CLASS XI
BUSINESSSTUDIES(054)
SAMPLE QUESTION PAPER (2026-27)

MM – 80 **TIME: 3 HOURS**

General Instructions :

1. **This question paper contains 34 questions.**
2. **Marks are indicated against each question.**
3. **Answers should be brief and to the point.**
4. **Answers to the questions carrying 3 marks may be from 50 to 75 words.**
5. **Answers to the questions carrying 4 marks may be about 150 words.**
6. **Answers to the questions carrying 6 marks may be about 200 words.**
7. **Attempt all parts of the question together.**

1.	Zenith Electronics Ltd., a leading manufacturer of premium air conditioners, operates its factory at full capacity during the winter months to prepare for the summer demand. Due to limited storage space and high inventory costs, it sells the air conditioners in bulk to an intermediary, Vedic Distribution House. The intermediary stores the products in regional warehouses and supplies to local appliance stores during the summer season as demand rises. Identify the combination of utilities created by Vedic Distribution House in the above case. A) Place Utility, Time Utility B) Time Utility, Form Utility C) Form Utility, Place Utility D) Time Utility, Knowledge Utility	1
2.	Raghav, a skilled graphic designer, wanted to start a business without sharing ownership or decision-making authority with anyone else. At the same time, he wanted his business to have separate legal identity and the benefit of limited liability. He incorporated the business under the Companies Act,2013 as its sole member and nominated his sister to take over the membership in the event of his death or incapacity. Raghav alone manages the affairs of the business and takes all strategic decisions.Identify the form of business organisation established by Raghav.	1

	A) Sole Proprietorship B) Limited liability partnership C) Private Company D) One Person Company	
3.	Aakash Textiles Ltd. is an established garment export house. The company wants to raise ₹15 crores to modernize its weaving machinery. The promoters of the company want to raise capital from the public but are strictly against sharing their management control with the new investors. At the same time, the finance department does not want to borrow as they want to avoid creating a legal charge on the company’s assets. They decide to issue a type of security that pays a fixed return to investors, without granting them voting rights. Name the source of finance which Aakash Textiles Ltd. has chosen to raise the required funds. A) Equity Shares B) Public Deposits C) Preference Shares D) Retained Earnings	1
4.	Choose the correct statement with respect to cooperative society: 1. The liability of members is limited to the extent of the amount contributed by them as capital. 2. In a cooperative society, voting rights depend on the capital contributed by members. 3. Change in membership does not affect the operations of the society. 4. Formation of a cooperative society is governed by the provisions of Cooperative Societies Act ,1910. Choose the correct option: A) 1,3 and 4 B) Only 3 C) 2 and 4 D) 1 and 3	1

5.	'Brew & Bake' is a renowned European café chain known not only for its signature coffee blends but also for its standardised store layout, employee training, operating procedures, pricing policy, and customer service standards. Sohan, an entrepreneur in Mumbai, entered into an agreement with the company to establish its outlets in India. Under the agreement, he is permitted to use the company's brand name and is required to operate the café strictly according to the business format and quality standards prescribed by café chain 'Brew & Bake'. In return, he pays a regular royalty. The agreement between Sohan and 'Brew & Bake' illustrates which way of operating the business internationally. A)Merchandise exports and imports B)Service exports and imports C) Licensing and Franchising D)Foreign Investments	1
6.	 Identify the correct statement regarding the form of public sector enterprise depicted in the image. A)It is established under a special Act of Parliament which defines its powers, functions, and rules of operation. B) Its employees are government servants, and its funding comes directly from the government treasury through annual budget allocations. C)It enjoys complete operational autonomy and is free from any direct ministerial control or political interference. D)It is registered under the Indian Companies Act, and the government holds at least 51% of its paid-up share capital.	1

