

QUALITY

First Terminal Examination 2016 - 2017

Class – XI

Subject – Business Studies

Time : 3 Hours

Max. Marks : 100

General Instructions :

- Answers to questions carrying 1 mark should not exceed 20-25 words.
- Answers to questions carrying 3 marks should not exceed 40-50 words.
- Answers to questions carrying 4 marks should not exceed 60-80 words.
- Answers to questions carrying 5-6 marks should not exceed 100 words.
- Attempt all parts of a question together.

1. Aakriti is planning to set up a factory for manufacturing ready-made garments. Mention any two risks that she might face. (1)
2. Name the type of manufacturing industry wherein two or more ingredients are combined into one product. (1)
3. Mention any two businesses for which sole proprietorship would be a suitable form. (1)
4. Why is a written agreement of partnership preferred? (1)
5. At which stage in the formation of a company does a company interact with SEBI? (1)
6. A public company with a share capital is required to file a document with the Registrar of Companies in case it does not want to make a public issue through Prospectus. Name this document. (1)
7. In whose name the shares of a government company are purchased? (1)
8. In 2001, only three industries were reserved exclusively for the public sector. Name these industries. (1)
9. Give the difference between public sector bank and private sector bank. (1)
10. Ragini has insured her house for ₹ 5,00,000 against the fire. There is a fire and Ragini suffers a loss of ₹ 1,00,000. How much amount she can recover from the insurer? (1)

- 11/ "Business is an institution organized and operated to provide goods and services under the incentive of private gain. Every business is an attempt to reap more than what has been invested, and profit is the excess of revenue over cost. Profit may be regarded as an essential objective of and for various reasons." Discuss those reasons. (3)
- 12/ "It may not be feasible or profitable to convert all identified business opportunities into real projects. The promoters, therefore, undertake detailed feasibility studies to investigate all aspects of business they intend to start. Depending upon the nature of the project, various feasibility studies may be undertaken with the help of the specialists like engineers, chartered accountant, etc. to examine whether the perceived business opportunity can be profitably exploited." Briefly explain the feasibility studies that a promoter may have to undertake during the formation of a company. (3)
- 13/ Amy is a farmer. His elder brother Tammy is an advocate while his sister, Jammy is a clerk in a government office. Name the economic activities in which they are engaged and distinguish among them on the basis of :
- (a) Reward / Return
 - (b) Capital Investment
 - (c) Risk
- (3)
- 14/ "Mittal-HPCL is cited as the first example of Public Private Partnership (PPP) in the oil and gas sector."
- Apart from being the first example, the HPCL-Mittal Energy partnership is also an excellent example of a successful PPP in the oil and gas sector. Their journey to build the 9-mtpa refinery in Bhatinda has been smooth, mutually respectful and result-oriented. Both partners have emerged positively energised from the experience and are receptive to collaborating again, should a suitable opportunity arise.
- Briefly explain the advantages offered by PPP model to both the companies. (3)
- 15/ Rajiv wants to start a business of readymade garments, but he is hesitating as it involves various problems such as searching for customers, for moving goods from place of production to market, informing customers about new designs and varieties added every season, threat or risk due to loss by fire or accident, storing the excess stock of goods etc.

He approaches his friend Sandeep who explained him about some branches of commerce, which can help Rajiv to overcome his hesitation.

- (a) Specify different types of auxiliaries to trade which can help Rajiv to overcome his problems.
- (b) Quote the line for each type from above paragraph. (1½+1½=3)

16/ The business assets of an organisation amount to ₹ 50,000 but the debts that remain unpaid are ₹ 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 Rim and Jhim as partners, who share profits and losses equally. Which of the two partners can the creditors approach for repayment of debt?

Explain giving reasons. (1+3=4)

17/ 'The Government of India had introduced four major reforms in the public sector in its new industrial policy in 1991.' Explain those reforms. (4)

18/ Define e-banking. Write any three advantages that e-banking offers to the customers over conventional banking. (1+3=4)

19/ (a) Compare the status of a minor in a Joint Hindu Family Business with that in a partnership firm.

(b) "Promoters enjoy fiduciary position with a company." Comment. (2+2=4)

20/ Explain the concept of RTGS and NEFT. (2+2=4)

21/ Rajat runs a chemist shop in a small town near a government hospital. Due to his proximity to the hospital, he is able to cater to a large number of customers. Though Rajat can supply generic medicines which are comparatively much cheaper, he normally supplies medicines from pharma companies, as it helps him in earning much greater profit margins.

(a) Identify the social values which should be considered by Rajat while doing business.

