



# Delhi Public School, Howrah

FINAL EXAMINATION - (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>“Pawan Limited has captured 53 percent of the market share.” Which of the following types of objectives is highlighted in the statement?</p> <p>A. Element of risk<br/>                     B. An economic activity<br/>                     C. Uncertainty of return<br/>                     D. Market standing</p>  | 1     |
| 2.     | <p>Dev Ltd., a well-known joint-stock company, was established in 1990. Over the years, several of its original shareholders and directors have passed away, and many new shareholders have joined. Despite these changes, the company continues to operate without any interruptions. Recently, the company decided to expand its operations internationally. The ability of Dev Ltd. to expand internationally despite changes in its membership reflects which of the following features of a joint-stock company?</p> <p>A. Mutual Agency<br/>                     B. Artificial Legal Person<br/>                     C. Perpetual Succession<br/>                     D. Separation of Ownership and Management</p>   | 1     |
| 3.     | <p>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R).<br/>                     Assertion (A): Multinationals are characterised by possessing huge financial resources.<br/>                     Reason(R): Global enterprises may raise funds through internal and external sources.<br/>                     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.<br/>                     B. Both Assertion and Reason are true but the Reason is not the correct explanation of the Assertion.<br/>                     C. Assertion is true but Reason is false.<br/>                     D. Assertion is false but Reason is true.</p> | 1     |
| 4.     | <p><b>Read the following statements carefully:</b><br/> <b>Statement I:</b> The volume of B2B transactions is much higher than the volume of B2C transactions.<br/> <b>Statement II:</b> Under e-business, communication can flow in any direction.<br/>                     In the light of given statements, choose the correct alternative from the following:</p>   | 1     |

|     |  |   |
|-----|--|---|
|     | <p>A. Both the statements are true.<br/>         B. Both the statements are false.<br/>         C. Statement I is true and Statement II is false.<br/>         D. Statement II is true and Statement I is false</p>  | 1 |
| 5.  | <p>Which of the following has the greatest potential to benefit society?<br/>         A. Business Success<br/>         B. Laws and regulations<br/>         C. Ethics<br/>         D. Professional management</p>  | 1 |
| 6.  | <p>Rahul and Sumit run a textile business as partners under the name "RS Textiles." They frequently introduce their friend, Aman, as a partner to clients and suppliers, even though Aman has no real interest in the firm. Aman does not deny this and allows others to believe that he is a partner. One of the suppliers, based on this belief, extends credit to RS Textiles. Later, RS Textiles fails to repay the dues. The supplier demands payment from Aman, claiming he is a partner. Under the Indian Partnership Act, 1932, Aman is considered as a _____.</p> <p>A. Sleeping Partner<br/>         B. Partner by Estoppel<br/>         C. Partner by holding out<br/>         D. Managing Partner</p>  | 1 |
| 7.  | <div data-bbox="138 632 600 868" data-label="Image"> </div> <p>Identify the above picture and choose the correct option related to e-business from the following.</p> <p>A. ATM<br/>         B. PoS<br/>         C. Internet Banking<br/>         D. UPI</p>   | 1 |
| 8.  | <p>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):<br/> <b>Assertion (A):</b> The process of taking funds from commercial banks is complex.<br/> <b>Reason (R):</b> The banks make a detailed investigation of the company's affairs, credit rating, and financial affairs.</p> <p>In the context of the above statements, which one of the following is correct?</p> <p>A. Both A and R are true. R is the correct explanation of A.<br/>         B. Both A and R are true, but R is not the correct explanation of A.<br/>         C. A is correct, but R is incorrect.<br/>         D. A is incorrect, but R is correct.</p>  | 1 |
| 9.  | <p>Company A, a leading manufacturer of consumer goods, has a strong cash position due to its increasing sales. However, it does not have any immediate investment requirements and is looking for a way to earn a return on its surplus cash. Company A decides to lend some of its surplus funds to Company B. Based on the above case, what is the primary risk associated with the inter-corporate deposit (ICD) entered into, by Company A with Company B?</p> <p>A. Company A might face a liquidity risk if Company B defaults on repayment.<br/>         B. Company A might earn a lower rate of return than anticipated due to market volatility.<br/>         C. Company B might face operational risk in utilizing the funds for expansion.<br/>         D. Company A might face a credit risk due to non-payment of the principal amount by the Company.</p> | 1 |
| 10. | <p>Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R).</p>   | 1 |

