



ANANDALAYA
PERIODIC TEST – 2
Class: XI

Subject: Business Studies (054)
Date : 30-09-2024

M.M: 80
Time: 3Hrs.

General Instructions:

1. This question paper contains 43 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.

1. Mr. X started business of buying and selling of refrigerators. The business of Mr. X will be (1)
considered as _____.
(A) commerce (B) trade (C) selling (D) transaction
2. Ramesh is presenting himself as a partner of ABC Associates through his conduct or behavior. (1)
Clients dealing with the firm accept him as a partner due to his self-acclaimed attitude of being a
partner of the firm. Which type of partner Mr. Ramesh is referred to in the above case?
(A) Active Partner (B) Sleeping Partner
(C) Secret Partner (D) Partner by Estoppel
3. The funding of which of the following enterprise comes directly from the government treasury, is (1)
under an annual appropriation from the budget of the government and the revenue earned by it is
also paid into the treasury?
(A) Departmental undertaking (B) Statutory corporation
(C) Government company (D) Cooperatives
4. Statement I: The compensation payable and the loss suffered are to be measured in terms of (1)
money.
Statement II: The principle of indemnity is applicable to life insurance.
(A) Both the statements are true.
(B) Both the statements are false.
(C) Statement I is true and Statement II is false.
(D) Statement II is true and Statement I is false.
5. Interaction between any two departments of one firm is a common feature of _____ commerce. (1)
(A) B2B Commerce (B) B2C Commerce (C) C2C Commerce (D) Intra-B Commerce
6. Trendz Ltd. is a leading manufacturer of garments. The company distributes its defective products (1)
free of cost (after getting them repaired from Nar Niketan at lower cost) to the orphanage. Identify
the kind of social responsibility, which the company is trying to achieve.
(A) Society (B) Legal (C) Ethical (D) Discretionary
7. 'Members of any Private Ltd. Company can transfer their shares without permission of (1)
shareholders'. State whether the given statement is True or False. Justify your Answer.

8. Assertion (A) Business represents the exchange of Goods and Services. (1)
Reason (R) Risk and Uncertainties are always there in any form of business.
(A) Both A and R are true. R is the correct explanation of A
(B) Both A and R are true, but R is not the correct explanation of A
(C) A is correct, but R is incorrect
(D) A is incorrect, but R is correct
9. The shares of a government company are purchased in the name of _____. (1)
(A) The PM of India (B) The President of India
(C) The Governor (D) The Finance Minister
10. If a person has insured for ₹ 7,00,000. A fire broke out and the actual amount of loss amounted to ₹ 8,50,000. How much amount can he claim? (1)
(A) ₹ 7,00,000. (B) ₹ 2,00,000 (C) ₹ 8,50,000 (D) ₹ 1,50,000
11. Match the following: (1)
- | | Column A | Column B |
|----|----------|--------------------------|
| 1. | C2C | a. After-sale service |
| 2. | B2C | b. Collaborations |
| 3. | B2B | c. Selling antique items |
- (A) 1-c, 2-a, 3-b (B) 1-a, 2-b, 3-c (C) 1-b, 2-c, 3-a (D) 1-c, 2-b, 3-a
12. In addition to earning profits, a businessman has to fulfill certain social obligations. Which of the following is not a social obligation? (1)
(A) Keep customers satisfied (B) Maintain law and order
(C) Keep employees happy (D) Burden on consumers
13. Dell Inc is a company involved in the manufacturing of computers and related items. It's a very popular name among the computer-savvy youth in India. There are different models of Desktop, Laptop, Tabs, Gaming and Workstations manufactured and sold by the company in the Indian market. Which type of Industry is highlighted in the above case? (1)
(A) Genetic Industry (B) Extractive Industry
(C) Processing Industry (D) Assembly Industry
14. One person co. must be converted into a pvt ltd co. If it crosses an annual turnover of ₹ _____. (1)
(A) ₹ 1 crores (B) 2 crores (C) 5 crores (D) 50 lakhs
15. Food Corporation of India (FCI) was established through special Act Passed in Parliament in 1964 with the objective to create buffer stocks of foods like wheat, rice etc. for emergency situations like drought, flood famine etc. Which type of public sector enterprise is discussed above? (1)
(A) Joint Hindu Family business (B) Departmental undertaking
(C) Statutory Corporation (D) Government Company
16. The main objective of this account is to enable the businessman to conduct its business transactions smoothly. (1)
(A) Multiple option deposit account (B) Savings account
(C) Recurring deposit account (D) Current account
17. 'e-business only includes buying and selling goods and services over the internet'. State whether the given statement is True or False. Justify your answer. (1)

