

KOTHARI INTERNATIONAL SCHOOL, NOIDA
ANNUAL EXAMINATION, SESSION 2023-24
GRADE: 11 SUBJECT: BUSINESS STUDIES (054)
SET A

DAY & DATE: FRIDAY- 9th FEBRUARY 2024

MAXIMUM MARKS: 80

NAME: _____

TIME ALLOTTED: 3 HOURS

ROLL NO: _____

GENERAL INSTRUCTION:

- i). This question paper contains 34 questions.
- ii). Marks are indicated against each question.
- iii). Answers should be brief and to the point.
- iv). Answers to the questions carrying 3 marks may be from 50 to 75 words.
- v). Answers to the questions carrying 4 marks may be about 150 words.
- vi). Answers to the questions carrying 6 marks may be about 200 words.
- vii). Attempt all parts of the questions together.

- Q1.** Mr. Naresh Batra a businessman, incurred some financial loss due to the dishonesty of his workers. (1)
This loss is caused due to
(a) natural
(b) financial
(c) human
(d) economic
- Q2.** Ashima is a sole proprietor. Over the past decade, her business has grown from operating a (1)
neighborhood corner shop selling accessories such as artificial jewellery, bags, hair clips and nail
polish to a retail chain with three branches in the city. She looks after the varied functions in all the
branches, but now she wants to change her form of business as she also has plans to open branches
countrywide. She is also planning to collect the funds by issue of shares.
On the basis of the given information, which form of business is suitable for Ashima for the
expansion of business?
(a) Company
(b) Partnership
(c) HUF
(d) Cooperative society
- Q3.** Centralized control in MNC's implies control exercised by _____ (1)
(a) Branches
(b) Subsidiaries
(c) Headquarter
(d) Parliament
- Q4.** **ASSERTION- REASON** (1)
Assertion (A): The contract of fire insurance is a contract of strict indemnity.
Reason (R): A person should not be allowed to gain by insurance.

- 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.

- Q5.** In which type of e-business transactions, both buyers and sellers are customers? **(1)**
- Q6.** **ASSERTION- REASON** **(1)**
Assertion (A): Social responsibility is restricted towards a particular section of the society.
Reason (R): Social responsibility ensures a fair remuneration for the work.
 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.
- Q7.** Shubham Ltd has decided to expand its production capacity by modernizing its plant and machinery at an estimated cost of Rs.2 Crore. It does not have adequate reserves to finance the expansion. Suggest any two sources of finance for the company. **(1)**
- Q8.** What is the full form of MSME? **(1)**
 A. Micro, small, and medium enterprises
 B. Medium, small medium electronic
 C. Medium, strong, and medium enterprises
 D. None of these
- Q9.** What small scales fixed retailer includes? **(1)**
 A. Peddlers
 B. Hawkers
 C. Cheap jacks
 D. General stores
- Q10.** Which one is the first step of the internationalization process? **(1)**
 A. License
 B. Foreign currency
 C. Sales
 D. Export
- Q11.** No business can survive without enough amount of funds. Banks are providing financial assistance to the businesses to overcome one of the following hindrance of trade. **(1)**
 (a) Hindrance of place
 (b) Hindrance of time
 (c) Hindrance of finance
 (d) Hindrance of information
- Q12.** The members of these societies consist of people who are desirous of procuring residential accommodation at lower costs. Identify the society referred here. **(1)**

- (a) Consumer's cooperative societies
- (b) Producer's cooperative societies
- (c) Marketing cooperative societies
- (d) Cooperative housing societies

Q13. Match the 'forms of public enterprises' in column I with their respective example in column II. **(1)**

Column I	Column II
A. Statutory corporation	(i) Railway
B. Government company	(ii) Reserve Bank of India
C. Departmental undertaking	(iii) National Fertilisers Ltd

- (a) (i) (ii) (iii)
- (b) (iii) (i) (ii)
- (c) (i) (iii) (ii)
- (d) (ii) (iii) (i)

Q14. In which of the following overdraft facilities is available? **(1)**

- A. Current deposit account
- B. Saving account
- C. Fixed Deposit
- D. Any normal account

Q15. Which company provides DTH services? **(1)**

- A. Cellular companies
- B. Bank
- C. Transport company
- D. Postal companies

Q16. Which one is an example of socially undesirable practices? **(1)**

- A. Exploiting workers
- B. Giving jobs
- C. Distributing shares
- D. All of them

