

Directorate of Education
Govt. of NCT of Delhi

Practice Test Material

2015-2016

Subject : Business Studies
Class : XI

Under the guidance of :
Addl. DE (School/Exam)

PRACTICE TEST-1

CLASS: XI

SUBJECT: BUSINESS STUDIES

NATURE AND PURPOSE OF BUSINESS

Time : 50 minutes

M.M. : 25

1. When is the maximum possibility of business risk? 1
2. Point out the example of activity which at one time is economic and at other time no economic. 1
3. Mr. Purohit is a student of Class XI. He has full knowledge of all the characteristics of business. He is advising one of his friends that 'Business is a bed of roses, so there is no harm in adopting it as a 'career'. Do you think Purohit is right is saying so? 1
4. To which auxiliary to trade is related the following statement? 1
 - i. information is business has a special significance
 - ii. Business can't be run without funds
5. Pardeep and Vijay are two friends. Both of them are doing different business. Pardeep's business facing changes in fashion and change in policies and he is also very upset because of tough competition. On the other hand, there is a great hurdle is there in Vijay's business because of the dishonesty of employees, dishonesty of customers and stricker and Lockouts. Point out the type of business risk the two friends are undergoing / suffering from. 4
6. Barkha had some such book as were rare in the market. One of her friends needed these books. Barkha sold out all those books of hers to her friends for Rs. 500 and earned a profit of Rs.1500. Can this activity of hers be called a business? Give two reasons justify your answer. 4
7. Differentiate between the following activities into business profession and employment. 4
 1. Sohan is selling books on behalf of his employer
 2. Reeta is participating law or doing legal practice
 3. Kiran is running his private clinic
 4. Chandni who a cart-vendor is selling toys in a fair
8. A famous doctor charges highly for consultation from his patients and refuses to treat the poor patients without consultation charges. He pays attention to the MR (Medical Representative) and Agents of Pharma Company and takes gifts and commission from them also. In your view, is it professional behaviour of doctor? Is he following the code of conduct of doctor? Write any three value which are not followed by doctor. 5

9. Anil, Sunil and Gita are friends. They are pursuing their MBA from IIMT, Banaras, while having a coffee during break time, they were discussing their future plans. Anil said he is planning to help his father by joining his printing press after competing MBA, Sunil on the other hand, wanted to get a job in some big company through institutions placement call. Since Gita loves children, she shared her willingness to join an NGO and use her knowledge and skill to help the under privileged children.
- a) Identify and give two points of difference between Anil's and Sunil's plans?
 - b) How would you classify the activity which Gita is willing to pursue after college?
 - c) By quoting the line state the values depicted in the case.

PRACTICE TEST-2

CLASS: XI

SUBJECT: BUSINESS STUDIES

NATURE AND PURPOSE OF BUSINESS

Time : 50 minutes

M.M. : 25

1. Name the document that contains all the terms and conditions of running the partnership? 1
2. Write the full name form of CIN. 1
3. What can be the maximum number of members in a Cooperative Society? 1
4. Rajesh and Ranjeet bought 20 quintal of sugar and both of them divided it equally between themselves. Are Rajesh and Ranjeet partners? Explain. 1
5. There are eight members in a private company, all of them are sailing in a boat in sea and are on a sight seeing trip. All of a sudden a storm starts blowing and all of them die. Will their company become non-existent with their death? 1
6. "From the point of view of management, sole trade organisation is the worst form of trade organisation". Do you agree with this statement? If yes, then support your view by reasons? 4
7. You are a student of class XII you have full knowledge of different forms of business organisation. Mr. Rohan wants to set up a business. He needs your help in choosing a business organisation. He has two main expectation from the business organisation:
 - i. Limited Liability
 - ii. ContinuityWhat suggestion will you give to Mr. Rohan and Why? 4
8. You are a business consultant. Mr. Singh has recently retired from government service. He is 60 years old and he wants to set up a factory in order to manufacture plastic goods. He has come to consult you that you suggest to him a suitable form of business organisation. The followings are his main expectations from the business organisation. 4
 - i. Easy formation
 - ii. Flexibility in operation
 - iii. Sharing of profit with limited person
 - iv. Sufficient persons to look after various business activitiesWhich from of business will you suggest to Mr. Singh and why?

