No. of Printed Pages/Questions: 8/20

O. P. JINDAL SCHOOL, SAVITRI NAGAR

Half Yearly Examination - (2026 – 2027)

Class / Section: XI COMM MM: 50

Subject: Business Studies (054) Time: 2Hrs.

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

General Instructions:

1. This question paper contains 20 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.

Q.N. **Questions**

1. Statement I- Innovation is defined as an introduction of new ideas or methods in the way something is done or made. **1**

   Statement II- Innovation is central to the growth of any business enterprise.

   a) Statement I is true and Statement II is false.

   b) Statement I is false and Statement II true.

   c) Both statements are true.

   d) Both statements are false.

2. _____industry which involves successive stages for manufacturing finished products, as in the case of sugar and paper. **1**

   a) Assembling b) Processing c) Synthesis d) None of the above

3. Assertion (A): A Nominal Partner does not contribute any capital to the partnership firm and does not take part in its daily management. **1**

   Reasoning (R): A Nominal Partner is not liable to the secret creditors or outside lenders of the firm.

   (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.

4. Mario mart Ltd. is an online grocery delivery startup. To protect its massive inventory stored in central warehouses from unforeseen risks like fire or theft, the company pays a monthly premium to Safeguard Insurance Co. Additionally, to manage daily cash flows, make vendor payments, and secure short-term loans, Mario mart maintains a current account with National Bank. What specific type of utility or protection is Mario mart Ltd. addressing by partnering with Safeguard Insurance Co.? **1**

a) Hindrance of Place
b) Hindrance of Knowledge
c) Hindrance of Risk
d) Hindrance of Time

5. Match the 'Partner Type' in Column I with 'Feature' in Column II: **1**

Column I	Column II
(A) Active Partner	(i) Limited Liability
(B) Sleeping Partner	(ii) Participates in management
(C) Partner by Estoppel	(iii) Liability is unlimited
(D) Minor Partner	(iv) Does not participate in management

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

6. Ritu runs a unit where iron ore is converted into steel sheets, which are later used by automobile companies. Ritu's unit is part of: **1**

(A) Primary industry
B) Secondary industry – Manufacturing
C) Secondary industry – Construction
D) Tertiary industry

OR

Who heads a Departmental Undertaking?

a) Shareholders
b) IAS and Civil Servants
c) Ministry concerned
d) Politicians

7. Which of the following is not true about Hundi and Chitties? **1**

A) Hundi means 'to collect' as written in the vernacular language.

B) It is capable of change through transfer by valid negotiation.

C) It warrants the payment of money, the promise or order which is conditional.

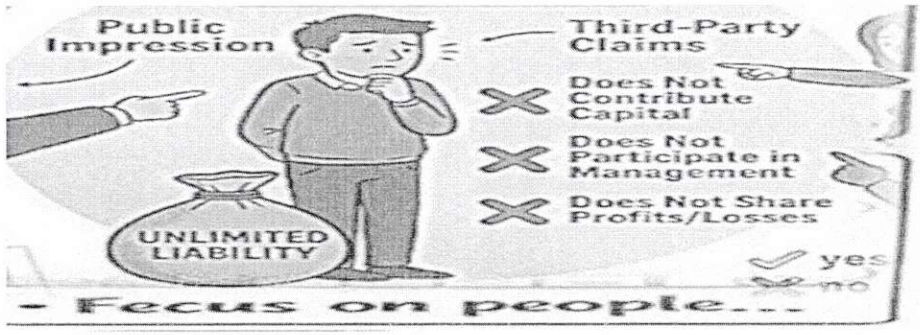
D) Firman-jog is a type of Hundi as practiced by Indian Merchant Communities.

8. Which document is known as the charter or the principal document of a company, defining its core objectives and boundaries? **1**

A) Articles of Association B) Memorandum of Association

C) Prospectus D) Certificate of Incorporation

9. Which type of partner is depicted in the given image: **1**



(a) Active Partner (b) Partner by Holding Out

© Sleeping Partner (d) Partner by Stopple

10. A person gets his stock with ₹ 25,000 insured for ₹ 35,000. A fire occurs and the whole stock gets damaged. The insurance company will pay him only ₹ 25,000, the actual value of his stock and not ₹ 35,000. Which principle of insurance is applied in this case? **1**

(a) Principle of Indemnity (b) Principle of Subrogation

(c) Principle of Contribution (d) Principle of Insurable Interest

11. Manohar started a small garment manufacturing business in Udaipur after completing his education. He invested his savings and borrowed some money from a bank. Initially, the business performed well, and demand for his products increased. However, after a few months, several unexpected events occurred. A sudden increase in cotton prices raised his production costs. New fashion trends reduced the demand for some of his products. During the rainy season, water entered his warehouse and damaged a portion of his stock. At the same time, a new competitor entered the market and started selling similar products at lower prices. Despite careful planning, Manohar faced losses due to these uncertain events. He realized that uncertainty and risk are an unavoidable part of every business activity. **3**

a) Identify any four risks faced by Manohar in the case.

b) Which feature of business is highlighted by the statement that "uncertainty and risk is an unavoidable part of every business activity"?

c) Suggest any two measures that Manohar can take to reduce business risks.

