

## XI Business Studies - Unofficial Answer Key – Term II – Dec 2018

1. c) Market standing
2. d) Indian Railway
3. d) Intra – B
4. b) Promotional activities – others are B<sub>2</sub>C
5. d) Equity share capital – others are borrowed funds
6. Legal responsibility
7. Differences between Profession and Employment:

### Profession

### Employment

- |                                |  |
|--------------------------------|--|
| a. Rendering personal services | - As per the agreement with the employer |
| b. Income as fees              | - Wages or Salary is the income          |

(Or any other 2 points of differences)

8. Contents of Partnership Deed:

- |                                 |                         |
|---------------------------------|-------------------------|
| a. Name of the firm             | c. Nature of business   |
| b. Name and address of partners | d. Profit sharing ratio |

(Or any other 4 points)

9. Outsourcing – Hiring out non-core activities of business to a third party.

Merits:

- |                         |                                 |
|-------------------------|---------------------------------|
| a. Focusing attention   | d. Growth through alliance      |
| b. Quest for excellence | e. Enhance economic development |
| c. Cost reduction       |                                 |

(Meaning – 1 score, any 2 points – 1 score each)

10. Need for control pollution:

- |                                |                          |
|--------------------------------|--------------------------|
| a. Reduction in health hazards | d. Public image          |
| b. Reduces risk of liability   | e. Other social benefits |
| c. Cost savings                |                          |

(Any 2 points with explanation)

11. Kinds of social responsibility:

- |                            |                                 |
|----------------------------|---------------------------------|
| a. Economic responsibility | c. Ethical responsibility       |
| b. Legal responsibility    | d. Discretionary responsibility |

(Any 3 points with explanation)

12. Contribution ( Importance) of public sector:

- a. Development of infrastructure
  - b. Regional balance
  - c. Check over concentration of economic power
  - d. Import substitution
- (Any 3 points with explanation)

13. Business Ethics – It refers to the moral principles followed by a businessman in his dealings with the pole and it includes better quality, fair price, justice etc.

Examples: a. Fair and reasonable price, b. Correct weight and measures etc.

14. Causes of environmental pollution:

- |                    |                            |
|--------------------|----------------------------|
| a. Air pollution   | c. Land/ soil pollution    |
| b. Water pollution | d. Noise / sound pollution |

(Any three points with explanation)

15. Match the following:
- |                        |                    |
|------------------------|--------------------|
| a. Sole proprietorship | - One man business |
| b. HUF                 | - Karta            |
| c. Cooperative Society | - One man one vote |
| d. Joint stock company | - Common seal      |
16. Importance of profit / Role of profit in business:
- It is the most important aim of a business
  - Life blood of business
  - Reward for bearing risk
  - It ensures the growth and expansion of business (Or any other 4 points)
17. Primary industries – Industries concerned with the extraction, production or processing of natural resources. It is divided into extractive industries and genetic industries.  
Example:
- Extractive Industries: Mining, fishing, agriculture, quarrying etc.
  - Genetic industries: Plant nurseries, poultry farms, cattle breeding farms etc.
18. Types of Warehouses:
- |                       |                           |
|-----------------------|---------------------------|
| a. Private warehouses | d. Cooperative warehouses |
| b. Public warehouse   | e. Bonded warehouses      |
| c. Govt. warehouses   |                           |
- (Any 4 with explanation)
19. Promoters  
Functions of Promoters: (Any 3 functions with explanations)
- |                                    |  |
|------------------------------------|--|
| a. Identification of business idea | d. Fixing up of signatories of Memorandum of association |
| b. Feasibility studies             | e. Appointment of professionals                          |
| c. Name approval                   | f. Preparing necessary documents                         |
20. Business Risk – Possibility of loss or the chances of loss due to certain uncertain events in future.  
Causes of Business Risk: (With explanation or examples)
- |   |                 |                    |
|---|-----------------|--------------------|
| a. Natural Causes   | b. Human Causes | c. Economic Causes |
| d. Other Causes – Political, Mechanical, Changes in exchange rates etc. |                 |                    |
21. Co-operative organizations / societies  
Types of cooperative societies:
- |                                     |                                   |
|-------------------------------------|-----------------------------------|
| a. Consumers' Cooperative Societies | d. Farmers' Cooperative Societies |
| b. Producers' Cooperative Societies | e. Credit Cooperative Societies   |
| c. Marketing Cooperative Societies  | f. Cooperative Housing Societies  |
- (Any 4 with explanation)
22. Departmental undertakings – Created by the decision of government, financed and controlled by the govt. under the control of a minister.  
Examples: All India Radio, Indian Railways, Doordarshan, Post & Telegraph etc.  
Features of Departmental Undertakings:
- |                                      |  |
|--------------------------------------|--|
| a. Funding through budget allocation | d. Subject to direct control by ministry |
| b. Subject to govt. audit            | e. Accountability to the govt.           |
| c. Employees are govt. servants      |  |
- (Meaning 1 score, Any 2 examples - 1 score, Any 3 features – 3 scores)

