



ST.MARGARET SR.SEC SCHOOL

MID TERM EXAMINATION 2024-25

BUSINESS STUDIES (054) CLASS XI

Time: 3Hr

SAMPLE PAPER

M.M: 80

**IMPORTANT INSTRUCTIONS:**

1. All the questions are compulsory. Marks for the questions are indicated against each question.
2. Question number 1-16 are objective type questions carrying 1 Mark each.
3. Question number 17 -21 are short answer questions carrying 3 marks each. Answer to them should not normally exceed 60-80 words each.
4. Question number 22 -24 are also short answer questions carrying 4 marks each. Answer to them should not normally exceed 80-100 words each.
5. Question numbers 25,26,27 and 28 are CASED BASED MULTIPLE CHOICE QUESTIONS carrying one mark each.
6. Question number 29-31 are long answer questions carrying 5 Marks each. Answers to them should not normally exceed 100-150 words each.
7. Question number 32-34 are also long answer questions carrying 6 marks each.
8. Answer should be brief and to the point.

Q1	Which of the following statement is false? (a) If goods are produced not for the purpose of sale but for personal consumption, it cannot be called a business activity. (b) One single transaction of sale or purchase does not constitute business. (c) Businessmen make all possible efforts to maximise profits, by increasing the prices. (d) There is always a possibility of losses being incurred, despite the best efforts into the business.	1
Q2	"Gupta brother's is a firm formed for the construction of a shopping mall" _____ is the type of partnership.	1
Q3	'Red Tapism' is an essential feature of----- (a) Government company (b) Departmental Undertaking (c) Statutory Corporations (d) Multi-National corporation	1
Q4	An unregistered firm can not be sued by a third party. True / False	1
Q5	Which of the following is not a characteristic of employment? (a) Performing work as per service contract or rules of service. (b) Fee is generally regular and certain; some risk. (c) Qualification and training as prescribed by the employer. (d) Transfer of interest is not possible.	1
Q6	Steel Authority of India is an example of (a) Statutory Corporations (b) Departmental Undertaking (c) Government company	1

(d) Multi-National Corporations												
Q7	_____refers to purchase of goods from one country for the purpose of selling them to another country. (a) Import Trade (b) Entrepot trade (c) Wholesale trade (d) Export trade	1										
Q8	Teachers of various schools in South Delhi form a society to buy land and construct flats for its members. ----- is the form business organization.	1										
Q9	_____ societies provide loans to members out of the amounts collected as capital and deposits from the members and charge low rates of interest.	1										
Q10	Due to which characteristic of business, there is always a possibility of losses being incurred, despite the best efforts put into the business? (a) Uncertainty of returns (b) Production or procurement of goods and services (c) Economic activity (d) Profit Earning	1										
Q11	Identify the form of business organisation which has a legal status independent of its members (1) HUF Business (2) Sole Proprietorship (3) Joint Stock Company (4) Cooperative Societies	1										
Q12	Match the columns and choose the correct alternative: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Column I (Clauses of Memorandum of Association)</th> <th style="width: 50%;">Column II (Explanation)</th> </tr> </thead> <tbody> <tr> <td>A. The name clause</td> <td>i. This clause contains the name of the company with which the company will be known, which has already been approved by the Registrar of Companies.</td> </tr> <tr> <td>B. Objects clause</td> <td>ii. This clause specifies the maximum capital which the company will be authorised to raise through the issue of shares.</td> </tr> <tr> <td>C. Liability clause</td> <td>iii. This is the most important clause of the memorandum. It defines the purpose for which the company is formed.</td> </tr> <tr> <td>D. Capital clause</td> <td>iv. This clause limits the liability of the members to the amount unpaid on the shares owned by them.</td> </tr> </tbody> </table> (a) A-i, B-iv, C-iii, D-ii (b) A-ii, B-iii, C-iv, D-i (c) A-i, B-iii, C - iv, D-ii (d) A-iii, B-i, C-iv, D-ii	Column I (Clauses of Memorandum of Association)	Column II (Explanation)	A. The name clause	i. This clause contains the name of the company with which the company will be known, which has already been approved by the Registrar of Companies.	B. Objects clause	ii. This clause specifies the maximum capital which the company will be authorised to raise through the issue of shares.	C. Liability clause	iii. This is the most important clause of the memorandum. It defines the purpose for which the company is formed.	D. Capital clause	iv. This clause limits the liability of the members to the amount unpaid on the shares owned by them.	1
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Q13	Find out the liability of Divya, who is a shareholder in a company, holding 3,000 shares of ₹ 10 each, if she has already paid ₹ 6 per share. (a) Rs 10,000 (b) Rs1,20,000 (c) Rs 18,000 (d) Rs 12000	1										
Q14	Read the following statement carefully and choose the correct alternative: Statement I: The public sector enterprises may either be partly or wholly owned by the central or state government. Statement II: The public sector enterprises are characterised by public ownership, public funds being used for its activities and public accountability. (a) Both the statements are true. (c) Statement I is true, Statement II is false	1										

