

**INDIAN SCHOOL MUSCAT
FINAL EXAMINATION 2023
BUSINESS STUDIES (054)**

CLASS:XI

Max. Marks:

MARKING SCHEME			
SET	QN.NO	VALUE POINTS	MARKS SPLIT UP
A	1	(b) Wholesaler	1
A	2	(c) Extracting	1
A	3	(d) IGST	1
A	4	(d) Ease of going global	1
A	5	(b) Trade between countries	1
A	6	(a) Low cost of production	1
A	7	(b) 2%	1
A	8	(b) Intellectual Property Right	1
A	9	(c) Nominal partner	1
A	10	(c) Equity shares	1
A	11	(c) Resources	1
A	12	(a) Entrepot trade	1
A	13	(a) Speculative risk	1
A	14	(b) Non Economic	1
A	15	(d) C2C	1
A	16	(b) 90%	1
A	17	(c) Itinerant traders	1

A	18	(d) Cooperative society	1
A	19	(b) Letter of credit	1
A	20	(c) GATT	1
A	21	<p><u>Global reach</u>:.....1 Mark</p> <p>On the one hand, it allows the seller an access to the global market; on the other hand, it affords to the buyer a freedom to choose products from almost any part of the world. It would not be an exaggeration to say that in the absence of internet, globalisation would have been considerably restricted in scope and speed.</p>	1+1+1
A	22	<p>Any three advantages of each options (Equity, preference and debentures)</p> <p>If it is equity shares;</p> <ul style="list-style-type: none"> (i) Equity shares are suitable for investors who are willing to assume risk for higher returns; (ii) Payment of dividend to the equity shareholders is not compulsory. (iii) Equity capital serves as permanent capital as it is to be repaid only at the time of liquidation of a company. (iv) Equity capital provides credit worthiness to the company and confidence to prospective loan providers; (v) Funds can be raised through equity issue without creating any charge on the assets of the company <p>If it is preference shares;</p> <ul style="list-style-type: none"> (i) Provide reasonably steady income in the form of fixed rate of return and safety of investment; (ii) Useful for those investors who want fixed rate of return with comparatively low risk; (iii) It does not affect the control of equity shareholders over the management as preference shareholders don't have voting rights; (iv) Payment of fixed rate of dividend to preference shares may enable a company to declare higher rates of dividend for the equity shareholders in good times; (v) Have a preferential right of repayment over equity shareholders in the event of liquidation of a company; (vi) Does not create any sort of charge against the assets of a company. <p>If it is debentures;</p> <ul style="list-style-type: none"> (i) It is preferred by investors who want fixed income at lesser risk; (ii) Debentures are fixed charge funds and do not participate in profits of the company; (iii) The issue of debentures is suitable in the situation when the sales and earnings are relatively stable; (iv) As debentures do not carry voting rights, financing through debentures does not dilute control of equity shareholders on 	Any three point and each with 1 mark

		<p>management;</p> <p>(v) Financing through debentures is less costly as compared to cost of preference or equity capital as the interest payment on debentures is tax deductible.</p> <p style="text-align: center;">OR</p> <p>Disadvantages of debenture</p> <p>(i) As fixed charge instruments, debentures put a permanent burden on the earnings of a company. There is a greater risk when earnings of the company fluctuate;</p> <p>(ii) In case of redeemable debentures, the company has to make provisions for repayment on the specified date, even during periods of financial difficulty;</p> <p>(iii) Each company has certain borrowing capacity. With the issue of debentures, the capacity of a company to further borrow funds reduces</p>	
A	23	<ol style="list-style-type: none"> 1. To supply domestic and imported machines on easy hire-purchase terms. 2. To procure, supply and distribute indigenous and imported raw materials 3. To export the product of small business units and develop export-worthiness 4. To provide mentoring and advisory services 5. To serve as technology incubators. 6. To create awareness on technological up gradation 7. To develop software technology parks and technology transfer centers. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • It was launched in 1978 at district levels to provide services to entrepreneurs in setting up small and village industries. • Provides guidance about various assistance schemes of the govt., prepare feasibility reports and arrange for machinery, raw materials and extends other services for the entrepreneurs of small and village industries. • It is the focal point of economic and industrial growth at district level. 	1 mark for each
A	24	<p>Placing order or indent: After obtaining the import licence, the importer places an import order or indent with the exporter for supply of the specified products. The import order contains information about the price, quantity size, grade and quality of goods ordered and the instructions relating to packing, shipping, ports of shipment and destination, delivery schedule, insurance and mode of payment. The import order should be carefully drafted so as to avoid any ambiguity and consequent conflict between the importer and exporter</p>	1 mark each

