



# INDIAN SCHOOL AL WADI AL KABIR

## BUSINESS STUDIES

### SAMPLE PAPER 1

**CLASS: XI**

**MARKS:80**

Sr 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.	The main disadvantage of a general partnership is _____. (a) The unlimited liability of the partners (b) Disagreement amongst partners (c) Shared management (d) Difficulty of termination	1

6.	<p>Which of the following does not characterize business activity?</p> <p>(a) Production of goods and services  (b) Presence of risk  (c) Sale or exchange of goods and services  (d) Salary or wages</p>	1
7.	<p>In case of _____, registration is compulsory.</p> <p>(a) Sole Proprietorship  (b) Partnership  (c) Company  (d) None of these</p>	1
8.	<p>The validity period of a demand draft is _____.</p> <p>(a) One month  (b) Two Months  (c) Three months  (d) Six Months</p>	1
9.	<p>Which of the following is not applicable in a life insurance contract?</p> <p>(a) Conditional contract  (b) Unilateral contract  (c) Indemnity contract  (d) None of the above</p>	1
10.	<p>Which one of the following is not an advantage of traditional business?</p> <p>(a) Direct interaction with customer  (b) Low transaction risk than e-business  (c) Opportunity for physical sampling of goods  (d) Ease of going global</p>	1
11.	<p>If a business is to operate in a society that is full of diverse and complicated problems, it may have _____.</p> <p>(a) Little chance of success  (b) Great chance of success  (c) Little chance of failure  (d) No relation with success or failure</p>	1

12.	<p>‘To adopt fair trade policies and practices’ is an example of responsibility of business towards _____</p> <p>(a) Owners (b) Workers (c) Government (d) Consumers</p>	1
13.	<p>Debentures represent _____.</p> <p>(a) Fixed capital of the company (b) Permanent capital of the company (c) Fluctuating capital of the company (d) Loan capital of the company</p>	1
14.	<p>_____ is defined as one in which the investment in fixed assets of plant and machinery does not exceed rupees one crore.</p> <p>(a) Limited Companies (b) Large Scale industry (c) Small Scale Industry (d) None of the above</p>	1
15.	<p>Ethics is important for _____</p> <p>(a) top management (b) middle-level managers (c) non-managerial employees (d) All of these</p>	1
16.	<p>Internal sources of capital are those that are _____</p> <p>(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</p>	1
17.	<p>NSIC was set up in the year _____</p> <p>(a) 1947 (b) 1978 (c) 1955 (d) 1962</p>	1
18.	<p>_____ are mobile traders who deal in low-priced articles with no fixed place of business.</p> <p>(a) Street stalls (b) Retailers</p>	1

	(c) Itinerant traders (d) Agents	
19.	Small scale fixed retailers include _____.  (a) Hawkers (b) Peddlars (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 (c) working capital requirement (d) lease financing	1
21.	What is the difference between internal and external sources of raising funds?	3
22.	Identify the types of partners: 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. 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. 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. 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.	3
23.	Classify the types of industries.	3
24.	What are the different kinds of organisations that come under the public sector?	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> <p>a. Identify the type of company.</p> <p>b. Explain any three features of the above identified concept</p>	4
26.	<p>They do not move from place to place to serve their customers.</p> <p>a) Identify the business concept from the chapter of internal trade.</p> <p>b) State their characteristics of the identified concept</p> <p>c) How are they classified?</p>	4
27.	<p>Explain the merits of international business to firms.</p>	4
28.	<p>Define insurance and from the following hints identify the principle of insurance.</p> <p>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</p> <p>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.</p> <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>	4
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>Explain the scope of e-business.</p>	4

31.	<p>Kiran is a sole proprietor. Over the past decade, her business has grown from operating a neighborhood corner shop selling accessories such as artificial jewellery, bags, hair clips and nail art 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.	Differentiate between Shares and Debentures.	6
34.	<p>Wholesalers provide various services to manufacturers as well as retailers and provide immense help in the distribution of goods and services. By making the products available at a place where these are needed and at a time when these are needed for consumption or use, they provide both the time and place utility. The wholesalers take care of the distribution of goods to a number of retailers who, in turn, sell these goods to a large number of customers spread over a large geographical area. They serve as an important source of market information on these and related aspects. Wholesalers take delivery of goods when these are produced in factory and keep them in their godowns/warehouses. The wholesale merchants deal in goods in their own name, take delivery of the goods and keep the goods purchased in large lots in their warehouses. Wholesalers collect small orders from a number of retailers and pass on the pool of such orders to the manufacturers and make purchases in bulk quantities. This enables the producers to undertake production on a large scale and take advantage of the economies of scale. From the above information quote the lines and identify the services of wholesalers.</p>	