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ST. LAWRENCE HIGH SCHOOL
A Jesuit Christian Minority Institution
FIRST TERM EXAMINATION - 2019
CLASS - XI B & C



SUBJECT - BUSINESS STUDIES

DATE -05.08.19

MODEL ANSWERS

GROUP-A

1. Answer the following questions:- (Select the correct answer)

- i) Which of the following is not a professional service?
a) **Farming** ; b) Medical ; c) Accounting ; d) Legal.
- ii) Which of the following is not a tertiary industry?
a) Insurance ; b) Transport ; c) Warehousing ; d) **Mining**.
- iii) Which of the following is not an occupation?
a) Business ; b) Profession ; c) Employment ; d) **Going for evening walks**.
- iv) Social objectives of business include
a) **contribution to the general welfare of the society** ; b) creation of customers ; c) best possible use of economic resources; d) none of the above.
- v) The simplest form of business organisation is
a) partnership ; b) **sole proprietorship** ; c) public limited company ; d) cooperatives.
- vi) The minimum persons required to form a partnership business is
a) **2**; b) 4 ; c) 6 ; d) 10 .
- vii) The maximum number of members in case of private limited company is
a) 20 ; b) 40 ; c) **50** ; d) 60.
- viii) Private sector organizations include
a) Sole proprietorship; b) Partnership; c) Government Company; d) **Both (a) and (b)** .
- ix) Public Sector Enterprises are organizations owned by
a) Foreign Companies ; b) Cooperative Societies ; c) **Government** ; d) Private Entrepreneurs.
- x) Social welfare motive is the prime motto of which sector
a) **Public Sector** ; b) Private Sector ; c) Joint Sector ; d) None of these.

2. Answer the following questions in very short:

(i) Define Industry.

Ans: Industry includes all those processes through which goods are produced by the application of human or mechanical power and make them fit for consumption.

(ii) What is profession?

Ans: Profession is an economic activity that requires special knowledge and skill of an individual for earning their living. It also involves rendering of personal services of a special and expert nature.

(iii) Define business.

According to the West Bengal Council of Higher Secondary Education , “ Business means any activity directed to create values for removing wants of man in society through recurring exchange.”

(iv) Write down the classification of business.

Ans: Business can be classified as : Domestic Business, National Business and International Business.

(v) Define Sole proprietorship business.

Ans: Sole proprietorship is a business started by one person, with his own capital, assuming all the risks and responsibilities from the enterprise.

(vi) Who is sleeping or dormant partner?

Ans : A sleeping or dormant partner does not take active role in business. He invests capital, takes his share of profit and remains liable to third party as long as he remains as a partner.

(vii) Is registration compulsory for partnership business?

Ans : According to the Partnership Act registration is not compulsory . it does not fetch any legal separate entity of the firm because it is formed out of an agreement by the partners. Registration merely confirms the existence of a firm.

(viii) Define private sector organisation.

Ans : Business , commerce and industry set up under private ownership and entrepreneurship is called private sector organisation.

(ix) Define Statutory Corporation.

Ans : A statutory corporation is a corporate body created by the special Act of Parliament or Legislative Assembly.

(x) Give two examples of Departmental Undertaking.

Ans : The two examples of Departmental Undertaking are Indian Railways and Postage and Telegraphs.

3. Answer the following questions: (Alternatives are to be noted):

(i) Do you think that profit motive is the sole objective of a business?

Ans : In common it is said that business is meant for earning profit but we know that profit is not the sole objective of business but it has many objectives – economic objectives, social objectives and human objectives. Profit earning is only one part of the economic objective . Since a businessman achieves various other objectives during the process of performing business activities, these remain silent in common parlance.

(ii) Discuss the social objectives of a business.

Ans : The social objectives of business are as follows :

- a) Production and supplying goods and services at reasonable prices.
- b) Fair remuneration to the employees.
- c) Employment generation.
- d) Fair return to the investors. .(Elaboration needed in own words)

OR

Discuss the economic objectives of a business.

Ans : The economic objectives of a business are as follows :

- a) Production of goods and services.
- b) Earning profit and living.
- c) Creation of customers.
- d) Survival and growth. .(Elaboration needed in own words)

(iii) Write in brief about the stages in the formation of a company.

Ans : The stages in the formation of a company are :

- a) Promotion
- b) Registration and Incorporation
- c) Capital subscription
- d) Certificate of Commencement of the business.(Elaboration needed in own words)

(iv) Distinguish between public limited and private limited company.

Public Limited Company	Private Limited Company
1. Minimum number of shareholder is 7 and maximum is unlimited.	1. Minimum number of shareholder is 2 and maximum is 50.
2. It can issue shares to the public in general.	2. It cannot issue shares to the public in general.
3. No restrictions in transferring the shares.	3. Transferability is restricted in 'articles of association'.
4. It has the right to issue new shares to raise fresh capital.	4. It cannot issue new shares to raise fresh capital.

(v) What do you mean by public sector enterprises and write down its features.

Ans: The business which are administered and conducted under the ownership and control of the state government are collectively called public sector.

