



INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE
FINAL ASSESSMENT -XI 2025-26
BUSINESS STUDIES (054)

Date: 22/02/2026

Time: 3 hours


Marks: 80

GENERAL INSTRUCTIONS:

- This question paper contains 34 questions.
- All questions are compulsory
- Marks are indicated against each question.
- Answers should be brief and to the point.
- Answers to the questions carrying 3 marks may be from 50 to 75 words.
- Answers to the questions carrying 4 marks may be about 150 words.
- Answers to the questions carrying 6 marks may be about 200 words.
- Attempt all parts of the question together.

Q. NO	QUESTIONS	MARKS
1	<p>A textile manufacturing unit in Gujarat was running successfully with good profit margins. However, a sudden earthquake damaged the factory building and machinery. The company had to halt production for three months, resulting in loss of business and reduced profits.</p> <p>Identify the cause of business risk in this case.</p> <ul style="list-style-type: none">a) Human causesb) Natural causesc) Economic causesd) Management inefficiency	1
2	<p>International Airports Ltd. partnered with the government to upgrade air traffic control systems. The company brought cutting-edge technology and international expertise, while the government retained ownership of airport land.</p>	1

	<p>What type of business organization model is explained in the case where International Airports Ltd. collaborated with the government to upgrade air traffic control systems, with the company providing technology and expertise while the government retained land ownership?</p> <ol style="list-style-type: none"> Joint Venture Partnership business. Public Private Partnership Government company. 	
3	<p>Assertion (A): Customers can make permitted banking transactions from office, house, or while travelling via mobile phone. Reason (R): E-banking is accessible only through personal computers with internet connection.</p> <ol style="list-style-type: none"> Both A and R are true, and R is the correct explanation of A Both A and R are true, but R is not the correct explanation of A A is true, but R is false A is false, but R is true 	1
4	<p>Read the following statements carefully: Statement- I Top management commitment is essential for ethical business. Statement- II Legal compliance is sufficient for ethical behaviour of a business. In the light of the given statements, choose the correct alternative from the following:</p> <ol style="list-style-type: none"> Both the statements are true. Both the statements are false. Statement I is true, Statement II is false. Statement II is true, Statement I is false 	1
5	<p>Identify two government schemes to support small industries in India.</p> <ol style="list-style-type: none"> Traditional Knowledge Digital Library (TKDL) Central Tool Room and Training Centre (CTTC) National Small Industries Corporation (NSIC) The District Industries Centre (DICs) Industrial Development Bank of India (IDBI) Goods and Services Tax (GST) <ol style="list-style-type: none"> i and ii ii and iii i and v iii and iv 	1
6	<p>Out of the following, which are the privileges of a private company? Choose the correct option:</p> <ol style="list-style-type: none"> A private company can be formed by only two members There is no need to issue a prospectus as public is not invited to subscribe to the shares of a private company. 	1

	<p>iii. Allotment of shares can be done without receiving the minimum subscription.</p> <p>iv. A private company should have a minimum paid up capital of ₹ 8,00,000.</p> <p>v. Private companies need not publish their financial statements.</p> <p>a) i,ii,iii and v b) Only ii c) Only iv d) ii,iii, iv and v</p>	
7	<p>After a major railway accident, Parliament conducted a detailed inquiry into the operations of Indian Railways. The Railway Ministry had to present complete accounts, employee records, and operational procedures to Parliament for scrutiny.</p> <p>Which feature of departmental undertakings is portrayed here?</p> <p>a) Lack of flexibility. b) Delay in decision making. c) Unable to make use of opportunities d) Accountability to the ministry.</p>	1
8	<p>An employee receives an email about being tracked by the company electronically through their digital eye observation. Which limitation of e-business is depicted in this statement?</p> <p>a) Low personal touch b) Increased risk due to anonymity and non-traceability of parties c) Ethical fallouts d) People resistance</p>	1
9	<p>Identify the type of internal trade depicted in the given image.</p> 	1
10	<p>Arrange the following steps in entrepreneurship development in sequential order.</p> <p>i. Planning ii. Generating and evaluating ideas iii. Self-discovery iv. Identifying opportunities. v. Raising start-up capital</p>	1

