



**INDIAN SCHOOL SALALAH**  
**FIRST TERM EXAMINATION – SEPTEMBER 2024**



**Class: XI**

**BUSINESS STUDIES (054)**

**Date: 30/09/2024**

**Time: 3 Hours**

**Maximum Marks: 80**


*General instructions:*

1. This question paper contains 34 questions in 7 pages.
2. Marks are indicated against each question.
3. Answer should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together

1	Which of the following is not a characteristic of a cooperative society? (a) Membership is open to all, irrespective of their religion, caste and gender. (b) The society can enter into contracts and hold property in its name, sue and be sued by others. (c) In a cooperative society, the power to take decisions lies in the hands of all the members of society. (d) Cooperative Society through its purpose lays emphasis on the values of mutual help and welfare.	1
2	A person gets his stock of ₹ 50,000 insured for ₹ 70,000. A fire occurs and the whole stock gets damaged. The insurance company will pay him only ₹50,000 not ₹70,000. Which principle of insurance is applied in this case? (a) Principle of contribution (b) Principle of subrogation (c) Principle of Indemnity (d) Principle of Insurable interest	1
3	The society aims to fight against the big capitalists and enhance the bargaining power of the small producers. Select the type of cooperative society highlighted in above case (a) Consumers cooperative societies (b) Marketing cooperative societies (c) Producers cooperative societies (d) Farmers' cooperative societies	1

4	<p>Mr. Kabir Singh desires to deposit a fixed amount of money on an annuity basis for a fixed period. The bank ensures to give a higher rate of interest, but the money cannot be withdrawn before the expiry of that fixed term except for special circumstances.</p> <p>(a) Saving account (b) Current account (c) Multiple options account (d) Recurring deposit account</p>	1
5	<p>Where national security is concerned..... is the best form of the organisation.</p> <p>(a) Private Company (b) Public Company (c) Departmental Undertaking (d) None of these</p>	1
6	<p>_____ is a corporate body created by legislature with defined powers and functions and is financially independent with a clear control over a specified area or a particular type of commercial activity.</p> <p>(a) Departmental undertaking (b) Government companies (c) Statutory corporations (d) Joint Stock Companies</p>	1
7	<p><b>Assertion (A):</b> A major disadvantage of sole proprietorship is that the owner has unlimited liability. <b>Reason (R):</b> If the business fails, the creditors can recover their dues from the business assets.</p> <p>(a) Both A and R are true. R is the correct explanation of A (b) Both A and R are true, but R is not the correct explanation of A (c) A is correct, but R is incorrect (d) A is incorrect, but R is correct</p>	1
8	<p>Rajan and Raman are doing separate business of installing centralized air conditioning units in Delhi. They enter into a partnership contract to install centralized AC unit in a hotel in Chandigarh, which states that it can continue as long as the partners want and is terminated</p> <p>Which type of partnership is being highlighted here?</p> <p>(a) Partnership at will (b) Particular partnership (c) Limited partnership (d) General partnership</p>	1
9	<p>JPMG is one of the largest transportation industry in India provides services for different projects including residential, commercial office, retail, industrial, logistics, hospitality and other areas too. It's a familiar name among the business houses in the country because of the large dependency factor. Which type of Industry discussed in the above case?</p> <p>(a) Genetic Industry (b) Tertiary Industry (c) Processing Industry (d) Assembly Industry</p>	1
10	<p>“Profit may be regarded as an essential objective of business.” Which of the following does not explain the above statements?</p>	1

	<p>(a) It is a source of income for business persons.  (b) It can be a source of finance for meeting expansion requirements of business.  (c) It builds the reputation of a business enterprise.  (d) It helps in fulfilling the social responsibility.</p>											
11	<p>Without disclosing that he is suffering from Tuberculosis (TB), Mr. A gets himself insured against death for rupees 10 lakhs. He lives for another three-four years and dies due to TB. The insurance company comes to know about Mr. A's illness only after his death. Now, under these circumstances the insurance company is not liable to pay anything to the dependents of Mr. A as the contract between the insurance company and Mr. A is void. Identify the principle of insurance to which the above example related:  (a) Utmost good faith  (b) Insurable interest  (c) Indemnity  (d) Subrogation</p>	1										
12	<p>Match the following and choose the correct answer.</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left; width: 50%;"><b>COLUMN I</b></th> <th style="text-align: left; width: 50%;"><b>COLUMN II</b></th> </tr> </thead> <tbody> <tr> <td>A. Company</td> <td>- I. Owner takes all decisions, quick decision making</td> </tr> <tr> <td>B. Cooperative Society</td> <td>- II. Separation between ownership and management</td> </tr> <tr> <td>C. Hindu Undivided Family</td> <td>- III. Elected representative managing committee takes decisions</td> </tr> <tr> <td>D. Sole Proprietorship</td> <td>- IV. Karta takes decision</td> </tr> </tbody> </table> <p>(a) A-I , B-III, C-IV, D-II  (b) A-II , B-III, C-IV, D-I  (c) A-III , B-II, C-IV, D-I  (d) A-II , B-IV, C-III, D-I</p>	<b>COLUMN I</b>	<b>COLUMN II</b>	A. Company	- I. Owner takes all decisions, quick decision making	B. Cooperative Society	- II. Separation between ownership and management	C. Hindu Undivided Family	- III. Elected representative managing committee takes decisions	D. Sole Proprietorship	- IV. Karta takes decision	1
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13	<p>Siva Ltd invited application of shares of 1,20,000 for public subscription. Calculate minimum subscription to be received by the company  (a) ₹ 1,00,000  (b) ₹ 1,08,000  (c) ₹ 1,80,000  (d) ₹ 1,20,000</p>	1										
14	<p>ABC Ltd is a leading marketing company of soft drinks. It's 32% of total paid up capital is held by Central Government and 21% is by Delhi government. Identify the form of public sector enterprise mentioned above.  (a) Departmental undertaking  (b) Government company  (c) Statutory corporation  (d) Joint stock company</p>	1										
15	<p>Fraud by employee is a type of business risk _____  (a) Natural causes  (b) Economic causes  (c) Financial causes  (d) Human causes</p>	1										