**Assertion (A):** Entrepreneurship plays a vital role in economic development as it creates jobs, drives innovation, and fosters competition.  
**Reason (R):** Entrepreneurs identify market gaps and create innovative products or services that meet consumer needs, leading to the growth of industries and the economy.  
 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.

11. The Chief Executive Officer (CEO) and other higher-level managers need to be openly and strongly committed to ethical conduct. They must give continuous leadership to developing and upholding the values of the organisation. Which of the following elements of business ethics is highlighted above?  
 A. Involving employees at all levels.  
 B. Top management commitment.  
 C. Measuring results.  
 D. Establishment of compliance mechanisms.

12. "A pull strategy is related to the just-in-time inventory management, under which products enter the supply chain only when customer demand justifies it. This is called Pull supply chain management. This is a benefit of \_\_\_\_\_.  
 A. e-commerce  
 B. e-auction  
 C. e-Bidding  
 D. e-business

13. Match the following columns.

| Column A          | Column B   |
|-------------------|--|
| a. Bank Draft     | i. A short-term cash loan to a company. The borrower is sanctioned a credit limit up to which it may draw amounts from the bank. This credit limit is determined by the bank's estimation of the borrower's credit-worthiness. |
| b. Bank Overdraft | ii. Drawn by a bank branch on another branch or some other bank at the place of destination. The bank charges some commission in lieu of issuing.  |
| c. Cash credit    | iii. The bank allows a customer to overdraw his current account balance up to an agreed limit. The customer has to pay interest on the amount overdrawn by him   |
| d. e-Banking      | iv. Automated Teller Machines (ATM), Point of Sales (PoS), Electronic Data Interchange (EDI), Credit Cards Electronic or Digital cash, electronic bank transfer (EFT)  |

- A. a-ii ; b-iv ; c-iii ; d-i  
 B. a-ii ; b-iii ; c-i ; d-iv  
 C. a-i ; b-iv ; c-iii ; d-ii  
 D. a-iv ; b-iii ; c-i ; d-ii

14. The retailer having no fixed place of selling is called \_\_\_\_\_.  
 A. Vendors  
 B. Sellers  
 C. Itinerants  
 D. None of these

15. XYZ Ltd. is a multinational corporation (MNC) with its headquarters in New York, USA. The company operates in multiple countries, including India, Germany, and Brazil. Despite having regional offices in these countries, major strategic decisions such as pricing, marketing campaigns, and product development are taken at the headquarters. The regional offices have limited autonomy and must follow the guidelines set by the head office.

