Brain International School
Vikas Puri, New Delhi

REVISION SHEET

SUBJECT: BUSINESS STUDIES **CLASS-XI** **TERM 1**

One-Mark Questions:

Q1. Business can be defined as an economic activity involving production and sale of goods and services undertaken with the object of:

(a) Social welfare
(b) Earning profit
(c) Providing employment only
(d) None of these

Q2. Which of the following is NOT an economic activity?

(a) A teacher teaching in school for salary
(b) A housewife cooking food for her own family
(c) A doctor treating patients for a fee
(d) A shopkeeper selling goods for profit

Q3. Risk in business mainly arises on account of:

(a) Certain, predictable events
(b) Uncertainties in business environment
(c) Government subsidies
(d) None of these

Q4. Which of the following is an example of a secondary industry?

(a) Farming
(b) Mining
(c) Manufacturing
(d) Fishing

Q5. Insurable risks generally include:

(a) Fluctuation in fashion or demand
(b) Fire and theft
(c) Price competition
(d) None of these

Q6. Which type of industry is concerned with breeding and rearing of animals or growing of plants?

(a) Extractive industry
(b) Genetic industry
(c) Construction industry
(d) Manufacturing industry

Q7. Commerce is the sum total of:

(a) Trade only
(b) Trade and auxiliaries/aids to trade
(c) Industry only
(d) Production and manufacturing

Q8. A profession is characterised by:

(a) No minimum qualification required
(b) Direct fixed reward for money
(c) Rendering personal service based on specialised knowledge
(d) Absence of any code of conduct

Q9. What is the minimum number of members required to form a Private Company?

(a) 1
(b) 2
(c) 7
(d) 3

Q10. In a partnership firm, the liability of partners is:

(a) Limited to their capital contribution
(b) Unlimited and joint and several
(c) Zero
(d) Limited to a fixed amount

Q11. Sole proprietorship is characterised by:

(a) Separate legal entity
(b) Unlimited liability of the owner
(c) Perpetual succession
(d) Limited liability

Q12. What is the maximum number of partners permissible in a partnership firm as per the Companies (Miscellaneous) Rules, 2014?

(a) 10
(b) 20
(c) 50
(d) 100

Q13. Which of these is NOT a feature of a Joint Hindu Family Business?

(a) Governed by Hindu Succession Act
(b) Membership by birth
(c) Formed by an agreement between members
(d) Control vested in the Karta

Q14. Registration of a partnership firm under the Indian Partnership Act, 1932 is:

(a) Compulsory in all cases
(b) Optional, but advisable
(c) Banned
(d) Applicable only to companies

Q15. A joint stock company is created by:

(a) Mutual agreement of members only
(b) Operation of law

(c) Birth in a family
(d) None of these

Q16. A private company (other than a One Person Company) can have a minimum of 2 and a maximum of how many members?

(a) 50
(b) 100
(c) 200
(d) Unlimited

Q17. A departmental undertaking is directly controlled by:

(a) A private individual
(b) A government ministry or department
(c) Shareholders of a company
(d) A board of trustees only

Q18. Which of the following is an example of a statutory corporation?

(a) Life Insurance Corporation of India (LIC)
(b) Reliance Industries Ltd.
(c) Infosys Ltd.
(d) Tata Motors Ltd.

Q19. A company is called a Government Company when the paid-up share capital held by the government is not less than:

(a) 26%
(b) 49%
(c) 51%
(d) 74%

Q20. MoU, as used in the context of public enterprises, stands for:

(a) Memorandum of Understanding
(b) Method of Undertaking
(c) Ministry of Union
(d) Motion of Urgency

Q21. A Global Enterprise (Multinational Company) is one that operates:

(a) Only in its home country
(b) In two or more countries simultaneously
(c) Only through exports
(d) None of these

Q22. The first step in the formation of a company is:

(a) Incorporation
(b) Promotion
(c) Capital subscription
(d) Commencement of business

Q23. Which document contains the rules and regulations for the internal management of a company?

