

XI Business Studies Unofficial Answer Key March 2020

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Answer all question 1 – 9: 1 Score Each	
1	Strike of employees
2	51%
3	Mail facilities
4	B2C
5	Ethical Responsibility
6	Object Clause
7	SIDBI
8	Mail order houses
9	Duty drawback scheme
Answer any 6 from 10 – 16: Each carries 2 Scores	
10	<p>a) Nominal Partner: One who allows to use his name for the business, but he neither contribute capital nor takes part in the business.</p> <p>b) H.U.F: A form of organisation wherein the business is owned and carried on by the members of the Hindu Undivided Family (HUF).</p>
11	Features of a Statutory Corporation: Formed by Special Act, Government Ownership, Separate Legal Existence, Financial autonomy, Employees are not treated as government servants, Independent accounting and audit. (any two)
12	Payment Mechanism for Online shopping: Cash on Delivery, Cheque, Net Banking Transfer, Debit card and Credit card, Digital Cash (Any 2)
13	Retained Earnings: A part of the profits which is retained in the business apart from distributing as dividend and it may be transferred to the reserves every year and reinvested in the business for its modernization, expansion etc.
14	Products suitable for vending machines: Hot beverages, platform tickets, milk, soft drinks, chocolates, newspaper, etc. (any 2)
15	Reasons for international business: a) All the countries cannot produce all the products equally well or cheaply, b) Unequal distribution of resources such as labour, raw materials, capital etc. c) Labour cost differs from country to country. (any 2)
16	Joint Ventures: It means starting a firm which is jointly owned by two or more firms. It comes into existence in three major ways: a. foreign investor buying an interest in a local firm. b. local firm acquiring an interest in an existing foreign firm c. both the foreign and local entrepreneurs jointly establishing a new firm.

Answer any 4 from 17 – 21: Each carries 3 Scores		
17	a) Mining – Primary Industry b) Poultry farms – Primary c) Oil refinery – Secondary d) Construction of dam – Secondary e) Banking – Tertiary f) Advertising - Tertiary	
18	<u>Difference between Traditional Business and e-business</u>	
	Basis	Traditional Business
	Formation	Difficult
	Physical presence	Required
	Location	Important
	(any other 3)	
19	Promoter: The persons who perform the work of promotion and bring an enterprise into existence are known as promoters. Functions of Promoters: Identification of business opportunities, Feasibility studies, Name approval, Fixing up of signatories to the Memorandum of Association, Appointment of professionals and preparing necessary documents. (any 2 functions)	
20	Features of Global Enterprises: Huge capital, Foreign collaboration, Advanced technology, Aggressive Marketing strategies, Expansion of market territories, Product Innovation, Centralized control (any 3 with brief explanation)	
21	Differences: Shares and Debentures:	
	Shares	Debentures
	Ownership securities	Creditorship securities
	Dividend is the return on investment	Interest is the return on investment
	Shareholders have voting rights	Not voting rights
	(or any other 3 differences)	
22	Match the following:	
	a) Partnership	Partner
	b) H U F	Co-parcener
	c) Joint stock company	Shareholder
	d) Cooperative society	Services motive
Answer any 3 from 23 – 26: Each carries 4 Scores		
23	Departmental Undertakings: The undertakings created by the decision of the government, financed and controlled by the Government and it is managed by the government officials under the ultimate control of a minister. Examples: All India Radio, Doordarshan, Post and Telegraph, Indian Railways etc. (any 2 examples only)	
24	Benefits of e-business: Ease of formation, Convenience, Speed, Global Reach Movement towards paperless society. (Any 4 with brief explanation)	
25	Problems faced by Small Business in India: Finance, Raw materials, Managerial skills, Labour, Marketing, Quality, Capacity utilization, Technology, Sickness, Global competition. (Any 4 with brief explanation)	

