# INDIAN SCHOOL MUSCAT

# ANNUAL EXAMINATION

### FEBRUARY 2020

**SET B** 

#### **CLASS XI**

# Marking Scheme – BUSINESS STUDIES [THEORY]

Q.N	Answers			
O.		(with		
		split up)		
1.	(b)Itinerant traders	1		
2.	(d) wages and salaries	1		
3.	(a) retailer	1		
4.	(d) All of these	1		
5.	(d) 5	1		
6.	(b) Trade credit	1		
7.	(c) Secondary	1		
8.	(b) At any time	1		
9.	(d) All of the above	1		
10.	(a) Business ethics	1		
11.	(d)All of the above	1		
12.	(c) Global trade rules	1		
13.	Ease of formation, Convenience, Speed, Global access, Paperless society (2 points)	(1/2		
		+1/2=1)		
14.	(c) Knowledge Process Outsourcing	1		
15.	(c) Includes contracting out both core and non-core activities	1		
16.	(d) All of these	1		
17.	(a) Public Private Partnership	1		
18.	(a) Mate receipt	1		
10		1		
19.	(a) Departmental undertaking	1		
20.	(a) Business risk	1		
21.	(i) Respect the laws of the country			
	(ii) Pay taxes regularly and honestly			
	(iii)Protect natural environment	(1X3=3)		
	(iv)Create employment opportunities			
	(v) Develop a proper image in the society			
	(Any 3 points with explanation)			
22.	(a) Bill of entry: It is the form filled by importer and submitted to the customs office to			
	release the goods. It contains information about the name and address of the	(13/2 2)		
	importer, the name of the ship, number of packages etc.	(1X3=3)		
	(b) Proforma invoice: It is the reply sent by the exporter for the enquiry of the importer.			
	It contains the details about the price of goods, quantity, quality, terms and			
	conditions of the export etc.			
	(c) Import general manifest: It contains the details of the imported goods on the basis of			

	which unloading of the goods takes place.						
23.							
	(ii) Lending o	-					
	(iii)Cheque facility				(1X3=3)		
	(iv)Remittance of funds				(1113 3)		
	(v) Allied serv						
	(Any 3 points with						
24.	(a) Letter of c						
	(b) Bill of exc						
		ficate of payment					(1X3=3)
		document with explan	nation)				
25.	Basis	Business	,	Profession	1		
	Nature of work	Provision of	of goods and	Providing	personalized,		
		services to		expert serv	_		(1X3=3)
	Reward	Profit	<u> </u>	Fees	· · · · ·		
	Transfer of inte			Not possib	ole		
	110000101 01 11100	OR		1 tot possie			
	(i) It is a sou	arce of income for bus	siness				
	` '	arce of finance for the		business			
	` '	es the efficient working					
		the reputation of busin	•				
	(Any 3 points wi	-					
26.		ent opportunities					
	. ,	regional development					
	(iii)Provides variety of goods				(1X4=4)		
	(iv)Low cost of production						
	(v) Self-employment opportunities						
	(Any 4 points with explanation)						
27.							
	(i) Help in dis	stribution of goods					
	(ii) Personal se	elling					(1X4=4)
	(iii)Enabling l	arge scale production	l				
	(iv)Collecting	market information					
	(v) Help in pro	omotion					
	(Any 4 points with	h explanation)					
28.							
	(ii) Endowment life assurance policy: Amount is payable at the time of attaining a						
	certain age or death whichever happens earlier						
	(iii) Joint life policy: Policy is taken on more than one persons						
	(iv) Annuity policy: Amount is payable after attaining a certain age monthly or quarterly					(1X4=4)	
	or yearly.						
	(v) Children's endowment policy: Amount is paid after the child attains a certain age.						
	(Any 4 points with explanation)						
	OR						
	Basis	Life	Fire				
	0.1	TT 1:0	D1 1 1				
	Subject matter   Human life   Physical property						
	Dog						

