

ATOMIC ENERGY CENTRAL SCHOOL NO.3

RAWATBHATA

CLASS 11 - BUSINESS STUDIES

UNIT TEST 3

Time Allowed: 2 hours

Maximum Marks: 50

Section A

1. Give two arguments in favour of social responsibility. [1]
2. Mention the effects of Air Pollution. [1]
3. Give an example of the economic responsibility of the business. [1]
4. ___ transactions have business firms at one end and its customers on the other end. [1]
 - a) C2C Commerce
 - b) B2C Commerce
 - c) C2B Commerce
 - d) B2B Commerce
5. A Call Centre handles [1]
 - a) Only inbound voice based business
 - b) Both voice based and non-voice based business
 - c) Both customer facing and back-end business
 - d) Only out-bound voice based business
6. Outsourcing [1]
 - a) Includes offshore
 - b) Includes contracting out of manufacturing and R&D as well as service processes for both core and non-core, but restricts only to domestic territory
 - c) Restricts only to the contracting out of non-core business processes.
 - d) Restricts only to the contracting out of Information Technology Enabled Services (ITES)
7. Which out of the following is a commercial bank? [1]
 - a) All of the these
 - b) Punjab National Bank
 - c) Canara Bank
 - d) State Bank of India
8. Funds required for purchasing current assets is an example of [1]
 - a) Fixed capital requirement
 - b) Lease financing
 - c) Working capital requirement
 - d) Ploughing back of profits
9. Funds raised through loans or borrowings are _____ [1]
 - a) Share Capital
 - b) Owners Equity
 - c) Borrowed funds
 - d) None of these

10. Limit of investment in small scale industry is _____ . [1]
- a) Ten crore b) five crore
- c) two crore d) one crore
11. Which of the following is a main problem for small business? [1]
- a) Finance b) Managerial skill
- c) Raw material d) All of these

Section B

12. Lavanya is running a health and weight management center in Varanasi. She keeps in regular touch with her clients through an online portal. Moreover, she often conducts online surveys to ascertain the level of customer satisfaction. Identify and explain the component of e-business being described above. [3]
13. Business should not have social responsibility/obligation; otherwise, the business values will have their domination imposed on social values, which is not pleasant situation. Explain this statement in the context of social obligation/responsibility of business. [3]
14. Libra Sales Private Limited owns the agency of different food products. This company sells the goods of different brands to retailers after buying them from several companies. The special characteristic of this company's business is that it buys almost all its goods on cash and its sale is on credit. The retailers make payment to it about one month after. This is the very reason that this company keeps often struggling with short term finance. To overcome this problem, the company's finance department held a meeting. The chairperson of the meeting asked the members to express their views on the solution of this problem. The first person said, "we should use such a source of finance as should not involve bureaucracy and legal hassels and to obtain which, help from other companies can be got." The second person's opinion was: "We are often in need of overdraft. Therefore, keeping this fact in mind, the source of finance should be selected." The view of the third person was: "When we sell goods on credit, why not to make efforts to buy goods on credit? Hence, to do so pressure on the companies selling goods should be built up." The chairperson of the meeting listened to the suggestions of all the people and, to take the final decision, asked them to be present in the meeting again after a week. This company planted trees at different places in the whole surrounding area and on the trees it fixed its small boards for advertisement. This type of advertisement attracted the people towards the company and its business had a fast growth. Quoting the relevant lines; identify the source of finance indicated by the suggestions given by different people. [3]

Section C

15. What is business ethics? Mention the basic elements of business ethics. [4]
16. Suhasini and some of her friends jointly set up 'Trimurti Limited'. The business of their company was to manufacture blankets at a low rate. At the time of setting up the company, they issued 25000 shares of the face value of 100. In this way, they started their business with a capital of 25 lac. Before collecting the money from the public, they decided that they would issue such security as should not let the company undergo any fixed financial burden. Also, they wished to have the capital from such a source as should enable the company to keep the [4]

capital for a long time. To collect the capital Suhasini and her friends issued a prospectus. Through it, they told the public that in the coming years, the company expected to earn a big profit and that the price of its shares would be very very high. As a result, investors would be able to earn extra profit. In the prospectus, it was also said that the company would organize its meetings from time to time and that the investors would be invited to these meetings. They would have the right to cast their votes in these meetings. The company collected money from the public and the company's business started. The company started earning more profit than what had been promised to the investors.

