CLASS-XI

BUSINESS STUDIES (054)

Sample Paper (2024-25)

Maximum Marks: 80

Marking Scheme/Hints to solutions

[Note: Any other relevant answer, not given here under but given by the candidates, be suitably awarded.]

Q.No	Value points/ Key points	Marks allotted to each key	Total marks
		point	
1.	d) Both A & R are true and R is the correct explanation of A.	1	(1)
2.	b) Sahyog –Hundi	1	(1)
3.	a) Companies Act, 2013, 50	1	(1)
4.	c) Large amount of funds can be generated through trade credit	1	(1)
5.	c) Insurance	1	(1)
6.	c) A – iii, B – i, C – iv, D – ii	1	(1)
7.	d) working capital requirements	1	(1)
8.	d) Bootstrapping	1	(1)
9.	c) Producers cooperative societies	1	(1)
10.	a) Debenture	1	(1)
11.	b) B2C Commerce	1	(1)
12.	d) Share	1	(1)
13.	a) Internal trade	1	(1)
14.	d) Bottles	1	(1)
15.	a) 1, 2, 3 are correct but 4 is incorrect.	1	(1)
16.	b) Grant of credit	1	(1)
17.	c) Furniture	1	(1)
18.	a) Both the statements are true	1	(1)
19.	b) Portfolio Investment	1	(1)
20.	a) IGST	1	(1)
21.	a. Departmental Undertaking b. Features:- The funding of these enterprises come directly from the Government Treasury and are an annual appropriation from the budget of the Government. The revenue earned by these is also paid into the treasury;	1 mark for identification + 1 mark for each feature	(3)
	(ii) They are subject to accounting and audit controls applicable to		

	their rethat of are he and cive another (iv) It is go Govern ministry (v) They are is directly una. Government b. Features (i) It is an oeany oth (ii) The comparty are (iv) The memory of their own ruand Articles	enerally considered ament department and a property; e accountable to the ender the concerned repeated to the ender the concerned repeated to the ender the company can file a suit and be sued; ompany can enter ender the ender the ender of the cons of the Companier	prise are Government itions of service are ectly under the Goministrative Service transferable from to be a major sund is subject to direct eministry since the ministry. (Any Two OR under the Company Law. in a court of law into a contract are some any is respected as a contained in the company. The	are the same as overnment. They be (IAS) officers in one ministry to abdivision of the ect control of the ect control of the eir management io) This Act, 2013 or against any third and can acquire egulated by the ner public limited the according to the Memorandum e Memorandum e Memorandum	1 mark for identification + 1 mark for each benefit	
		ontaining the objects (any other suitable		and its rules and		
22.	a) Basis	Life Insurance	Fire Insurance	Marine		(3)
				Insurance		
	Subject Matter	The subject matter of insurance is human life.	The subject matter is any physical property or assets	The subject matter is a ship, cargo or freight.	1 mark for each difference	
	Elem ent	Life Insurance has the elements of protection and investment or both.	Fire insurance has only the element of protection and not the element of	Marine insurance has only the element of protection		

			investment.			
	Insurable interest	Insurable interest must be present at the time of affecting the policy but need not be necessary at the time when the claim falls due.	Insurable interest on the subject matter must be present both at the time of effecting policy as well as when the claim falls due	Insurable interest must be present at the time when claim falls due or at the time of loss only.		
	(ANY OTHE	 R RELEVANT DIFF	ERENCE)			
			OR			
	services income and PCO so their services with any oth (ii) Fixed I including votestablish ling of network cables laid a provide intervited within a lice which are entwo-way conservices thromal provides the services in th	nobile services: The cluding voice and no ervices utilizing any e area. They can also er type of telecom services: These ince and non-voice kages for long distated equipment primarily across the length and reconnectivity with other ensed area of opensentially one-way examination including the cough cable network ering services through	on-voice message type of network so provide direct ervice provider. The are all types of messages and ince traffic. These by connected through the coner types of teleconer types of teleconer types of teleconer types, and sentertainment relating voice, data would emerge si	es, data services equipment within inter connectivity of fixed services data services to utilize any type ough fiber optic country. The also m services. ewitched services media services, ted services. The and information ignificantly in the	1½ mark fo reach heading + ½ mark fo rexplanation	
	·	oviding fixed services		. ,		
23.	who though to be repres liable to out	by holding out: A partner in a sented as a partner in a side creditors for related to the firm on the	n firm but knowing n a firm. Such a p payment of any c	lly allows him/her person becomes lebts which have	1 mark for identification + 1mark each for explanation	(3)

