

**Practice Questions 2019-20**  
**Class – XI (Business Studies)**

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**UNIT - I**

**1. One mark Questions -**

1. State the main factor which distinguish an economic activity from a non-economic activity.
2. Why is business considered as an economic activity?
3. Mention the two most important characteristics of business.
4. Name the economic activity, which involves specialized knowledge and in which entry is restricted.
5. What type of industry is banking?
6. Name two types of secondary Industry.
7. Name the business activity which is concerned with holding goods in stock for sale in future.
8. Mention two features of business risk.
9. Fire, theft, pilferage are the example of \_\_\_\_.

**2. Three marks Questions -**

1. Chhavi cooks food at home. She takes the food to street market for sale. On the way she finds few poor hungry children. She gives some foods to them and sell the rest. Explain how the two activities different from each other?
2. State the distinguish factors between business, profession and employment on the basis of :  
i) Reward      ii) Initial Investment      iii) Qualification      iv) Risk
3. How does productivity contribute towards business growth?
4. Risk in business is not by choice but a compulsion. Comment?

**3. Four marks Questions -**

1. State and explain the characteristics of business.
2. Describe the activities relating to commerce.
3. Name the following :-
  - i) The economic activity showing a risk element and carried on profit.
  - ii) The Trade in which two countries are involved.
  - iii) The industry which involves breeding and reproduction of plants and animals.
  - iv) The Trade in which goods are imported from one country for the purpose of exporting to other country.
  - v) The branch of commerce which remove hindrance of place.
4. Explain the concept of business risk and its causes.
5. Aman is planning to start leather garment. Mention any two risks he might face.

**4. Six marks Questions -**

1. A business organization while pursuing its economic objective also tries to social objectives. What is the need for a business to pursue social objectives? State and explain any 4 social objectives.
2. Profit is no more the only leading objective for a business organization. Discuss various objectives of a business enterprise aims to achieve?
3. Explain the nature of business risk. Distinguish between pure risk and speculative Risk.
4. Ms. Stuti wants to start a retail business of fashionable items but she is hesitating as she is aware of risks which are inherent in every business, she approaches her friend Ms. Pankhu who is the owner of a retail shop. Ms. Pankhu advises her to opt. for business and suggest certain methods to minimize risks.
  - i) Broadly business risk may be of two types. In the instant case, under which type does the business of Ms. Stuti come? Also name the other type.
  - ii) Name the characteristic or nature of business risk which is indicated in the business of Ms. Stuti.
  - iii) Business risks arises due to variety of causes, which type of causes cover the business of Ms. Stuti and how?
  - iv) Give two suggestions which might be given by Ms. Pankhu to deal with risk situations.

## UNIT – II & III

### 1. One mark Questions -

1. Name the partner whose association with the firm is not known to the general public.
2. Which policy has granted permission for forming “Limited partnership” in India?
3. What aspects helps in reducing burden and stress on an individual partner?
4. Name the act which governs Hindu Undivided family Business.
5. What kind of liability does karta have?
6. Are cooperative societies able to maintain secrecy of their operations?
7. Ramesh is hired to conduct financial feasibility of a project whether he will be termed as a promoter.
8. What is the minimum paid up capital required for Pvt. & public Co.?
9. Which document defines the objectives of a company?
10. Airport authority of India is a Statutory Corporations / Departmental Undertakings.
11. Name the type of business enterprise which operates in more than one country.
12. Treatment provided by a doctor differs from patient to patient. Name the feature of service.
13. Give two e:g of public sector & private sector banks.
14. Name central bank of India?
15. A Co. insures its stock against fire for 10 lacs. A fire broke down & total stock was lost. At the time of fire there was stock worth 15 lacs. What is the value of compensation co. would be entitled to ?

