

CLASS: XI	<b>INDIAN SCHOOL MUSCAT FIRST PERIODIC TEST</b>	SUBJECT:
	<b>SET - C</b>	
QP.NO.	VALUE POINTS	SPLIT UP MARKS
1.	(a) B2C Commerce      (b) C2C Commerce	(½ + ½ = 1)
2.	GDR is an instrument issued abroad by an Indian company to raise funds in some foreign currency and is listed and traded on a foreign stock exchange.	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>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>Need for outsourcing:</p> <p>(1) Focusing of attention: Outsourcing enables business to focus their attention and resources on selected activities for better efficiency and effectiveness.</p> <p>(2) Search for excellence: The business can excel on the activities in which they are good and other activities with the help of specialized outside agencies.</p> <p>(3) Cost reduction: The best result can be achieved through cost reduction.</p>	(1 X 5 points= 5)

	(4) Growth through alliance: It facilitates international knowledge sharing and collaborative learning and also helps in achieving the better outputs at lower costs. Encouragement to economic development: It stimulates entrepreneurship, employment and exports of goods and services.	
6.	<p><b>(a)Preference share capital:</b> Meaning: Those shares which will get 2 preferences over equity shares are called preference shares.</p> <p>Advantages:</p> <ol style="list-style-type: none"> <li>1) Fixed rate of return on the investment.</li> <li>2) Low risk because fixed rate of return</li> <li>3) No voting rights and it does not affect the power of equity shareholders.</li> <li>4) Since the rate of return is fixed, the company can declare high return for equity share holders.</li> <li>5) They have preferential right on the repayment of capital on the winding up of the company.</li> <li>6) No charge on the assets is created.</li> </ol> <p>( Any two advantages)</p> <p><b>(b)Retained earnings:</b> Meaning: It is the portion of the net earnings which is retained in the business for use in the future.</p> <p>Advantages:</p> <ol style="list-style-type: none"> <li>1) It is a permanent source of funds.</li> <li>2) It does not involve any cost for raising.</li> <li>3) Increases the capacity of business to absorb unexpected losses.</li> <li>4) Provides greater degree of operational freedom.</li> <li>5) Increases the market price of the shares.</li> </ol> <p>(Any two advantages)</p>	<p>(Meaning = 1 Advantages = 1 X 2 points = 2 Total = 3)</p> <p>(Meaning = 1 Advantages = 1 X 2 points = 2 Total = 3)</p>
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