

CLASS XI

SAMPLE PAPER

BUSINESS STUDIES(054)

Time: 3 Hrs.

M.M: 100

General instructions:

- i. Answer to questions carrying 1 mark may be from one word to one sentence.
 - ii. Answer to questions carrying 3 mark may be from 50-75 words.
 - iii. Answer to questions carrying 4-5 mark may be about 150 words.
 - iv. Answer to questions carrying 6 mark may be about 200 words.
 - v. Attempt all parts of question together marks are given at the end of each question.
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1. A farmer produces wheat for his own consumption will it be a business activity? [1]
2. Vinay and her friend found of unclaimed wrist watch in the canteen area of their school. They decided to sell it and share the equal profits thereof. Can it be regarded as Partnership? Give the reason in support of our answer. [1]
3. Classify the following as different forms of public Enterprise: [1]
 - i. Hindustan Machine Tools
 - ii. Reserve Bank of India
4. An NGO providing services of mobile school for slum dweller. Under which type of services will it come? [1]
5. Which transaction of e-business takes place between two business firms? [1]
6. The company is born on which date? [1]
7. Among the various sources of pollution, which is a major generator of waste in terms of both its quantity and toxicity? [1]
8. Write the full form of FCCB? [1]
9. State any three difference among business, profession and employment. [3]

10. “Registration of a partnership firm is not compulsory but beneficial.” Do you agree? Give three reasons in support of your answer. [3]
11. What are different types of deposits which are maintained by a bank? [3]
12. State any three difference between e-business and traditional business. [3]
13. Enlist few points supporting the statement: [3]
- a. “Ethical Business is Good Business.”**
14. SEBI has provided regulatory guidelines to all the intermediaries of financial market to protect and promote the interest of investors and to create a healthy competitive financial market. Identify the values involved behind this objective. [3]
15. They have their Head Office in one country, but they carry on their business operations in other countries known as host countries. For e.g. Pepsi and Coca Cola companies are registered in USA, where as they operate across the world. [4]
- i. Identify the type of business organization highlighted above.
- ii. How do they extend their industrial and marketing operations in several countries?
- iii. Explain any four features of such enterprises.
16. In the present age of e-business, e-banking has become very common throughout the world. Most of the large banks in India provide e-banking facilities to their customers like checking accounts, withdrawing cash, paying bills, etc. identify the values involved in the above action and write their effects. [4]
17. Explain any four responsibilities of business towards community. [4]
18. Rameshwar is a farmer having 10 acres of land on which grows crop. He has two sons Vijay and Ajay. Vijay after completing MBA is running a call center. Ajay after doing a diploma course in electrical, is working with Alfa Electricals Ltd. to gain more experience. Rameshwar wants his sons to use their skill learnt for the development of his village. To fulfil the dream of their father Vijay and Ajay decided to open a small enterprise producing ball-bearings in their village only which requires a capital investment of Rs. 5 lakhs Rameshwar has agreed to lend them Rs. 2 lakhs to solve the problem of finance Ajay and Vijay convinced two of their childhood friends to be the active members of their business by investing capital of Rs. 3 lakhs. They agreed and now Ajay, Vijay and two of their friends Anil and Udhay are successfully sharing the gains of the business in agreed ratio. Rameshwar is also happy as his wish is fulfilled. [4]

- i. Name the economic activity Rameshwar, Ajay and Vijay were involved in before.
- ii. Identify the form of organization Ajay and Vijay has established with his friends. Is Rameshwar also the owner of the enterprise? If not then what relation did he have with the organization?
- iii. Comment on the liability of the owners of such form of organization.
- iv. State any two values which are communicated by Ajay and Vijay by establishing the enterprise.

19. Indian oil corp. is public sector enterprise in India, promoted by the Govt. of India in 1964. Subsequently some of its shares were issued to the public also. IOC produces number of petroleum products. It has many refineries located in different parts of the country. Besides it has marketing operations in some other countries like Mauritius, Sri Lanka and the Middle East. IOC not only provides quality goods at reasonable price but also provides scholarships to poor engineering students for advance educations. [4]

- i. Identify the form of organization of IOC and state any two features of this form of organization to which IOC.
- ii. Mention the type of social responsibility fulfilled by IOC belongs.
- iii. Name the type of industry IOC is the example of.
- iv. What is the process known as through which some shares of PSUs are sold to the private sector.