26	<p>a) Special Economic Zones: It is an area in which the business and trade laws are different from the rest of the country. SEZs are located within a country's national borders, and their aims include increased trade balance, employment, increased investment, job creation and effective administration. To encourage businesses to set up in the zone, companies may be offered tax holidays and other benefits.</p> <p>b) Contract Manufacturing: A company enters into a contract with a local manufacturer in a foreign country. The contract is for getting certain components or goods produced as per specifications given. It may takes place in the following three forms:</p> <ol style="list-style-type: none"> a. production of certain components only b. assembly of components into final products c. complete manufacture of the products
Answer any 3 from 27 – 30: Each carries 5 Scores	
27	<p>Starting a business – Basic Factors: Selection of life of business, Size of the firm, Choice of form of ownership, location of business, Financing proposition (Capital needs), Physical facilities, Plant lay out Competent and committed work force, Tax planning, Launching the enterprise. (Any 5 with explanation)</p>
28	<p>Clauses of Memorandum of Association: Name Clause, Domestic Clause, Objects Clause, Liability Clause, Capital Clause and Association Clause (any 5 with explanation)</p>
29	<p>Sources of Long Term Capital: Equity shares, Retained earnings, Preference shares, Debentures, Loans etc. (any 2 with explanation)</p> <p>Merits of Factoring:</p> <ol style="list-style-type: none"> 1. Cheaper fund than other means. 2. Instant cash flow enables the client to settle his liabilities in time. 3. It provides security for debt. 4. No charge on assets of the company. 5. The client can concentrate on core-areas. (any 3 merits)
30	<p>Responsibility of Business:</p> <ol style="list-style-type: none"> 1. Owners: <ol style="list-style-type: none"> a. Safety of investment. b. Adequate return on investment. c. Accurate financial information should be provided. 2. Employees: <ol style="list-style-type: none"> a. Fair wages b. Job security c. Promotion opportunities d. Welfare measures e. Better working conditions f. Participation in management 3. Government and Community: <ol style="list-style-type: none"> a. Lawful business. b. Prompt payment of tax. c. Help the government in socio-economic development (employment opportunities, literacy, poverty etc.) d. Optimum use of natural resources. e. Concentrate in safety and welfare of the people. f. Control pollution as far as possible.

4. Consumers:
- Regular supply of commodities.
 - Better quality
 - Reasonable Price
 - Avoidance of unfair trade practices.

Answer any 2 from 31 – 33: Each carries 8 Scores

31 **Joint Stock Company:** company is a voluntary association of persons having separate legal existence, perpetual succession and a common seal.
Merits: Limited Liability, Transfer of shares, Perpetual existence, Scope for expansion, Professional Management (any 2 with explanation)
Demerits: Difficulty in formation, Lack of secrecy, Impersonal work environment, Numerous regulations, Delay in decision making, Oligarchic management, Conflict of interests (any 2 with explanation).

Difference between Public Co. and Private Co.

Basis	Public Co.	Private Co.
Members	Min – 7, Max – Unlimited	Min – 2, Max 200
Minimum No. Of Directors	Three	Two
Index of members	Compulsory	Not compulsory
Transfer of shares	No restriction	Restricted
Invitation to public to subscribe shares	Can invite	Cannot Invite

32 **Functions of Commercial Banks in India:**
 a) Accepting Deposits b) Lending of funds, c) Cheque Facility, d) Remittance of funds and e) Allied services or personal services. (Explain the points in detail)

33 **a) Services provided by Wholesalers to Producers:** Facilitating large scale production, Bearing the risk, Financial assistance, Expert advice, Helps in marketing, Facilitating continuity of production, Storage.
Services provided by Wholesalers to Retailers: Availability of goods, Marketing support, Providing credit facilities, Specialised knowledge, Risk sharing.
b) Fixed shop small retailers: General Stores, Speciality Shops, Street Stall Holders, Second hand goods shop (Brief explanation and features of each type of retailers required)

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