



# Delhi Public School, Howrah

PERIODIC TEST III - (2024-2025)

Class-XI

Care must be taken not to write anything on the question paper. All the questions must be attempted in the correct sequence.

**SUBJECT: BUSINESS STUDIES (CODE-054)**

**Time Allowed: - 3 HOURS**

**Maximum Marks - 80**

### General Instructions:

Please read the following instructions very carefully:

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.
7. Attempt all parts of the questions together.

Q. No.		Marks
1.	<p>Ravi decided to open a small grocery store in his locality to earn a livelihood. He purchased goods in bulk from wholesalers and sold them to customers at a profit. He also partnered with a delivery service to ensure timely delivery of groceries to nearby customers. Ravi ensured regular stock maintenance and offered seasonal discounts to attract more customers.</p> <p>What characteristic of business is reflected in Ravi's objective of earning a livelihood through his grocery store?</p> <p>A. Dealings in goods on a regular basis B. Element of risk C. An economic activity D. Uncertainty of return</p>	1
2.	<p>A farmer grows organic vegetables and sells them directly to consumers at the local market. Sometimes, he exchanges his produce with other farmers for different crops. Recently, he started collaborating with a processing unit to manufacture organic vegetable soup.</p> <p>Which type of industry does the farmer's primary activity of growing organic vegetables belong to?</p> <p>A. Genetic Industry B. Extractive Industry C. Manufacturing Industry D. D. Construction Industry</p>	1
3.	<p>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R): Assertion (A): The cooperative society's formation requires the consent of at least ten persons to start a society. Reason(R): A cooperative society can only be formed by individuals who are forced to join as per the legal requirements, making membership compulsory.</p> <p>In the context of the above statements, which one of the following is correct?</p> <p>A. Both Assertion and Reason are true and the Reason is the correct explanation of the Assertion. B. Both Assertion and Reason are true but the Reason is not the correct explanation of the Assertion. C. Assertion is true but Reason is false. D. Assertion is false but Reason is true.</p>	1

4.	<p><b>Read the following statements carefully:</b>  <b>Statement I:</b> A partnership firm must be registered to enjoy the full legal benefits, such as the ability to sue or be sued.  <b>Statement II:</b> Registration of a partnership is compulsory for all partnerships under the Indian Partnership Act, 1932.          In the light of given statements, choose the correct alternative from the following:          A. Both the statements are true.          B. Both the statements are false.          C. Statement I is true, Statement II is false.          D. Statement II is true, Statement I is false</p>	1
5.	<p>Which of the following is NOT a feature of Statutory Corporations?          A. Set up under a Special Act of Parliament.          B. Wholly owned by the state.          C. Governed by the provisions of the Companies Act.          D. Financially independent, generating funds through revenues from goods and services.</p>	1
6.	<p>Ram and Shyam decide to enter into a partnership to run a small restaurant. However, they both agree that either of them can withdraw from the partnership at any time by giving notice. They have not specified a time period for their partnership.          Which type of partnership does Ram and Shyam have?          A. Particular partnership          B. Limited partnership          C. Partnership at will          D. General partnership</p>	1
7.	<div data-bbox="154 723 470 959" data-label="Image"> </div> <p>Identify the picture and choose the correct option from the following:          A. IPR          B. CSR          C. Geographical indication          D. Plant variety</p>	1
8.	<p>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):  <b>Assertion (A):</b> Government companies have autonomy in management decisions and are governed by the Companies Act, 2013.  <b>Reason (R):</b> Government companies are completely owned and controlled by the government, which limits their decision-making flexibility.          In the context of the above statements, which one of the following is correct?          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.</p>	1
9.	<p>A government-controlled public enterprise in India is functioning as a corporate entity with its own management, enjoying operational flexibility. The enterprise is established under a special Act of Parliament. Which type of public enterprise is described in this case?          A. Statutory Corporation.          B. Departmental Undertaking.</p>	1