	Both the statements are false. (d) Statement II is true. Statement I is false.	
Q15	<p>Read the following statement carefully and choose the correct alternative</p> <p>Statement I : Departmental undertakings are usually insensitive to consumer needs and do not provide adequate services to them</p> <p>Statement II: Government companies are public enterprises brought into existence by a Special Act of the Parliament.</p> <p>(a) Both the statements are true. (b) Both the statements are false. (c) Statement I is true, Statement II is false. (d) Statement II is true, Statement I is false.</p>	1
Q16	<p>Read the following statement carefully and choose the correct alternative</p> <p>Statement I: If a company is registered on the basis of fictitious names, its incorporation is invalid. Statement II: Articles of Association is the main document of a company.</p> <p>(a) Both the statements are true. (c) Statement 1 is true, Statement II is false. Both the statements are false. (d) Statement II is true, Statement I is false.</p>	1
Q17	<p>A factory emits a lot of smoke and pollutants while manufacturing Sugar. It is looking the impact of its activities on the environment and is engaged in profit maximization</p> <p>(i) Which objective is not being fulfilled by the manufacturer? Explain. Which type of industry will you classify sugar manufacturing Explain.</p>	3
Q18	What is 'One Person Company'? State any two characteristics of a One Person Company.	3
Q19	All the members of a company sitting in a general meeting were killed by a bomb. Was the company wound up? Explain	3
Q20	<p>Categorise the following into business, profession and employment.</p> <p>(1) A farmer (2) An advocate (3) A clerk (4) A doctor (5) A hawker selling toys for children (6) A person repairing scooters on roadside</p>	3
Q21	<p>With enactment of the LIC Act, 1956, an autonomous body. Life Insurance Corporation of India was formed. The act defines its powers, duties and functions. It has a separate legal entity. It is fully owned by government It has independent financial policy and can raise funds by borrowing from public and government. However it is not subject to any budgetary accounting or audit control like Railways. Its annual report is presented in parliament every year.</p> <p>(a) Name the type of public sector enterprise referred to in the above para. (b) State any three features of the public sector enterprise identified in (a).</p> <p style="text-align: center;"><b>OR</b></p> <p>It is public sector enterprises in which Govt. of India held 80% of paid up share capital and it is registered per company Act, 1956. It deals in manufacturing of Engineering goods and compete with private sector enterprises in order to achieve higher profits</p> <p>(i) Which type of public sector enterprise is discussed above? (ii) State any one characteristic of such organization. Explain any two limitations of such organization.</p>	3
Q22	<p>Mr. X and Y are having a discussion. Mr. X tells that business is based on selfish desire to gain higher and higher profits while Mr. Y think that profit is essential for a business. Can you support Mr. Y's case by giving strong points in his favour?</p>	4
Q23	<p>The Government planned to begin a Road Project. The Government needed management specialists and financial help to complete it. The Government contacted the private sector to fulfil this requirement. Now, this project will be completed jointly by both the public sector and private sector.</p> <p>(a) Identify the form of enterprise . State any three features of such enterprises.</p>	4
Q24	The Certificate of Incorporation is a conclusive evidence of the legal existence of the company. Explain the statement with help of some examples.	4

