

INDIAN SCHOOL MUSCAT
CLASS: 10
FIRST PRE – BOARD EXAMINATION
Elements of Business (154)
SET - A

QP.NO.	VALUE POINTS	SPLIT UP MARKS
1. (c) common seal		1
2. (a) Debenture		1
3. (d) Easy and convenient		1
4. (b) Debit Card		1
5. (b) Centrally Located		1
6. (d) Sender		1
7. (a) Delivery Note		1
8. (d) Company		1
9. (c) Online Shopping		1
10. (b) Proof of Communication		1
11. (a) Lucky Draw		1
12. (a) Written		1
13. (b) retail		1
14. (c) Virus		1
15. (b) Promotion		1
16. (a) Cash Sales		1
17. This type of business is not suitable for all types of products. For example, goods that are perishable in nature or are bulky and cannot be easily handled, are not recommended for mail-house trading.		3
18. Telephone (both basic and mobile) have become the lifeline of the modern day communication process. Each and every organisation depends on telephone for their daily routine business activities .Today most of the transactions in many organisations are undertaken telephonically. Another dimension to it is added by smart phones which can be used for email etc.		3
OR		
Business communication refers to how information is shared between employees at a company for the commercial benefit of that organization.		
There are two main types of business communication:-		
(i)The first kind is oral communication, in which information is exchanged verbally.		
(ii)The second form is known as written communication, which used to be limited to paper communication.		
19. The steps involved in selling procedure:-		3
a) Enquiry from intending buyer		
b) Providing Quotation to the intending buyer		
c) Receipt of order from the buyer		
d) Execution of order and Invoicing		
e) Opening customer's account		
f) Dispatch of goods		
g) Delivery of goods to the buyer		
h) Receipt of payment and settlements of accounts. (First six steps only)		
OR		
(a) Quotation: A quotation allows a prospective buyer to see what costs would be involved for the work they would like to have done. Many businesses provide services that cannot have an upfront price, as the costs involved can vary.		
(b)Accounts Sales: The details in the account sales An accounts-sales is a statement of affairs relating to the consignment. This is a statement prepared and sent by the consignee to the		

consignor to keep him informed of the transactions of the business. It is a periodic statement i.e. it is made for a form a basis for accounting for the transactions at the consignees end.

20. The three features of a company mentioned in the case are : 3
- (a) Formation – He has got his unit registered under Companies Act, 2013.
 - (b) Separate Legal Entity -From the day of its registration, it acquired an identity separate from its members.
 - (c) Control - The Board of directors of the company appointed top officials for running the business.
21. (a) Purchase by sample: when goods are purchased in bulk then it is not possible to inspect the entire lot to be purchased. A sample is a specimen of goods, taken as a representative of the bulk. In case of purchase by sample it is agreed between both the parties that the bulk supply shall be of the same quality as that of the sample. 3
- (b) Purchase by inspection: In this the buyer personally inspects the quality of the goods to be bought. It is generally possible in retail trade.
 - (c) Hire Purchase Method: It is the agreement of hiring goods. Under this method ownership is transferred after the payment of last instalment. In this method buyer cannot transfer goods.
 - (d) Instalment System: It is agreement of sale. Under this method ownership is transferred after signing the agreement. In this buyer can transfer goods.
22. Advertising 3

Importance of Advertising

- (1)Product Launch
- (2)Retain the existing customers
- (3)Brand Promotion
- (4)Educates
- (5)Comparison (Explain any two)

23. (a) Features of Teleshopping: 4
- (i)It gives a full demonstration of the working of the product along with a list of contact phone numbers in every city. People who feel convinced of the utility of the demonstrated product contact the seller on telephone and place orders goods are delivered to buyers through courier or value payable post (V.P.P.).
 - (ii)The main advantage of teleshopping is convenience for the customer. The customer can purchase the product without visiting the seller. This saves valuable time, effort and money.
 - (iii)Customers can make payment through their credit cards. Asian sky shop, tele-brands are examples of companies which provide teleshopping facilities in India.Computer systems have made it easier by playing recorded messages and then record the information given by customers.
 - (iv)Teleshopping, however, does not offer the opportunity to the customer to examine the product before buying.
 - (v)Computerised systems used in teleshopping are expensive. (Any two)
- (b) Features of Online Shopping:
- (i)A typical online store enables the customer to browse the firm's range of products and services, view photos or images of the products, along with information about the product specifications, features and prices.
 - (ii)Online stores typically enable shoppers to use "search" features to find specific models, brands or items.
 - (iii)Online customers must have access to the Internet and a valid method of payment in order to complete a transaction, such as a credit card, an Interac-enabled debit card, or a service such as PayPal.
 - (iv)For physical products (e.g., paperback books or clothes), the e-retailer ships the products to

the customer; for digital products, such as digital audio files of songs or software, the e-retailer typically sends the file to the customer over the Internet. (Any two)

24. Trade Credit

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Merits -The important merits of trade credit are as follows:

- (i) Trade credit is a convenient and continuous source of funds;
- (ii) Trade credit may be readily available in case the credit worthiness of the customers is known to the seller;
- (iii) Trade credit is needed to promote the sales of an organisation;

OR

Merits -The merits of raising funds from a commercial bank are as follows:

- (i) Banks provide timely assistance to business by providing funds as and when needed by it.
- (ii) Secrecy of business can be maintained as the information supplied to the bank by the borrowers is kept confidential;
- (iii) Formalities such as issue of prospectus and underwriting are not required for raising loans from a bank. This, therefore, is an easier source of funds.

