

SUBJECT- BUSINESS STUDIES (054)
CLASS -XI

CHAPTER 1 (NATURE AND PURPOSE OF BUSINESS/EVOLUTION AND FUNDAMENTALS OF BUSINESS)

1. The auxiliaries to trade help to remove the various bottlenecks such as place, time, person, risk and exchange. Explain how?
2. Anu and Renu are good friends. After completing a course in fashion designing, ten years back both of them started their own separate outlets in Jaipur and Delhi respectively to earn their livelihood. Renu buys readymade garments from various manufacturers and sells them in her store. However, Anu designs her own range of clothing. She gets them made through her team of designers and sells them directly under the brand name 'Eleganza'. Although, both of them are making good returns on their on their investments but in past they have also incurred huge losses due to changes in consumer tastes and fashion. Also, despite being in business for such a long time they cannot say with certainty as to what amount of profit will be earned by them in future.
By quoting lines from paragraph identify various features of business discussed above.
3. "Profit maximization cannot be the sole objective of the business." Comment.
4. "An activity can be an economic activity in one situation and non-economic in other situation." Do you agree? Give an example to justify the given statement.
5. Draw a chart showing the classification of business activities.
6. 'Human beings are required to perform different types of activities to satisfy their needs.' What are these different types of activities?
7. Harshit runs a well-known departmental store in Delhi. He procures different kinds of products from all over the country through railways, roadways and airways. He also owns a godown to hold the stocks. He has also taken an insurance policy worth `10 crores for his business. Moreover, he has taken a loan of ` 2,00,000 from ICICI Bank in order to meet short term financial needs of his business. He has placed information about his store on the hoardings, bill boards, etc. in order to popularize them.
In the context of above case:
 - (i) What are auxiliaries to trade?
 - (ii) Identify the different auxiliaries to trade that are being used by Harshit in his business by quoting lines from the paragraph.
8. Describe specialty of following leading trade centers in ancient India.
 - (i) Patliputra
 - (ii) Peshawar
 - (iii) Taxila
9. Identify and explain the following.
 - (i) Type of industry in which the basic raw material is broken into different part to produce finished goods.
 - (ii) Type of risk that involves both possibility of profit as well as loss.
 - (iii) Type of industry in which finished product are combined to produce a new finished product.
 - (iv) Type of risk which involves only possibility of loss or no loss.
 - (v) Type of industry involved in the activity of rearing and breeding of living organism.

CHAPTER2 (FORMS OF BUSINESS ORGANISATION)

1. "One man control is the best in the world, if that man is big enough to manage the whole show."
Comment.
2. Jagat is running a grocery store under the name 'Morning Needs' in a local market. He takes direct reward for his risk bearing.
In the context of above case:
 - (i) Identify and define the form of business organization in which Jagat has promoted his business.
 - (ii) State any two features of this form of business organization mentioned above.
3. What are the two conditions for existence of Joint Hindu Family business and comment on the two communities of the Hindu Law.
4. Explain 'Mutual Agency' as a feature of partnership.
5. If registration is optional, then why do partnership firms willing to go through this legal formality and get themselves registered? Explain.
6. What is a Prospectus? Is it necessary for every company to file it?
7. Sparkles Pvt. Ltd. was promoted in the year 2000 by a group of four friends. As business of the company has grown considerably over the years, its management is now planning to convert it into a public company and raise funds in the next six months to finance its future expansion plans in retailing.
In the context of this case, state any four privileges that the company will have to forgo as a private company after conversion.
8. Mr. Lakshit Aggarwal owns an ancestral house in Shimla. On the advice of his friend he converts it into a lodge with renovation. The revenue from the lodge helps to supplement his income substantially. On his death the property (lodge) is inherited by his three sons in order of their age namely, Lakshey, Luv and Lok who carry on with the business under the form of Joint Hindu Family Business.
 - (i) Name the law which governs the Joint Hindu Family Business.
 - (ii) Who amongst the three brothers has the right to exercise control over the family business?
 - (iii) Comment upon the liability of the three brothers.
9. A new cooperative store has been set up in Delhi through registration under Delhi Cooperative Societies Act. It has been setup to make bulk procurement of essential consumer goods from the various wholesalers and supply the same to public at large on reasonable prices, to enable those stores to sell the consumer goods to the public on lower prices than those prevailing in the open market.
In the context of above case:
 - (i) Identify the type of cooperative society being described in the above lines.
 - (ii) State any three features of type of cooperative society so identified in part (i) of the question.
10. Identify and explain the following:
 - (i) A person who lends his name and goodwill for the benefit of a partnership firm.
 - (ii) A person who contributes capital but does not take part in business of the firm.
 - (iii) A document containing terms and condition of partnership.
 - (iv) A partnership setup for a specific project.
 - (v) A person who contributes capital, participates in the business but whose identity is not disclosed to outsiders.

