



**INDIAN SCHOOL AL WADI AL KABIR  
DEPARTMENT OF COMMERCE**

**CLASS XI- ASSESSMENT I -2023-24**

**DATE: 26/09/2023**


**BUSINESS STUDIES**

**MARKS: 80**

*General Instructions:*

Q. No.	SECTION A:	Marks
1	Business risk is not likely to arise due to _____.  A. Changes in government policy <b>B. Good management</b> C. Employee dishonesty D. Power failure	1
2	Which of the following is not a feature of employment?  A. Fixed wages B. Agreement between employer and employee C. Terms and conditions <b>D. Element of risk</b>	1
3	A Chartered Accountant providing services to his client is an example of _____.  A. Employment <b>B. Profession</b> C. Business D. Trade	1
4	The form of business organisation which is specifically found in India is _____.  A. Sole Proprietorship B. Partnership <b>C. Joint Hindu Family</b> D. Cooperatives	1

5	<p>Satish lost his job during the Covid-19 pandemic now he wants to start a business of his own in his hometown, Satish had limited finance available with him and he does not want many legal formalities to start a business, suggest Satish which forms of business organisation he should go for:</p> <p>A. Partnership</p> <p><b>B. Sole proprietorship</b></p> <p>C. Joint Hindu family business</p> <p>D. Cooperative society</p>	1
6	<p>Gokul Dham society is made by a group of people in which these members are able to construct/buy houses at reasonable cost. This is an example of _____.</p> <p>A. Cooperative credit society</p> <p>B. Marketing cooperative society</p> <p><b>C. Cooperative housing society</b></p> <p>D. Producer's cooperative society</p>	1
7	<p>_____ are neither the agents nor the trustees of the company.</p> <p>A. Registrar</p> <p>B. Registries</p> <p><b>C. Promoters</b></p> <p>D. Preliminary Contracts</p>	1
8	<p>This is probably the most important clause of the memorandum. It defines the purpose for which the company is formed. A company is not legally entitled to undertake an activity, which is beyond the objects stated in this clause. Identify the clause stated above.</p> <p>A. Liability Clause</p> <p>B. Capital Clause</p> <p>C. Name Clause</p> <p><b>D. Objects Clause</b></p>	1
9	<p>The public sector enterprises are owned, managed and controlled by the _____.</p>	1

	<p><b>A. Government</b>  B. Individuals  C. Foreigners  D. Investors</p>	
10	 <p>This is an example of a _____.</p> <p>A. PPP  B. Government Company  <b>C. Departmental Undertaking</b>  D. Statutory Corporation</p>	1
11	<p>Which of the following has the power of the government and the considerable amount of operating flexibility of private enterprises?</p> <p>A. Departmental Undertakings  <b>B. Statutory Corporations</b>  C. Government companies  D. All of the above</p>	1
12	<p>These organisations are established for purely business purposes and in true spirit compete with companies in the private sector. They are exempted from the accounting and audit rules and procedures. An auditor is appointed by the Central Government and the Annual Report is to be presented in the Parliament or the State Legislature. Identify the form of public enterprise.</p> <p><b>A. Government Company</b>  B. Statutory corporations</p>	1

	<p>C. Global Enterprises</p> <p>D. Departmental Undertaking</p>	
13	<p>Which of the following is not a feature of MNC</p> <p>A. Huge capital resources</p> <p>B. Marketing strategies</p> <p>C. Product innovation</p> <p><b>D. Generating huge profits</b></p>	1
14	<p>A government company is any company in which the paid-up capital held by the government is not less than _____.</p> <p>A. 49 percent</p> <p><b>B. 51 percent</b></p> <p>C. 50 percent</p> <p>D. 25 percent</p>	1
15	<p>A. According to principle of subrogation the insured should not be allowed to make any profit by selling damaged property or in the case of lost property being recovered.</p> <p>B. The principle of subrogation is a corollary to the Principle of Indemnity and the damaged goods will belong to the insurance company, once the compensation is paid. It also states that insurance is not a contract of making a profit.</p> <p><b>A. Both A and B are True.</b></p> <p>B. Both A and B are False.</p> <p>C. A is True but B is False.</p> <p>D. B is True but A is False.</p>	1

