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INDIAN SCHOOL SALALAH
FINAL EXAMINATION, FEBRUARY 2026 (AY 2025-26)



Class: XI

BUSINESS STUDIES (054)

Date: 12.02.2026

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	<p>Sita is a practicing Chartered Accountant. She has her C.A.Firm at Ranchi. She deals in providing Income Tax and GST related services to her clients against very reasonable consultancy fees. She has her own professional coaching classes for C.A. enrolled Students. Identify the types of economic activities performed by Sita as referred in the above case.</p> <p>(a) Business</p> <p>(b) Profession</p> <p>(c) Employment</p> <p>(d) None of the above</p>	1
2	<p>The Indian government launched the METRO project, in which the private sector was invited to participate in order to get the advantages of the private sector's efficiency, in order to address the challenges, the public encountered with the transport system. The project was a huge success because millions of people are using the metro to travel from one location to another.</p> <p>(a) Identify the business type described last in the sentence above.</p>	1

7	<p>RITIKA an electronic engineer after completing her MBA from IIM Kolkata, wants to open her own business of generation of electricity through garbage. She knew that the demand for electricity is increasing day by day whereas it's generation is not sufficient. Secondly, India is facing the problem of garbage disposal also. She shared her business idea with some of her friends and they all liked it and agreed to join the business as owners. After detailed investigation about the idea, i.e., economically viable, technically feasible, RITIKA gave her idea a practical shape and got her company incorporated as "Eco Electricity Ltd." After incorporation, the company issued share capital of 1 crore in the capital market. RITIKA wants to open her own business of generation of electricity through garbage. Specify the category of such type of industry.</p> <p>(a) Analytical (b) Extractive (c) Synthetic (d) Processing</p>	1
8	<p>Richa was discussing with her grandmother about the traditional business of her time when business was done physical presence of both buyer and seller. But today the modes of doing business are totally changed. Which of the following is not the emerging mode of business?</p> <p>(a) Innovation (b) Electronic Business (c) Digitization (d) Globalization</p>	1
9	<p>Geeta has ₹20,000 in her account. She doesn't have any use of these for two years. To earn more interest which type of bank account she would be opened with the bank?</p> <p>(a) Recurring Deposit (b) Fixed Deposit (c) Current Account (d) Saving Account</p>	1
<p>Read the following text and answer question no.10-12 on the basis of the same:</p> <p>Saksham Ltd. A firm manufacturing textile, wished to diversify their business. They were considering two options, either to diversify into manufacturing toothpaste or switches. They</p>		

	wanted to invested in the purchase of land, to set up a manufacturing unit in the backward areas of Gujarat. The finance manager of the company, Mr. Ramakant was asked by the management to do the financial planning by identifying most suitable source of raising long-term funds for financing the investment decisions and short-term sources for working capital decisions.	
10	Mr. Ramakant was asked by the management to do the financial planning by identifying most suitable source of raising long-term funds for financing the investment decisions. Identify which of the following is not the long-term source of finance: (a) Equity Shares (b) Preference shares (c) Retained earnings (d) Public deposits	1
11	Name the source of finance having least financial risk on the business: (a) Debentures (b) Trade credit (c) Equity shares (d) Public deposits	1
12	This is a short-term source of finance extended by one trader to another for the purchase of goods and services. It facilitates the purchase of suppliers without immediate payment. Identify the source of finance stated above: (a) Commercial paper (b) Retained earnings (c) Subsidy (d) Trade Credit	1
13	Assertion (A): It is in the long-term interest of a business to assume social responsibility. Reason (R) Better social relationship improves its public image and prospects of growth in the long-run. (a) Both (A) and (R) are true and (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 true, but (R) is false (d) (A) is false, but (R) is true	1