16	<p>The capital of the company is divided into number of parts each of which is called _____. a) Dividend b) Profit c) Interest d) Share</p>	1
17	<p>Mr Shenoy wanted to start business of supplying readymade garments. That he was wondering about how much profit or return on investment he would be able to earn. This situation reflects which characteristic of business? (a) Economic activity (b) Profit earning (c) Uncertainty of return (d) Element of risk</p>	1
18	<p>Assertion (A) Profit earning is essential for the survival, growth and expansion of any business. Reason (R) It is the sole objective of all business firms. (a) Both A and R are true. R is the correct explanation of A (b) Both A and R are true, but R is not the correct explanation of A (c) A is correct, but R is incorrect (d) A is incorrect, but R is correct</p>	1
19	<p>Identify the service highlighted in the picture.</p>  <p>(a) Banking (b) Communication (c) Insurance (d) Advertisement</p>	1
20	<p>Assertion (A): The central Government of India has established a department which is considered as an extension of the ministry itself. Reason(R): LIC is the example of such department. On the basis of above Assertion and Reason choose the correct answer from the options given below. (a) Both Assertion and Reason are correct and the Reason is a correct explanation of the Assertion. (b) Both Assertion and Reason are correct but Reason is not a correct explanation of the Assertion. (c) The Assertion is correct but Reason is incorrect. (d) Both the Assertion and Reason are incorrect.</p>	1

21	<p>Max Ltd, a foreign company, started its business in a under-developed country. The size of the business is quite large. The company has plenty of resources. It employs thousands of people in the under-developed country. The raw materials used by the company are readily available here. However, since there was not demand for these raw materials here, the producers were unable to get the best price for it. Due to this reason, the producers were discouraged. Some local businessmen used to act arbitrarily earlier, but now they have corrected themselves. The reason for their becoming better is competition with the foreign company. Now their arbitrary approach has ended altogether. Max Ltd. is using completely the latest technology in its various business activities. As a result, the local people also have got the opportunity to learn the new technology. Because of using the modern technology and doing production at a large scale, the company's cost of production is very low. Because of its huge size and statues, the company occupied a dominant position in the market and took over some domestic firms.</p> <p>(a) Which type of business enterprise is referred to in the above para?  (b) State any two features of the enterprise identified in (a) by quoting the lines from the above para.</p>	3
22	<p>Three friends Arun, Tarun and Varun are engaged in different types of activities to earn their livelihood. Arun describes his occupation by saying that, transfer of interest is not possible in case of my occupation and at the same time it does not require any capital investment." Tarun remarks," in my occupation also transfer of interest is not possible, but one needs to possess high degree of specialized knowledge in a particular field." Varun shares that, in his occupation transfer of interest is possible with some formalities and also capital investment is essential. In context of the above case:</p> <p>(a) Identify the different types of economic activities in which Tarun and Varun are involved.  (b) Give any two points of difference that have not been mentioned in the above para between the activities in which Tarun and Varun are involved.</p>	3
23	<p>Explain the following types of Banking Services:</p> <ol style="list-style-type: none"> <li>a) Bank Draft</li> <li>b) Bank Overdraft</li> <li>c) E-Banking</li> </ol>	3
24	<p>Shakti Ltd. issues ₹ 1,00,000 shares of ₹ 10 each for public subscription . Application (along with money) are received for 80,000 shares. Can the company allot these shares? Explain.</p>	3
25	<p>What is business risk? Explain its nature. (Any three)</p>	4
26	<p>Gopal Sharma and Balram Sharma are two brothers, who inherited some ancestral property. They decided to form a Hindu Undivided Family (HUF) business consisting of four male members. Gopal Sharma is the elder brother. So he became 'Karta' . The business took a loan of Rs. 20 lakh form Punjab National Bank having maturity period of 5 years. Due to poor financial position of the business, they were unable to repay the loan. They sold the ancestral property for Rs. 10 lakh and paid the same to Punjab National Bank. They could not pay the</p>	4