- (vi) Document known as Doctrine of indoor management.
 - (vii) Document known as Doctrine of outdoor management.
 - (viii) System of Inheritance prevailing in West Bengal in which male as well as female members of JHF can be co-parceners.
 - (ix) Voluntary association of people formed with the main motive of mutual help.
 - (x) Type of partnership formed for a particular venture.
11. Define: (a) Qualification Shares (b) One person company
 12. Explain the term "Minimum Subscription".
 13. At which stage in the formation of a company does it interact with SEBI.
 14. Name the document by which a company becomes distinct legal entity.
 15. Youngistan Pvt. Ltd, the famous group of promoters submitted an application to the registrar of the company for the approval of the name for shoe manufacturing company. They choose Nike Ltd. as the name of the company so as to increase the sales because Nike was a well known and established brand.
 - (i) Who selects the name of the company?
 - (ii) Would the proposed name be accepted by the registrar? Give reason for your answer.

CHAPTER-3(PUBLIC, PRIVATE AND GLOBAL ENTERPRISES)

1. Many companies like Mittal- Arcelor and Ford –Tata have formed or are trying to form joint ventures. Explain any five benefits that they will or are deriving out of forming a joint ventures.
2. Why is the government company form of organization preferred to other types in the public sector?
3. Bharat Heavy Electrical Limited (BHEL) was founded in the year 1964 by the government of India. It is the largest power plant equipment manufacturer in the country with 74% market shares in the power sector. It has a network of 17 manufacturing units, 2 repair units, 4 regional offices, 8 services, 8 overseas offices, 15 regional centers, 7 joint ventures and infrastructure allowing it to execute more than 150 projects at site across India and abroad. It has been granted the prestigious Maharatna (big gem) status in the year 2013 by Government of India for its outstanding performance and vast scale. Maharatna status gave the Board of these companies enhanced financial and operational autonomy.

In the context of the above case:

- (i) How will you classify BHEL as a form of public sector enterprise?
 - (ii) State any three features of the form of public sector enterprise as identified in part(i) of the question.
 - (iii) Explain briefly 'financial and operational autonomy' as a merit of the type of public sector enterprise as identified in part (a) of the question.
4. With exponential growth seen in domestic air traffic requiring additional airport infrastructure, the government has decided to offer more airports to private parties for operation and management. In India as many as 300 airports need to be revived and upgraded in coming years to support the double digit growth in the sector this would require huge private investment as public funds are limited for infrastructure development. In February 2017 government announced that airport infrastructure will be built in Delhi, Mumbai, Bangalore and Hyderabad by private developers.
 - (i) Identify the concept mentioned above and write it's any three features.

- (ii) State any two ways in which the government is likely to be benefited by the pursuing project under the concept identified in part (i).
5. Nestle S.A. is a Swiss international food and drink company headquartered in Vevey, Vaud, Switzerland. It has been the largest food company in the world. Nestle has over 8,000 brands with wide range of products across a number of markets. In the context of this case study
 - (i) What form of enterprise Nestle is?
 - (ii) State any three features of the form of enterprise as identified in part (i) of the question.
 6. Tata Iron and Steel Co. joined hand with IPCOL Ltd. to promote IPTATA Sponge Iron Ltd. Which form of enterprise is mentioned in the above case?
 7. Who manages Statutory Corporation?

