

*Ms Richa*

**BUDHA DAL PUBLIC SCHOOL PATIALA**  
**Final Examination (1 March 2024)**

**Class XI (Commerce)**  
**Subject - Business Studies**  
**(Set - B)**

Time: 3hrs

M.M. 80

**General Instructions**

1. All questions are compulsory.
2. Questions from 1 to 20 carrying 1 mark each.
3. Questions from 21 to 24 carrying 3 marks each.
4. Questions from 25 to 30 carrying 4 marks each.
5. Questions from 31 to 34 carrying 6 marks each.

Q1. Identify the term which is related to uncertainties about the returns and chances of losses in the business.

- a) Risk    b) Market trend    c) Natural calamities    d) Market standing

Q2. This document is described as the charter of the company

- a) Prospectus    b) Articles of associations    c) Memorandum of association    d) None of these

Q3. \_\_\_\_\_ industries remain engaged in breeding plants and animals for their use in further production.

- a) Processing Industry    b) Synthetical Industry    c) Genetic Industry    d) Entractive Industry

Q4. In a co-operative society the principle followed is :

- a) Multiple votes    b) One man one vote    c) one share one vote    d) No vote

Q5. How will you classify the Reserve Bank of India as a form of Public Sector enterprise?

- a) Departmental undertaking    b) Statutory Corporation  
c) Government Company    d) None of the above

Q6. Sanyam insures his house for Rs. 4,00,000 with Max Insurance and for Rs. 8,00,000 with Mini Insurance. Sanyam incurs a loss for Rs. 4,80,000. Now, liability of Max Insurance and Mini Insurance will be

- a) Rs. 2,40,000, Rs. 2,40,000    b) Rs. 4,80,000, Rs. 0  
c) Rs. 0, Rs. 4,80,000    d) Rs. 1,60,000, Rs. 3,20,000

Q7. Name the written agreement which defines the terms and conditions of a partnership.

- a) MOU    b) MOA    c) Partnership Deed    d) Partnership Registration

Q8. Match the following

Column I	Column II
1. Payment made using UPI	a) credit card
2. Transfer money electronically from bank account	b) cash on delivery
3. Goods bought on credit	c) BHIM
4. Payment done after receiving the commodity	d) EFT

- a) 1(c), 2(b), 3(a), 4(d)    b) 1(d), 2(a), 3(b), 4(c)    c) 1(c), 2(d), 3(a), 4(b)    d) 1(b), 2(c), 3(d), 4(a)



- Q9. As per the \_\_\_\_\_, partnership business can be carried on by all the partners or any one of the partners can act for all.
- a) Compulsory registration of partnership
  - b) Mutual agency
  - c) Limited liability
  - d) Unlimited liability
- Q10. According to this principle, the purpose of an insurance contract is to bring back the insured to the same financial position.
- a) Principle of utmost good faith
  - b) Principle of Insurable interest
  - c) Principle of proximate cause
  - d) None of the above
- Q11. Business is responsible to provide accurate and complete financial position of the company. This responsibility is towards:
- a) Consumers
  - b) Workers
  - c) Shareholders
  - d) Government
- Q12. Minimum number of members to form a public company is:
- a) 7
  - b) 12
  - c) 5
  - d) 21
- Q13. At the time of winding up, refund of \_\_\_\_\_ is made after the refund of \_\_\_\_\_.
- a) Preference share capital, equity share capital
  - b) Retained earnings, equity share capital
  - c) Equity share capital, preference share capital
  - d) None of these
- Q14. In case of \_\_\_\_\_, investors are individuals with Surplus cash who have keen interest to invest in upcoming start-ups.
- a) Boot strapping
  - b) Crowd funding
  - c) Angel Investment
  - d) Venture capital
- Q15. Which of the following source of finance does not create any charge against the assets of a company?
- a) Equity shares and Debentures
  - b) Preference shares and Debentures
  - c) Equity shares and Preference shares
  - d) None of the above
- Q16. Assertion (A) : Retained earnings can only be used by on established firm not by a new firm.  
Reason (R) : A newly established firm has not yet earned any profits to be used as reserves.
- Alternatives:
- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
  - b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
  - c) Assertion (A) is true, but Reason (R) is false.
  - d) Assertion (A) is false, but Reason (R) is true.
- Q17. Investment limit in equipment for medium Service enterprises is \_\_\_\_\_.
- a) above Rs. 10 lakh and up to Rs. 2 crore
  - b) above Rs. 25 lakh and up to Rs. 5 crore
  - c) above Rs. 2 crore and up to Rs. 5 crore
  - d) above Rs. 5 crore and up to Rs. 10 crore
- Q18. Retailers who have no fixed place of sale are called \_\_\_\_\_.
- a) Itinerants
  - b) Street traders
  - c) Market traders
  - d) Hawkers



