

INDIAN SCHOOL SALALAH
FINAL EXAMINATION - FEBRUARY 2018
BUSINESS STUDIES

CLASS: XI

MARKS: 90

TIME: 3 HRS

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- 1. Please check that this question paper consists of 27 questions on 4 printed pages.*
 - 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 – 5 marks may be about 150 words.*
 - 5. Answers to questions carrying 6 marks may be about 200 words.*
 - 6. Attempt all parts of a question together. Marks are given at the end of each question.*
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1	“Post office is the channel through which a type of business is conducted”. Identify the business.	1
2	Distinguish between visible trade and invisible trade.	1
3	“Each for all and all for each”, is a basic motto of a form of business organisation. Identify the organization.	1
4	Rasna produces goods not for the purpose of sale but for personal consumption. Will it be a business activity? Why?	1
5	Mention the type of deposit account which is suitable for business organization. Why?	1
6	Why are equity share holders referred to as ‘residual owners’?	1
7	What is the parameter used by the government to identify manufacturing enterprise.	1
8	Name any two forms in which commercial banks give loans and advances to business firms.	1

9	<p>Mr. Dino is running a textile shop. He insured the shop for ₹ 1,00,000 against natural calamities. After this the shop was completely destroyed by fire due to electric short circuit. He claimed for compensation. But the insurance company refused to admit the claim on the ground that the shop was insured against natural calamities.</p> <p>a. Can you justify the decision of insurance company?</p> <p>b. Which principle of insurance is applicable here?</p> <p>c. State other principle of insurance with an example. (Any one)</p>	3
10	<p>Your friend Sreekumar intends to start a garment making unit. But he is not aware of the possible risks that he may have to face in his new venture. Advise him about any three causes of business risks with examples.</p>	3
11	<p>Successful companies re-invest a part of their profits in their business. This source of finance is considered to be better than other sources. Establish the gravity of the statements by indicating the merits of 'ploughing back of profits'.</p>	3
12	<p>Mr. Ashok wants to deal in a particular branded commodity alone. He wants to have branches all over in the country. Explain to him the suitable type of selling and also its merits.</p>	3
13	<p>Small scale industrial sector has an important role in Indian economy. To meet the financial and developmental needs of small business in India a separate bank has been set up.</p> <p>a. Give the name of the bank and any two financial assistance provided by the bank.</p> <p>b. Also describe any two role of small scale industries in India.</p>	3
14	<p>An industrial unit, working in a backward area opens schools for education at nominal cost for the children of its employees and local people. The organization also pays fair wages and entertainment rooms have been made for all employees. Which values have been considered here?</p>	3
15	<p>Identify and explain the following public sector enterprises.</p> <p>a. Business organization established by the government and controlled by the Ministry concerned.</p> <p>b. Organisation established by the government and registered under the Companies Act.</p>	4

	<p>c. It is managed by the government and is subject to budgetary, accounting and audit control.</p> <p>d. Organisations incorporated under a Special Act of Parliament or State Legislature.</p>	
16	What is WTO? Discuss its role.	4
17	Compare the status of a minor in a Joint Hindu Family business with that in a partnership firm.	4
18	Write a note on various postal services offered by Indian Postal Department.	4
19	Pattambi Club decided to conduct an exhibition on the subject 'Social Responsibility of business towards owners and employees'. Specify the various responsibilities to these groups with the help of two chart.	4
20	Akhil, a businessman, wanted to know why the Business Process Outsourcing has emerged as a business activity all over the world. How will you convince him by stating the advantages of Business Process Outsourcing (BPO)?	5
21	The directors of a company have decided to modernize the plants and machinery at an estimated cost of rupee one crore; but could not decide whether to issue equity shares or preference shares for the purpose. As finance manager of the company, advise the directors whether to issue equity shares or preference shares.	5
22	Itinerant traders have been an integral part of internal trade in India. Explain the different types of such itinerant traders found in India.	5
23	"Profit is not an objective but a requirement of business". Do you agree with this statement? Support your answer with reason.	5
24	<p>Shikha is a sole proprietor. Over the past decade, her business has grown from operating neighbourhood corner shop selling accessories such as artificial jewellery, bags, hairclips, nail polish to a retail chain with three branches in the city. Although she looks after the varied functions in all the branches, she is wondering whether she should form a company to better manage the business. She also has plans to open branches countrywide.</p> <p>a. Explain three benefits of remaining a sole proprietor.</p> <p>b. Explain two benefits of converting to a joint stock company.</p> <p>c. What role will her decision to go nationwide play in her choice of form of the organisation?</p>	6

25	Explain the main steps taken by the Government of India for the promotion of small scale sector.	6
26	What is E – Banking? What are the advantages of E – Banking to the customers and banks?	6
27	Rishi is a planter and trader of spices in Waynad. In the Global Spices Meet held at Kochi, he got an order to export spices to Germany. But he is not aware of the export formalities. Support Rishi by briefly explaining the initial six export procedures to carry out exporting smoothly.	6