CHAPTER4 (BUSINESS SERVICES)

1. Ragini has insured her house for ` 5,00,000 against fire .There is a fire and Ragini suffers a loss of ` 1,00,000 . How much amount she can recover from the insurer?
2. What is life insurance? Who have insurable interest in case of a life policy?
3. What is e-banking? Explain the range of services offered by e-banking?
4. 'Dhanwan Bank' is a popular private sector bank offering varied services to its customers it offers many types of bank accounts option to its customers. Farhan being a businessman has chosen the type of account in which deposits are the most liquid and there is no limits to the number of transactions or the amount of transactions in a day. On the other hand, his mother has opened a type of account where she can conveniently deposit the money she saves. These accounts provide cheque facility and offer a lot of flexibility for deposits and withdrawal of funds from the account. Farhan's younger brother Sohail has opened a special kind of account wherein he will deposit ` 1000 every month for next two years.
In the context of above case:
 - (i) By quoting lines from the paragraph identify the various types of bank accounts being used by Farhan and his family members.
 - (ii) Describe briefly any two other types of accounts that are also offered by a bank but have not been mentioned in the above paragraph.
5. Explain meaning of Registered Post, Parcel, Speed Post and Courier.
6. Danush visited a new restaurant 'Darbaar' with his parents. They all liked the food served in the restaurant. After a week Dhanush took his friend to 'Darbar' and placed an order for the same dishes that he had liked previously. But to his surprise, he found that the taste of the food was not as good as it was during his previous visit. As a result, he felt very disappointed.
In the context of the above case:
 - (i) Identify the feature of services being discussed above.
 - (ii) Explain briefly three other features of services.
7. Gauri took insurance policy for her home without disclosing that the home is being used to a catering business. After few months, a gas cylinder explosion, caused major damage to her property. Consequently, she filed a claim against the insurance company discovered about the commercial use of the home and refused to pay any claims. Identify and explain the principle of insurance which has been violated in the above case.
8. Subhash's factory catches fire due to an electric short-circuit. However, Subhash does not take any action to stop the fire, neither does he call up the nearest fire station. Instead he remains inactive and watched his factory burn thinking that why should he be worried when he has taken a fire insurance for the factory. Later on he is denied any claim of loss by the insurance company. Identify and explain the principle of insurance which has been violated in the above case.

CHAPTER 5 (EMERGING MODES OF BUSINESS)

1. 'Dhoom Ltd.' is a well-known sports equipment company in India. The company has decided to open 10 sports complexes across the country. The company plans to outsource its non-core activities like security services and canteen services besides payroll, human resources, accounting and customer call center relations.
In the context of above case explain any three benefits that the company is going to derive from outsourcing.
2. Splendor Ltd. is a popular music company. Keeping in line with the changing trends the company uses various types of e-business activities to operate successfully. The company interacts through a network of computers with a number of other business firms who may be suppliers or salespersons. The company carries out a number of other business firms who may be suppliers or salespersons. The company carries out a number of promotional activities and sometimes even delivery of products are carried out online. The company has set up call centers for the customers to make toll free calls and register their queries and lodge complaints round the clock at no extra cost. The company makes use of internet for managing interactions and dealing among various departments and persons within the organization. The company provides Virtual Private Network (VPN) technology because of which it is not necessary for the employees to come to office and the meetings can be held online via video conferencing. The company uses the financial intermediaries like PayPal in order to facilitate payment online. Keeping in mind the scope of e-business identify the various types of e-business activities adopted by 'Splendor Ltd.' by quoting lines from the paragraph.
3. What is the difference between e-business and e-commerce?
4. Explain how e-business helps in going global?

CHAPTER 6 (SOCIAL RESPONSIBILITIES OF BUSINESS ETHICS)

