

SECOND TERMINAL EXAMINATION, 2017
BUSINESS STUDIES

Time : 3 hrs.

Class XI

M.M. : 90

Date – 23.2.2017 (Thursday)

Name of the student _____ Section _____

General Instructions:

- Attempt all the parts of a question at one place.
- Q. No. 1-8 may be answered in one word or one sentence each.
- Q. No. 9-13 may be answered in 30-50 words each.
- Q. No. 14-23 may be answered in 50-75 words each.
- Q. No. 24-27 may be answered in 75-150 words each.
- Marks are indicated against each question.
- **Please check that this question paper contains 03 printed pages**

- Q.1** Risk in business is not by choice but a compulsion. Comment. (1)
- Q.2** How is perpetual succession a distinguishing feature for a company? (1)
- Q.3** Reserve Bank of India is an example of which form of public sector enterprise? (1)
- Q.4** Aman mortgaged his factory against a bank loan. Can bank insure the factory against fire. If so, under which principle of insurance. (1)
- Q.5** “A company earning high profits may choose debentures over equity share capital to raise funds”. Give reason to explain the above statement. (1)
- Q.6** On what basis does the MSMED Act 2006 measure the size of business? (1)
- Q.7** Name the type of retail organization which offers branded edible and non-edible items organised in the form of shelves. (1)
- Q.8** This certificate specifies the country in which the goods to be exported were manufactured. Name the certificate. (1)
- Q.9** Omega Ltd., a mobile company has launched many new models in the market in the last two years. (3)
- a) Which business objective is the centre of focus for the company?
- b) Mention any two other objectives which the company must aspire to achieve.
- Q.10** Disinvestment brought in many international brands in the Indian market. As a result consumers enjoyed the variety but local producers faced tough competition. (1+2)
- a) Explain the term ‘Disinvestment’.
- b) Discuss any two disadvantages of multi-national with reference to Indian market.
- Q.11** The Directors of Modern Care Ltd. are planning to improve its productivity by installing plant and machinery with the latest technology at a cost of Rs. 3 crores. It can raise funds through issue of shares but is not confident of raising all Rs. 3 crores from shares. Suggest Modern Care Ltd. the other ways of raising finance for the company. (3)

- Q.12** “Small scale industries are not ready for global competitions”. Do you agree. Give reasons. (3)
- Q.13** The fixed shop large scale retailers have introduced a much more convenient way of shopping but the general stores are still a popular retail shop among middle class income group. Analyse the reasons for survival of general stores despite tough competition from departmental stores. (3)
- Q.14** “It is the backbone of Industry and other business activities and it facilitates smooth functioning of business activities.” (1+3)
- a) Identify the business activity.
- b) Explain the functions performed by the activity as identified in part (a).
- Q.15** It is a public enterprise established under Indian Companies Act and conducts business in competition with companies in private sector. (1+3)
- a) Identify the type of public enterprise.
- b) Explain any three advantages of such companies.
- Q.16** Identify a list of various services you use on a regular basis and identify the distinct characteristics of services. (1+3)
- Q.17** Think Well Ltd. decided to raise funds through issue of equity shares. The Board of Directors were in favour of issuing equity shares because they knew that a company has to pay dividend to equity shareholders only when it earns profits. The Board of Directors decided that they would record losses for the first three years so that they do not have to pay any dividends to the shareholders. (4)
- a) Are the Board of Directors right in their thinking? Why?
- b) What values have they ignored?
- Q.18** Why the following might be considered as a poor decision while selecting a source of finance. (4)
- a) A company running in losses from last three years, takes a five year loan to pay off some of its debts.
- b) A small business buys a new machine for Rs. 50,000 and finance it by increasing its overdraft.
- Q.19** What are the roles of small business in India with special reference to rural India? Explain any four. (4)
- Q.20** If there were no wholesalers or retailers, will it be possible for the manufacturers to sell their product with the same efficiency as they sell with the help of wholesalers and retailers. If yes, then, what are the services which the wholesalers and the retailers provide to the manufacturers ? (2+2)
- Q.21** Sonakshi visited a nearby village and found that the moneylender in the village was exploiting the farmers. He was charging a very high rate of interest on the money he had lent to the farmers. She decided to help the farmers and advised them to form a farmers cooperative society. All the farmers of the village formed ‘Kissan Agricultural Cooperative Society’. (1+1+3)
- a) Under which act the society has been formed.
- b) How many minimum people are required to form the society?
- c) What are the benefits that the society will offer to the farmers in the village?

- Q.22** “E-banking has transformed the world of banking”. (1+4)
- a) What is e-banking?
 - b) Explain the various e-banking services.
- Q.23** Write a short note on : (3+2)
- a) Departmental stores
 - b) Chain stores
- Also mention one limitation of each of the above retail store.
- Q.24** “This involves identification of business opportunity, analysis of the opportunity to ascertain its feasibility and taking steps to use the analysis report to form a company”. (1+5)
- a) The above lines are referring to which stage in the formation of the company.
 - b) Explain the two most important documents which have to be prepared for submitting to the Registrar for incorporation of the company during the stage identified in part (a).
- Q.25** Radheshyam Garments Pvt. Ltd. outsourced their accounting department to Gauri and Associates. The owner of Gauri & Associates, Mr. Rohit instructed one of his employees to save the sales information of Radheshyam Garments in his personal pen drive and bring it to office. Rohit gave the data to his brother who is in the similar business. This resulted in great loss to Radheshyam Garments Pvt. Ltd. as it lost many of its regular customers. (6)
- a) What is outsourcing?
 - b) What is the concern involved in the above case of outsourcing?
 - c) What are the other concerns involved in outsourcing?
- Q.26** What are business ethics? Discuss various elements of business ethics. (1+5)
- Q.27** Gautam and Sukhwinder are partners selling electronic products across India. They import the components from Indonesia and assemble them in their factory established in a rural area of Jharkhand. Most of the workers in the factory are children and women. They are paid very less salaries. Thus owners save on labour cost. They sell their products across India and in nearby countries like Nepal and Srilanka. They store their stock in a warehouse but do not take proper safety measures against fire or burglary. There was a short circuit in the factory and as a result most of the stock was damaged. They filed a claim with the insurance company but their claim was rejected.
- a) Identify the types of business Gautam and Sukhwinder were doing. Give reasons to support your answer. (1)
 - b) Explain any two problems in each types of business mentioned in part (a). (2)
 - c) Identify the cause of business risk suffered by Gautam & Sukhwinder. (1)
 - d) On the violation of which principle of insurance did the insurance company reject their claim? Explain. (2)

