

MODEL TEST PAPER-1

SUBJECT: BUSINESS STUDIES

TIME : 3 HRS.

M.M. 90

General Instructions:

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 150 words.
 4. Answers to questions carrying 6marks may be in about 200 words.
 5. Attempt all parts of a question together.
 6. Please check that this question paper contains 27 questions.
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1. Leela passed her XIth class with 82% marks and got first position in her class. Her mother bought her a new bicycle as reward and sold her old books of class XIth to a second hand books shop for Rs. 750/-, Does this activity of sale of old books be termed as business activity? Why? (1)
2. Give one example of departmental undertakings. (1)
3. This document contains the rules regarding management of internal affairs of the company. Name it. (1)
4. "These are the socially governed moral principles which govern business activities". Name the concept. (1)
5. "Buyers in international markets hail from different languages attitudes and product preferences". (1)
Which characteristic of international trade is highlighted above? (1)
6. Name the small sellers who move from street to street to sell non-standardised and low value products such as fruits, vegetables, toys etc. (1)
7. What is meant by debentures? (1)

8. Expand DIC. (1)
9. State any three economic objectives of Business. (3)
10. These enterprises have business operations in several countries by having its factories, branches or offices in those countries. But it has its headquarters in that country where it is incorporated.
 - (a) Name the enterprise discussed above.
 - (b) Explain any two features of such enterprises other than highlighted above. (3)
11. Unit Trust of India, a mutual fund financial institution was established through special Act passed in parliament with the objective to promote small savings.
 - i) Which form of public sector enterprise is UTI?
 - ii) Who provided initial capital to UTI?
 - iii) Do such enterprises have separate legal entity? (3)
12. Explain the need for outsourcing.
13. There is a big shopping complex “Conic and Pick” in Chandigarh. Different types of products in large variety are available under one roof. Customers not only purchase the products, but also enjoy the facilities like - entertainment, games etc. Identify this organisation of retail trade and write its any two features. (3)
14. Explain the role of small scale industries in rural India. (3)
15. Classify the below given business into different types of industries.
 - i) Iron and Steel Industry
 - ii) Cement Industry
 - iii) Car Industry
 - iv) Construction of Building. (4)
16. Raju passed his MBA in finance from IIM Ahmedabad, During his course work, he was guided about social responsibility. In a remote village of Maharashtra he set up a small bank with the help of small savings of local people for financing agriculture and other activities in that area. He motivated local people to save Just Rs. 10 daily. For collecting their small savings, he hired the services of unemployed youth and paid them for their work. He collaborated with other banks in urban areas

aid ensured facility of ATM for them in village for withdraw purposes.

a) Write any two advantages of ATM. (4)

17. Differentiate between ADR and GDR. (4)

18. Explain business responsibility towards following.

- Workers

- Shareholders (2 + 2 = 4)

19. With international trade, people are able to use products from different nations. It has improved their standard of living. Apart from improved standard of living. State any four other benefits of international trade. (1+2+2=5)

20 Identify the following documents :- (1+2+2=5)

(a) This certificate specifies the origin of good exported.

(b) This document is prepared by shipping company to acknowledge receipt of goods on ship and gives an undertaking to carry them to port of destination.

(c) The unloading of cargo takes place on the basis of this document.

21. It is a voluntary organisation of persons, who join together with the motive of welfare of the members.

(a) Identify the form of business organisation

(b) Write its two merits

(c) Explain its any two limitations. (1+2+2=5)

22. Explain the following principles of insurance :-

(a) Utmost good faith

(b) Indemnity

(c) Mitigation (2+2+1 = 5)

23. A company can raise funds through issue of securities which bear a fixed rate of interest. Public issue of such securities requires that the issue be rated by credit rating agency.

a) Identify the securities discussed above

b) How such securities are better than owned sources of finance. State any four reasons.

