



INDIAN SCHOOL AL WADI AL KABIR  
DEPARTMENT OF COMMERCE

**SAMPLE PAPER 2-2024-25**

**Class: XI**

**BUSINESS STUDIES (054)**

**M.M: 80**

Q.NO		MARKS
1.	A company insures its stock against fire for Rs. 15 Lakh. A fire broke down and the total stock was lost. At the time of the fire, there was stock worth Rs. 25 Lakh. What is the value of compensation the company would be entitled to?	1
2.	<p>Soumya is a techno savvy person and uses different types of digital payment methods to make payments for purchases. She uses Aadhaar card to carry out financial transactions on a Micro-ATM by furnishing just their Aadhaar number and verifying it with the help of their fingerprint/iris scan so that she need not have to mention their bank account details to carry out those transactions.</p> <p>Identify the type of digital payment used to make purchases.</p>	1
3.	<p>Assertion (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>Reason(R): 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>(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 Reason is incorrect.</p> <p>(d) Both the Assertion and Reason are incorrect.</p>	1
4.	<p>The written agreement which specifies the terms and conditions that govern the partnership is called the _____.</p> <p>a. partnership document</p> <p>b. partnership deed</p>	1

	c. partnership data partnership clause	
5.	_____ is the first stage in the formation of a company. a. Name approval b. Incorporation c. Capital Subscription d. Promotion	1
6.	Tourism, recreational services and restaurants are examples of _____ a. business services b. impersonal services c. personal services d. social services	1
7.	_____ is a process of holding and conservation of goods till they are dispatched to the customers. a. Warehousing b. Transportation c. logistics d. none of the above	1
8.	_____ covers a firm's interactions with its customers and suppliers over the internet. a. e-commerce b. e-business c. customer service d. internet banking	1
9.	The manufacture of an automobile requires assembly of a large number of components which in turn are being manufactured elsewhere, within the vicinity of the automobile factory or even overseas. To reduce dependence on a single supplier, the automobile factory has to cultivate more than one vendor for each of the components. Identify the concept behind the example given above a.B2C b.C2B c.C2C d.B2B	1
10.	Use of Internet has considerably reduced dependence on paperwork and the attendant _____. a. blue tape b. red tape	1

	c. green tape d. orange tape	
11.	_____ involves an element of voluntary action on the part of business people for the benefit of society. a. legal responsibility b. social responsibility c. both legal and social responsibility d. none of the above	1
12.	Environmental pollution, unsafe workplaces, corruption in public institutions, and discriminatory practices in employment are some of the problems created or perpetuated by _____. a. business enterprise b. government enterprise c. society d. public	1
13.	The enterprise must take proper precaution against adulteration, poor quality, lack of desired service and courtesy to customers, misleading and dishonest advertising, and so on. Identify to which group, social responsibility of business is explained above.  a. Responsibility towards the businessmen b. Responsibility towards the government c. Responsibility towards the workers d. responsibility towards the consumers	1
14.	No matter how small or large a business is, it needs funds for its day-to-day operations. This is known as _____ of an enterprise. a. working capital b. owners' capital c. fixed capital d. operational cost	1
15.	On the basis of ownership, the sources can be classified into _____ a.2 b.3 c.4 d.5	1

16	<p>A company generally does not distribute all its earnings amongst the shareholders as dividends. A portion of the net earnings may be retained in the business for use in the future. Identify the concept.</p> <p>a. Equity shares b. ploughing back of profits c. Retained earnings d. both b and c</p>	1
17.	<p>Abbreviate MSMED _____</p> <p>a. Macro, Small and Medium Enterprises Developing Act b. Macro, Small and Medium Enterprises Development Act c. Micro, Small and Medium Development Act d. Micro, Small and Medium Enterprises Development Act</p>	1
18.	<p>Expand NSIC _____</p> <p>a. National Small Industry Corporation (NSIC) b. National Smallest Industries Corporation (NSIC) c. National Small Industries Corporation (NSIC) d. National Small Industries Corporate (NSIC)</p>	1
19.	<p>These shops are commonly found in a local market and residential areas, these shops carry stock of a variety of products needed to satisfy the day-to-day needs of the consumers residing in nearby localities. Identify the concept explained.</p> <p>a. Specialty shops b. General stores c. Second hand goods shop d). Single line stores.</p>	1
20.	<p>They are the small retailers who open their shops at different places on fixed days or dates, such as every Saturday or alternate Saturdays, and so on.</p> <p>a. Peddlers and hawkers b. Market traders c. Street traders d. Cheap jack</p>	1
21.	Discuss any three (3) objectives for a business	3
22.	After completing the formalities, promoters make an application for the incorporation of the company. The application for registration must be accompanied with certain documents. Explain the first three (3) steps to be taken in the stage of Incorporation.	3