24.	will be responsible to the third party for any such debts. Retained earnings as a source of funds has the following merits (i) Retained earnings is a permanent source of funds available to an organisation. (ii) It does not involve any explicit cost in the form of interest, dividend or floatation cost.			1 mark for each explanation	(3)
	limitations: (i) Excessive Ploughi the shareholders as t	ing back may cause di hey would get lower div	ssatisfaction amongst		
25.	,		fession is as follow:	½ mark for each identification	(4)
	such a liability, he should immediately issue a denial, clarifying his position that he is not a partner in the firm. If he does not do so, he will be responsible to the third party for any such debts. 24. Retained earnings as a source of funds has the following merits (i) Retained earnings is a permanent source of funds available to an organisation. (ii) It does not involve any explicit cost in the form of interest, dividend or floatation cost. Retained earnings as a source of funds has the following limitations: (i) Excessive Ploughing back may cause dissatisfaction amongst the shareholders as they would get lower dividends. (any other suitable point) 1 mark for each explanation 25. 1/2 mark for each 1/2				
		decision and other legal formalities, if	Professional body and certificate of	1 mark for	
	Nature of work	and services to the	personalized,		
	Return	Profit earned	Professional fee		
		(ANY OTHER RELE	VANT DIFFERENCE)		

26. Mail order houses are the retail outlets that sell their merchandise 1 mark for (4) meaning + 1 through mail. There is generally no direct personal contact between the buyers and the sellers in this type of trading. mark for each **Advantages** advantage (i) Limited capital requirement: Mail order business does not require heavy expenditure on building and other infrastructural facilities. Therefore, it can be started with relatively low amount of capital. (ii) Elimination of middle men: The biggest advantage of mailorder business from the point of view of consumers is that unnecessary middlemen between the buyers and sellers are eliminated. This may result in lot of savings both to the buyers as well as to the sellers. (iii) Absence of bad debt: Since the mail order houses do not extend credit facilities to the customers, there are no chances of any bad debt on account of non-payment of cash by the customers. OR Chain stores or multiple shops are networks of retail shops that are owned and operated by manufacturers or intermediaries. Limitations (i) Limited selection of goods: Some of the multiple shops deal only in limited range of products. This is especially the problem with the chain stores which are owned and operated by manufacturers, and as such mostly sell the products produced by the themselves. They do not sell products of other manufacturers. 1 mark for In that way the consumers get only a limited choice of goods. This meaning + 1 however is not the case with retailer owned chain stores such as mark for Big Apple or Reliance Retail which sell products of a large number each of manufacturers. limitation (ii) Lack of initiative: The personnel managing the multiple shops have to obey the instructions received from the head office. This makes them habitual of looking up to the head office for guidance on all matters, and takes away the initiative from them to use their creative skills to satisfy the customers. (iii) Lack of personal touch: Lack of initiative in the employees sometimes leads to indifference and lack of personal touch in

(Any other suitable point)

them.

27.	a) Entrepreneurship is the process of setting up one's own business as distinct from pursuing any other economic activity, be it employment or practicing some profession. b) The following are the characteristics of entrepreneurship: (i) Systematic Activity: Entrepreneurship is not a mysterious gift or charm and something that happens by chance! It is a systematic, step-by-step and purposeful activity. It has certain temperamental, skill and other knowledge and competency requirements that can be acquired, learnt and developed, both by formal educational and vocational training as well as by observation and work experience. Such an understanding of the process of entrepreneurship is crucial for dispelling the myth that entrepreneurs are born rather than made.	identification + 1 mark for each feature.	(4)
	(ii) Lawful and Purposeful Activity: The object of entrepreneurship is lawful business. It is important to take note of this as one may try to legitimize unlawful actions as entrepreneurship on the grounds that just as entrepreneurship entails risk, so does illicit businesses. Purpose of entrepreneurship is creation of value for personal profit and social gain.		
	(iii) Innovation: From the point of view of the firm, innovation may be cost saving or revenue-enhancing. If it does both it is more than welcome. Even if it does none, it is still welcome as innovation must become a habit! Entrepreneurship is creative in the sense that it involves creation of value. By combining the various factors of production, entrepreneurs produce goods and services that meet the needs and wants of the society. Every entrepreneurial act results in income and wealth generation. Entrepreneurship is creative also in the sense that it involves innovation-introduction of new products, discovery of new markets and sources of supply of inputs, technological breakthroughs as well as introduction of newer organisational forms for doing things better, cheaper, faster and, in the present context, in a manner that causes the least harm to the ecology/ environment.		
28.	a) Mate receipt b) Packaging list c) Bill of exchange d) Cart Ticket	1 mark for each point	(4)
29.	E- Business Benefits: i) Ease of formation and lower investment requirements (ii) Convenience (iii) Speed (iv) Global reach/access (v) Movement towards a paperless society (any three)	1 mark for identification ½ mark for each heading and ½ mark for explanation	(4)

