

Business Study

Practice Paper (Unsolved)

Class 11

M.M. = 80

M.T. = 3 hrs.

- Q. 1 State the meaning of Hindi (1)
- Q. 2 Nipun is shareholder in Krishna Ltd. holding 500 shares of ₹ 50 each on which he has already paid ₹ 44 per share. What will be his liability in the event of Krishna Ltd. failure to pay debt? (1)
- Q. 3 Which type of function of banks is 'Accepting deposit'? (1)
(a) Primary function (b) Secondary function
(c) Social function (d) None of the above
- Q. 4 What do you mean by social responsibility of business? (1)
- Q. 5 Differentiate between Equity share and Preference share on the basis of rate of divided. (1)
- Q. 6 State the meaning of Angel investment (1)
- Q. 7 Neha, an exporter, entered into a contract for rent of the whole ship to export goods with shipping company. Name the contract entered by Neha. (1)
- Q. 8 Differentiate between shares and debentures on the basis of return. (1)
- Q. 9 Jasvinder Singh has a shop of ladies suits in Chandni Chowk, Delhi. He directly take the stock from the manufacturer, Rati Ram and sells to multiple ladies like Vimla who sell them further to the ultimate customers based on his work Jasvinder is a retailer. True/False. (1)
- Q. 10. Mention the name of the store in which there are a number of departments in the same building selling different types of commodities. (1)
- Q. 11. BATA is which type of trader? (1)
(a) Chain store (b) Departmental store
(c) Super market (d) None of the above
- Q. 12. What do you mean by crowd funding? (1)

- Q. 13. Rainbow Ltd. (USA) acquires another company, Milk Food Ltd. of India by investing 100% in its equity. What will Milk Food Ltd. be called? (1)
- Q. 14. Maruti Suzuki is which form of mode of entry in International business? (1)
(a) Contract manufacturing (b) Licensing
(c) Franchising (d) Joint venture
- Q. 15. "Monika, a cashier in a private bank pilferaged cash which led to huge losses for the company."
Which type of business risk is being referred above? (1)
- Q. 16. Keshav gets his car insured for ₹ 12,00,000 with insurer A and for ₹ 16,00,000 with insurer B. In an accident, the car was damaged. He claimed for a compensation of ₹ 2,80,000 (total loss) from both the companies. Can he do that?
Name the relevant principle of insurance applicable in above case. (1)
- Q. 17. You go to a Bank for opening a saving account. The manager gives you a better option than saving account. In this account, the excess amount exceeding a certain limit, gets automatically transferred into the fixed deposit. The interest earned is more than saving account. This account serves the purpose of both the saving account and fixed deposit. Name the type of bank account opened and discussed. (1)
- Q. 18. Hira jewellers does retail business of jewellery at very large scale. The firm has to pay a lot of attention to advertisement. The owners of the firm are aware that if they spend more time on advertisement, some other important activities are left pending. One of the partners suggested that ' if the job of advertisement is handed over to some Advertising Company, they will be relieved of this important activity. By doing so, they will get benefit of specialisation and their expenditure on this activity will be less also. The firm implemented this and got positive results. Identify the emerging mode of business discussed here. (1)
- Q. 19. A local shoes maker company used the logo and name of an established brand (Reebok) on its shoes and was able to sell them at a high price. Is his act ethical? Give reason in support of your answer? (1)

- Q. 20. Which of these is not an economic activity? (1)
(a) Clerical work in a bank (b) Teaching in Govt. school
(c) Cooking by a housewife (d) Car production
- Q. 21. "Business should operate on the basis of those principles which are considered desirable by the society". Explain. (3)
- Q. 22. "Now we are capable of reaching the users of internet all over the world simply by opening a shop on the internet. The internet users can order for the goods, receive their delivery and make their payment while sitting at their home on the internet." State any three risks associated with e-business. (3)
- Q. 23. "Both departmental store and multiple shops are large scale retail establishment yet they are different." Explain. (3)
- Q. 24. Explain any three features of Public Private Partnership

OR

- Explain any three features of Joint Stock Venture (3)
- Q. 25. Yogita is a chartered accountant. She runs her firm from Laxmi Nagar, Delhi. After running her firm for four years, she feels that she should get her business registered in a way that she can reduce herself from the fear of unlimited liability. But at the same time she does not want anyone else to be part of decision-making in her business. (3)
(i) Name the form of business organisation to be form by Yogita.
(ii) State any two features of the form of business organisation identified in part (i) above
- Q. 26. "Incentives have been provided by the Government for industries in backward and hilly areas." Describe any four such incentives. (4)

OR

- What steps have been taken by the government for the promotion of small industrial units? Explain.
- Q. 27. Harish has recently done a cookery course after completing his graduation. He decides to open his own food outlet. After analysing various options, he decides to cook and sell South Indian food. he has a capital of ₹ 4,00,000 and will take a loan of ₹ 7,00,000.

