## BUSINESS STUDIES CLASS XI

Time Allowed: 3 hours

## General Instructions:

1 This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1. Which industry combines various ingredients into a new product?
a) Processing industry
b) Analytical industry
c) Synthetical industry
d) Assembling industry
2. JPMG is one of the largest transportation industry in India provides services for different projects including residential, commercial office, retail, industrial, logistics, hospitality and other areas too. It's a familiar name among the business houses in the country because of the large dependency factor.
Which type of Industry discussed in the above case?
a) Genetic industries
b) Tertiary Industry
c) Processing industry
d) Synthetical industry
3. Which of the following is not an economic cause of business risks?
a) Interest rate fluctuations
b) Change in technology
c) Higher taxes
d) Negligence of employees
4. $\qquad$ are accountable to the $\qquad$ for the working of the company.
a) Employees, Directors
b) Shareholders, Directors
c) Directors, Shareholders
d) Directors, Employees
5. After completing high studies in Hotel Management courses from one of the highly reputed Hotel Management Institutes of India, Mahesh decided to start his own Bakery at his home town. His father arranged funds and supported him to commence his business. He recruited some staffs, purchased required equipments and machineries. Within few months, he started manufacturing bakery products in the market and sold at reasonable prices. His quality products and reasonable prices helped him in making good profit. Identify the form of business organization highlighted in the above case.
a) Company
b) Partnership
c) Sole Trading concern
d) Joint Hindu Family Business
6. Assertion (A): There is a delay in decision-making in the case of a sole proprietorship.

Reason (R): Various big companies that exist today came to life as sole proprietorships.
a) Both A and R are true and R is the correct
b) Both $A$ and $R$ are true but $R$ is not the explanation of A . correct explanation of A.
c) $A$ is true but $R$ is false.
d) $A$ is false but $R$ is true.
7. Funding for Departmental Undertakings comes from which of the following sources:
a) Debentures
b) Shares
c) Government Treasury
d) Loans from Financial Institutions
8. A proposed name of the Company is considered undesirable if:
A. It resembles closely with an existing company the name of an existing company.
B. It is an emblem of Government.
C. It is identical with the name.
a) Only C
b) Only B
c) Only A
d) All of these
9. What minimum percentage of the paid-up capital should be held by the government in a Government Company?
a) $49 \%$
b) $100 \%$
c) $75 \%$
d) $51 \%$
10. From the following which of this is covered under fire Insurance?
a) Floating
b) Collective Policy
c) Voyage Policy
d) Term Policy
11. Without disclosing that he is suffering from TB, Mr. A gets himself insured against death for rupees 10 lakhs. He lives for another three-four years and dies due to TB. The insurance company comes to know about Mr. A's illness only after his death. Now, under these circumstances the insurance company is not liable to pay anything to the dependents of Mr. A as the contract between the insurance company and Mr. A is void. Identify the principle of insurance to which the above example related:
a) Insurable interest
b) Indemnity
c) Subrogation
d) Utmost good faith
12. Which of the following is not covered under general insurance contains?
a) Marine Insurance
b) Life Insurance
c) Fire Insurance
d) Theft Insurance
13. Which method is very popular for making online transactions?
a) All of these
b) Net Banking
c) Credit Card
d) Debit Card
14. What is the method payment chosen by the customer at the time of physical delivery of goods?
a) Credit card payment
b) Cash on delivery
c) Debit card payment
d) Prepaid amount
15. Online buying and selling shares and other financial instruments are known as $\qquad$ .
a) e-Trading
b) e-Delivery
c) e-Procurement
d) e-Auction
16. The primary responsibility of a business is to produce goods and services that society wants and sell them at a profit. This is called $\qquad$ —.
a) personal responsibility
b) none of these
c) legal responsibility
d) economic responsibility
17. The main cause of water pollution is:
a) industrial waste
b) chemical
c) all of these
d) waste dumping
18. A business enterprise has the responsibility to provide a fair return to the $\qquad$ -.
a) customers
b) tax authority
c) shareholders
d) state government
19. Match the following:

| (a) Social Objectives | (i) Dishonesty |
| :--- | :--- |
| (b) Role Of Profit | (ii) Change In fashion |
| (c) Business Risk | (iii) High Quality Good At Fair Goods |
| (d) Code Of Conduct does not include for employment | (iv) For Long Survival |