20. Anubha thought of constructing her own cold-storage with all the advanced technologies and which will be automated with automatic conveyors, computer operated cranes, and also usage of logistic automation software in her village to give a new height to her fruit-processing export business and to maximize satisfaction of her consumers. She also decided to open such storage houses in big cities to have local market for her business but she faced various hindrances in providing goods services to her consumers at right place and in right time. Because of these hindrances, she is unable to run her business properly. [5]

- i. Identify and explain part of business activity warehouse belong to.
- ii. State various hindrances which Anubha might have faced and explain how these hindrances can be removed.

21. Make a comparative between the three forms of business organization found in public sector. [5]

22. This is a plastic card with an embedded microchip that can be loaded with data and used for telephone calling electronic cash payments. These card are programmed for special applications. They provide tamper proof storage of user and account identify. Worldwide people are now using these cards for making fund transfer, etc. on the basis of the above discussion answer the following questions. [5]

- i. Name the plastic card which is discussed above.
- ii. Give example of such plastic cards
- iii. Who issue such cards to be used by the users? Why?
- iv. State any two advantages of using such plastic cards.

23. State the difference between MOA and AOA. [5]

24. What are the steps involved in online trading? [5]

25. Corporate social responsibility- originated in USA where Govt. Has passed Anti-trust Act against monopolistic practices so as to protect and improve the welfare of society. Business ethics which also originated in USA in 1970 highlighting social values and society's concern in relation to business and forced the corporates in that country to obtain from policies and practices which were hostile to consumers and environmental protection.

Corporate Governance-It originated in the UK for purpose of improved accountability of directors to shareholders but we know that a business organization is established to carry on commercial and industrial activities and thereby to earn projects and it is irrelevant to talk of public good.

Despite different laws enacted by the Govt. many business houses are violating these concepts to maximize their projects. As a CEO of triumph Ltd., a manufacturing company Mr. Ram is trying to abide by these concepts changing the notion that a business can't maximize its profits by ignoring social obligations. [5]

- i. Explain how business ethics are different from social responsibility in context to above information.
- ii. Under Corporate Governance, enlist any four responsibility of the directors towards shareholders.
- iii. As a CEO, how can Ram foster business ethics in his company?

26. Distinguish between private company and public company. [6]

27. Rahul, a businessman insures his factory for Rs. 40 lakhs against fire but does not inform the insurance company that they do not follow any fire safety norms and that he has also mortgaged this factory against a bank loan Rs. 8 to Rs. 10 lakhs. The bank has also insured this factory for Rs. 10 lakhs. Later factory catches fire and could not be controlled because there were no fire extinguishers in the factory. Due to fire, the businessman suffered a loss of Rs. 15 lakhs. The half burnt goods could be sold for Rs. 1 lakhs. [6]

- i. On the basis of the information given above:
- ii. Which principle of insurance is violated by Rahul?
- iii. Can bank insure the factory against fire? Why?
- iv. How much amount Rahul can claim from the insurance?
- v. How much compensation can the bank claim from insurance company?
- vi. If the insurance company compensates for the loss to the insured, who has the right to sell the goods? Why?

28. 'Welfare Ltd.', a leading FMGC company is holding a high public image in society. Since its establishment it is honestly serving the society by fulfilling one or the other social responsibilities towards different interest groups while conducting business activities.

Some examples quoted below:

[6]

- i. Contribution for the rehabilitation of flood victims,
- ii. Sensitizing employees to respect other sentiments and religious belief.
- iii. Use of good quality of raw material for production of goods.
- iv. Opening a charitable hospital.
- v. Payment of taxes honestly and timely.
- vi. Producing goods and services as per consumer's tastes and preference.

Identify the various kinds of social responsibility followed by 'Welfare Ltd.' by quoting the lines.

29. A company should have an ideal capital structure striking a balance between the owned funds and the borrowed funds. The finance manager should be efficient enough to do effective financial planning and take all the financial decisions- Investment decision, financing decision and dividend decision in such a way that the shareholders wealth is maximized. Excessive of owned funds may reduce earnings per share and excessive of borrowed funds may increase financial risks for the company. [6]

- i. Enlist the different sources of owned capital and borrowed capital used by a company with the help of a chart.
- ii. Give any four differences between the two.