

**INDIAN SCHOOL MUSCAT**  
**CLASS: 11**  
**FIRST PERIODIC ASSESSMENT**  
 Business Studies 054  
**SET - A**

| QP.NO. | VALUE POINTS  | SPLIT UP MARKS |
|--------|---|----------------|
| 1.     | (d) USA   | 1              |
| 2.     | Social responsibility towards various interest groups<br>(1) Towards shareholders      (3) Towards consumers<br>(2) Towards employees      (4) Towards Govt.& Community<br>(Any 3 points. 1 mark each with explanation)   | (1+1+1=3)      |
| 3.     | Any 3 merits of trade credit<br>(1) Convenient and continuous source of funds<br>(2) Readily available for business<br>(3) Increases the sales of business<br>(4) Does not create any charge on assets.   | (1+1+1=3)      |
| 4.     | Discuss any 3 merits of public deposits<br>(1) The procedure for obtaining public deposits is simple<br>(2) Cost is lower than cost of borrowings from banks<br>(3) Do not usually create any charge on assets<br>(4) Do not dilute the power of shareholders   | (1+1+1=3)      |
| 5.     | The portion of profits which is kept aside for the future purpose is called as retained earnings.<br>Any 2 merits<br>(1) Permanent source of capital<br>(2) No explicit and floatation cost<br>(3) Greater operational freedom<br>(4) Can absorb unexpected losses<br>(5) Increase the market price of equity shares<br>Any 2 demerits<br>(1) Dissatisfaction among shareholders<br>(2) Uncertain source of funds<br>(3) May lead to sub-optimal use of funds | (1+2+2=5)      |
| 6.     | Arguments in favour of social responsibility<br>(1) Justification for existence and growth<br>(2) Long-term interest of the firm<br>(3) Avoidance of Govt. regulation<br>(4) Maintenance of society<br>(5) Availability of resources with business<br>(6) Converting problems into opportunities<br>(7) Better environment for doing business<br>(8) Holding business responsible for social problems<br>(Any 5 points with explanation)                      | 5              |
|        | THE END   |                |