

APEEJAY SCHOOL, SHEIKH SARAI
FIRST TERMINAL EXAMINATION, 2019-20

SS-40

CLASS-XI
BUSINESS STUDIES

Time allowed : 3 Hrs.

M.M. : 80

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1. *All questions are compulsory.*
 2. *Q. 1 to Q. 20 are 1 mark each; Q. 21 to Q. 25 are 3 marks each; Q. 26 to Q. 28 are 4 marks each; Q. 29 to Q. 31. are 5 marks each; Q. 32 to Q. 34 are 6 marks each.*
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1. The economic activity in which specialised knowledge is required is (1)
(a) Business (b) employment
(c) Profession (d) None of the above
2. What is the term used for sale of government shares of PSU to private sector? (1)
3. The Karta in Hindu Family Business has (1)
(a) Limited Liability (b) Unlimited Liability
(c) No Liability for Debts (d) Joint Liability
4. Reconstruction of sick public sector units is taken up by
(a) MOFA (b) MOU
(c) BIFR (d) SEBI
5. Which of the following is not a function of insurance? (1)
(a) Risk Sharing (b) Assist in Capital formation
(c) Lending of Funds (d) None of the above
6. _____ refers to the art of protecting information by transforming it into an unreadable format so that unauthorised persons maynot understand it. (1)
7. State True/ False if false give reason :
Real time Gross Settlement (RTGS) is a facility available for funds transfer within or outside India. (1)
8. Application for the approval of name of a company is to be made to : (1)
(a) SEBI
(b) Registrar of Companies
(c) Government of India
(d) Government of State in which company is to be registered. (1)

P.T.O.

9. State True / False and if false give reason. (1)
Digital Cash is also called 'plastic money'
10. A partner whose association with the firm is unknown to the general public is called (1)
(a) Active Partner
(b) Sleeping Partner
(c) Nominal Partner
(d) Secret Partner
11. "Business activities are undertaken under conditions of uncertainty." Which characteristic of business is highlighted in this statement. (1)
12. Where national security is concerned, which form of public enterprise is most suitable? (1)
13. The maximum number of partners as per Companies Act, in a partnership firm could be (1)
14. State True / False and if false give reason. (1)
A subsidiary of government company cannot be treated as a government company.
15. Use of ATM to withdraw money is an example of (1)
(a) B2B commerce
(b) B2C commerce
(c) C2C commerce
(d) C2B commerce
16. When should insurable interest be present in fire insurance? (1)
17. The two types of e-business risks are..... & (1)
18. State True / False : (1)
A nominal partner is a partner in name only-he incurs no liabilities.
19. Define Outsourcing. (1)
20. Teachers of various schools in South Delhi form a society to buy land and construct flats for its members. Identify the form of business organisation. (1)
21. Anu and Renu are good friends. After completing a course in Fashion Designing, ten years back, both of their own separate outlets in Jaipur and Delhi respectively to earn their livelihood. Renu buys readymade garments from various manufacturers and sells them in her store. However, Anu designs her own range of clothing. She gets them made through her team of designers and sell them directly under the brand name 'Eleganza'. Although, both of them are making good returns on their investments but in past they have also incurred huge losses due to changes in consumer tastes and fashion. Also, despite being in business for such a long time they cannot say with certainty as to what amount of profit will be earned by them in future.

By quoting lines from the paragraph identify the various features of business discussed above.

OR

Harsh is a well known orthopedic doctor in Agra. He runs his private clinic under the name of 'Joint and Bone Clinic'.

In context of the above case

- (i) Identify the type of economic activity that Harsh is engaged in.
- (ii) State any four features of the type of economic activity as identified in part (i) of the question. (3)

22. Danush visited a new restaurant 'Darbaar' with his parents. They all liked the food served in the restaurant. After a week Danush took his friends to 'Darbaar' and placed an order for the same dishes that he had liked during his previous visit. But to his surprise, he found that the taste of the food was not as good as it was during his previous visit. As a result, he felt very disappointed.

In context of the above case :

(1+2=3)

- (a) Identify the features of services being discussed above.
- (b) State any 4 other features of services.

23. Arihant has started his own coaching centre after retirement. He is very happy doing this business as he can carry out his plans without any interference from others and moreover, there is on separate law that govern his business.

In context of the above case :

(1+2=3)

- (a) Identify the form of business organisation under which Arihant has promoted his business.
- (b) State any two merits of form of business organisation as identified in part (a) of the question which have not been mentioned in the above paragraph.

