26.06.25 ✓

Delhi Public School, Howrah

PERIODIC TEST I - (2025-2026)

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)

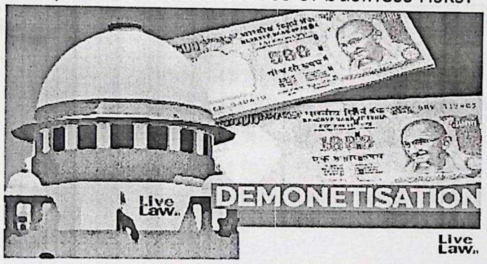
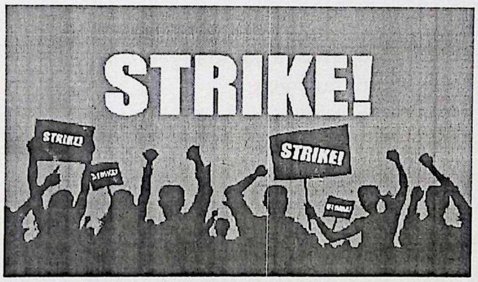
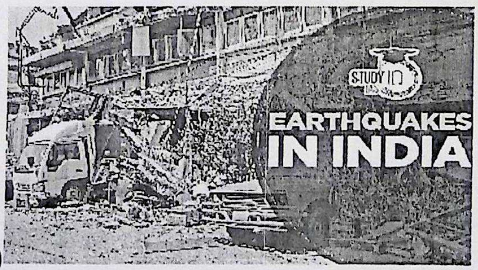
Time Allowed: - 3 HOURS **Maximum Marks - 80**

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.	The two friends, Kritika and Sonam started a business by the name of 'Kriyo Fancy Dress Shoppy'. Both of them invested equal capital in the business. At the start of the business, because of her domestic circumstances, Sonam had placed one condition before Kritika that if unfortunately they suffered a heavy loss in their business, she would not be able to give anything except the capital invested in the business. Kritika had accepted this condition. Name the type of partnership: A. Particular Partnership B. Illegal Partnership C. General Partnership D. Limited Partnership	1
2.	Which one of the following is the correct sequence of stages in the formation of a company? A. Promotion, incorporation, capital subscription, commencement of business. B. Incorporation, capital subscription, promotion, commencement of business. C. Promotion, commencement of business, incorporation, capital subscription. D. Promotion, incorporation, certificate of commencement, capital subscription.	1
3.	Demand for a particular product may decline due to change in taste and preferences of consumers or due to increased competition from other producers. Lower demand results in low sales and profits. In another situation, the shortage of raw material in the market may shoot up its price. The firms using these raw materials will have to pay more for buying them. As a result, cost of production may increase which, in turn, may reduce profits. What is the reason for the above-mentioned losses in the business? A. Business Risk B. Irresponsibility of business entrepreneur C. Role of over expectation of profit in business D. Both (A) and (C)	1

4.	Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Assertion (A): Karta is too powerful to ruin the business. Reason(R): Under HUF business, control of the business lies in the hands of Karta. 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.	1
5.	Provision of residential accommodation to it's members at reasonable rates is the objective of : A. Producers' Cooperative B. Consumers' Cooperative C. Housing Cooperative D. Credit Cooperative	1
6.	Which of the following statements is/are incorrect? i. Profit can be taken as society's approval to the utility of business. ii. Profit maximisation indicates the efficient working of a business. iii. There are hardly any sizable business enterprises, whose only objective profit maximisation. A. Only i B. Only ii C. Only iii D. None of the statement is incorrect	1
7.	The given pictures represent different causes of business risk. Choose the correct option representing the sequence of these causes of business risks:  (i)  (ii)  (iii)	1

