

CLASS: XI 2024-25
ANNUAL EXAMINATION
SUBJECT: BUSINESS STUDIES (054)
SET- B2

No. of printed pages: 8


Time Allowed: 3 Hours

Max. Marks: 80

General Instructions:

1. This question paper contains 34 questions.
2. Write the Serial Number of the question before attempting it.
3. Attempt all parts of the questions together.
4. Marks are indicated against each question.

Q.No.	Questions	Marks
1	Which document is an invitation to general public to subscribe shares of a public company? (a) MoA (b) AoA (c) Prospectus (d) Certificate of Incorporation	1
2	Statement I: The insured must have an insurable interest in the subject matter of insurance. Statement II: One fundamental fact of this principle of insurable interest is that 'it is not the house, ship, machinery, potential liability of life that is insured, but it is the pecuniary interest of the insured in them, which is insured.' Choose the correct option from the options given below: a. Statement I is true and II is false b. Statement II is true and I is false c. Both the statements are true d. Both the statements are false	1
3	An exporter demands _____ from an importer for satisfaction about payment of export of goods. (a) Certificate of Origin (b) Packing List (c) Proforma Invoice (d) Letter of Credit	1
4	Given below is two statements, one labelled as Assertion (A) and the other labelled as Reason (R): Assertion (A): The Departmental Stores provide a large variety of goods under one roof.	1

	<p>Reason (R): All the purchases in a departmental store are made centrally by the purchase department.</p> <p><u>Codes:</u></p> <p>(a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true and (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false. (d) (A) is false, but (R) is true.</p>	
5	<p>Identify the correct facts about GST:</p> <p>(i) GST is a taxation at source. (ii) It is a destination tax. (iii) Both the Centre and the State have their share in this tax.</p> <p>(a) (i) and (ii) (b) (ii) and (iii) (c) (i), (ii) and (iii) (d) (i) and (iii)</p>	1
6	<p>Diana takes an insurance policy of ₹4 lakhs against fire and has paid full premium for it. Fire occurred and loss suffered by Diana was ₹3,75,000. The insurance company paid ₹3,75,000 as compensation. Diana was unsatisfied and claimed the full amount of insurance policy.</p> <p>Identify the 'Principle of Insurance' under which Diana will /will not get the full claim.</p> <p>a) Diana will get full claim under the 'Principle of Insurable Interest' b) Diana will not get the full claim under the 'Principle of Indemnity' c) Diana will not get the full claim under the 'Principle of Insurable' d) Diana will not get the full claim under the 'Principle of Subrogation'.</p>	1
7	<p>Identify the cause of business risk highlighted here:</p>  <p>(a) Natural cause (b) Human cause (c) Economic cause (d) All of these</p>	1
8	<p>Mala Foods Ltd., generally does not distribute all its earnings amongst the shareholders as dividends. The portion of profit available for financing future projects, depends on many factors like net profits, dividend policy and size of the organisation.</p>	1

	<p>Name the source of finance used by the company.</p> <p>(a) Retained earnings (b) Public deposits (c) Inter-corporate deposits (d) Trade credit</p>	
9	<p>No company can legally undertake activities that are not contained in the following document:</p> <p>(a) Prospectus (b) Articles of Association (c) Certificate of Incorporation (d) Memorandum of Association</p>	1
10	<p>Given below are two statements:</p> <p>(A): Since Statutory Corporations are autonomous organizations they frame their own policies and procedures within powers assigned to them by the Act. (B): Funds for their operations come from the central budget appropriations. Choose among the following:</p> <p>(a) Statement (A) is true, but (B) is false. (b) Statement (A) is false, but (B) is true. (c) Both statements (A) and (B) are true. (d) Both statements (A) and (B) are false.</p>	1
11	<p>Rosy recently came across an advertisement of supply of an unique weight reducing equipment in the newspaper. The product is being manufactured by an enterprise which makes it available for sale throughout the country by placing an order through post. Identify the type of retailer:</p> <p>(a) Departmental Store (b) Multiple Shops (c) Speciality Stores (d) Mail Order Houses</p>	1
12	<p>Which of the following is NOT an aim of 'Startup India Scheme':</p> <p>(a) trigger an entrepreneurial culture and inculcate entrepreneurial values in the society at large (b) encourage more dynamic startups by motivating educated youth, scientists and technologists to consider entrepreneurship as a lucrative, preferred and viable career (c) create awareness about the charms of being an entrepreneur and the process of entrepreneurship (d) creating a digitally empowered society and knowledge economy by improving technological infrastructure, increasing tech literacy, services and resources</p>	1

