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**INDIAN SCHOOL MUSCAT**  
**HALF YEARLY EXAMINATION (2023-24)**  
**BUSINESS STUDIES (054)**

CLASS: XI

DATE: 20-09-2023

TIME ALLOTTED: 3 HRS.

MAXIMUM MARKS: 80

**General Instructions:**

1. This question paper contains 34 questions.
  2. Marks are indicated against each question.
  3. Answers should be brief and to the point.
  4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
  5. Answers to the questions carrying 4 marks may be about 150 words.
  6. Answers to the questions carrying 6 marks may be about 200 words.
  7. Attempt all parts of the questions together.
- Q. 1 Dell Inc is a company involved in manufacturing of Computer and related items. It's a very popular name among the computer savvy youth in India. There are different models of Desktop, Laptop, Tabs, Gaming and Workstations manufactured and sold by the company in the Indian market. Which type of Industry highlighted in the above case?
- (A) Genetic Industry  
 (B) Extractive Industry  
 (C) Processing Industry  
 (D) Assembly Industry 1
- Q. 2 Kerala Pharmaceuticals Ltd. registered under the Companies Act of 2013, was started with a paid-up capital of 15 lakhs. 40% of paid-up capital is in the hands of private individuals and the balance is held by the Government of Kerala. The Government buy shares in name of.....
- (A) Prime Minister of India  
 (B) President of the India  
 (C) Registrars of Indian Company  
 (D) Directors of Indian Company 1

- Q. 3 A person gets his stock of Rs.25,000 insured for Rs.35,000. A fire occurs and the whole stock gets damaged. The insurance company will pay him only Rs.25,000, the actual value of his stock and not Rs.35,000. Which principle of insurance is applied in this case?
- (A) Principle of Contribution  
(B) Principle of Subrogation  
(C) Principle of Indemnity  
(D) Principle of Insurable Interest 1
- Q. 4 The concept of 'Separate Legal Existence' applies to  
(i) Sole proprietorship (ii) Partnership (iii) Joint stock company (iv) Cooperative society  
Choose the correct option:
- (A) i and iii  
(B) ii and iii  
(C) ii and iv  
(D) iii and iv 1
- Q.5 Which of the following is the facility where a customer can receive media services directly through a satellite with the help of a small dish antenna and set top box:
- (A) Cable services  
(B) Fixed lines services  
(C) VSAT services  
(D) DTH services 1
- Q. 6 Which of the following is not related to Life Insurance Contract?
- (A) Conditional Contract  
(B) Unilateral Contract  
(C) Indemnity Contract  
(D) Bilateral Indemnity 1
- Q. 7 Surinder is a small-town businessman deals in buying and selling different fast-moving consumer goods. The scope of business is limited to his local market. He purchased different types of goods from the wholesaler each weekend located at the State Capital. Identify the type of trade followed by the businessman referred in the above case.
- (A) Wholesale Trade  
(B) Retail Trade  
(C) International Trade  
(D) Entrepot Trade 1

- Q. 8 An organization is working for the purpose of public welfare as a ministry of government. It is financed by govt. and all its income is deposited in govt. treasury. Identify which kind of public sector enterprise is it.
- (A) Government Company  
(B) Departmental Undertaking  
(C) Statutory Corporation  
(D) Public Company 1
- Q. 9 The objects of the company are specified by
- (A) Articles of Association  
(B) Prospectus  
(C) Memorandum of Association  
(D) Certificate of Incorporation 1
- Q.10 If any person gets his property insured by three insurance companies, then at the time of incurrance of loss, all the three companies will compensate for the loss faced but in a proportionate manner. Every company will not pay the full compensation individually. Moreover, the total amount paid by the insurance company, will not, in any condition, exceed the actual loss incurred. Name the principle of insurance to which above statement is related.
- (A) Contribution  
(B) Indemnity  
(C) Subrogation  
(D) Insurable interest 1
- Q.11 Ruchi is a practicing Chartered Accountant. She has her C.A. Firm at Hyderabad, Telangana. She deals in providing Income Tax and GST related services to her clients against very reasonable consultancy fees. She has her own professional coaching classes for C.A. Enrolled Students.
- Identify the types of economic activities performed by Ruchi as referred in the above case.
- (A) Business  
(B) Profession  
(C) Employment  
(D) Service 1
- Q.12 Assertion (A): The central Government of India has established a department which is considered as an extension of the ministry itself.
- Reason(R): LIC is the example of such department.

On the basis of above Assertion and Reason choose the correct answer from the options given below:

(A) Both Assertion and Reason are correct and the Reason is a correct explanation of the Assertion

(B) Both Assertion and Reason are correct but Reason is not a correct explanation of the Assertion

(C) The Assertion is correct but Reason is incorrect

(D) The Assertion is incorrect and Reason is correct

1

Q.13 The firm is an artificial entity or a person, and therefore cannot sign its name by itself. What characteristic is being explained about a company in the above lines?

