

KOTHARI INTERNATIONAL SCHOOL, NOIDA
ANNUAL EXAMINATION, SESSION: 2025-26
GRADE: 11 SUBJECT: BUSINESS STUDIES (054)
SET B

DAY & DATE: FRIDAY FEBRUARY 06, 2026

MAXIMUM MARKS: 80

NAME: _____

TIME ALLOTTED: 3 HOURS

ROLL NO: _____

GENERAL INSTRUCTIONS:

- i). This is a objective & Subjective Question Paper containing 34 questions and 8 pages.*
- ii). Marks are indicated against each question.*
- iii). Answers should be brief and to the point.*
- iv). This paper contains 20 questions of 1 marks each, 4 questions of 3 marks each, 6 questions of 4 marks and 4 questions of 6 mark.*
- v). Answers to the questions carrying 3 marks may be from 50 to 75 words.*
- vi). Answers to the questions carrying 4 marks may be about 150 words.*
- vii). Answers to the questions carrying 6 marks may be about 200 words.*
- viii). Attempt all parts of the questions together.*

- Q1.** Match the various types of Industries given in column I with their respective example given in column II. **(1)**

Column I	Column II
A. Primary Industry	(i) Manufacturing Industry
B. Secondary Industry	(ii) Transport Industry
C. Tertiary Industry	(iii) Extractive Industry

- A.** (iii) (i) (ii)
- B.** (ii) (i) (iii)
- C.** (i) (ii) (iii)
- D.** (iii) (ii) (i)

- Q2.** Vijay Plastic Pvt. Ltd. are makers of plastic toys for children; earning a huge profit. A research conducted by The Indian Council of Child Welfare on the toys shows that colours used in manufacturing toys are harmful for the children. The test was conducted on toys manufactured by the company and case was filed against Vijay Plastic Pvt. Ltd. for using sub-standard colours. However, managing director assured that the company will use standard colours only after certification from the research laboratory and the company will expand its production capacity by employing labour from unprivileged sections of the society. On the basis of the given information about Vijay Plastic Pvt. Ltd., specify the type of business activity performed by Vijay Plastic Pvt. Ltd. **(1)**

- A.** Trade
- B.** Commerce
- C.** Industry
- D.** None of these

- Q3.** Avantika wanted to pitch in to reduce the financial crisis prevailing in her house and thought of working as a cook. She started working in three different households, one Punjabi, one Gujrati and one South Indian family. She soon realised that all the three households had different cuisine. It was indeed a challenge for her to learn the techniques of the cuisine. All the families greatly appreciated the time frame within which she had mastered the local cuisine. After working for them for a year, she decided to open a small eating joint of her own along with two of her friends by the name 'Eat point'. They decided to share profits and losses equally and that each of them will be liable for acts performed by the other two. Soon the eatery became a hot spot because of the fusion platter which was being offered. On the basis of the given information, identify the kind of business organisation which was set up by Avantika and her friends. **(1)**
- A. Partnership
 - B. Cooperative society
 - C. Sole proprietorship
 - D. HUF

- Q4.** There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below **(1)**
- A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 - B. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
 - C. Assertion (A) is true, but Reason (R) is false
 - D. Assertion (A) is false, but Reason (R) is true

ASSERTION (A) Board of directors exercise direct control over the business.

REASON (R) Board of directors are the owners of the company.

Direction Read the following case study and answer questions 5 to 9 on the basis of the same. Bharat Heavy Electricals Limited (BHEL) owned and founded by the Government of India, is an engineering and manufacturing company based in New Delhi, India. It was established in 1964. BHEL is India's largest power generation equipment manufacturer. It is managed by the board of directors nominated by the government. As government is the majority shareholder, it exercises control over the affairs of the company.

