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INDIAN SCHOOL SALALAH
FIRST TERM EXAMINATION – SEPTEMBER 2026



BUSINESS STUDIES (054)

Class : XI

DATE: 10.09.2026

Time : 3 Hrs

Maximum Marks: 80

General Instructions:

- 1. This question paper contains 34 questions in 11 pages.*
- 2. Marks are indicated against each question.*
- 3. Answers 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	Himalaya General Store is a big businessman who deals in selling Nestle products in his locality. He purchased products of Nestle directly from the State Distributor in bulk quantities and sold them in the market to small shopkeepers from different corners of the city. Identify the type of trade followed by Himalaya General Store. (a) Wholesale Trade (b) Retail Trade (c) International Trade (d) Entrepot Trade	1
2	Assertion (A): Business is considered as an economic activity.	1

	Reason (R): It involves exchange of goods and services among people in the society. (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	
3	The Memorandum of Association must be signed by at least persons in case of a public company and by persons in case of a private company. (a) 1 and 2 (b) 2 and 5 (c) 2 and 7 (d) 7 and 2	1
4	“Vishesh” is an NGO operating in the district. It deals in providing medicines and other medical facilities to the rural, backward, and below poverty-line people in the district. In case of need, arrangements are made by the NGO to shift critical patients to referred hospitals. Name the type of human activities performed by the NGO “Vishesh”. (a) Economic Activities (b) Non-Economic Activities (c) Spiritual Activities (d) None of the above	1
5	As per Rule 10 of The Companies (Miscellaneous) Rules 2014, at present the maximum number of partners can be ... (a) 2 (b) 200	1

	(c) 50 (d) 100	
6	Amar, Akbar, Anthony and Balvinder pursued their MBA from a reputed institute in Mumbai. After completion of their studies, all of them got engaged in different fields. Amar got a job at an Oil Refinery Industry as a Junior Executive in Finance. Akbar joined his family business in Textile Industry in Jalandhar, Punjab. Anthony opened his own Dairy Farm and Balvinder join the construction business. Identify the type of industry Mr. Akbar worked with as highlighted in the above case. (a) Analytical Industry (b) Synthetic Industry (c) Processing Industry (d) Assembly Industry	1
7	Assertion: Articles of Association are the rules regarding internal management of a company. Reason: The rules are not subsidiary to the Memorandum of Association. (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
8	A partner is one whose association with the firm is unknown to the general public. Other than this distinct feature, in all other aspects he is like the rest of the partners. He contributes to the capital of the firm, takes part in the management, shares its profits and losses, and has unlimited liability towards the creditors. (a) Nominal (b) Active	1

	(c) Partner by estoppel (d) None of these	
9	Assertion (A): The ministry itself is considered to be an extension of the department that the Central Government of India has created. Reason(R): LIC is an illustration of one of these departments. Select the right response from the list of possible answers based on the aforementioned assertion and justification. (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 the Reason is incorrect. (d) Both the Assertion and Reason are incorrect.	1
10	Which of the following has both the authority of the state and a sizable degree of operational flexibility enjoyed by private businesses? (a) Departmental Undertakings (b) Statutory Corporations (c) Government companies (d) All of the above	1
11	Statement I: A public private partnership ensures higher quality and timely provision of public services. Statement II: Huge industrial organization which extend their industrial operations through a network of their branches in several countries are known as global enterprises. Choose the correct option from the following: (a) Both Statements are wrong (b) Statement I is right and Statement II is wrong	1

	(c) Statement I is wrong and Statement II is right (d) Both Statements are right	
12	What is the full form of RTGS? (a) Real Time Great Solution (b) Rupee Transfer Gross Settlement (c) Real Time Gross Settlement (d) Regular Transfer Gross Settlement	1
13	The insurance is not only a protection but is a sort of investment because a certain sum is returnable to the insured at the time of death or at the expiry of a certain period. Choose the correct option for it. (a) Fire Insurance (b) Marine Insurance (c) Medical Insurance (d) Life Insurance	1
14	Roshan, the owner of GB Fertilizers opened a current account in State Bank of India. One day he needed money more than the balance in the account. He was worried about how to arrange the money. He needed the amount for 1 month. One of his friends told him that the customer having current account in the bank can get the permission to withdraw money more than the balance in the account after making an agreement with the bank. Identify the facility provided by the bank referred to in the above case. (a) Cash credit (b) Bankers' cheque (c) Bank draft	1