	<p>a) ii,iii,v,i,iv b) iii,iv,ii,i,v c) iv,iii,ii,i,v d) i,iv,ii,v,iii</p>													
11	<p>Choose the correct statement after analyzing the given case. R.K Sharma, a 22-year-old engineering graduate from Mumbai, developed an innovative mobile application called "Farm Connect" that connects farmers directly with consumers, eliminating middlemen and ensuring fair prices for both parties. Despite having a working prototype and positive feedback from pilot users, Sharma lacked the funds to scale his business. Through a start-up networking event, Sharma met Priya Mehta, a successful entrepreneur who had previously built and sold her own technology company. Priya was looking to support promising early-stage businesses in the agricultural technology sector.</p> <p>After reviewing Sharma's business plan and conducting due diligence, Priya agreed to invest ₹50 lakhs in exchange for 20% equity in Farm Connect. Beyond money, she also provided mentorship based on her entrepreneurial experience, access to her network of retailers and distributors and guidance on business strategy and scaling operations</p> <p>a) Priya is a partner of the start-up b) Priya is the shareholder. c) Priya is an angel investor. d) Priya is an independent entrepreneur.</p>	1												
12	<p>Identify the document issued by a company to a depositor as an acknowledgment that the company has received money from the public and is liable to repay it.</p> <p>a) Debentures b) Deposit receipt c) Pay-in-slip d) Bills receivable.</p>	1												
13	<p>Match the concepts given in column A with Column B and choose the correct option.</p> <table border="1"> <thead> <tr> <th></th> <th>COLUMN A</th> <th></th> <th>COLUMN B</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Helps in maintaining prices at a reasonable level through continuous supply of goods.</td> <td>A</td> <td>Industry</td> </tr> <tr> <td>B</td> <td>On payment of a nominal sum, the amount of loss or damage and compensation for injury, if any, can be recovered.</td> <td>B</td> <td>Profession</td> </tr> </tbody> </table>		COLUMN A		COLUMN B	A	Helps in maintaining prices at a reasonable level through continuous supply of goods.	A	Industry	B	On payment of a nominal sum, the amount of loss or damage and compensation for injury, if any, can be recovered.	B	Profession	1
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	<table border="1"> <tr> <td>C</td> <td>All activities involving the removal of hindrances in the process of exchange are included in this.</td> <td>C</td> <td>Insurance</td> </tr> <tr> <td>D</td> <td>Economic activities, which are connected with the conversion of resources into useful goods.</td> <td>D</td> <td>Warehousing</td> </tr> <tr> <td>E</td> <td>Rendering of personalized, expert services for money, considered as an occupation.</td> <td>E</td> <td>Commerce</td> </tr> </table> <p>Options</p> <p>a) A-D, B-C, C-E, D-A, E-B b) A-C, B-D, C-E, D-B, E-A c) A-E, B-C, C-B, D-A, E-D d) A-D, B-C, C-A, D-E, E-B</p>	C	All activities involving the removal of hindrances in the process of exchange are included in this.	C	Insurance	D	Economic activities, which are connected with the conversion of resources into useful goods.	D	Warehousing	E	Rendering of personalized, expert services for money, considered as an occupation.	E	Commerce	
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14	<p>Amul, a co-operative society in Gujarat, collects milk from farmers and processes it into various dairy products for sale in the market. This cooperative eliminates middlemen and ensures farmers get fair prices. Amul is an example of:</p> <p>a) Producer's Cooperative Society b) Marketing Cooperative Society c) Consumer's Cooperative Society d) Credit Cooperative Society</p>	1												
15	<p>Insurance is not only a protection but is a sort of investment because a certain sum is returnable to the insured at the time of death or at the expiry of a certain period. Choose the correct option for it.</p> <p>a) Fire Insurance b) Marine Insurance c) Medical Insurance d) Life Insurance</p>	1												
16	<p>XYZ Ltd. published a written document defining principles of conduct covering honesty, product safety, workplace health, and fair marketing practices. The company also conducts regular training sessions with employees to discuss these policies. What is this written document called?</p> <p>a) Office manual b) Policy document c) Code of conduct d) Labour contract</p>	1												
17	<p>The minimum denomination for issuing Commercial Paper is:</p> <p>a) ₹1 lakh</p>	1												