- Q5.** How will you classify BHEL as a form of public sector enterprise? **(1)**
- A. Departmental undertakings
 - B. Government company
 - C. Private sector enterprise
 - D. Statutory corporation
- Q6.** BHEL was formed according to which Act? **(1)**
- A. Partnership Act
 - B. Hindu Succession Act
 - C. Companies Act
 - D. Cooperative Societies Act

Q7. “As government is the majority shareholder, it exercises control over the affairs of the company.” Which feature of government company highlighted in the given lines? (1)

A. Formation
 B. Ownership
 C. Separate legal entity
 D. Audit procedure

Q8. Mr Kabir Khan desires to have two benefits from his bank account, first, to earn higher interest on balance and second, to face minimum risk of dishonouring a cheque. Which type of account should be opened by him in Indus Bank? (1)

A. Current account
 B. Saving account
 C. Multiple option account
 D. Recurring account

Q9. Match the following. Column I Column II (1)

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)

Q10. There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below (1)

A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 B. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
 C. Assertion (A) is true, but Reason (R) is false
 D. Assertion (A) is false, but Reason (R) is true

ASSERTION (A) In order to minimise the impact of uncertainties, there is a need for insurance.

REASON (R) There are risks of death and disability human life, fire and burglary risk for property

Q11. Skylack enterprises is dealing in mobile accessories. With the continuous increase in demand for mobiles, their business is expanding. However, the MD observed that the decision-making process in the enterprise is very slow and level of coordination is decreasing between the various departments. Tejas, an IT professional, suggested that the company should have its own internet to interact and deal between various departments and persons within the firm. MD liked the idea and implemented it immediately. Identify the branch of e-business (1)

suggested by Tejas.

- A. B2B transaction
- B. B2C transaction
- C. Intra-B transaction
- D. B2E transaction

Q12. Match the following. Column I Column II: (1)

A. Responsibility towards the shareholders	(i) To provide opportunities for personal growth and development
B. Responsibility towards the workers	(ii) To ensure safety of such investment
C. Responsibility towards the government	(iii) To pay taxes regularly and honestly
D. Responsibility towards the consumers	(iv) To support right quality of goods at reasonable prices

- A. (i) (ii) (iii) (iv)
- B. (ii) (i) (iii) (iv)
- C. (iii) (ii) (iv) (i)
- D. (i) (iv) (iii) (ii)

Q13. There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below (1)

- A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- B. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- C. Assertion (A) is true, but Reason (R) is false
- D. Assertion (A) is false, but Reason (R) is true
- E.

ASSERTION (A) Social responsibility is restricted towards a particular section of society.

REASON (R) Social responsibility ensures a fair remuneration for the work.

Q14. Match the following sources of finance on the basis of their features: (1)

i) Trade Credits	a) facilitate purchase of goods and services without making immediate payments
ii) Preference Shares	b) refers to that part of profits which is kept and reserve for the use in future
	c) it has characteristics of both equity and debentures

Q15. Identify the capital which is required for day to day operations of the business? (1)



Q16. As per notification issued by the ministry of commerce and industry, a start up means, with (1)

reference to period

- A. not older than 5 years
- B. not older than 10 years
- C. not older than 12 years
- D. not older than 13 years

- Q17.** "Necessity is the mother of all inventions". In business managing its intellectual property is critical in taking a business ahead. It is essential to respect others intellectual property rights not only on the ethical grounds but also legal. Match the type of intellectual property with its terminology: (1)

Column A	Column B
(i) Geographical indication	(a) brand given legal protection
(ii) Patent	(b) conferred upon the creator of literary, artist. music
(iii) Trademark	(c) agricultural and natural products
(iv) Copyright	(d) protection of scientific inventions

- Q18.** Which type of service is not offered by retailers to manufacturers and wholesalers (1)
- A. New product information
 - B. Personal selling
 - C. Helps in promotion
 - D. Helps in distribution of goods

- Q19.** ABC Traders is a wholesale merchant operating in Delhi. It purchases goods like rice, sugar, and pulses in bulk directly from manufacturers and farmers. The wholesaler stores these goods in large warehouses and sells them in smaller quantities to retailers located in different markets. ABC Traders provides services such as warehousing, transportation, grading, and sometimes extends credit facilities to retailers. By performing these activities, the wholesaler helps in smooth distribution of goods and reduces the burden on manufacturers. (1)

For each question, choose the correct option:

- A. Both Assertion and Reason are true and Reason is the correct explanation of Assertion.
- B. Both Assertion and Reason are true but Reason is not the correct explanation of Assertion.
- C. Assertion is true but Reason is false.
- D. Assertion is false but Reason is true.

