



INDIAN SCHOOL MUSCAT FIRST TERM EXAMINATION

BUSINESS STUDIES

CLASS: XI

Sub. Code: 054

Time Allotted: 3 Hrs

25.09.2017

Max. Marks: 80

Instructions:

1. Answers to questions carrying 1 mark may be from one word to one sentence.
 2. Answers to questions carrying 3 marks may be from 50-75 words.
 3. Answers to questions carrying 4-5 marks may be about 150 words.
 4. Answers to questions carrying 6 marks may be about 200 words.
 5. Attempt all parts of a question together.
- 1 Amar donates Rs. 500 every month to CRY, an organisation providing balanced diet to undernourished children. Identify the kind of activity and state any one value exhibited by Amar. 1
 - 2 Explain the concept of business risk. 1
 - 3 Name an enterprise formed by people desirous of getting housing facility at lower cost. 1
 - 4 Define 'Qualification shares'. 1
 - 5 Explain the concept of private sector. 1
 - 6 A person took an insurance policy and did not disclose that he is a patient of cancer whose value is missing in this case? 1
 - 7 What is the function of BIFR? 1
 - 8 A person gets his stock of goods insured, but he hides the fact that the electricity board has issued him statutory warning letter to get his factory's wiring changed later on, the factory catches fire due to short circuit. Can he claim compensation? State the name of principle. 1
 - 9 Which type of organisation is most desirable from employment generation point of view? Give reasons. 3
 - 10 "Company is an artificial person with separate legal entity, perpetual succession and common seal." Comment. 3
 - 11 Distinguish between economic and non-economic activities with examples. 3
 - 12 If registration is optional, why do partnership firms willingly go through this legal formality and get themselves registered? Explain. 3

- 13 In which form of organisation is a trade agreement made by one owner binding on the others? 3
Give reasons to support your answer.
- 14 Identify the following principles of Insurance: 3
- The insured must have a pecuniary interest in the subject matter of insurance.
 - According to this principle, an insurance policy is designed to provide compensation only for such losses as are caused by the perils which are stated in the policy.
 - This principle states that it is the duty of the insured to take reasonable steps to minimise the loss or damage to the insured property.
- 15 Explain the term 'Memorandum of Understanding'. 3
- 16 "One man control is the best in the world, if that man is big enough to manage the whole show". 4
Comment.
- 17 Discuss the merits of Departmental Undertaking. 4
- 18 Explain the functions of commercial banks. 4
- 19 Why does business need multiple objectives? Explain any four such objectives. 5
- 20 Amitha is a sole proprietor. Over the past decade, her business has grown from operating a neighborhood 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 branches, she is wondering whether she should form a company to better manage the business. She also has plans to open branches countrywide. 5
- Who is a sole proprietor?
 - Explain two benefits of remaining a sole proprietor.
 - Explain two benefits of converting to a joint stock company.
 - What role will her decision to go nationwide play in her choice of form of the organisation?
 - What legal formalities will she have to undergo to operate business as a company?
- 21 Define promoter. What are the functions of a promoter? 5
- 22 How does the government maintain a regional balance in the country? 5
- 23 Write a note on various telecom services available for enhancing business. 5
- 24 Starting a business enterprise is similar to any other human effort in which resources are employed to achieve certain objectives. Successful results in business depend largely upon the ability of the entrepreneurs or the starters of a new business to anticipate problems and solve them with minimum cost. This is especially true of the modern business world where competition is very tough and risks are high. 6
What factors are important to be considered while starting a business? Explain.

- 25 What is a 'Memorandum of Association'? Briefly explain its clauses. 6
- 26 Government companies have certain characteristics which makes them distinct from other forms of organisations. List the characteristics of a Government company. 6
- 27 What is Insurance? Describe various types of Life Insurance. 6

End of the Question Paper