

KENDRIYA VIDYALAYA SANGATHAN, RAIPUR REGION
SESSION ENDING EXAM (2024-25)

CLASS: XI

SUBJECT: BUSINESS STUDIES (054)

M.M.: 80

TIMING: 03 HOURS

General Instructions:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answer 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.
7. Attempt all parts of the questions together.

Q. No	Questions	Marks
01	The document containing the guarantee of a bank of honour drafts drawn on it by an exporter is: (a) Letter of hypothecation (b) Letter of Credit (c) Bill of Lading (d) Bill of Exchange	1
02	Which of the following does not characterise business activity? (a) Presence of risk (b) Sale or exchange of goods and services (c) Production of goods and services (d) Salary or wages	1
03	 is suitable when national security is concerned. (a) Statutory Corporation (b) Departmental Undertakings (c) Government Company (d) All of these	1
04	“As government is the majority shareholder, it exercises control over the affairs of the company.” Which feature of government company is highlighted in the given lines? (a) Formation (b) Ownership (c) Separate legal entity (d) Audit procedure	1
05	From the picture given below identify the recent initiatives of the Government of India which is expected to help the economy. 	1
	(a) Skill India (b) Digital India (c) Make in India (d) None of these	
06	Which of the following statements is false? (a) Recurring deposit account is a time deposit account (b) Number of transactions every month is limited in saving bank account (c) A current account allows the overdraft facility. (d) Fixed deposit account is demand deposit account.	1
07	Read the following statements: Assertion and Reason. Choose one of the correct alternatives given below: Assertion (A): The managing committee elected by members of the Cooperative Society are generally not professionally equipped to handle the management functions effectively. Reason (R): Cooperative Society are unable to employ experts because of their inability to pay them high salaries. (a) Both Assertion (A) and Reason (R) are True and Reason (R) is the correct	1

	explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are True and Reason(R) is not the correct explanation of Assertion (A). (c) Assertion (A) is True but Reason (R) is False. (d) Assertion (A) is False but Reason(R) is True.	
08	Which of the following statement is not true about Hindu Undivided family? (a) Liability of Karta is unlimited. (b) Liability of Coparceners is limited. (c) Karta has decision making power. (d) Legal formalities to become a member.	1
09	In case of Marine Insurance, under which time 'insurable interest should be presented? (a) At the time of policy taken (b) At the time of loss occurred (c) Both the time, at the time of policy taken & at time of loss occurred (d) None of these	1
10	Assertion (A): E-Business refers to the conduct of Industry and Commerce using a computer network such as internet. Reason (R): E-business extends to the transactions between two business firms, between a firm and its customers and within a firm itself. Mark the correct choice as: (a) Both (A) and (R) are true, and (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 true, but (R) is false. (d) (A) is false, but (R) is true	1
11	Which of the following is a Case for social responsibility? (a) Long term interest of the firm (b) Avoidance of government Regulation (c) Better environment for doing Business (d) All the above	1
12	Which of the following criteria to define small business enterprises as per MSME ACT 2006: (a) Investment in working capital (b) Investment in Plant, Machinery & Equipment (c) Investment in Land & Building (d) All of these	1
13	Statement I : Retained earnings involve any explicit cost in the form of interest, dividend or floatation cost. Statement II: Retained earnings are an uncertain source of fund. Alternatives (a) Statement I is correct and statement II is wrong (b) Statement II is correct and Statement I is wrong (c) Both the statements are correct (d) Both the statements are incorrect	1
14	Out of the following, which one is not a feature of small business? (a) Capital Intensive (b) Crowd funding (c) Fast Decisions (d) Local area of Operation	1
15	Large scale retail organization does not includes (a) Departmental Store (b) Specialty shops (c) Multiple shops (d) Chain Stores	1
16	Which document is made by the exporter which indicates the name of the vessel, berth, date of shipment, description of packages, marks and numbers, condition of the cargo at the time of receiving it on the board of the ship ? (a) Shipping bill (b) Packaging list (c) Mate's receipt (d) Bills of exchange	1
17	Mary owns a small farm to grow fruits. She wants to purchase neighbouring land and convert it to farm for increasing the variety of fruits. She wishes to take tractor and some other machine for the same. She will also need money to purchase the land. Which source of finance is required by Mary?	1

	(a) Short-term (b) Medium-term (c) Long-term (d) Both (a) and (b)	
18	These investors are individuals with surplus cash who have keen interest to invest in up-coming Start-ups if there is no way to avail fund to star-ups. (a) Boot Strapping (b) Crowd funding (c) Angel Investment (d) Venture Capital	1
19	Which of these sources of finance would be raised through IPO (Initial Public Offer) (a) Preference shares (b) Lease financing (c) Retained earnings (d) Equity shares	1
20	A person who comes in between the primary producer and the final consumer to promote trade is called as _____ (a) Trader (b) Middleman (c) Auctioneer (d) Agent	1
21	It is the only global international organization dealing with the formulation of rules for international trade. Name the organization and state its objectives.(Any two) OR Nikhil deals in different types of gems and stone jewellery. Over the years, his business has gained good reputation. His son Rajeew joined the business and expressed his desire to expand the business beyond the boundaries of the home country. Explain three benefits to their business if the business gets expanded beyond the boundaries of home country.	3 3
22	‘Govind procuring in bulk all produced products from Surya Ltd and pass on to further intermediaries throughout the country as per their required quantity as and when required by them, for final distribution to ultimate customers’. (a) Identify the type of internal trade being done by Govind (b) State two services which Govind can provide to Surya Ltd other than the discussed in above para.	1 2
23	Identify the type of partner highlighted in the following statements: activities of the business. (i) This partner does not take part in the day-to-day (ii) He gives an impression of his being partner to others by his words or conduct. (iii) He allows the use of his goodwill to benefit the firm and can be represented as a partner. OR Which form of business organization is suitable in the following cases: (I) The business organization should have stability and continuity. (ii) There should be minimum expenses in starting the business (iii) The ancestral property is to be used for doing the business.	3 3
24	After completing the graduation, three close friends (Nandini, Tanvi and Sarita) decided to start trading of goods and services. (a) Nandini started purchasing mobile accessories from Japan to be sold in India. (b) Tanvi established her Tea business and started purchasing tea from Assam and selling it to America. (c) Sarita deals in purchase of Chocolates from Switzerland and sell them to Bangladesh and Nepal. Identify the types of external trade highlighted in the given case.	3
25	Explain the following Principles of insurance with suitable example. (1) Indemnity (2) Insurable interest	4
26	Vinit is successfully doing a business of manufacturing readymade theme party costumes Recently, his friend Ankit suggested to him to start selling his products online. However, Vinit is quite hesitant to implement his friend's suggestion. Briefly state any four benefits that Vinit can avail of by venturing into e-business.	4

