



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

**UNIT TEST I -2025-26
BUSINESS STUDIES (054)**

CLASS: XI

MARKS: 30

DATE: 15/05/2025

TIME: 1 HOUR



GENERAL INSTRUCTION:

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

Q. NO.	QUESTIONS	MARKS
	<u>PART A</u> Choose the correct answer from the options given. Each question carries one mark.	
1	A lawyer is working in a knowledge process outsourcing (KPO) enterprise as their legal advisor and gets monthly remuneration in the form of salaries. What type of economic activity is he performing? a. Business b. Employment c. Profession d. None of the above.	1
2	Anarkaly Productions producing a large variety of goods at different locations in India. But the real consumption takes place at different places including other countries. What can establish a relationship between the producers and the consumers and thereby remove the hindrances of place?	1

	<ul style="list-style-type: none"> a. Advertising b. Transport and communication c. Warehousing d. Banking 	
3	<p>The warning notifications of National Disaster Management Authority about the possible chances of heavy rain and storm was ignored by J&G Enterprises and lost their stock worth ₹ 2,00,000 and damaged their premises marginally by the calamity. Identify the causes of risk from the following.</p> <ul style="list-style-type: none"> a) Natural and Economic b) Human and Natural c) Economic and Human d) Other causes 	1
4	<p>In traditional business practices, _____ gained more importance as it benefited the manufacturers, traders and merchants with additional capital, loans and deposits.</p> <ul style="list-style-type: none"> a. Barter system b. Commercial banks c. Indigenous Banking d. Money lenders 	1
5	<p>Which of the following is not a limitation of sole-trading concerns?</p> <ul style="list-style-type: none"> a. Limited resources b. Limited Liability c. Limited life of business d. Limited managerial skills. 	1
6	<p>Read the following statements and choose the correct alternative.</p> <p><u>Assertion:</u> If a person sells radio sets for money regularly from his residence, it will be considered as a business activity.</p> <p><u>Reason:</u> Business involves dealings in goods and services on a regular basis.</p> <p>(a) Both Assertion and Reason are correct and the Reason is a correct explanation of the Assertion.</p> <p>(b) Both Assertion and Reason are correct but Reason is not a correct explanation of the Assertion.</p> <p>(c) The Assertion is correct but the Reason is incorrect.</p> <p>(d) Both the Assertion and Reason are incorrect.</p>	1
7	<p>Business risk is not likely to arise due to;</p> <ul style="list-style-type: none"> a. Change in government policies. b. Good management. 	1

	c. Employees dishonesty. d. Power failure.																					
8	Read the following statements carefully. Statement 1: Businesses aim at earning maximum profits and they are usually least bothered about other aspects of the business. Statement 2: Goods and services produced on a large scale for personal consumption is also treated as business. In the light of the given statements, choose the correct alternative from the following. A. Both the statements are true. B. Both the statements are false. C. Statement 1 is correct but statement 2 is false. D. Statement 1 is false but statement 2 is correct.	1																				
9	Identify the incorrect statement with respect to partnership businesses. a. The partners bear the risks involved in running a business as a team and individually also. b. The death, retirement, insolvency or insanity of any partner can bring an end to the business. c. The confidence of the public in partnership firms is generally low. d. The minimum number of partners needed to start a partnership firm is seven.	1																				
10	Match the statements given in column A with the characteristics of sole proprietorship given in column B <table><tr><td></td><td>COLUMN A</td><td></td><td>COLUMN B</td></tr><tr><td>A</td><td>If the business fails, the creditors can recover their dues not merely from the business assets, but also from the personal assets of the proprietor.</td><td>A</td><td>Separate legal existence</td></tr><tr><td>B</td><td>Banks and other lending institutions may hesitate to extend a long-term loan to a sole proprietor.</td><td>B</td><td>Unlimited liability</td></tr><tr><td>C</td><td>The business does not have an identity separate from the owner.</td><td>C</td><td>Reward for risk</td></tr><tr><td>D</td><td>The proprietor receives all the business profits</td><td>D</td><td>Limited resources</td></tr></table>		COLUMN A		COLUMN B	A	If the business fails, the creditors can recover their dues not merely from the business assets, but also from the personal assets of the proprietor.	A	Separate legal existence	B	Banks and other lending institutions may hesitate to extend a long-term loan to a sole proprietor.	B	Unlimited liability	C	The business does not have an identity separate from the owner.	C	Reward for risk	D	The proprietor receives all the business profits	D	Limited resources	1
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	<p>Options:</p> <ul style="list-style-type: none"> a. A-B, B-D, C-A, D-C b. A-C, B-D, C-B, D-A c. A-D, B-C, C-A, D-B d. NONE OF THE ABOVE. 	
11	<p>Identify the types of hindrances removed by the following services</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <ul style="list-style-type: none"> a. Hindrances of knowledge and time b. Hindrances of place and knowledge c. Hindrances of risk and finance d. Hindrances of time and finance. 	1
12	<p>Read the following matches made and identify the type of partner.</p> <ul style="list-style-type: none"> a. Capital contribution- Does not contribute capital, but allows the firm to use his/her name. b. Management – No active participation. c. Liability – Unlimited liabilities to third parties d. Profit sharing - Generally does not share profits. <p>Options:</p> <ul style="list-style-type: none"> a) Secret partner b) Sleeping partner c) Nominal partner d) None of these 	1
13	<p>"Partnership firms lack public confidence". Identify the reason.</p> <ul style="list-style-type: none"> a) Not legally required to publish their accounts. b) Not required to publish financial reports. c) Difficult to ascertain the true financial status of the business. d) All the above reasons 	1
14	<p>Identify the contents of a partnership deed from the following and write the correct option representing the contents.</p> <ul style="list-style-type: none"> a) Nature of business and location of business b) Passport number of each partner. 	1

