



BUSINESS STUDIES

BOOKS - VK GLOBAL PUBLICATION BUSINESS STUDIES (HINGLISH)

SAMPLE QUESTION PAPERS

Sample Question Paper 1 Section A

1. Which of the following is an economic activity ?

- A. A housewife cooking food for her family.
- B. A person selling cold water on the pavement.
- C. A young boy driving his motorcycle in the city.
- D. An old man offering prayers in a temple.

Answer:



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2. There is no limit to the number of members in a Joint Hindu Family Business. True/False ? Give reason.



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3. Match the column

- ((i) A person who lends his name and goodwill for the benefits of a partners
- ((ii) A person who contributes capital but does not take part in the business
- ((iii) A document containing terms and conditions of partnership. (C) Sle



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4. A corporation established under a special law of Parliament

- (a) Statutory Corporation (b) Department undertaking
- (c) Government company (d) Multi-national Corporation

A. Statutory Corporation

B. Departmental undertaking

C. Government company

D. Multi-national corporation

Answer:



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5. It is a type of saving bank account in which excess of a particular limit gets automatically transferred to fixed deposit account.

A. Current deposits account

B. Recurring deposits

C. Multiple option deposit account

D. None of these

Answer:



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6. Ragini has insured her house for Rs. 5,00,000 against the fire. There is a fire and Ragini suffers a loss of Rs. 1,00,000. How much amount she can recover from the insurer ?

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7. Use of ATM to withdraw money is an example of

- A. B2B commerce
- B. B2C commerce
- C. C2C commerce
- D. C2B commerce

Answer:

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8. Match the column

- (i) To develop employees's skills through training and education
- (ii) To avoid unfair trade practices such as under-weighting , poor quality o
- (iii) To pay taxes regularly and honestly



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9. Equity shareholders are called

- A. Owners of the company
- B. Partners of the company
- C. Executive of the company
- D. Guardian of the company.

Answer:



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10. _____ are the unsecured short-term deposits made by company with another company.

- A. Indian Depository Receipt
- B. American Depository Receipt
- C. Global Depository Receipt
- D. Inter Corporates Deposits

Answer:



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11. Which concern - a trading concern on a manufacturing concern- will have large amount of fixed capital ? Why ?



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12. Match the columns :

- (i) It facilitates the purchase of goods and services without making immediate payment.
- (ii) It refers to that part of profits which is kept and reserve for use in the future.
- (iii) This source of finance has characteristics of both equity shares and debentures.

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13. A debenture is an acknowledgement of debt. True/False ? Give reason.

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14. SIs contributes to gross industrial value added of India about _____

- A. 95 percent
- B. 40 percent
- C. 45 percent
- D. 50 percent

Answer:



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15. Entrepreneurs undertake

- A. Calculated risks
- B. High risks
- C. Low risks
- D. Moderates and calculated risks

Answer:



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16. Retailers who have to fixed place of sale are called _____

- A. Itinerants
- B. Street traders
- C. Market traders

D. Hawkers

Answer:



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17. Bata is an example of _____

- A. Mail order houses
- B. General stores
- C. Chain stores
- D. Departmental stores

Answer:



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18. Buying and selling of goods and services within the boundaries of a country are referred to as _____

- A. External trade
- B. Export
- C. Internal trade
- D. Import

Answer:



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19. Which of the following documents is not required for obtaining an export license ?

- A. IEC number
- B. Letter of credit
- C. Registration -cum-membership

D. Bank account number certifies .

Answer:



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20. Which of the following document is not required in connection with an import transaction ?

A. Bill of lading

B. Shipping bill

C. Certificate of origin

D. Shipment advice

Answer:



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1. Mr. Arjun is a sole proprietor. He has been doing the wholesale business of tea for the last three years. The brand name of his tea is 'Tadka Chay'. This is a popular brand of its region. Now Mr. Arjun has been worried about two issues. First, his business unit is situated in an unorganised sector and therefore, he is unable to buy goods on credit from any trader easily. Similarly, banks and other lending institutions hesitate to extend a long term loan to him. Such a treatment by the people produces the inferiority complex in him. The second issue worrying him is that he has unlimited liability. If unfortunately he suffers a heavy loss in business, his business property and personal property both will be finished. He wants to get rid of these worries. So he contacts a business specialist, who suggests a new form of business organisation which will remove all his problems.

In your opinion what advice must have been given to Mr. Arjun by the business specialists ? Explain .



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2. Mr. Rajesh is employed in a branch of Punjab National Bank in Delhi. His friend, Mr. Vijay goes to the bank very often. One day, Vijay goes to the bank to get a Bank Draft issued. There he noticed that a customer of the bank told Rajesh that he wanted to transfer Rs. 40,000 to Chandigarh immediately. Rajesh explained to him that it was not possible to transfer the money immediately, it would be done after some time. When some such cases of transfer would come, all of them would be transferred in a batch. On another day, Vijay noticed that one of the bank customers came and asked Rajesh if he could get Rs3 lakh transferred to Mumbai immediately. Rajesh replied in affirmative. Vijay asked Rajesh why he refused to transfer Rs. 40,000 to Chandigarh immediately that day, and how Rs. 3 lakh got transferred to Mumbai immediately now. Rajesh explained to Vijay, and he was satisfied.

What explanation must have been given by Rajesh to Vijay ?



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3. Mr. Sukan took an Insured Policy against his car and after three months he sold it to Mr. Sunil. The car was stolen from outside of Mr. Sunil's house. Mr. Sukan made a claim to the insurance company. His claim to the insurance company was rejected on the ground that Mr. Sukan was no longer owner of the car, so he has no insurable interest and he has no financial loss with the loss of the car.

(a) Was Mr. Sukan right in making claim? Give reason in support of your answer.

(b) Who can claim compensation?



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4. Geeta Publishing Pvt. Ltd., publishing books, is a very old company. All its business activities are conducted in a trading manner. Recently, Mr. Sudheer Gupta was appointed as the Chief Executive Officer (CEO) of the company. He wanted all the activities of the company from proximity. He noticed that the company was doing several activities which could be done from outside at a less cost and in a much better way. He held a

meeting of all the managers of the company and it was unanimously decided that the company would focus its attention only on the Core Specialisation Areas and for the remaining activities the services of the specialised companies from outside will be hired. This decision was implemented with immediate effect.