	<p>balance amount of loan with interest. The bank filed a case for the purpose of business, therefore, all the members of the business were liable to repay the loan. The court held that all other members were responsible only to the extent of their share in business, and the business property was already sold. However, Gopal Sharma, being 'Karta' would have to repay the balance amount even by selling his personal properties. Gopal Sharma had to sell some of his personal assets to repay the balance amount of bank loan.</p> <p>(a) Is the court's decision justified ? Give reasons in support of your answer. (b) State any three other features of HUF businesses.</p>	
27	What is PPP? Explain.	4
28	Explain the first four steps taken by Promoters in the Promotion of a Company.	4
29	<p>Zeenat has recently completed her course in Fashion Designing from NIFT. Now her father wants her to do something creative. He has no consideration for earning money. He wants that Zeenat should teach fashion designing to those girls who have great interest in it but have failed to get admission to the Fashion Designing Course because of their poor financial position. His aim is to help the girls from poor families. so he gave ₹ 10 lakh to Zeenat to establish a Fashion Designing Centre. 50 girls could take admission in this centre. Zeenat announced nominal fees to be charged for admission. Within one week of the opening of the centre, all the seats were filled. After getting training in this centre, it became popular. She spent ₹ 5 lakh out of the total ₹ 10 lakh on infrastructure and other things, and the remaining ₹ 5 lakh she deposited in the Savings Account of a bank. One of her friends was a bank employee. She advised Zeenat that instead of keeping ₹ 5 lakh in the Saving Account, She should keep them in Fixed Deposit Account. But Zeenat replied that she would need money any time and so she could not keep her money in such a bank account which would serve the purpose of both, the Savings Account and the Fixed Deposit Account. From this account she could withdraw money as and when needed and a definite amount would continue to get automatically transferred to the Fixed Deposit. Zeenat opened the account with her bank.</p> <p>a) Identify and explain the type of Bank Account which Zeenat's friend advised her to open in the bank. b) Explain any other two types of Bank Account.</p>	4
30	<p>Shreya and Vrinda joined together and established a partnership firm dealing in electronic goods. Each one of them looks after one particular department . They had made it certain that every Saturday they would hold a meeting and share the information on the activities of their respective departments . In one of their meetings, they discuss about some key areas on which they should focus their attentions. Shreya says, " we should focus on increasing the number of products and profits ." On the other hand , Vrinda says , " we should keep clear of the anti-social activities like adulteration , hoarding and profiteering , and contribute to the benefits of the society like opening charitable dispensary, educational institutions , etc.</p> <p>What are the objectives of business Shreya and Vrinda focusing on ? Explain.</p>	4
31	<p>Identify and explain the principle of insurance for each of the following statements:</p> <p>a) The insured is expected to disclose all the important facts related to the Property insured.</p>	6

	<p>b) Insurer is not liable for any uninsured causes or perils.</p> <p>c) Insured must have some economic interest in the subject matter of Insurance.</p> <p>d) Insurer can stand in the position of the insured once the claim is settled.</p> <p>e) The insured cannot claim total loss from each insurer, if he has more than one policy.</p> <p>f) Insured is entitled to recover the loss suffered by him, up to the limit of Policy amount.</p>	
32	<p>After completing their graduation Salman and Ram decided to set up a flour mill to earn income. Their main job is to purchase wheat from the market and have ground it into flour. Their flour is available in the packets of 5 kg 10 kg and 20 kg. They sell these under the brand name 'Desh ka Atta', and earn a reasonable profit of 10% on cost. They worked very hard to flourish the business on a regular basis, and hence in no time their brand became very popular in the market. The main reasons for the success of their business are superior quality and low price. Their business was running very well. But one day, the flour mill caught fire, and as a result they had to suffer a heavy loss. However, Salman and Ram did not lose their heart and worked even harder. Gradually, their business was back to normal. Now, they are fully satisfied with their business</p> <p>Quoting the lines from the above para, explain any four characteristics of business.</p>	6
33	<p>Bharat Heavy Electricals Limited (BHEL) was founded in the year 1964 by the Government of India. It is the largest power plant equipment manufacturer in the country with 74% market share in the power sector. It has a network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 service centres, 8 overseas offices, 15 regional centre, 7 joint ventures, and infrastructure allowing it to execute more than 150 project at sites across India and abroad. It has been granted the prestigious Maharatna (big gem) status in the year 2013 by Government of India for its outstanding performance and vast scale. Maharatna status affords the Boards of these companies enhanced financial and operational autonomy. In context of the above case:</p> <p>(a) How will you classify Bharat Heavy Electrical Limited (BHEL) as a form of public sector enterprise?</p> <p>(b) State any four features of the form of public sector enterprise as identified in part (a) of the question.</p> <p>(c) Explain briefly financial and operational autonomy as a merit of the type of public sector enterprise as identified in part (a) of the question.</p>	6
34	<p>What is 'Memorandum of Association'? Briefly explain its clauses.</p>	6

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