



**INDIAN SCHOOL SOHAR**  
**TERM II COMPARTMENT EXAMINATION (2022-23)**  
**BUSINESS STUDIES (054)**

**CLASS: XI**  
**DATE: 12/03/2023**

**MAX. MARKS: 80**  
**TIME: 3 HOURS**

**GENERAL INSTRUCTIONS: -**

1. All questions in section A, B, C and D 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 marks may be about 80 – 150 words.
5. Answers to questions carrying 6 marks may be about 200 words.
6. Attempt all parts of a question together.

**SECTION - A**

1. Cost of setting up a traditional business is \_\_\_\_\_ and e-business is \_\_\_\_\_. 1
2. The principle of indemnity is not applicable to which of the following: 1  
 (a) Fire Insurance (b) Life Insurance  
 (c) Marine Insurance (d) All of these
3. Which of the following documents is issued by the commanding officer of the ship to the port superintendent when the cargo is loaded on board: 1  
 (a) Import general manifest (b) Mate's receipt  
 (c) Shipping Bill (d) Shipping order
4. Chains Stores are the examples of which type of retailers? 1  
 (a) Fixed shop small retailers (b) Fixed shop large retailers  
 (c) Itinerant retailers (d) Single line stores
5. What minimum percentage of the paid up capital should be held by the government in a Government Company? 1  
 (a) 51% (b) 49%  
 (c) 100% (d) 175%
6. Match the columns and choose the correct alternative: 1

Column I	Column II
(A) Cooperative Society	(i) Confidentiality of information
(B) Sole Proprietorship	(ii) Increased loyalty and cooperation
(C) Joint Hindu Family Business	(iii) Balanced decision-making
(D) Partnership	(iv) Service motive

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

**OR**

- Who undertakes the management and control of the affairs of the joint stock company on behalf of its owner?
- (a) The Board of Directors (b) Departmental Heads  
 (c) Managing Directors (d) Vice President
7. \_\_\_\_\_ refers to sending of goods and services from the home country to a foreign country. 1
  8. National Small Industries Corporation was set up in which year? 1  
 (a) 1953 (b) 1954  
 (c) 1955 (d) 1956

9. Statement I: Departmental undertakings are usually insensitive to consumer needs and do not provide adequate services to them. 1

Statement II: Government companies are public enterprises brought into existence by a Special Act of the Parliament.

- (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
10. "Providing the right quality and quantity of goods and services to people in the society" - is the social responsibility towards : 1
- (a) Employees (b) Community  
(c) Consumer (d) Government

**OR**

Assertion (A): Whether it is government, business enterprises, consumers, workers, or other members of society, each one can do something to stop polluting the environment.

Reason (R): Government can enact laws to ban hazardous products. Consumers, workers and the members of society can avoid using certain products and doing things that are not environment friendly.

- (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
11. Which of the following constitute the modern small industries under 'Village and Small Industries Sector': 1
- (a) Hand looms (b) Handicrafts  
(c) Power looms (d) Khadi
12. The reward a businessman gets for bearing the risks is called \_\_\_\_\_. 1
- (a) Remuneration (b) Commission  
(c) Bonus (d) Profit
13. Red Tapism is an essential feature of \_\_\_\_\_. 1
- (a) Government company (b) Departmental Undertaking  
(c) Statutory Corporations (d) Multi-National Corporations
14. The industry which is second largest employment provider in India is \_\_\_\_\_. 1
15. Which of the following documents is prepared and signed by the master of the ship acknowledging the receipt of goods on board: 1
- (a) Shipment advice (b) Bill of entry  
(c) Bill of lading (d) Shipping Bill
16. Entrepreneurship provides \_\_\_\_\_. 1
- (a) Capital investment (b) Self-employment  
(c) Administration (d) Marketing
17. Which of the following is not a limitation of sole proprietorship? 1
- (a) Limited resources (b) Limited life of business  
(c) Easy formation (d) Limited managerial ability

**OR**

The written agreement which specifies the terms and conditions that govern the partnership is called the\_\_\_\_\_.

- (a) Memorandum of Association (b) Charter  
(c) Partnership deed (d) Articles of Association
18. Which among the following is not a characteristic of a business activity? 1  
(a) Uncertainty of returns (b) Sale or exchange of goods and services  
(c) Donation of a percentage of profit for charity (d) Production of goods and services
19. Steel Authority of India is an example of \_\_\_\_\_. 1  
(a) Statutory Corporations (b) Departmental Undertaking  
(c) Government Company (d) Multi-National Corporations
20. Copyright protection is not available for \_\_\_\_\_. 1  
(a) Literacy work (b) Music Work  
(c) Artistic work (d) Assembling

### **SECTION - B**

21. With International trade, people are able to use products from different nations. It has improved their standard of living. Apart from improved standard of living. State any three benefits of International trade. 3
22. "Small industries are small in size but play a big role in development of rural areas". Explain the role of small industries in rural areas. 3
23. Sony Ltd. is a leader in electronics. It is registered in a company and has its business operations in many countries of world. It's headquarter is in Japan (Tokyo). To manage its branches and subsidiaries in different countries the company employs trained and professional managers. They always make use of latest technology to remain leader in electronics. 3  
(a) Name the type of enterprise mentioned in the above para.  
(b) State any three features of such enterprises.