(a) Which two concepts did Mr. Sudheer Gupta give effect to ?

(b) Give two examples each of the concepts identified in (a).

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5. Define a share. What are two types of shares ? Explain.

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Sample Question Paper 1 Section C

1. Shonali Sharma, after completing her MBA, began to help her father, Mr. Shiv Sharma, in his business. The business had a limited capital

investment Shonali wanted to use the modern business techniques in every area of business, namely, purchase, sales, production, finance, etc. In facts, She wanted to implement the methods, which she had learnt in her MBA course, in her father's business. As soon as she started adopting the latest technique , the workers began to protest and resist the changes. So she became disappointed and left her father's business. She started working in MNC. Mr. Shiv Sharma was unable to assume the responsibility of all managerial tasks such as purchasing, selling, financing, etc. Good workers started leaving the organisation. The goodwill of the business in the market went on declining. In no time, the liabilities of the business became many times more than the assests. On account on the pressure exerted on him by the the creditors, Mr. Shiv Sharma had to repay the debts of the business by disposing off his personal properties .

(a) Identify the form of business organisation discussed in the above para.

(b) Quoting the relevant lines from the para explain any three limitations of the form of business organisation identified in (a).



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2. The Directors of Sheetal Ltd. have decided to expand the business activities by increasing the stock of raw material and finished goods at an estimated cost of Rs. 50 lakhs. As finance manager of the company, advise the directors about the various methods open to the company to raise necessary finance for this purpose.



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3. What is international trade ? Explain its benefits to the nations. (any three points



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Sample Question Paper 1 Section D

1. Amko Ltd. , an American company is manufacturing a high quality prouducts, which is very popular in America. The company is searching for the possibilities of exporting its product its product to foreign

countries. After a thorough search on the internet it arrived at the conclusion that India can be a good market for its products.

But the company is unaware of the distribution system in India. Now the company is looking for such a company which is already established in India and has a strong distribution system. Once again it searched on the internet and found that there was an Indian company named 'Surya Ltd' which was facing severe financial constraints, but it had a very strong distribution system. Amko Ltd. negotiated with Surya Ltd., and both the companies made an agreement to jointly run their businesses. In this way the American company, with the help of Surya Ltd. got a good experience of entering the foreign markets.

(a) Identify the type of business enterprise formed by merging Surya Ltd. with Amko Ltd.

(b) State any four features of such a business enterprise.



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1. Kharbanda Ltd. deal in a variety of consumer products like toiletries, groceries, electronics, clothing, etc. The work place have been divided into a number of departments and every department sells a particular commodity. In this way almost all the needs of customers are fulfilled under one roof.

Manchanda Ltd. deal in footwearers. The company has 200 shops at different places of the country. The speciality of the business of this company is that at all its shops the goods available are of the same type, and there prices are also the same. All sales are made strictly on cash basis.

Identify the type of retail trade done by Kharbanda Ltd. and Manchanda Ltd. Also state any two features of each.



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1. Death or insanity of member of the Joint Hindu Family Business will bring its business to an end. True/False ? Give reason.



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2. A partner whose association with the firm is unknown to the general public is called

- A. Active partner
- B. Sleeping partner
- C. Nominal partner
- D. Secret partner.

Answer:



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3. Match the columns :

- (a) The document containing the rules, regulations and bye-laws of a company
- (b) The document inviting subscriptions for shares and debentures.
- (c) The amount of money which must be raised before allotment of shares.
- (d) The principal document of a company



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4. Overdraft facility is available only on

- A. Current account deposits
- B. Saving account deposits
- C. Recurring deposits
- D. Fixed deposits

Answer: a



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5. Match the columns :

(i) Insured must have some economic interest in the subject matter of insurance contract.

(a) The principle of Subrogation

(ii) After compensating the loss, insurer get all the rights with respect to the subject - matter insured.

(b) The principle of Indemnity.

(iii) Insured is intitled to recover the loss suffered by him, up to the limit of policy amount.

(c) The principle of Isurable Interest .



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6. The owner of 'Govinda Fertilisers ', Rehan opened a current account in 'The Punjab National Bank '. The customer can often withdraw money from the current account only up to the amount deposited in it. One day he needed money more than the balance in the account. He was worried about how to arrange the money. He needed this amount for about a day

or so. One of his friends told him that the customers having a current account in the bank can get the permission money more than the balance in the account after making an agreement with the bank.

Identify the facility provided by the Bank referred to in the above case.



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7. A captive BPO unit provides services to a wide base of client, cutting across industries . True/False ? Give reason.



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8. Protection of environment is a social responsibility of business towards

A. shareholders or owners

B. workers

C. consumers

D. government and community

Answer: D



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9. The term 'redeemable' is used for

- A. Preference shares
- B. Commercial paper
- C. Equity shares
- D. Public deposits

Answer: A



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10. Funds required for purchasing current assets is an example of

- A. Fixed capital requirement

- B. Ploughing back of profit
- C. Working capital requirement
- D. Lease financing

Answer: C



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11. ADRs are issued in

- A. Canada
- B. China
- C. India
- D. USA

Answer: D



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12. Debetures represent

- A. Fixed capital of the company
- B. Permanent capital of the economy
- C. Fluctuating capital of the company
- D. Loan capital of the company.

Answer: D



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13. Investment limit in plant and machinery for micro manufacturing enterprises is _____

- A. Rs. 1 crores
- B. 25 lakhs
- C. 1 lakh
- D. 10 lakh

Answer: B



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14. For the industries development of backward, tribal and hilly areas, power is supplied at a concessional rate of _____

A. 95 percent

B. 40 percent

C. 45 percent

D. 50 percent

Answer: D



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15. Which of the following cannot be protected under copyright:

A. Music

B. Drawings

C. Video games

D. Actors

Answer: C



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16. GST is based on the principle of _____ consumption tax against the present principle of origin-based taxation.



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17. Which one of the following is not a document related to fulfil the customs formalities ?

A. Shipping bill

B. Export licence

C. Letter of insurance

D. Performa invoice

Answer: B



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18. Pre-shipment inspection is obligatory for all exporting firms.

True/False ? Given reason.