14	<p>Sonal Pvt. Ltd. Is a garment manufacturing company. It decided to expand its business to foreign markets. Soon Company got an order from the USA and was able to get the benefit of large production and reduction in cost'. Which benefit of International Business to firms is being discussed?</p> <p>(a) Increased capacity utilisation (b) Increase standard of living (c) Prospectus for growth (d) Earning of foreign exchange</p>	1		
15	<p>Where is WTO headquartered?</p> <p>(a) Uruguay (b) Doha (c) Geneva (d) Washington</p>	1		
16	<p>Match the types of enterprises in Column A with their corresponding investment in plant & machinery/equipment (for manufacturing and service sectors) in Column B, as per the MSMED Act (2020 revision).</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Column A (Type of Enterprise)</p> <p>A. Micro Enterprise B. Small Enterprise C. Medium Enterprise</p> <p>Options:</p> <p>a) A-2, B-3, C-1 b) A-1, B-2, C-3 c) A-2, B-1, C-3 d) A-3, B-2, C-1</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Column B (Investment Limit in Plant & Machinery/Equipment)</p> <p>1. Investment not exceeding ₹50 crore 2. Investment not exceeding ₹1 crore 3. Investment more than ₹1 crore but not exceeding ₹10 crore</p> </td> </tr> </table>	<p>Column A (Type of Enterprise)</p> <p>A. Micro Enterprise B. Small Enterprise C. Medium Enterprise</p> <p>Options:</p> <p>a) A-2, B-3, C-1 b) A-1, B-2, C-3 c) A-2, B-1, C-3 d) A-3, B-2, C-1</p>	<p>Column B (Investment Limit in Plant & Machinery/Equipment)</p> <p>1. Investment not exceeding ₹50 crore 2. Investment not exceeding ₹1 crore 3. Investment more than ₹1 crore but not exceeding ₹10 crore</p>	1
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21	<p>Unlike a partnership or a sole proprietorship firm, this form of business organisation is separate from its owners. It is a separate legal entity and no single member is liable for such an organisation's activities. Such a firm will not depend on any owner or shareholder to decide its future course of action. Irrespective of members come and go; shares are bought and sold, dividends are earned and distributed; such a form of business organisation goes on. It is managed democratically, by the representatives chosen from the shareholders.</p> <p>a) Identify the form of business organisation highlighted in the above case. b) Mention and explain any two features of that form of organisation highlighted in above case.</p>	3
22	<p>“Profit is not an object of business but a requirement of business.” Do you agree with this statement? Support your answer with reasons.</p>	3
23	<p>Puma stores are networks of retail shops owned and operated by Puma Company. These shops operate in different parts of country. One can easily identify these shops in any part of the country as they have same appearance, even their interior is also identical. All the shops are supplied the goods from head office only and all the policies for all branches are made by head office only.</p> <p>Even store sells some goods at uniform prices.</p> <p>(a) State the type of retail store mentioned in above case. (b) State any two features of it.</p>	3
24	<p>Discuss the objectives of WTO?</p>	3
25	<p>Gopal is a manufacturer of readymade kids garments. He sells his products through various dealers across the country. However, his sales are decreasing over the years. Recently, his wife gifted him a T-Shirt, which she had ordered through Myntra (an Online Shopping Site for Fashion and Lifestyle). This gave Gopal an idea to start selling his products online.</p> <p>State any four benefits that Gopal can get through e-business.</p>	4
26	<p>Deepak has taken fire insurance policy of ₹9,00,000 for his factory. Due to fire, he suffered a loss of ₹ 6,00,000. He claimed the loss from the insurance company and he gets the compensation within a month. Goods that were lost by fire were scrapped for ₹ 70,000. Deepak wants to keep this money with himself, while the insurance company claims that ₹70,000 should be handed over to the company.</p> <p>a) Identify and explain the principle of insurance which is applicable in the given case b) Mention two other principles of insurance other than above.</p>	4

27	Explain the social responsibilities of business towards owners, consumer, employees, government and community (Explain any two)	4
28	<p>Harmeet Singh owns a large-scale retail outlet in Chandigarh. He deals with various kinds of products in his shop like textiles, footwear, cosmetics, stationery, Grocery, etc. He sells them in different divisions in his big shop. In contest of the above case.</p> <p>1. Identify the type of retail outlet being described in the above lines. 2.State any three features of that outlet.</p>	4
29	<p>The directors of a company have decided to expand the business activities by purchasing fully automatic machinery worth ₹ 80 crores. As a finance manager, advise the directors about the various sources of finance available to the company.</p> <p>Explain the various source of finance advice by the finance manager(any four)</p>	4
30	<p>”Non availability of finance to buy input and plant and machinery deprives many new entrepreneurs from availing opportunities”.</p> <p>(a) Identify the government Institution established to cater to this need of entrepreneurs. (b) Mention any three functions of this institution.</p>	4
31	<p>Identify and explain the document highlighted in the following statements.</p> <ol style="list-style-type: none"> 1) This certificate specifies the origin of goods exported 2) This document is issued by the commanding officer of the ship to the exporter after the cargo is loaded on the ship. 3) This document is prepared by shipping company to acknowledge the receipt of goods on ship. 4) This document is the most appropriate and secure method of payment to settle international transactions. 5) On the basis of this document customs office grants permission for the export. 6) This document is prepared by the importer and it shows the detail of goods imported and is used by custom authorities to determine import duty. 	6
32	<p>(A) The Government of India has entered into a contract with a private sector company for developing a national highway. Under which the company will develop the highway and charge toll tax from vehicles plying on it. Name the form under which such a project is undertaken and explain any two of its features.</p>	6

	<p>(B) Bharat Heavy Electricals Limited (BHEL) owned and founded by the Government of India, is an engineering and manufacturing company based in New Delhi, India. It was established in 1964. BHEL is India's largest power generation equipment manufacturer. It is managed by the board of directors nominated by the government. As government is the majority shareholder, it exercises control over the affairs of the company</p> <p>(i) How will you classify BHEL as a form of public sector enterprise?</p> <p>(ii) BHEL was formed according to which Act?</p> <p>(iii) The board of directors of the company are appointed by _____ .</p>	
33	<p>Neha is a sole proprietor. Over the past decade, her business has grown from operating a neighbourhood corner shop selling accessories such as artificial jewellery, bags, hair clips and nail art to a retail chain with three branches in the city. Although she looks after the varied functions in all the branches, she wonders whether she should form a company to manage the business better. She also has plans to open branches countrywide.</p> <p>(a) Explain two benefits of remaining a sole proprietor</p> <p>(b) Explain two benefits of converting to a joint stock company</p> <p>(c) What legal formalities will she have to undergo to operate the business as a company?</p>	6
34	<p>"Shri Ram Auto Limited" is a very famous auto company in the industry having more equity share capital in its capital than long-term debt. It is ready to expand and set up the new unit. It has huge cash reserves of rupees 1000 crores. According to you which source of finance should be used by the Company. Give any five reasons in support your answer.</p>	6