23.	<p>These are established under The Companies Act, 2013 and is registered and governed by the provisions of The Act. These are established for purely business purposes and in true spirit compete with companies in the private sector.</p> <p>a. Identify the type of organisation explained above</p> <p>b. Explain any two (2) demerits of the identified type of organisation</p>	3
24.	<p>These shares represent the ownership of a company and thus the capital raised by issue of such shares is known as ownership capital or owner's funds. This share capital is a prerequisite to the creation of a company. They are referred to as 'residual owners' since they receive what is left after all other claims on the company's income and assets have been settled. They enjoy the reward as well as bear the risk of ownership. From the information given above, Explain any three merits of the identified source of finance.</p>	3
25.	<p>These enterprises are established as departments of the ministry and are considered part or an extension of the ministry itself. The Government functions through these departments and the activities performed by them are an integral part of the functioning of the government.</p> <p>a. Identify the type of organisation explained above</p> <p>b. List any three (3) features of the identified concept</p>	4
26.	Enumerate the different types of Bank Accounts (Any 4)	4
27.	<p>Compare E-Business with Traditional Business on the following basis</p> <p>a. Locational</p> <p>b. Cost of setting up</p> <p>c. Operating cost</p> <p>d. Nature of contact with suppliers and customers</p>	4
28.	<p>Explain the social responsibility of business towards different interest groups.</p> <p>(i) Responsibility towards the shareholders or owners (any 2 points)</p> <p>(ii) Responsibility towards the consumers (any 2 points)</p>	4
29.	<p>These stores combine both the functions of retailing as well as warehousing.</p> <p>They purchase directly from the manufacturers and operate separate warehouses. This helps to eliminate unwanted middlemen between the producers and the customers. They have centralized purchasing arrangements. All the purchases in these stores are made centrally by the purchase department of the store.</p> <p>a. Identify the type of store explained here</p>	4

	b. Explain any one (1) merit and two (2) demerits of the identified store	
30.	Explain the benefits of international business to the a. Nation (ANY 2 points) b. Firm (ANY 2 points)	4
31.	Anshuman has been successfully running a financial consultancy from for past five years. His company has become popular and enjoy good reputation. It has sufficient reserves of profit accumulated from last five years. He plans now to start branches in Bangalore and Mumbai also. For expanding business does not want any additional liability. In the above context: a. Suggest the source of finance suitable to Anshuman for expansion. b. Give any merits and Demerits of that source.	6
32.	He/she is 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. Thus, apart from conceiving a business opportunity, He/she analyze its prospects and bring together the men, materials, machinery, managerial abilities and financial resources and set the organisation going. After thoroughly examining the feasibility of the idea, they assemble resources, prepare necessary documents, give a name and perform various other activities to get a company registered and obtain the necessary certificate enabling the company to commence business. Thus, they perform various functions to bring a company into existence. a) Identify the concept related to formation of the company. b) Explain the first (5) functions performed by the above identified concept.	6
33.	Explain the role of small business in India	6
34.	Ever seen a long time outside a shoe store? People waiting in the scorching heat just to buy a pair of shoes? If you haven't, you'll see it outside Satya Brata Dey's Shree Leather Shoe Stores in Calcutta. Satya starts his business venture with buying six pairs of ladies' chappals. He was determined not to borrow money from anybody. He sold the chappals at Rs. 69 each and made a little profit, which he invested to buy more chappals. After a few months Satya made a profit of Rs. 300 which thrilled him to no end. Now he was really in business Satya's business philosophy develops Satya's showroom was in New Market. In those days New Market used to close by 6 pm. After 6 or 7 pm the whole area used to be dark and deserted. But Satya opened his shop before anyone else and kept it open long after others had closed theirs. He did this even if there were no customers. What if there was one customer who needed shoes late in the day when the other shops were closed? Gradually over a period of time,	6

	<p>Satya started to manufacture the shoes that he sold in his store. He positioned his shoes as poor man's shoes-good quality and inexpensive. He kept his margins low so that he could attract a large number of customers. Even though his shoes were meant to attract the low-income customers, many ministers and businesspeople also bought his shoes. Soon satisfied customers brought their friends and family and his business started to grow by leaps and bounds. He had a winning combination for success-the quality was good and the price was right. A shrewd businessman that Satya is, he kept other manufacturers products as well, so the customers could compare and see that sreeleathers shoes were cheaper and better.</p> <p>a) From the above given case study, identify the form of organization. b) Explain any three merits and demerits of the identified organization</p>	
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