### 2. Three marks Questions -

1. Compare the status of a minor in a Joint Hindu family with that in a partnership firm.
2. “Karta is the most active member in case of Hindu Undivided family business.” Comment.
3. If registration is optional, why do partnership firms willingly go through this legal formality and get themselves registered? Explain.
4. What do you mean by Nominal partner? Explain.
5. ‘The liability of a sole proprietor is unlimited.’ Explain.
6. How do cooperative societies fulfill the features of democracy & secularism?
7. List the areas where the state or central ownership is a preferred form of business org. Justify your choice of areas.
8. Why is the ‘Govt. Co.’ form of organization preferred to other types in the public sector?
9. Write a short note on various telecom services available for enhancing business.
10. Explain in brief the service provided by postal services?

### 3. Four marks Questions -

1. Shalini is teaching in a coaching centre. She is not happy with the remuneration and has plans to start her own coaching centre. She is an excellent Mathematics tutor but cannot take science. Most students look for a centre which can provide both Science & mathematics tuton. Advise what should Shalini do and why?
2. Explain different types of partners.
3. The business assets of an organization amount to Rs. 50000 but the debts that remain unpaid are Rs. 80000. What course of action can the creditors take if :
  - a) The organization is a sole proprietorship firm.
  - b) The organization is a partnership firm with Anthony & Akbar as partners.Explain giving reasons..
4. Pawan is a sole proprietor. Over the past years, his business has grown from operating a neighborhood corner shop selling kids garments to a retail chain with five branches in the country. Although he looks after the varied functions in all the branches he is wondering whether he should form a company to better manage the business. He also plans to open branches in all states of the country.
  - a) Explain two benefits of remaining a sole proprietor.
  - b) Explain two benefits of converting into a joint Stock Co.
  - c) What role will his decision to go nationwide play in his choice of form of the organization.
  - d) What legal formalities will he have to undergo to operate business as company.
5. Define warehousing and explain its function.
6. Every year, lot of agricultural production is spoilt during rainy season due to lack of proper storage facilities in villages. Govt. has decided to construct a warehouse in radius of every 100 km so that necessary goods can be stored. This will reduce wastage and goods will be available even during bad weather conditions. What values is government trying to achieve.

7. Name and discuss the benefits of banking service in which the customer can conduct banking activities over the internet.
8. Explain the types of Bank Accounts?

**4. Five marks Questions -**

1. Explain the features & limitations of a joint stock Co.
2. Explain the privileges of a pvt. co. over public co. ?
3. Cooperative society offers various advantage as compared to other forms of b. organisation. Comments.
4. Explain the types of cooperative Socoeties?
5. Why are global enterprises are considered superior to other business organization?
6. Differentiate among Departmental Undertaking, Public Corporation & Govt. Co. (6 points)
7. Describe various types of insurance & examine the nature of risks protected by each type of insurance.
8. Discuss the difference types of Life Insurances policies.

**5. Six marks Questions -**

1. Explain the stages in formation of a Co.?
2. Explain all the documents required in formation of a Co.
3. 'In all types of Insurance (Life, fire & marine insurance), insured must have insurable interest both at the time of insurance and at the time of loss.' Do you agree.
4. Explain the principles of Insurance with suitable examples.

**UNIT - IV**

**1. One mark Questions -**

1. Name the services in which a firm gets its task done by another firm.
2. What type of market is provided by C2C commerce?
3. Which is the common mode of payment under e-commerce?
4. Mention any one transaction covered under B2C commerce.
5. What is the relation between the ethics and moral value?
6. Do business people have skill to tackle social problems?
7. List the factors that how forced the Business enterprise to follow consumer oriented policies.
8. Is a business enterprise required to respect and follow the social values and norms?

**2. Three marks Questions -**

1. How does outsourcing represents new mode of business?
2. Write short notes on :  
a) BPO          b) KPO
3. A toy manufacturing company uses substandard and harmful paints to colour their toys as these are available at very low price. Is company's act justifies?
4. A Garment Manufacturing Company distributes its defective garments to free of cost to orphan homes. What values company are fulfilling?

**3. Four marks Questions -**

1. Describe briefly the data storage and transmission risk in e-business.
2. List the main limitations of e-business.
3. Explain briefly the various causes of pollution.
4. The manufacturer of a local brand of T-shirt used the logo and brand of an established brand on its T-shirt and was able to sell them at a high price and earn huge profit. Is his act justified?

