

**VIKAS BHARATI PUBLIC SCHOOL**  
**Sample Paper**  
**CLASS: XI**  
**SUBJECT: BUSINESS STUDIES (054)**  
**SET-2**

**Time : 3 Hr.**

**M.M 80**


**Note:**

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.

1.	This is the most important clause of the Memorandum of Association. It defines the purpose for which the company is formed. Identify the clause stated above.  a) Object Clause b) Capital Clause c) Name Clause d) Liability Clause	1
2.	Labour productivity and production cost differ among nations due to:  a) Personal reason b) Geographical reason c) Agricultural reason d) Government policies	1
3.	_____ of business refers to its obligation to take those decisions and perform those actions which are desirable in terms of the objectives and values of our society.  a) Business Ethics b) Business Objective c) Social Responsibility d) Business Law	1
4.	Mail order houses are the retail outlets that sell their merchandise through mail. There is generally no direct personal contact between the buyers and the sellers in this type of trading.  Based on the above lines, identify which of the following statement is true?  a) Middlemen help in liking the buyers and sellers. b) Since there is no direct contact so sellers do not extend credit facilities to the customers, there are no chances of any bad debt. c) Under this system goods are delivered to the customers indirectly so it is not convenient. d) Under this system the goods cannot be sent to all the places by postal services.	1
5.	Nature of contact between the suppliers and the customers in traditional business is:  a) Direct with suppliers and customer b) Indirect through intermediaries c) Easy and instantaneous d) None of the above	1

6.	Assertion (A)- Domestic market are more homogeneous in nature. Reason (R)- Different countries have different political system and high risk.  a) Both (A) and (R) are true and (R) is the correct explanation for (A). b) Both (A) and (R) are true but (R) is not the correct explanation for (A). c) (A) is true and (R) is false. d) (A) is false and (R) is true.	1										
7.	Match Column I with Column II: <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>(i) Responsibility towards the shareholders</td><td>(A) Providing information about the product</td></tr><tr><td>(ii) Responsibility towards the workers</td><td>(B) Providing regular, accurate and full information about working of the firm.</td></tr><tr><td>(iii) Responsibility towards the consumer</td><td>(C) Act according to the well accepted values of the society</td></tr><tr><td>(iv) Responsibility towards the government and community</td><td>(D) Providing opportunities for doing meaningful work</td></tr></table> a) (i)-(A); (ii)-(B); (iii)-(C); (iv)-(D) b) (i)-(B); (ii)-(A); (iii)-(D); (iv)-(C) c) (i)-(D); (ii)-(B); (iii)-(A); (iv)-(C) d) (i)-(B); (ii)-(D); (iii)-(A); (iv)-(C)	Column I	Column II	(i) Responsibility towards the shareholders	(A) Providing information about the product	(ii) Responsibility towards the workers	(B) Providing regular, accurate and full information about working of the firm.	(iii) Responsibility towards the consumer	(C) Act according to the well accepted values of the society	(iv) Responsibility towards the government and community	(D) Providing opportunities for doing meaningful work	1
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8.	Jaya has completed her schooling. To bring her family out of the financial problem, she asked her mother to start some work. Jaya wanted to help her mother by making some money for the family. They bought some balloons and plastic toys to sell them near the parks and bus stands.  Identify the type of itinerant retail work which Jaya and her mother is doing.  a) Market Traders b) Peddlers/Hawkers c) Cheap Jacks d) Street Traders	1										
9.	Which of the following is an argument for social responsibility of business?  a) A society with more problems cannot provide a better environment for a firm to conduct its business. b) Businessmen can indulge in the government restrictions by voluntarily assuming social responsibilities. c) Social responsibility by business does not provides justifications for its existence and growth. d) Business exists only for profit maximization not for social responsibility.	1										
10.	Deccan Gold Mines Ltd. (DGML), is the first and the only gold exploration company listed on the Bombay Stock Exchange Limited (BSE). It was established in the year 2003 by promoters who had with deep roots in the exploration and mining sector. DGML for a long period of time has been involved in gold exploration activities in India and overseas.  Which the type of industry is DGML?  a) Secondary Analytical Industry b) Secondary Processing Industry c) Primary Extractive Industry d) Primary Genetic Industry	1										
11.	Which of the following is not a type of Intellectual Property?  a) Trademark b) Patent c) Joint venture d) Geographical Indication	1										

