

**BUDHA DAL PUBLIC SCHOOL PATIALA**  
**First Term Examination (15 September 2025)**

**Class XI (Commerce)**  
**Subject - Business Studies (054) (Set-A)**

**M.M.80**

**Time: 3hrs**

**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. In which form of business organisation is there a separation of ownership and management?
- a. Sole Proprietorship
  - b. Partnership
  - c. Joint Stock Company
  - d. Hindu Undivided Family
- Q2. The document that contains the rules and regulations of a company is called:
- a. Memorandum of Association
  - b. Partnership Deed
  - c. Prospectus
  - d. Articles of Association
- Q3. Maximum number of members in a private company is:
- a. 20
  - b. 50
  - c. 200
  - d. Unlimited
- Q4. Which of the following is not a function of commercial banks?
- a. Accepting deposits
  - b. Issuing currency
  - c. Providing loans
  - d. Fund transfer
- Q5. In case of unlimited liability, which of the following is true:
- a. Losses are borne only by government
  - b. Owners' personal assets can be used to pay debts
  - c. No risk is involved
  - d. Company is exempt from audit
- Q6. A company prefers issuing shares to the public to raise capital. This is an example of:
- a. Public Company
  - b. Partnership
  - c. Sole Proprietorship
  - d. Private Company
- Q7. Mutual agency is a feature of:
- a. HUF
  - b. Company
  - c. Sole Proprietorship
  - d. Partnership
- Q8. Which principle of insurance means full disclosure of material facts?
- a. Indemnity

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- b. Contribution  
c. Subrogation  
d. Utmost Good Faith
- Q9. Which of the following is not a feature of business services?  
a. Involves production  
b. Intangibility  
c. Inseparability  
d. Involves personal involvement
- Q10. Which form of business has perpetual succession?  
a. Sole proprietorship  
b. Partnership  
c. Company  
d. Joint Hindu Family
- Q11. NEFT is associated with:  
a. Retail banking only  
b. Offline transfer of goods  
c. Electronic transfer of funds  
d. Sale of goods
- Q12. A person who lends only his name to the firm is called:  
a. Sleeping partner  
b. Secret partner  
c. Nominal partner  
d. Active partner
- Q13. Overdraft facility is generally available only to holders of:  
a. Savings Account  
b. Fixed Deposit Account  
c. Current Account  
d. Recurring Deposit Account
- Q14. A Demand Draft is usually considered safer than a cheque because:  
a. It can be dishonoured by the bank  
b. It requires a signature for withdrawal  
c. It is prepaid by the purchaser  
d. It is issued only to bank employees
- Q15. An Endowment Policy pays:  
a. Only on death  
b. On either death or maturity, whichever earlier  
c. Only if an accident occurs  
d. For property loss
- Q16. A feasibility study is conducted to:  
a. Launch the business directly  
b. Check if the business is already successful  
c. Evaluate the viability of a proposed idea  
d. Purchase raw materials in advance
- Q17. In marine insurance, the principle of insurable interest must exist:  
a. At the time of policy commencement  
b. At the time of claim/loss  
c. Both (a) and (b)  
d. Only before goods are loaded

- Q18. The minimum amount that can be transferred through NEFT is:
- ₹2,00,000
  - ₹10,000
  - ₹1
  - ₹1,00,000
- Q19. Cash Credit is given against:
- Promissory notes only
  - Security of current assets like stock and receivables
  - Fixed deposits
  - Cheques and drafts
- Q20. Booking movie tickets through an app is an example of:
- Offline business
  - B2B transaction
  - E-commerce
  - Door-to-door selling
- Q21. A partnership firm is facing internal disputes due to lack of clarity in profit sharing. Suggest three measures they could have taken while forming the firm.
- Q22. Online platforms like Amazon and Flipkart are replacing traditional stores. Give three reasons why customers are preferring these platforms.
- Q23. Aarav Textiles Ltd., a public company, planned to raise ₹10 crore by issuing shares to the public. It issued a prospectus inviting applications and received applications worth ₹8 crore along with the application money. The board of directors was eager to proceed, but the finance manager advised that they could not move forward with the allotment process yet. Was Aarav Textiles Ltd. eligible to proceed with the allotment? Why or why not?
- Q24. Raghav is the Karta of his family business, which has been running for three generations. He takes all major decisions without consulting other members, allowing for quick and consistent management. The business continues despite the death of his father, as Raghav automatically became the next Karta. The liability of other coparceners is limited, and the unity among family members helps avoid disputes and maintain harmony. From the above case, Identify and explain in brief any three merits of Joint Hindu Family Business.
- Q25. A firm called "GreenWay Associates" was formed by four partners: two active in business, one investing capital but not managing daily operations, and one who secretly joined without letting the public know he was a partner. Later, a fifth person joined for just 6 months to help during the festive season and then left.
- What type of partnerships does the firm have based on duration?
  - Who is the partner contributing capital but not managing business called? Explain
  - What is the type of partnership where a partner joins temporarily? Explain
  - What do you call a partner not known to the public? Explain
- Q26. Define Memorandum of Association (MOA). Explain any four of its clauses with brief descriptions.
- Q27. A foreign company named GloboTech started its operations in India. It opened factories, used modern technology, trained Indian workers, and offered products at lower prices. Many local people got jobs, and the overall quality of products improved. From the above case, mention any four merits of multinational companies.
- Q28. What is meant by the registration of a partnership firm? Explain any three consequences of non-registration.
- Q29. Why is earning profit important for business? Give any three reasons.
- Q30. Mention any four documents required to obtain a Certificate of Incorporation.



Q31.

Rohan and Simran decided to start a garment business as partners. They contributed capital, agreed to share profits, and fixed rules for salary, interest on capital, and admission of a new partner. To avoid future disputes, they decided to prepare a written document.

- a. Name the document they should prepare.
- b. Briefly explain the meaning of this document.
- c. List any four important contents that must be included in it..

Q32.

Sana runs a small bakery in her town. Every day, she prepares fresh cakes and cookies and sells them through her shop as well as online orders. During the festive season, she earns higher profits but also faces the risk of unsold inventory. She has been successfully managing the bakery for the past three years.

- a. Identify and explain the economic activity in which Sana is engaged.
- b. Identify and explain any three characteristics of the economic activity identified in part (a), as mentioned in the above case.

Q33.

What is business risk? Explain any four characteristics of business risk with examples.

Q34.

Distinguish between traditional business and e-business on the basis of any six points.