

**O. P. JINDAL SCHOOL, SAVITRI NAGAR****Annual Examination (2022 – 2023)**

Class / Section: XI Comm  
 Subject: Business Studies  
 Name: \_\_\_\_\_

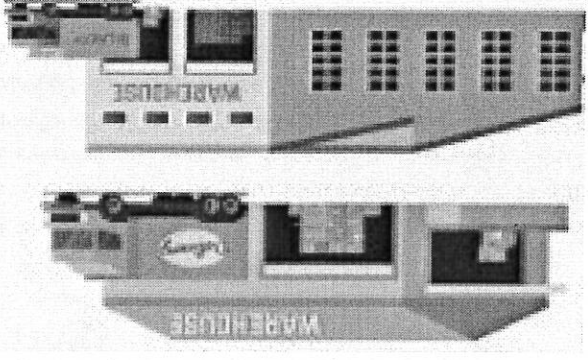
MM: 80  
 Time: 3 Hrs.  
 Roll No.: \_\_\_\_\_

*\*(Fifteen Minutes Extra will be given for reading the Question Paper.)*

**GENERAL INSTRUCTIONS:**

- 1 This question paper contains 34 questions.**
- 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**

Q. No.	QUESTION	Marks
1.	Earning profit is considered to be an essential objective of every business because: a) It is an important source of finance for meeting expansion needs of business. b) It indicates that the business is being run efficiently. c) It helps to build up the goodwill of the business. d) All of the above.	1
2.	Which of the following is true about statutory corporations? a) Statutory corporations are subject to the same accounting and audit Procedure as are applicable to government departments. b) Statutory enterprises are funded directly by the government treasury. c) Statutory corporations are public enterprises that come into existence by a Special Act of the Parliament. d) The employees of statutory enterprises are civil servants.	1
3.	When a property is insured by more than one insurance (i.e. in case of multiple insurance), the insurers are to share losses in what proportion? a) Ratio of premiums received b) Ratio of duration of insurance c) Ratio of amount insured d) Equal Ratio	1
4.	There is a full guarantee by the issuing bank branch about its payment to the payee. So, there is no risk of _____ getting dishonoured. a) Bank Draft b) Cheque c) Both(a) & (b)	1

		d) None of these
5.	1	Today, customers can also make use of call centres set up by companies to make toll free calls to make queries and lodge complaints round the clock at no extra cost to them. Which variants of e-commerce are highlighted above?
		a) B2B Commerce b) B2C Commerce c) Intra-B Commerce d) C2C Commerce
6.	1	Which of the following is not social responsibility of business towards Shareholders? a) To provide fair return on their capital investment. b) To supply right quality of goods at reasonable prices. c) To provide information regarding schemes of future growth. d) To provide accurate information about working of the company.
7.	1	From the following picture, identify the hindrance of commerce highlighted: 
		a) Hindrance of Risk b) Hindrance of Finance c) Hindrance of Place d) Hindrance of Time
8.	1	“Management of an enterprise should provide opportunities for meaningful work. It should try to create the right kind of working conditions.” The given statement highlights the social responsibility of business towards the _____ a) Shareholders or owners b) workers c) consumers d) government and community
9.	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) The cooperative society through its purpose lays emphasis on the values of mutual help and welfare.
10.	1	This application involves online trading of securities and other financial instruments. a) e-bidding b) e-communication c) e-delivery d) e-trading
11.	1	Match the columns and choose the correct alternative:

