



INDIAN SCHOOL AL WADI AL KABIR

DEPARTMENT OF COMMERCE

ASSESSMENT 1 -XI 2025-26

BUSINESS STUDIES (054)

Date:16/09/2025

Time: 3 hours

Marks: 80

General Instructions:




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

Q.No.	QUESTIONS	MARKS
1	Mr. Ramesh Mishra is a trader who sells winter wear in the months of October to February. He is not able to sell complete stock during these months. Identify the aid which helps him to overcome this hindrance a) Transportation b) Warehousing c) Banking d) Advertising	1
2	It was the major centre of land route between India and Central Asia. It was also a city of financial and commercial banks. Identify the trade centre. a) Broach b) Indraprastha c) Peshawar d) Taxila	1
3	Assertion (A): The cooperative society is a voluntary association of persons. Reason (R): The cooperative society is compulsorily required to be registered under the Cooperative Societies Act 1912. a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A. c) A is true but R is false. d) A is false but R is true	1

4	<p>What is the full form for MOFA in relation to multi-national businesses?</p> <ol style="list-style-type: none"> Ministry of Foreign Affairs Ministry of Financial Affairs Majority owned Financial Affairs Majority owned Foreign Affiliates 	1
5	<p>Assertion (A): A partnership firm is legally required to publish its accounts and submit its reports. Reason (R): It can maintain the confidentiality of information relating to its operations.</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
6	<p>Merchant Ltd was issued certificate of incorporation by the registrar on 10th March 2024. However the date mentioned on the certificate was 2nd March. The company entered into a contract for purchase of land with Janub Ltd on 5th march. Later Janub ltd refused to sell the land as it was getting higher price from another buyer. If Merchant Ltd files a case against Janub Ltd, which of the following option is most relevant to them?</p> <ol style="list-style-type: none"> The contract is void as the incorporation was done on 10th March. The contract is valid because the company has legally come into existence on 2nd March. All contracts before incorporation procedure are not valid. None of the above cases are applicable to the given scenario. 	1
7	<p>Mr. Ramesh is presenting himself as a partner of ABC Associates through his conduct or behaviour. Clients dealing with the firm accept him as a partner due to his self-acclaimed attitude of being a partner of the firm. Which type of partner Mr. Ramesh is referred to in the above case?</p> <ol style="list-style-type: none"> Partner by holding out Nominal partner Partner by estoppel Sleeping partner 	1
8	<p>Identify the stage which involves conceiving a business idea and taking an initiative to form a company so that practical shape can be given to exploiting the available business opportunity.</p> <ol style="list-style-type: none"> Issue of Shares Promotion Incorporation Commencement of business 	1
9	<p>“The law does not recognize the business and owners to be one and the same.” Identify this feature of joint stock companies.</p>	1

	<ul style="list-style-type: none"> a. Perpetual succession, b. Formation c. Separate legal entity d. Artificial person 	
10	<p>_____ defines the rules regarding internal management of a company.</p> <ul style="list-style-type: none"> a. Articles of Association b. Partnership deed c. Memorandum of Association d. Certificate of Incorporation 	1
11	<p>Which of the following is not true about the cooperative form of business?</p> <ul style="list-style-type: none"> a. Resources of a cooperative society consists of capital contributions of the members with limited means. b. Death, bankruptcy or insanity of the members do not affect continuity of a cooperative society. c. The members generally offer honorary services to the society. d. The liability of members of a cooperative society is unlimited. 	1
12	<p>A proposed name of the company is said to be undesirable if</p> <ul style="list-style-type: none"> a. It is identical with the name of an existing company b. It resembles closely with the name of an existing company c. It is an emblem of the government of India. The united Nations etc. d. All of the above. 	1
13	<p>Which of the following is not the form of private enterprises?</p> <ul style="list-style-type: none"> a) Partnership b) Departmental Undertaking c) Sole Proprietorship d) Joint Stock Company 	1
14	<p>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 is registered under the Companies Act, 2013. The board of directors is 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 appropriate authorities.</p> <p>Identify the type of public sector enterprise referred to above para.</p> <ul style="list-style-type: none"> a) Government department b) Public corporations c) Public company d) Government company 	1
15	<p>Name the organisations formed by passing a special Act in of the Parliament or State legislature.</p>	1

