

INDIAN SCHOOL MUSCAT
CLASS: 10
HALF YEARLY EXAMINATION
ELEMENTS OF BUSINESS 154
SET - A

QP.NO.	VALUE POINTS	SPLIT UP MARKS
1.	(d) seven	1
2.	(a) Aggressive Marketing Strategies	1
3.	(b) Board of Directors	1
4.	(c) 1956	1
5.	(c) Equity Shares	1
6.	(c) short term	1
7.	(b) public deposits	1
8.	(d) Preference Shareholders OR (a) angel investors	1
9.	(a) spam	1
10.	(c) Electronic storing space can become a problem.	1
11.	(a) e-mail OR (d) Ability to attach files along with the message	1
12.	(c) Written Communication OR (b) Cheap	1
13.	(c) hire purchase method	1
14.	(a) Credit Card OR (c) Delivery Note	1
15.	(b) Accounts Sales OR (c) Consignor	1
16.	(d) Cheques OR (a) Purchase by Inspection	1
17.	Basis of differences between Private and Public Companies. Number of Members, Number of Directors, Index of Members.	3
18.	<p>According to the Indian Companies Act 1956, a government company means any company in which not less than 51 percent of the paid up capital is held by the central government, or by any state government or partly by central government and partly by one or more state governments.</p> <p>Features – (i)The government exercises control over the paid up share capital of the company. (ii)The shares of the company are purchased in the name of the President of India.</p> <p style="text-align: center;">OR</p> <p><u>Private Company (Features)</u> A private company means a company which: (a) restricts the right of members to transfer its shares; (b) has a minimum of 2 and a maximum of 50 members; (c) does not invite public to subscribe to its share capital; and (d) must have a minimum paid up capital of Rs.1 lakh or such higher amount which may be prescribed from time-to-time. (Any three)</p>	3

19.	<p>The preference shareholders enjoy a preferential position over equity shareholders in two ways: (i) receiving a fixed rate of dividend, out of the net profits of the company, before any dividend is declared for equity shareholders; and (ii) receiving their capital after the claims of the company's creditors have been settled, at the time of liquidation.</p> <p>OR</p> <p>(i) Banks extend loans to firms of all sizes and in many ways, like, cash credits, overdrafts, term loans, purchase/discounting of bills, and issue of letter of credit. Financial institutions provide long term finance, which are not provided by commercial banks;</p> <p>(ii) Funds by banks are generally available for short periods and its extension or renewal is uncertain and difficult;</p> <p>The government has established a number of financial institutions all over the country to provide finance to business organisations. These institutions are established by the central as well as state governments.</p>	3
20.	<p>Retained Earnings</p> <p>The merits of retained-earning as a source of finance are as follows:</p> <p>(i) Retained earnings is a permanent source of funds available to an organisation;</p> <p>(ii) It does not involve any explicit cost in the form of interest, dividend or floatation cost;</p> <p>(iii) As the funds are generated internally, there is a greater degree of operational freedom and flexibility; (Any two)</p>	3
21.	<p>Proof of Communication- Written letters provide a physical record of business correspondence; they can be filed, pulled out for reference and kept for years. No matter what kind of technology comes along, printed words on paper is a medium that anyone can understand.</p>	3
22.	<p>Digital payment is a way of payment which is made through digital modes. In digital payments, payer and payee both use digital modes to send and receive money. It is also called electronic payment. No hard cash is involved in digital payments. All the transactions in digital payments are completed online.</p> <p>One advantage- (i) Easy and convenient: Digital payments are easy and convenient. You do not need to take loads of cash with you. All you need is your mobile phone or Aadhaar number or a card to pay.</p> <p>One disadvantage- Not very safe as it can be hacked.</p>	3
23.	<p>Feature of a Joint Stock Company.</p> <p>(i) Artificial Person,</p> <p>(ii) Separate Legal Entity,</p> <p>(iii) Perpetual Succession and a</p> <p>(iv) Common Seal (Explain)</p>	4
24.	<p>Sources of funds for Partnership Firms</p> <p>(i) Personal Savings</p> <p>(ii) Loan from banks or financial institutions</p> <p>(iii) Small Business Line of Credit</p> <p>(iv) Additional Partners</p>	4
25.	<p>Advantages of Fax</p> <p>(i) They don't need internet connection to send / receive faxes</p> <p>(ii) They don't come with monthly subscription fee</p> <p>(iii) They print received faxes (On the online fax solution, you need to have a printer to print important documents)</p> <p>Disadvantages of Fax</p> <p>(i) They need constant maintenance</p> <p>(ii) They need a landline phone number</p> <p>(iii) They cannot be moved easily (Any two each)</p>	4

