. Unfortunately, during the journey, the ship experienced a rodent infestation that led to damage to Rajat Sharma's goods as the rodents created holes in the deck of the ship.

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

(a) Identify the type of insurance policy Rajat Sharma has taken for protection of his consignment.

(b) What are the three main types of insurance policy highlighted in part (a)?

(c) Is the insurance company liable to pay the compensation? Explain the relevant principle of insurance applicable here. (6)

32. After completing the graduation, Salman and Rima decided to set up a flour mill to earn income. Their main job is to purchase wheat from the market and have ground to flour. Their flour is available in the packets of 5kg, 10kg and 20kg. They sell these under the brand name “Swadeshi Atta” and earn a reasonable profit of 10% on cost. They worked very hard and in no time their brand became popular. The main reason for the success of their business was superior quality and low prices.
- (a) State the meaning of Business.
  - (b) Quoting the lines from above, explain five characteristics of business.

**OR**

Mr. Goutham a risk management specialist working with a multinational corporation. The company operates in diverse markets and has recently encountered challenges ranging from inadequate profit, natural disaster and personal issues with the team. All these increased the risk of the company. Based on the situation answer the following questions:

- (a) What is meant by business risk?
  - (b) State and briefly explain the causes of business risk. (6)
33. Lakshmi Fashions has received an order to export 40,000 men's wear to Pacific Trade Co. Ltd. located in Australia. Lakshmi Fashions conducts the necessary inquiry about the creditworthiness of Pacific Trade Co. Ltd. and requests a letter of credit from them. After a week, Lakshmi Fashions successfully obtains a letter of credit issued by the importer's bank.
- Discuss the next six-steps after the step mentioned in the above paragraph that Lakshmi Fashions would need to go through for executing the export order. (6)
34. Sara is a sole proprietor. In the last ten years, her business has expanded from running a local corner store selling items like artificial jewellery, bags, hair clips and nail polish to a retail chain with three branches in the city. Even though she handles various tasks at all the branches, she is thinking about creating a company to improve business management. Sara also has intentions to open branches across the country.
- (a) Explain three benefits of remaining a sole proprietor.
  - (b) Explain three benefits of converting to a joint stock company. (6)