12.	<p>Arrange the export procedure in the correct sequence:</p> <ol style="list-style-type: none"> <li>1) Obtaining export licence</li> <li>2) Obtaining pre-shipment finance</li> <li>3) Preparation of invoice</li> <li>4) Obtaining certificate of origin</li> <li>5) Customs clearance</li> <li>6) Excise clearance</li> </ol> <p>a) (1); (3); (5); (4); (6); (2)                      c) (1); (2); (6); (4); (5); (3)</p> <p>b) (1); (3); (4); (5); (6); (2)                      d) (1); (2); (5); (4); (6); (3)</p>	1
13.	<p>Gokul Dham society is organised by a group of 75 people. The members of this society are able to construct houses at reasonable cost in a well-established area of Delhi. This is an example of _____.</p> <p>a) Cooperative credit society                      c) Marketing cooperative society</p> <p>b) Cooperative housing society                      d) Producer's cooperative society</p>	1
14.	<p><b>Statement I:</b> Manufacturers enable the retailers to reach large number of buyers spread over a wide geographical area.</p> <p><b>Statement II:</b> Wholesalers serve as an important link between retailers and consumers.</p> <p>a) Statement I and Statement II both are true.</p> <p>b) Statement I and Statement II both are false.</p> <p>c) Statement I is true and Statement II is false.</p> <p>d) Statement I is false and Statement II is true.</p>	1
15.	<p>Which of the following statement is incorrect with reference to e-business?</p> <p>a) E-business is done without boundary.</p> <p>b) E-business benefits accrue only to big business.</p> <p>c) E-business provide convenience.</p> <p>d) E-business permits to undertake various business activities with little investment.</p>	1
16.	<p>After obtaining B.Tech., degree from national level technical institution, Rajeev joined an MNC as a Mechanical Engineer. He worked there for about two years, but felt unsatisfied as he had no scope for working on new ideas. So he took a decision to start his own small industrial unit of handloom and cotton yarns for export purpose primarily to countries like US, Brazil and Australia. Rajeev required some assistance for his business, so he contacted one of the institutions of government for the machinery and raw materials.</p> <p>Name the institution that can provide support to Rajeev in his business.</p> <p>a) Micro Small Medium Enterprise                      c) National Bank for Agricultural and Rural Development</p> <p>b) National Small Industries Corporation                      d) State Bank India</p>	1
17.	<p>Gaurav is a computer engineer working in a firm and he wants to invest his savings in securities of a company. He is a venturesome man so he is ready to take risk for a better return. He also wants to be the part of the management of the company.</p> <p>In which of the following securities he should invest his saving?</p> <p>a) Preference Shares                      c) Debentures</p> <p>b) Equity Shares                      d) Public Deposits</p>	1

18.	 <p>Which of the following Public Sector organization is chaired by Mr. Shaktikanta Das?</p> <p>a) Departmental Undertaking- Indian Railways                      c) Statutory Corporation- RBI b) Government Company-BHEL    d) None of the above</p>	1
19.	<p>Assertion (A)- A firm selling refurbished old washing machine is an example of B2C business. Reason (R)- Buyer and seller of such a product are consumer only.</p> <p>a) Both (A) and (R) are true and (R) is the correct explanation for (A). b) Both (A) and (R) are true but (R) is not the correct explanation for (A). c) (A) is true and (R) is false. d) (A) is false and (R) is true.</p>	1
20.	<p>Which of the following organizations does not play any role in export and import of goods and services?</p> <p>a) Export Inspection Council    c) Department of Commerce b) District Industries Centre    d) Regional Import-Export Licensing Authority</p>	1
21.	<p>Which business firm is most advantageous on the basis of availability of capital? List other four merits of such firm.</p> <p style="text-align: center;"><b>OR</b></p> <p>Explain the following documents:</p> <p>a) Prospectus b) Article of Association c) Statutory Declaration</p>	3
22.	<p>Differentiate between Departmental Store and Chain Store on the basis of:</p> <p>a) Range of products                      b) Pricing Policy                      c) Flexibility in Product Choices</p>	3
23.	<p>ICICI Lombard General Insurance Company Ltd., is a company established by ICICI Bank Ltd., India's second largest bank and the Fairfax Financial Holdings Limited, a Canada-based diversified financial services company. Both the companies have pooled in their resources to offer a comprehensive and well-diversified range of insurance service like motor, health, crop, fire, personal accident, marine, engineering, and liability insurance.</p> <p>a) By quoting the line from the above given case, identify the type of business organisation the two companies have ventured into. b) State any two benefits of such organization.</p>	3