18. Ethical responsibility of a business includes: (1)
 (A) behaviour of firm that is expected by the society.
 (B) produce goods and services that society wants.
 (C) voluntary obligations that a society assumes.
 (D) paying various statutory dues.
19. Which of the following is an example of business risks due to economic cause? (1)
 (A) Earthquake (B) Lock out in a factory
 (C) Change in government policy (D) Mechanical defects in machinery
20. Match the following forms of business organizations with the minimum number of members required- (1)
- | | Column A | Column B |
|----|---------------------|------------|
| 1. | Partnership | a. Five |
| 2. | Cooperative Society | b. Seven |
| 3. | Private Company | c. Two |
| 4. | Public Company | d. Ten |
| | | e. Fifteen |
- (A) 1-c, 2-a, 3-b,4-e (B) 1-a, 2-b, 3-c,4-d (C) 1-c 2-d 3-c 4- b (D) 1-e, 2-b, 3-a,4-a
21. Public sector organisations may either be partly or wholly owned by the _____ government. (1)
 (A) state (B) central (C) foreign (D) central or state
22. _____ is a temporary arrangement under which a depositor is allowed to draw by cheque more than the amount available to his credit upto a specified limit. (1)
 (A) Cash credit (B) Term loan (C) Bank overdraft (D) Consumer credit
23. Creating blogs to form various consumer forums and pressure groups through which an aggrieved customer can share his experience about a product is an example of _____. (1)
 (A) B2B Commerce (B) B2C Commerce (C) C2C Commerce (D) Intra-B Commerce
24. Noise is not merely a source of annoyance but it also possesses serious health hazards. In the light of this statement which of the following is incorrect? (1)
 (A) It is caused by the running of factories.
 (B) It is caused by vehicles.
 (C) It cannot be controlled in order to protect the environment.
 (D) It can be responsible for many diseases like loss of hearing.
25. Which of the following steps in promotion of a company represent the correct sequence of the steps: (1)
 (i) Approval of company's name is taken from the Registrar of Companies.
 (ii) Documents necessary for registration are prepared.
 (iii) Certain professionals are appropriated to assist the promoters.
 (iv) Signatories to the Memorandum of Association are fixed.
 Which of the following choice represent the correct sequence of the steps?
 (A) (i), (ii), (iii), (iv) (B) (i), (iii), (ii), (iv) (C) (i), (iv), (iii), (ii) (D) (ii), (i), (iii), (iv)
26. Which of the following is not a merit of Departmental Undertakings? (1)
 (A) operational flexibility (B) Suitable for national security
 (C) Parliamentary control (D) Source of income to Govt.