	(d) None of these											
15	Match the following: <table><thead><tr><th>A</th><th>B</th></tr></thead><tbody><tr><td>i) Financed through budget allocation</td><td>1. Statutory Corporations</td></tr><tr><td>ii) Formed by special Act</td><td>2. MNCs</td></tr><tr><td>iii) Incorporated under Companies Act.</td><td>3. Departmental Undertakings</td></tr><tr><td>iv) Centralized control</td><td>4. Government Company</td></tr></tbody></table> (a) i)-3, ii)-1, iii)-4, iv)-2 (b) i)-4, ii)-2, iii)-3, iv)-1 (c) i)-1, ii)-2, iii)-3, iv)-4 (d) i)-3, ii)-1, iii)-2, iv)-4	A	B	i) Financed through budget allocation	1. Statutory Corporations	ii) Formed by special Act	2. MNCs	iii) Incorporated under Companies Act.	3. Departmental Undertakings	iv) Centralized control	4. Government Company	1
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16	-----is a type of Savings Deposits Account in which amount of deposit in excess of a particular limit gets automatically transferred to Fixed Deposit Account. And, in case sufficient funds are not available in Saving Deposits Account to honour a cheque issued, the required amount gets automatically transferred from Fixed Deposit Account to the Savings Deposits Account (a) Recurring Deposit (RD) Account (b) Multi Deposit Option Account (c) Current Deposit Account (d) None of these	1										
17	Passion Limited is a well-known automobile company in India. In order to reduce dependence on a single supplier the automobile factory works through a network of computers which is used for placing orders. Identify the constituent of e-business being described in the given lines.	1										

	(a) B2B (b) B2C (c) C2C (d) Intra B	
18	Assertion: There is no risk in the traditional business. Reason: In traditional business, Parties have no personal interaction while buying and selling. (a) Assertion is correct, reason is not correct. (b) Assertion is incorrect, reason is correct. (c) Assertion and reason both are correct. (d)Assertion and reason both are incorrect.	1
19	Mail sent by the Marketing department to the Purchase department is an example of: (a) B2B (b) B2C (c) C2C (d) Intra-B	1
20	e-Commerce does not include (a) A business interactions with its suppliers (b) A business interactions with its customers (c) Interaction among the geographically dispersed units of the business (d) Interaction among the various departments within the business	1
21	Rohit and Lohith are partners selling electronic products across India. They import the components from their friend Aman who does his business in China and assemble them in their factory established in a rural area of Jharkhand where most of the	3

	workers in the factory are children and women. They are paid very less salaries thus owner save on labour cost. They store their stocks in a warehouse but do not take proper safety measures against fire, burglary. There was a short circuit in the factory and as a result most of the stock was damaged. On the basis of the given information, answer the following questions: a) Specify the type of business activity performed by Rohit and Lohith. b) Specify the type of business activity performed by Aman. c) Name and explain the auxiliary to trade used by Rohit and Lohith.	
22	Electronics market leader Sony Ltd. is registered as a company and operates in many different nations throughout the world. Its headquarters are in Tokyo, Japan. The corporation hires qualified and experienced managers to oversee its branches and subsidiaries throughout several nations. To continue to be a leader in electronics, they always use the most recent technologies. (a) Name the sort of business indicated in the aforementioned scenario. (b) List the two features of Sony that were mentioned in the previous paragraph.	3
23	“These are established by passing special Act in the Parliament. The Act defines its power, functions, rules, regulations of governing employees and its relationship with government. RBI, UTI, ONGC, LIC are some examples of these”. Explain the features of the enterprise identified in the above paragraph.	3
24	Mohit is a manufacturer of ready made 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 jacket which she had ordered through Myntra (an online shopping site). This gave Mohit an idea to start selling his products online. State any three benefits that Mohit can get through e-business.	3
25	Explain the concept of business risk and its causes.	4
26	Radha stays in kashipur, a city of Udham Sing Nagar district, in the Indian state of Uttarakhand. She sees a job advertisement in the newspaper and decides to apply for	4