12. The Government of India established Bharat Infrastructure Ltd. under the provisions of the Companies Act, 2013. The Central Government holds 60% of the paid-up share capital, while the remaining shares are held by private investors. The company has its own legal identity and can enter into contracts and acquire property in its own name. The company appoints its employees according to its own service rules and regulations. To expand its operations, it raises funds from both government shareholding and the capital market. The accounts of the company are audited by auditors appointed by the Government, and the audit reports are placed before Parliament. 3

The management of Bharat Infrastructure Ltd. enjoys considerable autonomy in business decisions. However, since the Government is the majority shareholder, important decisions are often influenced by government policies and priorities. Based on the above case, answer the following questions:

1. Identify the form of public sector enterprise discussed in the case.
2. State any two merits of enterprise highlighted in the above case.

13. "AZAD had insured his house for fire insurance with two Insurance companies. One day the house caught fire. AZAD made every effort to put out the fire. However, the house was totally burnt down. He was paid the compensation by one of the insurers who claimed it partly from the other insurer and the right to ownership of the property passed on to both the insurers." 3

a) Name the three principles in the above para by quoting the specific lines.

b) Explain the principles of Utmost Good Faith and Causa Proxima.

14. **Name the following:** 3

(a) The economic activity showing a risk element and carried on profit.

(b) The trade in which two countries are involved.

(c) The trade in which goods are imported from one country for the purpose of exporting to other country.

(d) The industry which involves breeding and reproduction of plants and animals.

(e) The branch of commerce which remove hindrance of place.

OR

Reema bought a new house recently and plans to shift in the near future. Therefore, she is selling off her old kitchen appliances at OLX and has also made some profit in the process.

In the context of the above case:

i. Will this transaction be constituted as a business activity? Why or why not?

ii. Mention the underlying characteristic of the business.

15. Three childhood friends Radhe, Abhi, and Pari after completing their MBA noticed a severe lack of affordable electric vehicle (EV) charging stations in their city. They conducted extensive market research, analyzed technical feasibility, and estimated that an initial investment of ₹50 Lakhs would be required to set up a network of solar-powered charging stations. 4

To turn this idea into reality, Radhe prepared a detailed feasibility report and short-listed the name "Green Energy Ltd." They submitted an application to the Registrar of Companies (RoC) to check the availability of the name. Once the name was approved, Abhi took charge of drafting two critical documents:

One document defined the company's main objectives, its scope of operations, and the boundary beyond which it cannot legally act. The other document contained the internal rules and regulations for managing the daily operations of the company. They also appointed professional experts like bankers and auditors, and signed contracts with solar panel suppliers before the company was legally registered. After completing all the formalities and paying the required fees, the Registrar issued a document that legally brought "Green Energy Ltd." into existence as a distinct legal entity.

a) Write any two features of the form of business organization highlighted in the above case.

b) Identify the two critical documents being drafted by Abhi. Write their exact names.

c) Name the final document issued by the Registrar that brought the company legally into existence. From which date does the company become a separate legal entity?

d) What is the technical term used for individuals like Radhe, Abhi, and Pari who conceive a business idea and take all the necessary steps to form a company?

16. Business is an organized institution that operates to provide goods and services under the incentive of private gain. Discuss. 4

OR

Mr. Gajendra is a businessman dealing in the sale of electronic items. His daughter Gauri is working in Kotak Mahindra Bank and his son, Sarvesh is working in State Electricity Board. Mr. Gajendra applied for a home loan with Kotak Mahindra. He was impressed with the efficient work culture of the bank as he got the loan in a short period of time, much before his expectations. He also applied for electricity connection in State Electricity Board. Even after six months, he could not get any satisfactory response for the delay in getting his connection from concerned authorities. Gauri told her father that public sector and its work culture is different from that of private sector. It could not compete with private sector in terms of efficiency and in terms of profits as well.

(i) His daughter Gauri is working in Kotak Mahindra Bank. Identify the sector:

a) Public sector b) Private sector

c) Both (a) and (b) d) Neither (a) nor (b)

(ii) 'It could not compete with private sector in terms of efficiency and in terms of profits as well.' The reason for this is their ------

a) Motive b) Autonomy c) Management d) All of these

(iii) ..... his son, Sarvesh is working in State Electricity Board' Identify the form of business organisation state Electricity Board is related to?

a) Departmental Undertaking b) Statutory Corporation

c) Government Company d) Private Sector Company

(iv) What is the reason behind delay in decision making in the form of business employing Sarvesh?

a) Red-tapism b) Employee absenteeism

c) Mismanagement d) Conflict of interest

17. In a village of Udaipur, small dairy farmers were facing difficulties in selling their milk. Middlemen purchased milk at very low prices, leaving the farmers with little profit. To solve this problem, 50 dairy farmers came together and formed "Udaipur Dairy Cooperative Society." **4**

The society collected milk from all members and sold it directly to processing plants and consumers. Every member had an equal right to participate in decision- making, regardless of the amount of milk supplied. The society was registered under the Cooperative Societies Act and had its own legal identity. The liability of members was limited to the amount they had contributed. The main objective of the society was not to earn maximum profit but to improve the economic condition of its embers. As a result, the farmers received better prices for their milk and their standard of living improved.

