



INDIAN SCHOOL SOHAR
Unit Test II (2023-24)
Business Studies (054) (Set-2)

CLASS: XI
DATE:18/01/2024

MAX. MARKS: 20
TIME: 40 MINUTES

GENERAL INSTRUCTIONS: -

1. This question paper contains four sections. Section A to D.
2. All the questions are compulsory.

SECTION - A

1. Which of the following is incorrect regarding the types of manufacturing enterprises? 1
 - A. In a micro enterprise investment in plant and machinery does not exceed twenty-five lakh rupees
 - B. In small enterprise investment in plant and machinery is more than twenty-five lakh rupees but does not exceed three crore rupees
 - C. In a medium enterprise investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees
 - D. In a small enterprise investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees
2. Read the following statements carefully - **Assertion (A)** and **Reason (R)** and choose the correct alternative: 1

Assertion(A): Inter Corporate Deposits (ICDs) serve as unsecured short-term deposits facilitating short-term cash management for large corporations.

Reasoning(R): Offering flexibility in deposit durations and higher interest rates compared to banks.

 - 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
3. Mr. Krishan Gopal young entrepreneur is going to use a new method to fund his startup. In this method of startup fund, fund is gradually collected from a large number of people through the medium of internet. For this purpose, the entrepreneur gives the detailed information of his startup on the available platforms. The way to fund startup used by Mr. Krishan Gopal is: 1
 - A. Boot strapping
 - B. Angel Investment
 - C. Crowd funding
 - D. Venture Capital
4. Match the columns and choose the correct alternative: 1

Column I	Column II
a) Copyrights	i. Providing administrative framework at district level
b) District Industries Centre	ii. Books
c) National Small Industries Corporation	iii. Name and logo of a product
d) Trademark	iv. Set up in 1955

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

SECTION – B

5. Raj is an experienced tech professional eager to launch his software development startup. After identifying a prime location and securing a workspace, Raj thoroughly explored the complexity of working and fixed capital to kick start his venture. As a financial advisor, how would you provide clarity on the difference between working and fixed capital. 3
6. Ram, a skilled artisan, runs a handloom weaving business in a rural village. His business has been a source of livelihood for the community, providing employment to local artisans and contributing to the cultural heritage of the region. During a visit to a nearby town, Ram observed a larger handloom factory and was inspired to modernize his operation. Explain any three potential challenges Ram might encounter when considering the modernization of his business. 3

SECTION – C

7. A company can raise funds through issue of securities which bear a fixed rate of interest. Public issue of such securities requires that the issue be rated by credit rating agency. 4
- Identify the securities discussed by quoting the line from above.
 - List three points that show securities are better than owned sources of finance.

OR

In various countries, commercial banks are key financial institutions that facilitate economic activities. They operate at both national and regional levels, offering a range of financial services to individuals, businesses, and government entities.

Explain any four challenges businesses might face in accessing financial assistance from commercial banks.

SECTION – D

8. Priya is an aspiring entrepreneur with a vision to establish her own sustainable fashion brand. Priya recognises that entrepreneurship is a deliberate and disciplined journey, requiring a combination of education, training, and experience. Define entrepreneurship. Explain any five features of entrepreneurship required to be an aspiring entrepreneur. 6

OR

Sonika, Monika and Kanika after completing their studies, Engineering, MBA and M. Com respectively, created a joint firm. Their objective was to do business in some such process/commodity/service as might not be already in fashion. First of all, they established a strong 'Research and Development Department'. In no time, a new idea came into their minds. They decided to produce such a writing material as was not already in fashion. They got their firm registered under the Government's new scheme, which had been announced to motivate the Young Entrepreneurs. The Government granted them the necessary financial help. The production started, and their new product got the full co-operation from the market as quickly as possible.

As a result, in the very first year, they got the turnover of ₹ 20 Crores. Along with getting appropriate profit personally, they also provided employment to several people.

- Under which new scheme of the Government this business might have been registered and when it was first announced?
- Explain any five objectives of the scheme identified in question (i).