20. Match the following:

| (A) Duties towards | (B) Duties |
| :--- | :--- |
| (a) shareholder | (i) Payment of taxes within time |
| (b) consumers | (ii) Fare dividend |
| (c) government | (iii) Provide quality goods |
| (d) society | (iv) Preservation of the environment |

21. What is the role of profit in business?
22. Ankit, Kishore and Shivam are partners in a partnership firm manufacturing Water Coolers. Recently, Shivam entered into a contract with Mayank for purchase of raw material worth ₹10,00,000 without the knowledge of Ankit and Kishore. Now, Mayank is asking for the payment and Ankit and Kishore are of the view that only Shivam is liable to make the payment and they cannot be held liable. Are they correct in refusing the payment? State the related feature of the partnership form of business organisation.
23. Explain any four functions performed by Insurance.

OR
Discuss briefly the different types of mail services offered by the post and telegraph department?
24. Harsh runs an online store dealing in all kinds of household items which he procures from different dealers.

Whereas his friend Lakshay runs an online store which sells all kinds of organic products like spices, pickles,
jams, etc. These products are produced in his automated manufacturing unit in Kerala. In the context of the above case answer the following:
a. Identify the two concepts which define the scope of business activities undertaken by both Harsh and Lakshay, respectively.
b. Differentiate between the two concepts as identified in part(a) of the question.
25. What are the responsibilities of business towards society (public)?

OR
One of your friends, Rajan, runs a factory in the city. His factory is causing air, water and noise pollution. What advice will you give him regarding keeping the environment free from pollution?
26. Discuss the various types of Hundis practiced by ancient Indian merchant communities.

OR
Explain briefly the concept of Business, Profession, and Employment.
27. Shridhar is planning to promote an e-commerce company under the name 'Musafhir'. The website of the company will help the users to plan holidays with the help of technology. At a conceptual level, the offering is highly simple, but at the computer science level and at the technology level it is immensely complicated. For example, a planned itinerary for a ten-day trip to Paris will have a trillion possibilities and a number of permutations. The success of the business will depend upon its ability to churn out plans based on logic and according to the preference within seconds. With the help of a business planner Shridhar has determined that the capital investment can be arranged within the available means. Moreover, he has analyzed that the level of competition in this segment is low.
In the context of the above case answer the following questions:
a. Identify the various kinds of feasibility studies that Shridhar has undertaken as a promoter by quoting lines from the paragraph.
b. What are the various formalities that Shridhar will have to fulfill for the name approval of his company?
c. Under what conditions are the proposed name of the company likely to be rejected?
28. Nestle S.A. is a Swiss transnational food and drink company headquartered in Vevey, Vaud, Switzerland. It has been the largest food company in the world. Nestle has over 8,000 brands with a wide range of products across a number of markets, including coffee, bottled water, milkshakes, and other beverages, breakfast cereals, infant foods, performance and healthcare nutrition, seasonings, soups and sauces, frozen and refrigerated foods, and pet food.

In the context of the above case answer the following:
a. What form of enterprise is Nestle?
b. State any three features of the form of an enterprise as identified in part(a) of the quest.
29. Jeevan insures his property worth Rs. 10 crores with two insurers 'AIG Ltd.' and 'MetLife Ltd/ for Rs. 6 crore and Rs. 4 crores, respectively. Due to an earthquake, the actual damage caused to Jeevan's property is worth Rs. 3 crore. He filed a claim for Rs. 3 crore against each of the insurance companies. Identify and explain the principle of insurance which has been violated in the above case.
30. After becoming a certified chartered accountant Ridhima has recently started a tax consultancy firm. Her brother being an IT professional has advised her to ensure the security and safety of e-transactions.
Apart from the transaction risks what are the other two types of e-business risk that Ridhima needs to guard her business against?

