

**O. P. JINDAL SCHOOL, SAVITRI NAGAR**  
**Periodic Test - II (2023 – 2024)**

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

**MM: 20**  
**Time: 1 Hrs.**  
**Roll No.: \_\_\_\_\_**

**General Instructions:**

1. All questions are compulsory.

S.N.	Questions	Marks
1.	When one party grants the right to use the asset to the other party, in return for a periodic payment, it is known as _____. (a) Lease financing    (b) Factoring    (c) Public deposits    (d) Debts	1
2.	Money obtained by issue of shares is known as _____. (a) Debts    (b) Share capital    (c) Loans    (d) Reserve funds	1
3.	Which of the following is a commercial bank? (a) State Bank of India    (b) Canara Bank (c) Punjab National Bank    (d) All of these	1
4.	Shalini Khanna is a jewelry designer, she started her career from the scratch and took advanced designing course at jewelry designing boutique providing designing advice related to small decorative items worn for personal adornment, such as brooches, rings, necklaces, earrings, pendants, and bracelets with an investment of Rs 20,00,000 in boutique equipment's. Being an experienced jewelry designer, Shalini Khanna focuses on maintaining the originality and creativity of the ornaments that are custom designed by her. State the category into which jewelry designing boutique will be placed as per the Micro, small and medium Enterprise Development Act, 2006.	1
5.	The maturity period of a commercial paper usually ranges from (a) 20 to 40 days    (b) 60 to 90 days (c) 120 to 365 days    (d) 90 to 364 days	1
6.	An individual wants to start an enterprise that manufactures steam iron with raw materials, which can be imported from Germany. The material available in Germany is better in quality. However, there are no safety issues with the one available in India. Which material would you go for and why? Give reason in support of your answers.	2

7. Madhulika, a dropout from 10<sup>th</sup> standard is forced by her mother to start working as a domestic help. Madhulika agrees on the condition to do only cooking in 2-3houses. One family turns out to be Punjabi, another Gujarati, and the third one is Rajasthani. She cooked their kind of food for a year and to everyone's surprise, she expressed her desire to open up a small eating joint of her own. All alone, determined, she finally opens Apni Rasoi, a small eating joint with her savings. It became a hot spot because of the fusion food platter being offered by Madhulika. 3
- Do you think Madhulika is an entrepreneur? Give reasons in support of your answers.
8. Joseph Harry wants to set up a business of manufacturing stationery items. But he is an amateur in the field of business and thus decides to use the services of a consultancy firm. The consultancy firm helped Joseph Harry is preparing a blue print of his proposed business idea. This helped Joseph Harry to know about his financial requirements of business. The consultancy firm suggested Joseph Harry to meet the financial requirements of business by introducing his own funds and taking a loan from a banking institution. On the basis of the given information about Joseph Harry, answer the following questions: 4
- a. What is business finance? Explain in brief, the need of the finance for a business firm.
- b. Identify and explain the two categories of fund suggested by the consultancy firm.
9. Greentech paints India has started preliminary work for expansion of water-based paint and resin manufacturing plant in Goa with the amount available in the general reserves of the company. The board of directors of Greentech paints India has decided to install a new water-based paint plant with a capacity of about 1 lakh tons per annum in South India at an estimated cost of rupees five crore, but are unable to decide whether to issue equity shares or debentures for this purpose. As a finance manager of the company, you are required to advise the directors to raise money through issue of equity shares OR debentures for the aforesaid purpose. 6

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