

NAVODAYA VIDYALAYA SAMITI
Business Studies (055)
Class XI (2024 -25)
Term – 01 Examination

Marks: 80

Duration: 03 hrs.

General instructions:

1. This question paper contains 34 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

01	Identify the name of the tertiary industry that removes the hindrance of risk Transportation (b) Insurance (c) Warehousing (d) Banking	01
02	Hundi payable on expiry of a fixed period of time to any person is called (a) Dhani Jog Muddati Hundi (b) Firman Jog Muddati Hundi (c) Sah Jog hundi (d) Jokhmi Muddati Hundi	01
03	In order to call a company, a Government Company, how much minimum share of capital is necessary for the Government ownership? (a) 49% (b) 51% (c) 75% (d) 25%	01
04	The board of directors of a joint stock company is elected by (a) General public (b) Government bodies (c) Shareholders (d) Employees	01
05	A proposed name of a company is considered undesirable if (a) it resembles closely with the name of an existing company (b) It is identical with the name of other company (c) It is an emblem of Government (d) In case any of the above.	01
06	Stages in the formation of a public company are in the following order (a) Promotion, incorporation, commencement of business, capital subscription (b) Incorporation, capital subscription, commencement of business, Promotion (c) Promotion, incorporation, capital subscription, commencement of business, (d) Capital subscription, Promotion, commencement of business, incorporation	01
07	Which of the following is not a feature of Joint Stock Company? (a) Artificial person (b) separate legal entity (c) lack of business continuity (d) formalities	01
08	Provision of residential accommodation to the members at reasonable rates is the objective of (a) Producers` co-operative (b) Consumers` co-operative (c) Housing co-operative (d) Credit co-operative	01
09	The capital of a company is divided in to number of parts each of which is called (a) Dividend (b) Profit (c) Interest (d) share	01
10	"On account of number of losses, the personal properties of a Sole Proprietor can be used for repayment to the creditors." This statement is related with which characteristic of Sole Trade? (a) Sole proprietorship (b) Unlimited Liability (b) Limited liability (d) Freedom in Selection of Business	01
11	Which of the following has the power of the government and the considerable amount of operating flexibility of private enterprises? (a) Departmental Undertakings (b) Statutory Corporations (c) Government companies (d) All of the above	01
12	An organization is working for the purpose of public welfare as a ministry of government. It is financed by govt. and all its income is deposited in govt. treasury. Identify which kind of public sector enterprise is it. (a) Partnership (b) Departmental undertaking (c) Sole proprietorship (d) Company	01
13	The validity period of a demand draft is (a) 6 months (b) 3 months (c) 12 month (d) 1 month	01
14	Which of the following is not applicable in life insurance contract (a) indemnity contract (b) proximate clause (c) subrogation contract (d) insurable interest	01
15	Mr. David a businessman is involved in daily dealings of cash through the account of his	01

	<p>business in Axis Bank due to the unavailability of funds and the urgent need to pay his creditors he approaches the bank to withdraw more than the balance available in his account using the facility provided to him by the bank. His wife also held an account in the same bank and wanted to transfer the Rs.500000 to her parents but she did not have an e-banking facility in her saving account. But Bank helped her to transfer the money. Name the facility provided by the bank to David when there were no funds in his account to pay his creditors.</p> <p>(a) Overdraft facility (b) Transfer facility (c) Fixed deposits facility (d) All of the above</p>	
16	<p>Ankur saves Rs.3,000 every month. Which type of Bank Account he should open with the bank?</p> <p>(a) Current Account (b) PPF Account (c) Recurring Deposit Account (d) Saving Account</p>	01
17	<p>In the new digital market place banks and financial institutions have started providing services over the Internet. This type of service is provided by the banks on the Internet, lowers the transaction cost, adds value to the banking relationship and empowers customers. Name the service provided by the banks.</p> <p>(a) Electronic fund transfer (b) Automatic teller machine (c) Credit card (d) All of the above</p>	01
18	<p>UPI stands for-</p> <p>(a) Unique Payment Introduction (b) Union Payment Interface (c) Upper Payment Interface (d) Unified Payment Interface</p>	01
19	<p>Assertion (A): Statutory Corporation is a separate body corporate. Reason (R): It has the capacity of acting on its own i.e, can sue and be sued, enter into a contract, and acquire property in its own name.</p> <p>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</p>	01
20	<p>Out of e-commerce and e-business, which is a broader term?</p> <p>(a) e-business (b) both e-business and e-commerce are the same thing (c) e-commerce (d) None of these</p>	01
21	<p>Clearly explain any THREE features of business. OR</p> <p>What do you mean by business risks? Explain any three causes.</p>	03
22	<p>Distinguish between a partnership and sole proprietorship on the basis of:</p> <p>i. Number of members ii. Capital contribution iii. Secrecy OR</p> <p>Briefly explain the following types of partners:</p> <p>i. Dormant Partner ii. Active Partner iii. Nominal Partner</p>	03
23	<p>Write a short note on the scope of e-business.</p>	03
24	<p>Explain about any FOUR benefits of e-business</p>	03
25	<p>Distinguish between business and profession on the basis of any 4 points:</p> <p>i. Qualification ii. Mode of the establishment iii. Return iv. Risk v. Code of Conduct. OR</p> <p>Harshit runs a well-known departmental store in Delhi. He procures different kinds of products from all over the country through railways, roadways, and airways. He also owns a godown to hold the stocks. He has also taken an insurance policy worth Rs.10 crores for his business. Moreover, he has taken a loan of Rs. 2,00,000 from ICICI Bank in order to meet short term financial needs of his business. He has placed information about his store on the hoardings, billboards, etc. in order to popularize them.</p> <p>In the context of the above case answer the following:</p> <p>i. What do you mean by auxiliaries to trade? ii. Identify the different auxiliaries to trade that are being used by Harshit in his business by quoting lines from the paragraph.</p>	04
26	<p>Explain any FOUR clauses of memorandum of association OR</p> <p>Differentiate public company with that of private company on any FOUR areas.</p>	04
27	<p>Explain any FOUR benefits of company form of business.</p>	04
28	<p>Clearly explain any FOUR features of departmental undertakings.</p>	04