24. Life Insurance Corporation of India is the largest insurance company in India. It is headquartered in Mumbai. It was founded in the year 1956 when the Parliament of India passed the Life Insurance of India Act that nationalised the private insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state owned Life Insurance Corporation.

In context of the above case :

- (a) Life Insurance Corporation of India is classified as which form of Public sector enterprise?
- (b) Describe any four merits of promoting Life Insurance Corporation of India in a particular form of public sector enterprise as identified in part (a) of the question.

(1+2=3)

25. 'Dhoom Ltd' is a well known sports equipment company in India. The Company has decided to open 10 sports complexes across the country. The company plans to outsource its non-core activities like security services and canteen services besides payroll, human resources, accounting and customer call centre relations. Explain any three benefits that the company is going to derive from outsourcing. (3)
26. Parul is doing an expert business. Every time she would procure an export order, she felt stressed and had an anxiety about completing it on time. Few years later, her younger sister Esha, after completing a course in fashion designing, joined her in business as a partner. Consequently, Parul realised that her level of stress and anxiety related to business operations had reduced considerably and she had started feeling more relaxed. However, at the same time she noticed that since both of them differ in their choice of colours for making garments lot of time is being wasted in reaching a mutual consent.
- (a) Identify and explain the related merit of partnership being highlighted in the paragraph.
- (b) Also, explain the related demerits of partnership being described in the paragraph. (2+2=4)
27. Taste Buds Pvt Ltd. is a popular food and beverages maker in India. It is planning to launch two new soya based Snacks 'Mingle' and 'Tingle' in order to tap India's fast growing health cautious traditional snacks market. This strategy will help the company to take on domestic major Hariram Foods International Pvt Ltd., which is the largest brand by value.
- In context of the above case : (2+3=4)
- (a) Define there term 'Business risk'.
- (b) Explain the nature of business risk involved in the decision of Taste Buds Pvt Ltd. To Launch two new brands in snack market.
28. Over the years internet has revolutionised our lives. One of the significant utility of the internet is in the banking sector. It has paved way for innumerable new e-banking opportunities to the advantage of both of the business and their customers.
- (a) State any two advantages of e-banking each to customers and banking sector.
- (b) Briefly explain NEFT as banking service.

OR

Tata Sky is direct broadcast satellite television provider in India. It was incorporated in year 2004. Tata Sky is a joint venture between the tata group and 21 century Fox. Its primary competitors in this segment are Airtel Digital TV, Sun Direct, Reliance Digital TV, DD Free Dish and Videocon D2H.

- (a) Identify and explain the type of service is being provided by Tata Sky.

(b) Explain briefly any other two types of services identified in (a) available in our country. (2+2=4)

29. Differentiate between 'Memorandum of Association' and 'Articles of Association' on the basis of :

(a) Objectives

(b) Position

(c) Relationship

(d) Validity

(e) Necessity

OR

Explain various steps involved in Capital Subscription by a Public Company. (5)

30. 'Good Health Ltd.' is a name to reckon with in the Organic food segment. The Company enjoys a 30% market share in this segment over the past four years. It introduces new range of products on a regular basis keeping in mind the changing needs and preferences of people. Through the best use of available resources its work efficiency is high. Moreover, in order to keep the high morale of its managers various professional programmes are organised by the company from time to time.

(i) Identify and explain the four objectives of business being discussed in the above paragraph.

(ii) Also, state any two other objectives not mentioned above. (5)

31. Zomato is a restaurant search and discovery service founded in the year 2008. It currently operates in 23 countries, including India, Australia and United States. It provides information and reviews on restaurants, including images of menus even when the restaurant does not have its own website. On 18th May 2017, the Indian branch of Zomato became the target of hackers. A security blog called Hackread claimed over 17 million accounts had been breached. Zomato confirmed that names, email addresses and encrypted passwords were taken from its database. The company reassured affected customers that no payment information or credit card details were stolen. Zomato said that the security measures it uses ensure the stolen passwords can't be converted back into normal text.

In context of the above case :

(a) One of the key risks that data stored in the systems and en-route is exposed to is hacking. What is the other type of such risk ? Explain.

(b) How can a business protect itself from the type of risks as identified in part (a) of the question ?

(c) What are the different kinds of transactions risks involved in e-business ? (5)

32. Briefly discuss the stages involved in the formation of a company.

OR

Differentiate between Public Company and Private Company. Also state the privileges enjoyed by Private company over Public Company. (6)

33. Explain the role of public sector at the time of Independence. Also, describe the government policy towards the public sector since 1991.