24.	<p>With India's renewable energy industry expanding quickly in recent years, Shah Ltd., decided to diversify its business by entering into the upcoming sector of renewable energy. The renewable energy projects are highly capital intensive in nature. In the renewable energy sector, it requires the investment of funds majority in solar panels, wind turbines, construction costs etc. However renewable energy projects have low recurring operational and maintenance expenses.</p> <p>a) Which type of financial requirement needed by Shah Ltd., are being referred to? b) Also state two features of this type of funds requirement.</p>	3
25.	<p>‘Commerce is the sum total of activities that remove hindrances in the free flow of goods and services from producers to consumers.’ Explain any four such activities of commerce.</p>	4
26.	<p>‘Development of MSME prevents migration of rural population to urban areas.’ Discuss how? Give four points.</p> <p style="text-align: center;"><b>OR</b></p> <p>‘Neither a firm is under any obligation to pay any return on this source of funds nor it has to repay the principal amount.’</p> <p>Identify the source of funds referred in the above line. Also discuss three features of the identified source of funds.</p>	4
27.	<p>Ajit the manufacturer of electronic goods, exports his product to countries like South Sudan, Zimbabwe and Mauritius by ship. He took an insurance against the perils of the sea that can leads to the destruction or damage of the goods on board.</p> <p>a) Which insurance can provide protection against loss by perils of the sea? b) State the three principles of insurance which are applicable in the above mentioned insurance.</p>	4
28.	<p>Despite so many benefits e-business is still resisted by many people. Explain any four reasons.</p> <p style="text-align: center;"><b>OR</b></p> <p>Explain the various elements of business ethics.</p>	4
29.	<p>Abar Ltd., deals in wholesale business of dry fruits. The Finance Manager, Mr. Rahul Sachdeva, has recommended the Purchase Manager to buy the stock from suppliers without making payment for atleast two months. This will enable them to utilize their existing funds for other purposes. Also their dependency on other sources of funds will decrease.</p> <p>a) Which source of funds is being referred to in the above case? b) State three merits of the identified source of funds.</p>	4
30.	<p>‘International business is much broader than international trade. There are various forms of business operations that constitute international business.’</p> <p>Explain the business operations that constitute international business.</p>	4
31.	<p>In India we have number of Public Sector organisations which are established by the government and controlled by the ministry concerned.</p> <p>Identify the type of organization being referred to. Explain its five merits.</p> <p style="text-align: center;"><b>OR</b></p>	6

	What are Business Services? Explain the distinct characteristics of business services that distinguishes it from goods.							
32.	<p>Punit Raj who was a fitness freak realized that there were very few firms that provide good workout app. So along with his two more friends Punit established their startup developing a workout app which would provide personalized training plans for individuals and also provided offline access to gyms. This startup not only made it easier for the user to get access to gyms but also allowed individuals to train themselves when they could not make it to the gym. For funding his startup, Punit approached Mr.Sanjay Sinha, a wealthy businessman who was running a big pharmaceutical company. Punit requested Mr.Sanjay Sinha to invest funds in exchange for 8% of equity in his startup. Mr. Sinha liked the idea and accepted Punit's proposal.</p> <p>a) What is a startup firm? b) Which way of funding did Punit use for his startup? c) Discuss other four ways of funding that Punit can use for his startup.</p>	6						
33.	<p>Sachin, a Chartered Accountant and Deepak, a Lawyer joined hands to form a consultancy firm. They made a written agreement which specified the terms and conditions that will govern their firm. They also got their firm registered. Due to his commitments, Deepak could not take part in day to day activities of the firm, therefore Sachin looked after the complete management of the firm. The professional attitude of Sachin helped the firm in gaining success within a short period of time. Deepak's friend, Ajeet, was a beginner in the consultancy business. To help his friend Ajeet, Deepak projected himself as a partner in his business due to which Ajeet got some clients.</p> <p>a) What type of partners Sachin and Deepak are? b) Classify the role of Deepak in Ajeet's business. c) Compare between the identified types of partners in part (a) and (b) on the basis of Role in the Management, Capital Investment, Sharing of Profit and Sharing of Risk.</p>	6						
34.	<p>Both wholesalers and retailers are important marketing intermediaries who perform very useful functions in the process of exchange of goods and services between producer and ultimate consumers. However, the functions and activities performed by these intermediaries are different.</p> <p>Bring out their differences on the following basis:</p> <table><tr><td>a) Quantity of goods</td><td>d) Range/Variety of products</td></tr><tr><td>b) Link</td><td>e) Credit facilities</td></tr><tr><td>c) Location</td><td>f) Price</td></tr></table> <p style="text-align: center;"><b>OR</b></p> <p>Explain what benefits do the firms derive by entering into international business?</p>	a) Quantity of goods	d) Range/Variety of products	b) Link	e) Credit facilities	c) Location	f) Price	6
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