13	<p>Identify from the following that is a feature of a speciality store:</p> <p>(a) they deal in second-hand or used goods, like books, clothes, automobiles, furniture and other household goods</p> <p>(b) they move from place to place to sell their merchandise at the doorstep of the customers</p> <p>(c) they do not sell a variety of products of different types rather they deal in a specific line of products</p> <p>(d) they open their shops at different places on fixed days or dates</p>	1
14	<p>Having identified the countries and firms that export the product, the importing firm approaches the export firms with the help of _____</p> <p>(a) Trade enquiry</p> <p>(b) Proforma invoice</p> <p>(c) Mate's receipt</p> <p>(d) Sight draft</p>	1
15	<p>'Instituting communication systems to help employees report incidents of unethical behavior' is an example of which of the following elements of Business Ethics:</p> <p>(a) Involving employees at all levels</p> <p>(b) Establishment of compliance mechanisms</p> <p>(c) Top management commitment</p> <p>(d) Measuring Results</p>	1
16	<p>Jane needs to submit money in her college as soon as possible for appearing for her semester exam. The college requires a small amount of money through bank draft. Why do they insist for a bank draft?</p> <p>(i) It guarantees payment by the issuing bank.</p> <p>(ii) It's verified that Jane has enough funds to cover it.</p> <p>(iii) Since, it is draft, it can be altered by the college.</p> <p>(a) All the statements are correct</p> <p>(b) (i) and (ii) are correct</p> <p>(c) Only (i) is correct</p> <p>(d) (ii) and (iii) are correct</p>	1
17	<p>A government is any company in which the paid-up capital held by the government is not less than:</p> <p>(a) 49%</p> <p>(b) 50%</p> <p>(c) 51%</p> <p>(d) 25%</p>	1

18	<p>Financing through _____ is less costly as the _____ is tax deductible.</p> <p>(a) preference shares; dividend payment on preference shares (b) retained earnings; amount of retained earnings (c) equity shares; dividend payment on preference shares (d) debentures; interest payment on debentures</p>	1																				
19	<p>Match the following:</p> <table border="1" data-bbox="304 573 1342 965"> <thead> <tr> <th colspan="2">Column I</th> <th colspan="2">Column II</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Angel Investment</td> <td>1</td> <td>Raising money from a large number of people for a common goal.</td> </tr> <tr> <td>B</td> <td>Crowd Funding</td> <td>2</td> <td>Individuals with surplus cash who invest in an upcoming start- ups.</td> </tr> <tr> <td>C</td> <td>Boot Strapping</td> <td>3</td> <td>Professionally managed funds which are invested in companies that have huge potential</td> </tr> <tr> <td>D</td> <td>Venture Capital</td> <td>4</td> <td>Self-financing</td> </tr> </tbody> </table> <p>Select from the following options:</p> <p>a) A (3), B (1), C (4), D (2) b) A (1), B (3), C (4), D (2) c) A (2), B (1), C (4), D (3) d) A (3), B (2), C (1), D (4)</p>	Column I		Column II		A	Angel Investment	1	Raising money from a large number of people for a common goal.	B	Crowd Funding	2	Individuals with surplus cash who invest in an upcoming start- ups.	C	Boot Strapping	3	Professionally managed funds which are invested in companies that have huge potential	D	Venture Capital	4	Self-financing	1
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20	<p>Given below is two statements, one labelled as Assertion (A) and the other labelled as Reason (R):</p> <p>Assertion (A): e-business includes not only e-commerce but also other electronically conducted business.</p> <p>Reason (R): : e- business is more than buying and selling over the internet, i.e. e- commerce.</p> <p><u>Codes:</u></p> <p>(a) Both (A) and (R) are true and (R) is the correct explanation of (A). (b) Both (A) and (R) are true and (R) is not the correct explanation of (A). (c) (A) is true, but (R) is false. (d) (A) is false, but (R) is true.</p>	1																				
21	<p>‘Reserve Bank of India (RBI) and Oil and Natural Gas Commission (ONGC) are the examples of this form of enterprise.’</p> <p>Identify the type of public sector enterprises in the given sentence and discuss its any two advantages.</p>	3																				