29	<p>Deepanshi had only recently completed her course in Fashion Designing. Now her father wanted her to do something creative. He had no consideration for earning money. He wanted that Deepanshi should teach those girls the fashion designing who had a great interest in it but had failed to get admission to the Fashion Designing Course because of their family circumstances. His aim in asking her to do so was to help the poor girls with nothing to rely upon. To do this work Deepanshi's father gave her rupees Ten Lac. She established a Fashion Designing Centre. One hundred girls could take admission in this centre at a time. Deepanshi announced nominal fees to be charged for admission. Within one week of the opening of the centre, all the seats were filled. After getting training in this centre, it became easy for the girls to get jobs in the market. Within a few days, Deepanshi's centre became popular. Deepanshi spent ₹ 5 Lac out of the total ₹ 10 Lac on machines and other things and the remaining ₹ 5 Lac she deposited in the Saving Account of a bank. One of her friends was a bank employee. She advised Deepanshi that instead of keeping her ₹ 5 Lac in the Saving Account, she should keep them in the Fixed Deposit. But Deepanshi replied that she would need money off and on; hence, she could not keep her money in the Fixed Deposit. Then the bank employee friend told her that she should deposit her money in such an Account as would serve the purpose of both, the Saving Account and the Fixed Deposit. From this Account, she could withdraw money as and when needed and a definite amount would continue to get automatically converted into the Fixed Deposit. Deepanshi understood this and she did accordingly.</p> <p>a. On the basis of the above paragraph tell what type of Account did Deepanshi's friend advise her to open in the bank.</p> <p>b. What is the type of business started by Deepanshi?</p>	04
30	Explain any FOUR types of General insurances.	04
31	What factors are important to be considered while starting a business? Explain any SIX points.	06
32	<p>Sejal had recently completed her MBA. Her father, who was the eldest member of his family, wants her to help him in his family business. But she had the opinion that this business form has limited scope for expansion. So, she was thinking of starting a venture with a few of her friends. They gathered at Sejal's house to discuss the pros and cons of doing a particular business. One of her friends suggested starting a partnership firm in which each of them contributes and handles a particular area of their expertise. This will lead to good decision-making. But since the personal assets of the partners can be utilised for repayment of the firm's loan in case the assets are insufficient, most of them don't agree. Another friend recommended that they should choose that form of business in which they can have greater funds and scope of expansion and at the same time limited liability. Everyone liked his idea and they finally started their business in the next few months.</p> <p>(1) Which form of business was recommended by Sejal's father? (a) Partnership (b) Hindu Undivided Family Business (c) Sole Proprietorship (d) Joint venture</p> <p>(2) Which term is best suited for Sejal's father in the business he was a part of? (a) Karta (b) Partner (c) Owner (d) Coparcener</p> <p>(3) Which limitation of the business form has been mentioned in the above para? (a) Limited Resources (b) Limited managerial skills (c) Lack of secrecy (d) Unlimited liability</p> <p>(4) Identify one advantage of partnership firms mentioned in the above para. (a) Secrecy (b) Balanced decision making (c) All of these (d) Ease of formation</p> <p>(5) Identify one limitation of the partnership firm mentioned in the above para. (a) Limited Resources (b) Lack of secrecy (c) Chances of Conflicts (d) Unlimited Liability</p> <p>(6) Which form of business organisation do you think Sejal and her friends started? (a) HUF (b) Company (c) Partnership (d) Sole Proprietorship</p> <p style="text-align: center;">OR</p> <p>Read the text carefully and answer the questions: Mr. Ramesh started a partnership firm with his friends Sakhi, Pratham and Riya. He contributes capital in the business, participates actively in the management of the firm, and shares its profits and losses. On the other hand, Riya doesn't participate in the day-to-day activities of the business, however, contributes capital to the firm, shares its profits and losses, just like Ramesh. Sakshi is a renowned artist and she allowed the use of her name by this partnership firm formed by her friends but does not contribute to its capital. Pratham's association with the firm is unknown to the general public. Their partnership was running smoothly as they had enough funds for growth and expansion. But suddenly, Riya dies and after some time they decide to continue their partnership with a new agreement. They thought of raising the amount of money Riya contributed by</p>	06