9. Which form of the business organisation gives all the rights to a minor member? Explain any three advantages of the above business organisation. 1+3
10. Atul, Bhagwan and Chanchal join together and set up a partnership organisation. They do the wholesale trade of "Ghee", "Sugar" and "Pulses". They got a document prepared, which stated the different terms and conditions in order to turn the partnership organisation smoothly and properly.
- a. Tell the name of the document prepared and also clarify the
 - b. Values this document safeguards.

PRACTICE TEST-3
CLASS: XI
SUBJECT: BUSINESS STUDIES
BUSINESS SERVICES

Time : 50 minutes

M.M. : 25

1. Name the type of banking in which internet is used to deposit and withdraw money. Give one advantage of such type of banking. 1
2. Roopam took an insurance policy for his car. Within a year he sold the car to his nephew Raghu. The car got stolen. Roopam filed an insurance claim on the insurance company. Company refused the claim, saying that Roopam is not the owner of the car.
Which principle is this based on? State the principle. 1
3. Which bank is known as the 'Apex Bank' of India? 1
4. What is DTH? How can these services be obtained? 1
5. During the process of providing services, how is the customer involved? Explain with the help of an example. 3
6. An Asthma patient did not disclose this fact while taking life insurance policy. Name and explain the principle violated by him. 3
7. What is electronic media? Explain any two of them. 3
8. What are bonded warehouses? Give any two benefits of these. 3
9. How do banking and insurance facilitate trade and commerce? 4
10. Bank is a financial institution which accepts money on deposits, repayable on demand and also earns a margin of profit by lending money.
In the light of above statement, explain the functions of banking. 5

PRACTICE TEST-4

CLASS: XI

SUBJECT: BUSINESS STUDIES

PUBLIC, PRIVATE AND GLOBAL ENTERPRISES

Time : 50 minutes

M.M. : 25

1. Give any one feature of a statutory corporation. 1
2. How is a multinational corporation able to work in various countries? 1
3. Classify the following companies as departmental undertakings, statutory corporations and government companies : RBI, HMT Ltd., Defence, Maruti Udyog Ltd. 1
4. Give names of four MNC's operating in India. 1
5. What do you understand by public private partnership? What kind of projects are suitable for them? 3
6. Briefly explain the role of MNC's in India. 3
7. "The public corporation has been the most common form of organisation for public enterprises in recent times." State the characteristics and merits of a public corporation. 3
8. Give three points of difference between public enterprise and private enterprise. 3
9. State three benefits of joint venture. 4
10. "The basic rationale of public sector has changed significantly". In the light of this statement, state any five steps taken by the government. 5

PRACTICE TEST-5

CLASS: XI

SUBJECT: BUSINESS STUDIES

EMERGING MODES OF BUSINESS

Time : 50 minutes

M.M. : 25

1. Differentiate between e-business and e-commerce. 1
2. Give an example of C-2-C. 1
3. What is the procures of getting a business service from an outside agency called? 1
4. Mr. Nikunj uses a card to borrow money from a bank. Which card he uses? 1
5. Mr. Supriyo lives in West Bengal. He has to send books to his daughter living in Delhi within two days. Which service will he use? Why such services are gaining popularity? 3
6. Home Shop 18, Star CJ etc. are tele-shopping channels facilitating telemarketing. Which kind of service is it? What are their customer support services? Why should they be outsourced? Give name of two BPO companies working in India. 3
7. Mr. Nathan needs to transfer his money to his business partner Lalit in Delhi. He uses the new transfer techniques, what is EFT. How it is more reliable and beneficial than the traditional manual transfer. 3
8. What is plastic-money and E-money? If you have to go to on your outstation tour which will you prefer cash, cheques or plastic money? Why? Give three reasons in support of your answer. 3
9. Mr. Sudershan has started a new company. He develops his website and uses all the techniques which are new like E-commerce but to his disappointment he had to face many problems rather than smooth running. He thought he would be able to attain. Explain any four problems he had to face. 4
10. Define E-business, its meaning and scope. State the benefits of E-business. 5

