



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

ASSESSMENT I -2022-23

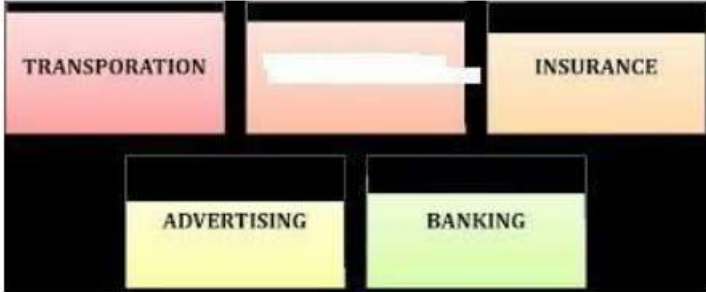
Class: XI

ANSWER KEY

MARKS: 80

General Instructions:

- 1) All questions in both the sections are compulsory.
- 2) Marks for questions are indicated each.
- 3) All parts of a question should be answered at one place.

Q. No.	SECTION A:	Marks
1	The position of an enterprise in relation to its competitor are called a. Worker Performance b. Productivity c. Earning Profit d. Market Standing	1
2	Changes in market conditions, changes in price or changes in fashion and tastes of customers refers to which type of risk? a) Pure risk. b) High Risk. c) Low Risk. d) Speculative Risk.	1
3	Business risks refers to the possibility of inadequate profits or even losses due to -- uncertainties -- ----- or unexpected events	1
4	Mark the statement as true or false: Auxiliaries are integral part of Commerce in particular and business activities in general. TRUE	1
5	Give the name of the remaining auxiliary to trade missing in the picture  STORAGE	1
6	Introduction of new idea or method in the way something is done or made is called -INNOVATION-----	1
7	Sole proprietorship is a form of business organisation which is outlined, managed and controlled by an INDIVIDUAL-----	1

8	Minimum number of members in a partnership business are --2---- persons	1
9	Partners share profit and loss in an ---- AGREED ----- ratio	1
10	In a general partnership liability of partners is -- UNLIMITED -----.	1
11	The cooperative society lays emphasis on - SERVICE -----motive	1
12	The minimum number of members required to form a cooperative society is a) Five b) Ten c) Twenty d) Two	1
13	Name the business organisation which has a legal status independent of its members. a) HUF b) Sole proprietorship c) Joint Stock Co. d) None of these	1
14	The directors take all decisions on behalf of the shareholders, keeping in mind their own benefit. Identify the demerit stated above. a) Delay in decision making b) numerous regulations c) Lack of secrecy d) oligarchic management	1
15	Which form of organisation is suitable if direct control over operations & absolute decision-making power is required in business? a) Joint Stock Co. b) cooperative society c) Sole proprietorship d) HUF	1
16	In a cooperative society, the power to take decisions lies in the hands of a) Elected Managing Committee b) Karta c) Board of directors d) Members	1
17	_____ merchants handled business in the northern region a) Punjabi b) Chatt c) Mahajan d) None of the above	1
18	_____ is were important traders from the South. a) Chatt b) Mahajan c) Punjabi d) None of the above	1
19	It is an initiative launched by the Government of India on 25 September 2014, to encourage national, as well as multinational companies to manufacture their products in India.	1

	Identify the concept discussed ANS. 'Make in India	
20	What do you mean by Silk Route? -The Silk Route was a historic trade route that dated from the second century B.C. until the 14th century A.D. It was dubbed the Silk Route because of the heavy silk trading that took place during that period.	1
	SECTION B	
21	The business assets of an organisation amount to Rs. 50,000 but the debts that remain unpaid are Rs. 80,000. What course of action can the creditors take if (a) The organisation is a sole proprietorship firm (b) The organisation is a partnership firm with Anthony and Akbar as partners. Which of the two partners can the creditors approach for repayment of debt? Explain giving reasons (a) The sole proprietor has unlimited liability. Apart from business assets of Rs. 50,000, his personal assets worth Rs. 30,000 also should be utilized to pay off the debt. 1M (b) Both Anthony and Akbar will have unlimited liability. After selling business assets worth Rs. 50,000, they will still be liable to bring in Rs. 30,000 from their personal assets. BOTH ARE INDIVIDUALLY AND JOINTLY LIABLE 2M	3
22	"It means the entering of the firm's name, along with the relevant prescribed particulars, in the Register of firms kept with the Registrar of Firms. It provides conclusive proof of the existence of a partnership firm." a) Identify the process. b) What are the consequences of not undertaking the identified process? (ANY TWO) A. REGISTRATION 1M B. The consequences of non-registration of a firm are as follows: (a) A partner of an unregistered firm cannot file a suit against the firm or other partners, (b) The firm cannot file a suit against third parties, and (c) The firm cannot file a case against the partners. 2X1=2	3
23	Explain any three types of partners Sleeping /Dormant partner Nominal Partner Partner by Estoppel ACTIVE PARTNER NOMINAL PARTNER SECRET PARTNER 3X1=3 WITH EXPLANATION	3
24	Explain the causes of Business risks (ANY 3) A. Natural causes b) Human causes c) Economic d) Other causes 3X1=3MARKS WITH EXPLANATION	3
25	What do you mean by Economic activities? Give two examples It is undertaken with the objective of earning money. TWO EXAMPLES 1+2=3	3
	SECTION C	
26	A sole proprietor directly reaps the benefits of his/her efforts as he/she is the sole recipient of all the profit. The need to share profits does not arise as he/she is the single owner. Identify the advantage of sole proprietorship indicated above Explain any other three merits of sole proprietorship. A. Direct incentive: A sole proprietor directly reaps the benefits of his/her efforts as he/she is the sole recipient of all the profit 1M	4