ASSERTION (A) Wholesale trade reduces the burden of storage for manufacturers.

REASON (R) Wholesalers maintain large warehouses to store goods.

- Q20.** Which of the following is a document related to payment in connection with export transactions? (1)
- A. Export Invoice
 - B. Shipping Bill
 - C. Cart Ticket
 - D. Letter of Credit

- Q21.** Sharma brothers inherited some ancestral property. They decided to form a Hindu undivided family consisting of four male members. Mr. Raman Sharma was eldest brother so he became Karta', The business took a loan of ₹20 lakhs from Canara Bank, which was to be returned within 5 years. Due to poor financial position of the business, they were unable to repay the loan. Brothers sold the ancestral property for ₹10 lac and paid the amount to Canara Bank. (3)

The bank filed a case for recovery of balance amount. Mr. Raman Sharma pleaded the court that the loan was taken for the purpose of Business: so all members of business are liable to repay. The court said all members are responsible only to the extent of their share in business and business property is already sold, but you being Karta will have to repay whole amount even by selling your personal property.

- A. In this case who has unlimited liability.
- B. Was the decision of court to claim only from Raman is justified?

Q22. Ms. Vineeta was suffering from a chronic disease and was spending a huge sum of money on her treatment. She approached a life insurance company and got insurance policy in her name for 50 lakhs without informing about her disease to the insurance company. Sometime later, she died. Her legal heir contacted the insurance company for the claim but the company refused to entertain the case. **(3)**

- A. Can the legal heir of Ms Vineeta bind the insurance company to make payment of the claim if it is referred to the court?
- B. Explain the relevant insurance principle to justify your answer.

OR

Nishant & Company (OPC) got its office building insured for 10 crore. Due to an electric fire, a part of the building was badly destroyed. The advisor from the insurance company estimated the loss and approved the claim for 6 crore. Mr Nishant, the owner of the company, argued with the advisor to approve the claim for the amount of ₹10 crore as he has paid the premium of this amount and not for ₹6 crore.

Explain with reason who is justified in the above case.

Q23. Which type of e-business transaction is highlighted in the following cases? **(3)**

- i). Complaint lodged by a customer at the company's call centre.
- ii). Withdrawal of money from ATM.
- iii). Employees send their daily report through e-mail.
- iv). Sale of used books through eBay.com
- v). Conducting surveys to determine customer's preference
- vi). Purchase of security lock system by Maruti Suzuki from Autocops.

Q24. Ethos Ltd. is an authorised retailer selling several luxury watch brands. Every watch that Ethos sells comes with the brand warranty and also places its Ethos stamp. Well trained staff and great looking boutiques ensure that Ethos make shopping for watches an enjoyable and unforgettable experience. Now, Ethos Ltd with an outlet of watches exclusively for men at Lajpat Nagar, Delhi, is planning to open a branch in Rohini, sector 13 to meet the increasing demand. It operates with the policy of Cash and is very particular about the timings of the store. **(3)**

On the basis of the given information about Ethos Ltd., answer the following questions:

- A. Quoting the lines from the above paragraph, identify the type of fixed shop small retailing business of Ethos Ltd.
- B. Which type of fixed shop large retailing business is Ethos Ltd. Planning to engage in? Also state any 2 features of the same business.

Q25. 'Good Health Ltd. is a name to reckon with in the Organic food segment. The company enjoys a 30% market share in this segment over the past four years. It introduces new range of products on a regular basis keeping in mind the changing needs and preferences of people. Through the best use of available resources its work efficiency is high. Moreover, in order to keep the high morale of its managers various professional programmes are organized by the company from time to time.
In context of the above case: (4)

- A. Identify the various objectives of business being discussed in the above paragraph.
- B. Also, state any two other objectives not mentioned above.