PRACTICE TEST-6

CLASS: XI

SUBJECT: BUSINESS STUDIES

SOCIAL RESPONSIBILITY

Time : 50 minutes

M.M. : 25

1. "Find solutions" industry of software started sunshine foundation to detect and treat cancer in 1980. What kind of activity is this? 1
2. Mrs. Rita started a business in a rehabilitation colony where she with the help of workers devoted one hour daily to maintain the nearby MCD park. Which objective of social responsibility she is meeting? 1
3. Mr. Rohan is a manager in Goyanka Ltd. The employees don't feel at ease as he uses abusive words and mal-treats them so that he can extract maximum work from them. Will he be able to do that? Which responsibility is he ignoring? 1
4. What is the responsibility of the business towards its shareholders? 1
5. Mr. Netik is running a business and factory of plastic granuals in Azad Market. He is using modern technology to control pollution and recycles the products. He doesn't dispose off the waste material in open but press it and dispose the waste in a pothole. He also attends seminars to learn dispose and recycle plastic. What kind of social responsibility is he following? Is it also in interest of his business? State a value inculcated in this. 3
6. Is it in the interest of business to fulfill its social responsibility towards different interest groups? Explain. 3
7. Mr. Prem Azim Ji donated a huge amount for the eradication of Aids and spread of education in Rural Areas. He feels that business is not merely a profit-making enterprise but essentially a social responsibility. Comment with four supporting views. 4
8. "Fulfilling social responsibility is not merely satisfied but it makes public image and also balances social power." Justify this statement. 6
9. State five areas of responsibility and business can act towards. State two values associated with business responsibility fulfillment. How the business and corporate houses help the government in meeting infrastructural and educational problems. 5

PRACTICE TEST-7

CLASS: XI

SUBJECT: BUSINESS STUDIES

SOURCES OF BUSINESS FINANCE

Time : 50 minutes

M.M. : 25

1. Which type of shareholders receive fluctuating dividend? 1
2. If a company is using capital intensive techniques how much fixed capital requirements will it have? 1
3. Which source of finance does not cost anything to the company? 1
4. Amit is a manufacturer of blankets and winter wear in Panipat. What should be his working capital needs in terms of :
 - i. Nature of business
 - ii. Seasonal operations 3
5. Identify the financial instruments referred below:
 - i. ABC Ltd. issued an instrument in US dollars to raise foreign capital
 - ii. Bio-diversity Ltd. is a foreign company which wants to raise funds from Indian market. It issues an instrument.
 - iii. XYZ Ltd. is an Indian company which is issuing an instrument to raise funds from the investors of USA 3
6. Explain any three merits of public deposits. 3
7. You are a financial consultants, STG Ltd., a company is planning for expanding its business. It has approached you to suggest them best option for raising funds. You think that a medium term loan of Rs. 80 lakhs from IFCI will be sufficient for the organisation. Write any 3 points which you think convince them. 3
8. Differentiate between owners fund and borrowed funds on the basis of :
 - (i) Meaning (ii) Control (iii) Reward (iv) Mortgage of assets 4
9. XYZ Ltd. issues 10,000, 10% debentures of Rs. 500 each to maintain a flexible capital structure. The company is paying the interest on them regularly. It is also providing high returns on equity share capital.
 - i. In which category will you classify the funds referred above?
 - ii. Identify and quote advantage of issuing debenture given above. Also write 2 more advantages associated with it.
 - iii. What is the value presented by the company? (1+4+1=6)

PRACTICE TEST-8

CLASS: XI

SUBJECT: BUSINESS STUDIES

SOURCES OF BUSINESS FINANCE

Time : 50 minutes

M.M. : 25

1. Name the capital invested in permanent assets. 1
2. What is known as the life blood of a business? 1
3. Classify business finance on the basis of time period. 1
4. Public deposits are a good source of attaining finance but there are limitations associated with them. What are they? 3
5. Differentiate between equity shares and preference shares based on : 3
(i) right to dividend (ii) redemption (iii) refund of capital
6. Write any three merits of taking loan from commercial bank. 3
7. What are ICDs? 3
8. Raj, a trader extended credit to John, another trader for 3 months which source of business finance is being referred to here? What are the merits associated with this source? Write any three. 4
9. Rajeev has been running a restaurant for past five years. The excellent quantity of food has made the restaurant popular in no time. He has received an offer from a hotel chain to invest Rs. 50,00,000 in return of 50% of his share holding. He has another option of taking loan from a commercial bank to expand his business. You are a financial consultant:
 - i. Explain the positives and negatives of both business options to Rajeev
 - ii. What values resulted in restaurant's popularity? 4+2=6