(A) Artificial Person

(B) Separate Legal Entity

(C) Common Seal

(D) Perpetual Succession

1

Q.14 Assertion (A) Business represents exchange of Goods and Services.  
Reason (R) Risk and Uncertainties are always there with any form of business.

**Codes**

(A) Both A and R are true. R is the correct explanation of A

(B) Both A and R are true, but R is not the correct explanation of A

(C) A is correct, but R is incorrect

(D) A is incorrect, but R is correct

1

Q.15 The basis of membership in this type of business is birth in a particular family. Identify the type of business described above.

(A) Cooperative Society

(B) Joint Hindu family

(C) Partnership

(D) Private company

1

Q.16 Without disclosing that he is suffering from TB, Mr. A gets himself insured against death for rupees 10 lakhs. He lives for another three-four years and dies due to TB. The insurance company comes to know about Mr. A's illness only after his death. Now, under these circumstances the insurance company is not liable to pay anything to the dependents of Mr. A as the contract between the insurance company and Mr. A is void. Identify the principle of insurance to which the above example related:

(A) Utmost good faith

- (B) Insurable Interest  
(C) Indemnity  
(D) Subrogation 1
- Q.17 Which among the following is not a feature of Global Enterprises?  
(A) Support huge financial  
(B) Enter into foreign collaborations  
(C) Decentralised control  
(D) Posses' technological superiorities 1
- Q.18 "It refers to that type of post facility under which it is ensured that the mail is definitely delivered to the addressee otherwise it should be returned to the sender".  
(A) Parcel Post  
(B) Mail Post  
(C) Speed Post  
(D) Registered Post 1
- Q.19 When two business enterprises agree to join together for a common objective and mutual gain, it gives rise to what?  
(A) Private Company  
(B) Joint Venture  
(C) Government Company  
(D) Multinational Company 1
- Q.20 Liability of partners in a partnership business is generally of unlimited nature. But Neha joined a partnership firm in the year 2018 as a partner. As per the provisions of the firm she joined, liability of the partners is limited and its firm name consists of a specific word LLP in it. Which of the following types of partnership referred in the above case?  
(A) Partnership at will  
(B) Particular Partnership  
(C) General Partnership  
(D) Limited Liability Partnership 1
- Q.21 Mr. Liyaquat Ali Khan runs a departmental store in Bhopal. He procures different kinds of products from all over India through railways, roadways and airways. He also owns a godown to hold the stocks. He has also taken an insurance policy worth Rs. 15 crores for his business. Moreover, he has taken a loan of Rs. 3,00,000 from Axis Bank in order to meet short-term financial needs of his business. He has placed information about his store on the hoardings, bill boards, etc. in order to popularise them.

(A) Define auxiliaries to trade.

(B) Identify the different auxiliaries to trade that are being used by Mr. Liyaquat in his business by quoting the lines. **(Any four)** 3

Q.22 Shiv, Anandi & John were partners John died in a car accident Both Shiv & Anandi decided to admit his son Ryan who was 16 years old as partner. Can they do so? Justify.

Or

Distinguish between Memorandum of Association and Article of Association on the basis of:

(A) Validity

(B) Necessity

(C) Relationship 3

Q.23 “Business is an organised institution that operates to provide goods and services under the incentive of private gain.” Discuss. 3

Q.24 If registration is optional, why do partnership firms willingly go through this legal formality?

Or

Explain the documents needed for registration for incorporation. **(Any three)** 3

Q.25 The relationship between a bank and a customer begins when the customer opens an account with the bank. In context to this statement, explain any four of the accounts that can be opened by a customer in banks.

Or

‘North-Ex Bank’ is a popular private sector bank offering varied services to its customers. It offers many types of bank accounts to its customers. Saiyam being a business man has chosen the type of account in which deposits are the most liquid and there are no limits to the number of transactions or the amounts of transactions in a day. On the other hand, his mother has opened a type of account where she can conveniently deposit the money she saves. These accounts provide cheque facility and offer lot of flexibility for deposits and withdrawal of funds from the account. Saiyam’s younger brother Samik has opened a special kind of account wherein he will deposit Rs.1000 every month for the next two years.

**By quoting lines from the paragraph identify the various types of bank accounts being used by Saiyam and his family members and explain anyone.** 4

Q.26 What is the meaning of cooperative society? Explain any three features of cooperative society.

