

INDIAN SCHOOL MUSCAT
CLASS: 11
FIRST PERIODIC ASSESSMENT
 Business Studies (054)
SET - C

QP.NO.	VALUE POINTS	SPLIT UP MARKS
1.	(d) USA	1
2.	Any 3 merits of trade credit (1) Convenient and continuous source of funds (2) Readily available for business (3) Increases the sales of business (4) Does not create any charge on assets.	(1+1+1=3)
3.	Discuss any 3 merits of public deposits (1) The procedure for obtaining public deposits is simple (2) Cost is lower than cost of borrowings from banks (3) Do not usually create any charge on assets (4) Do not dilute the power of shareholders	(1+1+1=3)
4.	Social responsibility towards various interest groups (1) Towards shareholders (3) Towards consumers (2) Towards employees (4) Towards Govt.& Community (Any 3 points. 1 mark each with explanation)	(1+1+1=3)
5.	Arguments in favour of social responsibility (1) Justification for existence and growth (2) Long-term interest of the firm (3) Avoidance of Govt. regulation (4) Maintenance of society (5) Availability of resources with business (6) Converting problems into opportunities (7) Better environment for doing business (8) Holding business responsible for social problems (Any 5 points with explanation)	5
6.	3 merits of equity share capital (1) Suitable for those investors who want high returns (2) Payment of dividend is not compulsory (3) Permanent source of capital (4) Provides credit worthiness to the company (5) No charge on assets (6) Voting rights 2 demerits of equity share capital (1) Not suitable for investors who want regular income (2) The cost of equity shares is generally more (3) Issue of more equity shares dilutes voting power (4) More formalities and procedural delays	(3+2=5)
	THE END	