

Pratap Public School, Karnal

Mid-Term Examination (2023)

Class - XI

Subject - Business Studies

Time : 3 Hours

M.M : 80

Name Roll No. Section

General Instructions:

- (i) This question paper contains 34 questions.
- (ii) Marks are indicated against each question.
- (iii) All Questions are Compulsory.
- (iv) Attempt all parts of the questions together.

1. Every business has an important objective of developing new ideas or methods in the way something is done or made. It may be related to introducing something new or unique in (i) Products or services and (ii) Activities needed to supply products and services. No business enterprise can flourish in a competitive world without it.
Identify one objective of business highlighted here
(a) Profit Earning (b) Innovation
(c) Providing Employment (d) None of these
2. _____ is said consist of activities of removing the hindrances of persons, place, time, risk, finance and information in the process of exchange of goods and services.
(a) Commerce (b) Business
(c) Trade (d) Industry
3. Due to which characteristic of business, there is always a possibility of losses being incurred, despite the best efforts put into the business?
(a) Uncertainty of returns
(b) Production or procurement of goods and services
(c) Economic activity
(d) Profit earning
4. Patliputra was popularly known as commercial centre for _____.
(a) Export of stones (b) Import of horses
(c) Centre of learning (d) Centre of textiles
5. Suppose the total outside liabilities of XYZ dry cleaner, a sole proprietorship firm, are Rs. 80,000 at the time of dissolution, but its assets are Rs. 60,000 only. What will be the remedy in such situation?
(a) The owner will have to bring in Rs 20,000, from his personal sources.
(b) The owner may have to sell her personal property to repay the firm's debts.
(c) Both (a) and (b)
(d) Outside liabilities of Rs. 20,000 will remain unpaid

6. Which of the following is not a characteristic of a cooperative society?
- Membership is open to all, irrespective of their religion, caste, and gender.
 - The society can enter into contracts and hold property in its name, sue and be sued by others.
 - In a cooperative society, the power to take decisions lies in the hands of all the members of society.
 - The cooperative society through its purpose lays emphasis on the values of mutual help and welfare.
7. Application for approval of name of a company is to be made to _____
- SEBI
 - Registrar of Companies
 - Central Government
 - State Government
8. _____ are established for purely business purposes and in true spirit compete with companies in the private sector.
- Departmental undertakings
 - Govt. Companies
 - Statutory Corporations
 - Joint Stock Companies
9. In case of Govt. Company in India, shares are brought in the name of
- Prime Minister
 - Managing Director of the Company
 - President of India
 - None of these
10. Match the columns and choose the correct alternative:

Column I (Digital Payments)

Column II (Meanings)

- | | |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Electronic Funds Transfer (EFT) | i. The customer can make digital payments for online transaction through these. |
| B. Credit or Debit Cards | ii. Type of virtual service that can be used by downloading an app (e.g. Paytm, Mobikwik etc.). |
| C. Digital Cash | iii. Transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, via computer-based systems, without the direct intervention of bank staff. |
| D. Mobile Wallets | iv. A system in which a person can securely pay for goods or services electronically without necessarily involving a bank to mediate the transaction. |

(a) A-i, B- iii, C - iv, D-ii

(c) A-ii, B-i, C-iv, D-iii

(b) A- iii, Bi, C - iv, D-ii

(d) A- iii, B- iv, C-i, D-ii

11. Read the following statements carefully and choose the correct alternative from the following:

Statement I: The rate of interest payable on savings account is more than fixed deposit account.

Statement II: Saving Account is opened by businessmen who have a number of regular transactions with the bank, both deposits and withdrawals

Alternatives:

- (a) Both the statements are true
- (b) Both the statements are false
- (c) Statement 1 is true and Statement 2 is false
- (d) Statement 2 is true and Statement 1 is false

12. Shrikant insured his bungalow against fire for Rs 25,00,0000. A portion of it was burnt down. It was estimated that an expenditure of Rs.10,00,0000 would restore the building to its original condition. Shrikant made a claim of Rs.25,00,0000 from Insurance company. The Insurance company accepted the claim to the extent of Rs.10,00,000. Mr. Shrikant is not allowed to make any profit on the happening of the event.

Which principle of insurance is being referred above?

- (a) Principle of Indemnity
- (b) Principle of insurable interest
- (c) Principle of subrogation
- (d) Principle of mitigation of loss

13. A firm may strengthen and improve its distribution system by exercising a real time control over its stock-in-transit as well as that with different middlemen in different locations. For example, each consignment of goods from a warehouse and the stock-at-hand can be monitored and replenishments and reinforcements can be set in motion as and when needed. Or else, a customer's specifications may be routed through the dealers to the factory and fed into the manufacturing system for customised production. Use of e-commerce expedites the movement of the information and documents; and of late, money transfers as well. (1)

Which variant of e-commerce is highlighted above?