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19. At international level , various organisation exist for accelerating the pace of development and trade among the nations. Name one such organisation.



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20. What do you mean by 'customs drawback'?



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Sample Question Paper 2 Section B

1. Name and explain the two characteristics of business which involve possibility of loss.



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2. "Business is an institution organised and operated to provide goods and services under the incentive of private gain". Discuss .



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3. The Government planned to to begin a Road Project. The Government needed management specialists and financial help to complete it. The Government contacted the private sector of fulfil this requirement. Now, this project will be completed jointly by both the public sector and private sector.

(a) Identify the form of enterprise and state its importance.

(b) Give any two features of such enterprises.



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4. Zeenat has recently completed her course in Fashion Designing from NIFT. Now her father wants her to do something creative. Has no consideration for earning money. He wants that Zeenat should teach fashion designing to those girls who have great interest in it but have failed to get admission to the Fashion Designing Course because of their poor financial position. His aim is to help the girls from poor families. So he gave Rs. 10 lakh to Zeenat to establish a Fashion Designing Centre. 50 girls could take admission in this centre. Zeenat announced nominal fees

to be charged for admission. Within one week of the opening of the centre, all the seats were filled. After getting training in this centre, it became easy for the girls to get jobs in the market. Within a few months, Zeenat's centre became popular. She spent Rs. 5 lakh out of the total Rs. 10 lakh on infrastructure and other things, and the remaining Rs. 5 lakh she deposited in the Saving Account of a bank. One of her friends was a bank employee. She advised Zeenat replied that she would need money any time and so she could not keep her money in a Fixed Deposit Account. Then her friends told her that she should deposit her money in such a bank account which would serve the purpose of both, the Saving Account and the Fixed Deposit Account. From this account she could withdraw money as and when needed and a definite amount would continue to get automatically transferred to the Fixed deposit. Zeenat opened the account with her bank.

Identify and explain the type of Bank Account which Zeenat's friend advised her to open in the market.



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5. Shubham Ltd. had decided to expand its production capacity by modernising its plant and machinery at an estimated cost of Rs. 2 crore. It does not have adequate reserve to finance the expansion. Suggest any four sources of finance for the company.



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6. Ajay Medicos is a partnership firm. Akku and Mona are two partners in this firm. It sells medicines to the other business units only. Almost all the transactions of this firm are done through the electronic medium, i.e., the internet. Akku wants to set up the anti-pollution plant in his factory, but Mona does not want. Identify and explain the unethical behaviour of the firm from the above case.



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1. All the four children of Mr. Madan Mohan Lal are doctors. Shyam is a skin specialist, Krishna is a heart specialist, Radhika is a child specialist and Gauri is a physician. Dr. Shyam joined a multi-speciality private hospital . Dr. Krishna established his own nursing home. Dr. Radhika works in a government hospital and also treats the poor people free of cost in a charitable dispensary. Dr. Gauri opened a medical store wherein she sells genuine medicines, getting the minimum profit margin.

(a) State, giving reasons, whether they are engaged in economic or non-economic activities .

(b) Also explain in which form of the economic activities and non-economic activities they have been engage.



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2. Rajan wants to starte a business unit manufacturing Khadi items. His friend who makes craft items, suggest him to start a smll scale industrial unit in some rural, backwared area since the government is offering various incentive to small-scale industries in rural India. Explain their role.



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3. Itinerant traders have been an integral part of internal trade in India. Analyse the reason for their survival in spite of competition from larger-scale retailers.



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Sample Question Paper 2 Section D

1. Gas authority of India Ltd. (GAIL) is carrying on various projects of energy and power. Majority of its shares are held by the government of India . It was registered under the previous Companies Act. It enjoys all the characteristics of a company. The board of directors are appointed by the government. The Board and shareholders are responsible for the efficient working of the company. The company prepares its annual report and submit to the appropriates authorities.

(a) Name the type of public sector enterprise referred to in the above para.

(b) In whose name does the government buy shares ?

(c) State any three features of the type of public sector enterprise identified in part (a) other than those discussed in the above para.



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2. What do you understand by e-Business? Explain briefly any four benefits of e-Business.



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3. Imagine life without your local market. What difficulties would a consumer face if there is no retail shop ?



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1. A group of people in a locality of Delhi used to go for a walk in the morning. After the walk, they would often sit together and discuss the subject like Politics, Demonetisation, Elections, Market prices of different goods, etc. There were about fifty persons in this group . One day, instead of other subjects, their focus of discussion was ' Market Prices of Different Goods. '. During the discussion, the emphasis laid on the point was that goods becomes very costly by the time they reach the consumers after getting transported from the producers . Consequentyl, everyone' budget is getting disturbed. To get rid of this problem some people suggested that they should join together to form a society. The society would sell the goods to all the members as per their requirement after buying them in a large quantity directly from the producers . This suggestion was appreciated by all of them. They all became members of the society and encouraged other people also to become its members. In no time , 100 members assembled and the society was formed . The idea of forming the society immediately proved to be successful . Now their budget became balanced. A special characteristics of this society was that apart from its members it also sold goods to the other peopole of the society at

cheaper rates. All of them were very happy with the formation of the society.

- (a) Identify and explain the types of the society formed by them.
- (b) Under what Act, the society must have been formed ?
- (c) What is the liability of the members of the society so formed ?
- (d) Explain any one merit of the society so formed ?



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2. A seminar was held in New York on the problems of finance. Its topic was ' The Different Finance Sources available at the Global Level in the Modern Context . ' 200 representatives from different countries participated in this seminar. All the representatives expressed their respective opinions. One of the sources of finance discussed in the seminar was such through which the foreign companies could issue their securities in India. Looking at the great possibilities of obtaining capital from the investor in India, all of them showed a great interest in the discussion of the source. Another source of finance which created interest in every one was the source through which money could be

obtained from the investors in America and other Wuropean countries. Since this sources was concerned with a very big area, the number of people who took interest in it was also larger. One of the Indian representatives threw light on the special characteristics of this source. His presentation was appreciated by one and all . In the final seesion of the seminar, the discussion took place on such a source of finance which could be used only in America . In the end of the seminar , the organisers thanked all the guests, and the seminar came to a successful conclusion. In the above paragraph , three international sources of finance were discussed. Quoting the relevant lines identify those sources and explain them .