	the same through post. Her father advises her to send the application through registered post instead of an ordinary mail. In context of the above case. a) How is registered post different from an ordinary mail? b) Explain briefly any two other postal services available in our country.	
27	To overcome the difficulties faced by public in public transport system, the government of India started the METRO project in which the government involved private sector participation to get the benefits of efficiency of private sector. The project was great success as lakh of people are enjoying the metro service to move from one place to other. (a) Identify the form of enterprise. (b) Give any three features of such enterprise.	4
28	Explain the choice of form of business organization on the basis of: i) Liability ii) Continuity iii) Management ability iv) Capital consideration.	4
29	Mr. Kamal Gupta has recently shifted to Delhi with his family. He and his family is planning to open bank accounts in HDFC Bank, which offers many types of bank accounts. • Kamal who is a businessman, wants to open an account in which amount can be deposited and withdrawn at any time without giving any notice, so that business transactions can be conducted smoothly. • Supriya, Kamal's wife wants to open an account in which she can keep her surplus money safe and withdrawal from the account can be made through cheque facility. • Shivam, (Kamal's son) wants to open an account in which he will deposit ₹2,000 per month for the next three years and the total amount is repaid to him with interest at the end of three years. In the given case identify and explain the various types of bank accounts, which Kamal and his family members want to open in HDFC Bank and also explain the meaning of e-banking.	4
30	Farmina N&D Private Limited is a well-known company dealing in pet food and accessories. Keeping in view the growing demand for its products the company has decided to increase its production turnover. The expansion plan will necessitate	4

	setting up of a new factory. In order to meet its increased financial needs, the management of the company has decided to 'go public' that is to change the form of business from a private limited company to a public limited company.(a) Why do you think the management of the company has decided to convert the company into a public limited company?(b) State any three privileges that it now enjoys as a private limited company over public limited company.	
31	Three friends Star, Moon and Sun are engaged in different types of economic activities to earn their livelihood. Star said about his occupation by saying that, transfer of interest is not possible in my occupation and at the same time it does not require capital investment." Moon remarks," in my occupation also transfer of interest is not possible, but one needs to possess specialized knowledge in a particular field." Sun 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: (a) Identify the different types of economic activities in which Star, Moon and Sun are involved. (b) Give any three points of difference on the following basis: i) Mode of establishment ii) Nature of work iii) Code of conduct	6
32	"A public company can raise funds from the public by issuing shares and Debentures. For this it has to issue prospectus and undergo various other formalities". Explain various formalities of capital subscription in detail.	6
33	a) Amit took an insurance policy against his car and after 3 months he sold the car to Biju. The car was stolen from outside Biju's house. Amit made a claim to the insurance company. His claim was rejected by the insurance Company. (i) Was Amit eligible for compensation from the insurance company? (ii) Which principle of Insurance is applicable here? Explain. b) Mr. Hari gets his house insured against fire for ₹10 Lakh with Insurer A and for ₹5 Lakh with B. The house was damaged due to landslide and incurred a loss of ₹6	6

	Lakh. How much compensation can Mr. Hari claim from A and B? Give reason in support of your answer by explaining the principle of insurance applicable.	
34	Melodious Ltd. Is a popular music company. Keeping in line with the changing trends the company uses various types of e-business activities to operate successfully. The company interacts through a network of computers with a number of other businesses firms which may be suppliers or salespersons. The company carries out of a number of promotional activities and sometimes even delivery of products that are carried out online. The company has setup call centres for the customers to make toll free calls to make queries and lodge complaints round the clock at no extra cost to them. The company makes use of intranet for managing interactions and dealings among various department and persons within the organization. The company provides virtual private network technology because of which it is not necessary for the employees to come to office and the meeting can be held online via video conferencing. The company uses the financial intermediaries like 'paypal' in order to facilitate payments on line. What is e-commerce? Explain the scope of e-business mentioned in the above paragraph by quoting the line.	6