	Insurable	Must be present at	Must be present both		
	interest	the only time of	at the time of		
		effecting policy	effecting policy and		
			claim		
	Duration	Time ranges from	Does not usually		
		5 to 30 years	exceeds 1 year		
			•		
	Indemnity	Not applicable	Applicable		
29.	Incentives provide	ed by Central/State Go	overnments:		
	(i) Land: Son	ne governments does i	not charge rent in the init	ial years while some allow	
	payme	ent in instalments.			
	(ii) Power: It i	is supplied at a conces	sional rate of 50%, while	e some states exempt such	(1X5=5)
		rom payment in initial			
	the state of the s			% concession or exemption	
		vater charges for a per	•		
	` /	rials: Supply scarce re			
			given for building capital		
	* *	estates: Some states e	ncourage setting up of in	dustrial estates in backward	
	areas.	1:1 E .: C		6 5 10 10 1	
	(vii) Tax ho	olidays: Exemption fro	om the payment of taxes	for 5 to 10 initial years.	
	(Any 5 points with explanation) OR				
	Debenture: The debenture issued by the company is an acknowledgment that the company				
	borrowed a certain amount of money.				
	Advantages				
	(i) Suitable for investors who want fixed income				
	(ii) Fixed interest and do not participate in the profits of the company				
	(iii)This is sui	table when the income	es and earnings are stable	e	(1+2=2=
	(iv)Do not dilute the power of equity shareholders				5)
	(v) It is less costly to issue because the interest on debentures is tax deductible				
	Disadvantages				
	(i) Permanent burden on company				
	(ii) In case of redeemable debentures, the company has to make provisions for				
	repayn				
	(iii)If debentures are issue, the ability of company to further borrow funds reduces				
20		s and disadvantages)			
30.	Functions of a pro		. •.		(1375 5)
	(i) Identification of business opportunity			(1X5=5)	
	(ii) Feasibility				
	(iii)Name app		٨		
	(iv) Fixing up signatories to the MOA				
	<ul><li>(v) Appointment of professionals</li><li>(vi)Preparation of necessary documents</li></ul>				
	(VI) Preparatio		CH(S		
	(Any 5 points with	n expianation)			

31.	Joint venture.					
	Benefits of joint venture					
	(i) Increased resources and capacity.				(1+4=5)	
	(ii) Access to new markets and distribution networks					
	(iii) Access to technology					
	(iv)Innovation					
	(v) Low cost of production					
	` /	ished brand name				
	(Any 4 points	with explanation) OR				
	Statutory corp in Parliament		terprises brought into existence	by a Special Act		
	Features of st	atutory corporation			(1+4=5)	
		ed according to a Special Act	passed in Parliament			
		y owned by the state	-			
	(iii)Body	corporate having separate en	tity			
		s or provides goods or service				
		procedures are not strict like	a government company			
		yees are not civil servants				
22	(Any 4 points	with explanation)				
32.	Basis	Departmental Stores	Chain Stores			
	1. Location	Central part of the city	Any place with large number of customers			
	2. Range of products	All needs of customers under one roof	Specified range of products of manufacturers or wholesalers		(1X6=6)	
	3. Services offered	Maximum service to customers	Very limited service		(1A0-0)	
	4. Pricing	Do not have uniform pricing policy and offer discount occasionally	Fixed pricing and uniform pricing policies for all shops			
	5. Class of	Services to relatively high	Services to different types of			
	customers	income groups of customers who care about the quality of products rather than the price	customers who want good quality products at reasonable price			
	6. Credit facilities	May provide services on credit to regular customers	All sales are strictly on cash basis			
	7. Flexibility	Have flexibility in respect of the line of goods marketed	No much scope for flexibility since they deal in limited line of products			
	(Any 6 points)					
	(Any 6 points) OR					
	Departmental stores: It is a large establishment offering a wide variety of products, classified					
	into well-defined departments, aimed at satisfying practically every customer's need under					
	one roof.					
	Features:					
	(i) Provide various facilities					
	(ii) Generally located in the central part of the city					

	(iii)Formed as a joint stock company and decisions are taken by BOD					
	(iv) Combines the functions of both retailing and warehousing					
22	(v) Centralised purchasing arrangement					
33.	<ul><li>33. Types of Co-operative Societies</li><li>(i) Consumer's cooperative societies</li></ul>					
		ooperative societies		(1X6=6)		
		ooperative societies				
		operative societies				
	(v) Credit coope					
	(vi)Cooperative	housing societies				
	(6 points with explan	nation)				
34.	Basis	Owned	Borrowed			
	Voting rights	There is voting right	No voting rights	(1X6=6)		
	Reward	Dividend	Interest	(1110 0)		
	Permanent	Permanent source	Redeemable after certain			
			period			
			•			
	Risk	More	Less			
	Meaning	Provided by shareholders and retained earnings	Borrowings and loans.			
	Burden	Dividend is payable only	Interest should be paid			
		out of profits	every year compulsorily			
		OR				
	Trade credit: Trade	credit is the credit extended b	by one trader to another for the purchase of	f		
	goods and services			(1+3+2=		
	Advantages:					
	(i) Convenient and continuous source of funds					
	(ii) Readily available for those trades with credit worthiness					
	(iii)Promotes the sales of business					
	(iv) Increase inventory level					
	(v) No charge on any assets Limitations:					
	(i) May indulge in overtrading					
	(ii) Only limited funds can be generated					
	(iii)Generally a costly source of funds					
	(Any 3 advantages and 2 limitations)					
	THE END					