Based on the above para, identify, quoting the lines, two factors that Harish has considered for starting the business. Also explain other three factors that need to be considered.(4)

Q. 28. "It is necessary for the business firms to take suitable steps for the safety of environment."

Do you agree with the above statement? Give reason in support of your answer and describe the need of environment conservation. (4)

Q. 29. Explain GDRS & ADRS as a source of International finance (5)

OR

This source of finance is regulated by the Reserve Bank of India and can not exceed 25% of share capital and reserves.

- (i) Identify the source of finance on the basis of above information
- (ii) Describe any two merits and two demerits of it.

Q. 30. It is a public sector enterprises in which Govt. of India held 65% of paid up share capital and it is registered as per Company Act, 2013. It deals in manufacturing of fertilizer. (5)

- (i) Which type of public sector enterprise is discussed above?
- (ii) Write any two characteristics of such organisation.
- (iii) Write any two limitations of such organisation.

Q. 31. Sanjay LTd. wants to export TVs to Singapore. Explain any five documents which will be used in this procedure by Sanjay Ltd. (5)

Q. 32. Kavya Private Ltd. was established in the year 2012 by seven friends. As business of the company has increased, its management is now planning to convert it into another form of business to raise fund from the public. (6)

- (i) Name the form of business Kaya Ltd. is planning to adopt.
- (ii) Give any four differences between old and new form of business.

OR

Identify the documents described below and differentiate between them on any four basis:

- (i) No company can be registered without it.
- (ii) It defines the duties rights and powers of the officers and board of directors.

- Q. 33. State the meaning of the Intellectual property rights and Entrepreneurship. Also explain the relation between them. (6)
- Q. 34. What do you mean by World Trade Organisation? Describe the role of WTO in removing the barriers of international trade. (6)

OR

"International business plays an important role to face the challenge of unequal distribution of natural resources." Do you agree with the above statement. Give reason in support of your answer.

Answer Key

1. Hundi was an instrument of exchange which was used in Indian Sub-continent in ancient time.
2. $500 \times 6 = ₹ 3000$
3. Primary function
4. It relates to voluntary efforts made on the part of businessman to contribute to social well being.
5. Rate of dividend on equity shares – not fixed
Rate of dividend on preference shares – fixed
6. It is investment made by rich people with surplus cash and having interest in development of startup.
7. Charter party
8. Return on shares – dividend
Return on debentures – interest
9. False
10. Departmental store
11. Chain store
12. Under this fund, money is collected from a large number of people through the medium of internet by giving detailed information of startup.
13. 100% wholly owned subsidiary
14. Joint venture
15. Human causes
16. No, principle of contribution
17. Multi-option Deposit Account
18. Business Process Outsourcing
19. This is unethical as the business being done is illegal
20. Cooking by a house wife
21. Business should operate on the basis of moral values/ standards/principles called business ethics. Ethics defines what is right and what is wrong. Follow of business ethics is necessary for the protection of interest of all stakeholders.

22. Risk associated with e-business:
1. Transaction risk
 2. Fraudulent practice
 3. Storage and transmission risk
- (Or any other correct risk with explanation)
23. Differentiate between department store and multiple shops as follows:

	Departmental Store	Multiple Store
1.	It is located at a central place	It is located in popular localities
2.	It provides different types of products	It provides unique/single product
3.	It provides all facilities such as restaurant, rest rooms, etc.	It does not provide such kind of facilities

(Or any other correct differences)

24. Features of PPP:
1. Facilities partnership between public sector and private sector
 2. Pertaining high priority project
 3. Useful in public welfare projects like Delhi Metro Railway Corporation.
 4. Sharing revenue
 5. Suitable for big project
- (any three with explanation)

OR

Any three features of joint venture.

