



INDIAN SCHOOL AL WADI AL KABIR  
DEPARTMENT OF COMMERCE

SAMPLE PAPER 1-2024-25

Class: XI

BUSINESS STUDIES (054)

M.M: 80

Q. No.	Questions	Marks
	<b><u>SECTION A</u></b>	
1.	Business risk is not likely to arise due to _____.  (a) Changes in government policy (b) Good management (c) Employee dishonesty (d) Power failure	1
2.	Here, parties involved in the electronic transactions are from within a given business firm; hence the name is _____.  (a) Intra-C Commerce (b) Intra-D Commerce (c) Intra-B Commerce (d) Intra-A Commerce	1
3.	The board of directors of a joint stock company is elected by  (a) General public (b) Government bodies (c) Shareholders (d) Employees	1
4.	Which of the following cannot be classified as an objective of a business?  (a) Investment (b) Productivity (c) Innovation (d) Profit earning	1
5.	This type of organization can be established by fulfilling the requirements of the Indian Companies Act. A separate Act in the Parliament is not required. Identify the type of organization.  a. Statutory Corporation b. Government Company	1

	c. Public Enterprise d. Departmental Undertaking	
6.	Which of the following does not characterize business activity?  (a) Production of goods and services (b) Presence of risk (c) Sale or exchange of goods and services (d) Salary or wages	1
7.	MNC's are able to conform to international standards and quality specifications because of them  a. Marketing strategies b. Centralized control c. huge capital resource d. Advanced technology	1
8.	The validity period of a demand draft is _____.  (a) One month (b) Two Months (c) Three months (d) Six Months	1
9.	Which of the following is not applicable in a life insurance contract?  (a) Conditional contract (b) Unilateral contract (c) Indemnity contract (d) None of the above	1
10.	Selling goods through Flipkart and eBay.com is _____ type of e-business transactions a. B2B transactions b. C2C transactions c. B2C transactions d. C2B transactions	1
11.	Rahul's father wants to save Rs. 100,000 so that he can gift the money to Rahul on his graduation day. Which type of deposit should he open with the bank?	1
12.	Which one of the following is not amongst India's major export items? a. Textiles and garments b. Gems and jewellery c. Oil and petroleum products d. Basmati rice	1
13.	Debentures represent _____.  a. Fixed capital of the company b. Permanent capital of the company c. Fluctuating capital of the company d. Loan capital of the company	1

14.	_____ is defined as one in which the investment in fixed assets of plant and machinery does not exceed rupees one crore.  (a) Limited Companies (b) Large Scale industry (c) Small Scale Industry (d) None of the above	1
15.	Ethics is important for _____  (a) top management (b) middle-level managers (c) non-managerial employees (d) All of these	1
16.	Internal sources of capital are those that are _____  (a) generated through outsiders such as suppliers (b) generated through loans from commercial banks (c) generated through issue of shares (d) generated within the business	1
17.	NSIC was set up in the year _____  (a) 1947 (b) 1978 (c) 1955 (d) 1962	1
18.	_____ are mobile traders who deal in low-priced articles with no fixed place of business.  (a) Street stalls (b) Retailers (c) Itinerant traders (d) Agents	1
19.	Small scale fixed retailers include _____.  (a) Hawkers (b) Peddlers (c) Cheap Jacks (d) General stores	1
20.	Funds required for purchasing current assets is an example of  (a) fixed capital requirement (b) ploughing back of profits	1