Q17. Excessive ploughing back may cause dissatisfaction amongst the _____ as they would get lower dividends **(1)**

- (a) Debenture holders
- (b) Shareholders
- (c) Lenders
- (d) Suppliers

Q18. What are the major issues faced by small-scale businesses? **(1)**

- A. Raw material
- B. Finance
- C. Managerial skills
- D. All of the above

- Q19.** Between whom do wholesalers act as a link? (1)
- A. Manufacturer and retailer
 - B. Manufacturer and customer
 - C. Customer to retailer
 - D. None of these
- Q20.** **ASSERTION- REASON** (1)
- Assertion (A):* Indian Oil Corporation is a public corporation.
Reason (R): Public enterprises are accountable to the public.
- (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.
- Q21.** Ajay Gupta is the sole owner of a garment manufacturing factory. He took loan of Rs.10 lakhs from Gupta Finance Company for the expansion of his business. Because of continuous losses however, he was not able to repay the loan on time. Assets of the business were not enough for repaying liabilities in full. As a result, the Gupta Finance Company asked him to repay their loan. He refused to do so on the ground that the loan was taken by his business and not by him for his personal use. The Company filed a case against him. The court gave decision in favor of the Company on the ground that Ajay Gupta was operating as the sole proprietor and a sole proprietor did not have a separate entity distinct from his own. The Court further stated that Ajay Gupta had unlimited liability and held him liable to repay the loan even by selling his personal property if need be. (3)
- 1. Name the form of business which is being carried out by Ajay Gupta.
 - 2. What type of liability enjoyed by Ajay Gupta?
 - 3. Why did Court hold Ajay Gupta responsible for paying his business liabilities out of his personal assets?
- Q22.** 'Vaishya Bank' is a popular private sector bank offering varied services to its customers. It offers many types of bank accounts options to its customers. Ramesh being a businessman has chosen the type of account in which deposits are the most liquid and there are no limits to the number of transactions or the amount of transactions in a day. On the other hand, his mother has opened a type of account where she can conveniently deposit the money she saves. These accounts provide cheque facility and offer lot of flexibility for deposits and withdrawal of funds from the account. Ramesh's younger brother Prem has opened a special kind of account wherein he will deposit Rs. 1,000 every month for next two years. (3)
- 1. By quoting lines from the paragraph identify the various types of bank accounts being used by Ramesh and his family members.
 - 2. Describe briefly any two other types of accounts that are also offered by a bank but have not been mentioned in the above paragraph.
- Q23.** After completing a course in gemology, Esha joins her father in the family business of fashion jewellery. Her father owns two showrooms at different locations in the city and operates his business through them. However, Esha intends to expand the business by venturing into online retailing. She also intends to introduce flexible manufacturing with the use of computer networks (3)

wherein the marketing department can interact constantly with the production department and get the customized products made as per the requirements of the individual customer.

a. How is the mode of business that Esha intends to adopt different from the one that her father has been following over the years?

b. Distinguish between the two different modes of business as identified in part (a) of the question by giving any four points.

Q24. Every day, a three wheeled vehicle appears in front of your school selling ice-creams. Name and explain the type of retailer referred here. **(3)**

Q25. Harshit runs a well-known departmental store in Delhi. He procures different kinds of products from all over the country through railways, roadways, and airways. He also owns a godown to hold the stocks. He has also taken an insurance policy worth Rs.10 crores for his business. Moreover, he has taken a loan of Rs. 2,00,000 from ICICI Bank in order to meet short term financial needs of his business. He has placed information about his store on the hoardings, billboards, etc. in order to popularize them. **(4)**

In the context of the above case answer the following:

i. What are auxiliaries to trade?

ii. Identify the different auxiliaries to trade that are being used by Harshit in his business by quoting lines from the paragraph.

OR

Karan is running a grocery shop in the nearby local market whereas his friend Priyanshu works as a finance manager in a reputed IT company.

In the context of the above case:

i. Identify the different types of economic activities both the friends are engaged in.

ii. Distinguish between the two different types of economic activities as identified in part (i) of the question (any two points).

Q26. Life Insurance Corporation of India is the largest insurance company in India. It is headquartered in Mumbai. It was founded in the year 1956 when the Parliament of India passed the Life Insurance of India Act that nationalized the private insurance industry in India. Over 245 insurance companies and prominent societies were merged to create the state owned Life Insurance Corporation. **(4)**

(a) Life Insurance Corporation of India is classified as which form of public sector enterprise?

