

# ATOMIC ENERGY CENTRAL SCHOOL NO. 3

## RAWATBHATA

### CLASS 11 - BUSINESS STUDIES

#### Confidence Test-1

Time Allowed: 3 hours

Maximum Marks: 90

#### General Instructions:

- i. Answer to questions carrying 1 mark may be from one word to one sentence.
- ii. Answer to questions carrying 3 marks may be from 50 to 75 words.
- iii. Answer to questions carrying 4-5 marks may be about 150 words.
- iv. Answer to questions carrying 6 marks may be about 200 words.
- v. Attempt all parts of a question together.
- vi. Question Nos. 1 to 8 are very short-answer questions carrying 1 mark each.
- vii. Question Nos. 9 to 14 carry 3 marks each.
- viii. Question Nos. 15 to 19 carry 4 marks each.
- ix. Question Nos. 20 to 23 carry 5 marks each.
- x. Question Nos. 24 to 27 carry 6 marks each.

#### Section A

1. Which of the following is not concerned with profession? [1]

- |                                     |                                            |
|-------------------------------------|--------------------------------------------|
| a) Code of conduct                  | b) Specialised body of knowledge and skill |
| c) Manufacturing goods and services | d) Formal Training                         |

2. Match the following: [1]

(a) The amount which is required to purchase fixed assets are known as	(i) Long term loan
(b) The amount required to meet day to day requirements are known as	(ii) Fixed capital requirements
(c) The sources provide finance to business firm for a period exceeding five years.	(iii) Medium term loan
(d) The sources provide finance to business firm for a period exceeding one year but less than five year.	(iv) Working capital requirements

3. State true or false: [1]

The memorandum of association is not prepared for the establishment of a company.

4. Which one is not the principle of insurance [1]

- |                              |                                   |
|------------------------------|-----------------------------------|
| a) Principle of contribution | b) Principle of Mutual Interest.  |
| c) Principle of Indemnity    | d) Principle of utmost Good faith |



- b. Briefly explain any two other kinds of social responsibilities.
18. Many traders in India have been adversely affected due to the easy availability of Chinese goods at low prices in the country. Chinese goods are not only affecting the domestic business and Indian market but also affecting the export market of our country. Indian goods are being replaced by 'Made in China' label, both in India as well as abroad, in various segments such as electronic goods, textile and garment industry, toys, medicines, car components, etc. In the context of the above case answer the following questions: [4]
- a. Briefly outline the disadvantage of international trade as highlighted in the above paragraph.
- b. State any two other disadvantages of international trade.
19. Sachin Ltd. is a well-known manufacturer of sanitary fittings. Recently, the company was short of funds for meeting its day-to-day expenses. So, the company approached one of its suppliers to grant 60 days credit on the purchase of raw material. On the basis of the creditworthiness of Sachin Ltd., the supplier granted the credit. Identify the source of finance highlighted in the given case. Also, state its four merits. [4]

#### Section D

20. Why does business need multiple objectives? Explain any five such objectives. [5]
21. Divine Delight is a well-known chain of home furnishing products in India. The company has outsourced IT-enabled common finance and accounting processes that are transactional in nature, such as accounts payable, accounts receivables, and payroll services like payroll processing, leave management, reimbursement processing, and compensation planning. In the context of the above case answer the following questions: [5]
- a. Explain briefly the features of outsourcing.
- b. Identify and explain the type of outsourcing being described in the above lines.
22. Describe the role of Small business in rural India. [5]
23. What benefits do firms derive by entering into international business? [5]

OR

Discuss the principal documents used in exporting.

#### Section E

24. Gagan runs a garment shop in a mall. Two years back he had taken a loan of Rs. 20 lakhs from HDFC Bank for the renovation of his shop. However, due to his poor health for the past year, his earnings have reduced considerably as he is not able to devote sufficient time to the business. He now plans to sell off his shop. In the context of the above case: [6]
- a. Identify the limitation of sole proprietorship form of the business organization being discussed above.
- b. Describe briefly any three other limitations of the same form of business organization.
25. Describe the Industrial Policy 1991, towards the public sector. [6]

OR

Dhanwan Bank is a popular private sector bank offering varied services to its customers. It offers many types of bank accounts options to its customers. Farhan being a businessman has chosen the type of account in which deposits are the most liquid and there are no limits to the number of

transactions or the number of transactions in a day. On the other hand, his mother has opened a type of account where she can conveniently deposit the money she saves. These accounts provide a cheque facility and offer a lot of flexibility for deposits and withdrawal of funds from the account. Farhan's younger brother Sohail has opened a special kind of account wherein he will deposit Rs. 1000 every month for the next two years.

In the context of the above case, answer the following questions:

- a. By quoting lines from the paragraph identify the various types of bank accounts being used by Farhan and his family members.
  - b. Describe briefly any two other types of accounts that are also offered by a bank but have not been mentioned in the above paragraph.
26. Qureshi had aspired to start a Thai food restaurant from his childhood. On completing his education he shared his childhood dream with his father. Therefore, the father-son duo decided to approach a nearby bank for obtaining a loan. His father's foremost concern was to raise finance for the business as his savings would be insufficient for starting a business. In the context of the above case answer the following: **[6]**
- a. Define the term business finance.
  - b. Briefly outline the importance of business finance.
  - c. The two types of funds on the basis of ownership are being discussed above. Identify and differentiate between them by giving any three suitable points.
27. Discuss the features of a departmental store. How are they different from multiple shops or chain stores? **[6]**

OR

Write a detailed note on features, structure, objectives and functioning of WTO.