22	<p>Explain the following types of partners:</p> <p>(i) Sleeping Partner (ii) Secret Partner (iii) Nominal Partner</p> <p style="text-align: center;">OR</p> <p>State any three privileges of a private limited company as against a public limited company.</p>	3
23	<p>This source of finance appears in the records of the buyer of goods as 'sundry creditors' or 'accounts payable'.</p> <p>(a) Identify the source of finance and its duration. (b) The volume and period of the above identified source of finance is extended to firms depending on certain factors. Name any four such factors.</p>	3
24	<p>State the functions of District Industrial Centre (DIC) in the development of small business in India.</p>	3
25	<p>"Profit plays an important role in the business." Give any four reasons to justify the statement.</p> <p style="text-align: center;">OR</p> <p>State briefly the 'activities under commerce' which help in removing the hindrances of:</p> <p>(a) person (b) place (c) risk of loss (d) information</p>	4
26	<p>Distinguish between Traditional Business and Electronic Business on the basis of:</p> <p>(a) Operating cost (b) Shape of organization structure (c) Business process and length of cycle (d) Transaction risk</p>	4
27	<p>State the meaning of the following documents used in international trade:</p> <p>(a) Mates' Receipt (b) Certificate of Origin (c) Bill of Entry (d) Bill of Lading</p>	4
28	<p>Mr. K Chaathu purchased a soap from a shop located in his residential area. He usually purchased a variety of homely articles from this shop. The tagline of the soap was 'soundaryam ningale thedi varum' which meant 'beauty will come in search of you'. The soap also claimed that people using the soap would become</p>	4

	<p>‘fair’ and ‘beautiful’ but the 67-year-old didn’t become fair or beautiful rather he developed severe skin rashes due to the application of the soap. After consulting a skin specialist, he bought an antiseptic cream from a nearby chemist shop.</p> <p>However, he was tired of these consistent lies displayed in the ads of different companies and how companies got away with them, and filed a suit against the soap company in the consumer court.</p> <p>Explain the features of the two types of small fixed shop retailers discussed in the case above.</p>	
29	<p>On the basis of the following, distinguish between Equity Shares and Debentures:</p> <p>(a) Nature (b) Return (c) Redemption (d) Voting Rights</p>	4
30	<p>Yash had started a sugarcane factory in Moradabad two years back. He pays wages to the male workers at a rate which is much lower than the minimum wage rate prescribed by the government. The wages paid to the female workers are even lesser. He has also employed child labour extensively in the factory to further reduce the labour cost. Moreover, the working conditions in the factory are inappropriate as there is lack of hygiene, proper ventilation, facility for safe drinking water, etc. His business has always faced the problem of shortage of labour since its inception.</p> <p>In context of the above case:</p> <p>(a) Yash has ignored his social responsibility towards which interest group? (b) Explain any three arguments in favour of business enterprises, when they function in a socially responsible way.</p>	4
31	<p>Identify and discuss briefly the following:</p> <p>a) The document prepared to issue and allot securities, when a company does not offer its securities for public subscription. b) The clause of MoA which contains the declaration “we, several persons whose names and addresses are submitted are desirous to take qualification shares”. c) The document which is subsidiary to the MoA.</p>	6
32	<p>a) After the insured is compensated for the loss or damage to the property insured by him/her, the insured should not be allowed to make any profit by selling a damaged property or in the case of lost property being recovered. Explain the principle of insurance associated with this statement.</p>	6

	<p>b) Can a sports team insure their key players? Explain the principle of insurance which is related with this case.</p> <p>c) A factory owner took a fire insurance policy for his factory, hiding the fact that he had received notice from electricity department to get the wiring of the factory repaired. He did not take any remedial action. After six months of taking policy, the factory caught fire due to faulty wiring. Will the factory owner get compensation for the loss due to fire? Explain the principle of insurance which is related with this case.</p>	
33	<p>Enumerate and explain any four services which a retailer provides to the wholesaler.</p> <p style="text-align: center;">OR</p> <p>Enumerate and explain any four services which a wholesaler provides to the retailer.</p>	6
34	<p>(a) Companies prefer retained earning for financing their medium and long-term requirement of funds. Give any three merits of using retained earnings as a source of finance.</p> <p>(b) Raising funds through equity shares has certain limitations. Discuss any three such limitations.</p>	6