1. Britannia Industries Ltd. Is committed to help secure every child's right growth and development through good food every day. The company is working in partnership with Global Alliance for improved Nutrition (GAIN) and the Naandi Foundation to supply iron fortified Tiger biscuits to supplement the Mid Day Meal Program in schools. Iron Deficiency among Indian children is a key cause of schools dropouts as well as decreased productivity. In keeping with its core essence of "Swasth Khao Tan Man Jagao", the company constantly strives to find the sustainable opportunities to drive home the message of nutrition and good food habits among children at the right age.
In the context of above:
(a) Identify the kind of social responsibility being discharged by Britannia Industries Ltd.
(b) Briefly explain any two other kinds of social responsibilities.
2. What is environmental pollution? Why do the enterprises need to adopt pollution control measures?
3. A business is supposed to be socially responsible. Explain and mention that how and towards which segments of the societies a business should be socially responsible. Also state the responsibilities required to be fulfilled.
4. Yash had started a sugarcane factory in Moradabad two years back. He pays wages to the male workers at a rate which is much lower than the minimum wage rate prescribed by the government. The wages paid to the female workers are even lesser. He has also employed child labour extensively in the factory to further reduce the labour cost. Moreover, the working conditions in the factory are inappropriate as there is lack of hygiene, proper ventilation, facility for safe drinking water, etc. His business has always faced the problem of shortage of labour since its inception.
In the context of the above case:
(a) Yash has ignored his social responsibility towards which interest group?

(b) Why do you think it is important for a business enterprise to function in a socially responsible way? Explain by giving any four suitable points.

CHAPTER-7(SOURCES OF BUSINESS FINANCE)

1. What preferential rights are enjoyed by preference shareholders? Explain.
2. A company requires funds to meet its working capital. State the sources available along with their features.
3. Ann has been successful running a soft skills training company for the five years in Bangalore. Her company has become popular and enjoys a good reputation in the city. She now plans to start a chain of skills training centers and has identified four strategic places for the same in the city. Till now she has been managing all the financial requirements of her business through the profits made in her business. However, in order to implement her expansion plans funds will have to be raised externally.

In the context of the above:

- (a) Till now she has been managing all the financial requirements of her business through the profits made in business. Name the source of the funds being mentioned in the statement and state its any three merits.
 - (b) Suggest any external source of funds that Ann can use to finance her expansion plans. Also give any two features of such a source of finance.
4. ABC Ltd. Is not having good liquidity position. It has invested in long term investment projects and will get smooth cash flow after five years. It is not in a position to bear risk of fixed burden of paying interest.
 - a. a.) Suggest which source of finance is suitable for this company.
 - b. b.) Suggest other risk factors that are to be kept in mind.
 5. Superb Ltd. Is a well diversified company engaged in development of real estate, tourism and textiles. The company plans to raise a sum of Rs. 10 crores in order to finance its expansion plans. Presently, there is a conflict among its financial managers as to whether the company should float an issue of equity shares or debentures to raise the required amount of funds. Which of the two sources of funds will you suggest considering the fact that company has not raised much debt capital so far and why?

CHAPTER-8(SMALL BUSINESS)

1. How does the Intellectual Property Rights help the Entrepreneur?
2. Write note on –i) Copy rights ii) Patents iii) Trademarks.
3. Three ways in which Government of India supports startups under startup India Programme.
4. Yaangba lives in Manipur. He has started a jute bag making business on a small basis. With the increasing awareness about the environment pollution the demand for jute bag has increased exponentially. Jute fabrics are strong, durable, light, colorfast, attractive and cheaper than most fabrics made from other fibers. These are anti –static, UV Protective, Carbon dioxide neutral and naturally decomposition is possible. There are lot of uses of a Jute Bag. Jute sacking bags are mainly used packing cement, sands, agro products, sugar and other bulky items. These bags are ideal for transporting bulk food items like onion, potatoes, flour, rice and fertilizers. Apart from these, colourful decorative jute shopping bag has very good demand.
Briefly describe any one agency he can approach for seeking assistance in setting up his business.
6. Parineeta has set up in Ghaziabad unit to manufacture various types of home decorative items. She deals in various kinds of vases, chimes, figurines, and other things that can beautify houses. She

now wishes to export her products to different countries and develop export- worthiness. In the context of the above case:

- (a) Briefly describe any one such agencies that she can approach in this regard.
- (b) Parineeta wants to safeguard that her business unit scores a higher rating when she approaches the financial institutions for her financial requirements. How can she ensure this?

CHAPTER-9 (INTERNAL TRADE)

1. "Both departmental stores and multiple shops are large retail establishment, yet they are different." Explain how?
2. Itish runs an electronic retail outlet in Kalkaji market, New Delhi. He stocks an Extensive variety of goods so as to provide a wider choice to buyers. Being an Electronic engineer himself he understands the fundamentals of electronic goods very well. Therefore, he is able to explain to the customers about the new technologies very well. This helps them to take appropriate purchases decisions.