PRACTICE TEST-9
CLASS: XI
SUBJECT: BUSINESS STUDIES
SMALL BUSINESS

Time : 50 minutes

M.M. : 25

1. State the investment limit in case of micro small scale industries. 1
2. Name any two traditional small scale industries. 1
3. Md. Abdul lives in Uri, Jammu and Kashmir, a rural area. His whole family is involved in making Kashmiri shalls, and selling them. They use handlooms to make them. He had used his small personal investment to start the work. Under which category of industry will you classify his business? 1
4. How does small scale industry help in maintaining regional development in the country? 3
5. What are different parameters used to measure the size of business? 3
6. "Small scale industries enjoy a distinct position in view of their contribution to socio-economic development of the country". How? 3
7. What is DIC? Explain its two functions. 3
8. Write any four incentives provided by the government to small scale industries. 4
9. Radha dreams to start a handicraft business in rural areas of Jharkhand so that women can become self-sufficient there, but she is not clear about how to arrange finance for it. You are her friend:
 - i. Explain the significance of business finance to her
 - ii. Suggest her ways to arrange it by referring to support provided by government to her
 - iii. What value does she wish to accomplish by following her dream

(3+2+1=6)

PRACTICE TEST-10
CLASS: XI
SUBJECT: BUSINESS STUDIES
INTERNATIONAL TRADE-1

Time : 50 minutes

M.M. : 25

1. Define International Trade. 1
2. Name any two ways of entering in International Business. 1
3. International trade is more risky in comparison to internal trade. How? 1
4. Differentiate between internal trade and international trade on the basis of : 3
 - i. Risk
 - ii. Currency
 - iii. Mobility of factors of production
5. What are the complexities to be faced by International Trade? 3
6. How can the 'risk of exit' be minimised in International business? 3
7. Explain any three important documents used in import trade. 3
8. Explain the various ways of entering in International Business in brief. 5
9. You are a cloth manufacture. You want to import a new machine from Germany. State the various steps which you follow in this process. 5

PRACTICE TEST-11
CLASS: XI
SUBJECT: BUSINESS STUDIES
INTERNAL TRADE-1

Time : 50 minutes

M.M. : 25

1. What is meant by internal trade? 1
2. How does the wholesaler help the manufacturer in availing of the economies of scale? 1
3. Define wholesale trade. 1
4. Differentiate between retailer and wholesaler on any three basis. 3
5. If the wholesaler is eliminated, what difficulties do you think the manufacturers would have to face? 3
6. Write a short note on the role of the chamber of commerce and industry in the promotion of internal trade. 3
7. What do you understand by the mail order business? Discuss the reasons of its unpopularity in India. 3
8. Write short notes on following terms of trade: 3
 - i. Cash on Delivery (CoD)
 - ii. Free on Board (FoB)
 - iii. CIF (Cost, Insurance and Freight)
 - iv. E&O.E. (Errors and Omissions Excepted)
9. Explain the various services rendered by the retailers to the wholesalers and consumers. 6

PRACTICE TEST-12
CLASS: XI
SUBJECT: BUSINESS STUDIES
INTERNATIONAL TRADE-II

Time : 50 minutes

M.M. : 25

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| 1. | What do you mean by export trade? | 1 |
| 2. | Differentiate between open and closed indent. | 1 |
| 3. | What is the 'Bill of Entry'? | 1 |
| 4. | Explain various characteristics of international trade. | 3 |
| 5. | Explain any three important documents used in export trade. | 3 |
| 6. | "International Business is a compulsion to beat the odd distribution of natural resources". Comment. | 3 |
| 7. | Distinguish between 'Licensing' and 'Franchising' as ways of entering in 'International Business'. | 3 |
| 8. | Enlist the steps involved in Export trade. | 4 |
| 9. | Write a detailed note on role of WTO in promoting international trade. | 6 |

PRACTICE TEST-13
CLASS: XI
SUBJECT: BUSINESS STUDIES
INTERNAL TRADE-II

Time : 50 minutes

M.M. : 25

1. How does the retailer provide help to the wholesaler in distribution? 1
2. State the meaning of single product shops. 1
3. Name any two products suitable for Automatic Vending Machine. 1
4. What do you mean by Itinerants retailers? Mention its various types. 3
5. "A big store engaged in the retail trade of wide variety of articles under the same roof." Identify the type of large scale industries. Explain its any two disadvantages. 3
6. What do you mean by 'Super Market'? Explain its any two merits. 3
7. Differentiate between Departmental Stores and Chain Stores on the basis of:
 - i. Location
 - ii. Credit facilities
 - iii. Types of customers 3
8. "This is a system under which there is a large number of retail shops owned by the same proprietor which are scattered over the various places of a city of particular country and are engaged in the same line of activity." Identify the system and explain any three advantages of this system.
9. Write a detailed note on Consumers' Cooperative Store. 6