KENDRIYA VIDYALAYA SANGATHAN, RAIPUR REGION

SESSION ENDING EXAM (2024-25)

CLASS: XI

SUBJECT: BUSINESS STUDEIS (054)

M.M.: 80 TIMING: 03 HOURS

MARKING SCHEME

ANS. No.	ANSWERS	Marks
01	(b) Letter of Credit	1
02	**(d)** Salary or wages	1
03	**(b)** Departmental Undertaking	1
04	(b) Ownership	1
05	(a) Skill India	1
06	(d) Fixed deposit account is demand deposit account	1
07	(a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct explanation of Assertion (A).	1
08	(d). Legal formalities to become a member.	1
09	(b) At the time of loss occurred	1
10	(b) Both (A) and (R) are true, but (R) is not the correct explanation of (A)	1
11	(d) All the above	1
12	(b) Investment in Plant, Machinery & Equipment	1
13	Ans.(b) Statement II is correct and Statement I is wrong Retained earnings do not involve any explicit cost as it does not involve any form of interest, dividend or floatation cost. As the profits of business are fluctuating, it is an uncertain source of fund.	1
14	(a) Capital Intensive	1
15	(b) Speciality shops	1
16	(c) Mate’s receipt	1
17	Ans. (c) Mary will be able to pay only when her new farm starts giving high quantity of fruits which will require long time, therefore, she requires long-term finance	1
18	(c) Angel Investment	1
19	(d) Equity shares	1
20	(b) Middleman	1
21	World Trade Organization (WTO) (1Mk) • To ensure reduction of tariffs and other trade barriers imposed by different countries. • To engage in such activities which improve the standard of living, create employment, increase income and effective demand and facilitate higher	3

	production and trade. • To facilitate optimum use of world's resources for sustainable development • To promote an integrated , more viable and durable trading system (any 2 points) (1Mk x 2) OR International Business/trade(1MK) Benefits of international business to business house: 1) Prospects for higher profits 2) Increased capacity utilization 3) Prospects for growth 4) Way out to intense completion in domestic market 5) Improved business vision (Any 2 points with explanation)(1mk x2)	
22	(A) Wholesaler (1mk) (B) Services to manufacturer (1) Provide market information (2) Help in promotion of goods (3) Personal selling (a) Enable large scale production. (any 2 points with explanation)	3
23	(i) Sleeping Partner; (ii) Partner by Estoppel; (iii) Nominal Partner Or (i) Company: (ii) Sole Proprietorship; (iii)s Hindu Undivided Family Business;	3
24	(a) Import Trade (b) Export Trade (c) Entrepot Trade	3
25	(1) Indemnity :- According to this principle, the insured will be paid by the insurer (insurance company), the actual amount of loss or the amount of policy, whichever is less, in case of risk or loss suffered by the insured. All insurance contracts of fire or marine insurance are contracts of indemnity. The principle of indemnity is not applicable to life insurance because the value of life of a person cannot be estimated. (2) Insurable interest- According to this principle, the insured must have insurable interest in the subject matter of insurance. The insured must have an interest in the preservation of the thing or life insured, so that he/she will suffer financially on the happening of the event against which he/she is insured. (1 ½ Mark for correct explanation and ½ marks for correct example for each Principle) 2+2=4 marks	4
26	The four benefits that Vinit can avail of by venturing into e-business are: (i)Global reach as on internet there are no boundaries since both the seller and the buyer have a worldwide access. (ii) Movement towards a paperless society is propagated as the use of interest has considerably reduced dependence on paperwork. (iii)Ease of formation (iv) Low Cost of setting up (v) Speed **(1mk x 4)(4 points with explanation 1 Mk each)**	4
27	(a) Yash has ignored his social responsibility towards the workers. (b) It is important for a business enterprise to function in a socially responsible way due to the following reasons: (i) Justification for existence and growth: A business must provide goods and services to the society as per the needs and wants of the consumers in order to ensure its survival and growth. (ii) Long-term interest of the firm: A good public image is vital for the success of a business. Therefore, a business must seek to fulfil the	4

