

Annual Examination Paper (2017-18)

(Solved)

1. Answers to questions carrying 1 mark may be from one word to one sentence.
2. Answers to questions carrying 3 marks may be from 50-75 words.
3. Answers to questions carrying 4-5 marks may be in about 160 words.
4. Answers to questions carrying 6 marks may be in about 200 words.
5. Attempt all parts of a question together.
6. Please check that this Question Paper contains 27 questions.

SECTION-A

1. What is meant by Memorandum of Association? 1
2. Sehaj is running a business of manufacturing shawls in Kullu. During India International Trade Fair, 2017, he received an order for supply of 200 shawls from Arora Garments, Ludhiana. As the amount of payment is more than ₹ 2 lakhs, Arora Garments decided to transfer funds electronically from his bank account. 1
2. Name the service of bank which has been referred to in the above paragraph. 1
3. How does domestic and international business differ on the basis of customer heterogeneity across markets? 1
4. In November 2017, 22 people were killed and dozens were wounded as a boiler exploded in the newest power generating unit at a state run NTPC plant in Itaebareli in Uttar Pradesh. Identify the cause of business risk highlighted in above case. 1
5. What percentage do small industries contribute to the total industrial production? 1

6. Who writes the 'Credit note' as a main document to be used in internal trade? 1
7. Name the system by which management of a public enterprise is granted more autonomy but held accountable for specified results. 1
8. What is the investment limit in fixed assets for micro manufacturing enterprises? 1
9. Christina was going to visit her parents in Kerala during Christmas holidays. She was waiting for her train at the railway station. She felt hungry and decided to buy sandwich from a man who was selling it in a handcart. Then she went to a book store at the platform and purchased a book for reading it in train.
- (a) Identify the category and type of retailers from whom Christina purchased the goods.
- (b) State any one characteristic of the category of retailers identified in part (a) above. 3
10. What are Smart Cards? Explain their utility. 3
11. The Government planned to begin a project of connecting rivers to avoid situations of drought in some states and flood in other states. The Government needed management specialists and financial help to complete it. They contacted the private sector to fulfil this requirement. Now, the project will be completed jointly by both the public sector and private sector.
- (i) What kind of partnership is highlighted in above case?
- (ii) State any two features of type of partnership identified in part above. 3
12. Explain any three characteristics of business activities. 3
13. Sunder gets his house insured against fire for ₹ 10 lakh with insurer A and for ₹ 5 lakh with insurer B. A loss of ₹ 3 lakh occurred.
- (i) How much compensation can he claim from insurer A and B?

- (ii) Name and explain the relevant principle of Insurance. 3
14. Write a short note on American Depository Receipts. 3
15. Lekh Ram is an old person. He along with his family members are engaged in family business of jute bags. They purchase the raw material from the local market. Lekh Ram manages his business very well as other members Support him in all ways. Name the form of business organisation discussed here. State its any three features also. 4
16. Explain the limitations of Debentures as a borrowed capital. 4
17. Name the documents highlighted from the following statements :
- (i) This document contains the details of the imported goods and the unloading of cargo takes place on the basis of this document
- (ii) This document is the most appropriate and secure mode of payment to settle international transactions.
- (iii) This document is prepared by shipping company to acknowledge the receipt of goods on ship and gives an undertaking to carry them to port of destination.
- (iv) The certificate specifies the origin of goods exported. 4
18. In November, 2017, South Delhi Municipal Corporation issued notices to restaurants in South Delhi to- stop using coal in tandoors. Environmentalists said that the ash from coal contributes to air pollution. As Delhi was dealing with an emergency so coal should be banned immediately to improve air quality index. Hence, the restaurant owners stopped using tandoors and ordered for gas based appliances to avoid any legal action. 4
- In the light of the above case, state any four points highlighting of business in environmental protection.
19. Write a detailed note on various telecom services available for enhancing business. 4
20. After obtaining B.Tech. degree from a National level technical institute. Raj veer joined a big enterprise as a Mechanical Engineer. He worked there for about 2 years, but felt suffocated

as he had no scope for doing something new and taking his own decisions.

He now decided to leave the job and start his own small industrial unit for export in a rural backward area notified by the Government.

(i) Which Institution should Rajveer contact to get support for his export industrial unit?

