



KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION

QUESTION PAPER, SET – I

CLASS XI - BUSINESS STUDIES

CLASS: XI

TIME: 3 HOURS

MAX. MARKS: 90

GENERAL INSTRUCTIONS:

- Answers to questions carrying 1 mark maybe from one word to one sentence.
- Answers to questions carrying 3 marks maybe from 50 – 75 words.
- Answers to questions carrying 4 marks maybe about 150 words.
- Answers to questions carrying 6 marks maybe about 200 words.
- Attempt all parts of a question together.

1. The industries which provide support services to other industries are known as
(a) Primary industries (b) Secondary Industries
(c) Tertiary Industries (d) Commercial industries (1)
2. Carbon monoxide emitted by automobile directly contributes to
(a) Water pollution (b) Noise pollution
(c) Land pollution (d) Air pollution (1)
3. The capital investment in a small scale industry is
(a) 25 lakhs (b) 10 lakhs
(c) One crore (d) Rs.50, 000 (1)
4. Define Outsourcing (1)
5. Just mention any two types of external trade. (1)
6. Just mention the main communication which helps business for establishing link with outside world? (1)
7. What do you mean by e-business? (1)
8. What is Letter of Credit? (1)
9. State any two sources of long term finance. (1)
10. Define Business risk. (1)
11. Briefly explain three advantages of issuing debentures. (3)



12. Distinguish between private and public company. (3)
13. Briefly explain three features of MNCs. (3)
14. Explain any three types of warehouses. (3)
15. Explain the merits of Mail Order Houses. (3)
16. What do you understand by Sole proprietorship firm? Explain its demerits. (4)
17. Briefly explain any four types of preference shares. (4)
18. Distinguish between wholesale trade and retail trade. (4)
19. Distinguish between traditional business and modern business. (4)
20. Distinguish between Departmental stores and multiple shops on the basis of:
 - (a) Location
 - (b) Credit facilities
 - (c) Services offered
 - (d) Class of customers
 - (e) Pricing (5)
21. Explain the causes of pollution. (5)
22. Explain any five features of co-operative society. (5)
23. What are the incentives provided by the government for industries in backward and hilly areas? (5)
24. Briefly explain the features of statutory corporation. (5)
25. Explain the characteristics of business (OR)
- Compare business with profession. (6)
26. Distinguish between Domestic and international business (OR)

Write short notes on the following:

- (i) Bill of lading
 - (ii) Mates receipt (6)
27. Explain the principles of Insurance. (OR)
 - Explain the functions of commercial banks. (6)
 28. Distinguish between owner's funds and borrower's funds. (OR)
 - Explain the Merits and demerits of retained earnings. (6)



KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION

SCORING KEY/MARKING SCHEME – SET – I

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- 1 (c) Tertiary Industries 1
- 2 (d) Air pollution 1
- 3 (c) One crore 1
- 4 It refers to a long term contracting out of core and non-core activities 1
- 5 Export and Import trade 1
- 6 Postal and telecommunication 1
- 7 Conduct of industry trade and commerce using the computer network 1
- 8 The document containing the guarantee of bank to honor drafts drawn on it by an exporter. 1
- 9 Issue of shares 1
Issue of debentures
- 10 It refers to the possibilities of inadequate profit or even losses due to uncertainties or unexpected events 1
- 11 (a) Fixed income at lesser risk 3
(b) Financing through debenture is less costly
(c) No loss on control

	BASIS	PRIVATE	PUBLIC	
12	Members	Minimum- 7 Maximum Unlimited	Minimum- 2 Maximum- 50	3
	Minimum No. Of Directors	3	2	



Index Of Members	Compulsory	Non- Compulsory
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- 13 (a) Huge capital resources
(b) Advanced technology
(c) Centralized control 3
- 14 (a) Public Warehouses
(b) Private Warehouses
(c) Bonded Warehouses 3
- 15 (a) LIMITED capital requirement
(b) Elimination of middle man
(c) Absence of bad debts 3

Sole proprietorship refers to a form of organization owned managed and controlled by individuals who is the recipient of all profits and bearer of risks.

- 16 (a) LIMITED resources
(b) Unlimited liabilities
(c) Limited life of a business concern 4

Cumulative Preference shares

Non- Cumulative Preference shares

- 17 Participating Preference shares 4

Non- Participating Preference shares

Wholesale

Retail

Sold in bulk quantities

Sold in small quantities

- 18 2x2

Single variety of goods are sold

Many varieties of goods are sold

BASIS

TRADITIONAL BUSINESS

E-BUSINESS

- 19 4x1=4
- 1.EASE OF FORMATION Difficult Simple
- 2.PHYSICAL PRESENCE Required Not required
- 3.COST OF SETTING UP High Low



	4. OPERATING COST	High	Low
	BASIS	DEPARTMENTAL STORES	MULTIPLE SHOPS
1	Location	Central location is a must	Central location is not needed
2	Credit Facilities	Credit facilities are available	Only cash basis No credit facilities
20	3 Services Offered	Maximum Services	Very Limited Services
4	Class of Customers	High income group	Lower income group also
5	Pricing	Do not have uniform prices	Uniform prices
21	AIR Pollution WATER pollution LAND pollution NOISE pollution		5
22	(a) Voluntary membership (b) Service motive (c) Limited liability (d) Democratic control (e) Registration is compulsory		5x1
23	No rent Power at concessional rate Water at concessional rate Abolishing Octroi		5x1



Tax holiday

1. It is setup by passing a Special ACT in the parliament

2. Wholly owned by the state

3. it can sue and can be sued

- 24 4. Employees are not government employees 5x1
5. Not subject to the same accounting and audit procedure applicable to government department

(a) An economical activity

(b) sale of or exchange of goods and services

(c) Dealing in goods and services on a regular basis

(d) Profit earning

(OR)

25	BASIS	BUSINESS	PROFESSION	4×1 ½ =6
	QUALIFICATION	No Minimum qualification is necessary	Training in a specific field is must	

RETURN	PROFIT	PROFESSIONAL FEE
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Risk	More risk	Some risk
Transfer of interest	Possible	Not possible

26	BASIS	DOMESTIC	INTERNATIONAL
	Nationality of buyers and sellers	Same nation	Different nations
	Currency used	Currency of domestic country is used	Use of currencies Of more than one Country



Mobility of factors of production	Relatively more Within the country	Relatively less
Nationality of other stake holders	Usually citizens of the same country	Stake holders are from different nations

(OR)

After receipt of freight the shipping company issues an official receipt of goods private on board, it is known as Bill of lading. It is also document of title to goods.

3+3=6

Mates receipt: This receipt is given by the commanding officer of the ship to the exporter after the cargo is loaded on the ship.

- (a) Utmost good faith
(b) Insurable interest
(c) Indemnity
(d) Proximate cause

Any 4
points

27

(OR)

- (a) Acceptance of deposits
(b) Lending of funds
(c) Cheque facility
(d) Remittance of funds

4×1½
=6

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	BASIS	OWNER'S FUNDS	BORROWED FUNDS	
	1.Control	Loss on control	No Loss on control	
28	2.Voting Rights	Yes. Voting rights.	No Voting rights.	
	3.Redemption	Not redeemable	Mostly redeemable	4×1½ =6
	4.Degree of risk	High	Low	

(OR)



Merits:

- (a) Permanent source of funds
- (b) Economical

Demerits:

- (a) Mis-utilisation of funds
- (b) Dissatisfaction among shareholders



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