|     |  |   |
|-----|--|---|
|     | <p>What does the centralized control exercised by XYZ Ltd.'s headquarters imply?</p> <p>A. Regional offices have complete independence in decision-making.<br/> B. The headquarters retains authority over key strategic decisions.<br/> C. Regional offices make all operational and strategic decisions independently.<br/> D. Decision-making is completely decentralized to all regional offices.</p>  |   |
| 16. | <p>Which of the following are sources for raising borrowed funds?</p> <p>(i) Loans from commercial banks<br/> (ii) Loans from financial institutions<br/> (iii) Issue of debentures<br/> (iv) Trade Credit<br/> (v) Public Deposit<br/> (vi) Retained earning</p> <p>A. (i), (ii) and (iii)<br/> B. (i), (ii), (iii) and (iv)<br/> C. (i), (ii), (iii), (iv) and (v)<br/> D. All of the above</p>  | 1 |
| 17. | <p>The definition of MSME by the Government of India is based on which of the following factors?</p> <p>(i) Investment in plant and machinery<br/> (ii) Turnover of business<br/> (iii) Number of persons employed in business</p> <p>A. Only (i)<br/> B. Only (i) and (ii)<br/> C. Only (i) and (iii)<br/> D. All of these</p>  | 1 |
| 18. | <p>Which of the following statements is not true for raising funds through issuing preference shares?</p> <p>A. Preference shares provide reasonably steady income in the form of a fixed rate of return and safety of investment.<br/> B. Preference shares are useful for those investors who want a fixed rate of return with comparatively low risk.<br/> C. It affects the control of equity shareholders over the management as preference shareholders have voting rights.<br/> D. Preference capital does not create any sort of charge against the assets of a company.</p> | 1 |
| 19. | <p>Identify the correct order of the export procedure from the following steps:</p> <p>A. Excise clearance → Pre-shipment inspection → Pre-shipment finance → Production or procurement of goods<br/> B. Obtaining pre-shipment finance → Production or procurement of goods → Pre-shipment inspection → Excise clearance<br/> C. Obtaining pre-shipment finance → Excise clearance → Pre-shipment inspection → Production or procurement of goods<br/> D. Pre-shipment inspection → Production or procurement of goods → Obtaining pre-shipment finance → Excise clearance</p>      | 1 |
| 20. | <p><b>Read the following statements carefully:</b></p> <p><b>Statement I:</b> It is not compulsory to insure the goods before export.<br/> <b>Statement II:</b> A bill of exchange is a document that contains the details of the imported good.<br/> In the light of given statements, choose the correct alternative from the following:</p> <p>A. Both statements are true.<br/> B. Both statements are false.<br/> C. Only Statement I is true.<br/> D. Only Statement II is true.</p>   | 1 |
| 21. | <p>Alex Ltd. wants to raise long-term funds but does not want to dilute the control of existing shareholders. They are considering issuing debentures.<br/> (a) Why is issuing debentures a suitable option for Alex Ltd.?</p>   | 3 |

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|-----|---|---|
|     | (b) How does issuing debentures affect the company's ownership structure?<br><b>OR</b><br>Which type of share issuance would be more suitable for investors seeking a stable income? Justify your answer.   |   |
| 22. | In which form of organisation is a trade agreement made by one owner binding on the others? Give reasons to support your answer.  | 3 |
| 23. | Three friends Rani, Roma, and Soma completed their studies and planned to join their father's business. Rani got engaged in her Sugarcane farm, Roma joined her father's sugar mill and Soma joined the transport business of her father. Identify and briefly define the different types of industries being discussed in the given case.  | 3 |
| 24. | What are the key reasons behind trade between different countries?<br><b>OR</b><br>Elucidate the following documents concerning foreign trade:<br>a) Proforma invoice<br>b) Bill of lading<br>c) Certificate of inspection  | 3 |
| 25. | Illustrate the following types of retailers:<br>a) Peddlers and hawkers<br>b) Cheap jacks<br><b>OR</b><br>Describe the organizations that support MSME industries:<br>a) NSIC<br>b) DIC   | 4 |
| 26. | Both departmental stores and chain stores operate as large-scale retail businesses. Analyze and explain the similarities between these two forms of retail trade.   | 4 |
| 27. | Amar took a fire insurance policy of 20 lakhs for his factory at the annual premium of Rs.24,000. In order to avoid a premium more than this amount, 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 the payment for claim as it became aware about the highly explosive chemicals.<br>a) Is Amar entitled to receive the claim? Identify the principle of insurance violated by Amar.<br>b) Explain any two distinct principles of an insurance contract, excluding the one mentioned in part (a).  | 4 |
| 28. | (A) Explain in detail the features and functioning of the World Trade Organization (WTO).<br><b>OR</b><br>(B) What benefits do firms derive by entering into international business?  | 4 |
| 29. | The Internet is truly without boundaries. On one hand, it allows the seller access to the global market; on the other hand, it affords the buyer the freedom to choose products from almost any part of the world. It would not be an exaggeration to say that in the absence of the Internet, globalisation would have been considerably restricted in scope and speed. The use of the Internet has considerably reduced dependence on paperwork and the attendant 'red tape.' You know that Maruti Udyog does the bulk of its sourcing of supplies of materials and components in a paperless fashion. Even the government departments and regulatory authorities are increasingly moving in this direction whereby they allow electronic filing of returns and reports. E-commerce tools are affecting the administrative reforms aimed at speeding up the process of granting permissions, approvals, and licenses. In this respect, the provisions of the Information Technology Act 2000 are quite noteworthy.<br>(a) Identify the emerging mode of business discussed above. State its meaning.<br>(b) Identify three benefits of the emerging mode of business by quoting the lines from the above passage. | 4 |
| 30. | "Small-scale businesses play a crucial role in economic development but often face several challenges."-Identify and explain any four hindrances faced by small-scale businesses.   | 4 |
| 31. | Once upon a time, a round of Election to the five Legislative Assemblies of the country was in progress. The different political parties were putting in the best of their efforts to entice the people through their respective promises to them. There were three main political parties contesting   | 6 |