	C. Government Company. D. Multinational Corporation.											
10.	<p>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):            Assertion (A): Life insurance is a contract of indemnity.            Reason(R): According to the principle of indemnity, the insured is entitled to recover the extent of the loss suffered by him, up to the limit of the amount covered by the insurance policy.            In the context of the above statements, which one of the following is correct?            A. Both Assertion and Reason are true and the Reason is the correct explanation of the Assertion.            B. Both Assertion and Reason are true but the Reason is not the correct explanation of the Assertion.            C. Assertion is true but Reason is false.            D. Assertion is false but Reason is true.</p>	1										
11.	<p>Ankit's warehouse was covered by a fire insurance policy of ₹ 10, 00,000, two years back, his warehouse caught fire. Ankit, immediately called up the nearest fire station and started removing the goods from warehouse in order to save them from fire. He took all reasonable steps to minimise the loss or damage. As a result, the actual loss by fire to him was ₹3, 00,000 which could have gone up to ₹7, 00,000, if he had not acted as a prudent person. After scrutiny of the loss, the insurance company handed over the cheque of ₹ 3, 00,000 to Ankit.            Identify the principle of insurance, which was followed by Ankit in the given case?            A. Subrogation            B. Mitigation            C. Contribution            D. Proximate cause</p>	1										
12.	<p>Geeta has Rs.20,000 in her account. She doesn't have any use of these for two years. To earn more interest which type of bank account she would be opened with the bank?            A. Recurring Deposit            B. Fixed Deposit            C. Current Account            D. Saving Account</p>	1										
13.	<p>Match the following columns.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Column A</th> <th style="width: 50%;">Column B</th> </tr> </thead> <tbody> <tr> <td>a. Retained earning</td> <td>i. It does not involve any explicit cost.</td> </tr> <tr> <td>b. Debenture</td> <td>ii. No voting rights.</td> </tr> <tr> <td>c. Trade credit</td> <td>iii. facilitates the purchase of supplies without immediate payment.</td> </tr> <tr> <td>d. Preference share</td> <td>iv. an important instrument for raising long term debt capital.</td> </tr> </tbody> </table> <p>A. a-ii ; b-iv ; c-iii ; d-i            B. a-ii ; b-i ; c-iii ; d-iv            C. a-i ; b-iv ; c-iii ; d-ii            D. a-iv ; b-iii ; c-i ; d-ii</p>	Column A	Column B	a. Retained earning	i. It does not involve any explicit cost.	b. Debenture	ii. No voting rights.	c. Trade credit	iii. facilitates the purchase of supplies without immediate payment.	d. Preference share	iv. an important instrument for raising long term debt capital.	1
Column A	Column B											
a. Retained earning	i. It does not involve any explicit cost.											
b. Debenture	ii. No voting rights.											
c. Trade credit	iii. facilitates the purchase of supplies without immediate payment.											
d. Preference share	iv. an important instrument for raising long term debt capital.											
14.	<p>The incongruence between order taking and order fulfilment in e-business arises due to:            A. Slow internet connections.            B. Lack of familiarity with computers.            C. Time delay in physical delivery of products.            D. Resistance to technology.</p>	1										
15.	<p>Your friend has joined as a manager in a company where conduct of Industry, trade and commerce is done using the computer network. Out of the following options which is the right term to explain the aforesaid company?            A. E-business            B. E-commerce            C. E-trade            D. E-industry</p>	1										

16.	What does the concept of Corporate Social Responsibility (CSR) primarily emphasize? A. Maximizing profits for the shareholders. B. The responsibility of businesses for their impacts on society. C. Ignoring social and environmental concerns in the business process. D. Focusing solely on the government's role in business operations.	1
17.	According to the arguments for social responsibility, which of the following is NOT considered a benefit to businesses? A. Improving the company's long-term profitability. B. Reducing the need for government regulation. C. Increasing the cost of production. D. Contributing to the welfare of society.	1
18.	Mr. Anil Singh is considering different sources to raise funds for his business expansion. Which source would be most suitable if he wants to avoid sharing ownership and control? A. Partnership B. Bank Loan C. Equity Shares D. Public Deposits	1
19.	Mr. Singh is advised about trade credit as a source of finance. Which of the following is NOT a characteristic of trade credit? A. Involves borrowing from financial institutions. B. Recorded as 'accounts payable' in books. C. Typically used for short-term financing. D. Availability depends on creditworthiness.	1
20.	Which of the following are problems faced by MSMEs in India? <b>Statement I:</b> Lack of adequate working capital. <b>Statement II:</b> Dependence on traditional technology. A. Only Statement 1 B. Statements 1 and 2 C. Only Statement 2 D. All of the above	1
21.	(A) Explain the relationship between risk and profit in a business. <b>OR</b> (B) Illustrate the importance of commerce in business activities.	3
22.	Define a Whole Life Insurance policy and explain its key feature. <b>OR</b> Elucidate the following function of commercial bank: I. Acceptance of Deposit. II. Lending of funds.	3
23.	A leading IT firm in India, TechSpark Ltd., decided to dedicate 2% of its average net profits to Corporate Social Responsibility (CSR) activities, as required under the Companies Act, 2013. The company utilized these funds for skill development programs in rural areas, benefitting thousands of unemployed youths. Analyse how TechSpark Ltd.'s CSR initiative reflects the concept of converting problems into opportunities and maintaining a better environment for doing business.	3
24.	Ramesh noticed a lack of affordable and quality tutoring services in his town. Inspired by this, he decided to start a small-scale tutoring centre to help students improve their academic performance. Discuss how Ramesh's initiative highlights the need for entrepreneurship. Illustrate your answer with any three points that explain the importance of entrepreneurship in economic and social development. <b>OR</b>	3

