

**First Year Higher Secondary Improvement Examination-July 2019**

**Subject – Business Studies Code No: FY 48**



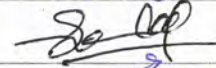


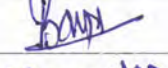




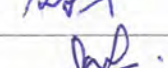

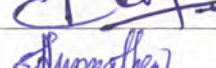


Q.No	Sub Qn.	Answer Key/Value Points	Score	Total
1		© Fixed Capital	1	1
2		b – Mates Receipt	1	1
3		c – Wages or salaries to investors	1	1
4		d – Cheap Jacks	1	1
5		b – Ethical / (a) Legal	1	1
6		Hindu Undivided Family / Joint Hindu Family Business	1	1
7		A -Preference Share / D – Equity Share	1	1
8		Micro/Tiny Industrial Enterprises	1	1
9		Company – Shareholder / Member	1	1
10		1. Violation of profit maximisation objective, 2. Create burden on Consumers, 3. Lack of social skill 4. Lack of public support, (Two points with explanation, Points only, ½ Score each and maximum 1 score)	2 X 1	2
11		Permitting another party in a foreign country to produce and sell goods under your trademarks, patents or copy rights in lieu of some fee is Licensing. Eg. Pepsi and Coca Cola . Franchising is similar to licensing, but it is a term used in connection with the provision of services. Eg. KFC, McDonalds, {Meaning of both can be given full score}	2 X 1	2
12		Tata Sky, Airtel, Sun Direct, Dish TV, Videocon, Doordarshan DTH, Reliance Big TV/Independent T V etc. (any 2)	2 x 1	2
13		<b>Merits of Retained Earnings:</b> 1. Permanent Source, 2. Doesn't involves explicit cost, 3. Greater degree of operational freedom, 4. Enhances the capacity to absorb unexpected loss, 5. Lead to increase in market price.(Two points with explanation, full score or four points only, ½ Score each.)	2 x 1 [4 X ½]	2
14		<b>Need / Benefit of Outsourcing:</b> 1. Focusing attention, 2. Quest for excellence, 3. Cost Reduction, 4. Growth through alliance, 5. Fillip to economic development (Two points with explanation, Points only, ½ Score each and maximum 1 score)	2 x 1	2
15		<b>Indian Companies that have issued GDRs:</b> Infosys, Reliance, Wipro, ICICI, Vedanta, HDFC, ITC, Ambuja Cements, Axis Bank, Federal Bank, Tata Steel, SBI, etc. [Sixty eight companies in India has issued GDR till date] (any 2)	2 x 1	2
16		<b>Limitations of Mail Order Houses</b> -1. Lack of personal contact:, 2. High Promotional Cost, 3. Absence of After Sales Service, 4. Absence of Credit Facilities, 5. Delayed Delivery, 6. Possibility of Abuse, 7. High dependence on postal services (Any Two points 2 score)	2 x 1	2
17		<b>Allied services (Personal Services) by Commercial Banks –</b> 1. Payment of utility bills like insurance premium, telephone charges, electricity bills etc.,. 2. Collection of dividend, interest etc. 3. Safe Deposit Locker, 4. Buying and selling of shares and debentures, 5.Underwriting Services, 6. Provide Credit Rating etc. (Any 3 Allied Services full score)	3 x 1	3
18.	a	<b>Employment –.</b>	1	3
	b	Features: 1. Contract of Employment,2. Earning Wage / Salary,	2 x 1	