27. There are services which are experienced differently by different customers. These kinds of services depend upon customers preferences and demands and are known as _____. (1)
 (A) personal services (B) legal services
 (C) business services (D) social services
28. According to the Weights and Measures Act, every eatable product should explicitly bear a green dot for vegetarian contents and brown dot for non-vegetarian ingredients. However, this practice is not followed by Swad Pvt. Ltd., a company engaged in the manufacturing of frozen snacks. Identify the kind of social responsibility being ignored by the company. (1)
 (A) Legal (B) Economical (C) Social (D) Discretionary
29. Assertion (A): Obsessed with profit, business managers may neglect all other responsibilities towards customers, employees, investors and society at large. (1)
 Reason (R): There is hardly any sizable business enterprise whose only objective is maximisation of profit.
 (A) Both A and R are correct, and R is the correct explanation of A.
 (B) Both A and R are correct, but R is not the correct explanation of A.
 (C) A is correct but R is incorrect.
 (D) A is incorrect but R is correct.
30. When the Registrar is satisfied, about the completion of formalities for registration, a _____ is issued to the company, which signify the birth of the company. (1)
 (A) Certificate of incorporation (B) Certificate of formation
 (C) Certificate of promotion (D) Certificate of commencement of business
31. “Profit is not an objective but a requirement of business.” Do you agree with the statement? Support your answers with reasons. (3)
32. Govind is a manufacturer of readymade kids garments. He sells his products through various dealers across the country. However, his sales are decreasing over the years. Recently, his wife gifted him a jacket, which she had ordered through Myntra an online shopping site. This gave him an idea to start selling his products online. (3)
 State any three benefits that Govind can get through e-business.
33. Tripal Ltd. issued prospectus inviting public to subscribe for its shares. It came up with the public issue of ` 10 crores for 10 lakh shares worth ` 100 each. But the company wants to be sure on certain issues. (3)
 You are required to suggest the company about the following aspects:
 (a) Prior approval from which organisation is required before going ahead with raising funds from public.
 (b) What is the minimum number of shares for which company should receive applications before going ahead with the allotment of shares and what is it called?
 (c) Why does the company need to appoint underwriters?
34. Differentiate between e-business & traditional business on the following basis: (3)
 (a) Risk involved (b) Setting up cost (c) Human resource required
35. Umesh established ‘Netra’ in 2021 in USA. The powers, rules and regulations of ‘Netra’ was decided as per USA norms. Netra established its trade projects in different parts of the world to increase its market territory which leads to greater revenue and higher efficiency. (3)
 (a) How will ‘Netra’ be categorised as a private sector enterprise?
 (b) Discuss any two features of this private sector enterprise.

36. Name giving reason the form of business suitable for the following: (3)
 A. Boutique store B. Shopping mall C. Wholesale merchants
37. Define e-banking. Explain any three advantages of e-banking to the customers. (4)
38. Explain any four arguments for social responsibility (4)
39. Compare between Business, Profession & Employment on the basis of the following: (4)
 (a) Reward or Return
 (b) Capital Investment
 (c) Risk
 (d) Transfer of interest
40. Mr. Kishor has decided to start a company. He conveys his decision to his boss and he tries to test him by asking her some questions regarding its formation. (4)
 (a) Which document contains the bye-laws of the company?
 (b) What is the difference between Memorandum of Association and Articles of Association?
41. Explain the following principles of insurance with example: (4)
 (a) Principle of causa proxima (b) Principle of contribution
 (c) Principle of subrogation (d) Principle of Mitigation
42. Bharat Heavy Electrical Limited (BHEL) was founded in the year 1964 by the government of India. It is the largest power plant equipment manufacturer in the country with 74% market shares in the power sector. It has a network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 services, 8 overseas offices, 15 regional centers, 7 joint ventures and infrastructure allowing it to execute more than 150 projects at site across India and abroad. It has been granted the prestigious Maharatna status in the year 2013 by Government of India for its outstanding performance and vast scale. Maharatna status gave the Board of these companies enhanced financial and operational autonomy. (6)
 In the context of the above case:
 (a) How will you classify BHEL as a form of public sector enterprise?
 (b) State any three features of the form of public sector enterprise as identified in part (a) above.
 (c) Explain briefly 'financial and operational autonomy' as a merit of the type of public sector enterprise as identified in part (a) of the question, and also state one of its limitations.
43. Kiran is a sole proprietor. Over the past decade, her business has grown from operating a neighbourhood corner shop selling accessories such as artificial jewellery, bags, hair clips and nail art to a retail chain with three branches in the city. Although she looks after the varied functions in all the branches, she is wondering whether she should form a company to better manage the business. She also has plans to open branches countrywide. On the basis of the given information about Kiran, answer the following questions: (6)
 (a) Explain three benefits of remaining a sole proprietor.
 (b) Explain three benefits of converting it to a joint stock company.