(a) Memorandum of Association
(b) Articles of Association
(c) Prospectus

(d) Certificate of Incorporation

Q24. The certificate that entitles a public company to commence business is called:

(a) Certificate of Incorporation
(b) Certificate of Commencement of Business
(c) Prospectus
(d) Memorandum of Understanding

Q25. Services, unlike goods, are characterised by being:

(a) Tangible
(b) Intangible
(c) Storable indefinitely
(d) Fully separable from the provider

Q26. Which of the following is a banking service extended to customers?

(a) Overdraft facility
(b) Life insurance
(c) Warehousing
(d) Goods transport

Q27. A cheque that has not been crossed and is payable at the counter is called:

(a) A crossed cheque
(b) An open cheque
(c) A post-dated cheque
(d) None of these

Q28. Insurance functions on the basic principle of:

(a) Speculation
(b) Sharing of risk among a large number of persons
(c) Gambling
(d) Charity

Q29. Which of the following is NOT an essential principle of a valid insurance contract?

(a) Insurable interest
(b) Utmost good faith
(c) Gambling motive
(d) Indemnity (except life insurance)

Q30. E-mail is an example of which type of business service?

(a) Postal service
(b) Telecommunication service
(c) Banking service
(d) Insurance service

Q31. In a life insurance contract, the principle of indemnity:

(a) Applies fully, as in fire insurance
(b) Does not apply in the same way as fire/marine insurance
(c) Applies only to accident claims
(d) None of these

Q32. Call centres handling customer queries for other businesses are an example of:

(a) Business Process Outsourcing (BPO)

(b) Warehousing service
(c) Transport service
(d) Banking service

Q33. E-business refers to:
(a) Only buying goods online
(b) Any business transaction conducted through electronic networks
(c) Only online banking
(d) None of these

Q34. B2C stands for:
(a) Business to Consumer
(b) Business to Business
(c) Consumer to Consumer
(d) Business to Capital

Q35. Outsourcing refers to:
(a) Performing all activities in-house
(b) Contracting out non-core activities to outside/specialised agencies
(c) Permanently closing a business function
(d) None of these

Q36. Under the scope of outsourcing, a firm typically:
(a) Retains its core competence and outsources non-core activities
(b) Outsources every single activity
(c) Outsources nothing at all
(d) None of these

Q37. A digital signature is primarily used for:
(a) Physically signing paper documents
(b) Authenticating the identity of the sender of an electronic document
(c) Sending emails only
(d) None of these

Q38. In e-business, EDI stands for:
(a) Electronic Data Interchange
(b) Electronic Document Issue
(c) External Data Input
(d) Enterprise Data Index

Q39. Which of the following is NOT considered a benefit of e-business?
(a) Ease of formation
(b) Convenience of operating anytime, anywhere
(c) Strong personal relationship building with customers
(d) Speed of transactions

Q40. Business Process Outsourcing (BPO) mainly involves:
(a) Manufacturing of goods
(b) Contracting business processes/services to a third party under a contract
(c) Only agricultural activities

(d) None of these

Three Marks Questions:

Q1. Distinguish between Business, Profession and Employment on the basis of (i) mode of establishment (ii) capital investment (iii) nature of risk.

Q2. Explain any three characteristics of business as an economic activity.

Q3. "Every business activity is an economic activity, but every economic activity is not a business activity." Explain this statement with a suitable example.

Q4. State any three merits of sole proprietorship as a form of business organisation.

Q5. Explain the concept of 'Karta' in a Joint Hindu Family Business, stating two of his features/powers.

Q6. Differentiate between a private company and a public company on any three points.

Q7. State any three characteristics of public sector enterprises.

Q8. Explain any three features of Multinational Companies (Global Enterprises).

Q9. What is meant by a Government Company? State any two of its features.

Q10. State any three characteristics of services that distinguish them from goods.

Q11. Explain any three types of insurance (e.g., life, fire, marine, health).

Q12. What is a crossed cheque? State its two main types with one feature each.

Q13. State any three benefits of e-business over traditional forms of business.

Q14. Explain the concept of outsourcing with the help of any two examples.

Q15. State any three limitations of e-business.

Four Marks Questions

Q1. Ramesh, a chartered accountant, has set up his own practice after clearing his examinations and registering with the Institute of Chartered Accountants of India. Identify whether Ramesh is engaged in business, profession or employment. Give any three reasons in support of your answer.

Q2. Explain the classification of industries into primary, secondary and tertiary categories, giving one example of each.