Question No. 31 to 35 are based on the given text. Read the text carefully and answer the questions:

Mrs. Neeta is the owner of readymade garment factory. Her main motive is to maximize profits. For this, she has started to charge hefty price from her customers supplying them low quality products. She has also drastically failed in providing good working conditions to workers and pay them only the minimum amount of wages. She is completely ignorant about the amount of pollution her factory is generating. Due to all such reasons, the efficient workers of her factory are now leaving the job and joining the competitor's business. The government has also put heavy penalty and customer's loyalty is completely missing.
31. Which concept is lacking in the Neeta's company?
a) Coordination
b) Efficiency
c) Cooperation
d) Social responsibility
32. The case talks about all the factors for assumption of social responsibility by the business, except:
a) Contribution to social problems
b) Avoidance of Government interference
c) Creation of public image
d) Long term interest of the firm
33. What does the case try to convey?
a) Business cannot thrive in isolation
b) Business must treat everyone equally
c) Business must not keep profit-making as the
d) Business must pay handsome compensation sole motive to its workers
34. How can the business gain back its position?
a) By using eco-friendly methods of
b) By paying taxes on time. production
c) By assuming its responsibilities towards
d) By paying handsome compensation to its various social groups. workers
35. Assertion (A): It is the moral obligation of business to get involved in solving social problems.

Reason (R): It is argued that some of the social problems have been created by business firms themselves.
a) Both $A$ and $R$ are true and $R$ is the correct explanation of A .
b) Both A and R are true but R is not the correct explanation of A.
c) A is true but $R$ is false.
d) $A$ is false but $R$ is true.
36. What do you understand by trade? Discuss the various types of trade.

OR
What factors are important to be considered while starting a business? Explain.
37. With exponential growth seen in domestic air traffic requiring additional airport infrastructure, the government has decided to offer more airports to private parties for operation and management. In India, as many as 300 airports need to be revived and upgraded in the coming years to support the double-digit growth in the sector. This would require huge private investment as public funds are limited for infrastructure development. In February 2017, the government announced that airport infrastructure will be built under the PPP model in smaller cities and towns. Besides, major airports in Delhi, Mumbai, Bangalore, and Hyderabad had been handed out to private developers.
In the context of the above case answer the following questions:
a. Outline the concept of PPP.
b. State any two ways in which the government is likely to be benefited by pursuing projects under a PPP model.
c. State any three features of a PPP model.

Question No. 38 to 43 are based on the given text. Read the text carefully and answer the questions:
Sejal had recently completed her MBA. Her father, who was the eldest member of his family, wants her to help him in his family business. But she had the opinion that this business form has limited scope for expansion. So, she was thinking of starting a venture with a few of her friends. They gathered at Sejal's house to discuss the pros and cons of doing a particular business. One of her friends suggested starting a partnership firm in which each of them contributes and handles a particular area of their expertise. This will lead to good decision-making. But since the personal assets of the partners can be utilised for repayment of the firm's loan in case the assets are insufficient, most of them don't agree. Another friend recommended that they should choose that form of business in which they can have greater funds and scope of expansion and at the same time limited liability. Everyone liked his idea and they finally started their business in the next few months.
38. Which form of business was recommended by Sejal's father?
a) Partnership
b) Hindu Undivided Family Business
c) Sole Proprietorship
d) Joint venture
39. Which term is best suited for Sejal's father in the business he was a part of?
a) Karta
b) Partner
c) Owner
d) Coparcener
40. Which limitation of the business form has been mentioned in the above para?
a) Limited Resources
b) Limited managerial skills
c) Lack of secrecy
d) Unlimited liability
41. Identify one advantage of partnership firms mentioned in the above para.
a) Secrecy
b) Balanced decision making
c) All of these
d) Ease of formation
42. Identify one limitation of the partnership firm mentioned in the above para.
a) Limited Resources
b) Lack of secrecy
c) Chances of Conflicts
d) Unlimited Liability
43. Which form of business organisation do you think Sejal and her friends started?
a) None of these
b) Company
c) Partnership
d) Sole Proprietorship

