

OSDAV PUBLIC SCHOOL, KAITHAL JULY UNIT TEST (2024-25) CLASS -11(BUSINESS STUDIES) Set A

MM-40. Time-1.5 hrs

1	Define Statement in lieu of prospectus.	1
2	"Employees union of Hindustan textiles start a retail store to make daily household articles at reasonable prices available to its members". Identify this form of business organisation.	1
3	Code of conduct exist in —	1
4	What is the maximum no.of partners in a partnership?	1
5	Define partner by estoppel.	1
6	A company can come into existence without A) Electing directors B) Getting certificate of incorporation C) Issuing a prospectus D) All of these	1
7	Application for approval of name of a companies to be made to A) SEBI B) Registrar of companies C) Government of India D) Registrar of firms	1
8	The Indian subcontinent enjoyed the fruits of favourable balance of trade where—exceeds—with large margins.	1
9	Fishing is which type of industry? A) Primary B) Secondary C) Commercial D) Tertiary	1
10	Name the economic activity in which transfer of interest is possible.	1
11	Explain Primary Industry.	3
12	Dhruv, Sarthak and Dheeraj are three partners in a firm. The name of the firm is 'Friends Pustak Bhandar. The latest books of almost all subjects remain available at the Pustak Bhandar. All the three partners decided that 10% of the total profit of the firm would be distributed among the poor children every year. This has a very positive effect on the goodwill of the firm. Dheeraj is a renowned businessman who allowed the use of his name by the firm but does not contribute capital. Sarthak had contributed capital to the firm but does not participate in the management of the firm. Dhruv actively participates in the management and does business on behalf of other partners. Explain what types of partners Dhruy, Sarthak and Dheeraj are in 'Friends Pustak Bhandar.	3
13	Mr. Arjun is a sole proprictor. 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.	3

	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 specialist? Explain with its two specific features.	
14	Differentiate between Preliminary Contracts and Provisional Contracts on any three basis.	3
15	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.	4
16	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 friends 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 discussion, the company's name was decided as Trimurti Ltd. Then, they 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 above para which helped you identify these documents.	4
17	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 subjects like Politics, Demonetisation, Elections, Market prices of diferent goods, etc. There were about fifty persons in this group. One day, instead of other subjects, heir focus of discussion was 'Market Prices of Different Goods. During the discussion, the emphasis laid on the point was that goods become very costly by the time they reach the consumers after getting transported from the producers. Consequently, everyone's 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 requirements 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 characteristic of this society was that apart from its members it also sold goods to the other people of the society at cheaper rates. All of them were very happy with the formation of the society. (a) identify and explain the type 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?	4

	(d) Explain any two merits of the society so formed.	
18	Sridhar is planning to set up a book store in a popular complex in Lucknow. His prime idea of promoting this business is to reinstate the diminishing reading habits among the people of all age groups. The publication of books usually takes place in particular locations. Besides, he also a needs communication facilities so as to enable publishers,traders and consumers exchange information with one another. He is planning to take a loan of Rs.2 lakh from bank for his business. Moreover, he will be using facilities of cheque payment, online payment etc. for various transactions. Considering the fact that his business involves various types of risks and must be protected against fire, theft and other risks. Also, material and goods kept in stock or in transit are subject to the risk of loss or damage. At the same time, employees are also required to be protected against the risks of accident and occupational hazards. Furthermore, he needs to inform and persuade the target market about his business so as to promote his business. In context of the above case: (a) Identify the different auxiliaries to trade which Sudhir will require by quoting the relevant lines. (b) Also, mention the type of utility created by each of these auxiliaries to trade as identified in part(a) of the question.	6



OSDAV PUBLIC SCHOOL, KAITHAL JULY UNIT TEST (2024-25) CLASS -11(BUSINESS STUDIES) Set A(Answer key)