		3. Employer – Employee relationship, 4. No need of capital etc. (Any two features)										
19		<b>Import Procedure:</b> 1.Trade enquiry, 2. Obtain the import license, 3. Obtaining foreign exchange, 4. Placing order or indent, 5. Obtaining letter of credit, 6. Arranging finance, 7.Receipt of shipment advice, 8. Retirement of import documents, 9.Arrival of goods, 10.Customs clearance and release of goods. (Any 6 points, or any 3 with explanation).	3 x 1 [6 X ½]	3								
20		<b>Features of Global Enterprises:</b> 1.Foreign collaboration, 2.Aggressive Marketing strategies, 3.Expansion of market territory, 4.Product innovation, 5. Centralized control. (Three points with explanation, Points only, ½ Score each and maximum 1 1/2 score) [Points other than given in the question, Advanced technology and huge capital resources]	3 x 1	3								
21		<b>Contract Manufacturing:</b> A company enters into a contract with a local manufacturer in a foreign country for getting certain components or goods produced as per specifications given. It may takes place in three forms: a. production of certain components only b. assembly of components into final products c. complete manufacture of the products. (Meaning only 2 score. Meaning and any two types of contract manufacturing, full score. Three types of contract manufacturing full score)	3	3								
22		<b>Payment Mechanism for Online Transactions:</b> 1.Cash on Delivery, 2. Cheque facility, 3. Net Banking, 4. E- Wallets, 5. Digital Cash, 6.Paytm, 7.Google Pay, 8. Movo Cash, 9. Brain Tree, etc. (Any 4 with brief explanation. Points only, ½ Score each, maximum 2 Score).	4 x 1	4								
23		<b>Problems faced by Small Business in India:</b> 1.Finance, 2.Raw materials, 3.Managerial skills, 4.Labour, 5.Marketing, 6.Quality, 7.Capacity utilization, 8:Technology, 9.Sickness, 10.Global Competition (Any 4 points with explanation, Points only ½ Score each, maximum 2 Score).	4 x 1	4								
24		<b>Contents of Partnership Deed:</b> 1. Name of firm 2. Names and addresses of partners 3. Nature and place of business. 4. Date of Commencement of partnership, 5. Duration of partnership, if any 6. Capital contribution by each partner 7. The amount which can be withdrawn by each partner 8. Rules regarding operation of bank accounts (Any relevant 8 points).	8 x 1/2	4								
25		<table border="1"> <tr> <td>a. Prospectus</td> <td>Invitation to Public</td> </tr> <tr> <td>b. Public Company</td> <td>Transferability of shares</td> </tr> <tr> <td>c. Articles of Association</td> <td>Internal Document</td> </tr> <tr> <td>d. Memorandum of Association</td> <td>Primary Document</td> </tr> </table>	a. Prospectus	Invitation to Public	b. Public Company	Transferability of shares	c. Articles of Association	Internal Document	d. Memorandum of Association	Primary Document	4 x 1	4
a. Prospectus	Invitation to Public											
b. Public Company	Transferability of shares											
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26		<b>Factors affecting the choice of source of finance / funds</b> 1. Cost of fund, 2. Financial strength and stability of operations:, 3. Form of business and legal status, 4. Purpose of the fund and time period, 5. Risk profile of each source, 6. Control, 7. Effect on creditworthiness, 8. Flexibility and ease of obtaining funds, 9. Tax benefits. (Any 4 points)	4 x 1	4								
27	a	<b>Statutory Corporations</b>	1	5								
	b	Features: 1. Formed by special Act in Parliament or Legislature, 2. Ownership – It is owned by the Government. 3. Separate legal entity, 4. Financial autonomy 5. Employees – are	4 x 1									

