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**INDIAN SCHOOL MUSCAT
HALF YEARLY EXAMINATION 2023
ELEMENTS OF BUSINESS (154)**



CLASS : X
DATE: 12.09.2023

TIME ALLOTTED : 3 HRS.

MAXIMUM MARKS: 70

GENERAL INSTRUCTIONS:

- 1. The question paper contains 4 sections – A, B, C & D*
 - 1.1. Section A contains objective type questions*
 - 1.2. Section B- 3 Marks*
 - 1.3. Section C- 4 Marks*
 - 1.4. Section D- 6 Marks*
- 2. Internal choice is given in the paper, there is no overall choice.*

SECTION A

1. Ray Ltd. is a newly formed Company with more than 1000 shareholders. Who has the right to elect the Board of Directors of this Company? 1
 - (a) Partners
 - (b) Sole proprietor
 - (c) Shareholders
 - (d) Government
2. Reem is a company which has maximum 200 people as its members. Reem is a _____ company. 1
 - (a) Private company
 - (b) Public company
 - (c) Government company
 - (d) Non-Profit organization

3. Few classmates started a company 'Royal Lands' for selling organic food items. It does not have the right to issue shares to the public. It is a _____ company. 1
- (a) Private company
 - (b) Public company
 - (c) Sole proprietorship
 - (d) Partnership
4. Dan Ltd. divided its capital into small equal parts. This small part of capital of any company is called _____. 1
- (a) Subscription
 - (b) Shares
 - (c) Debenture
 - (d) Loan
5. A company is incorporated in its _____ Act. 1
- (a) Partnership Act
 - (b) Companies Act
 - (c) Cooperative societies Act
 - (d) Registration Act
6. At least 7 adults are required for _____ company. 1
- (a) Private company
 - (b) Public company
 - (c) Government company
 - (d) Non-profit organization
7. Yash being a member of a company recently received dividend. Dividend is an amount which is paid only on _____. 1
- (a) Loan
 - (b) Shares
 - (c) Bonds
 - (d) Debentures
8. The most effective form of raising capital from the public can done by _____ company. 1
- (a) Public company
 - (b) Private company
 - (c) Sole proprietorship
 - (d) Government company

9. Money obtained by issue of shares is known as _____. 1
- (a) Debt
 - (b) Share capital
 - (c) Loan
 - (d) Reserve
10. Mohit bought debentures of Sona Ltd. This year, Mohit is supposed to receive _____ 1
- for his debentures.
- (a) Fixed interest
 - (b) Dividend
 - (c) Profit
 - (d) Capital
11. External sources of finance do not include: 1
- (a) Debenture
 - (b) Retained earnings
 - (c) Public deposits
 - (d) Trade credit

OR

- Internal sources of finance do not include:
- (a) Trade credit
 - (b) Equity shares
 - (c) Retained earnings
 - (d) Preference shares
12. Dan is an investor who want a steady income for his investment. He may not prefer _____ 1
- _____.
- (a) Bond
 - (b) Equity Shares
 - (c) Debentures
 - (d) Preference shares

13. A portion of the net earnings may be retained in the business for use in the future. 1
- (a) Share capital
 - (b) Debentures
 - (c) Trade credit
 - (d) Retained earning
14. The process of converting encoded symbols of the sender is known as _____. 1
- (a) Encoding
 - (b) Decoding
 - (c) Message
 - (d) Media
15. Daya identified a communication process that happens spontaneously. It is known as _____. 1
- (a) Formal Communication
 - (b) Informal Communication
 - (c) Official Communication
 - (d) Offline Communication
16. _____ is a method of communication which is an in-person conversation without any mediating technology. 1
- (a) Face to face
 - (b) Telephone
 - (c) Letter
 - (d) E-mail
17. _____ communication lead to rumors. 1
- (a) Grapevine
 - (b) Formal
 - (c) Official
 - (d) Letter
18. _____ communication takes place between a superior and subordinate or among employees or managers at the same level. 1
- (a) Vertical
 - (b) Horizontal
 - (c) Upward
 - (d) Downward

SECTION B

19. Why do we say that communication is a two-way process? 3
20. Rema wants to start a company and asks her friend Priya to explain the difference between a public and a private company. Discuss any 3 differences between public and private company which Rama should keep in her mind while deciding for the same. 3

OR

Josh Enterprises is a partnership firm started six years back. They would like to convert their partnership firm into a private company, as they found that it has certain privileges over a public company. Give any three such privileges of a private company over a public company.

21. Samsung is a huge industrial organization which extend their business operations through a network of their branches in several countries. Explain any three of its features. 3
22. Describe debentures with its merits. 3

SECTION C

23. Incorporation of a company is called _____. Explain the other stages in the formation of a company. 4
24. Nithya would like to start a business. He need to purchase fixed assets as he is planning to buy land, building and furniture for his business. He also need to meet day to day expenses such as pay his employees as well as purchase raw materials for his business. On the basis of the above case, discuss the category of financial requirements of a business. 4
25. Dhruv is the owner of a fast food restaurant. His business has 20 branches all over the country. Now, as a part of expanding his business, he would like to finance it. But, for that, he has kept the following as criteria: 4
- Permanent source of capital.
 - No obligation for the company to pay fixed rate of dividend or interest
 - There is no charge on the assets of the company

Suggest him a source of finance which meet the following criteria and also mention three demerits of the same source so that Dhruv can take a better decision.

26. Reliance, as a corporation emphasizes a lot on their communication; hence they try and make sure they don't lose information in the communication process so they try to reduce the noise. They also provide adequate training to the employees to remove the barriers and maintain effective communication. In order to remove the barriers, it is important to understand these barriers in detail. Elaborate the different types of barriers. 4

OR

Give four ways in which we can overcome communication barriers.

SECTION D

27. Ragav started a Shoe manufacturing company as a sole proprietorship few years back. Right from the beginning, his business was earning huge profits which forced him to think of expanding his business. Now he is planning to convert his business to another form in which, its capital is divided into smaller parts called shares, the shareholders are the owners of the company while the Board of Directors is the chief managing body. Identify the present form of business and explain any three of its features. 6
28. It is a form of short term credit extended by one trader to another for the purchase of goods and services. It facilitates the purchase of supplies without immediate payment. Identify the type of finance and give its merits and limitations. 6

OR

Mohan is a sole proprietor engaged with the sale of stationery items. Now he would like to even start a Gym. He has already borrowed money from his father and one of his friend. Through his friend, he came to know that there are various sources from where he can make funds available for his business. Describe all the sources of funds available for Sole proprietorship business.

29. What do you mean by formal communication? Give the advantages of formal communication. 6
30. Mr. Rahul, the Director of Backpack Ltd. wanted to communicate with Mr. Nelson in U.S. Due to his busy schedule he did not want to book any flight for a direct meeting. He decided to communicate through internet which will help to stimulate face to face interaction with Mr. Nelson. Identify the method of communication and state any three advantages of the method identified above. 6