	<b>OR</b>	
	At which stage in the formation of a company does it interact with SEBI? Explain.	
	<p>CASE STUDY : Read the following carefully and answer question no. 25 –28 on the basis of the same:</p> <p>'Indian Railways' is a part of Railway Ministry. It is organised, financed and controlled by Railway Ministry. The finances are allocated from government treasury and whatever revenue it earns is deposited to government treasury only. It is treated as a part of government and even the appointment recruitment and selection of employees is done in the same way as that of civil servant. Gas authority of India Ltd. (GAIL) is carrying on various projects of energy and power. Majority of its shares are held by the government of India. It was registered under the previous Companies Act. It enjoys all the characteristics of a company. The board of directors are appointed by the government. The Board and shareholders are responsible for the efficient working of the company. The company prepares its annual report and submit to the appropriate authorities.</p>	4
Q25	<p>Name the type of public sector enterprise 'Indian Railways' is.</p> <p>(a) Departmental Undertaking (b) Statutory Corporation</p> <p>(c) Government Company (d) Public Company</p>	
Q26	<p>How does Indian Railways get its finance?</p> <p>(a) Independently financed (b) From government treasury</p> <p>(c) From the Reserve Bank of India (RBI) (d) From the public</p>	
Q27	<p>Name the type of public sector enterprise Gas authority of India Ltd. (GAIL) is.</p> <p>(a) Departmental Undertaking (b) Statutory Corporation</p> <p>(c) Government Company (d) Public Company</p>	
Q28	<p>In whose name does the public sector enterprise identified in Q.27 buy shares?</p> <p>(a) The Central Bank (b) The Governor of India</p> <p>(c) The President of India (d) The Prime Minister of India</p>	
Q29	Why are global enterprises considered superior to other business organisations? Explain any five points.	5
Q30	Why is partnership considered by some to be a relatively unpopular form of business organisation? Explain by giving any five points.	5
Q31	<p>A group of seven friends decided to jointly set up a public company in a rural area where the people were facing a serious unemployment problem. All of them jointly selected a place where the company's registered office would be situated. Along with it, with the advice of business specialists, it was also decided what procedure would be followed for the issue and allotment of shares. All the friends wanted their company to have a singular recognition, and people should get immediate attraction towards its products. It was felt that the very name of the company could become a reason for its recognition. After a detailed discussion, the company's name was decided as Trimurti Ltd. Then, they jointly completed all the formalities of the formation of the company.</p> <p>Identify and explain the two important documents used in the formation of the company quoting the lines from the above para which helped you identify these documents.</p> <p style="text-align: center;">OR</p> <p>What is the difference between Memorandum of Association and Article of Association.</p>	5
Q32	"Auxiliaries are an integral part of commerce in particular and business activity in general." Do you agree with given statement? Give reasons in support of your answer.	6
Q33	Rahul and Sanchit felt that there was an opportunity of business in providing a service of online grocery stores for working people. They analysed the idea in terms of technical, financial and economic liability. Once they found all the aspects satisfactory they decided to start a company called 'convenience @ home' private Ltd. They got the name registered with the registrar.	6

	(a) Which step of formation of company are being referred to here? Explain the various stages involved in it.(as identified in (a))	
Q34	"One man control is best in the world if that one man is big enough to manage everything". Explain the statement. <p style="text-align: center;"><b>OR</b></p> Distinguish between a Sole proprietorship and Partnership on the basis of: (1) Formation                      (2) Members                      (3) Liability (4) Control and Management      (5) Continuity      (6) Risk bearing	6