	A. (i) Human(ii)Economic (iii) Natural B. (i) Economic(ii) Natural (iii) Human C. (i) Economic (ii) Human (iii) Natural D. (i) Human(ii) Economic (iii) Natural	
8.	'Rama Krishana Pvt. Ltd.' is a well-known company of its own industry. This company is earning a considerable profit. Inspired by the great profit, both the classes, the proprietors and the Employees, are using their utmost skill. Not only this but both the sides are also feeling inspired to do something special. They are making efforts to make good quality products available to the customers at a low price, to pay the shareholders a handsome dividend and the employees' reasonable remuneration. The company's foundations have become so strong that there is no doubt about its continuity in the market for a long time. On the other hand, another company of the similar industry namely Rama Pvt. Ltd. which is at the point of death, is likely to get closed any time because of decline in the profit. 'Inspired by the great profit, both the classes, the proprietors and the Employees, are using their utmost skill'. The above statement is related to which point of 'Role of Profit in Business"? A. For long survival B. For building prestige and recognition C. For increasing efficiency D. Both A) and B)	1
9.	Choose the incorrect statement from the following: A. The personal property of the partners of a partnership firm cannot be attached to satisfy the claims of creditors of a company. B. Ram & Hari, two partners in a partnership business, declare Gopal as a partner with knowing that Gopal remain silent then Gopal will be liable to third parties for any loss. Here Gopal will be Partner by holding out. C. As per the guidelines of Securities and Exchange board of India, a company must receive a minimum of 90% subscription against the entire issue before making any allotment of shares to the public. D. Rama is a nominal partner in a business who has no actual interest in business trade or its profits but he is paid fee by the firm for lending its name to firm.	1
10.	Mohon started a unique seafood business and within a few years his business was well established. Now he needs to export his goods outside the state. As the goods are perishable in nature, he needs some extra protection for his business goods. Which auxiliaries of trade are necessary for his business now? A. Transportation and warehousing. B. Insurance and Transportation. C. Warehousing and Insurance. D. Only Warehousing.	1
11.	"Utility of goods is their want-satisfying capability. More is the aspiration to have the goods, the more is the utility procured from them." Which of the following utility is created by Manufacturing Industry? A. Form B. Place C. Time D. Possession	1
12.	Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). Assertion (A): Joint stock company can raise huge amount of capital. Reason(R): The maximum number of members is unlimited in Joint Hindu family Business.	1

	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.	
13.	Identify the following as traits of Business, Profession and Employment: I. Dhruv is the manager of a mobile company. II. It requires minimum academic and other qualifications. III. A Hawker sales toy for children outside a function. A. I. Business, II. Profession, III. Employment B. I. Profession, II. Business, III. Employment C. I. Employment, II. Profession, III. Business D. I. Business, II. Employment, III. Profession	1
14.	Mr. Kishor Majoomdar is running his family business at Kolkata, West Bengal. He is the eldest member of his family. Both male and female members are allowed to participate in their business. But Kishor ji always remain the power centre and sole authority in controlling and regulating business. Name the form of business organizations run by the friends referred in the above case. A. Partnership B. One Person Company C. Joint Hindu Family Business D. Sole Trading Concern	1
15.	Given below are two statements, one labelled as Statement I and the other labelled as Statement II. Statement I: Every company must file Article of Association. Statement II: Article of Association is the main document of a company. Choose the correct option from the options given below: A. Statement I is true and II is false. B. Statement II is true and I is false. C. Both the statements are true. D. Both the statements are false.	1
16.	"These industries are dealing in production of products for final consumption and creating form utilities."- Identify the type of Industry. A. Genetic industries B. Manufacturing industries C. Extractive industries D. Constructive industries	1
17.	Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R). **Assertion:** Commerce refers to all those activities which are concerned with the transfer of goods and services from the producers to the consumers. **Reason:** Commerce embraces all those activities which are necessary for maintaining a free flow of goods and services. It includes trade and auxiliary to trade. 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.	1

18.	Match the steps in the process of organising in Column I with the appropriate explanation in Column II: <table><tr><th>Column I</th><th>Column II</th></tr><tr><td>1. Risk of loss due to fire covered by Fire insurance.</td><td>(a) Entrepot</td></tr><tr><td>2. A product passes through various stages to become a final product.</td><td>(b) Extractive Industry</td></tr><tr><td>3. Raising products from Natural resources.</td><td>(c) Aids to Trade</td></tr><tr><td>4. Import of goods for the Purpose of Export.</td><td>(d) Processing Industry.</td></tr></table>A. 1 (a), 2 (b), 3 (c), 4 (d) B. 1 (a), 2 (c), 3 (b), 4 (d) C. 1 (b), 2 (a), 3 (d), 4 (c) D. 1 (c), 2 (d), 3 (b), 4 (a)	1
19.	What does "unlimited liability" mean for a sole proprietor? A. The proprietor is only liable for the debts of the business up to the amount invested. B. The proprietor is not liable for the debts of the business at all. C. The proprietor is liable for all the debts of the business and may have to use personal assets to pay off debts. D. The proprietor's liability is limited to the amount of profits generated by the business.	1
20.	Hindu Succession Act was passed in ____________ A. 1960 B. 1956 C. 1952 D. 1932	1
21.	You would like to start a business either as a partnership firm or a cooperative society but you are in a state of dilemma and would not be able to choose between them. Then in this case what will you do? **OR** Explain how industry, trade and commerce are interrelated.	3
22.	State and explain any three business activities which are auxiliaries to trade. **OR** Briefly discuss any three functions of commerce.	3
23.	Raj has identified a large opportunity for residents in India to generate their own power and save money by setting up solar equipment on their roofs or balconies, etc. Besides, conceiving a business ideas promotion involves taking an initiative to form a company so that practical shape can be given to it. Briefly outline the other functions which need to be performed by Raj as a promoter.	3
24.	Rishabh had to face heavy losses in tourism business due to the devastating floods in Kerala. In order to revive business, he has introduced many attractive travel packages and invested huge amount in promoting these lucrative offers to the prospective consumers. In context of the above case: (a) Identify the types of business risk being mentioned in the above paragraph. (b) Also, suggest any three ways in which business risk can be minimised.	3
25.	Akanksha wanted to pitch in to reduce the financial crisis prevailing in her house and thought of working as a cook. She started working in three different households, one Punjabi, one Gujarati and one South Indian family. She soon realised that all the three households had different cuisine. It was indeed a challenge for her to learn the techniques of the cuisine. All the families greatly appreciated the time frame within which she had mastered the local cuisine. After working for them for a year, she decides to open a small eating joint of her own, along with two of her friends by the name 'Hamara Khana'. They decided to share profits equally and that each of them will be liable for acts performed by the other two. Soon the eatery became a hot spot because of the fusion platter which was being offered. On the basis of above case, answer the following questions	4