- i. Identify the type of shares issued by 'Trimurti Limited.'
- ii. Quoting the relevant lines write about the two advantages each to the investors and to the company from the shares identified in (i).

Section D

17. Pushkar is a taxi driver working with a popular cab service provider. Recently, he was given a bonus of Rs. 50,000 by the company. He bought a smartphone for himself from the money. Now, he wishes to buy a watch for his son which is exclusively available for sale on the portal of a popular e-commerce company. [5]

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

- a. Appraise him for the procedure to be followed for online shopping.
- b. Briefly state any two benefits available to Pushkar in making a purchase online.

OR

Gunjan Cinemas is a popular film entertainment company in Delhi. Keeping in view the growing culture of multiplex its owners have decided to make some changes in the interiors like creating a lounge area, installing more effective sound systems, etc. The company wants to raise the required funds for a period of more than one year but less than five years.

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

- a. Identify and explain the type of funds that Gunjan Cinema seeks to raise on the basis of the time period.
- b. Explain any one appropriate source of the type of funds as identified in part (a) of the question. Also, state its any two merits.

18. Recently when Mosaic Ltd. was falling short of funds to meet the flotation cost of its upcoming issue of preference shares, the company raised deposits from Mosaic Ltd. which had surplus funds. [5]

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

- a. Identify and explain the source of finance being discussed above.
- b. State any two limitations of the source of finance as identified in part (a) of the question.

Section E

19. Yash had started a sugarcane factory in Moradabad two years back. He pays wages to the male workers at a rate which is much lower than the minimum wage rate prescribed by the government. The wages paid to the female workers are even lesser. He has also employed child labor extensively in the factory to further reduce the labor cost. Moreover, the working conditions in the factory are inappropriate as there is a lack of hygiene, proper ventilation, a facility for safe drinking water, etc. His business has always faced the problem of shortage of [6]

labor since its inception.

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

- a. Yash has ignored his social responsibility towards which interest group?
- b. Why do you think it is important for a business enterprise to function in a socially responsible way? Explain by giving any four suitable points.
- c. Name any two values which are being ignored by Yash.

OR

Ayushi is successfully running a bakery shop in her residential colony for the past many years. She has wisely invested funds in different areas in order to ensure the smooth running of her business. She owns the manufacturing unit, whereas the shop through which she operates is on rent. Recently, she took a loan from the bank to install air conditioners and create provision for sitting for the customers by extending the shop area. Although she buys the majority of the ingredients like flour, sugar, oil on 15 days credit from the local suppliers but sales are made only in cash.

In the context of the above case:

- a. Identify and explain the various external sources of finance that Ayushi has employed in her business.
 - b. Distinguish between internal and external sources of funds (any four).
20. What measures have the Government taken to solve the problem of finance and marketing in the small-scale sector? **[6]**

OR

Splendor Ltd.' is a popular music company. Keeping in line with the changing trends the company uses various types of e-business activities to operate successfully. The company interacts through a network of computers with a number of other business firms who may be suppliers or salespersons. The company carries out a number of promotional activities and sometimes even delivery of products (e.g., music or films) are carried out online. The company has set up call centers for the customers to make toll free calls and register their queries and lodge complaints round the clock at no extra cost. The company makes use of intranet for managing interactions and dealings among various departments and persons within the organization. The company provides Virtual Private Network (VPN) technology because of which it is not necessary for the employees to come to the office and the meetings can be held online via video conferencing. The company uses financial intermediaries like PayPal in order to facilitate payments online. Keeping in mind the scope of e-business identify the various types of e-business activities adopted by Splendor Ltd. by quoting lines from the paragraph.