7. Match the following and choose the correct option. 1

COLUMN 1	COLUMN 2
I Savings account	A. Amount is withdrawn regularly, especially for business
II Current account	B. Additional interest of 0.50% is offered to senior citizens on deposits placed for a year and above
III Multiple option deposits account	C. Two free cheque books will be issued each year
IV Fixed deposits account	D. A kind of deposit scheme introduced by different banks, where excess amount in the savings bank account is transferred to fixed deposit account

A) I.-D, II.-C, III- A, IV-B
B) I.-C, II.-B, III- A, IV-D
C) I-C, II-A, III- D, IV-B
D) I.-C, II.-D, III- B, IV-A

8. Statement 1: MSMED Act, 2006 covers medium scale enterprises and service related enterprises also. 1

Statement 2: MSME's are complementary to large scale industry as ancillary units and form an integral part of the value chain for building a conducive environment for indigenous skills, grass root innovation and entrepreneurship development.

A) Both the statements are true
B) Both the statements are false
C) Statement I is true, Statement II is false
D) Statement II is true, Statement I is false

9.	Rohan wants to make an online payment directly from his bank account while purchasing raw materials for his business. Aarav, on the other hand, wants to buy a laptop online immediately and prefers to pay now but settle the amount with the bank at a later date. Identify e-banking services that are most appropriate for Rohan and Aarav, respectively. A) Net Banking for Rohan; Debit Card for Aarav B) Debit Card for Rohan; Credit Card for Aarav C) Credit Card for Rohan; Debit Card for Aarav D) Credit Card for Rohan; Net Banking for Aarav	1
10.	Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below: Assertion(A): Debentures put a burden on the earnings of a company. Reason(R): Debentures are fixed charge instruments and the risk increases when the earnings of the company fluctuate. 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.	1
11.	Aaradhya, a young entrepreneur, has designed a portable water purification device that uses a completely new filtration technology. Before launching the product in the market, she wants to obtain exclusive legal rights so that no other company can manufacture or sell the same invention without her permission. However, during scrutiny, the authorities found that her design was merely a minor modification of an existing technology with no additional technical advantage. As a result, the exclusive rights were not granted by the authorities. Identify the condition which has not been fulfilled due to which the exclusive rights were not granted to Aaradhya. A) The invention should be capable of industrial application. B) The invention should be new and involve an inventive step. It should not be obvious to a person skilled in that field. C) The invention should be commercially profitable. D) The invention should not have been disclosed to the public before filing the patent application.	1

12.	Rajat Tech Solutions, an agro-processing and packaging enterprise based in Punjab, recently expanded its operations by installing additional automated processing and packaging machinery. As a result, its investment in plant and machinery increased to ₹9 crore, while its annual turnover reached ₹45 crore during the current financial year. The management plans to register the enterprise under the government's Udyam Registration system. Based on the latest MSME classification criteria, under which category will Rajat Tech Solutions be classified A) Micro Enterprise B) Small Enterprise C) Medium Enterprise D) Large Enterprise	1
13.	Out of the following, select the incorrect statement about the Public Private Partnership Model. A) Contract with private party to design and build public facility B) Facility is financed and owned by the private sector C)Key driver is transfer of design and construction risk D) Suited to capital projects with small operating requirement	1
14	_______is a large establishment offering a variety of products, aimed at satisfying practically every customer's needs under one roof. A) Departmental Store B) Multiple Shops C) Mail order house D)Chain Stores	1
15	Farm Fresh Foods, a manufacturer of packaged spices in Kerala, sold a large consignment of its products to a supermarket chain in Delhi. The company's accountant explained that under the present GST system, the tax revenue from this transaction would accrue to the state where the goods are finally consumed rather than to the state where they were produced. Identify the key feature of GST highlighted in the case. A)GST is applicable only to the manufacture of goods B)GST is based on the principle of origin-based taxation C)GST is a direct tax collected from consumers D)GST is based on the principle of destination-based consumption tax	1