	<ul style="list-style-type: none"> a) Government companies b) Statutory Corporations c) Public Companies d) Departmental Undertakings 	
16	<p>Assertion (A): Public Sector Enterprises are organizations that are owned by the public.</p> <p>Reason(R): Public sector enterprises cannot be managed by the government properly.</p> <ul style="list-style-type: none"> (a) Both Assertion and Reason are correct and the Reason is a correct explanation of the Assertion. (b) Both Assertion and Reason are correct but Reason is not a correct explanation of the Assertion. (c) The Assertion is correct but Reason is incorrect. (d) Both the Assertion and Reason are incorrect 	1
17	<p>Mr. Talha a businessman is involved in daily dealings of cash through the account of his business in Axis Bank. Due to the unavailability of funds and the urgent need to pay his creditors he approaches the bank to withdraw more than the balance available in his account using the facility provided to him by the bank. Name the facility provided by the bank to Talha when there was insufficient funds in his account to pay his creditors.</p> <ul style="list-style-type: none"> a) Overdraft facility b) Transfer facility c) Fixed deposits facility d) All the above 	1
18	<p>These are the warehouses licensed by the government to accept imported goods prior to payment of tax and customs duty. These have goods which are imported from other countries. Importers are not permitted to remove goods from the docks or the airport till customs duty is paid. Identify the type of warehouse mentioned here.</p> <ul style="list-style-type: none"> a) Government Warehouses b) Bonded Warehouses c) Private Warehouses d) None of the above. 	1
19	<p>Priya applies for life insurance but does not disclose her habit of smoking and previous heart surgery. When she dies due to heart complications, the insurance company refuses to pay the claim. Which principle is violated by Priya?</p> <ul style="list-style-type: none"> a. Principle of Indemnity b. Principle of Contribution c. Principle of Utmost Good Faith d. Principle of Subrogation 	1

20	<p>In 2023, there was a fire occurred in Dins Metals Pvt Ltd. and they had lost their plant worth ₹ 32,00,000 irrecoverably and did not get any insurance coverage as they have not renewed their policy on time.</p> <p>In 2025, the BOD of this company have decided to protect their boilers and coolers against fire and taken multiple measures to avoid fire. One of the members was insisting the BOD to take a fire insurance policy against the coolers and thereby the company has taken a fire insurance policy. Here coolers insured are known as:</p> <ol style="list-style-type: none"> Element Policy Subject matter Interest 	1
21	<p>Mr. Hareesh is the owner of a restaurant in old Delhi area. In recent years, many other restaurants sprung up in the vicinity. Due to increased competition, Hareesh introduced new variety of dishes in his restaurant such as 'pasta dosas'. In addition to this he is giving importance to waste disposal, minimal usage of plastic, planting of trees around etc.</p> <p>From this case of Mr. Hareesh, identify any two objectives he is focusing for the business and briefly explain them relevant to the case.</p>	3
22	<p>To overcome the difficulties faced by public in public transport system, the government of India started the METRO project in which the government involved private sector participation to get the benefits of efficiency of private sector. The project was great success as lakhs of people are enjoying the metro service to move from one place to other.</p> <ol style="list-style-type: none"> Identify and explain the form of enterprise. Give any two features of such enterprise and explain 	3
23	<p>Identify and explain the type of warehouse in each case: -</p> <ol style="list-style-type: none"> A facility owned by the government to store food grains – A storage facility owned by a retailer for his own goods – A warehouse that stores goods for multiple businesses for a fee – 	3
24	<p>The images given here show the services in the telecom sector. Identify and explain them.</p> <div style="display: flex; justify-content: space-around; align-items: center;">    </div>	3

