



INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE

SAMPLE PAPER 2 2023-2024

BUSINESS STUDIES (054)

TIME: 3 Hours

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.

PART A		
1	The work of production of goods is covered under _____. a. Industry b. Trade c. Auxiliary to trade d. Manufacturing	1
2	The important exporting centre for wool and for importing horses in the ancient times was _____. a. Pataliputra b. Taxila c. Peshawar d. Mathura	1
3	Powers, rights, remuneration, qualification, and duties of directors are discussed clearly in _____. a. Memorandum of Association b. Articles of Association c. Prospectus d. None of the above	1
4	The shares of a Government Company are purchased in the name of which of the following? a. The Indian Government	1

	<ul style="list-style-type: none"> b. The President of India c. The Chief Minister of the state, where the head office of the company lies d. The Managing Director of the company 	
5	<p>A government company is any company in which the paid-up capital held by the government is not less than _____.</p> <ul style="list-style-type: none"> a. 49 percent b. 51 percent c. 50 percent d. 25 percent 	1
6	<p>Which of the following is true about statutory corporations?</p> <ul style="list-style-type: none"> a. Statutory corporations are subject to the same accounting and audit procedures as are applicable to government departments b. Statutory enterprises are funded directly by the government treasury c. The employees of statutory enterprises are civil servants d. Statutory corporations are public enterprises that come into existence by a special act of the parliament 	1
7	<p>Which of the following types of organisations has the capability of expanding the market territory and operating through a network of subsidiaries, branches, and affiliates?</p> <ul style="list-style-type: none"> a. MOFA – Ministry of Foreign Affairs b. MNC – Multinational Companies c. Public Sector Enterprises d. Private Sector Enterprises 	1
8	<p>The funding of which of the following enterprises comes directly from the government treasury, is under an annual appropriation from the budget of the government, and the revenue earned by it is also paid into the treasury?</p> <ul style="list-style-type: none"> a. Departmental undertaking b. Statutory corporation c. Government company d. Cooperatives 	1
9	<p>Which of the following is not a function of insurance?</p> <ul style="list-style-type: none"> a. Risk sharing b. Assist in capital formation c. Lending of funds d. None of the above 	1
10	<p>Social responsibility is _____.</p> <ul style="list-style-type: none"> a. Same as a legal responsibility b. Broader than legal responsibility 	1

	<p>c. Narrower than legal responsibility</p> <p>d. (d) None of them</p>	
11	<p>Here, parties involved in the electronic transactions are from within a given business firm, hence, the name is _____.</p> <p>a. Intra-C Commerce</p> <p>b. Intra-D Commerce</p> <p>c. Intra-B Commerce</p> <p>d. Intra-A Commerce</p>	1
12	<p>Which of the following is not applicable in a life insurance contract?</p> <p>a. Conditional contract</p> <p>b. Unilateral contract</p> <p>c. Indemnity contract</p> <p>d. None of the above</p>	1
13	<p>Which of the following is a contract of Indemnity?</p> <p>a. Marine Insurance</p> <p>b. Fire Insurance</p> <p>c. Life Insurance</p> <p>d. All of the above</p>	1
14	<p>Equity shareholders are called _____.</p> <p>a. Owners of the company</p> <p>b. Partners of the company</p> <p>c. Executives of the company</p> <p>d. Guardian of the company</p>	1
15	<p>This refers to the buying and selling of goods in bulk, i.e., the exchange of large quantities of goods meant for resale in local markets.</p> <p>a. External trade</p> <p>b. Internal Trade</p> <p>c. Whole sale Trade</p> <p>d. Retail Trade</p>	1
16	<p>“International business operates on a simple principle — produce what your country can produce more efficiently, and trade the surplus production so generated with other countries to procure what they can produce more efficiently”. Identify the advantage of international business highlighted here.</p> <p>a. More efficient use of resources</p> <p>b. Increased standard of living</p> <p>c. More efficient uses of funds</p> <p>d. Decreased standard of living</p>	1