	(c) working capital requirement (d) lease financing	
21.	What is the difference between internal and external sources of raising funds?	3
22.	<p>Identify the types of partners:</p> <ul style="list-style-type: none"> <li>a) 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.</li> <li>b) Partner is one who allows the use of his/her name by a firm, but does not contribute to its capital. He/she does not take active part in managing the firm, does not share its profit or losses but is liable, like other partners, to the third parties, for the repayments of the firm's debts.</li> <li>c) Suppose Rekha is a friend of Sandya who is a partner in a firm ABC Solutions. On Sandya's request, Rekha accompanies her to a business meeting with XYZ company and actively participates in the negotiation process for a business deal and gives the impression that she is also a partner in ABC Solutions. If credit is extended to ABC Solutions on the basis of these negotiations, Rekha would also be liable for repayment of such debt, as if she is a partner of the firm.</li> <li>d) He/she is not a partner in a firm but knowingly allows himself/herself to be represented as a partner in a firm. Such a person becomes liable to outside creditors for repayment of any debts which have been extended to the firm on the basis of such representation. In case he is not really a partner and wants to save himself from such a liability, he should immediately issue a denial, clarifying his position that he is not a partner in the firm. If he does not do so, he will be responsible to the third party for any such debts.</li> </ul>	3
23.	Classify the types of industries.	3
24.	<p>An Indian exporter, Oceanic Traders, ships a consignment of tea to Canada. After the cargo is loaded onto the vessel MV Hellmann at Mumbai Port, the ship's commanding officer will issue a document.</p> <p>Name and explain the document to be prepared by the ship's commanding officer.</p>	3
25.	<p>BHEL was established in 1964. Its products are Gas and Steam Turbines, Boilers, Electric Motors, Generators, Heat Exchangers, Pumps, Switchgears, Sensors, Automation and Control Systems, Power electronics, Transmission systems etc. Shareholders (as on 31-December-2014) are Central Government of India and State governments is 63.06%, Foreign Institutional Investors (FII) 15.95%, Insurance companies 10.52%, Banks, Financial Institutions and Mutual Funds 06.80%, Individual shareholders 02.33%, and others 1.34% -Total 100.00%</p> <ul style="list-style-type: none"> <li>a. Identify the type of company.</li> <li>b. Explain any three features of the above identified concept</li> </ul>	4
26.	<p>They do not move from place to place to serve their customers.</p> <ul style="list-style-type: none"> <li>a) Identify the business concept from the chapter of internal trade.</li> </ul>	4

	<p>b) State their characteristics of the identified concept</p> <p>c) How are they classified?</p>	
27.	<p>When the Indian economy opened in 1991, Harsha decided to take advantage of the same and start a business at an international level. He is very good in making paper crafts and decided to monetize the same. He made lot of such crafts and sold them in the foreign countries. He hired few like-minded people and started a small firm.</p> <p>By following the same practice of selling high-quality paper crafts in international markets, the firm earned lot of revenue. Firm started to cater to more clients and at a larger level production, costs declined. People in other countries who would like these kinds of products but can't purchase due to unavailability are also helped by this kind of trade.</p> <p>These people will have access to these products and can use for their home décor and even to ease out some of their tasks. This practice of selling in foreign market further helped the firm to increase the business when the domestic. In the process, the firm also achieved maximum utilization of the human resources and other small machines who earlier used to be working at below maximum production levels.</p> <p>Which advantage of international trade (to nation) is highlighted in the line, "He hired few like-minded people and started a small firm."?</p> <ul style="list-style-type: none"> <li>(a) Earning of foreign exchange</li> <li>(b) Better utilization of resources</li> <li>(c) Improving growth prospects and employment potential</li> <li>(d) Increased standard of living</li> </ul> <p>Which advantage of international trade (to firms) is highlighted in the line, "By following the same practice of selling high-quality paper crafts in international markets, the firm earned lot of revenue."?</p> <ul style="list-style-type: none"> <li>(a) Prospects for higher profits</li> <li>(b) Way out to intense competition in domestic market</li> <li>(c) Increased capacity utilization</li> <li>(d) Improved business vision</li> </ul> <p>Which advantage of international trade (to nation) is highlighted in the line, "People in other countries who would like these kinds of products but can't purchase due to unavailability are also helped by this kind of trade."?</p> <ul style="list-style-type: none"> <li>(a) Speed-up industrialization</li> <li>(b) Meet consumer demand</li> <li>(c) Overcome famine</li> <li>(d) Ensure national defense</li> </ul>	4
28.	<p>Define insurance and from the following hints identify the principle of insurance.</p> <ul style="list-style-type: none"> <li>a) If a person has taken the loan against the security of a factory premises, then the lender can take fire insurance policy of that factory without being the owner of the factory because he has financial interest in the factory premises</li> <li>b) If any person has taken a life insurance policy by hiding the fact that he is a cancer patient and later on if he dies because of cancer then insurance company can refuse to pay the compensation as the fact was hidden by the insured.</li> </ul>	4