	(a) Identify the kind of business organisation which was setup by Akanksha and her friends. (b) Quoting the lines from the paragraph, state the features of this form of business organisation.	
26.	Explain the following features of Partnership: a) Liability of the partner b) Mutual agency **OR** Explain the important documents required to be submitted to the Registrar at the time of formation of company: a) Memorandum of Association b) Article of Association	4
27.	Sankalp is a successful entrepreneur dealing in Automobile sector especially with Two Wheelers at Ahmedabad. He has been constantly earning good profit from his business and investing surplus towards expansion of his business. All the latest Two-Wheeler models are available at his showroom. His marketing and sales team are managed to create new customers from time to time. His unique style of business management has brought him success. a) Name the type of Business activity in which Sankalp is involved. b) Name the type of economic activities performs by Sankalp. c) Identify the objectives that are followed by the entrepreneur.	1+3
28.	Explain the following contents of Memorandum of Association: a) Domicile Clause b) Objects Clause **OR** Explain the following limitations of Joint stock company: a) Oligarchic management b) Conflict in Interest	4
29.	Earning of profit cannot be the objective of business any more than eating is the objective of living. A person cannot survive for a long-time and cannot lead a healthy life only by eating. A person has to perform other activities also such as social activities, religious, patriotic activities. Similarly, a business with the sole objective of earning profit cannot survive for a long-time to capture a big share in market to create the goodwill, to have durable profits; businessman must have social and individual objectives of business." (a) In the context of above discussion, state any four social and individual objectives of business. (b) State any two reasons other than mentioned of the paragraph why profit is requirement of business.	3+1
30.	If registration is optional, then why do partnership firms willingly go through this legal formality and get themselves registered? Explain.	4
31.	"Sunrise Industries Ltd." is a company that manufactures solar panels. They have a large number of shareholders, and their shares are freely traded on the stock exchange. "GreenTech Solutions Pvt. Ltd." is another company that produces eco-friendly packaging materials. They have a limited number of shareholders, and their shares are not publicly traded. (a) What are the two types of companies mentioned in the scenario? (b) What is the main difference between a private and a public company? (c) What are some advantages of forming a company as a business organization? (d) What are some disadvantages of forming a company?	6
32.	I. Discuss the types of partnerships: (a) Particular Partnership (b) Partnership at will (c) Limited Partnership	6

	II. Can a Minor be admitted to Partnership? Give explanation in support of your answer. **OR** I. Explain the factors responsible while choosing an appropriate form of business organisation: (a) Liability (b) Continuity (c) Capital consideration II. "Cooperative society offers various advantages as compared to other forms of business organisation". Comment	
33.	Kiran is a sole proprietor. Over the past decade, her business has grown from operating a neighbourhood corner shop selling accessories such as artificial jewellery bags, hair clips and nail art to a retail chain with three branches in the city. Although she looks after the varied functions in all the business. She is wondering whether she should form a company for better management of the business. She also has plans to open branches countrywide. (a) Explain two benefits of remaining a sole proprietor. (b) Explain two benefits of converting it to a joint stock company. (c) What role will her decision to go nationwide play in her choice of form of the organisation? (d) What legal formalities will she have to undergo to operate business as a company?	6
34.	"There is a special form of business organisation which is only found in India." -Identify the type of business organisation and describe its features. **OR** State the privileges enjoyed by a private limited company as against as a public limited company.	6