ROLL NO. | | | | | |

INDIAN SCHOOL SALALAH

FINAL EXAMINATION, FEBRUARY 2025 (AY 2024-25)

Class: XI **BUSINESS STUDIES (054)** **Date: 13/02/2025**

Time: 3 Hrs **Maximum Marks: 80**

General instructions:

1. *This question paper contains 34 questions in 9 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	Investment limit in plant and machinery for medium service enterprises is: (a) ₹ 1 crore (b) ₹ 5 crore (c) ₹ 10 crore (d) ₹ 50 crore	1
2	Which of the following is not a service provided by retailers to consumers? (a) Regular availability of products (b) New product information (c) Collecting market information (d) Covenience in buying	1
3	Which of the following payment methods is not used in a mail order business? (a) Payment only through cash on delivery (b) Full Payment in advance (c) Value Payable Post (VPP) (d) Delivery through a bank	1

4	Swad Agro's owner got his mill insured against fire from Oriental Insurance Company. At the time of getting his mill insured, he did not disclose to the insurance company that the electricity department had just issued them the notice to get their old electric wires changed at the earliest. After three months of insurance, the mill caught fire on account of the old electric wires. The mill owner could not get compensation. Which principle of insurance is violated here? (a) Indemnity (b) Insurable interest (c) Contribution (d) Utmost good faith	1
5	Vijay wanted to sell his motorbike but could not get any buyer. On his friend's suggestion he posted the sale on olx.com and found a buyer within three days. Name the type of e-business. (a) B2B Commerce (b) B2C Commerce (c) C2C Commerce (d) C2B Commerce	1
6	Unique enterprise is dealing in auto spare parts. With the expansion in business the enterprise found that the decisions are delayed and level of coordination is coming down. The CEO of the company called for a meeting of all the managers. Ayush, a newly appointed manager suggested that company should have its own internet so that all the employees can interact and pass important information to each other through internet. Even short meeting of different departments can be conducted through Video conferencing to take fast action. The CEO liked the idea and installed an internet connection for (a) C2C (b) IntraB (c) B2C (d) B2B	1
7	**Assertion:** Itinerant retailers usually deal with consumer products of daily use. **Reasoning:** Their primary focus is on providing convenience and accessibility to customers by selling essential goods. (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	1
8	Which of the following is a key objective of the Marketing Assistance Scheme? (a) To reduce the operational costs of MSMEs (b) To provide training on technological advancements for MSMEs	1

	(c) To showcase the competencies of MSMEs (d) To offer financial assistance for product development	
9	Which of the following statement is not true for raising funds through issuing preference shares? (a) Preference shares provide reasonably steady income in the form of fixed rate of return and safety of investment. (b) Preference shares are useful for those investors who want fixed rate of return with comparatively low risk. (c) It affects the control of equity shareholders over the management as preference shareholders have voting rights. (d) Preference capital does not create any sort of charge against the assets of a company.	1
10	Laxmi puts her stall of clips, hair bands every Saturday in the nearby Saturday market. What type of itinerant retailer is she? (a) Peddler (b) Cheap Jack (c) Street Trader (d) Market Trader	1
11	Which of the following statements is false about the incentives offered by the government to small scale industries? (a) Availability of land at concessional rates (b) Supply of power at 50% and even exemption of payment for power (c) Exemption form sales tax for 5 years (d) Raw materials are supplied at 50% concession	1
12	Match the following and choose the correct answer. COLUMN I COLUMN II A. The document containing the rules, regulations and bye-laws of a company (i). Articles of Association , B.The document inviting subscriptions for the shares and debentures (ii) Memorandum of Association C. The amount of money which must be raised before allotment of shares- (iii). Prospectus D. The principal document of a company (iv). Minimum subscription (a) C-(i) , B-(iii), A-(iv), D-(ii) (b) D-(i), B-(iii), C-(iv), A-(ii) (c) A-(i) , B-(iii), C-(iv), D-(ii) (d) A-(i) , C-(iii), B-(iv), D-(ii)	1
13	Jupiter Ltd. is a well known manufacturer of sanitary fittings. Recently, company was short of funds for meeting its day-to-day expenses. So, the company approached one	1