	<ul style="list-style-type: none"> b) ₹5 lakh c) ₹10 lakh d) ₹50 lakh 	
18	<p>Identify the examples of intellectual property rights and choose the correct option.</p> <ul style="list-style-type: none"> A. Patents and copyrights B. Computer C. Novels, Books, Poems, Song Lyrics, Computer Programs D. Industrial site E. Dance or Mime, Screenplay, Musical Work, Sound Recording <p>Options:</p> <ul style="list-style-type: none"> a) B only b) B and D c) A, C and E d) B, C and D 	1
19	<p>GST is a:</p> <ul style="list-style-type: none"> a) Origin-based tax b) Destination-based tax c) Manufacturing tax d) Import tax 	1
20	<p>Read the following statements carefully:</p> <p>Statement I- The degree of mobility of factors like labour and capital is generally less between countries than within a country.</p> <p>Statement II- The differences in business systems and practices are considerably less among countries than within a country.</p> <p>In the light of given statements, choose the correct alternative from the following:</p> <ul style="list-style-type: none"> 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 	1
21	<p>What steps can a business enterprise take to protect the environment from the dangers of pollution? (Any three)</p> <p style="text-align: center;">OR</p> <p>There is a growing realisation all over the world that ethics is vitally important for every business and for the progress of any society. In the light of this statement, explain any three elements of business ethics.</p>	3
22	<p>Pharma Cure Laboratories, a pharmaceutical company in Hyderabad, manufactures generic medicines for the Indian market. The company has WHO-GMP certification and produces high-quality affordable drugs. A delegation from Kenya approaches Pharma Cure offering bulk orders worth \$5 million annually. If they accept the order for such bulk purchases, what benefits would they gain from such international transactions?</p>	3

23	<p>Differentiate between memorandum of association and articles of association. (any three)</p> <p style="text-align: center;">OR</p> <p>Differentiate between private companies and public companies (any three)</p>	3
24	<p>Rohan inherited 50 acres of agricultural land in Punjab. Instead of traditional farming, he decided to start an integrated agri-business involving: organic farming of vegetables, dairy farming with 50 cattle, a cold storage facility, and direct supply to retail chains in nearby cities. He faced several challenges: initial capital requirement of ₹2 crores, hiring skilled workers for organic farming, arranging transport for daily delivery, getting organic certification, and competing with existing suppliers who had established relationships with retailers and so on.</p> <p>Identify and explain any three objectives that Rohan's business should aim to achieve.</p>	3
25	<p>An online shopping company faced a major security breach where customer credit card details were stolen. The company used outdated security systems and did not encrypt customer data properly. This resulted in financial losses for customers and reputation damage for the company.</p> <p>Questions:</p> <ol style="list-style-type: none"> a. What types of risks did the company fail to address? b. What security measures should the company have implemented? <p style="text-align: center;">OR</p> <p>ABC Chemicals Ltd. is a highly profitable company manufacturing industrial chemicals. The company has been dumping untreated chemical waste into a nearby river for the past 10 years, which has led to the death of aquatic life and health problems among villagers living downstream. The company argues that installing pollution control equipment would cost ₹50 crores and significantly reduce their profits. The management believes their primary responsibility is profit maximization for shareholders.</p> <p>Explain the arguments against social responsibility in the context of this case.</p>	4
26	<p>Suresh owns 'Perfect Prints', a small printing press in Chennai that has been operating for 15 years. The press handles printing jobs for local businesses, schools, and offices. Recently, a leading publishing house awarded Suresh a contract to print 50,000 copies of a popular textbook worth ₹90 lakhs to be delivered before the start of the academic session in three months. The publisher will pay 30% advance and balance after delivery. However, Suresh needs funds immediately.</p> <ol style="list-style-type: none"> a. Suggest any two sources of finance for Suresh along with a brief description. 	4