OR

With exponential growth seen in domestic air traffic requiring additional airport infrastructure, the government has decided to offer more airports to private parties for operation and management. In India as many as 300 airports need to be revised and upgraded in coming year to support the double digit growth in the sector this would require huge private investment as public funds are limited for infrastructure development. In February 2017, government announced that airport infrastructure will be built under the PPP model in smaller cities and towns. Besides, major airports in Delhi, Mumbai, Bangalore and Hyderabad had been handed out to private developers.

In context of the above case :

- (a) Outline the concept of PPP
- (b) State any two ways in which the government is likely to be benefited by pursuing projects under PPP model.
- (c) Explain any 3 features of PPP. (6)

34. Identify and explain the principle of insurance applicable in following cases :

- (a) Subhash's factory catches fire due to an electric short circuit. However, Subhash does not take any action to stop the fire, neither does he call up the nearest fire station. Instead he remains inactive and watch his factory burn thinking that why should he be worried when he has taken a fire insurance for the factory. Later on he is denied any claim of loss by the insurance company.
- (b) Rajat takes a fire insurance policy for his new office. In a fire accident his office is totally damaged. Insurance Company paid the full policy value to Rajat. Now Rajat cant sell the scrap to realise money from it, instead the insurance company will have a right over it.
- (c) Jeevan insures his property worth Rs. 10 crore with two insurers 'AIG Ltd.' and 'Metlife Ltd.' for Rs. 6 crore and Rs. 4 Crore respectively. Due to an earthquake, the actual damage caused to Jeevan's property is worth Rs.3 crore. He filed a claim for Rs. 3 crore against each of the insurance companies. How much compensation will he receive. (6)



Roll No.	
Name	
Class & Section	

APEEJAY COMMON ANNUAL EXAMINATION, 2019-20

BUSINESS STUDIES

Time Allowed : 3.00 Hrs.

Class – XI

Maximum Marks : 80

General Instructions :

1. All questions are compulsory.
2. Section A contains questions 1 to 20 carrying one mark each.
3. Section B contains questions 21 to 25 carrying 3 marks each.
4. Section C contains questions 26 to 28 carrying 4 marks each.
5. Section D contains questions 29 to 31 carrying 5 marks each.
6. Section E contains questions 32 to 34 carrying 6 marks each.

SECTION A

1. Name two trading communities in ancient India. (1)
2. If the assets of a company are insufficient to repay all its debts, can the balance amount be repaid with the personal assets of the members of that company? Give reasons. (1)

OR

ABC Ltd. issued 10,00,000 shares for public subscription, but got applications for 5,00,000 shares. Can ABC Ltd. allot shares to their applicants? Give reason.

3. 'Make in India' project was launched on :
 - (a) 15th August, 2014
 - (b) 2nd October, 2014
 - (c) 25th September, 2014
 - (d) 8th November, 2016. (1)

4. A was set up by the government to retrain or redeploy retrenched labour and to provide compensation to public sector employees seeking voluntary retirement. (1)
5. The VIRUS that damages the target files are VIRUS :
 (a) Level 1 (b) Level 2
 (c) Level 3 (d) Level 4. (1)
6. Amrit Publications Ltd is a firm engaged in book publishing. Top management has a crucial role in guiding the organisation towards ethically upright behaviour. They pay attention to values and ethics while hiring and emphasize on corporate ethics in training. List the elements of business ethics highlighted above. (1)
7. State any two major benefits of WTO. (1)
8. Aarav Ltd wants to raise ₹ 50,00,000 by way of shares through some private arrangement instead of inviting public to subscribe to its securities. A is filed with the Registrar at least 3 days before making the allotment of shares. (1)
9. What do you understand by Public Private Partnership? (1)
10. To reduce dependence on a single supplier, the automobile factory has to cultivate more than one vendor for each of the components. A network of computers is used for placing orders, monitoring production and delivery of components and making payments. Identify the scope of e-business cited above. (1)
11. Ravindra wants to import 5000 items from South Korean company. Name the document that Ravindra should present to the South Korean company to prove its creditworthiness? (1)
12. banks provide financial aid to industries, heavy turnkey projects and foreign trade.
 (a) Commercial banks
 (b) Specialised banks
 (c) Cooperative banks
 (d) Central Bank. (1)
13. Define Corporate Social Responsibility. (1)
14. Differentiate between international business and domestic business on the basis of customer heterogeneity across markets. (1)