	<p>Elucidate the following terms in relation to fund start up:</p> <p>a) Boot Strapping b) Crowd funding c) Angel investment</p>	
25.	<p>Illustrate the following types of sources of funds:</p> <p>a) ICD b) Debenture</p> <p style="text-align: center;"><b>OR</b></p> <p>Explain the types of financial need:</p> <p>a) Fixed capital requirement. b) Working capital requirement</p>	4
26.	<p>(A) Explain how the scope of e-business extends beyond e-commerce, highlighting its role in internal business functions.</p> <p style="text-align: center;"><b>OR</b></p> <p>(B) The Government of India has entered into a contract with a private sector company for developing a national highway. Under which the company will develop the highway and charge toll tax from vehicles plying on it. Name the form under which such a project is undertaken and explain any three of its features.</p>	4
27.	<p>Millenium Enterprises, a leading business in manufacturing, has committed to reducing its environmental footprint. The top management decided to introduce policies for using superior technology and high-quality raw materials. They also ensured that all employees across divisions are made aware of these initiatives. Identify and explain two specific steps mentioned in the case that Millenium Enterprises has taken towards environmental protection.</p>	4
28.	<p>(A) Enumerate and explain any four causes of business risks.</p> <p style="text-align: center;"><b>OR</b></p> <p>(B) Describe the steps involved in launching a business enterprise.</p>	4
29.	<p>ABC Ltd. is a multinational automobile manufacturer that operates globally. The company has embraced e-business by implementing a Business-to-Business (B2B) and Business-to-Customer (B2C) model to streamline its operations. ABC Ltd. interacts with its suppliers through e-business platforms for the procurement of parts, tracks the delivery and assembly of components, and makes payments electronically. Additionally, it has an online portal where customers can customize and order their cars directly, receive delivery tracking information, and make payments securely. Considering the information provided, answer the following questions: Describe the scope of e-business adopted by ABC Ltd. and explain how it benefits the company.</p>	4
30.	<p>What does the principle of subrogation mean in insurance, and how does it work?</p>	4
31.	<p>XYZ Enterprises is a small-scale manufacturing unit that has been in operation for five years. The owner, with strong technical knowledge, often struggles with managing the business. The company has not been able to maintain consistent quality, and its products have failed to compete with international brands. Additionally, the business operates below full capacity due to weak marketing efforts and lack of demand.</p> <p>a) Highlight three challenges XYZ Enterprises faces as an MSME. b) Discuss how these challenges impact its competitiveness in the market. c) Recommend strategies that XYZ Enterprises can adopt to address these challenges.</p>	1+2+3
32.	<p>Differentiate between Equity share and Preference share on the basis of:</p> <p>I. Face value II. Right to dividend III. Voting rights IV. Degree of risk</p>	6

	<p>V. Refund of capital VI. Redemption</p> <p style="text-align: center;"><b>OR</b></p> <p>A company is exploring trade credit as a short-term financing option. Analyze the merits and limitations of trade credit and suggest how it can be effectively utilized in business operations.</p>	
33.	<p>A new start-up, ABC Technologies, is evaluating whether to form a private company or a public company. The company wants to raise capital from a large number of investors and have the ability to transfer ownership easily. However, it also wants to maintain control within a small group of investors.</p> <p>Which type of company would you suggest ABC Technologies form, and why?</p>	6
34.	<p>(A) Explain the features of departmental undertakings. How do these features help in ensuring public accountability and control over their operations?</p> <p style="text-align: center;"><b>OR</b></p> <p>(B) Illustrate the role of foreign collaboration in the growth of multinational corporations (MNCs).</p>	6