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3. Relsj Garments has received an order to export 20,000 men's trousers to Swift Imports Ltd. located in Australia. Rekha garments makes necessary enquiry about the credit -worthiness of Swift Imports Ltd. And demands a letter of credit from it. After a week , Rekha garments gets a letter of credit issued by the importer's bank.

Discuss the six-steps procedure that Rekha Garments would need to go through for executing the export order.



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4. Your firm is planning to import textile machinery from Canada. Describe the produce involved in importing.



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Sample Question Paper 3 Section A

1. The reward a businessman gets for bearing the risks is called _____

- A. Remuneration
- B. Commission
- C. Bonus
- D. Profit.

Answer: D



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2. Match the Columns

- | | |
|--------------------|---|
| (i) Pataliputra | (A) major centre for export of stones |
| (ii) Peshawar | (B) major centre of textile industry |
| (iii) Indraprastha | (C) commercial junction on the royal road |
| (iv) Varanasi | (D) important exporting centre for wool and for the i |



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3. The minimum number of members in a cooperative society is

- A. 2
- B. 3
- C. 7
- D. 10

Answer: D



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4. Match the column:

- (i) It enjoys maximum autonomy in all management activities
- (ii) LIC and Air India are the examples of this form of enterprise
- (iii) This enterprise is most suitable when national security is concerned.



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5. Reserve Bank of India (RBI) is an example of a Government company.

True/False ? Give reason.



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6. The equity-based joint venture does not include

- A. Cooperative development
- B. Company
- C. Partnership

D. Limited liability partnership

Answer: A



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7. Business people have the skills to solve

A. All social problem

B. Some social problems

C. No social problems

D. All economic problems.

Answer: B



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8. A petrol pump dealer mixes kerosene oil in the diesel and petrol to earn more profit. This is affecting the engines of vehicles and creating excessive smoke. In this act of the petrol pump dealer, is it ethical? Give reasons in support of your answer.



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9. C Ltd. is planning to modernise its plant with latest technology. The company is not having sufficient money. The finance manager plans to arrange money for 3 years since after that the company is expecting a good return on investment. The finance manager does not want to spend on floatation costs on issue of shares or debentures.

Identify the suitable source of finance for the company.



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10. An Indian company 'Vandana Ltd.', in order to cater to its financial needs, wants to issue such an international financial instrument which

can be issued only to the American residents.

Identify the financial instrument.

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11. Why are equity shareholders referred to as 'residual owners' ?

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12. Investment limit in equipment for medium services enterprises is _____

- A. above Rs. 10 lakh and up to Rs. 2Crore
- B. above Rs. 25 lakh and up to Rs. 5 crore
- C. above Rs. 2 crores and up to Rs. 5 crores
- D. above Rs. 5 crores and up to Rs. 10 crores.

Answer: C

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13. Incentive which is not given by government to industries in backward , tribal and hilly areas , is

- A. Exemption from GST
- B. Power at concessional rates
- C. Preferential allotment of raw materials
- D. Free advertising in TV and newspapers.

Answer: D



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14. It was set up in 1955 to promote, aid and foster the growth of small business units in India. It provides technology to SSIs and creates awareness on technological upgradation.

- A. Small Industries Development Bank of India (SIDBI)

B. National Bank for Agricultural and Rural Development (NABARD)

C. National Small Industries Corporation (NSIC)

D. District Industrial Centres (DICs)

Answer: C



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15. What is the parameter used by the government to identify manufacturing enterprises ?



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16. What is IEC number ?



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17. Why should the indent be carefully drafted ?



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18. What is the purpose of pre-shipment finance ?



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19. International business is more than international trade. True/ False ?

Give reason.



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20. Which one of the following is not a part of export documents?

- A. Commercial invoice
- B. Certificate of origin
- C. Bill of entry
- D. Mate's receipt

Answer: C



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Sample Question Paper 3 Section B

1. Rajeev Lochan Das is the only owner of a shirt manufacturing factory. He took a loan of Rs. 20 lakh from a finance company for expansion of his business. In the beginning his business was running well but later on he started incurring losses and due to continuous losses he was not able to repay the loan. After receiving many reminders from the finance company, Rejeev planned to close the business. He sold all his machines and other assets and realised Rs. 15 lakh . He requested the finance company to settle the accounts at Rs. 15 lakh. But the finance company refused, and on his failure to pay the total debt, it filed a case against him in the court. Rajeev gave an argument in the court that he had sold all his business assets, and the loan was taken by him for business, not for his personal use. So the finance company must settle the account at Rs. 15

company . He was ordered to pay full amount of loan by selling off his personal assets.

(a) Identify the form of business carried on by Rajeev Lochan Das.

(b) State the features of the form of business identified in (a) Which is considered by the court while giving the judgement .

(c) State why Rajeev's argument was not correct.



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2. Ashish took a marine policy to cover the goods exported by him. Under the policy goods have been insured against damage likely to be caused by sea-water. During the voyage a hole was caused in the bottom of the ship. Through this hole sea water entered into the ship which damaged the goods insured. Can Ashish claim compensation for the loss ?



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3. Radhika Ltd . Has good growth prospects . So it is planning to expand their business. For this the company needs additional funds. The finance

manager reports that the company is not in a position to bear extra burden of paying any fixed financial charges like interest or dividend. They do not want to bear any floatation costs even. Also, the equity shareholders insist not to issue further shares as there is risk of dilution of control.

Suggest and explain the source of finance most suitable for Radhika Ltd.



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Sample Question Paper 3 Section C

1. XYZ Ltd. took a loan of Rs. 50 lakh from a bank for its growth and expansion plans. The company was unable to repay the loan amount because of heavy losses incurred in the business on a continuous basis. The management of the company asked its shareholders to contribute towards repayment of the loan. But the shareholders refused as they had already paid the full amount due on their shares. The bank filed a case against XYZ Ltd. in the court. The court held that the shareholders of the company were not liable to repay the loan as they had not unpaid

amount on shares.

(a) Is the court's decision justified ? Give reason in support of your answer

.

(b) Which characteristic of the company form of organisation protected the shareholders ? Explain.



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2. What is business finance ? Why do businesses need funds ? Explain any two reasons.