	of its suppliers to grant 60 days' credit on purchase of raw material. On the basis of creditworthiness of Jupiter Ltd., the supplier granted the credit. Identify the source of finance highlighted in the above case. (a) Trade credit (b) Inter Corporate Deposits (c) Public Deposits (d) Indian Depository Receipt	
14	"An enterprise must protect the natural environment and should avoid bad, effluent, smoky chimneys, ugly buildings and dirty working conditions. It must also develop a proper image in society through a continuous interaction with various groups of people." The given statement highlights the social responsibility of business towards the _____. (a) shareholders or owners (b) workers (c) consumers (d) government and community	1
15	e-commerce does not include _____. (a) A business's interactions with its customers (b) Interactions among the various departments within the business (c) A business's interactions with its suppliers (d) Interactions among the geographically dispersed units of the business	1
16	Which of the following is true about the ease of formation between traditional business and e-business? (a) Traditional businesses are simpler to form due to lower regulatory requirements. (b) E-businesses are more difficult to form due to the need for physical infrastructure. (c) Traditional businesses are more difficult to form due to the requirement of physical facilities. (d) E-businesses do not require any formation process.	1
17	Assertion (A): The exporter need not wait for the payment till the release of money by the importer. Reason (R): The exporter can get immediate payment from his/her bank on the submission of documents by signing a letter of indeminity. (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	1
18	Which hindrance of trade is removed by the activity highlighted in the picture.	1

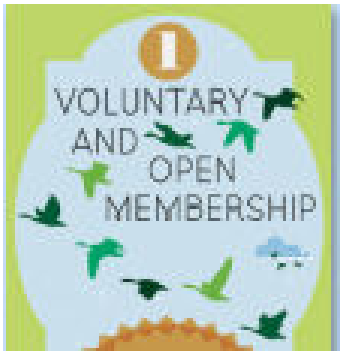
(a) Hindrance of Persons
(b) Hindrance of Place
(c) Hindrance of Time
(d) Hindrance of Risk

19 Match the columns and choose the correct alternative: 1

Column I	Column II
A. General stores	i. These shops deal in used goods, like books, clothes, automobiles, furniture and other household goods.
B. Specialty Shops	ii. Shops located in a central place where a large number of customers can be attracted, provide a wide choice to the customers in the selection of goods and specialize in the sale of a specific line of products.
C. Street stall holders	iii. These shops carry a stock of a variety of products required to satisfy the day-to-day needs of the consumers residing in nearby localities.
D. Second-hand goods	iv. These small vendors are commonly found at street crossings or other places where flow of traffic is heavy.

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

20 Suresh runs an online bookstore. His customers can browse through a wide variety of books at any time, day or night. They can place orders from anywhere and have the books delivered to their doorstep. This convenience is one of the reasons why his online store has become so popular. 1
What is the main advantage that Suresh's online bookstore offers to customers?

	(a) Ease of formation and lower investment requirements (b) Convenience (c) Speed (d) Movement towards a paperless society	
21	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 status, the company occupied a dominant position in the market and took over some domestic firms. (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.	3
22	a) Identify the form of organization from one of the features of this form depicted in the image below. b) Describe any three key features of this type of organization. 	3
23	An international organisation was established to replace General Agreement on Trade and Tariff (GATT), with its headquarters located in Geneva, Switzerland. This organisation achieved global status similar to IMF and World Bank. (a) Identify and explain the organisation. (b) State four objectives of its formation.	3