16	Statement I: Wholesale Trade is a business that is engaged in the sale of goods and services directly to the ultimate consumers. Statement II: Itinerant retailers are traders who do not have a fixed place of business to operate from. A) Both the statements are true B) Both the statements are false C) Statement I is true, Statement II is false D) Statement II is true, Statement I is false	1
17	Name the organization that was the direct predecessor to the World Trade Organization (WTO) established in 1995. A) International Monetary Fund (IMF) B) General Agreement on Tariffs and Trade (GATT) C) World Bank D) United Nations Conference on Trade and development	1
18	Aura Textiles Ltd., a garment manufacturer in New Delhi, planned to import premium cotton from an overseas supplier. After finalising the terms of purchase, the company sent a detailed order mentioning the specifications of the goods, quantity required, packing instructions, shipping schedule, and the port at which the goods were to be delivered. The document sent by Aura Textiles is known as: A) Export Invoice B) Indent C) Letter of Credit D) Bill of Entry	1
19	Companies generally invite public deposits for a maximum period of – – – – – – – A) 2 years B) 3 years C) 4 years D) 5 years	1
20	It is an insulating material or inside part of a computer chip designed to perform an electronic circuitry function. Name the type of intellectual property right reflected in the above statement. A) Semiconductor integrated circuits layout design B) Patent C) Plant Variety D) Design	1

21.	(A) Micro, Small and Medium Enterprises (MSMEs) are considered as a powerful instrument for realizing the twin objectives of 'accelerated industrial growth and creating additional productive employment potential in rural and backward areas.' Elaborate on the contribution of MSMEs to the socio-economic development of the country. OR (B) With a view to promote startups in the country, various ways of funding are available in market. Explain any three such ways of funding.	3
22.	A transport company obtained an accident insurance policy for all its vehicles. One of its trucks, carrying a consignment of oranges, met with an accident. Although the oranges were not damaged in the accident, they had to be unloaded from the damaged truck and reloaded onto another vehicle. The delay caused by unloading and reloading resulted in the oranges getting spoiled. (a) Is the company entitled to receive compensation from the insurance company for the loss of oranges? (b) Identify and explain the principle of insurance applicable to this case.	3
23.	Komoto Corporation is a foreign company registered in Japan. It manufactures advanced machinery and tools used in the paper manufacturing industry. The company is known for its high quality products and technological superiorities in their methods of production. Encouraged by a favorable business environment, growing market and skilled workforce, the company decided to establish a branch manufacturing unit in India aiming to occupy a dominant position in the Indian market. The company plans to spend ₹10 crores on research and development projects in order to develop superior designs. Identify and state the features of global enterprise discussed in the case study.	3
24.	‘Business risk refers to the possibility of inadequate profits or even losses due to uncertainties or unexpected events’. With reference to the given statement, state any three characteristics of business risk. OR 'Objectives are needed in every area that influences the survival and prosperity of business’. Using the given statement as a basis, state any three objectives of business.	3

25.	Freshju, initially a trading company, was selling bottled juices manufactured by other companies. Seeing an increase in demand for packaged beverages, the company decides to enter into juice manufacturing. It plans to distribute its products across different states of India through a network of wholesalers and retailers. To ensure that its products reach consumers at the right place and at the right time, Freshju has appointed distributors in major cities and is supplying goods to retailers through wholesalers. As the wholesalers are directly connected with the retailers, they are in a position to advise Freshju about various aspects like customer's tastes and preferences, market conditions etc. Wholesalers take delivery of goods, when these are produced in factories and keep them in their own warehouses. A) Identify the type of trade being carried out by Freshju when it sells its products across different states of India. B) Name and state the services provided by wholesalers to Freshju as mentioned in the case.	4
26.	After completing a specialised entrepreneurship programme in sustainable production, three friends—Dev, Bhagya and Sharvie decided to establish their own ventures. • Dev launched a business that procures solar panels, batteries, charge controllers, metal frames, and wiring from different manufacturers and integrates them into portable solar power stations. • Bhagya started a venture that manufactures advanced insulation panels by combining ingredients like cork granules, recycled paper fibres, and natural binders in carefully measured proportions. • Sharvie set up a factory where discarded fruit peels are converted into natural cleaning liquid through a series of sequential operations involving extraction, filtration, concentration, and packaging A) Identify the type of Secondary Industry highlighted in the case. B) On the basis of method of operation of business, explain the sub type of industry under the type identified in part A) to which Dev, Bhavya & Sharvie belong to.	4
27	A) State any four features of a mail order house. OR B) State any four benefits of international business to firms.	4