	Column -I	Column -II	
	A. The name Clause	i) This clause contains the name of the company with which the company will be known, which has already been approved by the Registrar of Companies.	
	B. Object Clause	ii) This clause specifies the maximum capital which the company will be authorized to raise through the issue of shares.	
	C. Liability Clause	iii) This is the most important clause of the memorandum. It defines the purpose for which the company is formed.	
	D. Capital Clause	iv) This is the most important clause of the memorandum. It defines the purpose for which the company is formed.	
	a) A-i, B-iv, C-iii, D-ii b) A-ii, B-iii, C-iv, D-i c) A-i, B-iii, C-iv, D-ii d) A-iii, B-i, C-iv, D-ii		
12.	Prabhat and Rishi are doing separate business of installing Centralised Air Conditioning units in Mumbai. They enter into a partnership contract to install Centralised AC unit in a hotel in Shirdi. Identify the type of partnership being highlighted in the given case. a) Partnership at will b) Particular Partnership c) General Partnership d) Limited Partnership		1
13.	Debenture is a source of raising ..... finance a) Long term b) Medium term c) Short term d) None of the above		1
	<b>Read the following text and answer Q.14-16 on the basis of the same:</b> Paras Manek is a successful businessman who is engaged in manufacturing auto spare parts. The products manufactured by his business enterprise Paras Manek Ltd. are sold not only in India, <i>but also exported to various countries such as Singapore, Switzerland, China, North Korea, etc.</i> Trudy Ltd., a Russian company wants to import auto spare parts from Paras Manek Ltd. Paras Manek Ltd. has received an enquiry regarding the goods and trade. Paras Manek Ltd. has replied to it in the form of a quotation. Finding it favourable, Trudy Ltd. Has placed an order containing description of goods, price and other instructions, etc. But before exporting the goods it has to fulfill certain legal formalities like procuring export license and preparing the documents related to goods, shipment, and payment.		
14.	but also exported to various countries such as Singapore, Switzerland, China, North Korea, etc." Identify the type of business discussed above. a) Domestic Business b) International Business c) Both (a) and (b) d) Neither (a) nor (b)		1
15.	In case of export, a buyer sends an enquiry to exporter to seek information about: a) Availability of goods b) Price of goods c) Terms and conditions of trade		1

		(d) All of these
16.	Paras Manek Ltd. has replied to it in the form of a quotation. " Identify the document stated here.	a) Proforma Invoice b) Indent c) Letter of Credit d) Enquiry
17.	Retained Earnings are also known as:	a) Capital b) Ploughing back of profit c) Surplus profit d) Gross profit
18.	Who is the Chairperson of GST Councilors:	a) Prime Minister b) President c) Finance Minister d) none of the above
19.	Buying round the clock is possible at:	a) Retail Shop b) Vending machine c) Departmental Store d) none of the above
20.	Shops having same Interior exterior and sell at uniform price are called:	a) Departmental store b) Chain Store c) Both (a) & (b) d) None of the above
21.	What are auxiliaries to trade and explain any two auxiliaries to trade.	3
22.	Manan and Ketan decide to start a partnership business of manufacturing computer keyboards. Manan is of the view that they should have a written agreement and they should also register their partnership firm. However, Ketan wants to have a verbal agreement. Manan explained the consequences of non-registration to Ketan, after which Ketan agreed it. State the consequences of non-registration of a firm which were explained by Manan to Ketan. <b>OR</b> Climax India Private Limited was formed as a Private Company by a group of five friends. Their business has grown considerably over the years. Now, they want to expand their business and for this, they need more funds. They are planning to convert their company into a public company and raise more funds through issue of shares. Mention any three privileges that the company will have to forgo as a private company after conversion.	3
23.	A group of people in a locality of Delhi used to go for a walk in the morning. After fifty persons in this group. One day, instead of other subjects, their focus of discussion was 'Market Prices of Different Goods'. During the discussion, the emphasis laid on the point was that goods become very costly by the time they reach the consumers after getting transported from the producers. Consequently, everyone's budget is getting disturbed. To get rid of this problem some people suggested that they should join together to form a society. The society would sell the goods to all	3