In the context of the above:

- (a) Identify the various types of retailing services Itish is providing to his customers.
- (b) Also, mention any two other services provided by a retailer to his customers which are not mentioned above.
- (c) Also, mention any two services that he must be extending to the wholesalers as well.
3. If the wholesaler is eliminated, what difficulties do you think the manufacturer would have to face?
4. Prakriti Ltd. Is a well known company dealing in all kinds of organic products. The company sells its products through a chain of outlets located in well populated areas, which is in the vicinity of residential areas for the convenience of the customers across the country. All the branches of the company are under the control of the head office.

In the context of the above case:

- (a) Identify the type of the type of retail outlets as identified in the above lines.
- (b) State any four other features of the type of retail outlet as identified in part (a) of the question besides the one which has been mentioned in the paragraph.
5. Ajay is a trader dealing in low cost fashionable footwear. In order to sell his merchandise he opens his shop on fixed days in different markets.

In the context of the above case:

- (a) How would you classify Ajay as a type of retailer?
- (b) Name the under category of the type of retail trade as identified in part (a) of the question under which he should be placed.
- (c) Also, briefly explain any two other types of retailers which fall in the same category as Ajay as identified in part (a) of the question.
6. The Indian Chamber for Commerce and Industry had recently organized 'Water India's Water Expo' in June 2017 in Pune. It was the most exclusive Trade Show on the Indian Water Industry. It had offered business opportunities to the national players from the water industry to learn and explore the future trend of the Indian water market. A large number of satisfied exhibitors showed their presence in the exhibition displaying wide array of products & services related to Water Treatment Plants, Reverse Osmosis, Reuse and Recycling, Softening, Filtration etc.

In the context of the above case:

- (a) Why was the Indian Chamber for Commerce and Industry formed/
- (b) Explain briefly any four points highlighting the role of Chambers of Commerce and Industry in the promotion of internal trade.
7. Who are Itinerant retailers? Explain its various types.

8. Explain the role and functions of Indian chamber of commerce and industry in promotion of internal trade.
9. Tarun owns a coaching centre in Alwar. He has often observed students buying eatables from street vendors before and after classes at his centre. This habit of the students used to disturb him as roadside food is neither of good quality nor it is hygienically prepared. Thus, for the benefit of the students he recently installed an automated machine at his centre which dispenses various kind of food items on inserting a coin.

In the context of the above case:

- (a) What does 'an automated machine' refer to in the above lines.
- (b) List any two limitations of the type of marketing method as identified in part (a) of the question from the customer's point of view.
- (c) List any two values that Tarun wants to contribute to the society.

CHAPTER-10(INTERNATIONAL TRADE)

1. Trendz industries has received an export order of 5,000 kids jeans from Wal-Mart store, USA. What procedure you will follow to execute this export order?
2. Enumerate various problems faced by international business.
3. When Jayant joined his family business last year, after completing his Mba from a premier institute in India, he had an inheritance build on. His great grandfather had ventured into the gold jewellery business 80 years ago by opening the first shop in kolkata's jewellery hub, Bowbazar. Presently his family owns a chain of 40 jewellery stores in different parts of the country, besides exporting to Dubai, Singapore, the US and UK.
In the context of the above case:
 - (a) Identify the two kinds of trade Jayant's family is engaged in on the basis of area covered.
 - (b) Differentiate between the two types of trade as identified in part (a) of the question.
4. Why do nations trade? Give reasons.
5. Rahul owns a commercial printing press in Mysore. He is planning to import printing machine with latest technology from Germany. As he is a new entrant in international trade you are requested to appraise him about the various steps of the import procedure that he needs to perform before placing an order?
6. Quartz industries wanted to import watches from China. What procedure you will follow to execute this import order?
7. Discuss the objectives of the following institutions

IDA	IFC	MIGA	IMF	WTO
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8. Write note on the following
 - i) Entrepot
 - ii) Invisible trade
 - iii) Bills of exchange
 - iv) Dock challan
 - v) Bill of Lading
 - vi) Bill of entry

Note- Go through the objective questions and conceptual questions back side of the chapter