

BUDHA DAL PUBLIC SCHOOL PATIALA

Final Examination (1 March 2025)

Class XI (Commerce)

Subject – Business Studies (Set - A)

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.** Which of the following does not characterize business activity?
- a) Production of goods and services b) Presence of risk
c) Sale or exchange of goods and services d) Salary or wages
- Q2.** They have not been constituted as autonomous or independent institutions and as such are not independent legal entities.
- Identify the form of public sector enterprise is being discussed in the above statement.
- a) Departmental undertaking b) Statutory Corporation
c) Government Company d) Joint Venture
- Q3.** Social responsibility of business to ensure regular supply of goods and services is towards.
- a) Consumer b) Workers c) Shareholders d) Government
- Q4.** Preference shares are referred to as hybrid securities because they have features of both and
- a) Equity shares, debentures b) Retained earning, debentures
c) Equity shares, Public deposits d) Retained earning, equity shares
- Q5.** Mr. X is an individual with surplus cash and interested to invest in upcoming start ups. Which method is suitable for him?
- a) Crowd funding b) Venture Capital c) Boot Strapping d) Angel investment
- Q6.** This document is described as the charter of the company?
- a) Prospectus b) Articles of Association c) Memorandum of Association d) None of these
- Q7.** Nitesh is a shareholder in a company holding 1000 shares of Rs. 10 each on which he has already paid Rs. 8 per share. In the event of losses or company's failure to pay debts, Nitesh is liable to pay amount of.
- a) Rs. 1000 b) Rs. 1600 c) Rs. 2000 d) Rs. 10,000
- Q8.** A, B and C are the partners in a partnership firm. They mutually decide that A's association with the firm will not be revealed to the general public. According to the above statement A is a
- a) Nominal partner b) Dormant partner c) Secret partner d) Partner by estoppels
- Q9.** Assertion (A) : In partnership firm, the liability of every partner is limited.
Reason (R) : Partnership agreement may be oral or written.
- Alternatives:
- a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
b) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).
c) Assertion (A) is true, but Reason (R) is false.
d) Assertion (A) is false, but Reason (R) is true.

Q10. When the loss is the result of two or more causes, which of the following terms refers to the direct cause of which the loss is the natural consequence?

- a) Subrogation b) Proximate c) Mitigation d) Indemnity

Q11. In compared to e-business, transaction risks in a traditional business are

- a) Higher b) transactional risk is same in both c) Lower d) No transactional risk at all

Q12. Match the following

Column I	Column II
A) Payment of taxes on time	1. Responsibility towards shareholders
B) Providing good quality products	2. Responsibility towards Government
C) Providing adequate return on investment	3. Responsibility towards Society
D) Environmental protection	4. Responsibility towards Consumers
E) Providing optimum remuneration	5. Responsibility towards employees

- a) A(1), B(2), C(3), D(3), E(5) b) A(5), B(4), C(3), D(2), E (1)

- c) A(3), B(1), C(4), D(2), E(5) d) A(2), B(4), 3(1), D(3), E (5)

Q13. Working capital refers to the funds requirement to finance the

- a) Commencing of business b) Operating cycle of business
c) Expansion & diversification d) All of the above

Q14. "Vishnu planned to join his father's business and got engaged in his father's sugarcane farm."

Identify the type of industry being discussed in the above statement.

- a) Extractive industry b) Manufacturing industry
c) Genetic industry d) Constructive Industry

Q15. The continuity of a business is affected by the life of its owners and members. Which of the following forms of business is not affected by the life of its owners?

- a) Sole proprietorship b) Joint stock company c) Partnership firm d) None of the above

Q16. Customer is required to deposit a specific sum of money every month in his account in case of, which is also known as cumulative time deposit account.

- a) Saving account b) Current account c) Recurring deposit account d) Joint account

Q17. An electronic fund transfer system under which transfer of funds take place from one branch of bank to another branch on real time and on gross basis is known as

- a) NEFT b) EFT c) RTGS d) ATM

Q18. What is the minimum limit of members in Public Ltd. Company?

- a) 2 b) 7 c) 5 d) 10

Q19. It is the primary social responsibility to produce goods and services that society wants and sell them at reasonable profit. Identify the category of social responsibility referred here

- a) Economic responsibility b) Legal responsibility
c) Ethical responsibility d) All the above

Q20. Which one of the following public sector undertakings is established by passing a special law under parliament?

- a) Partnership b) Sole proprietorship c) Statutory corporation d) Departmental undertaking

Q21. Mr Rajesh is the head of the family. He is taking care of the family business. He has the absolute power of taking the business decisions and his decisions are binding on the other members. When he took a wrong decision of buying new equipment which soon got obsolete and business suffered the heavy loss. (3)

Identify the form of business organisation and explain its two limitations

Q22. Shubham has taken a loan from Sourabh against the security of his factory. Can Sourabh take a fire insurance policy of that factory? Name and explain the principle of insurance involved. (3)

- Q23.** Explain the classification of sources of funds on the basis of 'ownership'. (3)
- Q24.** In 2005 Bharti and Airtel joined their hands and proved that they are the biggest players in the telecom sector. Identify, this example is related to which type of enterprise. Elaborate its concept and explain any two features in your own words. (3)
- Q25.** Identify and explain an economic activity which is conducted by a person having special knowledge and special skills which is used to serve different sections of the society. (4)
Also discuss its features in detail.
- Q26.** According to Indian Partnership Act 1932, it is not compulsory for a partnership firm to get itself registered, then why do partners prefer to get the firm registered? (4)
- Q27.** Explain the role of small business in India with emphasis on rural India. (4)
- Q28.** Explain any two merits and demerits of raising funds through preference shares. (4)
- Q29.** Mr Kumar is one of the promoters of Rock Industrial Limited. The company has been incorporated, and now, steps are being taken to invite subscription to its shares from the public. Mr Kumar insisted that they provide true and fair information in the document that they prepare for the purpose. (4)
a) At which stage of formation of a public company are the above steps taken.
b) Name and explain the document that will be prepared by the company at this stage.
c) Also, state any two functions performed by Mr Kumar
- Q30.** At International level, various organizations exists for accelerating the pace of the development and trade among the Nations. Name and explain one such organization also state two objectives of that organization. (4)
- Q31.** John has outsourced the manufacturing of its products to plants in other countries and faced a lot of criticism for operating in the low wages countries where child labour is common. Discuss social responsibilities that should be followed towards employees and Society. (6)
- Q32.** "Earning of profit cannot be the objective of business any more than eating is the objective of Living. A person cannot survive for a long time and cannot lead a healthy life only by eating. A person has to perform other activities also such as social activities, religious, patriotic activities. Similarly, a business with the sole objective of earning profit cannot survive for a long time to capture a big share in market to create the goodwill, to have durable profits, Businessman must have social and individual objectives of business." (6)
In the context of above discussion, State the reasons that why profit is the requirement of the business.
- Q33.** Explain the following (6)
MOA
AOA
- Q34.** Discuss the process of capital subscription in detail. (6)