

**CBSE**  
**Class XI Business Studies**  
**Sample Paper – 3**

**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. *Insurance can be taken for a close family member such as spouse or child; however, taking insurance for an unknown person is not acceptable.*  
Which of the following principles of insurance has been referred to above? [1]
  - a. Indemnity
  - b. Insurable interest
  - c. Utmost good faith
  - d. Subrogation
  
2. Which of the following organisations are owned by the government? [1]
  - a. Private sector companies
  - b. Public sector companies
  - c. Global companies
  - d. All of the above
  
3. Lending of funds is not a function of insurance. Give reason. [1]
  
4. What are secondary industries? [1]
  
5. Which of the following parameters measures the size of business? [1]
  - a. Number of people employed in the business

- b. Volume and value of business output
  - c. Power consumption while running various business activities
  - d. All of the above
6. What is entrepôt trade? [1]
- a. Goods imported to be exported to other nations
  - b. Goods produced to be exported to other nations
  - c. Goods produced to be imported
  - d. Goods produced specially for internal trade
7. What is point of sale? [1]
8. Mention any two social objectives of business. [1]
9. What do you understand by the term VIRUS? State its levels. [3]
10. E-business is the new emerging business which works round the clock. Although it does not have any geographical limits, it has certain limitations which hamper its progress. In this regard, state some improvements made in e-business. [3]
11. The environment can be easily and effectively protected by all the people. Elaborate by giving an example. [3]
12. Arun wants to start his business. However, his dad refuses him to do so and asks him to continue with his job. But Arun is adamant about his idea and wants to explain to his dad about the business. Explain business in the given context. [3]
13. All individuals have social and legal responsibilities. Define social responsibility and state how these responsibilities are different from each other. [3]
14. Nikki and her friend Suhana decide to open a partnership firm for their business. Suhana informs Nikki that they need to get their firm registered as a legal formality, but Nikki refuses by saying that it is not mandatory. However, Suhana is determined to get it done. Who do you think is right regarding the registration? [3]
15. Differentiate between licensing and franchising. [4]
16. A form of financing which is provided for more than a year. It is usually provided to those business entities which face shortage of capital.
- a. Which form of financing is being referred to here? [1]
  - b. Draft the sources through which this finance can be raised. [3]
17. Sudhir Pvt. Ltd. has to export goods to a company situated in Hong Kong. In this regard, mention the various formalities which need to be fulfilled for procuring an export

- licence. [4]
- 18.** Business is an economic activity which usually focuses on earning profits. State the various reasons for earning profit. [4]
- 19.** What do you understand by the term financial institution? State any three financial institutions and their objectives. [4]
- 20.** Harjas has a sole proprietorship form of business over the last two decades and has many branches in his area. Now, he wants to spread his wings by opting for a joint stock company.
- a. What would he gain by remaining a sole proprietor? [2]
  - b. How would establishing a joint stock company help him? [2]
  - c. What should his decision be if he decides to spread his wings? [1]
- 21.** World class telecommunications infrastructure is the key to rapid economic and social development of the country. Explain various types of telecom services through which business can be done across continents. [5]
- 22.** At the time of independence, it was expected that the public sector enterprises would play an important role in achieving certain objectives of the economy. In this regard, state the role played by PSUs before 1991. [5]
- 23.** Anil saw industrial development in the backward and hilly areas while visiting his native place. He was surprised and asked his father the reason for the fast development of industries in backward areas. His father explained to him that the government has offered a significant package of incentives to attract industries in backward areas. Explain these incentives. [5]
- 24.** Mr A and Mr B both decided to start a partnership form of business organisation. However, they were unsure about their decision. In this regard, explain three limitations and three merits of partnership. [6]
- 25.** What are consumer cooperative stores? Why is it considered better than other large-scale retailers? [6]
- 26.** Globalisation has connected India with various other countries. It has also resulted in trade all across the world, thereby increasing foreign trade. Discuss India's major trends with respect to foreign trade. Also, jot down the major products which India trades with other countries. [6]
- 27.** What is trade credit and bank credit? Explain their merits and demerits as sources of short-term finance for business enterprise. [6]