(b) Identify the objectives of business other than earning profits. (1+4=5)

22. Farmers of Fatehpur in UP are facing problems in marketing their output at the end of every harvesting season. The problems arise due to their inability to access main markets for selling their produce and exploitation by the intermediaries. Hence, they decide to form a cooperative society, for efficient storage, transportation, selling and marketing output.

- (a) Identify the type of cooperative society in the given case. Also, define any other type of cooperative societies.
- (b) State the values which are encouraged by such initiatives.
- (c) Explain how the formation of such cooperative society will help farmers.

(1+1+3=5)

23. In December, 2011, Microsoft Corporation and General Electric formed a health IT Company of its own kind. Their common objective was to improve patient experience and the economics of health and wellness through providing the health systems with required system wide data and intelligence. It was known as Caradigm, aims at combining technology and clinical applications to transform it into intelligence which is usable by care providers. The name Caradigm evolved from 'care' and 'paradigm,' because Microsoft and GE intended a paradigm shift in the care delivery system.

(a) Ever-increasing demands for innovative products with decreasing meeting times and at rock-bottom costs pose a great challenge particularly to the business entities with limited resources. The above type of organisation is an effective mode of handling things in this scenario. Identify the type of organisation referred in the above case and explain the benefits offered by it.

(b) Which values are depicted by such types of organizations? (4+1=5)

24. Mr. Ayaan Awasthi is running a garment factory. His friend Shaan advised him to convert his sole proprietorship business into a company form due to the various benefits offered by it.

(a) What are the benefits of converting a sole proprietorship firm into a company form?

(b) In the process of conversion, Mr. Ayaan forged the signatures of others on the Memorandum and obtained Certificate of Incorporation. The incorporation was still considered valid. Why?

- (c) He offered 10,000 shares of ₹ 10 each to public, while applications were received for only 8,000 shares. Can Mr. Ayaan go ahead with allotment of shares? Give reason. (3+1+1=5)

25. (a) A factory owner gets his stock of goods insured, but he hides the fact that the electricity board has issued him a statutory warning letter to get his factory's wiring changed. Later on, the factory catches fire due to short circuit of wiring.

(i) Can he claim compensation? Support your answer with appropriate principle of insurance.

(ii) Identify the values based on the above principle which is included in the contract of insurance. (2+1=3)

(b) Sukarn has taken fire insurance policy for his factory. Due to fire he suffered a loss of ₹ 2,00,000 and he gets the compensation for the same. The half burnt goods can be sold for ₹ 30,000. Who has the right over it? Why? (2)

26. (a) Differentiate between partner by estoppel and partner by holding out.

(b) State the important privileges available to a private company as compared to other types of organization.

(c) Distinguish between Sole Proprietorship, Partnership and Joint Hindu Family Business on the basis of :

(i) Members

(ii) Continuity

(iii) Liability

(1+2+3=6)

27. (a) 'BEML Limited (formerly Bharat Earth Movers Limited) was established in May 1964 as a Public Sector Undertaken for manufacture of Rail Coaches and Spare Parts and Mining Equipment at its Bangalore Complex. The Company has partially disinvested and presently Government of India owns 54 percent of total equity and rest 46 percent is held by Public, Financial Institutions, Foreign Institutional Investors, Banks and Employees.

BEML Limited, a 'Miniratna-Category-1', plays a pivotal role and serves India's core sectors like Defence, Rail, Power, Mining and Infrastructure. The Company started with a modest turnover of ₹ 5Cr during 1965 and today, thanks to its

diverse business portfolio, the company has been able to achieve a turnover of more than ₹ 3,500 Cr.

Which form of public sector enterprise BEML belongs to? Write merits and demerits of such form. (3)

- (b) 'Google is an American company specializing in Internet-related services and products. These include online advertising technologies, search, cloud computing and software. Most of its profit is derived from Ad Words, an online advertising service that places advertising near the list of its results.'

Google is a type of corporation which has distinct features that distinguish it from other private sector companies, public companies and public sector enterprises. Identify and explain the type and write its three features. (3)

28. "The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later, the bank received its charter and was redesigned as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921."

Which type of bank SBI is? Write some functions performed by such type of banks. (6)

29. (a) Name the document which :

- (i) Defines the objectives of a Joint Stock Company.
- (ii) Contains rules regarding internal management of a company.

Distinguish between them on any three basis. (3)

- (b) Write short notes on :

- (i) Co-parceners
- (ii) Return on Allotment
- (iii) SEBI

(1×3=3)

30. (a) Write a detailed note on various facilities offered by Indian Postal Department.
- (b) Differentiate between life insurance, fire insurance and marine insurance on the basis of:
- (i) Subject matter
 - (ii) Insurable interest
 - (iii) Element
- (3+3=6)