

**CBSE**  
**Class XI Business Studies**  
**Sample Paper – 1**

**Time: 3 hrs**

**Max. Marks: 90**

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**General Instructions:**

- i. All questions are compulsory.
  - ii. Marks for questions are indicated against each question.
  - iii. Question Nos. **1–8** are very short answer questions carrying **1** mark each. They are required to be answered in one sentence each.
  - iv. Question Nos. **9–14** are short answer questions carrying **3** marks each. Answers to them should normally not exceed **50–75** words each.
  - v. Question Nos. **15–18** are also short answer questions carrying **4** marks each. Answers to them should normally not exceed **150** words each.
  - vi. Question Nos. **19–23** are long answer questions carrying **5** marks each. Answers to them should normally not exceed **150** words each.
  - vii. Question Nos. **24–27** are long answer questions carrying **6** marks each. Answers to them should normally not exceed **200** words each.
  - viii. Answers should be brief and to the point, and the above word limits should be adhered to as far as possible.
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1. Which of the following partners contribute capital to the business but does not take part in any activities of the business? [1]
  - a. Sleeping Partner
  - b. Secret Partner
  - c. Nominal Partner
  - d. All of the above
  
2. Enterprise wherein equipment investment is more than Rs 10 lakhs but does not exceed Rs 2 crore is known as \_\_\_\_\_. [1]
  - a. Micro enterprise
  - b. Small enterprise
  - c. Medium enterprise
  - d. Large enterprise
  
3. What do you understand by the term carting order? [1]
  
4. State a single point of difference between equity shares and preference shares with respect to voting rights. [1]
  
5. Which of the given documents provides the company a distinct legal entity? [1]

- a. Articles of Association
  - b. Prospectus
  - c. Certificate of Incorporation
  - d. Certificate of Commencement of Business
6. Which of the following is/are the feature/s of retail trade? [1]
- a. Sells goods and services directly to the customer
  - b. Maintains personal relations with customers
  - c. Last link of the distribution channel
  - d. All of the above
7. Mr Chandresh is a well-known lawyer of the Supreme Court. On weekends, he attends a nearby village and helps those people to file cases in various courts with respect to any issues they are facing in the area. What type of human activity can be seen here? [1]
8. What are the stages in the formation of a company? [1]
9. An industry situated on the banks of a river is the least bothered about the pollution it is creating. What steps would you like to suggest to the firm to protect the environment from the dangers of pollution? [3]
10. All small industries are highly labour intensive. Give reason. [3]
11. Explain any three major agreements of WTO. [3]
12. Name the form of business apt for the following: [3]
- a. Boutique store
  - b. Shopping mall
  - c. Wholesale merchants
13. If Mr C decided to sell off an old cupboard on an online selling site, would it be considered a business? State the characteristic of business that is being underlined here. [3]
14. In a discussion among various college students, many favoured the fact that business is a profit-making entity. On the other hand, there was hardly anyone who agreed with the fact that it is essentially a social institution. On what basis can it be said that business is essentially a social institution and not merely a profit-making activity. [3]
15. Two college friends Mr A and Mr B studying in the same college decided to venture into business after their graduation. However, both are adamant about the type of company they should form with respect to profits and efficiency. The former is interested in opening a private company, while the latter wants it to be a public company. What would be your advice to Mr A and Mr B? [4]

16. Incorporation of a private company entitles it to certain privileges. Explain these privileges. [4]
17. Hari insures his house against theft for Rs 20 lakhs with insurer A and for Rs 10 lakhs with insurer B. He suffers a loss of Rs 12 lakhs. How much compensation can he claim from both insurers? Give reason. [4]
18. A company needs money to expand its business. However, it does not have the capacity to bear extra financial burden of paying interest. The equity shareholders made it a point not to issue more shares as they feared losing control due to issuance of new shares in the market.
- a. What source of owner's fund is suitable in this case? [1]
  - b. Write any two advantages of this source. [2]
  - c. Mention a disadvantage of this source. [1]
19. State the differences between a large retail showroom and identical retail shops. [4]
20. To ease parking problems in the mega city, Kolkata Municipal Corporation decided to start an underground car parking system. It started in 2007 and is still in operation. The project is a success as it has been able to reduce traffic jams, problems for pedestrians and haphazard and unruly parking of vehicles.
- a. Which type of enterprise is being discussed here? [1]
  - b. Define the type of enterprise mentioned above. [1]
  - c. Mention the features of this enterprise. [3]
21. The Indian Postal Service was founded on the 1<sup>st</sup> of April 1854. The demand for its services was huge 10 years ago. However, nowadays its services are hardly used, but they still continue to offer some facilities even today. State some of those facilities. [5]
22. There is a fund which is contributed by the owner and remains with the company. Also, this fund stays with the company and the company has no liability to repay the fund.
- a. Which fund is being referred to here? [1]
  - b. Explain the types of fund which is identified above. [4]
23. There is a type of product selling business which is carried through newspapers, magazines and circulars.
- a. What type of selling business is being referred to here? [1]
  - b. Explain its usefulness. [4]
24. Mr Pawan had a flourishing domestic business. He decided that he needs to venture into international business. What factors he needs to know before doing so? [6]
25. Small-scale industries compared to large-scale industries have been facing various

problems. Many think that they are on the verge of extinction. What are your opinions regarding the same. Give reasons. [6]

- 26.** Business risk is the possibility of occurrence of losses or insufficient profits because of various unexpected events which cannot be controlled by business. What can be its types and causes? [6]
- 27.** Shopping now has become more of an online process. This is all because of online shopping (e-business) and e-commerce. E-business refers to online business which includes buying and selling of products and services and all the functions which are conducted electronically. E-commerce, on the other hand, means tasks which involve contracting out non-core activities to specialists to gain from their experience, knowledge and efficiency. In light of this definition, explain why both are considered growing trends. [6]