Q26. India's telecommunication network is the 2nd largest in the world by number of telephone users and has one of the lowest call tariffs in the world. Major sectors of the Indian telecommunication industry are telephone, internet and television broadcast. Indian telecom industry underwent a high pace of market, liberalization and growth since the 1990's and now has become the world's most competitive and one of the fastest growing telecom markets. Moreover, telecommunication has supported the socio-economic development of India and has played a significant role to narrow down the rural urban digital divide to some extent. It has also helped to increase the transparency of governance with the introduction of e-governance in India. The govt has pragmatically used modern telecommunication facilities to deliver mass education programs for the rural folk of India.
In context of the above case: (4)

- A. Why was telecommunication sector reserved for public sector at the time of independence?
- B. Why was telecommunication sector privatized later on?
- C. Do you think the consumers have been benefitted through privatization of communication sector?

OR

Life Insurance Corporation of India is the largest insurance company of 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 provident societies were merged the state owned Life Insurance Corporation.

In context of the above:

- i). LIC of India is classified as which form of public sector enterprise?
- ii). Was it necessary for the Parliament of India to pass the Life Insurance of Act for its formation? What does the Act define?
- iii). State any 3 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. Taste Buds Ltd. is a well reputed chain of take away restaurants in Delhi. The company's earnings are high as it constantly reviews and revises its menu in the light of changing needs and preferences of the consumers. Considering the fact that in India, a child goes blind every four minutes, out of which ninety percent of the children can be easily treated so that they can lead normal lives the company has extended its financial support to many charitable eye (4)

hospitals in their endeavors to eradicate preventable childhood blindness from our country.

In the context of this case:

- A. Briefly explain two kinds of social responsibilities being fulfilled by Taste Buds Ltd.
- B. Name any two values which are being pursued by Taste Buds Ltd.

Q28. Distinguish between a Share and Debenture. (4)

Q29. Describe briefly the various services provided by the wholesalers to the retailers. (4)

OR

Explain the services provided by a retailer in the distribution of goods and services.

Q30. India, known as the home of spices. Boasts a long history of trading with the ancient civilization of Rome and China. Today, Indian spices are the most sought after globally, given their exquisite aroma, texture, taste and medicinal value. India is the world's largest producer, consumer and exporter of spices; the country produces about 75 of the 109 varieties and accounts for half of the global trading in spices. (4)

Top spices produced in the country include pepper, cardamom, chilli, ginger, turmeric, coriander, cumin, celery, fennel, dill seeds, garlic, tamarind, clove, nutmeg among others. Major importers of Indian Spices are USA, China, Vietnam, UAE, Indonesia, Malaysia, UK, Sri Lanka, Saudi Arabia, and Germany.

On the basis of the aforesaid information about spices, answer the following questions:

- A. Enumerate the two benefits available to the Indian Business firms who are engaged in spice export.
- B. How do the different nations engaged in trade of spices stand to gain?

Q31. Kiran is a sole proprietor. Over the past decade, her business has grown from operating a neighbourhood 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. She also has plans to open branches countrywide. (6)

Questions:

- A. Explain two benefits of remaining a sole proprietor
- B. Explain two benefits of converting to a joint stock company.
- C. What role will Kiran's decision to go nationwide play in her choice of form of the organisation?
- D. What legal formalities will she have to undergo to form a company?

Q32. Arun Kumar has recently joined JBM Autocorp Ltd. An auto spare parts manufacturing company as a finance manager of the company. After understanding the financial status of the company he realised that the company has only issued equity shares and preference shares. This has resulted in payment of large amount of taxes to government as dividend on shares is not deducted from income of the company for the purpose of tax calculation. The returns to shares holders are comparatively lower than what other competitors are paying. So he advised in the meeting to procure money from such sources that can give tax benefit to the firms. (6)

On the basis of aforesaid information about JBM Autocorp Ltd., answer the following questions:

- A. State and Explain the source of finance that can be used by the company to avail the benefit of tax saving.
- B. State any two merits and two demerits of the source of finance identified in part (A).

Q33. What measure has the government taken to solve the problem of finance and marketing in the small-scale sector? **(6)**

OR

Describe the role of small business in rural India.

Q34. Excel Ltd. has received an order to export 2000 sewing machines to Swift Import Ltd. of Spain. Explain in brief first six steps which Excel Ltd. would need to go through for executing the export order. **(6)**