elections in these states. One of the political parties made a promise that if they came into power, they would set up such public sector enterprises in the states which will have the partnership of both the public and the government. However, in these enterprises, the ownership of the government shall not be less than 51%. The setting up of these enterprises is done as per the provisions of the Indian Companies Act, 2013. The financing of these enterprises is done jointly by both, the people and the government. The second political party promised that if they came into power, they would set up such public sector enterprises which will be completely under the ownership of the government. The burden of financing them will not be put on the shoulders of the people, but they will be managed with the general budget. The third political party, which was contesting the elections for the first time, promised that on coming into power they would set up such public sector enterprises which would be fully financed by the government. However, there will be no bar to get loans from the people to set up them. They will be set up as per the special Act passed by the Parliament or the State Legislative Assembly.

Based on the above para, identify the type of public sector enterprises to be set up as promised by the three political parties. Also, state any two merits of each of them.

32. ABC Pvt. Ltd., a leading textile manufacturer, was recently accused of polluting a nearby river due to improper waste disposal. Local communities protested against the company, demanding action. In response, the company set up an advanced waste treatment plant and initiated CSR programs, including free health check-ups and education for underprivileged children.

Based on the above case, answer the following:

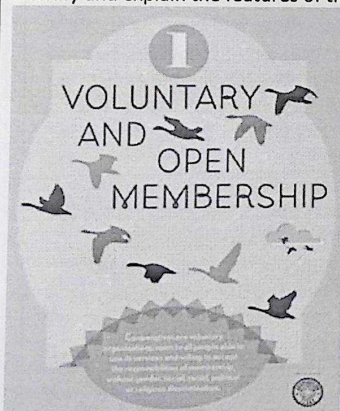
- a) Explain the concept of social responsibility of business in the context of this case.  
b) How did ABC Pvt. Ltd. fulfill its social responsibility? Suggest one more way through which the company can contribute to society.

OR

XYZ Ltd., a growing manufacturing company, is exploring different options to raise funds for business expansion. The company is considering issuing Debentures to the public and also looking at Inter-Corporate Deposits (ICDs) as a short-term borrowing option.

Based on the above scenario, explain briefly any three features of each Debenture and ICD.

33. Identify and explain the features of the form of organisation shown in the picture given below:



34. (A) Roja Garments has received an order to export 2000 men's trousers to Seva Imports Ltd., located in Australia. Discuss the procedure that Roja Garments would need to go through to execute the export order.

OR

(B) Your firm is planning to import textile machinery from Canada. Describe the procedure involved in importing after obtaining the import license and placing the import order or indent with the exporter for the supply of textile machinery.