16	<p>UPI stands for _____.</p> <p>A. Unique Payment Introduction</p> <p>B. Union Payment Interface</p> <p>C. Upper Payment Interface</p> <p><b>D. Unified Payment Interface</b></p>	1
17	<p>A person gets his stock of Rs.25,000 insured for Rs.35,000. A fire occurs and the whole stock gets damaged. The insurance company will pay him only Rs.25,000, the actual value of his stock and not Rs.35,000. Which principle of insurance is applied in this case?</p> <p>A. Principle of Contribution</p> <p>B. Principle of Subrogation</p> <p><b>C. Principle of Indemnity</b></p> <p>D. Principle of Insurable Interest</p>	1
18	<p>Without disclosing that he is suffering from TB, Mr. A gets himself insured against death for rupees 10 lakhs. He lives for another three-four years and dies due to TB. The insurance company comes to know about Mr. A's illness only after his death. Now, under these circumstances, the insurance company is not liable to pay anything to the dependents of Mr. A as the contract between the insurance company and Mr. A is void. Identify the principle of insurance to which the above example is related:</p> <p><b>A. Utmost good faith</b></p> <p>B. Insurable interest</p> <p>C. Indemnity</p> <p>D. Subrogation</p>	1
19	<p>Health care and education services provided by certain non-government organisations (NGOs) and government agencies are examples of _____ services.</p> <p>A. Personal Services</p> <p><b>B. Social Services</b></p>	1

	C. Economic Services D. Business Services	
20	<p>These deposits are the most liquid deposits and there are no limits for number of transactions or the amount of transactions in a given period. Identify the Bank Account</p> <p>A. Fixed Deposit Account B. Savings Account <b>C. Current Account</b> D. Recurring Deposit Account</p>	1

	<b>SECTION B</b>	
21.	<p>This is a voluntary association of persons, who join together with the motive of welfare of the members. They are driven by the need to protect their economic interests in the face of possible exploitation at the hands of middlemen.</p> <p>A. Identify the form of business organisation B. Explain any (2) two features of the identified concept</p> <p><b>A. Cooperative Societies</b></p> <p>B. <b>Features</b></p> <p>1. <b>Voluntary membership:</b> The membership of a cooperative society is voluntary. A person is free to join a cooperative society, and can also leave anytime as per his desire. Membership is open to all, irrespective of their religion, caste, and gender.</p> <p>2. <b>Legal status:</b> Registration of a cooperative society is compulsory. This accords a separate identity to the society which is distinct from its members. The society can enter into contracts and hold property in its name, sue and be sued by others. As a result of being a separate legal entity, it is not affected by the entry or exit of its members.</p> <p>3. <b>Limited liability:</b> The liability of the members of a cooperative society is limited to the extent of the amount contributed by them as capital. This defines the maximum risk that a member can be asked to bear.</p>	3

	<p>4. <b>Control:</b> In a cooperative society, the power to take decisions lies in the hands of an elected managing committee. The right to vote gives the members a chance to choose the members who will constitute the managing committee and this lends the cooperative society a democratic character.</p> <p>5. <b>Service motive:</b> The cooperative society through its purpose lays emphasis on the values of mutual help and welfare. Hence, the motive of service dominates its working. If any surplus is generated as a result of its operations, it is distributed amongst the members as dividend in conformity with the byelaws of the society.</p>	
22.	<p>a. The economy may be classified into two sectors. Name them (1/2+1/2)          Ans. Private sector and Public sector.</p> <p>b. Define the identified concepts (two sectors). (1+1)</p> <p><b>Private sector:</b> The private sector consists of business owned by individuals or a group of individuals. The various forms of organization are sole proprietorship, partnership, joint Hindu family, cooperative and company.</p> <p><b>Public sector:</b> The public sector consists of various organizations owned and managed by the government. These organizations may either be partly or wholly owned by the central or state government. They may also be a part of the ministry or come into existence by a Special Act of the Parliament. The government, through these enterprises participates in the economic activities of the country.</p>	3
23.	<p>Explain any (3) three different services provided by banks.</p> <p><input type="checkbox"/> <b>Bank Draft-</b> A bank draft is a payment on behalf of a payer that is guaranteed by the issuing bank.</p> <p><input type="checkbox"/> <b>Bank Overdraft:</b> A temporary arrangement in the form of a permission granted to the customers to withdraw more than the amount standing to his/her credit.</p> <p><input type="checkbox"/> <b>Cash credit-</b>The bank allows the borrower to borrow up to a specified limit. The amount is credited to the account of the borrower. The customer can withdraw this amount as and when he requires. Interest is charged on the amount actually withdrawn.</p>	3