1. Identify the form of business organization discussed in the case.
2. Explain the feature of form of organization reflected in the statements.:-

i. "50 dairy farmers came together and formed Udaipur Dairy Cooperative Society."

ii. "The society was registered under the Cooperative Societies Act and had its own legal identity."

iii. "The liability of members was limited to the amount they had contributed."

iv. "Every member had an equal right to participate in decision-making."

v. society was not to earn maximum profit but to improve the economic condition of its members."

18. Mr. Rajesh Sharma runs a small stationery shop in his town. He receives daily payments from customers and frequently makes payments to suppliers. To manage his business transactions smoothly, he opened a bank account that allows unlimited deposits and withdrawals. 4

His daughter, Priya, is a Class XI student. She receives pocket money every month and wants to save a part of it for future educational needs. Therefore, she opened a bank account where she can deposit and withdraw money according to certain conditions while earning interest. Rajesh's wife, Mrs. Sharma, wants to accumulate ₹1,00,000 in the next five years for a family vacation. She decides to deposit a fixed amount every month in a special bank account.

Rajesh's father, a retired government employee, has received a lump-sum retirement benefit. He wishes to invest this amount safely for three years and earn a higher rate of interest without withdrawing the money during this period.

The bank manager also informed the family about a special account that combines the benefits of savings and fixed deposits. Excess funds from the savings account are automatically transferred to a fixed deposit to earn higher interest.

1.Identify the type of bank account opened by:

(a) Mr. Rajesh Sharma (b) Priya (c) Mrs. Sharma (d) Rajesh's father

2. Name the special account that combines the features of savings and fixed deposits.

3. Which account is most suitable for businessmen who require frequent transactions? Give one reason.

4. Why is a Savings Account considered suitable for students and salaried persons?

5. Differentiate between a Fixed Deposit Account and a Recurring Deposit Account on the basis of:

(a) Amount deposited (b) Periodicity of deposit

OR

An Employer wants to get himself insured against the loss likely to be suffered on account of the fraud, dishonesty and embezzlement of his employees. State the type of Insurance which the employer will have to get done. What do you know about this type of Insurance?

19. Dr. Amit Sharma, Dr. Priya Verma, and Dr. Rajesh Kumar, three close friends who graduated from the same medical college, decided to start a joint medical clinic named "HealthCare Partners" in Chandigarh. They entered into a written partnership agreement called "Partnership Deed" which clearly defined their roles, profit-sharing ratio (8:7:5), capital contributions, and decision-making process. Each doctor contributed ₹10 lakhs as capital, totaling ₹30 lakhs. Dr. Amit specialized in diagnosis & took charge of patient consultations, Dr. Priya managed equipment purchases and 6

inventory, while Dr. Rajesh handled administrative work and billing. They believed that combining their individual strengths would make the clinic more successful than if any of them worked alone. The partnership agreement stated that "each partner can bind the firm by their actions." When Dr. Amit purchased medical equipment worth ₹5 lakhs from a supplier on credit without consulting the other two, the supplier demanded payment from all three doctors. Initially, Dr. Priya and Dr. Rajesh refused, saying only Dr. Amit should pay, but their lawyer explained that all partners are jointly liable for business contracts.

The clinic also faced unlimited liability when it incurred debts of ₹15 lakhs due to a slow initial period. The partners had to use their personal savings to repay the debts because business funds were insufficient.

However, the partnership had several advantages. They could raise more capital than as sole proprietors (₹30 lakhs vs. ₹10 lakhs each could have raised alone). Decision-making was better because they discussed major issues together and combined their medical expertise. The clinic grew faster than expected, and each partner enjoyed the profits according to their agreed ratio.

They also benefited from mutual agency when Dr. Rajesh signed a contract with a pharmaceutical company for medicine supply, it bound all three partners even though only he negotiated it.

a. What is the maximum number of partners allowed in a partnership firm as per the Companies Act, 2013?

b. Identify the feature of partnership demonstrated when Dr. Amit's purchase of equipment bound all three partners. Explain this feature.

c. What feature explains why all three doctors had to use personal savings to repay ₹15 lakh business debt?

d. Name two merits of partnership demonstrated in this case study that helped the clinic succeed.

e. What document did the partners create to define their roles and profit-sharing ratio? Is it compulsory?

f. How did the partnership help the doctors overcome the limitations of sole proprietorship mentioned in the case?

20. What is a Memorandum of Association? Briefly explain its clauses. **6**

OR

Distinguish between private companies and public companies.

---------- **GOOD LUCK**----------