Or

Explain the types of nominal partner with the help of examples. 4

- Q.27 The government planned to begin a Road Project. The government needed management specialists and financial help to complete it. The government contacted a private sector enterprise to fulfil this requirement. The private sector enterprise agreed to provide the required support.
- (A) Identify the type of enterprise referred in the above case in the above case.
- (B) State any **THREE** features of above case (A) 4
- Q.28 Abdul is a single owner of a shoe manufacturing business. His business was suffering from continuous losses. To revive his business and to expand, he took a loan of '20' lakhs from 'Progressive Finance Co.' In spite of starting new range of products and great effort by Abdul, business continued to suffer losses, this resulted in the declining assets and mounting debts. Abdul started defaulting on his repayment schedule. Finance company served him final notice to repay the loan and settle the account. He proposed the finance company took over the business assets and clear their dues. Finance company took over the assets of the business in part settlement of their dues as the assets were not sufficient to settle the debts and they claimed the remaining amount from Abdul from his personal assets. Abdul refused to do so on the ground that loan was taken for the business and not by him for personal use.
- (A) Name the form of business organization followed by Abdul.
- (C) Is the finance company justified in asking for remaining amount from Abdul's personal assets? Explain your answer by giving suitable feature of the business organization. 4
- Q.29 Explain in brief the type of manufacturing industries with examples of products manufactured in each type. 4
- Q.30 Soumya is a techno savvy person and uses different types of digital payment methods to make payments for purchases. She uses Aadhaar card to carry out financial transactions on a Micro-ATM by furnishing just their Aadhaar number and verifying it with the help of their fingerprint/iris scan so that she need not have to mention their bank account details to carry out those transactions. She went to a departmental store to made payment using her debit card at the checkout counter. She uses Google pay to pay her taxi fare. She got Amazon gift card as birthday gift from her parents which she used it to buy a Bluetooth speaker from Amazon.
- Identify and explain the **FOUR** types of digital payment used to make different purchases. 4
- Q.31 The Reserve Bank of India (RBI) is India's central banking institution, which controls the issuance and supply of the Indian rupee. Until the Monetary Policy Committee was established in 2016, it also controlled monetary policy in India. It commenced its operations

on 1 April 1935 in accordance with the Reserve Bank of India Act, 1934. Following India's independence on 15 August 1947, the RBI was nationalized on 1 January 1949. It is a vital financial apex institution of an economy and functions with the goal of maintaining economic stability and growth of an economy. The bank is also active in promoting financial inclusion policy and is a leading member of the Alliance for Financial Inclusion (AFI). The bank is often referred to by the name 'Mint Street'. RBI is also known as banker's bank. And regulator and supervisor of the financial system.

- (A) Name the type of public sector enterprise referred in above case.
- (B) Name any other two public sector enterprises. (Other than discussed in above para)
- (C) Explain any two limitations of the above identified concept.
- (D) Explain any two advantages of the above identified concept.

**Or**

It is a public enterprise established under the Indian Companies Act and conducts business in competition with companies in private sector.

- (A) Identify the type of public enterprise highlighted above.
- (B) What is the minimum investment government having to make in such companies?
- (C) Explain any two merits of such type of company.
- (D) Explain any two demerits of such type of company.

6

Q.32 Mr. Naresh bought a fire insurance for his warehouse by giving false information about the goods stored in the warehouse. It is not the warehouse that is insured, but it is the pecuniary interest of the insured in them, which is insured. He thought that in the event of loss, the insurer will compensate him and put him in the in the same position that he occupied immediately before the happening of the event insured against. Since the warehouse was insured, he did not take adequate steps to minimize loss when the warehouse caught fire during last summer. He took double insurance therefore it is the right of an insurer who has paid claim under an insurance, to call upon other liable insurers to contribute for the loss payment. From the information given above, identify and explain any **four** types of insurance principles discussed by quoting the line from the above given paragraph.

**Or**

Divya Garments Ltd. has a loan of Rs. 10,00,000 to pay. They are short of funds so they are trying to find means to arrange funds. Their manager suggested claiming from the insurance company against stock lost due to a fire in the warehouse. He actually meant that they can put their warehouse on fire and claim from an Insurance company against stock insured. They will use the claim money to pay the loan.



(A) Will the company receive a claim if the surveyor from the company comes to know the real cause of the fire?

(B) Explain three elements of fire insurance.

(C) Which principle did the company ignore while planning to arrange money from the false claims? Identify and explain the principle of insurance. 6

Q.33 Mr. Mohan conceived an idea to start a garment business. He consulted a Company secretary to get the details. Company secretary helped list down Mr. Mohan's function in the process of starting up the business.

(A) In the light of above case who is the promoter.

(B) Explain the position of Promoter.

(C) Explain briefly any three functions of the promoter. 6

Q.34 Ram was appointed as a Production manager in Axis India Pvt. Ltd being run by Keshav and Madhav, manufacturing spices. The company is facing a tough competition from its competitor Virk enterprises as it has launched a wide range of ready to use spices and also some fusion of Indian spices with Chinese. This led to an alarming situation to the company and Ram realized that it was losing its customer base immediately after the launch of the new range of spices by Virk Enterprises resulting into decrease in profitability of Axis India Pvt. Ltd.

(A) Outline the concept identified by Ram which led the company to lose its market share.

(B) State the given type highlighted in the Para based on the concept identified in part (A).