	<p><input type="checkbox"/> <b>E-Banking:</b> E-banking is a service provided by banks, that allows a customer to conduct banking transactions, such as managing savings, checking accounts, applying for loans or paying bills over the internet using a personal computer or mobile phones.</p>	
24.	<p>Services are those separately identifiable, essentially intangible activities that provides satisfaction of wants, and are not necessarily linked to the sale of a product or another service. Services are intangible, inconsistent and inseparable. Explain the different types of services with one example each.</p> <p><b>Business Services:</b> Business services are those services which are used by business enterprises for the conduct of their activities. For example, banking, insurance, transportation, warehousing and communication services.</p> <p><input type="checkbox"/> <b>Social Services:</b> Social services are those services that are generally provided voluntarily in pursuit of certain social goals. These social goals may be to improve the standard of living for weaker sections of society, to provide educational services to their children, or to provide health care and hygienic conditions in slum areas. For example, health care and education services provided by certain non-government organisations (NGOs) and government agencies</p> <p><input type="checkbox"/> <b>Personal Services:</b> Personal services are those services which are experienced differently by different customers. These services cannot be consistent in nature. They will differ depending upon the service provider. They will also depend upon customer's preferences and demands. For example, tourism, recreational services, restaurants.</p>	3
25.	<p>Business activity is carried out only for profit. Business persons themselves proclaim that their primary objective is produce or distribute goods or services for profit. Every business is said to be an attempt on the part of business people to get more than what has been spent or invested, or in other words, to earn profit which is the excess of revenue over cost. Profit may be regarded as an essential objective of business. Identify the objectives of the business.</p>	4



	<p>A. This is the introduction of new ideas or methods in the way something is done or made. <b>INNOVATION</b></p> <p>B. This refers to the position of an enterprise in relation to its competitors. <b>MARKET STANDING</b></p> <p>C. This refers to the obligation of business firms to contribute resources for solving social problems and work in a socially desirable manner. <b>SOCIAL RESPONSIBILITY</b></p> <p>D. This is ascertained by comparing the value of output with the value of inputs. It is used as a measure of efficiency. <b>PRODUCTIVITY</b></p>	
26.	<p>A. What do you mean by a Manufacturing Industry? B. Explain any (3) classifications of the identified type of Industry.</p> <p>A. These industries are engaged in producing goods through processing of raw materials and, thus, creating form utilities. (1) B. Manufacturing industries are classified as follows: (1+1+1)</p> <p>a. <b>Analytical industry</b>- which analyses and separates different elements from the same materials, as in the case of oil refinery. b. <b>Synthetical industry</b>- which combines various ingredients into a new product, as in the case of cement. c. <b>Processing industry</b>- which involves successive stages for manufacturing finished products, as in the case of sugar and paper. d. <b>Assembling industry</b>- which assembles different component parts to make a new product, as in the case of television, car, computer, etc</p>	4
27.	<p>A', 'B', 'C', 'D' and 'E' are partners in partnership firm. The firm has different types of partners. Mr. A has contributed capital and participates in the management of firm. He shares profits and losses and is liable to an unlimited extent to the creditors of the firm. Mr. B has contributed capital and shares its profits and losses. He also has unlimited liability but he does not take part in day-to-day activities of business. Association of Mr. C is not known to the general public but in all other respects he is like an active partner. Mr. D has allowed the firm to use his name as he enjoys good reputation among clients but he does not either contribute capital or take part in the management.</p>	4

