

INDIAN SCHOOL MUSCAT
CLASS: 10
SECOND PRE – BOARD EXAMINATION
 Elements of Business (154)
SET - A

QP.NO.	VALUE POINTS	SPLIT UP MARKS
1.	(b) Artificial Person	1
2.	(b) equity shares	1
3.	(a) Facsimile	1
4.	(b) Buyer	1
5.	(c) Multiple Shops	1
6.	(d) Amazon	1
7.	(c) Purchase by Sample	1
8.	(c) Private Company	1
9.	(b) Selling through Internet	1
10	(c) Teleconferencing	1
11	(b) Television	1
12	(d) Written Communication	1
13	(c) Automated Vending Machines	1
14	(d) Informal	1
15	(a) Fairs and Exhibitions	1
16	(c) Instalment Payment System	1
17	Only the goods that can be (i) graded and standardised, (ii) easily transported at low cost, (iii) have ready demand in the market, (iv) are available in large quantity throughout the year, (v) involve least possible competition in the market and (vi) can be described through pictures etc., are suitable for this type of trading.	3
18	<p>A communication channel is a medium through which a message is transmitted to its intended audience.</p> <p>Two communication channels are print media and broadcast (electronic) media.</p> <p>OR</p> <p>(a) Fax - Just as the conventional telephone carries voice, a fax or facsimile machine carries printed messages (words and pictures in photocopy form) from the sender instrument to the receiver instrument.</p> <p>(b) Letter - A letter is a written message from one party to another containing information. Letters promote the preservation of communication between both parties.</p>	3
19	<p>‘Auction Sale’ is a public sale where various intending buyers offer bids for the goods and try to outbid each other. The goods are sold to the highest bidder.</p> <p>OR</p> <p>Cheques act as an instruction to a bank or building society to take money from your account to put into the account of the person who receives and pays in the cheque (the payee).</p> <ul style="list-style-type: none"> Cheques can be useful for paying larger sums of money that you’re unlikely to keep in cash. They may be used to pay businesses or trades people who don’t necessarily have the equipment to take cards. 	3
20	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 whereas a Private Company does not have government as a shareholder.	3

21	<p>Cash purchase is buying of goods with immediate cash payment and Credit Purchase is buying goods but paying later.</p> <p>I will choose Supplier B as he gives a discount of ₹ 25 which makes the per unit cost Rs.475.</p>	3
22	<p>Radio advertising is very popular these days. The advertisements are broadcasted from different stations of All India Radio. Radio advertising can be explained as “word of mouth advertising on a wholesale scale”. The advertising messages can be in different regional languages.</p> <p>Advantages:</p> <p>(i) Can reach far and wide to the masses, in urban as well as rural areas.</p> <p>(ii) Suitable for illiterate people to understand.</p>	3
23	<p>Vending Machines</p> <p>Features of Vending Machines</p> <p>(i) Vending machines can be useful for selling pre-packed brands of low priced products which have high turnover and which are uniform in size and weight.</p> <p>(ii) However, the initial cost of installing a vending machine and the expenditure on regular maintenance and repair is quite high.</p> <p>(iii) Also consumers cannot feel or see the product before buying and don't have the opportunity of returning unwanted goods.</p> <p>(iv) Apart from that, special packs have to be developed for the machines. The machines have to be made reliable in their operations.</p> <p>(Any three)</p>	4
24	<p>Sources of funds available for Sole Proprietorship Business</p> <p>1. Friends & Family - Even if each individual cannot invest a large amount, if you have enough resources you can raise a healthy amount of money to get your company started.</p> <p>2. Seek out angel investors - While banks and venture capital firms may not be willing to take a risk on the owner of a sole proprietorship, angel investors who can become passionate about your business may supply you with the funding you need.</p> <p>3. Small Business Administration Loan - The micro-loan program is a common option for start-ups and it offers low interest rates and easy payment terms.</p> <p>4. Business grants - Grants are ideal for a sole proprietorship. They are typically not based on credit worthiness and they never have to be paid back. Search out companies and organizations that offer grants in your area or to specific interest groups.</p> <p>5. Open a business line of credit - If all else fails, a business credit card or line of credit may be the only remaining option to raise money as a sole proprietorship. (Any 4 points)</p> <p>OR</p> <p>The debenture issued by a company is an acknowledgment that the company has borrowed a certain amount of money, which it promises to repay at a future date.</p> <p>Differences between Shares and Debentures.</p> <p>(i) Share capital is owned funds. Debenture fund is borrowed funds.</p> <p>(ii) Shareholders are owners of the company. Debenture holders are creditors of the company.</p>	4
25	<p>Disadvantages of Videoconferencing</p> <p>1. No Personal Interaction - Nothing would replace a personal interaction like a smile or handshake. In business dealings it is important to win trust and respect of the other party. A video conference may prove insufficient to achieve this. It is better to meet personally in such cases.</p> <p>2. Technical Problems - Working with laptops is always associated with technical problems like hardware failure, network connection issues, software issues etc. Environmental changes also affect the connectivity. It will be a loss if some problem arises at the crucial moment.</p>	4

