

BUDHA DAL PUBLIC SCHOOL PATIALA
First Term Examination (2 September 2024)

Class XI (Commerce)
Subject -Business Studies
(Set-B)

Time: 3hrs

M.M.80

General Instructions

1. All questions are compulsory.
2. Questions from 1 to 20 carrying 1 mark each.
3. Questions from 21 to 24 carrying 3 marks each.
4. Questions from 25 to 30 carrying 4 marks each.
5. Questions from 31 to 34 carrying 6 marks each.

- Q1. Business risk is not likely to arise due to:-
a) Change in government policy
b) Good management
c) Employees' dishonesty
d) Power failure
- Q2. Mr. Shenoy wanted to start business of supplying readymade garments-But he was wondering about how much profit or return on investment he would be able to earn. This situation reflects which characteristic of business?
a) Procurement of goods b) Creation of utilities c) Uncertainty of return d) Element of risk
- Q3. A person gets an insurance policy for Rs. 5lakh on his house from the New India Assurance company. The company considers it to be an excessive risk coverage (i.e., in case of any damage to the house, the company will not be able to compensate the insurer easily) and it gets an insurance policy on the same house from the National Insurance company for Rs. 3,00,000. After some time, the house is completely destroyed. The insurance will get Rs. 5lakh from the New India assurance company. On the other hand, the New India Assurance company will get Rs. 3,00,000 from the National Insurance company. In this way, the first company has reduced its risk upto Rs. 3,00,000. Name the type of insurance to which the above example is related:
a) Double Insurance b) Re insurance c) Life insurance d) None of these
- Q4. Rohit Sharma Ltd. Has prepared two main documents at the time of its formation. In the first document the objectives for which the company is formed are defined. And in the second document rules of internal management of the company are explained. These rules indicate how the objectives of the company are to be achieved.
Name the second document:
a) Memorandum of association b) Article of association c) Prospectus d) None of these
- Q5. Ms. Mohini is one of the partners of Kejri publishers. Her association with the firm is unknown to the general public. Other than this distinct feature in all other aspects she is like the rest of the partners. She contributes to the capital of the firm, takes part in the management, shared business profit & losses, and also has unlimited liability towards the creditors.
Identify the type of partners to which Ms. Mohini is related:
a) Nominal Partner b) Secret Partner c) Sleeping partner d) Partner by estoppel
- Q6. In the absence of article of association _____ applies.
a) Table F b) Table B c) Table C d) Table D
- Q7. The board of directors of a joint stock company is elected by
a) General public b) Government bodies c) Share holders d) employees

- Q8 B2B Commerce means:
- a) Firm's interactions with other business
 - b) Firm's interactions with its customers
 - c) Firm's internal processes
 - d) None of the above
- Q9. It is largely due to the use of a very important constituent of e-business that today it has become possible for the firms to go in for flexible manufacturing. The use of computer networks makes it possible for the marketing department to interact constantly with the production department and get the customized products made as per the requirements of the individual customer. Here, parties involved in the electronic transactions are from within a given business firm.
- Name the type of e-business:
- a) B2B commerce b) B2C commerce c) C2C commerce d) None of the above
- Q10. In a market, one trader lowers the price of his articles to increase the sale, the other is also bound to do the same due to competition. Identify the cause of risk being portrayed in the case.
- a) Human cause b) Economic cause c) Natural cause d) Other causes
- Q11. In case of life insurance, presence of insurable interest is required at the time of _____.
- a) Taking insurance policy and time of loss
 - b) Taking insurance policy
 - c) Incurrence of loss
 - d) None of the above
- Q12. Mr. Akshay is a shareholder in Birla Ltd. Holding 2000 shares of Rs. 10 each on which he has already paid Rs. 7 per share. His liability in the event of losses or company's failure to pay debts can be only upto Rs. 6000, the unpaid amount of his share capital (rs. 3 per share of 2000 shares held in the company). Beyond this he is not liable to pay anything towards the debts or losses of the company.
- In the above case, a feature of the joint stock company is highlighted. Identify it.
- a) Separate legal entity b) Perpetual succession c) Risk bearing d) Limited liability
- Q13. Which type of risk is associated with the possibility of loss as well as gain?
- a) Speculative risk
 - b) Pure risk
 - c) Uncertain risk
 - d) None of the above
- Q14. Mr. Manish Sisodia is always involved in the formation of the company. He mainly involved himself in conceiving a business idea and taking an initiative to form a company, so that a practical shape can be given to exploit the available business opportunities.
- Name the stage in the formation of the company in which Mr. Sisodia is involved?
- a) Promotion stage b) Incorporation stage c) Registration stage d) Both (b) and (c)
- Q15. _____ provides the necessary link between producers and consumers. It embraces all those activities, which are necessary for maintaining free flow of goods and services. Thus, all activities involving the removal of hindrances in the process of exchange are included in it.
- a) Commerce b) Aids to trade c) Advertising d) Transport and communication
- Q16. Every business has some risk. No business can avoid risk, although the amount of risk may vary from business to business. Risk can be minimized but cannot be eliminated.
- Name the characteristic of business risk explained:
- a) Business risk arise due to uncertainties

- b) Risk is essential part of every business
- c) Degree of risk depends mainly upon the nature and size of business.
- d) Profit is the reward for risk taking.