	<p>B. a. Quick decision making: A sole proprietor enjoys considerable degree of freedom in making business decisions. Further the decision-making is prompt because there is no need to consult others. This may lead to timely capitalization of market opportunities as and when they arise.</p> <p>b. Confidentiality of information: Sole decision-making authority enables the proprietor to keep all the information related to business operations confidential and maintain secrecy. A sole trader is also not bound by law to publish firm's accounts.</p> <p>c. Sense of accomplishment: There is a personal satisfaction involved in working for oneself. The knowledge that one is responsible for the success of the business not only contributes to self-satisfaction but also instils in the individual a sense of accomplishment and confidence in one's abilities.</p> <p>d. Ease of formation and closure: An important merit of sole proprietorship is the possibility of entering into business with minimal legal formalities. 3X1=3 M WITH EXPLANATION</p>	
27	<p>Kunal owns a departmental store his friend Manoj is a lawyer. Distinguish between their activities based on:</p> <p>(a) Nature of work (b) Capital investment (c) Reward 3X1=3M</p>	4
28	<p>Pataliputra: Known as Patna today. It was not only a commercial town, but also a major centre for export of stones.</p> <p>2. Peshawar: It was an important exporting centre for wool and for the import of horses. It had a huge share in commercial transactions between India, China and Rome in the first century A.D.</p> <p>3. Taxila: It served as a major centre on the important land route between India and Central Asia. It was also a city of financial and commercial banks. The city occupied an important place as a Buddhist centre of learning. The famous Taxila University flourished here.</p> <p>4. Indraprastha: It was the commercial junction on the royal road where most routes leading to the east, west, south and north converged.</p> <p>5. Mathura: It was an emporium of trade and people here subsisted on commerce. Many routes from South India touched Mathura and Broach ANY4X1=4</p>	4
	SECTION D	
29	<p>" It is a voluntary association of individuals for profit, having a capital divided into transferable shares, the ownership of which is the condition of membership."</p> <p>a) Identify the form of company b) Explain any two merits and three demerits of the identified form of organization.</p> <p>a. Public limited company 1M</p> <p>b. Limited liability: The shareholders are liable to the extent of the amount unpaid on the shares held by them. Also, only the assets of the company can be used to settle the debts, leaving the owner's personal property free from any charge. This reduces the degree of risk borne by an investor.</p> <p>(ii) Transfer of interest: The share of a public limited company can be sold in the market and as such can be easily converted into cash in case the need arises. This avoids blockage of investment and presents the company as a favorable avenue for investment purposes.</p> <p>(iii) Perpetual existence: Existence of a company is not affected by the death, retirement, resignation, insolvency or insanity of its members as it has a separate entity from its members. A company will continue to exist even if all the members die. It can be</p>	5

	<p>liquidated only as per the provisions of the Companies Act, 2013.</p> <p>(iv) Scope for expansion: As compared to the sole proprietorship and partnership forms of organisation, a company has large financial resources. Further, capital can be attracted from the public as well as through loans from banks and financial institutions. Thus, there is greater scope for expansion.</p> <p>(v) Professional management: A company can afford to pay higher salaries to specialists and professionals. It can, therefore, employ people who are experts in their area of specialisations. The scale of operations in a company leads to division of work. Each department deals with a particular activity and is headed by an expert. This leads to balanced decision making as well as greater efficiency in the company's operations.</p> <p>2X1=2</p> <p>1. Complexity in formation: The formation of a company requires greater time, effort and extensive knowledge of legal requirements and the procedures involved.</p> <p>(ii) Lack of secrecy: The Companies Act requires each public company to provide from time-to-time a lot of information to the office of the registrar of companies. Such information is available to the general public also. It is, therefore, difficult to maintain complete secrecy about the operations of company.</p> <p>(iii) Impersonal work environment: Separation of ownership and management leads to situations in which there is lack of effort as well as personal involvement on the part of the officers of a company.</p> <p>(iv) Numerous regulations: The functioning of a company is subject to many legal provisions and compulsions. A company is burdened with numerous restrictions in respect of aspects including audit, voting, filing of reports and preparation of documents is required to obtain various certificates from different sources.</p> <p>(v) Delay in decision making: Companies are democratically managed through the Board of Directors which is followed by the top management, middle management and lower level management. Communication as well as approval of various proposals may cause delays not only in taking decisions but also in acting upon them.</p> <p>(vi) Oligarchic management: The Board of Directors as such enjoy considerable freedom in exercising their power which they sometimes use even contrary to the interests of the shareholders. Dissatisfied shareholders in such a situation have no option but to sell their shares and exit the company. As the directors virtually enjoy the rights to take all major decisions, it leads to rule by a few.</p> <p>(vii) Conflict in interests: There may be conflict of interest amongst various stakeholders of a company. The employees, for example, may be interested in higher salaries, consumers desire higher quality products at lower prices, and the shareholders want higher returns in the form of dividends and increase in the intrinsic value of their shares. These demands pose problems in managing the company as it often becomes difficult to satisfy such diverse interests. 3X1=3</p>	
30	<p>"The relation between persons who have agreed to share the profit of the business carried on by all or any one of them acting for all."</p> <p>a) Identify the form of organization b) Explain any two merits and demerits of this form of organization.</p> <p>a) Partnership 1M b) Merits of Partnership (Any two)</p> <p>1. Ease of formation and closure: A partnership firm can be formed easily by putting an agreement between the prospective partners. There is no compulsion with respect to registration of the firm. Closure of the firm too is an easy task.</p>	5

