

Roll No. _____

Code : 112015-054-A

Please check that this question paper contains **27** questions and **3** printed pages.

CLASS-XI
BUSINESS STUDIES

Time Allowed: 3 Hrs.

Maximum Marks : 90

General Instructions :

- (i) Answer to questions carrying 1 mark may be in one word or one sentence.*
- (ii) Answer to questions carrying 3 marks may be from 50-75 words.*
- (iii) Answer to questions carrying 4-5 marks may be about 100-150 words.*
- (iv) Answer to questions carrying 6 marks may be about 200 words.*
- (v) Attempt all parts of a question together.*

1. Ridhima produces goods not for the purpose of sale but for personal consumption will it be a business activity? Why? (1)
2. Name the basic document prepared in partnership firm. (1)
3. What is meant by disinvestment? (1)
4. Why equity share capital is called risk capital? (1)
5. Name any two Indian companies who have raised finance through issue of GDR's. (1)
6. Mention any two examples of goods popularly sold by automatic vending machines. (1)
7. Enumerate any two services provided by wholesaler to manufacturer. (1)
8. Why does the importer ask the exporter to send a "Certificate of Origin"? (1)
9. Discuss the economic objectives of business (any three) (3)
10. Define a multinational company? Give its features. (any two) (3)
11. Differentiate between equity shares and preference shares on the basis of : (3)
(a) Payment of dividend (b) Voting rights (c) Refund capital

12. Write a short note on KPO. (3)
13. Mention any three factors responsible for lack of popularity of mail order retailing in India. (3)
14. Explain the following terms used in internal trade (3)
(a) FOB (b) COD (c) CIF
15. How does commerce remove hindrances of persons, place, time, and knowledge ? (4)
16. Explain the following principles of insurance : (4)
(a) Insurable interest
(b) Contribution
17. What is E-Banking ? What are the advantages of a e-banking to the customers ? (Any three) (4)
18. A manufacturer of refrigerator uses new technology in place of using harmful gases, which do not cause air pollution. Which value is being followed here. Give two social responsibilities which a manufacturer should fulfill towards society. (4)
19. Explain the following:
(a) Indian Depository Receipt
(b) Inter Corporate Deposits (4)
20. Name and explain two important documents which are prepared at the time of formation of a company. (5)
21. Elaborate the steps involved in online trading ? (5)
22. Describe the role of small business in rural India. (5)
23. Explain briefly the processes of custom clearance of exporting goods. (5)
24. Define Co-operative Societies. Explain their main characteristics.

OR

How will you differentiate between Private Ltd. Company and Public Ltd. Company ? (6)

25. Explain the meaning and any 5 features of departmental undertaking as a form of public sector enterprise.

OR

Explain any three merits and three limitations of a government company. (6)

26. Explain advantages of debentures as a source of long-term finance. What are its drawbacks ?

OR

Briefly describe the merits and demerits of commercial banks as source of finance. (6)

27. What are the major reasons underlying trades between nations ? Explain any three.

OR

Explain the role of WTO in encouraging international trade. (6)

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Marking Scheme/Hints to Solutions

NOTE : Any other relevant answer, not given here in but given by the candidate, be suitably awarded.

Q.No.	Hints to Answer	Value point	Total Marks
1.	No, because it does not involve sale or exchange of goods and services between seller and the buyer.	½ mark for 'No' & ½ reason	1
2.	Partnership deed	1	1
3.	Disinvestment means sale of equity shares		1
4.	Because equity shareholders bear the risk of loss of the business i.e. they do not get dividend in the years of loss.	1	1
5.	(a) Infosys (b) Reliance	½×2	1
6.	(a) Platform tickets (b) Soft drinks (or any other correct example)	½×2	1
7.	(a) Customers tastes and preferences (b) Activities of competitors	½×2	1
8.	To avail tariff concessions the importer may ask the exporter to send a "Certificate of Origin".	1	1
9.	Economic objectives of business are : (a) market standing (b) innovation (c) earning profits	½ mark for heading & ½ mark for explanation 1+1+1 = 3	3