	<p>c) A person insured a car for 2.5 lakh against damage or an accident case. Due to accident, he suffered a loss of 1.5 lakh, then the insurance company will compensate him 1.5 lakh only not the policy amount i.e. 2.5 lakh as the purpose behind it is to compensate not to make profit.</p> <p>d) A person gets his house insured against fire for e.g., 1 lakh with insurer A and for 50000 with insurer B. A loss of 75000 occurred. Then A is liable to pay 50000 and B is liable to pay 25000.</p>	
29.	<p>Mani is a young newspaper reporter and has been writing for almost six months on malpractices by business enterprises including such issues as misleading advertisements, supply of adulterated products, poor working conditions, environmental pollution, bribing government officials, and so on. He has started believing that business people tend to do anything to mint money. He happens to take an interview of Mr. Raman Jhunjhunwala, chairman of a leading truck manufacturing company which is known for its fair dealing with customers, employees, investors as well as other social groups. Through this interview, Mani develops the understanding that it is possible for a business enterprise to be socially responsible and ethically upright and, at the same time, be highly profitable. He then gets busy with studying more about the social responsibility of business and business ethics.</p> <p>From the above information present your arguments for the social responsibility.</p>	4
30.	<p>Compare E-Business with Traditional Business on the basis of:</p> <ol style="list-style-type: none"> <li>Ease of formation</li> <li>Physical presence</li> <li>Locational Requirements</li> <li>Cost of setting up</li> <li>Operating cost</li> <li>Nature of contact with suppliers and customers</li> </ol>	4
31.	<p>Lata is a sole proprietor. Over the past decade, her business has grown from operating a small home bakery to a retail chain with three branches in the city. Although, she looks after the varied functions in all the branches. She is wondering whether she should form a company to better manage the business.</p> <p>She also has plans to open branches country wide.</p> <p>(a) Explain two benefits of remaining a sole proprietor.  (b) Explain two benefits of converting to a Joint Stock Company.  (c) What role will her decision to go nationwide play in her choice of form of the organisation?  (d) What legal formalities will she have to undergo to operate business as a company?</p>	6
32.	Describe the role of small business in rural India.	6
33.	<p>These institutions are established by the central as well as state governments. They provide both owned capital and loan capital for long- and medium-term requirements and supplement the traditional financial agencies like commercial banks</p> <p>From the above case:</p> <ol style="list-style-type: none"> <li>Identify the source of finance.</li> </ol>	6

	b. Explain any two features and three advantages of the source of finance identified in (a)	
34.	<p>Richa Enterprises (RE) is a wholesaler outlet in Manori. This outlet deals with products from personal care segment ranging from perfumes to talcum powders to shaving creams, so on and so forth. RE advertises the product through banners and activities in nearby areas to increase the demand of the products. Since the outlet is in operation for many years, it has cordial relations with retailers and therefore, the trusted outlets are not billed on immediate cash basis which helped them to work with low capital.</p> <p>In the process, it not only helps them to avoid financial burden but also helps them in avoiding the risk of theft and storage as retailers can demand good in smaller quantities. RE also keeps the retailers updated with the new products launched in the market.</p> <p>Identify and explain any three services given by the wholesalers to the retailers by quoting the lines.</p>	6