28.	GreenLeaf Stationers, a company that manufactures eco-friendly notebooks, pens, and office supplies, has decided to expand its business in different markets. The company collaborates with schools, offices, and corporate organizations through its GreenLeaf BizConnect portal. Corporate buyers can place bulk orders, customize products with company logos, and make digital payments. This helps GreenLeaf Stationers build long-term business relationships and increase bulk sales. It sells its products directly to customers through GreenLeaf Store e-commerce website and GreenLeaf App. Customers can browse products, compare prices, place orders online, choose digital payment options, and get home delivery. To attract more consumers, the company offers festive discounts, cashback offers, and free delivery on selected purchases. Within six months the company has been able to successfully expand its customer base and increase its market reach while promoting sustainable products. Identify and explain the modes of e-business used by GreenLeaf Stationers that have enabled it to expand its market operations and increase its sales.	4
29.	A)Describe the four main elements of a life insurance contract. OR B)Explain any four types of telecom services in India.	4

30.	REFRESHA' is a trading company, selling bottled juices made by other manufacturers. Now, it plans to sell its juices across India. For this, ' REFRESHA ' decides to enter into 'Juice manufacturing'. It also has ambitious plans to export its juices to other countries in the future. To meet anticipated higher demand in future, the company decides to set-up a larger manufacturing unit. The Chief Executive Officer, Ravi, plans to order automatic juice-filling and bottling machines to increase speed, improve hygiene and for consistency in production. The company decides to make use of a permanent source of funds without involving any explicit cost. To manage the expenses arising due to seasonal surges in demand during the peak season like higher cost of inventory and packaging etc , the company enters into an agreement with its supplier Fresh Fruits Enterprises who makes it readily available to ' REFRESHA' as its credit worthiness is already known . A) Identify the financial needs of ' REFRESHA' by quoting the lines from the case.	4
	B) Identify and explain the various sources of funds that ' REFRESHA' has used to manage its financial needs.	
31.	EcoCraft Electronics Ltd., a leading manufacturer of consumer appliances, detected that its manufacturing unit was releasing hazardous effluents into a local drainage system and using non-recyclable plastic packaging. Acknowledging its Social Responsibility, the CEO, Ms Rashika immediately resolved the commitment to create, maintain and develop work culture for pollution prevention. The company shifted to biodegradable packaging materials, collaborated with the State Government to clean polluted water bodies and manage hazardous waste, and trained its dealers and suppliers to actively support pollution control initiatives. (a) Identify the organizational concern being discussed above in the context of Social Responsibility of business. (b) State any five steps that business enterprises can take to address this concern.	6

32.	(A) Explain Financial Institutions as a source of long-term finance. State any four features of this source. OR (B) Explain how Commercial Banks serve as a source of business finance. State any four of its features.	6
33.	Raj and Vipul have finalised the name of their garment manufacturing venture and decide to register it as a public company. Before investing their savings, they want to define the purpose of the company and ensure that the business does not undertake activities beyond its intended purpose. They also want investors and other stakeholders to know the company's identity, financial structure and extent of members liability so as to avoid any ambiguity in future. A) Identify and state the legal document that should be prepared to provide the above details. B) Explain any four important clauses contained in this document.	6
34.	(A) Explain the significance of 'Obtaining Certificate of Origin', 'preparation of invoice' and 'obtaining mates receipt' as steps in the export procedure. OR	6
	(B) Explain the significance of 'receipt of shipment advice', 'procurement of import licence' and 'obtaining foreign exchange' as steps in the import procedure.	