Limitations -The major limitations of commercial banks as a source of finance are as follow.

- (i) Funds are generally available for short periods and its extension or renewal is uncertain and difficult;
- (ii) Banks make detailed investigation of the company's affairs, financial structure etc., and may also ask for security of assets and personal sureties. This makes the procedure of obtaining funds slightly difficult;
- (iii) In some cases, difficult terms and conditions are imposed by banks. for the grant of loan. For example, restrictions may be imposed on the sale of mortgaged goods, thus making normal business working difficult. (Any two points each)

25. Merits of Teleconferencing:

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- 1. Saves Time
- 2. Save on Travel Expenses
- 3. Efficient Record Keeping
- 4. Cut Conference

26. Importance of Communication for Business Organisations.

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- (a) Acts as a basis of coordination
- (b) Acts as a basis of decision making
- (c) Increase managerial efficiency
- (d) Promotes cooperation and industrial peace
- (e) Establishes effective leadership
- (f) Boosts morale and provides motivation (Explain any four points)

OR

Suggestions to overcome Communication Barrier

- (i) Clarify the ideas before communication
- (ii) Communicate according to the needs of receiver
- (iii) Consult others before communicating
- (iv) Be aware of languages, tone and content of message
- (v) Convey things of help and value to listeners
- (vi) Ensure proper feedback
- (vii) Communicate for present as well as future
- (viii) Follow up communications
- (ix) Be a good listener (Explain any four)

27. Personal Selling-is a personal form of communication where direct face to face conversation takes place between the buyer and the seller for the purpose of exchanging goods and services.

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Importance or benefits of personal selling:

- 1. Two-Way Communication:
- 2. Personal Attention
- 3. Detail Demonstration

4. Immediate Feedback
5. Individual Services
6. Customer Confidence (Discuss any four points)

OR

Sales promotions - are the set of marketing activities undertaken to boost sales of the product or service.

(1) Rebate: Under it in order to clear the excess stock, products are offered at some reduced price. For example, giving a rebate by a car manufacturer to the tune of 12,000/- for a limited period of time.

(2) Discount: Under this method, the customers are offered products on less than the listed price. For example, giving a discount of 30% on the sale of Liberty Shoes. Similarly giving a discount of 50% + 40% by the KOUTONS.

(3) Refunds: Under this method, some part of the price of an article is refunded to the customer on showing proof of purchase. For example, refunding an amount of 5/- on showing the empty packet of the product priced 100/-.

(4) Product Combination: Under this method, along with the main product some other product is offered to the customer as a gift.

28. The steps in the purchase procedure are:

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- (i) Problem/need recognition
 - (ii) Information search
 - (iii) Evaluation of alternatives
 - (iv) Purchase decision
 - (v) Post-purchase behaviour
- (Explain)

29. Multinationals are huge industrial organisations which extend their industrial and marketing operations through a network of their branches in several countries.

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Features of Multinationals :

- (i) Huge capital resources
- (ii) Foreign collaboration
- (iii) Advanced technology
- (iv) Product innovation
- (v) Marketing strategies
- (vi) Expansion of market territory
- (vii) Centralised control (Explain any four)

OR

Differences Between Private Company and Public Company.

No	Basis	Private Company	Public Company
1	No. of members	Minimum-2, maximum-50.	Minimum-7, maximum-unlimited.
2	Prospectus	No need to issue a prospectus.	Needs to issue prospectus as public is invited to subscribe to the shares.
3	Time of starting business.	Can start business immediately after receiving certificate of incorporation.	Has to wait for certificate of commencement of business before they can start business.
4	No. of Directors.	Needs to have two Directors.	Needs to have three Directors.
5	Index of members.	Not required to keep an index of members.	Required to maintain an index of members.
6	Minimum paid up capital.	Rs.1 lakh or such higher amount which may be prescribed from time to time.	Rs.5 lakhs or such higher amount which may be prescribed from time to time.

30. (a) Fixed Capital Requirement and Working Capital Requirement.

(b) Fixed capital requirements: In order to start business, funds are required to purchase fixed assets like land and building, plant and machinery, and furniture and fixtures. This is known as fixed capital requirements of the enterprise. The funds required in fixed assets remain invested in the business for a long period of time.

Working Capital Requirements - The financial requirements of an enterprise do not end with the procurement of fixed assets. No matter how small or large a business is, it needs funds for its day-to-day operations. This is known as working capital of an enterprise, which is used for holding current assets such as stock of material, bills receivables and for meeting current expenses like salaries, wages, taxes, and rent.