- Q17. The capital of the company is divided into number of parts, each one of which is called
- a) Dividend b) profit c) Interest d) Share
- Q18. The minimum numbers of members allowed in a co-operative society is :
- a) 10 b) 20 c) 7 d) 2
- Q19. In the new digital market place banks and financial institutions have started providing services over the internet. This type of services provided by the banks on the internet, lowers the transaction cost, adds value to the banking relationship and empowers customers.
- Name the services provided by the banks:
- a) Electronic fund transfer b) Automated teller machine c) Credit card d) All of the above
- Q20. In theory, a company is a democratic institution wherein the Board of directors are representatives of the share holders who are the owners. In practice, however, in most large sized organisations, having a multitude of shareholders, the owners have minimal influence in terms of controlling or running of the business. It is so because the shareholders are spread all over the country and a very small percentage attend the general meetings. Hence, as the directors virtually enjoy the rights to take all major decisions, it leads to rule by a few.
- Identify the limitation of the company explained here:
- a) Delay in decision
 - b) Oligarchic management
 - c) Conflict in interest
 - d) Excessive government control
- Q21. A transport company took an accident insurance policy for all its vehicles. A truck of that company carrying Oranges met with an accident. Due to that accident there was no damage to Oranges but oranges were unloaded from that truck and reloaded to another. Due to time wasted in unloading and reloading the oranges got spoiled.
- a) Will the company get compensation for loss of oranges from the insurance company or not?
 - b) Which principle is related with this case? Identify and explain it in detail.
- Q22. Profit is essential for running a business. Do you agree with this statement. Give reasons in support of your answer.
- Q23. According to Indian partnership act, 1932 it is not compulsory for a partnership firm to get itself registered, but still partners get it registered to seek the benefits of registration.
- Explain the process of registration which is required to be followed for getting partnership firm registered.
- Q24. Distinguish between the Traditional Business and E-Business on the following basis. (any 3 points)
1. Length of business cycle 2. Government patronage 3. Global reach
- Q25. Rajesh wanted to sell his mobile phone but did not get any buyer. On his friend's suggestion he posted the mobile on sale on www.olx.com and found a buyer within two days.
- a) Identify the scope of E-business discussed in the para given above and explain it.
 - b) And also discuss any two other scopes in brief with example.
- Q26. The owner of 'Rakhi fertilizers', Mohan Das opened a current account in 'The Punjab National Bank'. The customer can often withdraw money from the current account only upto the amount deposited in it. One day he needed money more than the amount deposited /balance in the account. He was worried about how to arrange the money. He needed this amount for about a day or two. One of his friends told him that the customers having a current account in the bank can get permission to withdraw money more than the amount deposited after making an agreement with the bank.
- a) Identify this facility provided by the bank and explain it with example.
 - b) Also explain 'two' more such facilities provided by the banks.

- Q27. Shreya, Shruti and Shabnam joined together and established a partnership firm. Their main product was a mobile phone. Besides, they also dealt in some other electronic instruments. Each one of the partners looked after one particular department. They had made it certain that every Monday they would hold a meeting and share the information on the activities of their respective departments. In one of their meetings, they decided that each member would tell something special on which they should focus their attention. The three special things told by all the three of them were at given below:
- Shreya: In order to compete with rivals, we shall have to focus our mind on marketing research.
 - Shruti: We should keep clear of the anti-social activities like adulteration, hoarding and profiteering.
 - Shabnam: We have to establish our business in the society. The members of our society are our customers from whom we earn our profit. Hence we should contribute to the activities of public importance, namely- dispensaries, educational institutions, etc.
- Identify the objectives fulfilled by Shreya, Shruti and Shabmam.
 - Also state other objectives which are not mentioned in the above para.
- Q28. (A) Name the following:
- Document which defines the objectives of the company.
 - Document which contains the rules, which helps in fulfilling the objectives of the company.
- (B) Also differentiate between the two documents identified in part (A) on any three basis.
- Q29. Ms. Pooja is running a beauty parlour in Delhi. She is the owner, manager and labourer of her business. She knows the fashion trend and gives personal attention to all her customers. Due to this, she attracts more customers and earns high profit.
- Which form of business organization is shown in the above para? Explain it.
 - Give any three merits.
- Q30. What is business risk? Explain its causes in brief.
- Q31. Differentiate between life, fire and Marine Insurance on following basis:
- Indemnity
 - Subject matter
 - Element
 - Insurable interest
- Q32. Discuss life insurance and discuss its types in detail.
- Q33. Mr. Ashok, the owner of Ashok Steel industry does the whole sale trade of utensils. Some of the utensils are made in his factory itself and some others, he purchases from other manufacturers. Every day, he has to make payment to several other traders. He wants that as soon as he deposits money in his bank it should be credited to the account of the receiver without any delay. On enquiring from the bank, he learnt that through e-banking there are two systems available for sending money from one place to another. According to one system, transfer of money form one bank to another is done in batches and according to the other system, transactions are done one after the other in continuity.
- State the names of these two systems.
 - Explain the systems in detail which will be useful to Mr. Jitendra.
- Q34. Nitesh and Naveen decide to start a partnership firm together. Their common friend Smriti tells them that it is advisable to have a written agreement as it constitutes an evidence of the conditions agreed upon in partnership and proves to be helpful in resolving any controversies which may arise in future. In context of the above case:-
- Identify and explain the documents being referred to by Smriti.
 - State any six aspects covered in this document.