	<p>Master 'E', 15 years of age is entitled to the benefits of partnership with mutual consent of all their members. He is not eligible to take part in management of firm and shares only profits and not losses of the firm.</p> <p>A. How many partners do the firm has, name them?  B. Who is the active partner in the firm and what is the nature of his liability?  C. What is the other name of the sleeping partner and identify the sleeping partner in the above case?  D. What kind of partner is Mr.C and what kind of liability does he have in the firm?</p> <p><b><u>Marking Scheme</u></b></p> <p>(A) Four '4' A, B, C and D (1/2+1/2)</p> <p>(B) A - shares its profits and losses, and is liable to an unlimited extent to the creditors of the firm. (1/2 +1/2)</p> <p>(C) DORMANT PARTNER – B (1/2+1/2)</p> <p>(D) Secret and his liability is unlimited (1/2 +1/2)</p>	
28	<p>A. Who is a Promoter  B. Explain the feasibility studies that that may be undertaken by a promoter.</p> <p>A. Promoter is said to be the one who undertakes to form a company with reference to a given project and to set it going and who takes the necessary steps to accomplish that purpose. (1)</p> <p>B. (a) <b>Technical feasibility:</b> Sometimes an idea may be good but technically not possible to execute. It may be so because the required raw material or technology is not easily available.  (b)<b>Financial feasibility:</b> Every business activity requires funds. The promoters have to estimate</p>	4

	<p>The fund requirements for the identified business opportunity. If the required outlay for the project is so large that it cannot easily be arranged within the available means, the project has to be given up.</p> <p>(c) <b>Economic feasibility:</b> Sometimes it so happens that a project is technically viable and financially feasible but the chance of it being profitable is very little. In such cases as well, the idea may have to be abandoned.</p>	
29	<p>It is an organisation created under the Companies Act, 2013 or any other previous Company Law. The management of the organisation is regulated by the provisions of the Companies Act, like any other public limited company. The employees of the organisation are appointed according to their own rules and regulations as contained in the Memorandum and Articles of Association of the company. The Memorandum and Articles of Association are the main documents, containing the objects and its rules and regulations of the organisation.</p> <p>A. Identify the form of public enterprise  B. Explain any (2) merits and (1) demerit of the identified form of public enterprise</p> <p><b>GOVERNMENT COMPANY</b>  <b>Merits:</b></p> <ul style="list-style-type: none"> <li>• A government company can be established by fulfilling the requirements of the Indian Companies Act. A separate Act in the Parliament is not required;</li> <li>• It has a separate legal entity, apart from the Government;</li> <li>• It enjoys autonomy in all management decisions and takes actions according to business prudence;</li> <li>• These companies by providing goods and services at reasonable prices are able to control the market and curb unhealthy business practices.</li> </ul> <p><b>Limitations:</b></p> <ul style="list-style-type: none"> <li>• Since the Government is the only shareholder in some of the companies, the provisions of the Companies Act does not have much relevance;</li> </ul> <p>6   Page</p> <ul style="list-style-type: none"> <li>• It evades constitutional responsibility, which a company financed by the government should have. It is not answerable directly to the Parliament;</li> </ul>	4

	<ul style="list-style-type: none"> <li>• The government being the sole shareholder, the management and administration rests in the hands of the government. The main purpose of a government company, registered like other companies, is defeated.</li> </ul>	
30	<p>Enumerate the different types of Bank Accounts (Any 4)</p> <p><input type="checkbox"/> <b>Current Account:</b> Current Accounts are basically meant for businessmen. These deposits are the most liquid deposits and there are no limits for number of transactions or the amount of transactions in a given period. Most of the current accounts are opened in the names of firm / company.</p> <p><input type="checkbox"/> <b>Savings account:</b> Savings accounts are for encouraging savings by individuals. Banks pay rate of interest as decided by RBI on these deposits. Withdrawal from these accounts has some restrictions in relation to the amount of transaction as well as number of transactions in a given period.</p> <p><input type="checkbox"/> <b>Fixed Deposit Accounts:</b> Fixed accounts are time deposits with higher rate of interest as compared to the savings accounts. Here the depositors are supposed to continue such Fixed Deposits for the length of time for which the depositor decides to keep the money with the bank.</p> <p><input type="checkbox"/> <b>Recurring deposit accounts:</b> It is suitable for people who do not have lump sum amount of savings, but are ready to save a small amount every month. It is a special kind of term deposit offered by banks which help people with regular incomes to deposit a fixed amount every month into their recurring deposit account and earn interest at the rate applicable to fixed deposits.</p> <p><input type="checkbox"/> <b>Multiple option deposit account:</b> It is a combination of savings account and fixed deposit account which provide specific options to the depositors. It is a type of saving Bank A/c in which deposit in excess of a particular limit gets automatically</p>	4