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Sample Question Paper 3 Section D

1. Why are e-business and outsourcing referred to as the emerging modes of business ? Discuss the factors responsible for the growing importance of these trends.



Sample Question Paper 3 Section E

1. After completing their graduation, Salman and Ram decided to set up a flour mill to earn income. Their main job is to purchase wheat from the market and have it ground into flour. Their flour is available in packets of 5 kg, 10 kg and 20 kg. They sell these under the brand name 'Desh ka Atta', and earn a reasonable profit of 10% on cost. They worked very hard to flourish the business on a regular basis, and hence in no time their brand became very popular in the market. The main reasons for the success of their business are superior quality and low price. Their business was running very well. But one day, the flour mill caught fire, and as a result they had to suffer a heavy loss. However, Salman and Ram did not lose their heart, and worked even harder. Gradually, their business was back to normal. Now, they are fully satisfied with their business.

Quoting the lines from the above paragraph, explain any four characteristics of business.



2. Identify and state the documents highlighted in the following statements:

- (i) This certificate specifies the origin of goods exported .
- (ii) This document is issued by the commanding officers of the ship to the exporter after the cargo is loaded on the ship.
- (iii) This document is prepared by shipping company to acknowledge the receipt of goods on ship and gives an undertaking to carry them to port of destination .
- (iv) This document is the most appropriate and secure method of payment to settle international transactions .
- (v) On the basis of this document , customs office grants permission for the export.
- (vi) This document is prepared by the importer and its shows the details of goods imported and is used by custom authorities to determines import duty.



1. Name the economic activity in which specialised knowledge is required.

- A. Business
- B. Employment
- C. Profession
- D. None of them

Answer: C



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2. Business risk is not likely to arise due to

- A. Change in government policy
- B. Good management
- C. Employee's dishonesty

D. Power failure.

Answer: B



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3. Chosse the correct alternative:

(i) The service which helps in removing hindrance of knowledge . A.

Advertising

(ii) The service which helps in removing hindrance of place B. Transport

(iii) The service which helps in removing hindrance of time . C. Insurance

(iv) The service which helps in removing hindrance of risk. D. Warehousing

A. (i)-A, (ii)-B, (iii)-D,(iv)-C

B. (i)-C,(ii)-B,(iii)-D,(iv)-A

C. (i)-A,(ii)-D,(iii)-B,(iv)-C

D. (i)-C,(ii)-D,(iii)-B,(iv)-A

Answer: A::B::C::D



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4. DTH services are provided by _____

- A. Transport companies
- B. Banks
- C. Cellular companies
- D. None of these

Answer: C



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5. Name the banking services in which the customer can conduct banking activities like managing savings , checking accounts , applying for loans, etc. over the internet.



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6. The bank issues a financial instrument, with the help of which money can be sent from one place to another. Identify this instrument.



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7. Which of the following alone can ensure effective ethics programme in a business enterprise ?

- A. Publication of a code
- B. Involvement of employess
- C. Establishment of compliance
- D. All of these

Answer: D



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8. Providing accurate and up-to-date information on the financial position of the company is a responsibility of business towards.

- A. shareholders or owners
- B. workers
- C. consumers
- D. government and community

Answer: A



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9. _____ are debt instrument that does not carry a specific rate of interest, but issued at a heavy discount

- A. Debenture
- B. Equity of shares
- C. Bond

D. None of these

Answer: C



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10. _____ is commonly used by business organisations as a sources of short- term financing

A. Lease financing

B. ADRs

C. Trade Credit

D. None of these

Answer: C



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11. Finance invested in fixed assets is called working capital. True/False ?

Give reason.



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12. Why is equity share capital called risk capital ?



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13. Which of these is a geographical indication ?

A. Mona Lisa Painting

B. IRCTC logo

C. Darjeeling tea

D. Light bulb

Answer: A::C::D



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14. What is the role of an entrepreneur in contributing towards Intellectual Property Rights ?

- A. Recognise and respect others ' Intellectual Property Rights
- B. Be creative and innovative
- C. Protect their own Intellectual Property
- D. All the above .

Answer: A::B::C::D

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15. Name the institution which provides an integrated administrative framework for small-scale industris at the district level .

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16. It acts as a proof that goods have actually been manufactured in the country from where the export is taking place. Which certificate is highlighted in this statement ?

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17. What is pre-shipment finance ?

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18. In case of sight draft, the documents are delivered to the importer against his/her acceptance of the bill of exchange . True/ False ? Give reasons

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19. In India , all foreign exchange transactions are regulated by the Central government . True/False ? Give reason.



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20. Which is the most appropriate and secure method of payment adopted to settle international transactions ?



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Sample Question Paper 4 Section B

1. Max Ltd. , a foreign company, started its businesss in a under-developed country. The size of the business is quite large. The company has plenty of resources. It employs thousands of people in the under-developed country. The raw materials used by the company are readily available here. However, since there was not demand for these raw materials here, the producers were unable to get the best price for it. Due to this reason, the producers were discouraged. Some local businessmen used to act arbitrarily earlier, but now they have corrected themselves. The reason for their becoming better is competition with the foreign company. Now

their arbitrary approach has ended altogether . Max Ltd. is using completely the latest technology in its various business activities . As a result, the local people also have got the opportunity to learn the new technology . Because of using the modern technology and doing production at a large scale, the company's cost of production is very low. Because of its huge size and status, the company occupied a dominant position in the market and took over some domestic firms.

- (a) Which type of business enterprise is referred to in the above para ?
- (b) State any two features of the enterprise identified in (a) by quoting the lines from the above para.



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2. Indian Railways' is a part of Railway Ministry. It is organised , financed and controlled by Railway Ministry . The finances are allocated from government treasury and whatever revenue it earn is deposited to government treasury only. It is treated as a part of government and even the appointment recruitment and selection of employees is done in the same way as that of civil servant.

- (i) Name the type of public sector enterprise 'India Railways' is .
- (ii) What is the status of employees working in Indian Railways ?
- (iii) How does it get its finance ? What does it do with its revenue ?



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3. "Business is essentially a social institution and not merely a profit making activity ." Explain.