24	"Manufacturing industries may be further divided into four categories on the basis of method of operation for production." Explain any three such industries.	3
25	"There is a strong case for the business to fulfill its social obligations." Give four reasons in support of your answer.	4
26	Ganga Pvt. Ltd. Is a reputed company manufacturing computers. The company is earning a considerable profit. Both the proprietors and the employees are putting their best efforts to make good quality products available to the customers at a low price, paying its shareholders a good amount of dividends and the employees a reasonable remuneration. This contributes to the successful operations of the business. With increased profits over time, the company's foundation becomes strong, and it earns a good reputation in the society. It utilises its profits to finance its growth and expansion requirements. Explain the role of profit in business of Ganga Pvt. Ltd by quoting the lines from the above para.	4
27	Willam, Who surenty running an online service in name - Cab available for rent, felt that there was a new opportunity of providing on-line restaurant food to people of Delhi. He analyzed the idea in terms of technical, financial and economic feasibility.Once he found all the aspects to be satisfactory, he decided to start a company named - 'Lubercats'. He got the name registered with the registrar of companies and prepared the necessary documents. (i) Identify and explain the step in formation of a company highlighted in above case. (ii) Enumerate the next step to be followed after the completion of the step identified in part (i) above.	4
28	Krishna Pvt . Ltd. is facing the shortage of long-term finance as it is a period of depression in the economy. The experts were consulted to determine the source of finance the company should raise. One financial advisor , Mr. Ram , advised that the company should use such a security on which it has a tax advantages and there is no dilution of control of the shareholders. Another finace finance specialist, Mr. Shiv advised that the company should not issue any debt or equity security but raise such a source of long-term finance which can be redeemed in easy instalments. Quoting the relevant line from the above para, identify and explain the sources of finance suggested by the two specialist, Mr. Ram and Mr. Shiv.	4
29	"Indian Railways" is a part of Railway Ministry. It is organised, financed and controlled by Railway Ministry. The finances an allocated from government treasury and whatever revenue it earns is deposited to government treasury only. It is treated as a part of government and even the appointment, recruitment and selection of employees is done in the same way as that of civil servant. (a)Name and explain the type of public sector enterprise 'Indian Railways' is.	4

	(b) What is the status of employees working in Indian Railways? (c) How does it get its finance? (d) What does it do with its revenue?	
30	Descibe the role of following in promotion of Small Industries in India. (a) National Small Industries Corporation (NSIC) (b) District Industrial Centres (DICs)	4
31	There is a popular retail store chain called "QuickShop" that has several branches across the city. All stores sell the same brand of consumer products such as snacks, beverages, and toiletries. Each store has a similar layout, and prices for all products are fixed and the same across all branches. "QuickShop" operates under a central management system where the head office procures products and sends them to each branch. The sales at each store are managed by a Branch Manager, who reports to the head office. A large retail store named "The Grand Mall" located in the heart of the city. The store has a variety of departments such as clothing, electronics, furniture, and groceries. Customers can find everything they need under one roof, and the store offers services like home delivery, credit facilities, and even a restaurant. The store operates on a large scale, has a managing director, and aims to provide high-quality service to its customers. a) Identify and explain the type of retail trade done by QuickShop and The Grand Mall. b) Also state any four features of each.	6
32	Mr. Nayak is planning to import textile machinery from U.S.A. His company has already procured import license and IEC number. For making payment for the imports, the company has already obtained foreign exchange, the order and obtained letter of credit from its bank. Explain in brief the remaining steps that Mr. Nayak's company needs to perform in order to complete the import procedure.	6
33	Mr. Raghav is the owner of a chain of electronics stores. Over the years, he has seen a significant increase in customers opting for digital payments over cash. To make the shopping experience more convenient and secure for his customers, Mr. Raghav has decided to implement a wide range of digital payment methods both in-store and online. These include various forms of electronic transactions, which cater to the preferences of his diverse customer base. a) What is e—banking? b) Explain any two features of e-banking. c) Name any 4 digital payment methods Mr. Raghav has integrated into his business	6

34	Read the following and answer the questions that follow on the basis of the same and your previous knowledge: A business can raise funds from various sources. Each of the source has unique characteristics, which must be properly understood so that the best available source of raising funds can be identified. There is not a single best source of funds for all organisations. Depending on the situation, purpose, cost and associated risk, a choice may be made about the source to be used. For example, if a business wants to raise funds for meeting fixed capital requirements, long term funds may be required which can be raised in the form of owned funds or borrowed funds. (a) Distinguish between owners' funds and borrowed funds. (Any 2 points) (b) Explain any two sources each of owners' funds and borrowed funds.	6

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