	transferred into Fixed Deposit. and the account holder will get more rate of interest.	
31	<p>The cooperative society is compulsorily required to be registered under the Cooperative Societies Act 1912. The process of setting up a cooperative society is simple enough and at the most what is required is the consent of at least ten adult persons to form a society. The capital of a society is raised from its members through issue of shares.</p> <p>Explain Consumers, Producer's and Marketing Cooperative Societies (2 Points Each)</p> <p><b>1. Consumer's Cooperative Society:</b></p> <ul style="list-style-type: none"> <li>▪ The consumer cooperative societies are formed to protect the interests of consumers.</li> <li>▪ The members comprise of consumers who are interested in obtaining good quality products at reasonable prices.</li> <li>▪ The society aims at eliminating middlemen to achieve economy.</li> <li>▪ It purchases goods in bulk directly from the wholesalers and sells goods to the members.</li> <li>▪ Profits, if any, are distributed on the basis of either their capital contributions to the society or purchases made by individual members</li> </ul> <p><b>2. Producer's Cooperative Society</b></p> <ul style="list-style-type: none"> <li>▪ These societies are set up to protect the interest of small producers.</li> <li>▪ The members comprise of producers interested in procuring inputs for production of goods to meet the demands of consumers.</li> <li>▪ The society supplies raw materials, equipment and other inputs to the members and also buys their output for sale.</li> <li>▪ Profits among the members are generally distributed on the basis of their contributions to the total pool of goods produced or sold by the society.</li> </ul> <p><b>3. Marketing Cooperative Society</b></p> <ul style="list-style-type: none"> <li>▪ Such societies are established to help small producers in selling their products.</li> <li>▪ The members consist of producers who wish to obtain reasonable prices for their output.</li> <li>▪ The society aims to eliminate middlemen and improve competitive position of its members by securing a favourable market for the products.</li> <li>▪ It pools the output of individual members and performs marketing functions like transportation, warehousing, packaging, etc., to sell the output at the best possible price.</li> <li>▪ Profits are distributed according to each member's contribution to the pool of output.</li> </ul>	6

32	<p>Explain the steps to be taken in the stage of Capital Subscription</p> <p>Ans. The following steps are required for raising funds from the public:</p> <p><b>(i) SEBI Approval:</b> SEBI (Securities and Exchange Board of India) which is the regulatory authority in our country has issued guidelines for the disclosure of information and investor protection.</p> <p>A public company inviting funds from the general public must make adequate <b>disclosure of all relevant information.</b></p> <p><b>(ii) Filing of Prospectus:</b> A copy of the prospectus or statement in lieu of prospectus is filed with the Registrar of Companies. A prospectus is ‘any document described or issued as a prospectus including any notice, circular, advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription.</p> <p><b>(iii) Appointment of Bankers, Brokers, Underwriters:</b> Raising funds from the public is a stupendous task. The application money is to be received by the bankers of the company.</p> <p>The brokers try to sell the shares by distributing the forms and encouraging the public to apply for the shares.</p> <p>If the company is not reasonably assured of a good public response to the issue, it may appoint underwriters to the issue. Underwriters undertake to buy the shares if these are not subscribed by the public. They receive a commission for underwriting the issue. Appointment of underwriters is not necessary.</p> <p><b>(iv) Minimum Subscription:</b> In order to prevent companies from commencing business with inadequate resources, it has been provided that the company must receive applications for a certain minimum number of shares before going ahead with the allotment of shares.</p> <p>According to the Companies Act, this is called the ‘minimum subscription’.</p> <p>As per the SEBI Guidelines the limit of minimum subscription is 90 per cent of the size of the issue. Thus, if applications received for the shares are for an amount less than 90 per cent of the issue size, the allotment</p>	6
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	<p>cannot be made, and the application money received must be returned to the applicants.</p> <p><b>(v) Application to Stock Exchange:</b> An application is made to at least one stock exchange for permission to deal in its shares or debentures. If such permission is not granted before the expiry of ten weeks from the date of closure of subscription list, the allotment shall become void, and all money received from the applicants will have to be returned to them within eight days.</p> <p><b>(vi) Allotment of Shares:</b> Till the time shares are allotted, application money received should remain in a separate bank account and must not be used by the company. In case the number of shares allotted is less than the number applied for, or where no shares are allotted to the applicant, the excess application money, if any, is to be returned to applicants or adjusted towards allotment money due from them.</p>	
33	<p>Explain in detail any (4) Four Principles of Insurance with one example each</p> <p><input type="checkbox"/> <b>Utmost good faith:</b> A contract of insurance is a contract of uberrimae fidei i.e., a contract founded on utmost good faith. Both the insurer and the insured should display good faith towards each other in regard to the contract. It is the duty of the insured to voluntarily make full, accurate disclosure of all facts, material to the risk being proposed and the insurer to make clear all the terms and conditions in the insurance contract.</p> <p><input type="checkbox"/> <b>Insurable Interest:</b> Insurable interest means some pecuniary interest in the subject matter of the insurance contract. The insured must have an interest in the preservation of the thing or life insured, so that he/she will not suffer financially on the happening of the event against which he/she is insured. In case of insurance of property, insurable interest of the insured in the subject matter of the insurance must exist at the time of happening of the event. In order to name insurable interest however, it is not necessary that one should be the</p>	6

