



INDIAN SCHOOL AL WADI AL KABIR

DEPARTMENT OF COMMERCE

ASSESSMENT II -2024-25

BUSINESS STUDIES (054)

DATE: 01/12/2024

MARKS: 80

CLASS: XI

TIME: 3 Hours

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

Q. No.		Marks
1	<p>Assertion (A) Profit earning is essential for the survival, growth and expansion of any business.</p> <p>Reason (R) It is the sole objective of all business firms.</p> <p>a. Both A and R are true. R is the correct explanation of A</p> <p>b. Both A and R are true, but R is not the correct explanation of A</p> <p>c. A is correct, but R is incorrect</p> <p>d. A is incorrect, but R is correct</p>	1
2	<p>Partners who do not take part in the day-to-day activities of the business however, contributes capital to the firm, shares its profits and losses, and has unlimited liability.</p> <p>From the above statement, identify the type of partner.</p> <p>a. Sleeping partner</p> <p>b. Partner by estoppel</p> <p>c. Nominal partner</p> <p>d. Absent partner</p>	1
3	<p>A government company is any company in which paid up capital held by the government is not less than _____</p> <p>a. 49 per cent</p> <p>b. 51 per cent</p>	1

	c. 50 per cent d. 25 per cent	
4	<p>Ankur saves Rs.3,000 every month. Which type of Bank Account he should open with the bank?</p> <p>a. Current Account b. PPF Account c. Recurring Deposit Account d. Saving Account</p>	1
5	<p>An enterprise must respect the laws of the country and pay taxes regularly and honestly. It must behave as a good citizen and act according to the well accepted values of the society. It must protect the natural environment. This is the company's responsibility towards_____.</p> <p>a. Shareholders b. Workers c. Consumers d. Government and community</p>	1
6	<p>One of the demerits of loan from financial institutions is that, financial institution may put _____ in the board of directors of the borrowing company which restricts their power.</p> <p>a. independent directors b. nominee directors c. experts d. auditors</p>	1
7	<p>Sankalp is a successful entrepreneur dealing in the Automobile sector, especially with two wheelers in Ahmedabad. He has been constantly earning good profits from his business and investing surplus towards the expansion of his business.</p> <p>All the latest two-wheeler models are available at his showroom. His marketing and sales teams are managed to create new customers from time to time. His unique style of business management has brought him success.</p> <p>Name the type of economic activities performs by Sankalp.</p> <p>a. Business b. Profession c. Employment d. Religious Movement</p>	1
8	<p>The liability of members of a cooperative society is to the extent of their capital contribution.</p> <p>a. personalized b. Shared c. Unlimited d. Limited</p>	1

9	<p>Which of the following is an allied postal service?</p> <ul style="list-style-type: none"> a. Greeting post b. Media post c. Speed post d. Passport Application 	1
10	<p>It is argued that social responsibilities like pollution control and environmental protection is very costly and often require huge financial investments. In such circumstances, businessmen are likely to simply shift this burden of social responsibility by charging higher prices instead of bearing it themselves. Therefore, it is unfair to tax the consumers in the name of social responsibility.</p> <p>Identify the above-mentioned argument against social responsibility.</p> <ul style="list-style-type: none"> a. Violation of profit maximization objective b. Burden on consumers c. Lack of social skills d. Lack of broad public support 	1
11	<p>Funds required for purchasing current assets is an example of</p> <ul style="list-style-type: none"> a. Fixed capital requirement b. Ploughing back of profits c. Working capital requirement d. Lease financing 	1
12	<p>Which of the following is not a cause of business risk?</p> <ul style="list-style-type: none"> a. Breakdown of machinery b. Efficient management c. Riot d. Changing government policy 	1
13	<p>_____ clause specifies the maximum capital which the company will be authorised to raise through the issue of shares.</p> <ul style="list-style-type: none"> a. Name Clause b. Capital Clause c. Objects Clause d. Liability Clause 	1
14	<p>I. The business can ensure environmental protection by adopting deforestation. II. Sewage disposal is a technique that could be adopted by business for environmental protection.</p> <ul style="list-style-type: none"> a. Both statements are correct b. Both statements are incorrect c. First statement is true, second is false d. First statement is false, second is true. 	1

15	<p>Anshuman has been successfully running a financial consultancy from the past five years. His company has become popular and enjoys a good reputation. It has sufficient reserves of profit accumulated from the last five years. He now plans to start branches in Bangalore and Mumbai. For expanding the business, he does not want any additional liability.</p> <p>In the above context suggest a source of finance suitable to Anshuman for expansion.</p>	1
16	<p>_____ defines the rules regarding internal management of a company.</p> <ol style="list-style-type: none"> Articles of Association Partnership deed Memorandum of Association Certificate of Incorporation 	1
17	<p>Mr. Sumit owns an ancestral house in Jamnagar. On the advice of his friend, he converts it into a lodge after renovation. The revenue from the lodge helps to supplement his income considerably. On his death the property (lodge) is inherited by his three sons in order of their age namely, Mr. Sham, Mr. Anil and Mr. Satish who carry on with the business.</p> <p>From the above situation identify the form of business carried on by Mr. Sumit's sons.</p> <ol style="list-style-type: none"> Sole proprietorship Partnership Joint Hindu family Joint Stock Company 	1
18	<ol style="list-style-type: none"> By giving complete information regarding the financial position of the business, the business is being responsible towards its employees. By giving best quality of products, the business is responsible towards its shareholders. <ol style="list-style-type: none"> Both statements are correct Both statements are incorrect First statement is true, second is false First statement is false, second is true 	1
19	<p>Mr. Rohit, an individual investor, invests his own funds in the securities. He depends on investment income and does not want to take any risk. He is interested in the definite rate of income and safety of the principal.</p> <p>From the above situation, name the type of security that Mr. Rohit will opt for.</p>	1
20	<p>Assertion (A): The control of the company is not diluted when they go for public deposits.</p> <p>Reason(R): The depositors of company are given minor voting rights to keep their preference in consideration.</p> <ol style="list-style-type: none"> Both Assertion and Reason are correct and the Reason is a correct explanation of the Assertion. Both Assertion and Reason are correct but Reason is not a correct explanation of the Assertion. 	1