15. Ajay is a trader dealing in low cost fashionable footwear. In order to sell his merchandise he opens his shop on fixed days in different markets. Ajay is a
 (a) Cheap jack (b) Street trader
 (c) Street stall holder (d) Market trader. (1)
16. State any two ways in which Government of India supports startups under Startup India Programme. (1)
17. Who is the chairperson of GST council?
 (a) Prime minister
 (b) President
 (c) Finance minister
 (d) Minister of Trade and Industry. (1)
18. State the two conditions which must be satisfied for a claim for loss by fire. (1)
19. are unsecured short term deposits made by a company with another company. (1)
20. State any two types of goods that are suitable for trading through Mail Order House. (1)

SECTION-B

21. Due to increasing pressure on pharmaceutical companies to improve productivity and profitability without sacrificing quality and to sustain competition many global pharmaceutical companies such as AstraZeneca, GlaxoSmithKline, Pfizer, Novartis and Eli Lilly are transferring a major portion of the clinical drug testing work to India in an effort to tap into India's diverse and vast population and pool of highly skilled but low wage demanding scientist.
 (a) Name concept explained above.
 (b) Identify the type of the concept identified in part a.
 (c) State any one benefit of the concept. (3)
22. Itish runs an electronic retail outlet in Kalkaji market, New Delhi. He stocks an extensive variety of goods so as to provide a wider choice to buyers. Being an electronic engineer himself he understands the fundamentals of electronic goods very well. Therefore, he is able to explain to the customers about the new technologies. This helps them to take appropriate purchase decisions.

Identify and explain the types of retailing services Itish is providing to his customers. (3)

OR

Tarun and Arun are the first cousins involved in the family business of woollen garments. Tarun runs a shop in a popular market in Jammu. He collects small orders from a number of retailers located at different places in Northern India and passes on the pool of such orders to the manufacturers. Arun on the other hand, helps the wholesalers and manufacturers in distribution of woollen garments by making them available to a large number of consumers spread over a large geographical area. He is in the direct and constant touch with the customers.

A. Identify and explain the two categories of internal trade been described in the above paragraph.

B. Describe speciality shops.

23. Anshuman is planning to start a business for himself and has very high expectation from it. He wants to rule the market and be a sole provider of the product. He has set very high goals and objectives for his business but has not made any provision for any uncertainty in the course of business.

Keeping this situation in mind explain the basic nature of this element of uncertainty in the business. (Any 3 points). (3)

24. Define Entrepreneurship. State any two points highlighting the features of Entrepreneurship. (3)

25. Business enterprises cannot remain unaffected by environmental destruction, thus have to take steps for environmental protection. Enlist any three such steps that business enterprises should take to ensure environmental protection. (3)

SECTION-C

26. Differentiate between Memorandum of Association and Articles of Association on the basis of :

(a) Objectives	(b) Relationship
(c) Validity	(d) Necessity. (4)

27. Engineers India Limited provides engineering and related technical services for petroleum refineries and other industrial projects. Majority of the shares are held by the government. It is registered under the Companies Act 1956 (now Companies Act 2013) and thus possesses all characteristics of a company like separate legal entity, perpetual succession and a common seal. It can sue and be sued, enter into contracts and acquire property in its own name. The Board is appointed by government and its shareholders are responsible for

its efficient management. The company prepares its annual report and submits it to the appropriate authorities.

- (a) Identify the form of public enterprise Engineers India Limited is.
- (b) 'It can sue and be sued, enter into contracts and acquire property in its own name'. Name the feature of the company form of enterprise referred to.
- (c) What does the term "majority of shares" refer to?
- (d) Give any one limitation of such type of public enterprises as identified in part 'a'. (4)

OR

Life Insurance Corporation of India is the largest insurance company in India. It is headquartered in Mumbai. It was founded in the year 1956 when the Parliament of India passed the Life Insurance of India Act that nationalised private insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state owned Life Insurance Corporation.

In context of the above case:

- (a) Life Insurance Corporation of India is classified as which form of Public Sector enterprise?
 - (b) Describe any three merits of promoting Life Insurance Corporation of India in a particular form of public sector enterprise as identified in part 'a'.
28. Ann has been successfully running a soft skills training company for the past five years in Bangalore. Her company has become popular and enjoys a good reputation in the city. She now plans to start a chain of skill training centres and has identified four strategic places for the same in the city. Till now she has been managing all the financial requirements of her business through the profits made in her business.
- (a) Name the source of the fund being mentioned in the statement
 - (b) State any three merits of the source of fund identified. (4)

SECTION-D

- 29. "Small business is the backbone for India, but suffers from lot of problems." Comment. (5)
- 30. Simplex Solution is a software partnership firm with Ravi, Pradeep, Satyendar and Dharmender as partners. Ravi and Pradeep have contributed capital and take active part in the operation of the firm. Satyender has contributed capital, but does not take part in the management of the firm. Dharmendra has allowed the firm to use his name but does not contribute to the capital.

