INDIAN SCHOOL MUSCAT

ANNUAL EXAMINATION

FEBRUARY 2020

SET C

CLASS XI

$Marking\ Scheme-BUSINESS\ STUDIES\ [THEORY]$

Q.N	Answers	Marks
O.		(with
		split up)
1.	(c) Knowledge Process Outsourcing	1
2.	(d) All of these	1
3.	(a) Business ethics	1
4.	(c) Secondary	1
5.	(a) Business risk	1
6.	(b) 51%	1
7.	(b)Itinerant traders	1
8.	(a) Departmental undertaking	1
9.	(a) Public Private Partnership	1
10.	(b) Trade credit	1
11.	(d) 5	1
12.	(a) Retailer	1
13.	(a) Share	1
14.	(d) All of these	1
15.	(a) Mate receipt	1
16.	(b) At any time	1
17.	(d) All of the above	1
18.	(d)All of the above	1
19.	Ease of formation, Convenience, Speed, Global access, Paperless society (2 points)	(½ +½=1)
20.	(c) Global trade rules	1
21.	(i) Acceptance of deposits	
	(ii) Lending of funds	(1X3=3)
	(iii)Cheque facility	
	(iv)Remittance of funds	
	(v) Allied services	
	(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	
	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	

		f the goods takes place.			
23.	(a) Letter of credit			(1X3=3)	
	(b) Bill of exchange				
	(c) Bank certificate of	payment			
	(1 mark for each documen	t with explanation)			
24.	Basis Business Profession				
	Nature of work	Provision of goods and	Providing personalized,		
		services to public	expert service	(1X3=3)	
	Reward	Profit	Fees		
	Transfer of interest	Possible	Not possible		
		OR	The state of the s		
	(i) It is a source of inc				
		ance for the expansion of	husiness		
		cient working of business			
	(iv)It builds the reputa				
	(Any 3 points with explanation)				
25.	(i) Respect the laws o				
23.	(ii) Pay taxes regularly	•			
		•		(1 V 2_2)	
	(iii)Protect natural environment			(1X3=3)	
	(iv)Create employment opportunities (v) Develop a proper image in the society				
26	(Any 3 points with explanation of the control of th				
26.					
	(ii) Balanced regional development				
	(iii)Provides variety of goods				
	(iv)Low cost of production				
	(v) Self-employment opportunities				
	(Any 4 points with explanation)				
27.		•			
	(i) Facilitating large scale production				
	(ii) Bearing risk			(1X4=4)	
	(iii)Financial assistance				
	(iv)Expert advice				
	(v) Help in marketing function				
	(vi) Facilitate production	on continuity			
	(vii) Storage				
	(Any 4 points with explanation)				
28.		: Amount is payable only			
	(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				
	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		
	Subject matter	Human life	Physical property		
	Insurable interest	Must be present at the only time of effecting policy	Must be present both at the time of effecting policy and claim		
	Duration	Time ranges from 5 to 30 years	Does not usually exceeds 1 year		
	Indemnity	Not applicable	Applicable		
29.	(i) Land: So paym	ent in instalments.	s not charge rent in the i	initial years while some allow	
	 (ii) Power: It is supplied at a concessional rate of 50%, while some states exempt such units from payment in initial years. (iii) Water: Supplied on a non-profit, no-loss basis or with 50% concession or exemption from water charges for a period of initial 5 years. (iv) Raw materials: Supply scarce resources to such units. (v) Finance: Subsidy of 10-15% is given for building capital assets. (vi) Industrial estates: Some states encourage setting up of industrial estates in backward areas. (vii) Tax holidays: Exemption from the payment of taxes for 5 to 10 initial years. (Any 5 points with explanation) 				
	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 suitable when the incomes and earnings are stable (iv) Do not dilute the power of equity shareholders (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 repayment (iii)If debentures are issue, the ability of company to further borrow funds reduces (Any 2 advantages and disadvantages)				

30	Joint venture.				
	Benefits of joint ven	ture			
	(i) Increased resources and capacity.				(1X5=5)
	(ii) Access to new markets and distribution networks				(1713–3)
	(iii) Access to flew markets and distribution networks (iii) Access to technology				
	(iv)Innovation				
		nroduction			
	(v) Low cost of production (vi)Established brand name				
	* *				
	(Any 4 points with explanation) OR				
	Statutory corporation: These are public enterprises brought into existence by a Special Act				
	in Parliament.				
	Features of statutory	corporation			(1+4=5)
	(i) Formed acco	rding to a Special Act passed	in Parliament		
	(ii) Wholly owne	ed by the state			
	(iii)Body corpora	ate having separate entity			
		ovides goods or services to ear	n income		
		lures are not strict like a gover			
		re not civil servants	1 3		
	(Any 4 points with e				
31.					
51.	(i) Active partner	er e			
	(ii) Sleeping or o				
	(iii)Secret partne				(1X5=5)
	· /				(1743=3)
	(iv) Nominal partner				
	(v) Partner by estoppel				
	(vi)Partner by holding out (Any 5 points with explanation)				
32.			Domessad		
32.	Basis	Owned	Borrowed		
	Voting rights	There is voting right	No voting rights	_	
					(1X6=6)
	Reward	Dividend	Interest		
		_			
	Permanent	Permanent source	Redeemable after certain		
			period		
	Risk	More	Less		
	Meaning	Provided by shareholders	Borrowings and loans.		
	Wicanning	•	Borrowings and roans.		
		and retained earnings			
	Burden	Dividend is necessary	Interest should be used	_	
	Burden	Dividend is payable only	Interest should be paid		
		out of profits	every year compulsorily		
			1	_	

	OR				
	Trade credit: Trade credit is the credit extended by one trader to another for the purchase of goods and services. 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)				(1+3+2= 6)
33.	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		(170-0)
	4. Pricing	Do not have uniform pricing policy and offer discount occasionally	Fixed pricing and uniform pricing policies for all shops		
	5. Class of customers	Services to relatively high income groups of customers who care about the quality of products rather than the price	Services to different types of 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		
24	(Any 6 points) OR Depatmental 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 (v) Centralised purchasing arrangements				(1+5=6)
34.	(i) Cost and ease of setting up the organization(ii) Liability(iii)Continuity			(1X6=6)	

(iv)Management ability	
(v) Capital consideration	
(vi)Degree of control	
(vii) Nature of business	
(Any 6 points with explanation)	
THE END	