24. Rohit and Sohan are twins. They are invited to a family function. Their parents purchased Rohit's dress from "Nanhe garments exclusives for kids. Whereas for Sohan and themselves they purchased the dresses from "Vastra Bhandar" a shop of Vashtra Bhandar Ltd. Identify the types of stores from where Rohit and Sohan's dresses are purchased. Write two features of each such store. (6)

25. Palli works ltd. was established in 2009 for production of ladies garments only. In very first year of production, it excelled. It has been declaring handsome dividend since last five consecutive years. Now company is thinking over diversification in kids wear also. Therefore board of directors decided to plough back its profits. They put the proposal before shareholders in annual general meeting. (6)

26. What objections shareholders can have against this proposal? Explain any three objections. (6)

27. Explain any four functions of Commercial Banks.

Narender is the eldest male member of Sharma family. They are four brothers. They are living in joint family. Narender wants to form Joint Hindu family business so that apart from joint family, they will have Joint business also.

i) Under which law Joint Hindu Eamily business is governed?

ii) By what name members of Joint Hindu family business are known?

iii) Which two systems govern membership in Joint Hindu family business. Explain them. (6)

**MARKING SCHEME
(MODEL TEST PAPER—1)
CLASS XI (BUSINESS STUDIES)**

MM:90	3.00 Hrs.
1. No	½
This activity is not conducted on regular basis.	½
2. Indian Railways.	1
3. Articles of Association.	1
4. Business Ethics.	1
5. Customer heterogeneity across markets.	1
6. Peddlers and Hawkers.	1
7. Debentures is an acknowledgment of debt raised by company.	1
8. District Industries Center.	1
9. 1. Earning Profit	(½)
2. Market Standing,	(½)
3. Innovations	(½)
(½ mark for each heading's explanation)	
10. a) MNCs / Global Enterprises.	(1)
b) Huge Capital Resources.	(1)
- Advanced Technology.	(1)
(½: mark for each correct explanation)	
11. i) Statutory Corporations.	(1)
ii) Government	(1)
iii) Yes (with explanation)	(1)
12. 1. focusing of attention	(½)
2. Quest for excellence	(½)
3. Cost nxiuctions	(½)
(½ mark for each correct explanation)	

19. 1. Ploughing in of Foreign Exchange.
2. More efficient use of resources.
3. Improving growth prospects.
4. Increased Capacity utilisation.

(½ mark for each correct explanation) + ½ mark for heading

20. a) Certificate of origin. (1)
- b) Bill of lading. (2)
- c) Import general manifest. (2)
21. a) Cooperative Society (1)
- b) - Limited liability (2)
 - Stable existence
 - (with explanation)
- c) - Limited Resources (2)
 - Inefficiency in management
 - (with correct explanation)
22. (Correct suitable explanation) (2+2+1 = 5)
23. (a) Debentures (1)
 - (b) - Tax deductions (1)
 - No dilution of control (½)
 - Less cost (½)
 - Flexibility in Capital structure (½)
- (½ mark for each correct explanation)
24. Rohit's dress is purchased from
 - Speciality Store
 - Sohan's dress is purchased from - Chain store (2)
- (i) Feature of speciality store (ii) Features of Chain stores
 - deal in specific line of products
 - Central place
 - deal in cash basis
 - Fixed price shops (4)

25. i) Misutilisation of funds
 ii) Fear of over-capttalisation
 iii) Misutilisation of funds (3×2=6)
 (with suitable explanation of each points)

25. i) Acceptance of deposits
 ii) Lending of funds
 iii) Cheque facility
 iv) Remittance of funds (6)
 (with suitable explanation of each point)

26. i) Hindu law (1)
 ii) Co-parceners (1)

Dayabhag a system	Michanishma system
(i) It prevails in West Bengal	(i) It prevails all over india except west Bangal
(ii) It allows both male and female members to Co-parceners.	(ii) It allows only male members to be Co-parceners

(4)