Q3. Discuss any four objectives of business other than earning profit.

Q4. Anjali wants to start a small home bakery with limited capital. She wants complete control over decision-making and does not wish to share her profits with anyone. Suggest a suitable form of business organisation for Anjali, giving four reasons for your choice.

Q5. Explain any four features of a partnership firm.

Q6. Discuss any two merits and two limitations of the company form of business organisation.

Q7. The Government wants to set up an organisation to run the postal or railway network with operational autonomy, yet remain accountable to Parliament and enjoy sovereign immunity in certain matters. Identify the most suitable form of public sector enterprise and justify your answer with four points.

Q8. Distinguish between Departmental Undertaking, Statutory Corporation and Government Company on any four points.

Q9. Explain the four broad stages/steps involved in the formation of a company.

Q10. Rohan has recently set up a small factory and wants to protect it against the risk of loss due to fire. Explain the concept of insurance and any three principles of a valid insurance contract that would govern Rohan's policy.

Q11. Explain any four types of bank accounts along with one feature of each.

Q12. Discuss any four auxiliary/ancillary services offered by commercial banks to their customers.

Q13. A small trader wants to expand his customer reach beyond his local area without opening additional physical stores and with minimal additional investment. Suggest how e-business could help him, explaining any four benefits.

Q14. Distinguish between traditional business and e-business on any four points.

Q15. Explain the scope of outsourcing of business processes, covering areas such as Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO).

Six Marks Questions

Q1. Suresh invested his savings of ₹5,00,000 to set up a small furniture manufacturing unit. He purchases raw material on credit, employs workers, and sells furniture in the local market on both cash and credit basis. Sometimes the demand for furniture falls suddenly due to changing consumer tastes, causing him losses. Based on the case: (a) Identify and explain any four characteristics of business reflected in Suresh's activity. (b) State whether the risk faced by Suresh is insurable or non-insurable, and why.

Q2. “Profit is necessary for the survival of a business, but it is not the sole objective of business.” Justify this statement by explaining any five objectives of business other than profit, such as market standing, innovation, productivity, resource utilisation and social responsibility.

Q3. Three friends, Aman, Rahul and Sonia, want to start a chain of retail electronics stores across several cities. They wish to raise large capital, want the liability of members to be limited, want the business to continue even if a member leaves, but do not want the extensive government regulation and disclosure requirements applicable to a listed public company. (a) Identify and recommend the most suitable form of business organisation for them. (b) Justify your recommendation with any five points.

Q4. “The choice of an appropriate form of business organisation depends on several factors.” Discuss any six factors (such as ease of formation, liability, capital, continuity, control and nature of business) that should be considered while choosing the form of business organisation.

Q5. The Government decides to reduce its shareholding in a public sector enterprise from 90% to below 51% by selling shares to private investors, while retaining certain strategic decision-making rights. (a) Identify the concept being described. (b) Explain any two reasons why governments undertake such disinvestment/privatisation. (c) Discuss any two implications of this decision for the enterprise.

Q6. “Global enterprises play a significant role in the economic development of the host country but also raise certain concerns.” Discuss any three merits and any three demerits of Multinational Companies operating in a country like India.

Q7.A businessman insured his factory building for ₹10,00,000, even though its actual market value was only ₹8,00,000. A fire subsequently caused damage worth ₹6,00,000. The insurance company paid him compensation of only ₹6,00,000, and not the sum assured of ₹10,00,000. (a) Identify the principle of insurance illustrated in this case and explain it. (b) Explain any three other essential principles of a valid insurance contract with reference to this case.

Q8. “Postal and telecommunication services have undergone significant change due to emerging modes of business.” Discuss any three postal services and any three telecom services available to businesses today, along with their significance.

Q9. An Indian IT-enabled services company sets up a call centre in Bengaluru to handle customer queries, billing support and technical assistance for a bank based in the United States, under a long-term service contract. (a) Identify the business concept illustrated here. (b) Explain any three features/scope of this concept. (c) Discuss any three benefits it offers to both the Indian company and the US-based bank.

Q10. “E-business has significant scope in modern trade but also faces certain limitations, particularly in a developing country like India.” Discuss any four areas of scope of e-business and any three limitations it faces in the Indian context.