Rani is Ravi's friend and accompanies Ravi to a business meeting with Sohan Software and actively participates in the negotiation process and gives an impression that she is also a partner. The firm has not registered itself.

- (a) Identify the types of partners constituting the Simplex Solutions by quoting lines.
- (b) State any one consequence of non registration of a partnership firm. (5)

OR

Good Books Pvt. Ltd was promoted in the year 2000 by a group of four friends. As the business of the firm has grown considerably over the years, its management is now planning to convert it into a public company and raise funds in next six months to finance its future expansion plans in health care business.

State any five privileges that the company will have to forgo as a public company after conversion.

31. Mr. Gurcharan Singh, a resident of India is a new entrant in international trade and wants to export Hyderabad pearls to Mr. David Tesinky in Japan.

As a Clearing and Forwarding agent advise Mr. Gurcharan Singh by identifying the documents required for the following purpose :

- (a) Agreement signed with the shipping company to enable putting goods on the ship.
- (b) Document required for availing benefits available to export firms from the government.
- (c) Document given by the commanding officer of the ship to the exporter after the cargo is loaded on the ship.
- (d) Document on the basis of which customs office grants permission for the export.
- (e) Document wherein shipping company gives its official receipt of the goods put on board of its vessel and is also a document of title of the goods. (5)

OR

Landmark Limited is a company dealing in making stainless steel items. With increase in demand and need for making best quality product, it has decided to buy high technology machine from Japan. What procedure will Landmark Limited need to follow after obtaining licence, placing the order and obtaining the letter of credit. Explain in detail.

SECTION-E

32. Identify and explain the principle of insurance applicable in following cases :

- (a) Subhash's factory catches fire due to an electric short circuit. However, Subhash does not take any action to stop the fire, neither does he call up the nearest fire station. Instead he remains inactive and watch his factory burn thinking that why should he be worried when he has taken a fire insurance for the factory. Later on, he is denied any claim of loss by the Insurance company.
- (b) Rajat takes a fire insurance policy for his new office. In a fire accident, his office is totally damaged. Insurance company paid the full policy value to Raj at. Now, Rajat cannot sell the scrap to realise money from it. Instead, the insurance company will now have right over the scrap.
- (c) Jivan insures his property worth ₹ 10 crores with two insurers 'AIG Ltd' and 'MetLife Ltd' for ₹ 6 crore and ₹ 4 crore respectively. Due to an earthquake, the actual damage caused to Jivan's property is worth ₹ 3 crore. He filed a claim for ₹ 3 crore against each of the insurance companies. How much compensation will he receive and why?

(6)

OR

Kuber Bank is a popular private sector bank offering varied services to its customers. It offers many types of bank account options to its customers. Pawan Singh being a businessman has chosen the type of account in which deposits are the most liquid and there is no limit to the number of transactions or the amount of transactions in a day. On the other hand, his mother has opened a type of account where she can conveniently deposit the money she saves. These accounts provide cheque facility and offer a lot of flexibility for deposit and withdrawal of funds from the account. Pawan Singh's younger brother Sohail has opened a special kind of account wherein he will deposit ₹ 1000 every month for next 2 years. Pawan Singh also uses the facility of electronic fund transfer and digital cash provided by the bank.

- (a) By quoting lines from the paragraph identify the various types of bank accounts being used by Pawan Singh and his family members.
- (b) State any three benefits of e-banking to the customers.

33. Answer the following :

- (a) Why are equity shareholders said to be 'residual owners'?
- (b) 'Preference shares have characteristics of both debentures and equity shares'. Explain.

- (c) Public deposits are beneficial to both the depositor as well as to the organisation.
How? (2+2+2=6)

34. Riwaz Mega Mart has a network of shops spread across India. While opening different stores the management emphasises on having them located in popular localities so that customers can approach them easily. They have a centralised procurement system of goods which has lowered the cost of business. They recently opened a store in Rajouri Garden in Delhi but unfortunately the store did not bring in appropriate footfalls for the business. So it was decided that the store be shifted to Greater Kailash where the possibility of more business generation is there. The strategy of the organisation was successful.

- (i) Name the type of retail store referred to here.
- (ii) State the advantages of the above identified type of retail store mentioned in the paragraph.
- (iii) Differentiate between the above identified type of retail store and an establishment offering a wide variety of goods, classified into well defined divisions, under one roof on the basis of flexibility, class of customers and credit facilities. (6)