

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

Class XI (Commerce)
Subject - Business Studies (054) (Set-B)

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. The liability of members of a company limited by shares is:
a) Unlimited
b) Limited to the face value of shares held.
c) Limited to the amount of profit earned
d) Limited to the guarantee given
- Q2. Which document defines the relationship between a company and its shareholders?
a) Articles of Association
b) Memorandum of Association
c) Prospectus
d) Partnership Deed
- Q3. The maximum number of partners in a banking business is:
a) 10
b) 20
c) 50
d) 200
- Q4. Which of the following is an example of business service?
a) Insurance
b) Textile manufacturing
c) Farming
d) Mining
- Q5. Who is the head of a Joint Hindu Family Business?
a) Coparcener
b) Trustee
c) Karta
d) Partner
- Q6. The principle of 'one man, one vote' is followed in which form of organisation?
a) Partnership
b) Company
c) Co-operative Society
d) Joint Hindu Family
- Q7. Which insurance principle prevents the insured from making profit out of insurance?
a) Indemnity
b) Contribution
c) Subrogation
d) Proximate Cause
- Q8. A company inviting public to purchase its securities must issue:

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- a) Prospectus
b) Partnership Deed
c) Agreement
d) Cheque
- Q9. Which of the following is not a content of a Partnership Deed?
a) Profit-sharing ratio of partners
b) Rules regarding admission of a new partner
c) Objectives and scope of business
d) Number of shares to be issued to public
- Q10. Which account provides high liquidity and allows unlimited withdrawals.
a) Savings Account
b) Current Account
c) Recurring Deposit Account
d) Fixed Deposit Account
- Q11. The minimum number of members required to form a public company is:
a) 2
b) 7
c) 5
d) 3
- Q12. Which of the following is not a characteristic of services?
a) Intangibility
b) Inseparability
c) Heterogeneity
d) Tangibility
- Q13. Which of the following statements about a Public Company is correct?
a) It restricts transfer of shares.
b) It must have a minimum of 2 members.
c) It can invite the public to subscribe for its shares.
d) The liability of members is unlimited.
- Q14. A trader in Delhi purchases goods from a manufacturer in Mumbai and wants to ensure safe payment without the risk of cheque dishonour. The manufacturer insists on receiving a guaranteed payment instrument issued by a bank. Which instrument should the trader use?
a) Cheque
b) Demand Draft
c) Banker's Cheque
d) Pay Order
- Q15. In which type of insurance is the principle of 'Insurable Interest' essential both at the time of taking the policy and at the time of claim?
a) Life Insurance
b) Fire Insurance
c) Marine Insurance
d) All of the above
- Q16. In which form of business organisation is continuity of business most uncertain?
a) Partnership
b) Company
c) Sole Proprietorship
d) Joint Hindu Family

- Q17. RTGS is primarily used for:
- Low-value transfers
 - High-value, real-time fund transfers
 - Offline cash deposits
 - Foreign exchange
- Q18. A fixed amount deposited in a bank for a specific period is called:
- Current Account
 - Fixed Deposit
 - Recurring Deposit
 - Demand Deposit
- Q19. Which of the following is not a function of the Central Bank?
- Issuing currency
 - Controlling credit
 - Accepting public deposits
 - Acting as lender of last resort
- Q20. Selling railway tickets through IRCTC website is an example of:
- Offline business
 - E-commerce
 - B2B transaction
 - Door-to-door selling
- Q21. Suggest three steps that partners should take to ensure smooth functioning of a partnership firm besides profit-sharing agreement.
- Q22. Customers today prefer online payment methods like UPI, digital wallets, and net banking. Give three reasons for this growing preference.
- Q23. XYZ Ltd. issued shares worth ₹20 crore to the public. It received applications for ₹15 crore only. The company wants to proceed with allotment. Can it do so? Give reason in detail.
- Q24. Rohit is Karta of his Joint Hindu Family business. The business enjoys family loyalty, continuity despite death of members, and easy management. However, only Rohit has unlimited liability while other members' liability is restricted. Identify and explain any four demerits of Joint Hindu Family business.
- Q25. A firm "Bright Solutions" has five partners:
- Mohan only lends his name and reputation but does not contribute capital or actively participate in business.
 - Rakesh invests capital but does not take part in daily operations.
 - Sohan is a partner whose membership is not disclosed to outsiders.
 - Arun is a minor admitted to the benefits of the partnership.
- Answer the following:
- Which type of partner is Mohan?
 - Which partner is a Sleeping Partner?
 - Which partner is not known to the public?
 - State any two rights of Arun as a minor partner.
- Q26. Explain the steps involved in the incorporation of a company.
- Q27. An MNC "TechWorld" set up units in India. It brought advanced technology, created jobs, improved export earnings, and helped Indian firms become more competitive. Identify any four demerits of MNCs.
- Q28. Define life insurance. Explain any three types of life insurance.
- Q29. Besides profit earning, business also have other objectives. Explain any four such multiple objectives.

- Q30. Distinguish between private company and public company.
- Q31. Meera starts an online clothing boutique. She sells through Instagram and her own website, receives payments online, and ships nationwide.
- Identify and explain the form of business she is running.
 - State disadvantages/limitations of this form of business.
- Q32. Ramesh owns a small grocery shop. He sells goods daily, faces uncertainty of profit, runs shop continuously, and bears full liability.
- What form of business is this?
 - Identify and explain any three features of this business form.
- Q33. What is insurance? Explain any four functions of insurance with examples.
- Q34. Rohit runs a small business in Delhi and regularly makes payments to his suppliers across India. Last week, he had to pay ₹5 lakh to a supplier in Mumbai and ₹50,000 to another supplier in Jaipur. His accountant advised him to use electronic fund transfer methods to avoid delays and ensure safety.

Answer the following:

- Which method should Rohit use to pay ₹5 lakh and why?
- Which method should he use to pay ₹50,000 and why?
- State any two advantages of using these electronic fund transfer methods