

CLASS -XI
BUSINESS STUDIES (054)
Sample Paper (2024-25)

Maximum Marks: 80

Marking Scheme/Hints to solutions

[Note: Any other relevant answer, not given here under but given by the candidates, be suitably awarded.]

Q.No	Value points/ Key points	Marks allotted to each key point	Total marks
1.	d) Both A & R are true and R is the correct explanation of A.	1	(1)
2.	b) Sahyog –Hundi	1	(1)
3.	a) Companies Act, 2013, 50	1	(1)
4.	c) Large amount of funds can be generated through trade credit	1	(1)
5.	c) Insurance	1	(1)
6.	c) A – iii, B – i, C – iv, D – ii	1	(1)
7.	d) working capital requirements	1	(1)
8.	d) Bootstrapping	1	(1)
9.	c) Producers cooperative societies	1	(1)
10.	a) Debenture	1	(1)
11.	b) B2C Commerce	1	(1)
12.	d) Share	1	(1)
13.	a) Internal trade	1	(1)
14.	d) Bottles	1	(1)
15.	a) 1, 2, 3 are correct but 4 is incorrect.	1	(1)
16.	b) Grant of credit	1	(1)
17.	c) Furniture	1	(1)
18.	a) Both the statements are true	1	(1)
19.	b) Portfolio Investment	1	(1)
20.	a) IGST	1	(1)
21.	a. Departmental Undertaking b. Features:- The funding of these enterprises come directly from the Government Treasury and are an annual appropriation from the budget of the Government. The revenue earned by these is also paid into the treasury; (ii) They are subject to accounting and audit controls applicable to	1 mark for identification + 1 mark for each feature	(3)

	<p>other Government activities;</p> <p>(iii) The employees of the enterprise are Government servants and their recruitment and conditions of service are the same as that of other employees directly under the Government. They are headed by Indian Administrative Service (IAS) officers and civil servants who are transferable from one ministry to another;</p> <p>(iv) It is generally considered to be a major subdivision of the Government department and is subject to direct control of the ministry;</p> <p>(v) They are accountable to the ministry since their management is directly under the concerned ministry. (Any Two)</p> <p style="text-align: center;">OR</p> <p>a. Government Company</p> <p>b. Features:-</p> <p>(i) It is an organisation created under the Companies Act, 2013 or any other previous Company Law.</p> <p>(ii) The company can file a suit in a court of law against any third party and be sued;</p> <p>(iii) The company can enter into a contract and can acquire property in its own name;</p> <p>(iv) The management of the company is regulated by the provisions of the Companies Act, like any other public limited company;</p> <p>(v) The employees of the company are appointed according to their own rules and regulations as contained in the Memorandum and Articles of Association of the company. The Memorandum and Articles of Association are the main documents of the company, containing the objects of the company and its rules and regulations; (any other suitable point)</p>	<p>1 mark for identification + 1 mark for each benefit</p>	
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22.	a)				1 mark for each difference	(3)
Basis	Life Insurance	Fire Insurance	Marine Insurance			
Subject Matter	The subject matter of insurance is human life.	The subject matter is any physical property or assets	The subject matter is a ship, cargo or freight.			
Element	Life Insurance has the elements of protection and investment or both.	Fire insurance has only the element of protection and not the element of	Marine insurance has only the element of protection			

			investment.			
	Insurable interest	Insurable interest must be present at the time of affecting the policy but need not be necessary at the time when the claim falls due.	Insurable interest on the subject matter must be present both at the time of effecting policy as well as when the claim falls due	Insurable interest must be present at the time when claim falls due or at the time of loss only.		
(ANY OTHER RELEVANT DIFFERENCE)						
OR						
<p>i) Cellular mobile services: These are all types of mobile telecom services including voice and non-voice messages, data services and PCO services utilizing any type of network equipment within their service area. They can also provide direct inter connectivity with any other type of telecom service provider.</p> <p>(ii) Fixed line services: These are all types of fixed services including voice and non-voice messages and data services to establish linkages for long distance traffic. These utilize any type of network equipment primarily connected through fiber optic cables laid across the length and breadth of the country. The also provide inter connectivity with other types of telecom services.</p> <p>(iii) Cable services: These are linkages and switched services within a licensed area of operation to operate media services, which are essentially one-way entertainment related services. The two-way communication including voice, data and information services through cable network would emerge significantly in the future. Offering services through the cable network would be similar to providing fixed services ; (any other suitable point)</p>					1/2 mark fo reach heading + 1/2 mark fo rexpplanation	
23.	<p>a) Partner by holding out: A partner by 'holding out' is a person who though is not a partner in a firm but knowingly allows him/her to be represented as a partner in a firm. Such a person becomes liable to outside creditors for repayment of any debts which have been extended to the firm on the basis of such representation.</p>				1 mark for identification + 1mark each for explanation	(3)