	<p>contracting with Mr. Raj. As per the contract, he advanced a loan of ₹10 lakhs to the firm and in exchange got the power to take few decisions regarding the firm's business. Besides, he got a 9% interest rate on the loan and 12% of the profit earned by the firm.</p> <p>(1) Which type of Partner Ramesh is in the partnership created by him along with his friends? (a) Active Partner (b) Partner by Estoppel (c) Nominal Partner (d) Dormant Partner</p> <p>(2) Sakshi is a _____ Partner. (a) Active Partner (b) Nominal Partner (c) Dormant Partner (d) Secret Partner</p> <p>(3) Which type of Partner Riya was in the partnership firm created? (a) Secret Partner (b) Active Partner (c) Nominal Partner (d) Dormant Partner</p> <p>(4) Pratham is a _____ Partner. (a) Dormant Partner (b) Nominal Partner (c) Active Partner (d) Secret Partner</p> <p>(5) Which of the following advantages of a Partnership Firm has been highlighted in the first paragraph? (a) Risk-sharing (b) Continuity (c) More funds (d) Secrecy</p> <p>(6) Mr. Raj is a _____ of the firm. (a) Creditor (b) Debtor (c) Owner (d) Partner</p>	
33	Clearly explain about the features of Global enterprises.	06
34	<p>Manish, Rahul and Madhav live in the same locality. They used to meet and discuss their ideas. After discussing about the recent fire breakout in their area, they decided to take fire insurance for their house or work area. Manish gets his house insured against fire for ₹1 lakh and during the policy period, his house gets damaged due to fire and the actual loss amounts to ₹2.5 lakh. Insurance company acquired the burnt material and approved his claim.</p> <p>Rahul gets his godown insured against fire for ₹1 lakh but does not take enough precautions to minimize the chances of fire like installing fire extinguishers in the factory. During the policy, a fire take place in his godown and he does not take any preventive steps like throwing water and calling the employees from the fire fighting department to control the fire. He suffered a loss of ₹1,20,000. Madhav took a fire insurance policy of ₹20 lakh for his factory at the an annual payment of ₹24,000. In order to reduce the annual premium, he did not disclose that highly explosive chemicals are being manufactured in his factory. Due to a fire, his factory gets severely damaged. The insurance company refused to make payment for the claim as it become aware about the highly explosive chemicals.</p> <p>(1) How much can Manish claim from the insurance company? (a) 2.5 Lakhs (b) 1 Lakh (c) 2 Lakhs (d) None of the above</p> <p>(2) How much compensation can Rahul get from the insurance company? (a) ₹2,00,000 (b) ₹1,20,000 (c) ₹1,00,000 (d) Nil</p> <p>(3) Which principle is violated in case of Rahul? (a) Mitigation (b) Insurable Interest (c) Utmost Good Faith (d) Indemnity</p> <p>(4) How much amount is the insurance company liable to pay to Madhav if he files a case against it? (a) 24,000 (b) Nil (c) Insufficient information (d) 20 lakh</p> <p>(5) Which principle of Insurance is violated by Madhav? (a) Utmost Good Faith (b) Insurable interest (c) Subrogation (d) Proximate Cause</p> <p>(6) The insurance company acquired the burnt material and approved his claim. Which principle of insurance is highlighted in the given statement (a) Mitigation (b) Indemnity (c) Proximate Cause (d) Subrogation</p> <p style="text-align: center;">OR</p> <p>Clearly explain about the principles of insurance</p>	06