23. Principles of Insurance: (Any 5 points with explanation)
- a. Utmost good faith
  - b. Insurable interest
  - c. Indemnity
  - d. Causa proxima
  - e. Subrogation
  - f. Contribution
  - g. Mitigation of loss
24. E-Banking – Electronic banking or internet banking – Any user can get connected to the bank’s website to perform banking operations and services with the help of a computer or mobile phone.
- a. Debit Card – Plastic card – issued by bank – customer can use his own fund in his bank account.
  - b. Credit Card – Bank may allow a limited fund as credit to the customer and he/she can make purchases.
25. Social Responsibilities of Business towards different interest groups:
- a. Owner – Safety of investment, Adequate return on investment, Accurate financial information
  - b. Employees – Fair wages, Job security, Promotion, Welfare of employees, Better working conditions, Participation in management.
  - c. Consumers – Regular supply of commodities, Better quality, Reasonable price, Avoidance of unfair trade practices.
  - d. Suppliers – Better relationship, Prompt payment.
  - e. Govt. & Community – Lawful business, Prompt payment of tax, Help the govt. in socio-economic development, Optimum use of natural resources, Safety and welfare of people, Pollution control etc.
26. Commercial Banks: Institutions dealing in money and credit, governed by Banking Regulation Act 1949. Public sector and Private sector Commercial Banks.
- Primary Functions:**
- a. Accepting Deposits – Fixed Deposits, Savings Bank A/c, Current Deposits, Recurring Deposits etc.
  - b. Lending of Funds – Cash Credit, Overdraft, Discounting of Bills, Term Loans etc.
- Secondary Functions:**
- a. Cheque Facility – Crossed cheques and bearer cheques.
  - b. Remittance of funds – Transfer from one account to another, Demand Draft etc.
  - c. Allied Services (Personal Services) – Payment of insurance premium, telephone charges, collection of dividends, interest etc.
27. Memorandum of Association – Most important document of a company. It defines the objects and powers of a company and the company’s relationship with the outside world.

Contents / Clauses of MoA: (With explanation)

- a. Name clause
  - b. Domicile / situation clause
  - c. Objects clause
  - d. Liability clause
  - e. Capital clause
  - f. Association clause
28. Global Enterprises / MNCs – A company carrying on business in 2 or more countries. Also known as multinational corporation, transnational corporation, global giant, world enterprise etc. Eg: Hindustan Lever Ltd., ITC, Coco-Cola, Pepsi, Union Carbide, Sony, Suzuki etc.

Features:

- a. Huge capital
- b. Foreign collaboration
- c. Advanced technology
- d. Aggressive marketing strategies
- e. Expansion of market territories
- f. Product innovation
- g. Centralised control