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Sample Question Paper 4 Section C

1. A group of seven friends decided to jointly set up a public company in a rural area where the people were facing a serious unemployment problem. All of them jointly selected a place where the company's registered office would be situated. Along with it, with the advice of business specialists, it was also decided what procedure would be

followed for the issue and allotment of shares. All the friend wanted their company to have a singular recognition, and people should get immediate attraction towards its products. It was felt that the very name of the company could become a reason for its recognition . After a detailed deicussion, the company's names was decided as Trimurti Ltd. Then , the jointly completed all the formalities of the formation of the company .

Identify and explain the two important documents used in the formation of the company quoting the lines from the para which helped you identify these documents .



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2. Ram, Kabir and Gurpreet are three friends who belong to the same village. They have completed their MBA educaton from IIM, Ahmedabad. They want that the country should benefit from their eduction. With this sim they want to do such a business which will generate more employment and output, mobilise local resources, and contribute to balanced regional development . For this they set up a small - scale

industrial unit in their own village .

Do you think they will be able to contribute to the development of rural, backward areas of the country ? Explain .



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Sample Question Paper 4 Section D

1. Vishal Khanna Jewellers does retail business of jewellery at a very larger scale. The firm has to pay a lot of attention to advertisement . The owners of the firm are aware that if they spend more time on advertisement , some other important activities are left pending . One of the partners of the firm suggested that if the job of advertisement is handed over to some Advertising Company, they might be relieved of that important activity. By doing so, they will get benefit of specialisation and their expenditure on this activity will be less also. the firm implemented this, which gave favourable result.

(a) Identify and explain the emerging mode of business discussed in the above para.

(b) Also explain any three other non-core business activities which can be done from outside organisation. .

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Sample Question Paper 4 Section E

1. Discuss any three advantages and any three limitations of partnership.

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2. Define partnership . Describe the various kinds of partners in a partnership firm.

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3. Madhav Sales Pvt. Ltd. owns the agency different food products, which sells goods of different brands to retailers afte purchasing them from

several companies. It purchases almost all goods for cash while its all sales are on credit of one month .. So the company keeps struggling with short term finance . To overcome this problem, the company's finance department held a meeting. The chairperson of the meeting asked the members to express their views on the solution of this problem . The first person said , " we should use a source of finance which does not involve any bureaucracy and legal problem and the market of which maintains secrecy. " The second person's opinion was that the company often needs cash credit and overdraft. Therefore, the source of finance should selected considering this fact. The view of the third person was that the company also should buy goods on credit. The chairperson of the meeting listened to the suggestions of all and , to take the final decision, asked them to be present in a meeting the next week.

Quoting the relevant lines from the above para, identify and explain the sources of finance as suggested by different persons.



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1. In a cooperative society , the principle followed is

- A. One share one vote
- B. One man one vote
- C. No vote
- D. Multiple votes

Answer: B

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2. It is compulsory to get a partnership firm registered . True/False ? Give reason.

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3. The sturcture in which there is separation of ownership and management is called

- A. Sole proprietorship
- B. Partnership
- C. Company
- D. All business organisation

Answer: A:C

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4. A government company is any company in which the paid-up capital held by the government is not less than

- A. 49 per cent
- B. 51 per cent
- C. 50 per cent
- D. 25 per cent

Answer: B

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5. "Steel Authority of India Limited is a public enterprise". Identify this form of organising public enterprises.

- A. Statutory Corporation
- B. Departmental undertaking
- C. Government company
- D. Multi-national corporation

Answer: C

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6. Current account is most suitable for the mobilisation of savings of the public . True/False ? Give reasons.

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7. Formation of consumers' forum and pressure group (e.g., Yahoo group)
is an example of

- A. B2B commerce
- B. B2C commerce
- C. C2C commerce
- D. C2B commerce

Answer: C



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8. Outsourcing

- A. Restricts only to the contracting out of Information Technology Enabled Services (ITES)
- B. Restricts only to the contracting out of non-core business processes.

C. Includes contracting out of manufacturing and R&D as well as services processes - both core and non core- but restricts only to domestic territory

D. Includes off-shoring

Answer: B

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9. Why is equity share capital called permanent capital ?

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10. Why are retained profits called self-financing ?

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11. Working capital is raised through short-term funds. True/False ? Give reason.

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12. Investment limit in plant and machinery for small-scale enterprises is Rs. 5 crores . True/False ? Give reason.

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13. What is the investment limit in plant and machinery for medium manufacturing enterprises ?

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14. In economics, which of the following is not a function of the entrepreneur ?

A. Risk-taking

B. Provision of capital and organisation of production

C. Innovation

D. Day to day conduct of business.

Answer:

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15. The Government of India has defined small industries on the basis of volume and value of output . True/false ? Give reason.

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16. There are four tax slans namely 5 percent, 12 percent , 18 percent and _____ for all goods or services.

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17. Identify the type of fixed shop large retailers in the following cases :

(i) The retailer provides various facilities and services to the consumers such as restaurants , travel and information bureau, telephone booth , rest rooms, etc. Pin to Plane is motto of this retail stop.



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18. Services which wholesalers provide to retailers are _____

A. availability of goods

B. marketing support

C. risk sharing

D. All of these

Answer: D



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19. Which of the following do not come under the fixed shop small retailers ?

- A. Speciality shops
- B. Secondhand goods shops
- C. Peddlers an hawkers
- D. Single in stores.

Answer: C



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20. A receipt issued by the commanding officer to the ship when the cargo is loaded on the ship is known as

- A. Shipping receipt
- B. Mate's receipt
- C. Cargo receipt

D. Charter receipt

Answer: B



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Sample Question Paper 5 Section B

1. Ganga Ltd. is a popular company manufacturing water coolers. Its products is very much liked by people in the market. The traders are in a race to become the company's distributors. The company had been earning huge profits for many years. However , in the year 2018 , the company's half yearly report shows a great decline in the company's profit. The top management is worried about this. A team of specialists from outside is appointed to solve this serious problem. After a through examination , the specialists presented the following reasons for the decline in the profits of the economy .

(i) Increase in competition and change in taste of the consumers .

(ii) Theft of cash and goods by the employees.

Identify and explain the two causes of decline in profits.

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2. Sohan took the life insurance policy of his wife. After one year, the couple got divorced and after two years, his wife met with an accident and died on the spot. Is Sohan entitled to get compensation from the insurance company, if Sohan was regularly paying the premium amount?