	<p>c) Investment made by each partner. d) Hobbies and other activities of each partner. e) Previous business records of the partners. f) Distribution of profits and losses g) Duties and obligations of the partners h) Partners' family details such as parents' and spouse information</p> <p>Options:</p> <p>i) a,b, d and h ii) a,c,f and g iii) c,d,f and h iv) d,e,g and f</p>	
	<p style="text-align: center;"><u>PART- B</u></p> <p>Read the following questions carefully and answer them in detail as directed.</p> <ul style="list-style-type: none"> <i>Answers to the questions carrying 3 marks may be from 50 to 75 words.</i> <i>Answers to the questions carrying 4 marks may be about 150 words.</i> <i>Answers to the questions carrying 6 marks may be about 200 words.</i> 	
15	<p>"It helps business to scale up and give competitive edge to the enterprise in the market. Every business has an objective of introducing a new idea or methods in the way something is done or made."</p> <p>Identify the objective of business specified here. Explain any other two objectives of a business in general.</p>	3
16	<p>The following cases describe various trading activities of three different companies in India. Identify the type of trade involved in each case and describe briefly on them.</p> <p>a. Loyal Farms is a company based in Himachal Pradesh India, specialized in growing high quality fruits. Due to an exceptionally good harvest they have given enough publicity on their Apple yield and thereby received orders from Nepal and UAE. Loyal Farms accepted these orders and carefully packed and transported their premium apples to these countries.</p> <p>b. A Russian company sold fertilizers worth ₹ 10 crores to Mehz Fertilizers India during the year 2024-2025. Mehz Fertilizers use these fertilizers for growing</p>	3

	<p>plants in their sub-division where they grow medicinal plants.</p> <p>c. Welspun, a textile manufacturing company in India purchased fiber from Vietnam and sold them to Japan after passing them to the spun yarns and thereby convert it into fabric.</p>	
17	<p>Go Fresh is a brand of juice and jam becoming popular these days. They have their own farms cultivating fruits and vegetables required for their finished goods. The so collected products are cleaned, dried and cut in various sizes using machinery at their factory. There starts the processing for fruit juices, jams and dry fruit packets, frozen cut fruit varieties and many more. From this point of production, starts the storage and transportation of their products on the basis of the orders they received and for their regular retail customers.</p> <p>Questions:</p> <ol style="list-style-type: none"> 1. What are the various types of industries Go Fresh is involved in? 2. Identify the auxiliaries to trade from the above paragraph and explain how can these services help the business? 	4
18	<p>Rohan and Rana , two childhood friends, decided to start a business of organic farming equipment. Rohan had technical expertise while Rana had good marketing skills. They decided to form a partnership firm named Green Grow Solutions. They agreed to share profits and losses in the ratio of 3:2. Rohan contributed ₹ 4 lakhs as capital and Rana brought in ₹ 2 lakhs and also agreed to look after the marketing of the business. They neither prepared a written partnership deed nor registered their firm. After one year, the business earned good profits, but some disagreements started arising between Rohan and Rana regarding profit distribution, interest on capital, and decision-making powers.</p>	6

	<p>Questions:</p> <ol style="list-style-type: none"> 1. Identify and explain the type of business organization formed by Rohan and Rana. 2. Highlight any three merits of the organization mentioned above. 3. Discuss the consequences of not having a written agreement between Rohan and Rana and the non-registration of the business in this case. 	
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