

# First Term Examination (23 September 2017)

Class XI

Business Studies (Commerce)

(Set - B)

Time: 3hrs

M.M.90

## General Instructions:

- i) Answers carrying 1 mark may be in one word/one sentence/one paragraph.
- ii) Answers carrying 3 marks may be from 50-75 words.
- iii) Answers carrying 4-5 marks may be about 100-150 words.
- iv) Answers carrying 6 marks may be about 150-200 words.
- v) Attempt all parts of a question together.
- vi) Attempt the paper in a sequence.

- Q1. Suddenly because of natural calamity or changes in tastes and preferences of customers the demand of good may fall. (1)  
Out of these, a few involve only the possibility of loss or no loss. Identify these types of risks.
- Q2. What are Consumer Co-operative Societies? (1)
- Q3. Goods are held in stock to make them available as and when required. This also helps in maintaining the prices at reasonable levels through continuous supply of goods. Identify the auxiliary to trade (1)
- Q4. After the public limited company passes promotion, incorporation and capital subscription stages, and in case it raises funds privately, name the two documents that are required to be submitted by the abovesaid company. (1)
- Q5. Explain “production and procurement of goods and services” characteristic of business activity. (1)
- Q6. It is optional for a Partnership firm to get registered. In case a firm does not get itself registered, it is deprived of many benefits. Give one such consequence. (1)
- Q7. “What this characteristic informs that everyone is different. While you get the same product everytime you buy it, chances are that it looks the same or feels the same. Its not quite the same with services. Most services’ business are people based and performance based so they can vary in general.” (1)  
Identify this trait of service talked about.
- Q8. During the formation of a company, certain contracts are entered with third parties on behalf of the company. Out of the contracts, these are not legally binding on the company . Also, they cannot be ratified. (1)  
Identify the contracts.

- Q9.** How to deal with business risks? (3)
- Q10.** Alex and Sam runs a partnership business of packaging and distribution of consumer goods. Alex's son, John, who is sixteen years old, often comes to their office and helps them in running their business. (1+1+1)  
Alex wants his son to be admitted as a partner and placed this proposal for David's proposal.
- (i) Can John be admitted as a partner in the firm?
  - (ii) Will John be eligible to take part in the management of the business?
  - (iii) What will happen when John will attain majority as per norms of Partnership?
- Q11.** (i) Explain the concepts of Re-insurance and Double-insurance. (2+1)  
(ii) What are endowment life insurance policies?
- Q12.** (i) What are qualification shares? (1+2)  
(ii) Explain the position of promoters?
- Q13.** Ronnit, a resident of Chandigarh went to a local branch of State Bank of India for obtaining a Bankers cheque payable at Pune. (3)  
He wanted a Bankers cheque for paying fees for his MBA Entrance test. However, the bank official rejected his claim. Why did the Bank reject Ronnit's application form for a bankers cheque?
- Q14.** Identify the following the following types of partnerships- (1+1+1)  
(i) This partnership dissolves automatically when the purpose for which it is formed is fulfilled or when the time duration expires.  
(ii) In this partnership, the liability of atleast one partner is unlimited whereas the rest may have limited liability.  
(iii) This type of partnership can continue as long as the partners want and is terminated when any partner gives a notice of withdrawal from partnership to firm.
- Q15.** i) In the cabinet reshuffle on September 3, 2017, Mrs. Nirmala Sitharaman has been as India's new Defence Minister. Mrs Sitharaman has taken charge of the key defence ministry from Arun Jaitley on September 7, 2017. Mrs Sitharaman is the only second woman to hold the post since former Prime Minister Indira Gandhi. The army had finalized a plan to induct 800 women in the military police with an yearly intake of 52 personnel. As a Defence Minister, Mrs Sitharaman will be member of the crucial Cabinet committee on security whose members include the Prime minister, Home minister, External affairs minister and the Finance minister. Identify two socio-economic values highlighted. (2+2)  
ii) A cosmetics manufacturing company claims in advertisement that its face cream improves the face complexion. On using it was found incorrect. Identify two values ignored.
- Q16.** Explain primary industries in detail with two examples each. (4)
- Q17.** Compare the formation, membership, liability and continuity of a Partnership and Joint Stock Company. (4)

- Q18.** Explain the following- (2+2)  
 (i) Internet Banking  
 (ii) Cash Credit
- Q19.** Explain the following clauses of Memorandum Of Association- (2+2)  
 (i) Capital clause  
 (ii) The Name Clause
- Q20.** Explain the following multiple objectives of business- (5)  
 (i) Workers performance and attitude  
 (ii) Productivity
- Q21.** Ahan is the eldest son of the family residing in West Bengal and runs a general store. (1+3+1)  
 He lives with his four younger brothers and two younger sisters, who jointly participate in running of the business and sharing the profits of business.  
 But all the decisions related to business are taken by only Ahan and no other member of the family is allowed to interfere with his decisions  
 (i) Identify the form of business organization.  
 (ii) Explain three benefits of it.  
 (iii) Do you think ahan is wrong in his approach of not involving any other family member in decision making?
- Q22.** (i) What is E banking? (1+2+2)  
 (ii) Give two benefits of E banking to Banks.  
 (iii) Explain Recurring Deposit A/c
- Q23.** Compare Memorandum of Association and Articles of Association. (5)
- Q24.** Starting a business enterprise is similar to any other human effort in which resources (6)  
 are employed to achieve certain objectives. Successful results in business depends largely upon the ability of the entrepreneurs.  
 Name and Explain any six basic factors which must be considered by anybody who is to start the business.
- Q25.** "The process of setting up of this form of organization is simple enough. At the most (1+5)  
 what is required is the consent of atleast ten adult persons. This form of organization also acquires a distinct legal identity after its registration."  
 Identify the form of business organization. Explain in detail its five features.
- Q26.** Explain the following principles with examples- (6)  
 (i) Subrogation  
 (ii) Insurable Interest
- Q27.** A public limited company can raise the required funds from the public by means of (1+5)  
 issue of shares and debentures. For doing the same, it has to issue a prospectus which is an invitation to the public to subscribe to the capital of a company and undergo various other formalities. Various steps are required for raising funds from the public.

Identify the stage of formation of a Company and explain its steps.