

# First Term Examination (23 September 2017)

Class XI

Business Studies (Commerce)

(Set - A)

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. "No pain, no gain" is an age old principle which also applies to all types of business. (1)  
An entrepreneur also undertakes risks under the expectation of higher risks. On the basis of above understanding, identify the trait of business risks.
- Q2. What are Marketing Co-operative Societies? (1)
- Q3. Tea is mainly produced in Assam, Cotton in Gujarat and Maharashtra, Jute in West Bengal and Orissa and spices in Kerela, but these goods are required for consumption in different parts of the country. Which auxiliary to trade is needed? (1)
- Q4. In what circumstances, a public limited company may not issue a prospectus? (1)  
Under same circumstances, what does a public company issues?
- Q5. Explain "sale or exchange of goods and services" characteristic of Business Activities. (1)
- Q6. In which form of organisation is a trade agreement made by one owner binding on others? Identify this feature. (1)
- Q7. This is used to describe the key quality of services that distinguishes them from goods. (1)  
This feature renders it impossible to divorce the supply or production of the service from its consumption. Identify above feature of services.
- Q8. "We are several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names." (1)  
Identify the clause.
- Q9. Although earning profit cannot be the only objective of business, its importance cannot be ignored. Every business is an attempt to reap more than what has been invested and profit is the excess of revenue over cost. Profit is an essential objective of business. (3)  
Justify the statement with three reasons

- Q10.** It is advisable to get a Partnership firm registered. According to Indian Partnership act, 1932, the partners may get the firm registered with the Registrar of firms of the state in which it is situated. The registered can be at the time of formation or any time during its existence. Explain the procedure for getting a firm registered. **(3)**
- Q11.** (i) Give one point of difference between insurance and assurance. **(1+2)**  
(ii) Compare the time of presence of insurable interest in the case of fire insurance and marine insurance.
- Q12.** (i) When the Registrar is satisfied about the completion of formalities of registration, a Certificate of Incorporation is issued to the company. Along with this certificate, is something else allotted to the company? Name it. **(1+2)**  
(ii) What are provisional contracts and pre-incorporation contracts?
- Q13.** Milan is involved in trading of cosmetic products. His job involves carrying out a number of transactions on a daily basis. He has a savings account with bank. However, many a times, the balance in his account is not sufficient for making payments. **(3)**  
Due to delay in making payments, his suppliers delay consignments to their firm. One of his suppliers suggested him to open another account with bank. Identify the type of new account which Milan should open with the bank to solve his problem. Also, state its features.
- Q14.** Identify the type of partner highlighted in the following statements: **(3)**  
(i) This partner allows the use of goodwill to benefit the firm and can be represented as a partner.  
(ii) This partner gives an impression of his being partner to others by his words or conduct.  
(iii) This partner takes part in working of the business of the firm.
- Q15.** i) "The new India will make one tax, one nation and one market." Finance Minister Dr Arun Jaitley said that goods and services tax system implemented from 1<sup>st</sup> July 2017 would lower prices, boost GDP and bolster government resources allowing greater spending on the welfare of the people. It is a journey where India will awake to limitless possibilities to expand its economic horizons and loftier political visions." Identify two socio-economic values highlighted. **(2+2)**  
ii) In the case of advertisements, if a particular advertisement focus more on highlighting the flaws of the competitor, which two values are ignored.
- Q16.** Explain Manufacturing industries in detail. **(4)**
- Q17.** What are the privileges available to a private limited company over a public limited company? **(4)**

- Q18.** Explain the following- (4)
- (i) Mobile banking
  - (ii) Bank overdraft
- Q19.** Explain the following clauses of Memorandum of Association- (4)
- (i) Liability clause
  - (ii) Registered office clause
- Q20.** Explain the following multiple objectives of business- (5)
- (i) Manager's performance and development
  - (ii) Social responsibility of business
- Q21.** In 1969, Dr Karsanbhai Patel, a chemist manufactured detergent powder as a part time work and named it NIRMA. He decided to first sell it locally at a price of Rs 3 per kg. (1+4)
- Soon there was a huge demand for it in Gujarat. He sold about 15-20 packets a day in his way to office on bicycle.
- Today NIRMA is a group of companies that manufacturers products ranging from cosmetics, soaps, detergents, salt, soda ash, LAB and injectibles.
- (i) Identify the form of business organization that Dr. Karsanbhai Patel started with?
  - (ii) Give four reasons why it was difficult to run business single handedly by Dr. Karsanbhai Patel?
- Q22.** (i) What is e-banking? (1+2+2)
- (ii) Give two benefits of e-banking to customers.
  - (iii) Explain Multiple Option Deposit Account
- Q23.** Write the differences between Memorandum Of Association and Articles of Association. (5)
- Q24.** Economic activities are divided into three main categories on six basis of difference, make a tabulated comparison (6)
- Q25.** "The shareholders are the owners of the company while the Board of Directors is the chief managing body elected by the shareholders. Usually the owners exercise an indirect control over the business. This form of business organization can be described as an artificial person having a separate legal entity and with perpetual succession." Identify the form of business organization and explain its limitations. (1+5)
- Q26.** Explain the following principles of Insurance with examples- (6)
- (i) Indemnity
  - (ii) Mitigation
- Q27.** They are the hired professionals who bring together the men, materials, machinery, managerial abilities and financial resources and set the organization going. (1+5)
- Identify "them" and explain their functions in detail.