



INDIAN SCHOOL SOHAR
UNIT TEST I (2023-24)
BUSINESS STUDIES(054) SET-1

CLASS: XI
DATE:18/05/2023

MAX. MARKS: 20
TIME: 40 MINUTES

GENERAL INSTRUCTIONS: -

- I. The question paper contains 8 questions. All are compulsory.
- II. There is no overall choice. However, an internal choice has been given for 6 mark question.
- III. Attempt all parts of a question together.

1. Every business has some risk. No business can avoid risk, although the amount of risk may vary from business to business. Risk can be minimised but cannot be eliminated. Name the characteristic of business risk explained: 1
- a) Business risk arise due to uncertainties.
 - b) Risk is an essential part of every business
 - c) Degree of risk depends mainly upon the nature and size of business
 - d) D. Profit is the reward for risk taking

2. Match the columns and choose the correct alternative: 1

Column I		Column II	
A	Sleeping partner	i	Contributes to the capital of the firm, takes part in the management, shares profits and losses, and has unlimited liability towards the creditors.
B	Secret partner	ii	Does not contribute capital, does not participate in management, does not share profits/losses, but has unlimited liability towards the creditors.
C	Nominal partner	iii	Allows the use of his/her name by a firm, but does not contribute to its capital.
D	Partner by estoppel	iv	Contributes capital, shares profits/losses, has unlimited liability, but does not participate in management

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

3. Read the following statements carefully - Assertion (A) and Reason (R) and choose the correct **alternative:** 1

Assertion (A): The size of the business of a sole proprietor rarely grows much and generally remains small.

Reason (R): Resources of a sole proprietor are limited to his/ her personal savings and borrowings from others. Banks and other lending institutions may hesitate to extend a long term loan to a sole proprietor.

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

4. _____ trade refers to the import of goods for the purpose of export. 1
5. 'Multi-Industries Private Ltd' is a big company of Private Sector. It produces several agricultural products like sugarcane, cotton, etc. This company uses all its own agricultural products as the Raw Material instead of selling them in the market. The sugar cane is used to produce sugar and similarly, the cotton is to make cloth. The company has established its sugar and the cloth mill at a place where the people were very much worried due to unemployment. In this way, the company provided employment to about 500 local people. Besides, the company paid a special attention to greenery all around its factories. The company's business is growing fast. 3
- In the above paragraph, two sub-types of industrial activity has been described. Identify them by quoting the relevant lines.
 - What do you understand by the term 'Business'? Identify and explain the business objective stated in the above paragraph.
6. Seeta Ram is engaged in production of ready-made garments. His son is working as a lawyer and his daughter is working as a manager in a reputed company. 3
- Identify the economic activities in which Seeta Ram and his son and daughter engaged in.
 - Write any two differences between economic activities identified above.
7. 'One man control is the best in the world if that man is big enough to manage everything'. 4
Explain the statement by giving any four reasons.
8. Raj owns a small grocery store in a residential area. He sources his products from a wholesale market and sells them in his store. Recently, he has noticed that some of his customers are asking for home delivery of groceries due to the pandemic. He is thinking of using a delivery service to fulfill these orders. 6
- Which auxiliary to trade can Raj use to fulfill the home delivery orders?
 - Give any two advantages of using an auxiliary to trade for home delivery?
- Raj is also looking for a way to attract more customers.
- Which auxiliary to trade can Raj use?
 - Write any two advantages of using an auxiliary to trade for the same?

OR

Shikhar wants to start a new Garment business. Explain any six basic factors he should consider before starting a business.



INDIAN SCHOOL SOHAR
UNIT TEST I (2023-24)
BUSINESS STUDIES(054) SET-2

CLASS: XI
DATE:18/05/2023

MAX. MARKS: 20
TIME: 40 MINUTES

GENERAL INSTRUCTIONS: -

- I. The question paper contains 8 questions. All are compulsory.
- II. There is no overall choice. However, an internal choice has been given for 6 mark question.
- III. Attempt all parts of a question together.

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1. Which of the following statement is not true for a minor as a partner? 1
- a) Since a minor is incompetent to enter into a valid contract with others, he cannot become a partner in any firm.
 - b) A minor can be admitted to the benefits of a partnership firm with the mutual consent of all other partners.
 - c) The liability of a minor partner will be limited to the extent of the capital contributed by him and in the firm.
 - d) A minor partner will be eligible to take an active part in the management of the firm.

2. Match the columns and choose the correct alternative: 1

Column I (causes of business risks)		Column II (examples)	
A	Natural causes	i	Rise in interest rate for borrowing, levy of higher taxes, etc.
B	Human causes	ii	Dishonesty, carelessness or negligence of employees.
C	Economic causes	iii	Flood, earthquake, lightning, heavy rains, famine, etc.
D	Other causes	iv	Political disturbances, machine failure, etc.

- a) A-i, B- ii, C- iii, D – iv
c) A-iii, B- ii, C-iv, D- i

- b) A iii, B- ii, C-i, D – iv
d) A-iv, B- ii, C- iii, D-i

3. Read the following statements carefully - Assertion (A) and Reason (R) and choose the correct alternatives: 1
- Assertion (A):** Hundi and Chitties were used as documents to facilitate transfer of money from one hand to another for trading activities.
- Reason (R):** As an instrument of exchange it involved a contract which warrant the payment of money, the promise or order which is unconditional, capable of change through transfer by valid negotiation.
- a) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
 - b) Both Assertion (A) and Reason (R) are true and Reason (R) is 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.

4. According to Companies Act 2013, maximum number of partners in a partnership firm can be_____.
5. Mr. Mohammed is engaged in production of ready-made garments. His son is working as a lawyer and his daughter is working as a manager in a reputed company.
- Identify the economic activities in which Mr. Mohammed and his son and daughter engaged in.
 - Write any two differences between economic activities identified above.
6. 'One man control is the best in the world if that man is big enough to manage everything. Explain the statement by giving any three reasons.
7. ABC Construction Pvt. Ltd. deals in constructing building, bridges, roads and dams by using cement, steel, bricks and wood. There are 1000 local people working in this company. The managing director of the company, Mr. Shyam, takes full care of the quality of work done. Recently, the company got a contract of constructing five big buildings, two bridges, one long road and one dam. The company has got a special division also, which owns one hundred trucks. These trucks are used for transporting goods on hire. This division is working quite successfully under the supervision of the divisional manager, Mr. Raj.
- Identify and state two types of industrial activities from the above passage by quoting the relevant lines.
 - What do you understand by the term 'Business risk'? State different types of Business risks.
 - Identify and explain the business objective stated in the above paragraph.
8. Ramkrishan Agrawal is running a Jewellery showroom at a prime location in Jaipur, which he inherited from his father.His joint family consists of his three sons and a younger brother, who are also working in the same showroom. Being head of the family, Ramkrishna takes all the decisions of business, which sometimes causes conflicts among the members.He decided to open one more branch, and the business took a loan of ₹1 crore from Syndicate Bank for three years. But opening of the new branch proved to be a wrong decision and the business suffered heavy losses. Due to financial crises, Ramkrishna had to pay a part of the loan amount from his self-acquired property.
- Identify which form of a business organisation the above case indicates by quoting the lines.
 - Explain one demerit stated in the above case by quoting the lines.
 - Explain three other disadvantages of the form of business organisation used by Ramkrishan Agrawal's business?

OR

Mr.Rajesh wants to start a new business. Briefly explain basic factors he should consider before starting a business.