10.	<p>Meaning of multinational companies : It may be defined as a company that operates in several countries.</p> <p>Advantages</p> <p>(a) huge capital resources</p> <p>(b) advanced technology</p>			1 mark for meaning & ½ mark for heading & ½ mark for explanation	3
11.	Basis	Equity shares	Preference shares	1 mark for each basis	3
	Payment of dividend	Dividend is paid to equity shareholders after paying dividend to all including preference shares	Preference shareholders get a mixed rate of dividend before equity shareholders		
	Voting rights	Equity shareholders get all the voting rights in a company	No voting rights under normal conditions		
	Refund of capital	Equity shareholders are paid after preference shareholders are paid	At the time of winding up preference shareholders get priority over equity shares.		
12.	<p>KPO – Knowledge process outsourcing refers to obtaining high end knowledge work from outside the organization in order to run business successfully and in cost effective manner.</p> <p>KPO services include investment research services, business research services, data analytics, legal process outsourcing etc.</p>			½ mark for heading & 1½ for services	3
13.	<p>Mail order retailing has not been popular in India due to following factors :</p> <p>(a) lack of personal contact</p> <p>(b) no credit facilities</p> <p>(c) not possible in case of illiterate people</p>			1+1+1 = 3	3
14.	<p>(a) FOB – Free on board is a contract between seller and buyer of goods in which all the expenses up to point of delivery to carrier are to be borne by seller.</p>			1+1+1 = 3	3

	(b) COD – Cash on delivery is financial transaction where payment of product or services received is done at the time actual delivery rather than paid in advance.		
	(c) CIF – Cost insurance and freight is a contract in which seller pays not only the cost and freight to bring the goods but also pay for insurance.		
15.	Commerce removes all types of hindrances in the process of exchange of goods and services.		
	(a) Trade removes <i>hindrances of persons</i> by making the goods available to consumers from producers.		
	(b) Transportation removes <i>hindrances of place</i> by moving goods from place of production to market of sale.	½ mark for	
	(c) Warehouse activities removes <i>hindrances of time</i> by holding stock of goods to be sold as and when required.	naming & ½	4
	(d) Advertising removes <i>hindrances of knowledge</i> by informing customers about goods and services available in the market.	mark for explanation	
16.	(a) Insurable interest – means some pecuniary interest in subject matter of the insurable contract.		
	(b) Contribution – means if a person has taken more than insurance policy for the same risk, than all insurance will contribute the amount of loss in proportion to the amount assured by each of them.	2+2	4
17.	E-banking–it is a service provided by many banks that allow a customer to conduct banking transactions over the internet using computer or mobile phone.	1 mark for meaning	
	Advantages		
	(a) 365 days a year services	½ mark for	
	(b) Transaction from offices or house	heading & ½	
	(c) Creates customer satisfaction	mark for explanation	4
18.	Value points :		
	(a) Environment Protection	1 mark each for value points	
	(b) Fulfilment of social responsibility		

	<p>Responsibility towards society :</p> <p>(a) To provide assistance to educational institutes, dispensaries, religious institute etc.</p> <p>(b) To uplift weaker sections of the society.</p>	& 1 mark each for responsibility	4
19.	<p>Indian depositary receipt-is an instrument denominated in Indian rupees through which foreign companies raise funds from Indian market. It can be issued to citizen of India.</p> <p>Inter corporate deposits-they are unsecured short term deposits made by a company with other company to solve problem of short term funds</p>	2+2	4
20.	<p>Name of documents to be prepared at the time of formation of a company</p> <p>(i) Memorandum of association</p> <p>(ii) Articles of association</p>	1 mark each for name & 1½ for brief explanation (2½+2½)	5
21.	<p>Procedure of online trading</p> <p>(i) Registration</p> <p>(ii) placing an order</p> <p>(iii) payment mechanism</p> <p>(a) cash on delivery</p> <p>(b) cheque</p> <p>(c) net banking transfer</p> <p>(d) debit card and credit card</p> <p>(e) digital cash</p>	1+1+3 = 5	5
22.	<p>Role of small business in rural India</p> <p>(a) generation of employment</p> <p>(b) output generation</p> <p>(c) balanced regional development</p> <p>(d) reduction in income inequalities</p> <p>(e) mobilization of local resources</p>	½ mark for heading & ½ mark for explanation	5

