

ARMY PUBLIC SCHOOL SHILLONG
ANNUAL EXAMINATION 2022-23
CLASS XI COMMERCE
BUSINESS STUDIES

Time Allowed - 3 Hours

Maximum Marks-80

General instructions :

- 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. Earning profit is considered to be an essential objective of every business because: 1
 - a) It is an important source of finance for meeting expansion needs of business.
 - b) It indicates that the business is being run efficiently.
 - c) It helps to build up the goodwill of the business.
 - d) All of the above.

2. Which of the following is true about statutory corporations? 1
 - a) Statutory corporations are subject to the same accounting and audit procedure as are applicable to government departments.
 - b) Statutory enterprises are funded directly by the government treasury.
 - c) Statutory corporations are public enterprises that come into existence by a Special Act of the Parliament.
 - d) The employees of statutory enterprises are civil servants.

3. There is a full guarantee by the issuing bank branch about its payment to the payee. So, there is no risk of getting dishonoured. 1
 - a) Bank Draft
 - b) Cheque
 - c) Both(a) & (b)
 - d) None of these

4. When a property is insured by more than one insurance (i.e. in case of multiple insurance), the insurers are to share losses in what proportion? 1
 - a) Ratio of premiums received
 - b) Ratio of duration of insurance
 - c) Ratio of amount insured
 - d) Equal Ratio

5. Which of the following is not social responsibility of business towards Shareholders? 1
 - a) To provide fair return on their capital investment.
 - b) To supply right quality of goods at reasonable prices.
 - c) To provide information regarding schemes of future growth.
 - d) To provide accurate information about working of the company.

6. “Management of an enterprise should provide opportunities for meaningful work. It should try to create the right kind of working conditions.” The given statement highlights the social responsibility of business towards the: 1
- Shareholders or owners
 - workers
 - consumers
 - government and community
7. Which of the following is not a characteristic of a cooperative society? 1
- Membership is open to all, irrespective of their religion, caste, and gender.
 - The society can enter into contracts and hold property in its name, sue and be sued by others.
 - In a cooperative society, the power to take decisions lies in the hands of all the members of society.
 - The cooperative society through its purpose lays emphasis on the values of mutual help and welfare.
8. Prabhat and Rishi are doing separate business of installing Centralised Air Conditioning units in Mumbai. They enter into a partnership contract to install Centralised AC unit in a hotel in Shirdi. Identify the type of partnership being highlighted in the given case. 1
- Partnership at will
 - Particular Partnership
 - General Partnership
 - Limited Partnership
9. Debenture is a source of raising finance 1
- Long term
 - Medium term
 - Short term
 - None of the above
10. Shops having same Interior exterior and sell at uniform price are called: 1
- Departmental store
 - Chain Store
 - Both (a) & (b)
 - None of the above
11. Funds required for purchasing current assets is an example of: 1
- Fixed capital requirement
 - Ploughing back of profits
 - Working capital requirement
 - Lease financing
12. Find any two similarities between joint stock company and cooperative societies. 1
- Limited Liability & Common Seal
 - Separate Entity & Formation
 - Limited Liability & Management Control
 - Separate Entity & Service Motive
13. Mr. Zed, a 39 year old, young man came to know that he is suffering from heart blockages, 1

which need to be operated within next three months. He purchased an insurance policy worth rupees 10 lacs, without disclosing his true clinical material facts. He got operated but insurance company refused to pay the dues stating that he had violated one of the insurance principles. Identify it.

- a) Subrogation
- b) Mitigation
- c) Insurable Interest
- d) Utmost good faith

14. Everyday an ice-cream vendor appears in front of your school. Name the type of retailer referred here. 1
- a) Peddlers and Hawkers
 - b) Market Traders
 - c) Street Traders
 - d) Single line Stores
15. Rahi Ltd. is a company dealing in organic products. The company requires funds, for short term, in order to meet the additional demand during festival season. The financial manager of the company suggested that the company can borrow funds from Rare Limited. Rare Limited deals in FMCG products. Identify the suitable source for raising funds to be used by financial manager in the above case. 1
- a) Inter corporate deposits
 - b) Trade Credit
 - c) Cash Credit
 - d) Bank Overdraft
16. A Patent grants exclusive rights to the inventor for a period of ____ during which anybody else who wishes to use the patented subject matter needs to seek permission from the patentee, by paying certain cost for the commercial use of such invention. 1
- a) 2 years
 - b) 5 years
 - c) 10 years
 - d) 20 years
17. Which of the following statement is FALSE for MSME sector in India 1
- a) MSME sector is the second largest employer of human resources, after agriculture.
 - b) MSME is considered being less labour intensive and more capital intensive.
 - c) MSME in our country supplies an many variety of products which include mass consumption goods etc.
 - d) MSME is considered being more labour intensive and less capital intensive.
18. The basic objective of Start-ups India scheme is 1
- a) Trigger an entrepreneurial culture and inculcate entrepreneurial values.
 - b) Create awareness about the charms of being an entrepreneur.
 - c) To carve strong eco system for nurturing innovation & startups of country
 - d) Encourage more dynamic start up by motivating educated youth as a viable career.
19. This particular type of Bank account is a combination of savings bank and current account with term or special term deposits accounts. 1
- a) Multiple Option Deposit Account