		appointed as per the terms and conditions of the corporation and they are not to be treated as government servants. 6. Independent accounting and audit. (Any 4 features with explanation, Points only ½ score each and maximum 2 Score)								
28		<b>Clauses in Memorandum of Association:</b> 1. Name Clause, 2. Domicile Clause, 3. Objects Clause, 4. Liability Clause, 5. Capital Clause, 6. Association Clause (Any 5 with brief explanation. Points only ½ Score each and maximum 2 ½ Score).	5 x 1	5						
29		<b>Elements of Business Ethics:</b> 1. Top management commitment, 2. Publication of a Code, 3. Establishment of compliance mechanism, 4. Involving employees at all levels, 5. Measuring results. (5 points with brief explanation)	5 x 1	5						
30	a	<b>Factors to be considered for Starting a Business –</b> 1. Selection of line of business, 2. Size of the firm, 3. Choice of form of ownership, 4. Location of business, 5. Financing the proposition (Capital Needs), 6. Physical facilities, 7. Plant lay out, 8. Competent and committed work force, 9. Tax planning 10. Launching the enterprise (Any 5 with brief explanation. Points only ½ Score each and maximum 2 ½ Score).	5 x 1	5						
31	a	<b>Cooperative Societies:</b>	1	8						
	b	<b>Features:</b> 1. Voluntary Membership, 2. Legal Status, 3. Limited Liability, 4. Control, 5. Service Motive (Any 3 with explanation, Points only ½ Score each, maximum 1 ½ Score)	3 x 1							
	c	<b>Merits:</b> 1. Equal voting rights, 2. Limited Liability, 3. Stable existence, 4. Economy in operation, 5. Support from government, 6. Easy to form (Any 4 with explanation, Points only ½ score each, maximum 2 Score)	4 x 1							
32	a	<b>Warehouses/Storage/ Godown</b>	1	8						
	b	<b>Types of Warehouses:</b> 1. Private Warehouses, 2. Public Warehouses, 3. Cooperative Warehouses, 4. Bonded Warehouses. 5. Government Warehouses (Any 3 with explanation, Points only 1 ½ Score).	3 x 1							
	c	<b>Functions of Warehouses:</b> 1. Consolidation, 2. Breaking the bulk, 3. Stock piling, 4. Value added services, 5. Price Stabilization, 6. Financing (Any 4 with explanation. Points only ½ Score each, Maximum 2)	4 x 1							
33		<p><b>Departmental Stores – Meaning:</b> A departmental store is a large scale retail shop selling a wide variety of goods in different departments under one roof and one management. Each department deals in separate line of goods line stationery, books, furniture, clothing, footwear etc.</p> <p><b>Multiple Stores – Meaning:</b> It is a system of branch shops operated under a centralized management and dealing in similar line of goods. Branches of the shop are located throughout the nation under the same name and management and they specialize in one or two lines of goods.</p> <p><b>Any six differences with proper explanation give full score</b></p> <table border="1"> <tr> <td>1. Location</td> <td>Central location</td> <td>Not necessary</td> </tr> <tr> <td>2. Variety of goods</td> <td>Large variety of goods from different producers</td> <td>Limited variety of goods from a specific producer</td> </tr> </table>	1. Location	Central location	Not necessary	2. Variety of goods	Large variety of goods from different producers	Limited variety of goods from a specific producer	8	8
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2. Variety of goods	Large variety of goods from different producers	Limited variety of goods from a specific producer								

			only		
		3. Services offered	Additional facilities like restaurants, play zone, alteration of garments etc.	No such additional facilities are provided	
		4. Pricing policy	No uniform pricing policies, instead give discounts to clear stocks in special occasions	Fixed price and uniform pricing policies are followed	
		5. Class of customers	High income group who care more for the services rather than the price of products	Suitable for middle and low income group who are more concerned about quality products at reasonable price	
		6. Credit facilities	Sometimes to regular customers	Strictly on cash basis	
		7. Flexibility	Less Flexibility	More Flexibility	

Scheme Setters

1	Sujith Kumar SS	JP HSS, Ottasekharamangalam, Thiruvananthapuram	9400278033	
2	Sreekumar A	GHSS, Sooranad, Kollam	9947448895	
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5	Joseph Maniamkot	St. Ignatius HSS Kanjiramattam EKM	9446219044	
6	Byju Antony	GVHSS, Puthanchira, Thrissur	9605059267	
7	Haridas U	MNKM HSS, Chittilamchery, Palakkad	7907266486	
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9	Sreelatha G	JDT Islam VHSS, Calicut	9495306423	
10	Shivi M K	Principal, GHSS, Vaduvanchal, Wayanad	8281134801	
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12	Krishna Raja P	SAPHSS, Agalpady, Kasargode	9656749887	
13	Suresh Babu V S	MASM VHSS, Vemmanad, Thrissur	9846234211	
14	Jens Mathew	TTV HSS, Muvattupuzha, Ernakulam	9447024884	
15	Shameer	GHSS, Payyoli Kozhikkode	9446671761	
16	Faizal U K	GMVHSS, Vengara, Malappuram	9287111222	