(ii) State any four functions of the Institution identified in part (i) of the question. 5

21. “Knowledge Process Outsourcing (KPO) is a new trend that is radically reshaping business world.” Explain this statement. Give any two examples of KPO services. Also give any two points highlighting its need. 5

22. What do you mean by International business? Highlight the importance of International business to nations by giving any four points. 5

23. A cloth manufacturer supplies his clothes to USA, Australia and Nepal. During the process of manufacturing, if a material becomes defective; he sets it aside as he believes in providing good quality products only. The cloth manufacturer distributes that defective material free of cost to orphanage after getting it repaired from Nari Niketan’s women. However, the cloth manufacturer penalises those employees who produce defective material by deducting their salaries.

(i) What, kind of business is the cloth manufacturer doing?

(ii) Which value has been neglected by the cloth manufacturer? 5

24. Clarify the role of the Chambers of Commerce and Industry in the promotion of Internal trade. 6

25. Super Ltd. is a manufacturing company. The company has issued equity and preference shares to meet its financial requirements. Other sources of finance have not been considered at all. 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 calculations.

- (i) Name and explain the source of finance which can give benefit of tax saving to Super Ltd.
- (ii) Explain any two merits and two demerits of the source identified in part (i) above. 6
- 26. Explain the meaning and any five features of departmental undertakings as a form of public sector enterprises. 6
- 27. Harjit Maan visited her native village of Haryana during her vacations along with her parents. She found that the money lender in the village was exploiting the farmers. He was charging a very high rate of interest on the money he had lent to the farmers. Harjit decided to help farmers. She met all the farmers along with her grandfather and told them about the various options for raising funds instead of going to money lenders. She was able to convince farmers to pool their own resources and form an organisation; so that members can take loan from this organisation at reasonable interest, as and when required. The purpose of opening such organisation was not to make profits but to provide help to members.
 - (i) Name the organisation formed by farmers by the support of Harjit Maan.
 - (ii) Who can become a members of the above identified organisation?
 - (iii) What is the motive of this kind of organisation?
 - (iv) What is the minimum number of persons required to form such organisation?
 - (v) Under which act, are these organisations governed?
 - (vi) Is registration of such organisations compulsory? 6

Answers and Marking Scheme

(MORNING)

No. of pages - 4

MARKING SCHEME (COMMON ANNUAL SCHOOL EXAMINATION)
CLASS XI (BUSINESS STUDIES)

3.00 Hrs.

1. It is the fundamental document, constitution or charter of the company which defines its objectives and powers beyond which a company is not legally permitted to undertake activities. 1
2. Real Time Gross Settlement (RTGS) 1
3. Domestic markets are relatively more homogeneous in nature. International markets lack homogeneity due to differences in language, preferences, customs etc, across markets. 1
4. Other causes 1
5. 40 percent (Forty percent) 1
6. Seller 1
7. Memorandum of Understanding (MOU) 1
8. Does not exceed ₹ 25 lakh 1
9. (a) Itinerant retailers 1
 Sandwich - peddlers and hawkers ½
 Book - street traders ½
(b) characteristics :-
 (i) They are small traders operating with limited resources
 (ii) They normally deal in consumer products of daily use
 (iii) They make goods available at doorstep of customer
 (iv) They keep limited inventory of merchandise 3
(Any 1 characteristic)
10. Smart card is a pocket sized card that contains an embedded computer chip that stores and transacts data. 1
 Utilities :-
 (i) They can store and process data
 (ii) They provide security by using unique pin number
 (iii) They maintain data integrity i.e. information stored in a card cannot be erased or removed accidentally.
 (iv) For banking and retail (for withdrawal, making payments)
 (v) Can replace paper notes (1×2) 3
(Any 2 utilities)
11. Public private partnership 1
 Features :-
 (i) Related to high priority government planned projects.
 (ii) Suitable for big projects (capital intensive and heavy industries)

- (iii) Useful in public welfare projects
- (iv) Revenue is shared between public and private enterprises in the agreed ratio. (1×2 = 2)

(Any two)

12. Characteristics of business activities : -
- (i) An economic activity
 - (ii) Production or procurement of goods and services
 - (iii) Sale or exchange of goods and services
 - (iv) Dealings in goods and services on regular basis
 - (v) Profit earning
 - (vi) Uncertainty of return
- (Any 3 with suitable explanation) (1×3=3)
13. (i) Sunder can claim compensation of loss by fire from insurers A and B in the ratio of 2:1 i.e. ₹ 2 lakh from A and ₹ 1 lakh from B (1)
- (ii) Principle of contribution (1)
- (Explanation) (1)
14. The depository receipts issued by a company in the USA are known as American Depository Receipt ADR's are bought and sold in American markets. It can be issued to American citizens only and can be listed and traded on a stock exchange of USA. A holder of ADR can at anytime convert it into shares. The holders do not get any voting rights but only dividends. (3)
15. Joint Hindu Family business Features : -
- (i) Formation
 - (ii) Liability
 - (iii) Control
 - (iii) Continuity
 - (v) Minor members (Any three) with little explanation (1×3=3)
16. Limitations of Debentures : -
- (i) Fixed charge instruments
 - (ii) Reduction in further borrowing capacity
 - (iii) Legal action possible for non payment of interest and principal amount
 - (iv) Loss of goodwill due to claim on assets (1 × 4 = 4)
- (Any 4 with explanation)
17. (i) Import general manifest
- (ii) Letter of credit
 - (iii) Bill of Lading
 - (iv) Certificate of origin
- (1 mark each)