(b) Was it necessary for the parliament of India to pass the Life Insurance of India Act for its formation? What does the Act define?

(c) State any two merits of promoting Life Insurance Corporation of India in a particular form of public sector enterprise as identified in part (a) of the question.

Q27. 'Aruna Ltd' is a well-known company in telecom sector in India. The company is committed to treat everyone fairly, with respect and dignity regardless of differences in positions, age, caste, creed, gender or otherwise. It endeavours to foster a participatory work environment where trust and confidence between team members is spontaneous. It not only abides by all the laws governing in India but is also fully committed to achieving and participating in every conceivable way in the progress and integrity of the nation. It constantly reviews and revises all its print and electronic **(4)**

promotional materials like advertisements, brochures, etc. to make sure that they are clear, precise and free from any kind of misrepresentation(s). The company remains actively involved in social issues and activities. It maintains financial records and follows strict accounting control to ensure effective and efficient utilization of funds, thereby maximizing returns to their shareholders its social responsibilities. By quoting lines from the paragraph identify the different interest groups towards which the company is fulfilling’.

- Q28.** Meenakshi is successfully running a bakery shop in her residential colony for the past many years. She has wisely invested in different areas in order to ensure smooth running of her business. She owns the manufacturing unit, whereas the shop through which she operates is on rent. Recently, she took a loan from the bank to install air conditioners and create provision for sitting for the customers by extending the shop area. Although she buys majority of the ingredients like flour, sugar, oil on 20 days credit from the local suppliers but sales are made only in cash. (4)
1. Identify and explain the various external sources of finance that Meenakshi has employed in her business.
 2. Distinguish between internal and external sources of funds (any three).
- Q29.** Mohan stores are networks of retail shops owned and operated by Mohan Company. These shops operate in different parts of the country. One can easily identify these shops in any part of the country as they have same appearance, even their interior is also identical. All the shops are supplied the goods from head office only and all the policies for all branches are made by head office only. Even store sell goods at uniform prices. (4)
- (a) State the type of retail store mentioned in above case.
 - (b) State and explain any three features of chain store.
- Q30.** Discuss the benefits of international business to nations. (4)
- Q31.** Godsend Wishes Ltd. is a well-known real estate company in India. The company is planning to float a public issue of shares to raise fresh capital. As per the norms, it will have to take prior approval from SEBI (Securities and Exchange Board of India) before going ahead with raising funds from the public. Moreover, the company is planning to appoint HDFC Bank Limited as underwriters to the issue. (6)
- In the context of the above case answer the following questions:
- a. Why is approval from SEBI considered necessary?
 - b. Who are underwriters? Is their appointment necessary whenever a public company wishes to raise the required funds from the public by means of an issue of shares and debentures?

OR

Jagat is running a grocery store under the name ‘Morning Needs’ in a local market. He takes all decisions about business himself, without any interference from others and also earns a direct reward for his risk-bearing.

In the context of the above case:

Identify and define the form of business organization in which Jagat has promoted his business. State and explain any four features of this form of business organization.

- Q32.** Meenakshi is successfully running a bakery shop in her residential colony for the past many years. She has wisely invested in different areas in order to ensure smooth running of her business. She owns the manufacturing unit, whereas the shop through which she operates is on rent. Recently, she took a loan from the bank to install air conditioners and create provision for sitting for the customers by extending the shop area. Although she buys majority of the ingredients like flour, sugar, oil on 20 days credit from the local suppliers but sales are made only in cash. (6)
1. Identify and explain the various external sources of finance that Meenakshi has employed in her business.
 2. Distinguish between internal and external sources of funds (any four).
- Q33.** Describe the role of small business in rural India? (6)
- Q34.** Mahabir is a leading manufacturer of medical appliances in India. His company is famous for selling quality goods in wide variety in the country. His most selling medical appliances include absorbent gauze, sterile gloves, surgical face masks, surgical caps, crepe bandages and other surgical disposables. He has recently procured an export order for these medical appliances and has obtained IEC code number. Since he has a ready stock of goods to be exported he wishes to complete all other formalities before applying for the reservation of shipping space. (6)
- (a) What are the various formalities that Mahabir has to complete before applying for the reservation of shipping space?
 - (b) Briefly outline the document that will be issued by the shipping company once his request for reservation of shipping space is accepted.