

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

Class XI (Commerce) XI
Subject - Business Studies
(Set - A)

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. Shivam's factory was destroyed due to earthquake. Identify the cause of business risk.
a) Economic cause b) Human causes c) Natural causes d) Other causes
- Q2. As per the _____ partnership business can be carried on by all the partners or any of the partners can act for all.
a) Compulsory registration of partnership
b) Mutual Agency
c) Limited Liability
d) Unlimited Liability
- Q3. Auto mobile and computer industry are the example of:
a) Processing Industry b) Assembling Industry c) Synthetic Industry d) None of these
- Q4. Minimum number of members to form a private company is :
a) 3 b) 7 c) 5 d) 2
- Q5. In case of which card, holder can spend money only upto the balance in his account?
a) Credit card b) Debit card c) Both (a) and (b) d) None of these
- Q6. This document is described as the charter of the company?
a) Prospectus b) Articles of Association c) Memorandum of Association d) None of these
- 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. In case of _____ registration is compulsory
a) Company b) Sale Proprietorship c) Partnership d) None of these
- Q9. A government company is any company in which the paid up capital held by the government is not less than:
a) 49% b) 50% c) 51% d) 25%
- Q10. 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

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Q11. This principle states that once the compensation is paid, the right of ownership of the damaged property passes on the insurer, so that the insured cannot sell the damaged property to make profits. Identify the principle.

- a) Principle of Indemnity
- b) Principle of Proximate cause
- c) Principle of utmost good faith
- d) None of these

Q12. 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)

Q13. Social responsibility of business to ensure regular supply of goods and services is towards.

- a) Owners b) Consumers c) Government d) Workers

Q14. 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

Q15. 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

Q16. 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

Q17. 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.

Q18. Investment limit in equipments for micro service enterprises is:

- a) Rs. 10 crore b) Rs. 50 crore c) Rs. 5 crore d) Rs. 1 crore

- Q19. The main reason behind international business is that the
- Countries cannot produce equally well or cheaply all that they need
 - All countries are interested in setting up businesses in India.
 - India is fully developed country
 - India is a poor country
- 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. Naresh took a fire insurance policy from NICL of 50 Lakh for his factory at the annual premium of Rs. 75,000. In order to avoid premium more than his amount he did not disclose that highly explosive chemicals are being manufactured in his factory. Due to fire his factory gets damaged. The insurance company NICL refused to make the payment for claim as it became aware about the highly explosive chemicals. Is Naresh entitled to claim? Explain the Principle of insurance violated by Naresh. (3)
- Q22. What benefits do firms derive by entering into International business? (3)
- Q23. Subodh is a wholesaler of A4 photocopy paper. He purchases paper in bulk quantities, which enables the manufacturer to take advantage of economies of scale. Subodh purchase paper from manufacturers on cash basis and sometimes even give advance money for bulk orders. As Subodh is in direct contact with the retailers, he keeps informing the manufacturer about the changes in customers. Preference, market conditions etc. Identify the services of wholesalers to manufacturers being provided by Subodh by quoting lines from the given case. (3)
- Q24. 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 industrial 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. (3)
- Q25. Mr. Mukul Gupta contracted with a firm. According to the contract, he has advanced a loan of Rs. 20 lakh to the firm and in exchange he got the power to take a few decisions regarding the firm's business. Besides, he got 9% interest on the loan and 12% of profits earned by the firm. (4)
- Is Mr. Mukul Gupta a partner of the firm? Give reasons in support of your answer.
- Q26. Gas Authority of India Ltd. (GAIL) is carrying on various projects of energy and Power Majority of its shares are held by the government of India. It was registered under the previous companies Act. It enjoys all the characteristics of a company. The Board of directors are appointed by the government. The Board and shareholders are responsible for the efficient working of the company. The company prepares its annual report and submit to the appropriate authorities. (4)
- Name the type of public sector enterprise referred to in the above para.
 - State any two features of the type of Public Sector enterprise identified in part (a) other than discussed in the above para.
 - In whose name does the government buy shares?
- Q27. If registration is optional why do partnership firm willingly go through this legal formality and get themselves registered? Explain. (4)
- Q28. 'E-business offers numerous benefits'. Justify your answer by giving suitable reasons. (4)

- Q29. Rajan wants to start a business unit manufacturing khadi items. His friend who makes craft items,, suggests him to start a small - scale industrial unit in some rural, backward area since the government is offering various incentives to small scale industries. (4)
- State any four incentives offered by the government for small-scale industries.
 - Name two institutions set up by the government of India to promote small scale industries in rural India. Explain their role.
- Q30. At International level, various organizations exists 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 become strong, and it earns a good reputation in the society. It utilize 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 a 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 pay jointly completed all the formalities of the formation of the company. 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. (6)
- Q33. Madhav sales Pvt. Ltd. owns the agency of different food products, which sells goods of different brands to retailers after purchasing them from several companies, it purchases almost all goods for cash while its all sales are in credit of one month. So the company keeps struggling with the short term finance. To overcome this problem, the company finance department held a meeting. The chairperson of the meeting asked the members to express their views on the solution of this problem. The first person said, we should use a source of finance which does not involve any bureaucracy and legal problems and the market of which maintains secrecy. The second person's opinion was that the company often needs cash credit and overdraft. Therefore, the source of finance should selected considering this fact. The view of the third person was that the company also buy goods on credit. The chairperson of the meeting listened to the suggestions of all and to take the final decision, asked them to be present in a meeting the next week. Quoting the relevant lines from the above para, Identify and explain the source of finance as suggested by different persons. (6)
34. 'Business is essentially a social institution and not merely a profit making activity.' Explain. (6)