OR

State various types of organisations in Public sector. Explain any three features of any one of them.

24. The XYZ manufacturing Co. opens shops at different locations in India. He sells goods on cash only. These shops have identical decorations. The prices of goods are fixed. In this way they eliminate unnecessary middlemen thus benefiting the consumers. 3  
(a) Identify the type of shop referred to.  
(b) Elaborate characteristics of such shops.

### **SECTION – C**

25. Preet food Industries set up a food and beverages processing plant in the rural area of Haryana and opted for labour intensive techniques due to easy availability of labour and to provide employment to local people. Board of directors decided to invest 50 lakhs to acquire plant and machinery, Rs.1 crore to buy land, Rs. 20 Lakhs to buy raw material and Rs. 20 lakhs to maintain day to day expenses. 4  
(a) Name the Act of Industries which is applicable to the above industry.  
(b) Which category of part (a) will the above industry come from?  
(c) State the investment limit in this category.  
(d) What values has been followed by the above company.

OR

What do you mean by? Explain with Example.

- (i) B2B

- (ii) B2C  
(iii) Intra B  
(iv) C2C
26. Home Foods Pvt. Ltd. deals in grocery items of daily domestic usage. Its business is spread throughout Delhi. The company's 20 stores are providing their services to the residents of Delhi. All the business activities of this company are done through internet. Its main activities are obtaining information about goods, receiving orders of goods, making payments, receiving payments, inventory management, product development, etc. The use of internet in the business activities has resulted into reduced costs of business transactions. The customer also can shop sitting at home or office. They can access the internet to buy goods and services. The use of internet has considerably reduced dependence on paper work for the company. 4
- (a) Which system of business is being followed by Home Foods Pvt. Ltd.?  
(b) State any three benefits of the system of business identified in (a) by quoting the lines from the above.
27. A Company should have an ideal capital structure striking a balance between the owned funds and the borrowed funds. The finance manager should be efficient enough to do effective financial planning and take all the financial decisions Investment decision, financing decision and dividend decision in such a way that the shareholders wealth is maximised. Excess of owned funds may reduce earnings per share and excess of borrowed funds may increase financial risks for the company. 4
- (i) Enlist the different sources of owned capital and borrowed capital used by a company with the help of a chart  
(ii) Give any two differences between the two.
28. Mr. Rajiv is the owner of readymade garment factory. His main motive is maximizing the profit. For this he is charging high price from customer and supply low quality products. He is not providing good working conditions to workers and pay them minimum wages. Even he did not bother about the pollution caused by his factory. As a result his efficient employees started leaving the job and joining the competitor. The government puts a heavy penalty on him for causing pollution and even number of customer also decrease. He was very upset and could not understand his problem. 4
- (a) In the above para, towards whom Mr. Rajiv did not meet social responsibility?  
(b) Explain any two social responsibility of business towards each group.
29. Sidhu wants to import machinery from Germany for manufacturing of automatic and high quality toys. List the steps that he needs to take in order to import machinery. 4
- OR
- Differentiate between internal trade and external trade.
30. Karta is the head of this business. Identify the business and state any three limitations of it. 4
- SECTION – D**
31. Uma, a village girl, comes to Delhi to visit her relatives. She goes with her cousin to a store, which is centrally located. She was astonished by the varieties of goods which are sold here under one roof. 6
- (a) Identify this type of store.  
(b) Explain any five features of such store.
- OR
- (i) Name the tax which replaced all other indirect taxes.  
(ii) Explain its key features.
32. Explain the functions of commercial banks. 6
- OR
- What are services? Explain their distinct characteristics?

33. Enviro Solutions' constructs roof top rain water harvesting systems in Kerala. Company needs funds for making its day-to-day expenses like wages, electricity, generator etc. They decide to approach their supplier 'Reddy and Sons'. They requested 'Reddy and Sons' to grant them credit for purchase of goods and services. This would enable them to buy raw materials without making immediate payment. 'Enviro Solutions' financial position is not very strong and hence it has lost its goodwill. Their past record of payments to its lenders is also not convincing. 6
- (a) Identify the source of finance discussed in above case.
  - (b) Source of finance identified in part (a) above is short-term or long term?
  - (c) Will 'Enviro Solutions' be able to procure finance through this source? State with reason.
  - (d) State any three characteristics of the source.
34. Explain the factors to be considered before starting a business. 6