25	Distinguish between business and profession on the basis of: i. Qualification ii. Mode of the establishment iii. Return iv. Risk	4
26	Riya formed a public limited company. After incorporation, the company was required to raise huge funds. A legal advisor guided Riya to prepare a prospectus explaining the details of company, its objectives, capital structure, and risk factors, and file it with the Registrar before inviting the public. Answer the following questions. a. What is a prospectus? b. Explain the first three steps required for raising funds from the public.	4
27	Rajiv is a business owner who runs an export company dealing in electronic goods. He owns a warehouse where he stores the goods before shipment overseas. Among his concerns are the risks of fire damaging the warehouse and goods, and the risks of loss or damage to the goods during sea transportation to international buyers. a. Explain the two types of insurance applicable to Rajeev? b. How are these types of insurance different ? Write any two differences.	4
28	As compared to the sole proprietorship and partnership forms of organisation, this form of organisation has large financial resources. Further, capital can be attracted from the public as well as through loans from banks and financial institutions. Identify and explain the form of business organisation and explain its demerits.	4
29	This form of public enterprise operates as an independent unit with administrative and financial autonomy. It is managed by a board of directors appointed by the government. The enterprise has its own budget and can retain and utilize its earnings for business operations. It follows commercial accounting practices and is subject to audit by chartered accountants. The employees enjoy service conditions similar to private sector employees and are not bound by government service rules. a. Identify the type of public enterprise explained above and write any two features of the same b. Explain any two merits and three demerits of the above identified concept.	4
30	Walmart Inc., a leading global retail corporation, entered the Indian market not by going alone but by forming a joint venture with Flipkart, one of India's largest e-commerce companies. Walmart acquired a majority stake in	4

	<p>Flipkart in 2018, combining Walmart's global retail expertise, supply chain, and capital with Flipkart's strong local market knowledge and established online platform.</p> <ol style="list-style-type: none"> What is a joint venture? Write any three benefits of businesses working as joint ventures. 	
31	<p>India is one of the largest milk producers in the world. Moreover, increasing demand for milk and milk product has made dairy farming a profitable business. Considering these facts Raghu, an industrialist has decided to set up a dairy farm and a cheese producing unit in Haryana. He plans to deal in an extensive range of Fresh Mozzarella, Processed Cheeses, Pizza Cheese, Cheese Singles, Naturally Flavored Cheeses (with Black pepper, Garlic, Cumin, Herbs & Spice), Mascarpone, Mozzarella & Grated Cheese for Pizza in various combinations.</p> <p>In the context of the above case:</p> <ol style="list-style-type: none"> Identify the different kinds of industries Raghu wants to set up along with brief explanation. State and explain the categories of types of industries to which the different kind industries as identified in part (i) belong to (Any two) Explain any two services that help in the business of Raghu. 	6
32	<p>Sinan, a 18 year old student while doing his graduation in web designing, invented a business idea for giving an automatic neck shoulder massage to the designers while sitting for long hours. This small machinery would work electronically as well as with battery power. While continuing the course, he has decided to start a venture as a private limited company. He has approached an expert who can help him out to set his business as a company.</p> <ol style="list-style-type: none"> Name the major step undertaken by Sinan as a person conceived the business idea? Explain any three functions to be performed by Sinan at the first step. What are the two major documents to be prepared at the time of formation of this company? 	6
33	<p>Dhruv, Sarthak and Dheeraj are three partners in a firm. The name of the firm is Friends Pustak Bhandar. The largest books of almost all subjects remain available at the Pustak Bhandar. All the three partners decided that 10% of the total profit of the firm would be distributed among the poor children every year. This has a very positive effect on the goodwill of the firm. Dheeraj is a renowned businessman who allowed the use of his name by the firm but does not contribute capital. Sarthak had contributed capital to the firm but does not participate in the management of the firm. Dhruv actively participates in the management and does business on behalf of other partners.</p>	6

	<p>a. Explain what types of partners Dhruv, Sarthak and Dheeraj are in 'Friends Pustak Bhandar'.</p> <p>b. Explain any three disadvantages of partnership form of business.</p>	
34	<p>Nakul is running a business of manufacturing invertors in Delhi. He has received an order for supply of 20 invertors from Better Electronics in Jaipur. As the amount of payment is more than ₹2 lakhs, Better Electronics decided to transfer the funds electronically from their bank account.</p> <p>a. Which service of bank has been referred to in the above paragraph. Name and explain it.</p> <p>b. Also explain any 4 points related to benefits of e-Banking provided to customers by banks.</p>	6