	3. Costly Set Up - It can be costly for small companies to set up video conference in the office. There are many simple and advanced features that come with video conferencing. While the simple ones are less expensive, the advanced ones cost a little too much.	
26	<p>A business letter is a letter from one company to another, or between such organisations and their customers, clients, or other external parties. Draw up a specimen business letter.</p> <p>OR</p> <p>Business communication refers to how information is shared between employees at a company for the commercial benefit of that organization. It can also refer to the way a business communicates with its consumers by advertising and sharing information about its services or products. Advantages of written communication: (i) Proof of Communication (ii) Courtesy and Language (Explain)</p>	4
27	<p>Personal Selling-is a personal form of communication where direct face to face conversation takes place between the buyer and the seller for the purpose of exchanging goods and services. Qualities of a good Salesman: (1) personality (2) cheerful disposition (3) mental ingredients (4) courtesy (5) patience and perseverance and (6) complete knowledge about the self, product, company and the customer (Any four)</p> <p>OR</p> <p>Sales promotions - are the set of marketing activities undertaken to boost sales of the product or service. Different Techniques of sales promotion are as follows: (1) Rebate: (2) Discount: (3) Refunds (4) Product Combination: (5) Quantity Gift (6) Instant Draw and Assigned Gift: (7) Lucky Draw: (8) Usable Benefit (9) Full finance (10) Sampling (Any six)</p>	5
28	<p>Methods of Purchase of a product (a) Purchase by sample: when goods are purchased in bulk then it is not possible to inspect the entire lot to be purchased. A sample is a specimen of goods, taken as a representative of the bulk. In case of purchase by sample it is agreed between both the parties that the bulk supply shall be of the same quality as that of the sample. (b) Purchase by inspection: In this the buyer personally inspects the quality of the goods to be bought. It is generally possible in retail trade. (c) Hire Purchase Method: It is the agreement of hiring goods. Under this method ownership is transferred after the payment of last instalment. In this method buyer cannot transfer goods. (d) Instalment System: It is agreement of sale. Under this method ownership is transferred after signing the agreement. In this buyer can transfer goods.</p>	5
29	<p>(a) Separate legal entity: From the day of its incorporation, a company acquires an identity, distinct from its members. Its assets and liabilities are separate from those of its owners. The law does not recognise the business and owners to be one and the same. (b) Liability: The liability of the members is limited to the extent of the capital contributed by them in a company. The creditors can use only the assets of the company to settle their claims since it is the company and not the members that owes the debt. The members can be asked to contribute to the loss only to the extent of the unpaid amount of shares held by them.</p> <p>OR</p> <p><u>Differences Between Private Company and Public Company.</u></p>	5

	No	Basis	Private Company	Public Company		
	1	No. of members	Minimum-2, maximum-50.	Minimum-7, maximum-unlimited.		
	2	Prospectus	No need to issue a prospectus.	Needs to issue prospectus as public is invited to subscribe to the shares.		
	3	Time of starting business.	Can start business immediately after receiving certificate of incorporation.	Has to wait for certificate of commencement of business before they can start business.		
	4	No. of Directors.	Needs to have two Directors.	Needs to have three Directors.		
	5	Index of members.	Not required to keep an index of members.	Required to maintain an index of members.		
	6	Minimum paid up capital.	Rs.1 lakh or such higher amount which may be prescribed from time to time.	Rs.5 lakhs or such higher amount which may be prescribed from time to time.		
	(Any five points)					
30	<p>The deposits that are raised by organisations directly from the public are known as public deposits.</p> <p>Merits:</p> <p>(i)The procedure of obtaining deposits is simple and does not contain restrictive conditions as are generally there in a loan agreement;</p> <p>(ii)Cost of public deposits is generally lower than the cost of borrowings from banks and financial institutions;</p> <p>(iii)Public deposits do not usually create any charge on the assets of the company. The assets can be used as security for raising loans from other sources;</p> <p>Limitations:</p> <p>(i)New companies generally find it difficult to raise funds through public deposits;</p> <p>(ii)It is an unreliable source of finance as the public may not respond when the company needs money;</p> <p>(iii)Collection of public deposits may prove difficult, particularly when the size of deposits required is large.</p> <p>(Any two points each)</p>				5	