A	25	<p>Persons, place, time, risk, finance,..... At least 4 must specify</p> <p>The hindrance of <u>persons</u> is <u>removed by trade</u>, thereby, making goods available to consumers from the possession or ownership producers</p> <p>The hindrance of <u>place</u> is <u>removed by transport</u>, thereby, by moving goods from the place of production to the markets for sale</p> <p>The hindrance of <u>time</u> is <u>removed by storage and warehousing</u>, thereby, by facilitating holding of stocks of goods to be sold as and when required.</p> <p>The hindrance of <u>risk</u> is <u>removed by insurance</u>, thereby, by protecting goods from loss or damage due to theft, fire, accidents.</p> <p>The hindrance of <u>finance</u> is <u>removed by banking and financial institutions</u>, thereby, by providing necessary financial assistance procure capital goods.</p>	1 mark for each
A	26	<p>Departmental under taking1 Mark</p> <ul style="list-style-type: none"> • Funding: Financed through budget allocation • Audit & Control: Subject to Government audit • Employees: Employees are Government servants • Control: Direct control by the concerned ministry • Accountability: Accountable to the ministry and the government 	1+1+1+1
A	27	<p>Amount of claim is ₹35,00,000.....1Marks</p> <p>The contract of fire insurance is a contract of strict indemnity.</p> <p>In the event of loss, the insured can <u>recover the actual amount of loss</u> from the insurer subject to the maximum amount for which the subject matter is insured. So Samuel's actual loss is ₹35,00,000 though he insured at 40 lakhs. The purpose being that a person should not be allowed to gain by insurance.</p>	1 + 3
A	28	<ol style="list-style-type: none"> 1. Existence and growth 2. Long term interest 3. Avoidance of regulations 4. Maintenance of society 5. Availability of resources <p>Any other relevant points (with explanation)</p> <p style="text-align: center;">OR</p> <p>Responsibility towards the consumers: Supply of right quality and quantity of goods and services to consumers at reasonable prices constitutes the responsibility of an enterprise toward its customers. The enterprise must take proper precaution against adulteration, poor quality, lack of desired</p>	<p>1 mark for each</p> <p>2+2</p>

		<p>service and courtesy to customers, misleading and dishonest advertising, and so on. They must also have the right of information about the product, the company and other matters having a bearing on their purchasing decision.</p> <p>Responsibility towards the government and community: An enterprise must respect the laws of the country and pay taxes regularly and honestly. It must behave as a good citizen and act according to the well accepted values of the society. It must protect the natural environment and should avoid bad, effluent, smoky chimneys, ugly buildings dirty working conditions. It must also develop a proper image in society through continuous interaction with various groups of people.</p>													
A	29	<table><tr><th>Type of Units</th><th>Investment in Plant and Machinery</th><th>Turnover</th></tr><tr><td>Micro Enterprises</td><td>1 Crore</td><td>Does not exceed 5 crore</td></tr><tr><td>Small Enterprises</td><td>10 Crore</td><td>Does not exceed 50 crore</td></tr><tr><td>Medium Enterprises</td><td>50 Crore</td><td>Does not exceed 250 core</td></tr></table>	Type of Units	Investment in Plant and Machinery	Turnover	Micro Enterprises	1 Crore	Does not exceed 5 crore	Small Enterprises	10 Crore	Does not exceed 50 crore	Medium Enterprises	50 Crore	Does not exceed 250 core	1 mark for each
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A	30	<ol style="list-style-type: none">1. These shops are located in fairly populous localities, where sufficient number of customers can be approached2. The manufacturing/procurement of merchandise for all the retail units is centralised at the head office, from where the goods are despatched to each of these shops according to their requirements.3. Each retail shop is under the direct supervision of a Branch Manager, who is held responsible for its day-to-day management.4. All the branches are controlled by the head office.5. The prices of goods in such shops are fixed and all sales are made on cash basis.6. The head office normally appoints inspectors, who are concerned with day-to-day supervision of the shops, in respect of quality of customer service provided, adherence to the policies of the head office	1 mark for each												
A	31	<ol style="list-style-type: none">1. Cost and ease in setting up the organization2. Liability3. Continuity4. Management Ability5. Capital Consideration6. Degree of Control7. Nature of business <p>Explain any 6 points. Kindly accept any other valid points</p>	1 mark each												

		<p>depending on various factors. A business unit selling goods on credit, or having a slow sales turnover, for example, would require more working capital as compared to a concern selling its goods and services on cash basis or having a speedier turnover.</p> <p>The requirement for fixed and working capital increases with the <u>growth and expansion of business</u>. At times additional funds are required for <u>upgrading the technology employed</u> so that the cost of production or operations can be reduced. Similarly, larger funds may be required for building higher inventories for the festive season or to meet current debts or expand the business or to shift to a new location. It is, therefore, important to evaluate the different sources from where funds can be raised.</p>	
A	34	<p>Ans:</p> <ul style="list-style-type: none"> (i) Regular availability of products: The most important service of a retailer to consumers is to maintain regular availability of various products produced by different manufacturers. This enables the buyers to buy products as and when needed. (ii) New products information: By arranging for effective display of products and through their personal selling efforts, retailers provide important information about the arrival, special features, etc., of new products to the customers. This serves as an important factor in the buying decision making process of the purchase of such goods. (iii) Convenience in buying: Retailers generally buy goods in large quantities and sell these in small quantities, according to the requirements of their customers. Also, they are normally situated very near to the residential areas and remain open for long hours. This offers great convenience to the customers in buying products of their requirements. (iv) Wide selection: Retailers generally keep stock of a variety of products of different manufacturers. This enables the consumers to make their choice out of a wide selection of goods. (v) After-sales services: Retailers provide important after-sales services in the form of home delivery, supply of spare parts and attending to customers. This becomes an important factor in the buyers' decision for repeat purchase of the products. (vi) Provide credit facilities: The retailers sometimes provide credit facilities to their regular buyers. This enables the latter to increase their level of consumption and, thereby, their standard of living. 	1 mark for each