

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

**DAY & DATE: FRIDAY- 9<sup>th</sup> FEBRUARY 2024**

**MAXIMUM MARKS: 80**

**NAME: \_\_\_\_\_**

**TIME ALLOTTED: 3 HOURS**

**ROLL NO: \_\_\_\_\_**

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**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.** Which of the following is not a true statement? **(1)**
- (a) The scope of commerce is narrower than business.
  - (b) Commerce includes trade and auxiliaries to trade.
  - (c) Foreign trade is purchase and sale by the traders of the same country.
  - (d) Traders serve as a link between producers and consumers.
- Q2.** 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
- Q3.** \_\_\_\_\_ is not the MNC of U.S.A. **(1)**
- (a) Lipton
  - (b) Cocacola
  - (c) Pepsi
  - (d) All of the above
- Q4.** **ASSERTION- REASON** **(1)**
- Assertion (A)-* Business services are those services which are used by business enterprises for the production or sale of good and services.
- Reason (R)-* Business enterprises are much dependent on business services as these services help the enterprises to carry on their activities smoothly.
- (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.** Out of e-commerce and e-business which is a wider term? **(1)**
- Q6.** **ASSERTION- REASON** **(1)**  
*Assertion (A):* Legal obligations are the compulsions which should be followed as per the provisions of the law.  
*Reason (R):* Social responsibilities are the voluntary actions on the part of the business for its society.  
 (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.** Retained earnings are: **(1)**  
 i) Permanent source of funds  
 ii) Temporary source of funds  
 iii) Fixed source of funds  
 iv) Expensive source of funds
- Q8.** Startup is an entrepreneurial venture that capitalizes on developing, improving, innovating new product, process and services for the target market. Match the terms with suitable meaning: **(1)**
- | Column A                 | Column B  |
|--------------------------|---|
| (i) Boot strapping       | (a) incubator who nurtures the businesslike child |
| (ii) Crowd funding       | (b) act as a litmus test                          |
| (iii) Angel investment   | (c) individual with surplus cash and mentoring    |
| (iv) Venture capital     | (d) pooling of resources by group of people       |
| (v) Business Accelerator | (e) self financing                                |
- Q9.** Funding for Departmental Undertakings comes from which of the following sources: **(1)**  
 a) Debentures  
 b) Shares  
 c) Government Treasury  
 d) Loans from Financial Institutions
- Q10.** Which of the following is not the objectives of import trade? **(1)**  
 A. To meet consumer demand.  
 B. To improve the standard of living.  
 C. To speed up industrialization.  
 D. To earn foreign exchange.
- Q11.** Katherine wants to start a retail business of fashion items but changes in taste and preferences of customers may result in loss in such type of business. She is hesitating as she is aware of risks which are inherent in every business. She approaches her friend Kristina who is the owner of a retail shop. Kristina advises her to go ahead with her idea as she will get profit as return for undertaking risk. She also told her that some risks in business can be insured by taking insurance policy. On the basis of the given information about Katherine, identify the main features of business risk discussed in the above case. **(1)**

- (a) Uncertainties
- (b) Degree of risk depends upon nature of business
- (c) Size of business
- (d) None of the above

**Q12. ASSERTION- REASON**

**(1)**

*Assertion (A)*- The managing committee elected by members of the cooperative society is generally not professionally equipped to handle the management functions effectively.

*Reason (R)*- Cooperative society is unable to employ experts because of their inability to pay them high salaries.

- (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.

**Q13. How will you classify BHEL as a form of public sector enterprise?**

**(1)**

- i) Departmental undertakings
- ii) Government company
- iii) Private sector enterprise
- iv) Statutory corporation

**Q14. Customers are required to deposit a specified sum of money every month in his account in case of \_\_\_\_\_, which is also known as cumulative time deposit account.**

**(1)**

- i) savings account
- ii) current account
- iii) recurring deposit account
- iv) joint account

**Q15. Match the following:**

**(1)**

Column I	Column II
A. Subrogation	(i) It is the duty of the insured to take reasonable steps to minimise the loss to the insured property.
B. Contribution	(ii) Insurer gets all the rights against the third party with respect to subject matter insured, after compensating the loss.
C. Mitigation	(iii) This principle ensures equitable distribution of losses between insurers

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

**Q16. Craft enterprises pays wages to its employees at a rate, which is much lower than the minimum wages prescribed by the government. The working conditions in the factory are inappropriate as there is lack of proper ventilation and there is a strict, rule against formation of trade union. Against, which 'Group', Craft Enterprises has ignored the social responsibility?**

**(1)**

A. Consumers

- B. Workers
- C. Society
- D. Shareholders

- Q17.** Funds required for purchasing current assets is an example of \_\_\_\_\_. (1)  
(a) Fixed capital requirement  
(b) Ploughing back of profits  
(c) Working capital requirement  
(d) Lease financing
- Q18.** Which option comes under Modern small industries? (1)  
A. Powerlooms  
B. Khadi  
C. Handcrafted  
D. None of these
- Q19.** Kharbanda Ltd. deals in a variety of consumer products like toiletries, groceries, electronics, clothing. The work place has been divided into a number of departments and every department sells a particular commodity. In this way almost all the needs of customers are fulfilled under one roof, Manchanda Ltd. deals in foot-wears. The company has 200 shops at different places of the country. The specialty of the business of this company is that at all its shops the goods available are of the same type and their prices are also same. All sales are made strictly on cash basis. Identify the type of retail trade done by and Kharbanda Ltd.?(1)  
A. Departmental stores  
B. Chain stores  
C. Speciality shops  
D. Retail shops
- Q20.** **ASSERTION- REASON** (1)  
*Assertion (A):* Statutory corporation is financed independently.  
*Reason (R):* The income earned by the statutory corporation is a source of income for the government as it goes to the Government treasury.  
(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 7 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 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. **(3)**
- 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 endeavors 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 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'. (4)
- Q28.** Radhika Ltd. has good growth prospects. So it is planning to expand their business. For this the company needs additional funds. The finance manager reports that the company is not in a position to bear extra burden of paying any fixed financial charges like interest or dividend. They do not want to bear any floatation costs even. Also, the equity shareholders insist not to issue further shares as there is risk of dilution of control. Suggest and explain the source of finance most suitable for Radhika Ltd. (4)
- 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 (6)

from the public. Moreover, the company is planning to appoint HDFC Bank Limited as underwriters to the issue.

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.