- b) Fixed Deposit Account
- c) Recurring Account
- d) Saving Account

20. The term “redeemable” is used for which of the following: 1
- a) Preference Shares
 - b) Equity Shares
 - c) Trade Credit
 - d) None of these
21. Manan and ketan decide to start a partnership business of manufacturing computer keyboards. Manan is of the view that they should have a written agreement and they should also register their partnership firm. However, Ketan wants to have a verbal agreement. Manan explained the consequences of non- registration to Ketan, after which Ketan agreed it. State the consequences of non- registration of a firm which were explained by Manan to Ketan. 3
22. Identify the following traits of business, profession & employment: 3
- a) Hari sells mobile phones on behalf of his employer.
 - b) It requires minimum academic & other qualifications.
 - c) A hawker sells toys for children outside a function.
 - d) Dhruv is the manager of a mobile company.
 - e) V Sanjay is an advocate of High Court.
 - f) A person repairs scooters on roadside.
23. A group of people in a locality of Delhi used to go for a walk in the morning. After the walk, they would often sit together and discuss the subjects like politics, demonetization, elections, market prices of different goods etc. There were about fifty persons in this group. One day, instead of other subjects, their focus of discussion was ‘Market Prices of Different Goods’. During the discussion, the emphasis laid on the point was that goods become very costly by the time they reach the consumers after getting transported from the producers. Consequently, everyone's budget is getting disturbed. To get rid of this problem some people suggested that they should join together to form a society. The society would sell the goods to all the members as per their requirements after buying them in a large quantity directly from the producers. This suggestion was appreciated by them. They all became members of the society and encouraged other people also to become its members. In no time, 100 members assembled and the society was formed. The idea of forming the society immediately proved to be successful. Now their budget became balanced. A special characteristic of this society was that apart from its members it was also selling goods to the other people of the society at cheaper rates. All of them were very happy with the formation of the society. 3
- a) Identify and explain the type of cooperative society formed by them.
 - b) Under which act, the society must have been formed?
 - c) What is the liability of the members of the society so formed?
24. Govind is a manufacturer of readymade kids garments. He sells his products through various dealers across the country. However, his sales are decreasing over the years. Recently, his wife gifted him a jacket, which she had ordered through Myntra (an Online Shopping site for fashion and lifestyle). This gave Govind an idea to start selling his products online. State any three benefits that Govind can get through e- business. 3

OR

Unique enterprise is dealing in auto spare parts. With the expansion in business the enterprise found that the decisions are delayed and level of coordination is coming down. The CEO of the company called for a meeting of all managers. Ayush, a newly appointed manager suggested that company should have its own internet so that all the employees can interact and pass important information to each other through internet. Even short meeting of different departments can be conducted through Video conferencing to take fast action. The CEO liked the idea and installed an internet connection for connecting all the employee on line.

- a) Which type of e-commerce is suggested by Mr. Ayush? Explain.
- b) Also, explain types of e-commerce which are not mentioned in above para.

25. Differentiate between Departmental stores and Chain stores on any four basis. 4

OR

What are the services offered by retailers to consumers?

26. Explain the role of small business in India with emphasis on the rural basis. 4

27. Differentiate between e-business & traditional business on the following basis: 4

- a) Personal touch
- b) Risk involved
- c) Setting up cost
- d) Human resource required

28. Fundamental reason behind international business is that every country can't produce equally well or cheaply all that they need, hence international business is required". Explain any four rationale of the same. 4

OR

"International Trade is not only beneficial to Countries but it also works for the wellbeing of industry and trade of these countries" Explain the rationale of the same.

29. Explain any four arguments against social responsibility 4

OR

Explain any four elements of business ethics.

30 Mohit and Sumit are friends. They have to attend the birthday party of a common friend. Mohit goes to 'Poshak kids wear' exclusively for kids wear with his parents to get a new dress for party, whereas Sumit purchased his dress from 'Reliance Mart'. & his mother purchased grocery from the same store. 4

- (a) Identify the type of stores Mohit and Sumit visited.
- (b) Explain any one feature of each store identified in part (a).

31 Explain the following principles of insurance with example: 6

- a) Principle of causa proxima
- b) Principle of contribution
- c) Principle of subrogation

32 Surya company, an LED lights manufacturing company has good growth prospects. The owners of the company are planning to expand their business. For this, the company needs additional funds. The finance manager reports that the company is not in a position to bear 6

extra burden of paying any fixed financial charges like interest or dividend. They do not want to bear any flotation costs even. Also, the equity shareholders insist not to issue further shares as there is risk of dilution of control.

(i) Suggest the source of finance most suitable for the company.

(ii) Enumerate any three merits and two demerits of the source of finance identified in part the (i).

- 33 “It is said to be an artificial person created by law, having a separate entity with perpetual succession & common seal.” What is it? Explain its features. 6
- 34 BHEL was founded in the year 1964 by the Government of India. It is the largest power plant equipment manufacturer in the country with 74% market share in the Power Sector. It has network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 service centres and infrastructure allowing it to execute more than 150 projects at sites across India and abroad. It has been granted the prestigious Maharatna status in 2013 by the Government of India. Maharatna Status allows the Board of this company enhanced financial and operational autonomy. In content of the above case: 6
- (a) How will BHEL be classified as a form of Public Sector Enterprise?
- (b) State any four features of the form of Public Sector Enterprises as identified in part (a).
- (c) State briefly ‘Operational autonomy’ as a merit of the type of Public Sector Enterprises as identified in part (a).