



ASSIGNMENT NO. 1

SUBJECT: BUSINESS STUDIES CLASS-XI

APRIL- MAY' 2026

Chapter 1: Nature and Purpose of Business

1. "Business is an economic activity but not all economic activities are business." Justify this statement with examples.
2. "Profit is not the sole objective of business." Explain this statement by discussing other objectives of business.
3. What are the different types of industries? Explain each with examples.
4. A person sells homemade pickles occasionally to neighbors without profit motive. Later, she starts selling regularly with the aim of earning profit.

Identify the activity in both situations.

Explain whether both are business activities or not, giving reasons.

5. A company starts producing eco-friendly products but charges higher prices. Explain how this reflects the purpose of business beyond profit. Discuss its social responsibility.
6. A trader imports electronic goods. Due to sudden changes in government policy, he incurs heavy losses but continues his business operations.

Questions:

- a) Which characteristic of business is highlighted?
 - b) Why is this feature important in business?
7. A person sells old furniture once to clear space in his house.

Questions:

- a) Is this a business activity? Why or why not?
- b) Which characteristics of business are missing

Chapter 2: Forms of Business Organisation

1. Explain the concept of business organisation. Why is the choice of form of organisation important?
2. "Sole proprietorship is the simplest and oldest form of business organisation." Justify the statement.
3. "Service motive dominates profit motive in cooperative societies." Explain.
4. A group of farmers form an organisation to get better prices for their produce.
 - a) Identify the form of organisation.
 - b) Explain its objectives and advantages.

5. Three friends start a business with a written agreement specifying profit-sharing ratio and roles.
 - a) Identify the form of organisation.
 - b) Explain the importance of the agreement.
6. Ramesh runs a small stationery shop near a school. He manages the business himself, takes all decisions, and bears all the risks. He enjoys all the profits.

Questions:

- a) Identify the form of business organisation.
- b) State any three features of this form.
- c) Explain its suitability.
7. A family business is managed by the eldest member, and all members have a birthright to the business. The liability of members is limited except for the head.

Questions:

- a) Identify the form of organisation.
- b) Who manages the business?
- c) Explain the liability of members.
8. A business is registered under law, has many shareholders, and its existence is not affected by death or insolvency of its members. Evaluate the importance of MOA and AOA in governing a company.

Questions:

- a) Identify the form of organisation.
- b) Which feature is highlighted regarding continuity?
- c) Explain limited liability in this context.

Chapter 7: Formation of a Company

1. A group of entrepreneurs is planning to start a company. They are currently identifying business opportunities and arranging resources.
 - a) Identify the stage of company formation.
 - b) Explain its features.
2. "A company comes into existence only after incorporation." Explain.
3. Evaluate the importance of MOA and AOA in governing a company.
4. A company has received a certificate from the Registrar and now legally exists. Identify the stage completed. Explain the significance of this certificate.
5. Explain the importance of Prospectus in company formation.
6. Discuss the importance of company formation in modern business.