- Q19. Overdraft facility is available only on
- Current account deposits
  - Saving account deposits
  - Recurring deposits
  - Fixed deposits
- Q20. Which of the following can ensure effective ethics programme in a business enterprise?
- Publication of a code
  - Involvement of employees
  - Establishment of compliance
  - All of these
- Q21. A transport co. took an accident insurance policy for all its vehicles. A truck of that company carrying oranges met with an accident. Due to that accident there was no damage to oranges but oranges were unloaded from the truck and reloaded, to another. Due to time wasted in unloading and reloading the oranges get spoiled. Will the company get compensated for loss of oranges from the insurance co. or not? Name and explain that principle. (3)
- Q22. What benefits do Nations derive by entering into International business? (3)
- Q23. Rishab is a retailer, who runs a departmental store in Krishna Nagar, Delhi. He stocks an extensive variety of goods so as to provide a wider choice to the buyers. Rishab has effectively displayed new products and provides information about features, price etc. of such products to the customers. The departmental store is situated near to, the residential areas and remains open for long hours. Rishab also sells goods on credit to the reputed and known customers. Identify and explain the services of retailers to consumers being provided by Rishab from the given case. (3)
- Q24. If registration is optional, why do partnership firms willingly go through this legal formality and get themselves registered? Explain. (3)
- Q25. Shridhar is planning to promote an e-commerce company under the name 'Musaffir'. The success of the business depends upon its ability to churn out plans based on logic. Before starting his business, he wants to check the feasibility of the project from different aspects. (4)
- In content of the above case :
- Identify the various kinds of feasibility studies that Shridhar has undertaken as a promoter.
  - What are the various formalities that Shridhar will have to fulfill for the name approval of the company?
- Q26. 'Dhawan Bank' is a popular bank offering varied services to its customers. Farhan being a business man has chosen the type of account in which deposits are the most liquid and there are no limits to the number of transactions. On the other hand his mother has opened a type of account where she can conveniently deposit the money she saved. These accounts provides cheque facility. Farhan's brother Suhail has opened a special account wherein he will deposit Rs. 1000 every month for next years. (4)
- Identify the various types of bank accounts being used by Farhan and his family member and also explain them.
  - Also explain one more type of account not mentioned in above paragraph.
- Q27. XYZ Ltd. took loan of Rs. 50 lakh from a Bank for its growth and expansion plans. The company was unable to repay the loan amount because of heavy losses incurred in the business on a continuous basis. The management of the company asked its shareholders to contribute towards repayment of the loan. But the shareholders refused as they had already paid the full amount due to their shares. The bank filled a case against XYZ Ltd. in the court. The court held that the shareholders of the company were not liable to repay the loan as they had not unpaid amount on shares. (4)
- Is the court's decision justified? Give reason is support of your answer.
  - Which characteristic of the company form of organization protected by the shareholders? Explain.



- Q28. 'Indian Railways' is a part of Railway Ministry. It is organized, financed and controlled by Railway Ministry. (4)
- Name the type of Public Sector Enterprise 'Indian railway's.
  - What is the status of employees working in Indian Railways?
  - How does it get its finance?
  - What does it do with its revenue?
- Q29. Ram, Kabir and Gurpreet are three friends who belong to the same village. They have completed their MBA education from IIM, Ahmedabad. They want that the country should benefit from their education. With this aim they want to do such a business which will generate more employment and output, mobilize local resources, and contribute to balanced regional development. For this they set up a small scale industry unit in their own village. Do you think they will be able to contribute to the development of rural, backward areas of the country? Explain their contribution. (4)
- Q30. At International level, various organizations exist for accelerating the pace of the development and trade among the Nations. Name and explain one such organization also state two objectives of that organization. (4)
- Q31. Manjeet Pvt. Ltd. is a reputed co. manufacturing computers. The company is earning a considerable profit. Both the proprietors and the employees are putting their best efforts to make good quality products available to the customers at a low price, paying its shareholders a good amount of dividends and the employees a reasonable remuneration. This contributes to the successful operations of the business with increased profits over time, the company's foundation becomes strong, and it earns a good reputation in the society. It utilizes its profits to finance its growth and expansion requirements. Explain the role of profit in business of Manjeet Pvt. Ltd. by quoting the lines from the above para. (6)
- Q32. A group of seven friends decided to jointly set up a public company in a rural area where the people were facing serious unemployment problem. All of them jointly selected a place where the company's registered office would be situated. Along with it, with the advice of business specialists, it was also decided what procedure would be followed for the issue and allotment of shares. All the friends wanted their company to have a single recognition, and people should get immediate attraction towards its products it was felt that the very name of the company could become a reason for its recognition. After a detailed discussion, the company's name was decided as Trimurthi Ltd. then they jointly completed all the formalities of the formation of the company. (6)
- Identify and explain the two important documents used in the formation of the company quoting the lines from the above para which helped you identify these documents.
- Q33. Fyers Ltd. a firm manufacturing tentiles, needs to finance its day to day expenses, like, wages, rent, maintain stock of raw material, etc. other than this, the company also decided to set up a new plant at an estimated cost of 5 crores. The finance manager of a company, Mr. Rajesh was asked by the management to do the financial planning by identifying most suitable source of raising long-term funds for financing the investment decision and short term sources for working capital decision. As per the suggestions of Mr. Rajesh, the company approached their raw material supplier to give them credit for three months. So that the company can get cloth for making garments without making immediate payment. For long-term investment the company had issued equity and preference share to meet its requirement. This decision resulted in payment of large amount of taxes to government as dividend on share is not deducted from total income tax. But this situation could be avoided if company had chosen borrowed funds as a source of finance. (6)
- State the source of finance, suggested by Mr. Rajesh to finance working capital and also explain them.
  - Also explain any three differences between equity and preference shares.
- Q34. What is business ethics? Mention the basic elements of business ethics? (6)