(C) Explain the **four** causes which led the organization to keep the concept identified into consideration. 6

**\*\*\*\*END OF THE QUESTION PAPER\*\*\*\***





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- Q. 1

A person gets his stock of Rs.25,000 insured for Rs.35,000. A fire occurs and the whole stock gets damaged. The insurance company will pay him only Rs.25,000, the actual value of his stock and not Rs.35,000. Which principle of insurance is applied in this case?  
(A) Principle of Contribution  
(B) Principle of Subrogation  
(C) Principle of Indemnity  
(D) Principle of Insurable Interest

1
- Q. 2

Transfer of ownership is easy in case of \_\_\_\_\_ whereas it is difficult in case of \_\_\_\_\_.  
(A) Joint stock company, Partnership  
(B) Sole proprietorship, Joint Stock Company  
(C) Sole proprietorship, Partnership  
(D) Partnership, Joint Stock Company

1
- Q. 3

Dell Inc is a company involved in manufacturing of Computer and related items. It's a very popular name among the computer savvy youth in India. There are different models of

Desktop, Laptop, Tabs, Gaming and Workstations manufactured and sold by the company in the Indian market. Which type of Industry highlighted in the above case?

- (A) Genetic Industry
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Q. 4 Kerala Pharmaceuticals Ltd. registered under the Companies Act of 2013, was started with a paid-up capital of 15 lakhs. 40% of paid-up capital is in the hands of private individuals and the balance is held by the Government of Kerala. The Government buy shares in name of.....

- (A) Prime Minister of India
- (B) President of the India
- (C) Registrars of Indian Company
- (D) Directors of Indian Company

1

Q.5 Nutan General Store is a big businessman deals in selling Nestle products in his locality. He purchased products of Nestle directly from the State Distributor in bulk quantities and sold in the market. Small shopkeepers from different corners of the city. Identify the type of trade followed by Nutan General Store.

- (A) International Trade
- (B) Retail Trade
- (C) Wholesale Trade
- (D) Entrepot Trade

1

Q. 6 An organization is working for the purpose of public welfare as a ministry of government. It is financed by govt. and all its income is deposited in govt. treasury. Identify which kind of public sector enterprise is it.

- (A) Government Company
- (B) Departmental Undertaking
- (C) Statutory Corporation
- (D) Public Company

1

Q. 7 Which of the following is the facility where a customer can receive media services directly through a satellite with the help of a small dish antenna and set top box:

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- Q. 8 Which of the following is not related to Life Insurance Contract?  
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- Q.10 The objects of the company are specified by  
 (A) Articles of Association  
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- Q.11 The death, insolvency, retirement or insanity of any member of a company does not affect the working of a company. What characteristic is being explained about a company in the above lines?  
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 (B) Separate Legal Entity  
 (C) Common Seal  
 (D) Perpetual Succession 1
- Q.12 Assertion (A): The central Government of India has established a department which is considered as an extension of the ministry itself.  
 Reason(R): Indian Postal Department is the example of such department.  
 On the basis of above Assertion and Reason choose the correct answer from the options given below:  
 (A) Both Assertion and Reason are correct and the Reason is a correct explanation of the Assertion

- (B) Both Assertion and Reason are correct but Reason is not a correct explanation of the Assertion
- (C) The Assertion is correct but Reason is incorrect
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- Q.13 Ruchi is a practicing Chartered Accountant. She has her C.A. Firm at Hyderabad, Telangana. She deals in providing Income Tax and GST related services to her clients against very reasonable consultancy fees. She has her own professional coaching classes for C.A. Enrolled Students.
- Identify the types of economic activities performed by Ruchi as referred in the above case.
- (A) Business
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- Q.14 The basis of membership in this type of business is birth in a particular family. Identify the type of business described above.
- (A) Cooperative Society
- (B) Joint Hindu family
- (C) Partnership
- (D) Private company 1
- Q.15 Assertion (A) One of the main purposes of business is to earn income by way of profit. Reason (R) No business can survive for long without profit.
- On the basis of above Assertion and Reason choose the correct answer from the options given below:
- (A) Both A and R are true. R is the correct explanation of A
- (B) Both A and R are true, but R is not the correct explanation of A
- (C) A is correct, but R is incorrect
- (D) A is incorrect, but R is correct 1
- Q.16 Which among the following is not a feature of Global Enterprises?
- (A) Support huge financial
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- Q.17 Without disclosing that he is suffering from TB, Mr. A gets himself insured against death for rupees 10 lakhs. He lives for another three-four years and dies due to TB. The insurance

company comes to know about Mr. A's illness only after his death. Now, under these circumstances the insurance company is not liable to pay anything to the dependents of Mr. A as the contract between the insurance company and Mr. A is void. Identify the principle of insurance to which the above example related:

- (A) Utmost good faith
- (B) Insurable Interest
- (C) Indemnity
- (D) Subrogation

1

Q.18 Amar, Biraj, Sachin, Rohit and Ishant have decided to start a partnership to complete a specific project within 02 years. It has been unanimously decided among them to contribute equally towards meeting the budgeted expenditures of the project and to share profits or losses equally. As per the agreement, partnership business will come to an end on completion of the project.

Which type of partnership referred in the above case?

- (A) Partnership at will
- (B) General Partnership
- (C) Limited Liability Partnership
- (D) Particular Partnership

1

Q.19 When two business enterprises agree to join together for a common objective and mutual gain, it gives rise to what?