- (a) B2B Commerce
- (b) B2C Commerce
- (c) Intra-B Commerce
- (d) C2C Commerce

14. Withdrawal of one's own money from banks was a tedious process in the past. One had to go through a series of procedural formalities before he or she was able to get the payment. After the introduction of ATMs, all that is fast becoming a history now. The first thing that occurs is that the customer is able to withdraw his money, and the rest of the back-end processes take place later. e-Commerce greatly facilitates and speeds up the entire _____ process. (1)

- (a) B2B Commerce
- (b) B2C Commerce
- (c) Intra-B Commerce
- (d) C2C Commerce

15. Read the following statement carefully and choose the correct alternative: (1)

Statement I: The supplier and the customer have direct contact in e-business.

Statement II: The shape of the organisational structure is horizontal in e-business.

- (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.

16. It is largely due to the use of a very important constituent of e-business that today it has become possible for the firms to go in for flexible manufacturing. The use of computer networks makes it possible for the marketing department to interact constantly with the production department and get the customised products made as per the requirements of the individual customer. Here, parties involved in the electronic transactions are from within a given business firm. (1)

Name the type of e-business

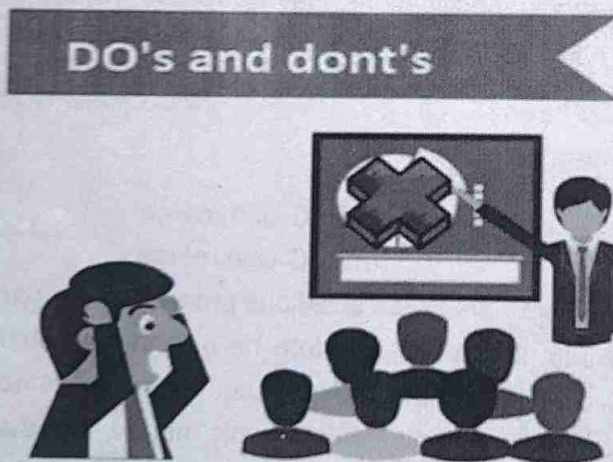
- (a) B2B Commerce
- (b) B2C Commerce
- (c) C2C Commerce
- (d) None of the above

17. A firm and its image stands to gain maximum profits in the long run when it has its highest goal as 'service to society'. When increasing number of members of society-including workers, consumers, shareholders, government officials, feel that business enterprise is not serving its best interest, they will tend to withdraw their cooperation to the enterprise concerned. (1)

Identify the argument for social responsibility highlighted here:

- (a) Avoidance of government regulation Term
- (b) Long-term interest of the firm
- (c) Both (a) and (b)
- (d) None of the above

18. Identify the elements of the business ethics depicted in the picture below. (1)



- a) Publication of code
- b) Measuring Results
- c) Top Management Commitment
- d) None of the above

19. "Paying attention to values and ethics in recruiting and hiring; emphasising corporate ethics in training; auditing performance regularly to analyse the degree of compliance; and instituting communication systems to help employees report incidents of unethical behaviour." (1)

Which of the following elements of business ethics is highlighted above?

- (a) Involving employees at all levels
- (b) Top management commitment
- (c) Publication of a 'Code'
- (d) Establishment of compliance mechanisms

20. Which of the following statement is not true for 'Retained Earnings' as a source of funds?

- (a) Retained earnings is a permanent source of funds available to an organisation.
- (b) It does not involve any explicit cost in the form of interest, dividend or flotation cost.
- (c) As the funds are generated internally, there is a greater degree of operational freedom and flexibility.
- (d) It is the cheapest source of finance

(1)

21. State any three features of Joint Hindu family business.

(3)

OR

State any three limitations of Sole Proprietorship.

22. Briefly discuss the following bank accounts

(3)

- (a) Saving Account
- (b) Fix Deposit Account
- (c) Current Account

OR

Discuss the following banking services

- (i) Bank Draft
- (ii) Bank Over Draft
- (iii) Cash Credits

23. Atul is the owner of readymade garments factory. His main motive is maximising the profit. For this, he has given misleading advertisement and is supplying low quality products. Also, he has not provided right kind of working conditions in his factory. He is not behaving as a good citizen of the society and is violating the well accepted values of the society. As a result, his efficient employees have started leaving the job and have joined his competitor. Identify the three different groups towards whom Atul is not performing his social responsibility by quoting the lines.

(3)

24. Rajshree Sales Pvt. Ltd. owns the agency of different food products, which sells goods of different brands to retailers after purchasing them from several companies. It purchases almost all goods for cash while its all sales are on credit of one month. So the company keeps struggling with the short term finance. To over come this problem, the company's finance department held a meeting. The chairperson of the meeting asked the members to express their views on the solution of this problem. The first person said, "we should use a source of finance which does not involve any bureaucracy and legal problems and the market of which maintains secrecy." The view of the second person was that the company should buy goods on credit. The third person's opinion was that the company often needs cash credit and overdraft. Therefore, the source of finance should be selected considering this fact. The chairperson of the meeting listened to the suggestions of all kind and, to take the final decision, asked them to be present in a meeting the next week.