27	Yash had started a sugarcane factory in Moradabad two years back. He pays wages to the male workers at a rate which is much lower than the minimum wage rate prescribed by the government. The wages paid to the female workers are even lesser. He has also employed child labour extensively in the factory to further reduce the labour cost. Moreover, the working conditions in the factory are inappropriate as there is lack of hygiene, proper ventilation, facility for safe drinking water, etc. His business has always faced the problem of shortage of labour since its inception. In context of the above case: (a) Yash has ignored his social responsibility towards which interest group? (b) Why do you think it is important for a business enterprise to function in a Socially responsible way? Explain by giving any three suitable points. OR The employees of Alfa Ltd are uncomfortable to work together as there is not a good & cordial working environment, remuneration to them is not as per the level of competency of them, there is no appreciation or rewards for good suggestion or outstanding performance done by an employee and there is very less scope to learn new skills and knowledge required to make them perfect for promotion. Give the Answer to the following questions: (1) Alfa Ltd ignoring social responsibility to which stakeholder? (2) State the any three social responsibility which are being ignored by Alfa Ltd towards identified stakeholder by quoting the line from above para.	1 3 4
28	Manoj started a small factory in the backward district of Assam to manufacture handicraft items. Manoj aims to use the local talent and resources in order to provide good quality products. Manoj's factory has helped in improving economic condition of local people by providing ample employment opportunities. Discuss the significance of small business in development of rural India other than the role performed by Manoj's. OR Pradeep started a manufacturing unit of electrical accessories. He is facing severe shortage of adequate finance to carry out the business activities. His manufacturing unit is also suffering from shortage of required inputs and he is unable to buy inputs in bulk due to lack of storage facilities. Pradeep wants his product to be of world class quality, but he is unable to hire professional experts due to shortage of funds. His manufacturing unit is operating below the full capacity level due to shortage of demand. Discuss the role of two govt. agencies formed for the development of small scale industries in India which can help Pradeep overcome the problems related to his business.	4 4
29	Differentiate between Owners Funds and Borrowed funds on the basis of following. (1) Risk consideration (2) Control consideration (3) Maturity period (4) Nature of return / Name of return	4
30	Uma a village girl comes to Delhi to visit her relatives. She goes with her cousin to a shop, which is centrally located. She becomes astonished by the varieties of goods which are sold here. It is a 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 with other same kind of product selling from other outlets. (a) Identify this type of shop. (b) Quoting the lines from the above paragraph state any one characteristic of this shop. (c) Explain advantages of such shops.(any two)	1 1 2
31	(1) Explain in brief about 'One Person Company' with its two distinct characteristics. (2) Differentiate between Private Company and Public Company on the basis of following: (1) Minimum no. of members (2) Maximum no. of members (3) Transfer of interest	2+4= 6

	(4) Inviting to public for shares subscription	
32	Headquartered in Mumbai, it was founded in the year 1956 when the Parliament of India passed the Life Insurance of India Act that nationalized the private insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state-owned Life Insurance Corporation. In context of the above case: (a) Life Insurance Corporation of India is classified as which form of public sector enterprise. State the meaning of that form of public sector enterprise. (b) “The Parliament of India passed the Life Insurance of India Act for its formation.” What does the Act define? (c) State any three merits of promoting Life Insurance Corporation of India in a particular form of public sector enterprise as identified in part (a) of the question.	2 1 3
33	Explain the following source of finance: (a) Inter Corporate Deposits (b) Trade Credit (c) Public Deposits OR (1) Differentiate between Equity shares and Preference Shares on the basis of (i) Dividend payment & (ii) Repayment of principle money on liquidation (2) State the meaning of debentures as a source of finance and enumerate its three merits.	3x2=6 2 1+3
34	Pradeep wants to export auto spare parts to Mr. David in Switzerland. Mr. David has asked for an enquiry to seek information about availability of goods, price, quality and terms and conditions for export of goods. In response to the enquiry, Pradeep sends a reply in the form of Proforma Invoice Mr. David found the price and terms and conditions acceptable. So, he placed the order for goods. After verifying the creditworthiness of Mr. David, Pradeep obtains an export license and arranges the pre-shipment finance. On the basis of given case study, state the next six steps to be followed by Pradeep related to the procedure of export trade. OR Discuss the following important documents involved in International Trade: (1) Letter of Credit (2) Shipping Order (3) Mate’s Receipt (4) Indent (5) Proforma Invoice (6) Bill of Lading	6 6