- (A) Private Company
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1

Q.20 "It refers to that type of post facility under which it is ensured that the mail is definitely delivered to the addressee otherwise it should be returned to the sender".

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1

Q.21 "Business is an organised institution that operates to provide goods and services under the incentive of private gain." Discuss.

3

- Q.22 Shiv, Anandi & John were partners John died in a car accident Both Shiv & Anandi decided to admit his son Ryan who was 16 years old as partner. Can they do so? Justify.

Or

Distinguish between Memorandum of Association and Article of Association on the basis of:

(A) Objective

(B) Position

(C) Relationship

3

- Q.23 Mr. Liyaquat Ali Khan runs a departmental store in Bhopal. He procures different kinds of products from all over India through railways, roadways and airways. He also owns a godown to hold the stocks. He has also taken an insurance policy worth Rs.15 crores for his business. Moreover, he has taken a loan of Rs. 3,00,000 from Axis Bank in order to meet short-term financial needs of his business. He has placed information about his store on the hoardings, bill boards, etc. in order to popularise them.

(A) Define auxiliaries to trade.

(B) Identify the different auxiliaries to trade that are being used by Mr. Liyaquat in his business by quoting the lines. (**Any four**)

3

- Q.24 If registration is optional, why do partnership firms willingly go through this legal formality?

Or

Explain the documents needed for registration for incorporation. (**Any three**)

3

- Q.25 The government planned to begin a Road Project. The government needed management specialists and financial help to complete it. The government contacted a private sector enterprise to fulfil this requirement. The private sector enterprise agreed to provide the required support.

(A) Identify the type of enterprise referred in the above case in the above case.

(B) State any **THREE** features of above case (A)

4

- Q.26 The relationship between a bank and a customer begins when the customer opens an account with the bank. In context to this statement, explain any four of the accounts that can be opened by a customer in banks.

Or

‘North-Ex Bank’ is a popular private sector bank offering varied services to its customers. It offers many types of bank accounts to its customers. Saiyam being a business man has chosen the type of account in which deposits are the most liquid and there are no limits to the number of transactions or the amounts of transactions in a day. On the other hand, his mother has



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**By quoting lines from the paragraph identify the various types of bank accounts being used by Saiyam and his family members and explain anyone.** 4

Q.27 What is the meaning of cooperative society? Explain any three features of cooperative society.

**Or**

Explain the types of nominal partner with the help of examples. 4

Q.28 "Profit plays an important role in the business." Give any four reasons to justify the statement. 4

Q.29 The business assets of an organisation amount to Rs. 50,000 but the debts that remain unpaid are Rs. 80,000. What course of action can the creditors take if?

(A) The organisation is a sole proprietorship firm.

(B) The organisation is a partnership firm with Anthony and Akbar as partners. Which of the two partners can the creditors approach for repayment of debt? Explain giving reasons. 4

Q.30 Soumya is a techno savvy person and uses different types of digital payment methods to make payments for purchases. She uses Aadhaar card to carry out financial transactions on a Micro-ATM by furnishing just their Aadhaar number and verifying it with the help of their fingerprint/iris scan so that she need not have to mention their bank account details to carry out those transactions. She went to a departmental store to made payment using her debit card at the checkout counter. She uses Google pay to pay her taxi fare. She got Amazon gift card as birthday gift from her parents which she used it to buy a Bluetooth speaker from Amazon.

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Q.32 Mr. Naresh bought a fire insurance for his warehouse by giving false information about the goods stored in the warehouse. It is not the warehouse that is insured, but it is the pecuniary interest of the insured in them, which is insured. He thought that in the event of loss, the insurer will compensate him and put him in the in the same position that he occupied immediately before the happening of the event insured against. Since the warehouse was insured, he did not take adequate steps to minimize loss when the warehouse caught fire during last summer. He took double insurance therefore it is the right of an insurer who has paid claim under an insurance, to call upon other liable insurers to contribute for the loss payment. From the information given above, identify and explain any **four** types of insurance principles discussed by quoting the line from the above given paragraph.

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- (B) Explain three elements of fire insurance.
- (C) Which Principle did the company ignore while planning to arrange money from the false claims? Identify and explain the principle of insurance.

6

- Q.33 Different situations in different business are being elaborated below:
- (A) Sahil had a match stick factory in Nepal which got destructed by the recent earthquake. **Identify and explain types of business risk.**
- (B) Samsung company was charged with evasion of tax and asked to pay fine in crores which would lead to heavy losses for the company. **Identify and explain types of business risk.**
- (C) Deepak Wadhwa and Sons have been carrying on the business of diamond cutting since the last three generations in Bhuj, Gujarat. Since Bhuj is prone to earthquakes, the firm has decided to insure their business premises and inventory with Star Insurance Company. **Which kind of risks the company is trying to minimise?** 6
- Q.34 Incorporated in 1988, ABC Housing Finance Ltd. offers housing loans to individuals and corporate bodies for construction, purchase, repair, loan against properties, and loans for real estate developers. The Management of ABC National Bank decided to open ABC Housing Finance Ltd.
- (A) In the light of above case who is the promoter of ABC Housing Finance Ltd.
- (B) Explain the steps involved in the promotion of a company, that ABC National Bank must have performed before deciding to open ABC Housing Finance Ltd.
- (C) Also explain the steps involved in the promotion of a company, that ABC National Bank will perform after deciding to open ABC Housing Finance Ltd. 6
- \*\*\*\*END OF THE QUESTION PAPER\*\*\*\*