	<p>2. Balanced decision making: Since an individual is not forced to handle different activities, this not only reduces the burden of work but also leads to fewer errors in judgements. As a consequence, decisions are likely to be more balanced.</p> <p>3. More funds: In a partnership, the capital is contributed by a number of partners. This makes it possible to raise larger amount of funds and undertake additional operations when needed.</p> <p>4. Sharing of risks: The risks involved in running a partnership firm are shared by all the partners. This reduces the anxiety, burden and stress on individual partners.</p> <p>5. Secrecy: A partnership firm is not legally required to publish its accounts and submit its reports. Hence it is able to maintain confidentiality of information relating to its operations</p> <p>1. Unlimited liability:</p> <p>2. Limited resources:</p> <p>3. Possibility of conflicts:</p> <p>4. Lack of continuity:</p> <p>5. Lack of public confidence:</p> <p>2+2=4</p>	
31	<p>Explain the types of Secondary Industry</p> <p>Secondary industries are classified into two</p> <ul style="list-style-type: none"> <input type="checkbox"/> Manufacturing industry <input type="checkbox"/> Construction industry <input type="checkbox"/> Manufacturing industries: These industries are engaged in producing goods through processing of raw materials and, thus, creating form utilities. (1/2m) <p>Manufacturing industries is classified as follows:</p> <ul style="list-style-type: none"> a. Analytical industry- which analyses and separates different elements from the same materials, as in the case of oil refinery. b. Synthetical industry- which combines various ingredients into a new product, as in the case of cement. c. Processing industry- which involves successive stages for manufacturing finished products, as in the case of sugar and paper. d. Assembling industry- which assembles different component parts to make a new product, as in the case of television, car, computer, etc. 4x1=4 <ul style="list-style-type: none"> <input type="checkbox"/> Construction industry: These industries are involved in the construction of buildings, dams, bridges, roads as well as tunnels and canal (1/2m) 	5

	SECTION E	
32	<p>Explain four features of Joint Hindu Family Business</p> <p>1. Formation:</p> <p>2. Liability:</p> <p>3. Control:</p> <p>4. Continuity:</p> <p>5. Minor Members: 4x1.5=6m</p>	6
33	<p>Avishek sold his old mobile phone to Alit at a profit of Rs.500 after using it for 2 years.</p> <p>(i) Is it a business activity? Give reason.</p> <p>(ii) Discuss any other four characteristics of business activity.</p> <p>i. Dealings in goods and services on a regular basis: Business involves dealings in goods or services on a regular basis. One single transaction of sale or purchase, therefore, does not constitute business. 1m</p> <p>ii. An economic activity:</p> <p>Production or procurement of goods and services:</p> <p>Sale or exchange of goods and services:</p> <p>Profit earning:</p> <p>Uncertainty of return:</p> <p>Element of risk: 5x1=5m</p>	6
34	<p>Every day Amul collects 4, 47,000 liters 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 centers 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 Amulspray, Amulspree, Amulya and Nutramul. The edible oil products are grouped around Dhara and Lokdhara, mineral water is sold under the Jal Dhara brand while fruit drinks bear the name Safal.</p> <p>a) Identify the form of organization</p> <p>b) Explain any four types of organization identified above from the given information</p> <p>a. Cooperative Society 1m</p> <p>b. 1. Consumer's Cooperative Society:</p> <p>2. Producer's Cooperative Society</p> <p>3. Marketing Cooperative Society</p> <p>4. Farmer's Cooperative Society</p>	6

	5. Credit Cooperative Society 6. Cooperative Housing Society 5x1=5	
--	---	--