23.	<p>Process of custom clearance of export goods</p> <p>(a) appointment of clearing agent (b) preparing shipping bills (c) submitting of shipping bills at custom house (d) obtaining carter order (e) moving cargo to port</p>	<p>½ mark for heading & ½ mark for explanation</p>	5																					
24.	<p>Meaning of Co-operative Societies :</p> <p>It is a voluntary association of persons for mutual benefits.</p> <p>Features :</p> <ol style="list-style-type: none"> 1. Voluntary membership 2. Legal status 3. Democratic Control 4. Service motive <p style="text-align: center;">OR</p>	<p>1 mark for meaning ½ mark for heading ½ mark for explanation</p>	6																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%; text-align: center;">Basis</th> <th style="width: 50%; text-align: center;">Private Ltd. Company</th> <th style="width: 25%; text-align: center;">Public Ltd. Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="256 915 511 1073">(1) No. of member</td> <td data-bbox="516 915 862 1073">Min. no. of member required are 2 and max no. of member are 50</td> <td data-bbox="867 915 1209 1073">Min. no. of members are 7 while there is no limit for max no. of member</td> </tr> <tr> <td data-bbox="256 1079 511 1209">(2) Public subscription</td> <td data-bbox="516 1079 862 1209">Invitation to public is not issued</td> <td data-bbox="867 1079 1209 1209">Public is invited to subscribe shares and debentures of the co.</td> </tr> <tr> <td data-bbox="256 1215 511 1394">(3) Commencement of business</td> <td data-bbox="516 1215 862 1394">Business can be commenced after receiving 'certificate of incorporation'</td> <td data-bbox="867 1215 1209 1394">Business can be started after receiving 'certificate of commencement of business'</td> </tr> <tr> <td data-bbox="256 1400 511 1472">(4) No. of directors</td> <td data-bbox="516 1400 862 1472">Minimum 2</td> <td data-bbox="867 1400 1209 1472">Minimum 3</td> </tr> <tr> <td data-bbox="256 1478 511 1535">(5) Index of member</td> <td data-bbox="516 1478 862 1535">Not compulsory</td> <td data-bbox="867 1478 1209 1535">Compulsory</td> </tr> <tr> <td data-bbox="256 1541 511 1633">(6) Transfer of shares</td> <td data-bbox="516 1541 862 1633">Restricted</td> <td data-bbox="867 1541 1209 1633">Transferable</td> </tr> </tbody> </table>		Basis	Private Ltd. Company	Public Ltd. Company	(1) No. of member	Min. no. of member required are 2 and max no. of member are 50	Min. no. of members are 7 while there is no limit for max no. of member	(2) Public subscription	Invitation to public is not issued	Public is invited to subscribe shares and debentures of the co.	(3) Commencement of business	Business can be commenced after receiving 'certificate of incorporation'	Business can be started after receiving 'certificate of commencement of business'	(4) No. of directors	Minimum 2	Minimum 3	(5) Index of member	Not compulsory	Compulsory	(6) Transfer of shares	Restricted	Transferable	<p>1 mark for each difference</p>	6
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		<p>6×1=</p>	6																					

25.	<p>Meaning of department of undertaking-this is the oldest and the most traditional form of organizing public enterprises. The government functions through these departments.</p> <p>Features–</p> <p>(a) Direct control of ministry</p> <p>(b) rules of central govt.</p> <p>(c) Government treasury</p> <p>(d) Accountability</p> <p style="text-align: center;">OR</p> <p>Merits of government company</p> <p>(a) Easily established</p> <p>(b) Separate legal identity</p> <p>(c) Maximum autonomy</p> <p>Demerits of government company</p> <p>(a) Govt. as major shareholder</p> <p>(b) Not directly accountable</p> <p>(c) Main purpose defeated</p>	<p>1 mark for meaning</p> <p>½ mark for heading & ½ for explanation</p> <p style="text-align: right;">6</p> <p>½ mark for heading ½ for explanation</p>
26.	<p>Advantages of issues of debentures</p> <p>(a) Fixed income</p> <p>(b) No dilution of control</p> <p>(c) Tax saving</p> <p>Drawbacks of issue of debentures</p> <p>(a) Greater risks</p> <p>(b) Compulsory repayments</p> <p>(c) Charge of assets</p> <p style="text-align: center;">OR</p> <p>Merits for Loans from commercial banks</p> <p>(a) Timely assistance</p> <p>(b) Easier source of funds</p> <p>(c) Secrecy is maintained</p> <p>Demerits</p> <p>(a) Short-term finance</p> <p>(b) Charge on assets</p> <p>(c) Difficult terms and conditions</p>	<p>½ mark for heading ½ for explanation</p> <p style="text-align: right;">6</p> <p>½ mark for heading ½ for explanation</p>

27.	<p>Reasons of trade between countries–</p> <p>(a) Unequal distribution of natural resources</p> <p>(b) Availability of various factors of production differ among nations</p> <p>(c) Labour productivitiy and production cost differ among nation due to various socio economic, geographical and political reasons.</p>	<p>1 mark for heading 1 for explanation</p>	
	OR		
	Role of WTO		
	<p>(i) Supervises and liberalizes international trade</p> <p>(ii) Lays down code of conduct to eliminate discrimination in international trade</p> <p>(iii) Acts as dispute settlement body</p> <p>(iv) Ensure that rules and regulations should be followed to make international trade smooth and predictable</p> <p>(v) Improves standards of living of people by encouraging free trade</p> <p>(vi) Supervises on regular basis the operations revised agreements and ministered declarations</p>	1×6	6