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**INDIAN SCHOOL MUSCAT**  
**HALF YEARLY EXAMINATION (2023-24)**  
**BUSINESS STUDIES (054)**

CLASS: XI  
DATE: 20-09-2023

TIME ALLOTTED: 3 HRS.  
MAXIMUM MARKS: 80

**General Instructions:**

1. This question paper contains 34 questions.
  2. Marks are indicated against each question.
  3. Answers should be brief and to the point.
  4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
  5. Answers to the questions carrying 4 marks may be about 150 words.
  6. Answers to the questions carrying 6 marks may be about 200 words.
  7. Attempt all parts of the questions together.
- Q. 1 Kerala Pharmaceuticals Ltd. registered under the Companies Act of 2013, was started with a paid-up capital of 15 lakhs. 40% of paid-up capital is in the hands of private individuals and the balance is held by the Government of Kerala. The Government buy shares in name of.....
- (A) Prime Minister of India  
(B) President of the India  
(C) Registrars of Indian Company  
(D) Directors of Indian Company
- 1
- Q. 2 Dell Inc is a company involved in manufacturing of Computer and related items. It's a very popular name among the computer savvy youth in India. There are different models of Desktop, Laptop, Tabs, Gaming and Workstations manufactured and sold by the company in the Indian market. Which type of Industry highlighted in the above case?
- (A) Genetic Industry  
(B) Extractive Industry  
(C) Processing Industry  
(D) Assembly Industry
- 1

- Q. 3 Which of the following is the facility where a customer can receive media services directly through a satellite with the help of a small dish antenna and set top box:
- (A) Cable services
  - (B) Fixed lines services
  - (C) VSAT services
  - (D) DTH services
- 1
- Q. 4 An organization is working for the purpose of public welfare as a ministry of government. It is financed by govt. and all its income is deposited in govt. treasury. Identify which kind of public sector enterprise is it.
- (A) Government Company
  - (B) Departmental Undertaking
  - (C) Statutory Corporation
  - (D) Public Company
- 1
- Q.5 A person gets his stock of Rs.25,000 insured for Rs.35,000. A fire occurs and the whole stock gets damaged. The insurance company will pay him only Rs.25,000, the actual value of his stock and not Rs.35,000. Which principle of insurance is applied in this case?
- (A) Principle of Contribution
  - (B) Principle of Subrogation
  - (C) Principle of Indemnity
  - (D) Principle of Insurable Interest
- 1
- Q. 6 The objects of the company are specified by
- (A) Articles of Association
  - (B) Prospectus
  - (C) Memorandum of Association
  - (D) Certificate of Incorporation
- 1
- Q. 7 The death, insolvency, retirement or insanity of any member of a company does not affect the working of a company. What characteristic is being explained about a company in the above lines?
- (A) Artificial Person
  - (B) Separate Legal Entity
  - (C) Common Seal
  - (D) Perpetual Succession
- 1
- Q. 8 Transfer of ownership is easy in case of \_\_\_\_\_ whereas it is difficult in case of \_\_\_\_\_.

(A) Joint stock company, Partnership

(B) Sole proprietorship, Joint Stock Company

(C) Sole proprietorship, Partnership

(D) Partnership, Joint Stock Company

1

Q. 9 Which of the following is not related to Life Insurance Contract?

(A) Conditional Contract

(B) Unilateral Contract

(C) Indemnity Contract

(D) Bilateral Indemnity

1

Q.10 If any person gets his property insured by three insurance companies, then at the time of incurrence of loss, all the three companies will compensate for the loss faced but in a proportionate manner. Every company will not pay the full compensation individually. Moreover, the total amount paid by the insurance company, will not, in any condition, exceed the actual loss incurred. Name the principle of insurance to which above statement is related.

(A) Contribution

(B) Indemnity

(C) Subrogation

(D) Insurable interest

1

Q.11 Ruchi is a practicing Chartered Accountant. She has her C.A. Firm at Hyderabad, Telangana. She deals in providing Income Tax and GST related services to her clients against very reasonable consultancy fees. She has her own professional coaching classes for C.A. Enrolled Students.

Identify the types of economic activities performed by Ruchi as referred in the above case.

(A) Business

(B) Profession

(C) Employment

(D) Service

1

Q.12 Assertion (A): The central Government of India has established a department which is considered as an extension of the ministry itself.

Reason(R): LIC is not the example of such department.