Features of Public Sector enterprises are:

- a) Government ownership
- b) Objective
- c) Control and administration
- d) Capital
- e) Accountability .(Elaboration needed in own words)

(vi) What do you mean by Global Enterprises? What are its advantages?

Ans : A global enterprise means a company which owns and controls production and service facilities in several countries.

Advantages of global enterprises:

- a) Foreign capital
- b) Transfer of technology
- c) Economies of large scale production
- d) Managerial revolution
- e) Employment generation
- f) Helps to domestic industries
- g) Export promotion
- h) Research and development.(Elaboration needed in own words)

GROUP – B

4. Answer the following questions:- (Select the correct answer)

i) The largest public sector bank in India is

a) Central Bank ; b) United Bank of India ; c) **State Bank of India** ; d) Bank of Baroda.

ii) The central bank of India is

a) State Bank of India ; b) United Bank of India ; c) ICICI Bank ; d) **Reserve Bank of India.**

iii) Which of the following is known as 'time deposits'?

a) Recurring Deposit ; **b) Fixed Deposit** ; c) Savings Deposit ; d) General Deposits.

iv) Bank deposits consists of the following

a) Fixed deposits ; b) Savings deposit ; c) Recurring deposits ; **d) All of these.**

v) E – Business stands for

a) Electronic Business ; b) Electric Business ; c) Both (a) and (b) ; d) none of the these.

vi) Online transaction is possible due to

a) Computer ; b) Network ; **c) E-Commerce** ; d) EDI .

vii) B2B commerce stands for

a) Business firm to business commerce ; **b) Business to business commerce**; c) Both (a) and (b) ; d) none of the these.

viii) Sending business related information by electronic media both within and across the country is called

a) E-business ; **b) E-commerce** ; c) EDI ; d) None of these.

5. Answer the following questions :

(i) Name two public sector commercial banks.

Ans : State Bank of India and United Bank of India.

(ii) Mention one advantage of recurring deposit account.

Ans: It provides a good way to save in small amounts for use in the future.

(iii) State any one features of the savings account.

Ans : Money can be withdrawn by the customers without any restrictions but there is a ceiling on maximum number of times the money can be withdrawn in a week to two or three.

(iv) Mention any three types of bank deposits in commercial bank.

Ans : Savings Deposit , Fixed Deposit and Recurring Deposit.

(v) Define E – Business.

Ans : E – Business is defined as carrying out the business process through internet. It is a broader concept than e – commerce.

(vi) State one disadvantage of E – Business.

Ans : Presence of both parties at the same time is not essential to execute a transaction over internet.

(vii) What is online transaction?

Ans : Transaction i.e., buying and selling of goods online through internet is called online transaction. Example: Online purchase of books from www.amazon.com.

(viii) State two constituents of E – Business.

Ans : B2B commerce and B2C commerce.

6. Answer the following questions: (Alternatives are to be noted)

(i) Define Bank. State its features.

Ans : A bank may be defined as an institution which is engaged in accepting deposits , providing loans and other services to its customers and general public.

Its features are as follows:

- a) Promise for return of deposits.
- b) Source of deposits
- c) Depositors enjoy freedom
- d) Arrangement of loans and advances.(Elaboration needed in own words)

OR

Show the classifications of Bank.

Ans : Banks can be broadly classified into four types :

- a) Commercial Banks.
- b) Cooperative Banks.
- c) Development Bank.
- d) Central Bank.(Elaboration needed in own words)

(ii) Discuss the benefits of E – Business.

Ans : The benefits of E – Business are :

- a) Global market.
- b) Round the clock working.
- c) Increase in efficiency.
- d) Easy sorting.
- e) Speed and time benefit.
- f) Simplicity.(Elaboration needed in own words)

7. Answer the following questions: (Alternatives are to be noted)

(i) Distinguish between BPO and KPO.

Ans :

BPO	KPO
<ol style="list-style-type: none"> 1. BPO focuses on process expertise. 2. Good communication skill and computer knowledge is essential. 3. Offer not so high level services as KPO. 4. Services rendered includes advertising, factoring, courier etc. 	<ol style="list-style-type: none"> 1. KPO focuses on knowledge expertise. 2. Specialized knowledge, expertise and skill are required. 3. Offer high level services. 4. Services rendered includes research and development , data analysis etc.

OR

Distinguish between Traditional Business and E – Business.

Ans :

Traditional Business	E - Business
<ol style="list-style-type: none"> 1. It is difficult to form. 2. Traditional business exists in some geographical area. 3. Traditional business involves fixed costs current assets. So investment is required more. 4. High expenses incurred on operations of traditional business. 5. It covers a certain area. 	<ol style="list-style-type: none"> 1. It is comparatively easy to form. 2. E – Business has no physical existence, it is a virtual market. 3. E- Business requires internet connections, contract with bank for receipt of payments. So investment required is less. 4. As business is conducted through the network of relationships so less expenses are incurred in E – Business. 5. It covers whole world as market.

(ii) What are the different types of Bank Account? Explain in brief.

Ans : The different types of Bank Account are :

- a) Savings Deposit Account.
- b) Current Deposit Account.
- c) Recurring Deposit Account.
- d) Fixed Deposit Account. (Elaboration needed in own words)