

**PRACTICE QUESTIONS**  
**SUBJECT - BUSINESS STUDIES**  
**CLASS – XI**

- 1 What do you mean by creation of utilities in business?
- 2 What is insurable risk?
- 3 What do you understand by business risk?
- 4 Can a minor be admitted to a partnership firm? If so to what benefits?
- 5 How the profits of cooperative society is used?
- 6 Which is the first and foremost requirement of starting a company?
- 7 What is a company? Explain its main characteristics?
- 8 Explain briefly the factors to be considered for starting a business?
- 9 Distinguish between preliminary contracts and provisional contracts?
- 10 One man control is the best in the world if that one man is big enough to manage everything. Explain the statement.
- 11 What motivates a company to go global? What are its limitations?
- 12 Discuss the rationale of public enterprises?
- 13 What is Government company? Discuss its advantages and its disadvantages?
- 14 Explain the following principles: Principle of subrogation. Principle of Insurable interest.
- 15 What are services? Explain their distinct characteristics?
- 16 Mention any four differences between Traditional banking and E-banking.
- 17 How E -business is useful for the promotion of business?
- 18 What is outsourcing? How outsourcing enhances the quality of products in business?
- 19 Describe briefly the data storage and transmission risks in e- business?
- 20 Build up arguments for and against social responsibility.
- 21 What is business ethics and what are its elements?
- 22 What is ploughing back of profits? Discuss its advantages and disadvantages?
- 23 Evaluate equity shares ,preference shares and debentures as a source of financing.

- 24 What is meant by ADR's and GDR's as international source of financing.
- 25 Discuss the role of commercial banks in providing business finance.
- 26 Discuss the problems faced by small business enterprises.
- 27 Discuss the services rendered by retailers towards wholesalers and consumers.
- 28 Explain the advantages of multiple shops?
- 29 Why is it necessary for exporting firms to get themselves registered with an export promotion council?
- 30 Discuss the formalities involved in getting an export license.
- 31 Explain the following documents related to international trade:  
Trade enquiry  
Bill of entry  
Letter of credit  
Mate's receipt  
shipping bill
- 32 What is World Bank? Discuss its various objectives and functions.
- 33 Give two causes of speculative risks.
- 34 Sole Proprietorship is said to be the simplest to establish. Why?
- 35 Mention two advantages of a Hindu Undivided Family Business from co-parcener's view?
- 36 State and explain the concept under which a trade agreement made by one partner is binding on the others.
- 37 What is the difference between Certificate of Commencement and Certificate of Incorporation?
- 38 In which year did government introduce disinvestment?
- 39 Who defines the powers and functions, rules and regulations for a Statutory Corporation?
- 40 Treatment provided by a doctor differs from patient to patient. Name the feature of service referred to here.
- 41 State any three allied services a bank may provide.
- 42 Insurer undertakes the responsibility to compensate the insured against the loss caused due to damage or destruction. Name the principle of insurance.
- 43 Mention two limitations of E-commerce?
- 44 A business must provide or produce unadulterated goods and services. This is an example of which type of social responsibility?
- 45 Name any two sources to raise funds for long term without increasing burden on fixed return?
- 46 Define Factoring.

- 47 Name the owner's source of finance that doesn't affect control over company management.
- 48 State the difference between GDR and ADR.
- 49 State the distinguishing feature of Ancillary and industrial unit.
- 50 How are peddlers different from hawkers?
- 51 Why does business need multiple objectives? Explain any five such objectives.
- 52 State the different types of cooperative societies and specify their respective purpose.
- 53 Rohini is all set to sell toys for infants. She had almost decided to start her own production but her friend suggested her to import them from china. Advise Rohini what factors she should consider before make her decision to import or manufacture?
- 54 It is a public enterprise established under Indian Companies Act and conducts business in competition with companies in private sector.
- i) Identify the type of public enterprise.
  - ii) What is the minimum investment government has to make in such companies and who is the shareholder in the company.
  - iii) Discuss any three advantages and limitations of such companies.
- 55 Arman gets his house insured against fire of Rs. 10 lakhs with insurer A and for Rs. 5 lakhs with insurer B. A loss of Rs. 3 lakhs occurred. How much compensation can he claimed from A and B? Why?
- 56 'Business must concentrate on economic activities only'. Do you agree?
- 57 'It is better for a company to use its own funds because that costs nothing.' Do you agree? Give reason.
- 58 'Wholesalers are the middlemen who do nothing but increase the cost of product'. Comment.
- 59 'A departmental store is a welcome change in big cities but an unwanted guest in smaller towns'. Comment.
- 60 Who are C & F agents? What is their role in international business?
- 61 What is a letter of credit? Why does an exporter need this document?
- 62 Prime surgical is currently purchasing blood pressure monitoring machines from Jai Durge an importer and selling in the retail market. He has been approached by a manufacturer in china to offer some blood pressure monitoring machines at much cheaper prices. But only problem is that Prime Surgical must place an order of 1000 units. Discuss the procedure Prime Surgical may have to follow if he decides to import from china. Also, advise him whether he should directly buy or continue to purchase from the importer.

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