On the basis of above Assertion and Reason choose the correct answer from the options given below:

(A) Both Assertion and Reason are correct and the Reason is a correct explanation of the Assertion

- (B) Both Assertion and Reason are correct but Reason is not a correct explanation of the Assertion
- (C) The Assertion is correct but Reason is incorrect
- (D) The Assertion is incorrect and Reason is correct 1
- Q.13 Nutan General Store is a big businessman deals in selling Nestle products in his locality. He purchased products of Nestle directly from the State Distributor in bulk quantities and sold in the market. Small shopkeepers from different corners of the city. Identify the type of trade followed by Nutan General Store.
- (A) Wholesale Trade
- (B) Retail Trade
- (C) International Trade 1
- (D) Entrepot Trade
- Q.14 Assertion (A) One of the main purposes of business is to earn income by way of profit. Reason (R) No business can survive for long without profit. On the basis of above Assertion and Reason choose the correct answer from the options given below:
- (A) Both A and R are true. R is the correct explanation of A
- (B) Both A and R are true, but R is not the correct explanation of A
- (C) A is correct, but R is incorrect
- (D) A is incorrect, but R is correct 1
- Q.15 Name the form of business organisation, opted by many entrepreneurs because of its inherent advantages.
- (A) Partnership
- (B) Joint stock company
- (C) Sole proprietorship
- (D) Joint Hindu family business 1
- Q.16 Without disclosing that he is suffering from TB, Mr. A gets himself insured against death for rupees 10 lakhs. He lives for another three-four years and dies due to TB. The insurance company comes to know about Mr. A's illness only after his death. Now, under these circumstances the insurance company is not liable to pay anything to the dependents of Mr. A as the contract between the insurance company and Mr. A is void. Identify the principle of insurance to which the above example related:
- (A) Utmost good faith
- (B) Insurable Interest



- (C) Indemnity  
(D) Subrogation 1
- Q.17 Which among the following is not a feature of Global Enterprises?  
(A) Support huge financial  
(B) Enter into foreign collaborations  
(C) Decentralised control  
(D) Posses' technological superiorities 1
- Q.18 "It refers to that type of post facility under which it is ensured that the mail is definitely delivered to the addressee otherwise it should be returned to the sender".  
(A) Parcel Post  
(B) Mail Post  
(C) Speed Post  
(D) Registered Post 1
- Q.19 When two business enterprises agree to join together for a common objective and mutual gain, it gives rise to what?  
(A) Private Company  
(B) Joint Venture  
(C) Government Company  
(D) Multinational Company 1
- Q.20 Amar, Biraj, Sachin, Rohit and Ishant have decided to start a partnership to complete a specific project within 02 years. It has been unanimously decided among them to contribute equally towards meeting the budgeted expenditures of the project and to share profits or losses equally. As per the agreement, partnership business will come to an end on completion of the project.  
Which type of partnership referred in the above case?  
(A) Partnership at will  
(B) General Partnership  
(C) Limited Liability Partnership  
(D) Particular Partnership 1
- Q.21 Mr. Liyaquat Ali Khan runs a departmental store in Bhopal. He procures different kinds of products from all over India through railways, roadways and airways. He also owns a godown to hold the stocks. He has also taken an insurance policy worth Rs. 15 crores for his business. Moreover, he has taken a loan of Rs. 3,00,000 from Axis Bank in order to meet

short-term financial needs of his business. He has placed information about his store on the hoardings, bill boards, etc. in order to popularise them.

(A) Define auxiliaries to trade.

(B) Identify the different auxiliaries to trade that are being used by Mr. Liyaquat in his business by quoting the lines. **(Any four)** 3

Q.22 Shiv, Anandi & John were partners John died in a car accident Both Shiv & Anandi decided to admit his son Ryan who was 16 years old as partner. Can they do so? Justify.

Or

Distinguish between Memorandum of Association and Article of Association on the basis of:

(A) Objective

(B) Position

(C) Relationship 3

Q.23 Identify and explain the characteristics of business in the following statements:

(A) Departmental stores purchasing goods from small manufacturers and selling under one roof.

(B) A furniture dealer buys office chairs at Rs. 500 each and sells them for Rs. 650 each. Rs. 150 per chair is the extra money earned to meet business expenses and for future growth.

(C) Workers at Maruti Udyog Ltd. went on strike for more than a month demanding raises in wages. The company suffered huge losses due to loss of production and sale. 3

Q.24 If registration is optional, why do partnership firms willingly go through this legal formality?

Or

Explain the documents needed for registration for incorporation. **(Any three)** 3

Q.25 The relationship between a bank and a customer begins when the customer opens an account with the bank. In context to this statement, explain any four of the accounts that can be opened by a customer in banks.

Or

'North-Ex Bank' is a popular private sector bank offering varied services to its customers. It offers many types of bank accounts to its customers. Saiyam being a business man has chosen the type of account in which deposits are the most liquid and there are no limits to the number of transactions or the amounts of transactions in a day. On the other hand, his mother has opened a type of account where she can conveniently deposit the money she saves. These accounts provide cheque facility and offer lot of flexibility for deposits and withdrawal of

funds from the account. Saiyam's younger brother Samik has opened a special kind of account wherein he will deposit Rs.1000 every month for the next two years.