17	The vision to become international comes from the urge to grow, the need to become more competitive, the need to diversify and to gain strategic advantages of _____.	1
	<ul style="list-style-type: none"> a. internal trade b. internationalisation c. domestic trade d. e-business 	
18	Which one of the following is not amongst India's major import items:	1
	<ul style="list-style-type: none"> a. Ayurvedic medicines b. Oil and petroleum products c. Pearls and precious stones d. Machinery 	
19	The growth of international business of many companies is essentially a part of their business policies or _____.	1
	<ul style="list-style-type: none"> a. strategic management b. dynamic procedure c. procedures d. strategic policy 	
20	Production on a larger scale often leads to _____, which in turn lowers production cost and improves per unit profit margin.	1
	<ul style="list-style-type: none"> a. Increased costs b. decreased profits c. economies of scale d. no profits 	
PART B		
21	In a public notice, the company has invited its shareholders, employees and the general public to deposit their savings with it. The media giant can garner a maximum of Rs 1,197 crore through deposits including Rs 855 crore from public and the remaining Rs 342 crore from shareholders. Besides, the company had an aggregate deposit of Rs 332 crore at the end of December 31, 2012. However, it was not clear, how much funds it would garner from the public deposits. The company said it would accept deposits for a period of one-year at a rate of 11%. It said an additional 0.5% per annum would be given to the company's employees and senior citizens. It also said that interest would be paid on quarterly basis. Network 18 Media & Investments Ltd said that it has "no overdue deposits other than unclaimed deposits". Last year, Network 18 Media & Investments Ltd had raised nearly Rs 2,700 crore through rights issue of for repayment of debts among others. Network18 Group is a media conglomerate with interests in television, Internet, film entertainment, e-commerce, specialty magazines, mobile content and allied businesses. Explain any (3) merits of the above source of fund explained.	3

26	<p>Explain the four (4) different types of Business Services</p> <p>Or</p> <p>Enumerate the different types of Bank Accounts (Any 4)</p>	4
27	Explain any (4) characteristics of business activities	4
28	This refers to its obligation to take those decisions and perform those actions which are desirable in terms of the objectives and values of our society. Explain the four arguments against the above explained concept.	4
29	<p>Identify the ways to fund a start-up from the following cases:</p> <p>(i) Commonly known as self-financing, it is considered as the first funding option because by stretching out your personal savings and resources, you are tied to your business. Also, at a later stage, investors consider it as your merit. However, it is a good option of funding only if the initial requirement is small and handy. -</p> <p>(ii) It is the pooling of resources by a group of people for a common goal. Crowdfunding is not new to India. There are many instances of organisations reaching out to common people for funding. However, the emergence of platforms that promote crowdfunding is fairly recent to India. Angel investment: Angel investors are individuals with surplus cash who have keen interest to invest in upcoming startups. They also offer mentoring or advice alongside capital. -</p> <p>(iii) There are professionally managed funds which are invested in companies that have huge potential. Venture capitalists provide expertise, mentorship and act as a litmus test of where a business organisation is going, evaluating business from sustainability and scalability point of view. -</p> <p>(iv) This consists of individuals with surplus cash who have keen interest to invest in upcoming startups. They also offer mentoring or advice alongside capital. –</p>	4
30	Explain the four objectives of WTO	4

31	<p>Harmeet Singh owns a large-scale retail outlet in Chandigarh. He deals with various kinds of products in his shop like textiles footwear, cosmetics, stationary, Grocery, etc. He sells them in different divisions in his big shop.</p> <p>In context of the above cases:</p> <ol style="list-style-type: none"> 1. Identify the type of retail outlet being described in the above lines. 2. Explain the (5) advantages of the identified concept <p>OR</p> <p>Explain any (3) characteristics of</p> <ol style="list-style-type: none"> a.Fixed shop retailers b.Itinerant retailers 	6
32	<p>Every day Amul collects 4, 47,000 litres of milk from 2.12 million farmers (many illiterate), converts the milk into branded, packaged products, and delivers goods worth Rs. 6 crores (Rs. 60 million) to over 5, 00,000 retail outlets across the country. It all started in December 1946 with a group of farmers keen to free themselves from intermediaries, gain access to markets and thereby ensure maximum returns for their efforts. Based in the village of Anand, the Kiera District Milk Cooperative Union (better known as Amul) expanded exponentially. It joined hands with other milk cooperatives, and the Gujarat network now covers 2.12 million farmers, 10,411 village level milk collection centres and fourteen district level plants (unions). Amul is the common brand for most product categories produced by various unions: liquid milk, milk powder, butter, ghee, cheese, cocoa products, sweets, ice-cream and condensed milk. Amul's sub-brands include variants such as Amul spray, Amul spree, Amulya and Nutramul. The edible oil products are grouped around Dhara and Lok Dhara, mineral water is sold under the Jal Dhara brand while fruit drinks bear the name Safal.</p> <ol style="list-style-type: none"> a) Identify the form of organization b) Explain any five types of organization identified above from the given information <p>OR</p> <p>What is a MOA? Explain the different clauses of this document</p>	6
33	<p>This issued by a company is an acknowledgment that the company has borrowed a certain amount of money, which it promises to repay at a future date. They are, therefore, termed as creditors of the company. They are paid a fixed stated amount of interest at specified intervals say six months or one year.</p> <ol style="list-style-type: none"> a. Identify the concept explained above b. Explain any 5 merits of the identified concept 	6

34	Define the following a. Copyright b. Trademark c. Patent d. Design e. Enterprise f. Entrepreneur	6
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