	<p>OR</p> <p>(a) letter- A letter is a written message from one party to another containing information. Letters promote the preservation of communication between both parties; they may bring friends or relatives closer together, enrich professional relationships and provide a means of self-expression. Letters contribute to the protection and conservation of literacy.</p> <p>(b) Videoconferencing- The technologies used in a videoconference are: monitor screen, camera, microphone, codec (compressor-decompress or), equipment control pad at each location, and internet connectivity. You often see it in TV interviews. For a videoconference, the participants get into a special room at their respective locations, equipped with the gadgetry. They can see, hear, speak to others and show exhibits without physical presence together. The entire proceedings can be recorded on video tapes.</p>	
26.	<p>(a) Account Sales - An accounts-sales is a statement of affairs relating to the consignment. This is a statement prepared and sent by the consignee to the consignor to keep him informed of the transactions of the business. It is a periodic statement i.e. it is made for a certain period with a starting date and an ending date. The details in the account sales form a basis for accounting for the transactions at the consignees end.</p> <p>(b) Quotation - A quotation allows a prospective buyer to see what costs would be involved for the work they would like to have done. Many businesses provide services that cannot have an upfront price, as the costs involved can vary.</p>	4
27.	<p>Multinational Companies Features of Multinational Companies</p> <ul style="list-style-type: none"> (i) Huge capital resources (ii) Foreign collaboration (iii) Advanced technology (iv) Product innovation (Explain) 	5
28.	<p>Period Basis On the basis of period, the different sources of funds can be categorised into three parts. These are long-term sources, medium-term sources and short-term sources.</p> <p>Generation Basis Another basis of categorising the sources of funds can be whether the funds are generated from within the organisation or from external sources. (Discuss)</p>	5
29.	<p>Features of Business Letter</p> <ol style="list-style-type: none"> 1. Simplicity: A business letter should be simple. It should be written in a lucid (easy) language so that it is clear to the receiver. The language can be similar to that of social letters as long as formality is maintained. The letter should make an instant appeal to the reader. 2. Conversational style: An effective letter is one that gives an impression of face to face communication. Letters are the written media by which sender of the message speaks to the receiver. Hence a letter should be written in a conversational style. Conversational style is interactive in nature and is more or less informal. 3. Clarity of goal: The writer should be clear about what he wishes to convey. He should keep all the facts and figures of the information handy. The letter should be written in such a way that it reflects the goal clearly and easily. There must not be any ambiguity. 	5
30.	<p>Credit note: Credit note is a document that informs the buyer that his/her account has been credited with the particular amount.</p>	5

	<p>A credit note (also known as credit memo) is issued to indicate a return of funds in the event of an invoice error, incorrect or damaged products, purchase cancellation, or otherwise specified circumstance.</p> <p>Credit note and credit card are not the same. Credit note is a document that informs the buyer that his/her account has been credited with the particular amount. It is used as a record. Credit card is a mode of digital payment. It is used by the buyer to purchase goods.</p> <p style="text-align: center;">OR</p> <p>The steps involved in selling procedure:-</p> <ol style="list-style-type: none"> a) Enquiry from intending buyer b) Providing Quotation to the intending buyer c) Receipt of order from the buyer d) Execution of order and Invoicing e) Opening customer's account f) Dispatch of goods g) Delivery of goods to the buyer h) Receipt of payment and settlements of accounts. 	
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