	<p>c. The Assertion is correct but Reason is incorrect.</p> <p>d. Both the Assertion and Reason are incorrect</p>	
21	Explain in detail any three auxiliaries to trade.	3
22	Discuss the financial needs of a business with examples	3
23	<p>These corporations have distinct features which distinguish them from other private sector companies, public sector companies and public sector enterprises.</p> <p>From the above given statement:</p> <ol style="list-style-type: none"> Identify the type of enterprise List any two features of the type of enterprise identified in (a) 	3
24	<p>ABC Ltd has created a copy of the prospectus and filed the same with the Registrar of Companies for capital subscription.</p> <p>Explain in the detail the next three immediate steps to be undertaken by ABC Ltd.</p>	3
25	<p>In this type of a business unit a person is solely responsible for providing the capital.</p> <p>From the above given statement:</p> <ol style="list-style-type: none"> Identify the form of business Explain the merits of the form of business identified in (a) 	4
26	Explain the concept of Departmental Undertaking. List any three limitations of the same.	4
27	<p>ABC limited has business of production of snacks. It deals in variety of light snacks and diet wafers for easy crunching even by the health-conscious people. It deploys a number of workforces in its food processing unit to ensure efficiency and effectiveness of the production process.</p> <p>To keep everyone well connected with the organizational goals and policies, the manufacturing unit is well connected with the administrative section through a local area network. It ensures timely communication between the different departments.</p> <p>To ensure that it creates a wide network base of satisfied customers, it regularly takes feedback from its customers through various surveys. To ensure timely distribution of its products to its widespread customers, it has hired professional logistics services from PQR Ltd. through an agreement.</p> <p>Seeing its popularity amongst the masses, the consumer forum has also shown support for ABC Ltd., recognizing its inputs in consumer's and society's welfare at large.</p> <p>From the above given case quote and identify the forms of e-business.</p>	4
28	Erin recently bought a clothing store and has invested significantly in its interiors and displays. However, he has not yet insured his store.	4

	<ul style="list-style-type: none"> a. What type of insurance would you suggest he should take for his store? b. Explain the recommended insurance in detail. c. Additionally, provide an example that could help you to convince Erin for taking this insurance. 	
29	<p>Enjoy Entertainment is a popular film entertainment company. Keeping, in view the growing culture of multiplex, its owners have decided to make some changes in the interiors like creating a lounge area, installing more effective sound system etc. The company wants to raise the required for a period of more than one year but less than five years.</p> <p>In context of above case.</p> <ul style="list-style-type: none"> a. Identify the types of funds company seek to raise on the basis of Time period. b. Give any two merits and one demerit of the source identified in (a) 	4
30	<p>“Business ethics refer to the socially determined moral principles which should govern business activities.”</p> <p>In the light of the above statement, explain any four elements of business ethics.</p>	4
31	<p>What is meant by E-business? Compare E-business with Traditional business on the basis of the following:</p> <ul style="list-style-type: none"> 1. Ease of formation 2. Nature of contact with suppliers and customers 3. Cost of setting up 4. Nature of human capital 5. Transaction risk 	6
32	<p>Name and explain the principle of insurance for each of the following statements:</p> <ul style="list-style-type: none"> a. The insured is expected to disclose all the important facts related to the property insured. b. Insured must have some economic interest in the subject matter of Insurance contract. c. To claim for insurance the insured must take reasonable steps to minimize the loss. d. Insured is entitled to recover the loss suffered by him, up to the limit of the policy amount. 	6
33	<p>Green Tech Ltd., a leading renewable energy company, operates with a strong commitment to sustainable energy solutions. The company justifies its existence by prioritizing profit as an outcome of its core mission—delivering eco-friendly energy solutions that benefit society. With a long-term goal of "service to society," Green Tech has invested in community solar projects and affordable green energy programs that enhance its reputation and build public trust. By voluntarily adopting eco-friendly practices and supporting social initiatives,</p> <p>Green Tech minimizes government intervention, as it aligns with regulatory goals independently. Additionally, the company understands that neglecting social</p>	6

	<p>responsibility could lead to public backlash, which could harm its operations. With its extensive resources in technology, management expertise, and capital, Green Tech actively works on projects like providing rural electrification, demonstrating that it can effectively tackle societal challenges while continuing to grow.</p> <p>From the above give excerpt, identify, quote and explain any four arguments in favour of social responsibility.</p>	
34	<p>James wants to invest his money in a company. He is a risk taker who wants to earn a high return. He is willing to bear the risk of ownership, on a condition that his liability will be limited to the extent of capital contributed by him. Further, James would also be interested if he is able to participate in the management decisions through this investment.</p> <ol style="list-style-type: none"> Suggest a suitable source of finance where James can invest. Also mention the merits of investing in your suggested source of finance. 	6