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3. Home Foods Pvt. Ltd. Deals in grocery items of daily domestic usage. Its business is spread throughout Delhi. The company's 20 stores are providing their services to the residents of Delhi. All the business activities of this company are done through internet. Its main activities are obtaining information about goods, receiving orders of goods, making payments, receiving payment, inventory management, product development, etc. The use of internet in the business activities has

resulted into reduced costs of business transactions . The customers also can shop sitting at home or office . They can access the internet to buy goods and services . The use of internet has considerably reduced dependence on paper work for the company.

(a) Which system of business is being followed by Home foods Pvt. Ltd . ?

(b) State any two benefits of the system of business identified in (a) by quoting the lines from the above para .



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4. Trinity Ltd. is a company which manufactures blankets. The company needs additional capital for expansion of business. So it issues 50,000 share of the face value of Rs. 100 each. Before issuing shares the management of the company decided that they would issue such share which will not impose any fixed financial charges. In the prospectus they mentioned that in the coming years, the company expected to earn money from the public and the company's business expanded .

Identify and explain the type of shares issued by Trinity Ltd.



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Sample Question Paper 5 Section C

1. Majeet Pvt. Ltd. Is a reputed company manufacturing computers. The company is earning a considerable profit. Both the properietors and the employees are putting their best efforst to make good quality products available to the customers at a low price, paying its shareholders a good amount of dividends and the employees a resonable remuneration . This contributes to the successful operations of the business . With increased profits over time, the company's foundation beomes strong, and it earn a good reputation in the society. It utilises its profits to finance is growth and expansion requirements.

Explain the role of profit in business of Manjeet Pvt. Ltd. by quoting the lines from the above para.



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2. Anshuman was very industrious sales executive with a small herbal cosmetic manufacturer. He earned a good salary and commission on the business he brought for the firm and had very good command over the Delhi market for which he had virtually become indispensable. He was aware of the enviable position he held in the firm and thought aloud :

" The key to success in any business is the sale of its products. The beginning and end of the business cycle is nothing but sale and " other " people working in the factory to manufacture products are mere cogs in the business machine set in motion by sales people. So why carry this burden and get only a tiny share in the prosperity of the firms. ? Instead of others enjoying the fruits of my labour, why should I not start my own business " ?

(a) Should Anshuman take a leap ? Give reason for your answer .

(b) State any three functions Anshuman will perform as an entrepreneur in relation to economic development.



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1. Once upon a time a round of Election to the five Legislative Assemblies of the country was in progress. The different political parties were putting in the best of their efforts to entice the people through their respective promises to them. There were three main political parties contesting elections in the test states . One of the political parties made a promise that if they came into power, they would set up such public sector enterprises in the states which will have the partnership of both the public and the government . However, in these enterprises, the ownership of the government shall not be less than 51% . The setting up of these enterprises is done as per the provisions of the Indian Companies Act, 2013. The financing of these enterprises is done jointly by both , the people and the government . The second political party promised that if they came into power, they would set up such public sector enterprises which will be completely under the ownership of the government . The burden of financing them will not be put on the shoulders of the people , but they will be managed with the general budget . The third political party, which was contesting the elections for the first time promised that on coming into power they would set up

such public sector enterprises which will be fully financed by the government . However , there will no bar to get loan from the people to set up them. They will be set up as per the special Act passed by the Parliament or the State Legislative Assembly.

On the basis of the above para, identify the type of public sector enterprises to be set up to being promised by the three political parties. Also state any two merits of each of them.

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2. With enactment of LIC Act, 1956, an autonomous body, Life Insurance Corporation of the India was formed. The act defines its powers , duties and functions . It has a separate legal entity. It is fully owned by government. It has independent financial policy and can raise funds by borrowing from public and government . However it is not subject to any budgetary accounting or audit control like Railways. It's annual report is presented in parliament every year.

(a) Name the type of public sector enterprises refered to in the above para

(b) State any four features of the public sector enterprises identified in

(a) .



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3. Mr. Debashies is the owner of readymade garments factory. His main motive is maximising the profit. For this he is charging high prices from the customers while supplying low quality products. He does not provide good working conditions to the workers, and does not pay them reasonable remunerations. . Even he id not bother about the pollution caused by his factory. As a result , the efficient employes started leaving the organisation. The government put a heavy penalty for causing pollution, and even the number customers gradually decreased day-by-day.

(a) What do think what is lacking by Mr. Debashish ?

(b) What should be done to resolve the situation / problem ?



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1. Radhika Priya Dasi opened a boutique along with four workers. No problem of any type was faced in opening the boutique . At her boutique special dresses made for marriages and parties are sold. Despite there being a lot of competition in the market , the boutique was earning a good profit . Since all the profit went into her pocket , Radhika Priya Dasi was getting inspired to work with great efficiency . With the increase in workload , the number of workers was increased from 4 to 6 by her. All of them were happy since the business was running successfully. Unfortunately , one day the boutique caught fire due to a short circuit . Consequently, Radhika Priya Desai had to suffer to a heavy loss. The circumstances deteriorated so much that she had to dispose off her personal properties to repay the boutique's debts. In order to revive the boutique, she approached a bank which did not extend a long-term loan to her.

- (a) Identify the form of business organisation discussed in the above para.
- (b) Explain any three merits of the form of business organisation

identified in (a) by quoting the lines from the above para.

(c) Also explain any two limitations of the form of business organisations identified in (a) by quoting the lines from the above para.



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2. Krishna Pvt . Ltd. is facing the shortage of long-term finance as it is a period of depression in the economy. The experts were consulted to determine the source of finance the company should raise. One financial advisor , Mr. Ram , advised that the company should use such a security on which it has a tax advantages and there is no dilution of control of the shareholders. Another finace finance specialist, Mr. Shiv advised that the company should not issue any debt or equity security but raise such a source of long-term finance which can be redeemed in easy instalments. Quoting the relevant line from the above para, identify and explain the sources of finance suggested by the two specialist, Mr. Ram and Mr. Shiv.



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3. A company needs to increase its stock of raw material and finished goods, which will require funds of RS. 40 lakh. What are the various options available with the company to finance this amount ? Explain.