	<p>b. Write any two merits of each source.</p> <p style="text-align: center;">OR</p> <p>Cherry Ltd. is an electrical appliance manufacturing company. The company has issued equity shares and preference shares to meet its financial requirements. Other sources of finance have not been considered at all. This has resulted in payment of large amount of taxes to the government as dividend on shares is not deducted from income of the company for the purpose of tax calculation.</p> <p>a. State the major source of finance which can give benefit of tax saving.</p> <p>b. What are the advantages of such sources of finance? Write any three.</p>	
27	<p>Rajesh owns a small manufacturing unit producing handmade paper products in a rural area. Despite producing quality products, he faces severe marketing problems. He lacks understanding of customer needs, has no proper distribution network and depends heavily on middlemen who delay payments and offer low prices. He wants to expand the business but doesn't have the infrastructure for direct marketing. His products are competitive in quality but he struggles to reach urban markets.</p> <p>Questions:</p> <p>a. Identify two problems Rajesh is facing as an MSME owner.</p> <p>b. Explain the role of MSMEs in rural development. (Any two points)</p>	4
28	<p>"Wholesalers are an important link in the distribution chain." Explain this statement by discussing the services provided by wholesalers to manufacturers and retailers.</p>	4
29	<p>Container Corporation of India (CONCOR) a government company, signed a 10-year contract with Indian Railways for transportation services. It also purchased land and built container depots across the country in its own name. The company has the right to own assets and enter business transactions independently.</p> <p>a. Explain the feature of government companies discussed in the above paragraph.</p> <p>b. Write any three advantages of government companies.</p>	4
30	<p>ABC Ltd. is a large retail organization operating 50 stores across India. All stores have identical appearance, sell standardized products, follow centralized purchasing, and operate on a cash-only basis.</p> <p>(a) Identify the type of retail organization.</p> <p>(b) State any three features of this organization by quoting lines from the given information.</p>	4

	(c) Write any two points to differentiate it from a departmental store?	
31	<p>Arjun Mehta, a software engineer, observed that small retailers in India struggled with inventory management and lacked affordable technology solutions. He conceived the idea of developing a cloud-based inventory management software specifically designed for small retailers. He decided to name his venture "Retail Ease Solutions."</p> <p>Arjun shared his idea with his friend Vikram, a corporate lawyer, who advised him to start a company form of business and explained the functions to be performed by Arjun as a promoter. What are the functions of Arjun as a promoter?</p>	6
32	<p>ABC Manufacturing Ltd. is a growing company producing electrical appliances. The company needs funds for expansion and working capital management. The financial manager of the company suggests to issue additional equity shares and arrange finance from financial institutions. Discuss the merits and demerits of both the sources of finance from your point of view.</p>	6
33	<p>Sharma Textiles Ltd. requires ₹50 lakhs for purchasing raw materials but expects payment from customers only after 60 days. The company approaches City Bank for assistance. The bank offers a cash credit facility of ₹50 lakhs against the security of inventory at 11% per annum interest.</p> <p>(a) Explain what is meant by a cash credit facility. (b) What are the functions of a commercial bank? Explain in detail.</p> <p style="text-align: center;">OR</p> <p>A shipping company operates cargo vessels that transport goods between Indian ports and Southeast Asian countries. The company owns three ships valued at ₹100 crores each and also earns substantial income from freight charges. The company wants comprehensive protection for both the vessels and the revenue they generate.</p> <p>a. What type of insurance should the shipping company consider to protect their business interests comprehensively? b. Differentiate between life insurance and fire insurance on any five bases.</p>	6
34	<p>Trendz industries, India have received an export order of 5,000 kids' jeans from Walmart store, USA. What procedure Trendz industries will follow to execute this export order before pre-shipment inspection??</p> <p style="text-align: center;">OR</p> <p>Explain the following documents required for international trade.</p> <p>a. Letter of credit b. Shipment advice c. Bill of lading d. Airway bill</p>	6

	e. Bill of entry f. Dock challan	
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