

CLASS: XI	INDIAN SCHOOL MUSCAT FIRST PERIODIC TEST	SUBJECT: BUSINESS STUDIES
	SET - A	
QP.NO.	VALUE POINTS	SPLIT UP MARKS
1.	(a) B2C Commerce (b) C2C Commerce	($\frac{1}{2} + \frac{1}{2} = 1$)
2.	Interest	1
3.	<p>Elements of Business Ethics:</p> <p>(1) Top management commitment: The higher level officials in business must give continuous leadership for developing and upholding the values of the organization.</p> <p>(2) Publication of a 'Code': Business must define the principles of conduct for the whole organization in the form of written documents which is referred to as the 'code'.</p> <p>(3) Establishment of compliance mechanisms: Suitable mechanisms should be established to ensure that actual decisions and actions comply with firm's ethical standards.</p> <p>(4) Involving employees at all levels: The involvement of employees in ethics programmes is compulsory because they are the ones who implement such policies.</p> <p>(5) Measuring results: The firm can measure the results by continuous monitoring system and proper auditing.</p> <p>(Any three)</p>	(1 X 3 points = 3)
4.	<p>Responsibility towards various interest groups:</p> <p>(1) Towards shareholders owners: A business has the responsibility to provide a fair return to the shareholders on their capital investment to ensure the safety of such investment.</p> <p>(2) Towards workers: Business should try to create good working conditions, respect the democratic rights of workers, ensure fair wages etc.</p> <p>(3) Towards the consumers: Supply of right quality and quantity of goods and services to consumers at reasonable prices constitutes the responsibility of an enterprise towards its consumers.</p> <p>(4) Towards government and community: An enterprise must respect the laws of the country and pay taxes regularly and honestly.</p>	(1 X 4 points = 4)

5.	<p>Differences between Traditional and e-business</p> <table border="1"> <thead> <tr> <th>Basis</th><th>Traditional</th><th>E-business</th></tr> </thead> <tbody> <tr> <td>1 Ease of formation</td><td>Difficult</td><td>Simple</td></tr> <tr> <td>2 Physical presence</td><td>Required</td><td>Not required</td></tr> <tr> <td>3 Locational requirements</td><td>Proximity to resources and market</td><td>None</td></tr> <tr> <td>4 Cost of setting up</td><td>High</td><td>Low</td></tr> <tr> <td>5 Operating cost</td><td>High</td><td>Low</td></tr> <tr> <td>6 Nature of contact with customers and suppliers</td><td>Indirect through intermediaries</td><td>Direct</td></tr> <tr> <td>7 Nature of internal communication</td><td>Hierarchical</td><td>Non-hierarchical</td></tr> <tr> <td>8 Response time for meeting customers</td><td>Long time</td><td>Instant</td></tr> <tr> <td>9 Business process and its length</td><td>Longer</td><td>Shorter</td></tr> <tr> <td>10 Inter-personal touch</td><td>Much more</td><td>Less</td></tr> <tr> <td>11 Ease of going global</td><td>Less</td><td>More</td></tr> <tr> <td>12 Govt. Patronage</td><td>Shrinking</td><td>Increasing</td></tr> <tr> <td>13 Transaction risk</td><td>Low</td><td>High</td></tr> </tbody> </table> <p>(Any 5 points)</p>	Basis	Traditional	E-business	1 Ease of formation	Difficult	Simple	2 Physical presence	Required	Not required	3 Locational requirements	Proximity to resources and market	None	4 Cost of setting up	High	Low	5 Operating cost	High	Low	6 Nature of contact with customers and suppliers	Indirect through intermediaries	Direct	7 Nature of internal communication	Hierarchical	Non-hierarchical	8 Response time for meeting customers	Long time	Instant	9 Business process and its length	Longer	Shorter	10 Inter-personal touch	Much more	Less	11 Ease of going global	Less	More	12 Govt. Patronage	Shrinking	Increasing	13 Transaction risk	Low	High	(1 X 5 points = 5)
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6.	<p>(a)Preference share capital: Meaning: Those shares which will get 2 preferences over equity shares are called preference shares. Advantages:</p> <ol style="list-style-type: none"> 1) Fixed rate of return on the investment. 2) Low risk because fixed rate of return 3) No voting rights and it does not affect the power of equity shareholders. 4) Since the rate of return is fixed, the company can declare high return for equity share holders. 5) They have preferential right on the repayment of capital on the winding up of the company. 6) No charge on the assets is created. <p>(Any two advantages)</p> <p>(b)Retained earnings: Meaning: It is the portion of the net earnings which is retained in the business for use in the future. Advantages:</p>	<p>(Meaning = 1 Advantages = 1 X 2 points = 2 Total = 3)</p> <p>(Meaning = 1</p>																																										

	1) It is a permanent source of funds. 2) It does not involve any cost for raising. 3) Increases the capacity of business to absorb unexpected losses. 4) Provides greater degree of operational freedom. 5) Increases the market price of the shares. (Any two advantages)	Advantages = 1 X 2 points = 2 Total = 3)
	END	