**By quoting lines from the paragraph identify the various types of bank accounts being used by Saiyam and his family members and explain anyone.** 4

Q.26 What is the meaning of cooperative society? Explain any three features of cooperative society.

**Or**

Explain the types of nominal partner with the help of examples. 4

Q.27 Parking in central Kolkata, the heart of this mega city, has always been a hassle. This is the case with most of the inner-city areas. In an attempt to address the situation, the Kolkata Municipal Corporation (KMC) decided to utilise the rights to underground space and undertake the parking project with private parties-KMC and Simplex. The purpose of the project was to develop an underground parking system.

(A) Name and state the type of enterprise referred to in the above para.

(B) State its **three** features. 4

Q.28 What is the meaning of sole proprietorship? Explain any three features of sole proprietorship. 4

Q.29 Explain in brief the type of manufacturing industries with examples of products manufactured in each type. 4

Q.30 Soumya is a techno savvy person and uses different types of digital payment methods to make payments for purchases. She uses Aadhaar card to carry out financial transactions on a Micro-ATM by furnishing just their Aadhaar number and verifying it with the help of their fingerprint/iris scan so that she need not have to mention their bank account details to carry out those transactions. She went to a departmental store to made payment using her debit card at the checkout counter. She uses Google pay to pay her taxi fare. She got Amazon gift card as birthday gift from her parents which she used it to buy a Bluetooth speaker from Amazon.

Identify and explain the **FOUR** types of digital payment used to make different purchases. 4

Q.31 The Reserve Bank of India (RBI) is India's central banking institution, which controls the issuance and supply of the Indian rupee. Until the Monetary Policy Committee was established in 2016, it also controlled monetary policy in India. It commenced its operations on 1 April 1935 in accordance with the Reserve Bank of India Act, 1934. Following India's independence on 15 August 1947, the RBI was nationalized on 1 January 1949. It is a vital financial apex institution of an economy and functions with the goal of maintaining economic stability and growth of an economy. The bank is also active in promoting financial inclusion

policy and is a leading member of the Alliance for Financial Inclusion (AFI). The bank is often referred to by the name 'Mint Street'. RBI is also known as banker's bank. And regulator and supervisor of the financial system.

- (A) Name the type of public sector enterprise referred in above case.
- (B) Name any other two public sector enterprises. (Other than discussed in above para)
- (C) Explain any two limitations of the above identified concept.
- (D) Explain any two advantages of the above identified concept.

**Or**

It is a public enterprise established under the Indian Companies Act and conducts business in competition with companies in private sector.

- (A) Identify the type of public enterprise highlighted above.
- (B) What is the minimum investment government having to make in such companies?
- (C) Explain any two merits of such type of company.
- (D) Explain any two demerits of such type of company.

6

Q.32 Mr. Naresh bought a fire insurance for his warehouse by giving false information about the goods stored in the warehouse. It is not the warehouse that is insured, but it is the pecuniary interest of the insured in them, which is insured. He thought that in the event of loss, the insurer will compensate him and put him in the in the same position that he occupied immediately before the happening of the event insured against. Since the warehouse was insured, he did not take adequate steps to minimize loss when the warehouse caught fire during last summer. He took double insurance therefore it is the right of an insurer who has paid claim under an insurance, to call upon other liable insurers to contribute for the loss payment. From the information given above, identify and explain any **four** types of insurance principles discussed by quoting the line from the above given paragraph.

**Or**

Divya Garments Ltd. has a loan of Rs. 10,00,000 to pay. They are short of funds so they are trying to find means to arrange funds. Their manager suggested claiming from the insurance company against stock lost due to a fire in the warehouse. He actually meant that they can put their warehouse on fire and claim from an Insurance company against stock insured. They will use the claim money to pay the loan.

- (A) Will the company receive a claim if the surveyor from the company comes to know the real cause of the fire?
- (B) Explain three elements of fire insurance.

(C) Which principle did the company ignore while planning to arrange money from the false claims? Identify and explain the principle of insurance.

6

Q.33 Ram was appointed as a Production manager in Axis India Pvt. Ltd being run by Keshav and Madhav, manufacturing spices. The company is facing a tough competition from its competitor Virk enterprises as it has launched a wide range of ready to use spices and also some fusion of Indian spices with Chinese. This led to an alarming situation to the company and Ram realized that it was losing its customer base immediately after the launch of the new range of spices by Virk Enterprises resulting into decrease in profitability of Axis India Pvt. Ltd.

(A) Outline the concept identified by Ram which led the company to lose its market share.

(B) State the given type highlighted in the Para based on the concept identified in part (A).

(C) Explain the **four** causes which led the organization to keep the concept identified into consideration.

6

Q.34 Mr. Mohan conceived an idea to start a garment business. He consulted a Company secretary to get the details. Company secretary helped list down Mr. Mohan's function in the process of starting up the business.

(A) In the light of above case who is the promoter.

(B) Explain the position of Promoter.

(C) Explain briefly any three functions of the promoter.

6

**\*\*\*\*END OF THE QUESTION PAPER\*\*\*\***