25. One person company (1+2=3)
(any two features)
- 26.
- (i) Establishment of National Small Industries Corporation (NSIC)
 - (ii) Establishment of District Industries Centre
 - (iii) Other Govt. incentives to Hilly Backward and Rural Areas (With explanation)

OR

1. Tax Holidays
 2. Power, Land, Water, etc. at Concessional Rates
 3. Abolition of Octroi
 4. Protective measures
 5. Marketing Assistance
 6. Finance
(any four with explanation)
- 27.
1. Nature of work
Line quoted – He decide to open his own foot outlet
 2. Capital contribution
Line quoted – He has a capital of ₹ 4,00,000 and will take a loan of ₹ 7,00,000
Other factors :
 3. Location
 4. Scale of business/risk
 5. Degree of control
 6. Management ability
(or any other correct factors)
- 28.
- Yes, I am agree with the above statement because industries inject harmful substances into the environment during production.
Need for environment protection:
 1. To ensure healthy life
 2. To ensure safety
 3. Economic losses reduction
 4. Improved public image(any three with explanation)
- 29.
- Global Depository Receipts: When the local currency shares of a company are delivered to the depository bank, which issues depository receipt against shares, these receipts denominated in US toll or are called GDRs. It can be listed and traded on a stock exchange of any foreign country other than America. It is a negotiable instrument and can be converted into shares.
- American Depository Receipts – The depository receipts issued by a company in the USA are known as American

Depository Receipts. ADRs are bought and sold in American markets, like regular stocks. It is similar to GDR except that it can be issued only to American citizens and can be listed and traded on a stock exchange of USA.

OR

Public Deposits

Merits:

- a. No charge on assets
 - b. Tax saving
 - c. Simple procedure
 - d. Control not diluted
- (any two with explanation)

Demerits:

- a. For short-term finance
 - b. Limited fund
 - c. Not suitable for new company
- (any two with explanation)

30. Government company

Features

- a. Govt. has minimum 51% of paid-up capital
 - b. It is managed by board of directors selected by government and other shareholder
- (or any other features)

Limitations

- a. It suffers from interferences & politicians
- b. It evaded constitutional responsibility which a company financed by the governments should have, as it is not directly answerable to parliaments.

31. (i) Certificate of origin

(ii) Shipping bill

(iii) Mates receipt

(iv) Bill of Landing

(v) Letter of credit

(or any other appropriate documents)

32.

	Basis	Private company	Public company
1.	Name	It has to write private limited after its name	It has to write only limited after its name
2.	Number of members	As per company Act 2013 Minimum – 2 Maximum – 200	Minimum – 7 Maximum – No limit
3.	No. of directros	Minimum – 2	Minimum – 3
4.	Invitation to public	Private Company can't invite public for issuing shares and debentures	Public compnay can invite public for issuing its share and debentures

(Or any other correct differences)

OR

(i) Memorandum of Association

(ii) Article of Association

Difference between them as follows:

	Basis	Memorandum of Association	Article of Association
1.		It defines the objectives of the company	It defines the rules for attaining the objected mentioned in MoA
2.	Position	Very important/ necessary document	Subsidiary document

33. Intellectual property rights – It refers to the creativity of a person. It is the legally recognised excessive rights given to the creator of their creation like invention, art work, musical, literary, symbols, names, designs, image, discoveries, etc.

Entrepreneurship – It is set of all activities performed by an entrepreneur to translate to business ideas into desired monetary results.

IPR is an asset for innovative entrepreneurship in the following

way:

1. Innovative potential got market value
 2. Upcoming entrepreneur can make their name and place in the market with IPR.
 3. IPR give the entrepreneur property right of intangible asset.
- (or any other correct relations)

34. Yes, I agree with the above statement.

Manufacturing and trading beyond the geographical boundaries of a country is known as international business. Unequal distribution of natural resources and differences in the productivity level of the countries make them incapable of producing every good of their requirement. So international business plays an important role to face the challenges of unequal distribution of natural resources in the form of import and export of goods and services. It helps the nation and firms in many ways.

(or other correct explanation)

OR

World Trade Organisation came into existence on 1st Jan. 1995 with the objective of solving problems between countries and providing a forum for multilateral trade negotiations.

Role of WTO:

1. To act as a dispute settlement body by settling trade related disputes among nations.
2. To ensure that all the rules and regulations prescribed in the Act are duly followed by the member countries for settling of their disputes.
3. Laying down a commonly accepted code of conduct for international trade aiming at reducing tariff and non-tariff barriers in international trade.
4. To consult other agencies to bring better understanding cooperation in global economic policy making.
5. Providing technical assistance and guidance related to management of foreign trade and fiscal policy to its member nations