Identify and explain the sources of finance as suggested by different persons by quoting the lines.

(4)

25. Discuss the arguments in favour of social responsibility of business.

OR

Explain any four specific steps which can be taken by business enterprise for environmental protection. (4)

26. Explain following Cooperative Societies

(a) Consumer's Cooperative Societies

(b) Cooperative Housing Societies

OR

State any four features of Joint Stock Company.

27. Mohit was born and brought up in Punjabi Bagh, Delhi. He wanted to start a garments manufacturing unit in Rohini. His father suggested to go for sole-proprietorship. But he want to start a company. But his father did not approve of his idea, as according to him one person cannot open a company. But Mohit insisted that he want to form a company by raising funds from public. (4)

(a) Can Mohit form a company?

(b) What kind of a company can be formed by him?

(c) Who are eligible to incorporate this kind of company?

(d) What are the restrictions on the business carried on by these companies?

28. Bharat Heavy Electricals Limited (BHEL) owned and founded by the Government of India, is an engineering and manufacturing company based in New Delhi, India. It was established in 1964. BHEL is India's largest power generation equipment manufacturer. It is managed by the board of directors nominated by the government. As Government is the majority shareholder, it exercises control over affairs of the company. How will you classify BHEL as a form of public sector enterprise? Also, state features of this type of sector enterprise. (4)

29. Max Ltd., a foreign company, started its business in a under-developed country. The size of the business is quite large. The company has plenty of resources. It employs thousands of people in the under-developed country. The raw materials used by the company are readily available here. However, since there was not demand for these raw materials here, the producers were unable to get the best price for it. Due to this reason, the producers were discouraged. Some local businessmen used to act arbitrarily earlier, but now they have corrected themselves. The reason for their becoming better is competition with the foreign company. Now their arbitrary approach has ended altogether. Max Ltd. is using completely the latest technology in its various business activities. As a result, the local people also have got the opportunity to learn the new technology. Because of using the modern technology and doing production at a large scale, the company's cost of production is very low. Because of its huge size and status, the company occupied a dominant position in the market and took over some domestic firms. (4)

(a) Which type of business enterprise is referred to in the above para?

(b) State any three features of the enterprise identified in (a) by quoting the lines from the above para.

30. Anubhav took a fire insurance policy for his property worth Rs.5,00,000 with two insurers: ICICI Lombard General Insurance Co. Ltd. for Rs.4,00,000 and Bajaj Allianz General Insurance Co. Ltd. for Rs.2,00,000. An electric short circuit in his property caused fire and it resulted in a loss of Rs.1,50,000. He filed a claim for Rs.1,50,000 against each of the two insurance companies. (4)

- (i) Can Anubhav recover Rs.1,50,000 each from the two insurers.
- (ii) Which principle of insurance has been highlighted in the given case?
- (iii) Determine the liability of each of the two insurers.

31. Distinguish between Owner's Funds and Borrowed Funds on the basis of (6)

- | | |
|-------------|-----------------|
| (a) Meaning | (b) Time Period |
| (c) Sources | (d) Security |
| (e) Control | (f) Return |

OR

Explain the following

- | | |
|-----------------------|-----------------------|
| (a) Equity Shares | (b) Retained Earnings |
| (c) Preference Shares | (d) Debentures |

32. Differentiate between Business, Profession Employment on any four basis. (6)

OR

Explain any four features of Business.

33. Dhruv, Sarthak and Dheeraj are three partners in a firm. The name of the firm is 'Friends Pustak Bhandar'. The latest books of almost all subjects remain available at the Pustak Bhandar. All the three partners decided that 10% of the total profit of the firm would be distributed among the poor children every year. This has a very positive effect on the goodwill of the firm. Dheeraj is a renowned businessman who allowed the use of his name by the firm but does not contribute capital. Sarthak had contributed capital to the firm but does not participate in the management of the firm. Dhruv actively participates in the management and does business on behalf of other partners. (6)

34. Explain what types of partners Dhruv, Sarthak and Dheeraj are in 'Friends Pustak Bhandar' and give reasons in support of your answer.

35. Home Foods Pvt. Ltd. deals in grocery items of daily domestic usage. Its business is spread throughout Delhi. The company's 20 stores are providing their services to the residents of Delhi. All the business activities of this company are done through internet. Its main activities are obtaining information about goods, receiving orders of goods, making payments, receiving payments, inventory management, product development, etc. The use of internet in the business activities has resulted into reduced costs of business transactions. The customer also can shop sitting at home or office. They can access the internet to buy goods and services. The use of internet has considerably reduced dependance on paper work for the company. (6)

(a) Which system of business is being followed by Home Foods Pvt. Ltd.? Explain its meaning.

(b) State any three benefits of the system of business identified in (a) by quoting the lines from the above para.