	b) In case he is not really a partner and wants to save himself from such a liability, he should immediately issue a denial, clarifying his position that he is not a partner in the firm. If he does not do so, he will be responsible to the third party for any such debts.														
24.	<p>Retained earnings as a source of funds has the following merits</p> <p>(i) Retained earnings is a permanent source of funds available to an organisation.</p> <p>(ii) It does not involve any explicit cost in the form of interest, dividend or floatation cost.</p> <p>Retained earnings as a source of funds has the following limitations:</p> <p>(i) Excessive Ploughing back may cause dissatisfaction amongst the shareholders as they would get lower dividends. (any other suitable point)</p>	1 mark for each explanation	(3)												
25.	<p>a) Varun – Business, Tarun- Profession</p> <p>b) The difference between business and profession is as follow:</p> <table border="1"> <thead> <tr> <th>Basis</th> <th>Business</th> <th>Profession</th> </tr> </thead> <tbody> <tr> <td>Mode of establishment</td> <td>Entrepreneur's decision and other legal formalities, if necessary</td> <td>Membership of a Professional body and certificate of practice</td> </tr> <tr> <td>Nature of work</td> <td>Provision of goods and services to the public</td> <td>Rendering of personalized, expert services</td> </tr> <tr> <td>Return</td> <td>Profit earned</td> <td>Professional fee</td> </tr> </tbody> </table> <p>(ANY OTHER RELEVANT DIFFERENCE)</p>	Basis	Business	Profession	Mode of establishment	Entrepreneur's decision and other legal formalities, if necessary	Membership of a Professional body and certificate of practice	Nature of work	Provision of goods and services to the public	Rendering of personalized, expert services	Return	Profit earned	Professional fee	<p>½ mark for each identification</p> <p>1 mark for each difference</p>	(4)
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27.	<p>a) Entrepreneurship is the process of setting up one's own business as distinct from pursuing any other economic activity, be it employment or practicing some profession.</p> <p>b) The following are the characteristics of entrepreneurship: (i) Systematic Activity: Entrepreneurship is not a mysterious gift or charm and something that happens by chance! It is a systematic, step-by-step and purposeful activity. It has certain temperamental, skill and other knowledge and competency requirements that can be acquired, learnt and developed, both by formal educational and vocational training as well as by observation and work experience. Such an understanding of the process of entrepreneurship is crucial for dispelling the myth that entrepreneurs are born rather than made.</p> <p>(ii) Lawful and Purposeful Activity: The object of entrepreneurship is lawful business. It is important to take note of this as one may try to legitimize unlawful actions as entrepreneurship on the grounds that just as entrepreneurship entails risk, so does illicit businesses. Purpose of entrepreneurship is creation of value for personal profit and social gain.</p> <p>(iii) Innovation: From the point of view of the firm, innovation may be cost saving or revenue-enhancing. If it does both it is more than welcome. Even if it does none, it is still welcome as innovation must become a habit!</p> <p>Entrepreneurship is creative in the sense that it involves creation of value. By combining the various factors of production, entrepreneurs produce goods and services that meet the needs and wants of the society. Every entrepreneurial act results in income and wealth generation. Entrepreneurship is creative also in the sense that it involves innovation-introduction of new products, discovery of new markets and sources of supply of inputs, technological breakthroughs as well as introduction of newer organisational forms for doing things better, cheaper, faster and, in the present context, in a manner that causes the least harm to the ecology/ environment.</p>	1 mark for identification + 1 mark for each feature.	(4)
28.	<p>a) Mate receipt b) Packaging list c) Bill of exchange d) Cart Ticket</p>	1 mark for each point	(4)
29.	<p>E- Business Benefits: i) Ease of formation and lower investment requirements (ii) Convenience (iii) Speed (iv) Global reach/access (v) Movement towards a paperless society (any three)</p>	1 mark for identification ½ mark for each heading and ½ mark for explanation	(4)

	are, therefore, free to be mortgaged for the purpose of borrowings, if the need be;		
32.	<p>1. Obtaining foreign exchange 2.Placing order or indent 3.Obtaining letter of credit 4.Arranging for finance (with suitable explanation)</p> <p style="text-align: center;">OR</p> <p>1. Production or procurement of goods 2. obtaining pre shipment finance 3. Obtaining export license 4. Assessing the importer’s creditworthiness and securing a guarantee for payments (with suitable explanation)</p>	<p>½ mark for heading + 1½ mark for each explanation</p> <p>½ mark each heading and 1½ mark for explanation</p>	(6)
33.	<p>a) Global enterprise/ Multinational corporation/ transnational corporations</p> <p>b) 1. Huge capital resources: “<i>The company has plenty of resources.</i>” 2. Advanced technology: “<i>Master Ltd. is using completely the latest technology in its various business activities</i>” 3. Expansion of market territory: “<i>the company occupied a dominant position in the market and took over some domestic firms</i>”</p>	<p>½ mark for identification + 1 mark for explanation + ½ mark each for quoting the line + ½ mark for heading + ½ mark for each explanation</p>	(6)
34.	<p>a) Certificate of incorporation</p> <p>b) Preliminary Contracts: During the promotion of the company, promoters enter into certain contracts with third parties on behalf of the company. These are called preliminary contracts or pre-incorporation contracts. These are not legally binding on the company.</p> <p>c) The Certificate of Incorporation is a conclusive evidence of the regularity of the incorporation of a company. The Certificate of Incorporation once issued, is a conclusive evidence of the existence of the company. Even when a company gets registered</p>	<p>1mark for Identification</p> <p>+ 1 mark of identification +1mark for each explanation+ 2 marks for explanation+ 1 mark for quoting lines</p>	(6)

	<p>with illegal objects, the birth of the company cannot be questioned. The only remedy available is to wind it up. Because the Certificate of Incorporation is so crucial, the Registrar has to go very carefully before issuing it.</p> <p><i>“The registrar issued the document on 8th of March, mentioning the date of 5th March on it”.</i></p>		
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