30.	(i) A definite commitment by top management of the enterprise to create, maintain and develop work culture for environmental protection and pollution prevention. (ii) Ensuring that commitment to environmental protection is shared throughout the enterprise by all divisions and employees. (iii) Developing clear-cut policies and programmes for purchasing good quality raw materials, employing superior technology, using scientific techniques of disposal and treatment of wastes and developing employee skills for the purpose of pollution control. (iv) Complying with the laws and regulations enacted by the Government for prevention of pollution.	1 mark for each point	
	OR		
	Responsibility towards the government: An enterprise must respect the laws of the country and pay taxes regularly and honestly. It must behave as a good citizen and act according to the well accepted values of the society.		(4)
	Responsibility towards the consumers: Supply of right quality and quantity of goods and services to consumers at reasonable prices constitutes the responsibility of an enterprise toward its customers. The enterprise must take proper precaution against adulteration, poor quality, lack of desired service and courtesy to customers, misleading and dishonest advertising, and so on.	2 marks for each point	
31.	 a) Equity Shares Equity shares are the most important source of raising long term capital by a company. Equity shares represent the ownership of a company and thus the capital raised by issue of such shares is known as ownership capital or owner's funds. b) The important merits of raising funds through issuing equity 	1/2 mark for identification 1/2 mark for meaning +1 mark for each merit.	(6)
	shares are given as below: (i) Equity shares are suitable for investors who are willing to assume risk for higher returns; (ii) Payment of dividend to the equity shareholders is not compulsory. Therefore, there is no burden on the company in this respect; (iii) Equity capital serves as permanent capital as it is to be repaid		
	only at the time of liquidation of a company. As it stands last in the list of claims, it provides a cushion for creditors, in the event of winding up of a company; (iv) Equity capital provides credit worthiness to the company and confidence to prospective loan providers; (v) Funds can be raised through equity issue without creating any charge on the assets of the company. The assets of a company		

	are, therefore, free to be mortgaged for the purpose of borrowings,		
32.	if the need be; 1. Obtaining foreign exchange 2. Placing order or indent 3. Obtaining letter of credit 4. Arranging for finance (with suitable explanation) OR	½ mark for heading + 1½ mark for each explanation	(6)
	 Production or procurement of goods obtaining pre shipment finance Obtaining export license Assessing the importer's creditworthiness and securing a guarantee for payments (with suitable explanation) 	½ mark each heading and 1½ mark for explanation	
33.	a) Global enterprise/ Multinational corporation/ transnational corporations	1/2 mark for identification + 1 mark for explanation + 1/2 mark	
	1. Huge capital resources: "The company has plenty of resources."	each for quoting the line + ½	(6)
	2. Advanced technology: "Master Ltd. is using completely the latest technology in its various business activities"	mark for heading + ½ mark for each	
	3. Expansion of market territory: "the company occupied a dominant position in the market and took over some domestic firms"	explanation	
34.	a) Certificate of incorporation	1mark for Identification	
	b) Preliminary Contracts: During the promotion of the company, promoters enter into certain contracts with third parties on behalf of the company. These are called preliminary contracts or pre-incorporation contracts. These are not legally binding on the company.	+ 1 mark of identification +1mark for each explanation+ 2 marks for	(6)
	c) The Certificate of Incorporation is a conclusive evidence of the regularity of the incorporation of a company. The Certificate of Incorporation once issued, is a conclusive evidence of the existence of the company. Even when a company gets registered	explanation+	

with illegal objects, the birth of the company cannot be questioned. The only remedy available is to wind it up. Because the Certificate of Incorporation is so crucial, the Registrar has to go very carefully before issuing it.	
The registrar issued the document on 8 th of March, mentioning the date of 5 th March on it".	