18. Role of business in environmental protection.
1. The top management may maintain an approach among the employees to do environmental friendly, to go green and to take preventive measures for environmental protection and pollution prevention.
 2. Developing clear-cut policies to buy qualitative raw material, employing superior quality technology, using scientific techniques for treatment and disposal of waste etc.
 3. Complying with the rules, regulations and provisions of different laws of the government relating to pollution.
 4. Participation in the programmes conducted by the government to protect the environment from pollution.
 5. Periodical assessment of pollution control programmes.
- (Any Four points) (1×4=4)
19. Various types of telecom services : -
- (i) Cellular mobile services
 - (ii) Radio paging services
 - (iii) Fixed line services
 - (iv) Cable services
 - (v) VSAT services
 - (vi) DTH service, (1×4=4)
20. (i) National Small Industries Corporation (NSIC) (1)
(ii) Role-of NSIC
- Supply indigenous and imported machines and raw materials on easy hire purchase terms
 - Export the products of small scale industries and develop export worthiness
 - Provide advisory services
 - Provide technological assistance
 - Develop software technology parks and technology transfer centres. (1×4=4)
21. Knowledge process outsourcing (KPO) - Obtaining high-end knowledge work from outside the organisation in order to run the business successfully in cost effective manner. (2)
- Examples : - Business research services. Market research services, Investment research services, data analytics, Valuation and fairness options. Animation and design etc. (½ mark each)
- Need :-
- Helps to concentrate on core specialisation areas.
 - Minimises costs
 - Improves efficiency (1×2=2)

— Focus on key growth areas.
(Any 2 points)

22. Manufacturing and trading beyond the geographical boundaries of a country is called International business. (1)
Benefits of International business to Nation :-
- (i) Helps a country to earn foreign exchange which can be used for importing goods.
 - (ii) Leads to specialisation of a nation in the production of those goods which can be produced by it in the most effective and economical manner
 - (iii) Helps a nation in improving its growth prospects and also create opportunities for employment.
 - (iv) It makes possible for people to consume goods and services produced in other countries which help in increasing Their standard of living. (1×4=4)
23. (i) Export (1)
(ii) Misuse of rights (1)
Ignoring human values (Any one)
(iii) Values followed :-
24. Role of chambers of Commerce and Industry :-
- (i) Interstate movement of good
 - (ii) Harmonisaion of tax structure
 - (iii) Marketing of agio products and related issues
 - (iv) Weights and Measures and prevention of duplication brands
 - (v) Promoting sound infrastructure.
 - (vi) Labour legislation.
- (½ Mark for heading + ½ mark for explanation) (1×6=6)
25. Debentures — Any instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not. (2)
- Merits of debentures :- (Any two)
- (i) Suitable for safe investor
 - (ii) No Loss of control
 - (iii) Flexibility
 - (iv) Economical Source of finance
 - (v) Trading on equity
 - (vi) Tax benefit (2)
- Demerits of debentures: - (Any two)
- (i) Fixed burden-of interest
 - (ii) Impact on credibility
 - (iii) Repayment obligation
 - (iv) Charge on assets (2)

- (v) No voting rights
26. Departmental understandings — It is the oldest and most traditional form of organising public sector enterprises. The Government functions through these departments and the activities performed by them are an integral part of the functioning of government. (1)
1. Financed through government treasury
 2. Subject to accounting and audit control
 3. Employees are government servants
 4. Considered as major subdivision of Govt.
 5. Accountable to concerned ministry. (1×5=5)
27. (i) Co-operative societies—credit co-operative society
- (ii) Any person who has common interest
 - (iii) Mutual help and welfare of members
 - (iv) Minimum 10 individuals
 - (v) Co-operative Societies Act, 1912
 - (vi) Yes. (1 Mark Each) (1×6=6)