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Sample Question Paper 6 Section A

1. Maximum number of members in a private company can be

- A. 20
- B. 10
- C. 50
- D. 200

Answer: D



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2. Every partner is both principal and agent of the other partners.

True/False ? Give reason. .



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3. How many members must be there in a joint family to carry on Joint Hindu Family Business ?



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4. Centralised control in MNCs implies control exercised by

- A. Branches
- B. Subsidiaries
- C. Headquarters
- D. Parliament

Answer: C

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5. Madhav took a fire insurance policy of Rs.20 lakh for his factory at the annual premium of Rs. 24,000 . In order to avoid premium more than this amount , he did not disclose that highly explosive chemical are being manufactured in his factory. Due to a fire, his factory gets severely damaged. The insurance company refused to make the payment tor claim as it became aware about the highly explosive chemicals . Is Madhav entitled to received the claim ? Give reason in support of your answer.

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6. Which type of deposit account offers maximum interest on the deposits ?

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7. XYZ Ltd. is specialised in consultancy service. The company makes software for a reputed bank of USA . It is specialised in making accounts of that bank. To carry on this work XYZ Ltd. hire professionals like engineers, Cas, etc. , who are very comptent in providing such services.

Identify the type of business services provided by XYZ Ltd.



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8. That an enterprise must behave as a good citizen is an example of its responsibility towards

- A. Owners
- B. workers
- C. consumers
- D. Community

Answer: D



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9. Narayan Traders Ltd. Is a company that deals in the wholesale business of rice . The finance manager of the company , Mr. Radheshyam Das arranges unsecured short-term finance for the company. The rate of interest to be paid on this finance is more than the bank's rate of interest.

Identify the source of finance.

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10. Why is share capital Known as owned funds ?

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11. Why are debentures known as borrowed funds?

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12. All small industries are highly labour-intensive. True/False? Give reason.

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13. What are the parameters used by the government to identify service enterprises?

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14. What is the investment limit in equipment for micro service enterprises?

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15. There are various modes of payments of tax available to the taxpayer, including Internet banking, debit/credit card and _____

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16. Puma stores are network of retail shops owned and operated by Puma Company. These shops operate in different parts of country. One can easily identify these shops in any part of the country as they have same appearance,even their interior is also identical . All the shops are supplied the goods from head office only and all the policies for all branches are made by head office only.

Identify the type of retail store mentioned in above case.



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17. Wholesale trade refers to

- A. Exporting goods and services
- B. Importing goods and services
- C. Buying and selling of goods and services in large quantities in large quantities for the purpose of resale or intermediate use

D. None of the above.

Answer: C



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18. Services which retailers provide to consumers are _____

A. wide selection of goods

B. after-sales services

C. provides credit facilities

D. All of these

Answer: D



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19. Name the large establishment offering a wide variety of products classified into well-defined departments under one roof.

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Sample Question Paper 6 Section B

1. Only sale or exchange of goods/services for profit is business'. Do you agree with the statement? Give reason in support of your answer.

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2. Explain the following banking services:

(i) Bank Draft (ii) Bank Overdraft

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3. What is e-Banking ? Explain any two benefits of e-Banking to customers.



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4. Unique enterprise is dealing in auto spare parts . With the expansion in business the enterprise found that the decisions are delayed and level of coordination is coming down. The CEO of the company called for a meeting of all the managers . Ayush a newly appointed manager suggested that company should have its own internet so that all the employees can interact and pass important information to each other through internet. Even short meeting of different departments can be conducted through Video conferencing to take fast action. The CEO liked the idea and installed an internet connection for connecting all the employees on line.

Which type of e-commerce is suggested by Mr Ayush ? Explain.



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5. Shobit has Rs. 50,000 for investment purpose. Should he invest in equity shares, preference shares, public deposits or debentures ? Justify your answer.



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Sample Question Paper 6 Section C

1. Gopal Sharma and Balram Sharma are two brothers, who inherited some ancestral property. They decided to form a Hindu Undivided Family (HUF) business consisting of four male members. Gopal Sharma is the elder brother. So he became 'Karta' . The business took a loan of Rs. 20 lakh from Punjab National Bank having maturity period of 5 years. Due to poor financial position of the business, they were unable to repay the loan. They sold the ancestral property for Rs. 10 lakh and paid the same to Punjab National Bank. They could not pay the balance amount of loan with interest . The bank filed a case for the purpose of business, therefore, all the members of the business were liable to repay the loan.

The court held that all other members were responsible only to the extent of their share in business, and the business property was already sold. However, Gopal Sharma, being 'Karta' would have to repay the balance amount even by selling his personal properties. Gopal Sharma had to sell some of his personal assets to repay the balance amount of bank loan.

(a) Is the court's decision justified? Give reasons in support of your answer.

(b) State any three other features of HUF businesses.



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2. Explain public deposits and loan from commercial banks as sources of finance.



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1. To overcome the difficulties faced by public transport system, the government of India started the METRO project in which the government involved private sector participation to get the benefits of efficiency of private sector. The project was great success as lakhs of people are enjoying the metro service to move from one place to other.

(a) Identify the type of enterprise mentioned in above para.

(b) Give the features of the type of enterprise identified in (a).



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2. Sony Ltd. is a leader in electronics. It is registered in a company and has its business operations in many countries of world. Its headquarters is in Japan (Tokyo). To manage its branches and subsidiaris in different countries , the company employes trained and professional managers . They always make use of latest technology to remain leader in electronics.

(a) Name the type of enterprise mentioned in the above para.

(b) State the features of such enterprises.



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1. Shreya and Vrinda joined together and established a partnership firm dealing in electronic goods. Each one of them looks after one particular department . They had made it certain that every Saturday they would hold a meeting and share the information on the activities of their respective departments . In one of their meetings, they discuss about some key areas on which they should focus their attentions. Shreya says, " we should focus on increasing the number of products and profits ." On the other hand , Vrinda says , " we should keep clear of the anti-social activities like adulteration , hoarding and profiteering , and contribute to the benefits of the society like opening charitable dispensary, educations institutions , etc.

What are the objectives of business Shreya and Vrinda focusing on ? Explain.



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2. Anshul is a farmer . His elder brother Ankut is an advocate while his father Prinyaka is a clerk in a government office. Name the economic activities in which they are engaged and distinguish among them on any five basis.



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