	interests of all its stakeholders like customers, employees, shareholders, government, etc. in order to ensure its existence and growth in the long-run. (iii) Avoidance of government regulation: In order to avoid government intervention in business, it is important that a business does not indulge in socially undesirable activities and voluntarily assume social responsibilities. This will further help to reduce the need for framing new laws. (iv) Maintenance of society: In order to maintain peace and order in the society, it is essential that a business does not harm their interests in any way, else the people are likely to resort to anti-social activities. Moreover, it is not possible to pass laws for all possible circumstances. Therefore, a business is expected to assume its social responsibilities for the benefit of the society at large.(1+3=4) OR (1) Employees (1) (2) Responsibilities being ignored by Alfa Ltd as under: (any three) 3 (a) Not a good & cordial working environment, (b) Remuneration to them is not as per the level of competency of them, (c) There is no appreciation or rewards for good suggestion or outstanding performance done by an employee and (d) There is very less scope to learn new skills and knowledge required to make them perfect for promotion.	
28	Roll of small scale in India (any 4 with proper explanation) (1) Contributes to Industrialization and Exports (2) Large variety of product (3) Development of Entrepreneurship (4) Low cost of product (5) Quick decisions (6) Suitable for customized production (7) Personal Contacts Or Describe the Role of NSIC and DIC 2+2= 4 marks	4
29	Difference between Owners Funds and Borrowed funds. (Any four) one mark for each correct different.	4
30	(a) A Multiple Shops/Chain Stores is a large establishment offering a wide variety of one line of product. (b) Characteristics of Chain Stores/Multiple Shops are as follows: large scale retail outlet which deals in various kinds of one line of product. The pattern of shop and way of dealings with customers etc. are unique and uniform (c)Advantages of Multiple Shops / Chain Stores are as follows: (any two) Merits: (1) Economies of scale (2) Elimination of middleman (3) No Bad Debts (4) Transfer of goods (5) Diffusion of risks (6) Low cost etc. . 1+1+2=4 marks	4
31	(1) OPC: (a) Indian citizen & resident of India (b) Nominee should not be more than one OPC (c) Separate legal entity etc. (any two features with explanation to mean OPC) (2) <u>Private & Public Company</u> Correct Difference.(4x1 mark = 4 marks) (1) Minimum no. of members: 02 and 07 (2) Maximum no. of members: 200 and no limits (3) Transfer of interest: No and Yes (4) Inviting to public for shares subscription: No and Yes	6
32	Ans. (a)Life Insurance Corporation of India is classified as a statutory corporation.- 1mark Meaning of statutory corporation – 1 mark (b). The Act defines its objectives, powers and privileges.- 1mark	1+1+1+3

	(c)The three merits of promoting Life Insurance Corporation of India as a statutory corporation are stated below: 1x3= 3 marks (i)They are free from undesirable govt. regulation and control of govt. and enjoy independence in their functioning and a high degree of operational flexibility. (ii)The govt. generally does not interference in their financial matters, including their income and receipts as the funds of these organizations do not come from the central govt. (iii)Except for a few issue/matters which require prior approval of a particular ministry as per the Act, these are procedures within the powers assigned to them by the Act autonomous organizations and frame their own policies and procedures within the powers assigned to them by the Act. 2+1+3=6 marks	
33	(a) ICD: Use between a company to other company for short term, unsecured. As per RBI guidelines. Maturity period 07 days to one year. (b) Trade Credit: One trader avail facility to settle dues in coming period is called trade credit. Grace periods depending up on the value, reputation of borrower and level of competition etc. (c) Public Deposits: Raising funds directly from public by a creditworthy company. Rate of interest is higher than the offered by bank deposits. It is available for medium and short term financing. Regulated by RBI. OR (1) Difference b/w Equity and Preference shares: (2) (a) Debentures is an acknowledgment of debt issued by a company with terms & conditions. It is a secured financing. (b) Three merits: (i) Preferred by investors who want fixed & secured return with less risk (ii) Floatation cost is less compare to equity (iii) No voting rights, resulting control of equity shareholders will not affected etc. (any three)	3x2=6 2 1 3
34	The next steps to be followed by Pradeep in the export trade are: (i) Production or Procurement of Goods (ii) Pre-shipment Inspection (iii) Excise Clearance (iv) Obtaining Certificate of Origin (v) Reservation of Shipping Space (vi) Packaging and forwarding (next six with explanation) Or 1mark for correct explanation. (1) Letter of Credit (2) Shipping Order (3) Mate's Receipt (4) Indent (5) Proforma Invoice (6) Bill of Lading	6