	<p>the members as per their requirements after buying them in a large quantity directly from the producers. This suggestion was appreciated by them. They all became members of the society and encouraged other people also to become its members. In no time, 100 members assembled and the society was formed. The idea of forming the society immediately proved to be successful. Now their budget became balanced. A special characteristic of this society was that apart from its members it was also selling goods to the other people of the society at cheaper rates. All of them were very happy with the formation of the society.</p> <p>a) Identify and explain the type of cooperative society formed by them.  b) Under which act, the society must have been formed?  c) What is the liability of the members of the society so formed?</p>	
24.	<p>Govind 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 jacket, which she had ordered through Myntra (an Online Shopping site for fashion and lifestyle). This gave Govind an idea to start selling his products online. State any three benefits that Govind can get through e-business.</p> <p style="text-align: center;"><b>OR</b></p> <p>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 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 connecting all the employee on line.</p> <p>a) Which type of e-commerce is suggested by Mr. Ayush? Explain.  b) Also, explain types of e-commerce which are not mentioned in above para.</p>	3
25.	<p>The Government planned to begin a Road Project. The Government needed management specialists and financial help to complete it. The Government contacted the private sector to fulfill this requirement. Now, this project will be completed jointly by both the public and private sector.</p> <p>a) Identify the form of enterprise.  b) Explain any three features of such enterprise.</p> <p style="text-align: center;"><b>OR</b></p> <p>Why Multi National Corporations (MNCs) are in a position to exercise massive control on the world economy?</p>	4
26.	<p>Differentiate between Departmental stores and Chain stores on any four basis.</p> <p style="text-align: center;"><b>OR</b></p> <p>What are the services offered by retailers to consumers?</p>	4
27.	<p>Explain the role of small business in India with emphasis on the rural basis.</p>	4
28.	<p>Explain first four steps involved in Export procedure.</p>	4
29.	<p>ABC Ltd. is not having good liquidity position. It has invested in long term investment projects and will get smooth cash flow after five years. It is not in a position to bear risk of fixed burden of paying interest.  Suggest which source of finance is suitable for this company.</p>	4
30.	<p>The government of India launched a program on May, 1978, with special stress on the development of small tiny and cottage and village industries by providing integrated administrative support in the area. To achieve this objective an agency was set up at district level.</p>	4

		<p>(a) Write down the name of that agency.</p> <p>(b) Discuss the functions of the agency highlighted in the statement.</p>	4
<p>Saurabh has taken fire insurance policy of Rs.9,00,000 for his factory. Due to fire, he suffered a loss of Rs.6,00,000. He claimed the loss from the insurance company and he gets the compensation within a month.</p> <p>Goods that were lost by fire were sold for Rs.70,000. Saurabh wants to keep this money with himself, while the insurance company claims that Rs.70,000 should be handed over to the company.</p> <p>(a) Identify and state the principle of insurance which is applicable in the given case.</p> <p>(b) Also, explain the Principle of Insurable Interest and Indemnity with suitable example.</p> <p><b>OR</b></p> <p>Ankit's warehouse was covered by a Fire Insurance Policy of Rs.10,00,000. Two years back, his warehouse caught fire. Ankit immediately called up the nearest fire station and started removing the goods from the warehouse in order to save them from fire. He took all reasonable steps to minimize the loss or damage. As a result, the actual loss by fire to him was Rs.3,00,000, which could have gone up to Rs.7,00,000, if he had not acted as a prudent person. After scrutiny of the loss, the insurance company handed over the cheque of Rs.3,00,000 to Ankit.</p> <p>(a) Identify and state the Principle of Insurance which was followed by Ankit in the given case.</p> <p>(b) Also, explain the Principle of Proximate Cause and Contribution.</p>	6	32.	
<p>Surya company, an LED lights manufacturing company has good growth prospects. The owners of the company are planning to expand their business. For this, the company needs additional funds. The finance manager reports that the company is not in a position to bear extra burden of paying any fixed financial charges like interest or dividend. They do not want to bear any flotation costs even. Also, the equity shareholders insist not to issue further shares as there is risk of dilution of control.</p> <p>(1) Suggest the source of finance most suitable for the company.</p> <p>(ii) Enumerate any three merits and two demerits of the source of finance identified in part (i).</p>	6	33.	
<p>"After the company is incorporated, the next stage for the public company is to raise the necessary capital". In order to raise capital, a public company has to follow some procedure. Discuss the procedure to be followed by the company.</p>	6	34.	
	<p>Raj has recently completed his MBA in international business from IIM-A. He is now planning to start his own international business. His father advised him to take into consideration the benefits of international business, before investing huge money.</p> <p>Suggest any four benefits of international business to Raj.</p> <p><b>OR</b></p> <p>Explain the meaning of the following documents used in connection with import transactions.</p> <p>(i) Trade enquiry (ii) Import license</p> <p>(iii) Shipment advice (iv) Import general manifest</p>		