**4. Five marks Questions -**

1. Mrs. Yaspreet Kaur is the wife of late Mr. Kuldeep Singh. She has two kids to tiring up. She earns her living by working in a private school as a primary teacher. She doesn't keep much cash in her house. She finds withdrawal of money from a bank a very tedious job and in case of need she has to go the bank personally to withdraw the money. When she came to know about ATM, she felt relaxed. Now, she finds very convenient to withdraw money through ATM. She goes at any time to ATM as it works for 7 days and 24 hours. Now, she no longer gets late for her school and is able to give more time to her kids.
  1. Which 2 entities are involved in the above transaction of withdrawing money?

2. What is the nature of business they are into?
3. What are the benefits e-business is offering to her?

2. Sita is a student of class XI. Her friend Kirti had given her a wrist watch last year on her birthday. Sita wants to sell this watch as she no longer finds it fascinating. She uses vast space of internet, to search for potential buyer, globally, who can offer best price for her product. The data regarding the authenticity of buyer is also available which helps in conducting the transaction with respect, honesty and fairness. Finally, out of many buyers, she chooses Suzane from London, who offers her the best price and that too in pounds.

1. Which are the two parties involved in the transaction of selling of the wrist watch?
2. What type of business are they involved into?
3. What are the benefits available through e-business? Ans. Cost saving, wide market, wide choice and time saving.

3. Mr. Sagar is the owner of a cloth factory (Sagar Cloth Mill). He sells his product with the motive of maximising his profits. For this he charges higher price for his product from his consumers and sells them inferior quality product. He provides unhygienic working conditions to his employees and makes less payments to them. He does not even bother to use pollution control devices. This has annoyed the public and they have started organising rallies against the cloth factory. The workers have also started leaving the business and consumers have stopped buying its products. The government gave notice to Sagar Cloth Mill to pay 50,000/- as penalty. Mr. Sagar got depressed and approached his friend Mr. Akash—the owner of toys factory (Akash Toys Ltd.). He discussed the problem he was going through. Akash advised him to behave in socially desirable manner along with undertaking profitable activities. He suggests to him to have fair dealings with his customers, workers, government and public at large. But Mr. Sagar is not ready to do so as he feels:

1. Social Responsibility would lessen his profit.
2. The amount that he would incur on assuming Social Responsibility would ultimately be charged from customers by raising the price of product. This would put burden on consumers.
3. It is the job of specialized agency to solve social problems and not of business as it doesn't possess necessary skills.
4. The public would take it as an interference and thus won't support and cooperate with him.

But Mr. Akash argues in support of assuming Social Responsibility and gives following points:

1. Assuming Social Responsibility may lead to less short term profits but it is in the long term interest of business as various interested groups like customers, government, workers etc. cooperate with and appreciate such business.
2. Business is a part of society and owes its existence to society, it can grow only in society.
3. The government will also appreciate business efforts of solving social problems and will put least regulations.
4. The public won't take it as an interference but will pay due regards to your business and will not resort to anti social activities.
5. If your business takes keen interest in solving social problems, it will lead to better environment for doing business.
6. It becomes the duty of Sagar Cloth Mill to solve social problems like pollution, as it has been created by it.
7. Your business has enough talent and financial and human resources to solve such problems and is capable enough to convert problems into opportunities and use them as a stepping stone to success,

Akash suggests his dear friend Sagar not to forget about profits but the objective of business should be assuming social responsibility along with profit maximisation. Sagar goes by his suggestions and finally can see his business reaching new heights of success.

1. Name the business which considers profit maximisation as the sole objective of business.
2. Name the business whose objective is assuming social responsibility along with profit maximization.
3. What arguments does Sagar give against assuming Social Responsibility?
4. What arguments does Akash give in favour of assuming Social Responsibility?

4. "Business is essentially a social institution and not merely a profit making activity." Explain.

## 5. Six marks Questions -

1. Give a comparative study between traditional business and e-business.
2. Describe the drawbacks of outsourcing.
3. Discuss the forces which are responsible for increasing concern of business enterprises towards social responsibility.
4. What steps can an enterprise take to protect the environment from the dangers of pollution?