owner of the property. For example, a trustee holding property on behalf of others has an insurable interest in the property

□ **Indemnity:** According to it, the insurer undertakes to put the insured, in the

event of loss, in the same position that he occupied immediately before the happening of the event insured against. In other words, the insurer undertakes to

compensate the insured for the loss caused to him/her due to damage or destruction of property insured. The compensation payable and the loss suffered

are to be measured in terms of money. The principle of indemnity is not applicable to life insurance

□ **Proximate cause:** According to this principle, an insurance policy is designed

to provide compensation only for such losses as are caused by the perils which

are stated in the policy. When the loss is the result of two or more causes, the

proximate cause means the direct, the most dominant and most effective cause

of which the loss is the natural consequence. In case of loss arising out of any

mishap, the most proximate cause of the mishap should be taken into consideration

□ **Subrogation:** It refers to the right of the insurer to stand in the place of the

insured, after settlement of a claim. After the insured is compensated for the loss

or damage to the property insured by him/her the right of ownership of such

property passes on to the insurer. This is because the insured should not be allowed to make any profit, by selling the damaged property or in the case of

lost property being recovered.

□ **Contribution:** As per this principle it is the right of an insurer who has paid

claim under an insurance, to call upon other liable insurers to contribute for the

loss of payment. It implies, that in case of double insurance, the insurers are to

share the losses in proportion to the amount assured by each of them. In case



	<p>there is a loss, when there is more than one policy on the same property, the insured will have no right to recover more than the full amount of his actual loss. If the full amount is recovered from one insurer the right to obtain further payment from the other insurer will cease.</p> <p>☐ <b>Mitigation:</b> This principle states that it is the duty of the insured to take reasonable steps to minimise the loss or damage to the insured property. Suppose goods kept in a store house catch fire then the owner of the goods should try to recover the goods and save them from fire to minimise the loss or damage. The insured must behave with great prudence and not be careless just because there is an insurance cover. If reasonable care is not taken like any prudent person then the claim from the insurance company may be lost.</p>	
34	<p>These enterprises are unable to take advantage of business opportunities. The bureaucrat's over-cautious and conservative approval does not allow them to take risky ventures. There is red tapism in day-to-day operations and no action can be taken unless it goes through the proper channels of authority. There is a lot of political interference. These organizations are usually insensitive to consumer needs and do not provide adequate services to them.</p> <p>A. Identify the type of public enterprise from the above case</p> <p>B. Explain any (2) features and (3) merits of the identified form of public enterprise</p> <p><b>Features:</b></p> <ul style="list-style-type: none"> <li>• The funding of these enterprises come directly from the Government Treasury and are an annual appropriation from the budget of the Government. The revenue earned by these is also paid into the treasury;</li> <li>• They are subject to accounting and audit controls applicable to other Government activities;</li> <li>• The employees of the enterprise are Government servants and their recruitment and conditions of service are the same as that of other employees directly under the Government.</li> <li>• It is generally considered to be a major subdivision of the Government department and is subject to direct control of the ministry;</li> </ul>	6

	<ul style="list-style-type: none"><li>• They are accountable to the ministry since their management is directly under the concerned ministry.</li></ul>	
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**Merits:**

- These undertakings facilitate the Parliament to exercise effective control over their operations;
- These ensure a high degree of public accountability;
- The revenue earned by the enterprise goes directly to the treasury and hence is a source of income for the Government;
- Where national security is concerned, this form is most suitable since it is under the direct control and supervision of the concerned Ministry.