MM-40. Time-1.5 hrs

1	A public company may not invite public to subscribe to its security. Instead it can raise the funds through friends relatives or some private arrangements as done by a private company. Ine sach cases there is no need to issue a prospectus. A statement in prospectus is filed with the registrar of companies at least 3 days before making the allotment.	1
2	Consumer cooperative society	1
3	Profession	1
4	50	1
5	A person is considered a partner by a estoppel if through his or her own initiative ,conduct or behaviour he or she gives an impression to others that he or she is a partner of the firm.	1
6	C) issuing of prospects	1
7	B) Registrar of companies.	1
8	Exports exceeds imports.	1
9	A) Primary	1
10	Business	1
11	Primary industries include all those activities which are concerned with the extraction and production of natural resources and reproduction and development of living organisms plants etc. Primary industries are divided as follows Extractive industries Genetic industries. With explanation	3
12	Dhruv is an active partner. An active partner is one who contributes capital to the firm and takes actual part in carrying out business of the firm on behalf of other partners. He shares profits and losses of the business. He has unlimited liability to the third parties for the repayment of the forms debts. (ii) Sarthak is a sleeping partner. A sleeping partner contributes capital to the firm but does not participate in the management of the firm. He shares profits and losses of the business. He has unlimited liability. (iii) Dheeraj is a nominal partner. A nominal partner is one who allows the use of his name by a firm, but does not contribute capital. He does not take part in management of the firm. He generally does not share profit or losses. He has unlimited liability.	3
13	The business specialist must have advised Mr. Arjun to establish One Person Company (OPC). The Indian Companies Act, 2013 introduces a new type of entity to the existing list, i.e., apart from forming a public or private limited company, the 2013 Act enables the tormation of a new entity a one-person company' (OPC). An OPC means a company with only one person as its member.	3

	T		
		who is an Indian citizen and resident in Indian shall be eligible to incorporate more than one ch company.	
14			3
	Preliminary contract	Provisional contract	
	This contracts are signed by promoters with third parties	This contacts are signed by directors after incorporation but before commencement of business	
	Promoters are responsible for these contracts	Company is responsible for the contract	
	These are signed before incorporation by promoters before companies formed	These contracts are signed after incorporation of a company.	
15	limited liability. The liability of the mem held by them. They are not personally l b) Separate Legal Entity A company is a legal entity distinct from shar	pecause the shareholders of a company have observed is limited to the face value of the shares iable to the debts of the company. The holders directors and promoters. It can carry acts, buy, sell and hold properties, sue and be	4
16	(Situation Clause) Afier a detailed discussion, Ltd." (Name Clause) Memorandum of Association is the principal registered without a Memorandum of Associalife-giving document. Memorandum of Association-graphy as well as the scope of operations of Article of association "it was also decided what procedure would shares." The Articles of Association are the rof a company. The articles define the duties, it	companys registered office would be situated. " the companys name was decided as Trimurti document of a company. No company can be ation; and that is why it is sometimes called a citation defines the powers and objects of the f the company beyond which it cannot operate. If the followed for the issue and allotment of cules for the internal management of the affairs rights and powers of the officers and the board articles of Association are subsidiary to the	4
17	products at reasonable prices become its me the wholesalers and sells goods to the membe (b) The Cooperative Societies Act, 1912. (c) Limited Liability The liability of the members of a cooperative conributed by them as capital. The personal as to repay business debts. (d) MERITS OF COOPERATIVE SOCIETY	e society is limited to the extent of the amount ssets of the members are safe from being used an form a cooperative society. The registration	4

	rnment: Government gives exation, subsidies and low i	all kind of support to cooperative societies interest rates on loans.
Auxiliaries	Utility	Line
Advertisement and communication	Information	He needs communication facilities to to enable publisher ,trader and consumer exchange information with one another
Banking	Finance	He is planning to take loan of ₹ 2 lakh from bank
Insurance	Risk	His business involves various types of risk and must be protected against Fire, theft and other risk



OSDAV PUBLIC SCHOOL, KAITHAL JULY UNIT TEST (2024-25) CLASS -11(BUSINESS STUDIES) Set B

MM-40. Time-1.5 hrs

1	Define Prospectus.	1
2	Name the cooperative society set up to help the small producers in selling their products.	1
3	Business risk is not likely to arise due to A) Changing government policy B) Good management C) Employees dishonesty D) Power failure	1
4	Which of the following does not characterised business activity? A) Production of goods B) Presence of risk C) Sale or exchange D) Salary or wages	1
5	Name the economic activity in which specialised knowledge is required?	1
6	The Indian subcontinent enjoyed the fruits of favourable balance of trade where—exceeds—with large margins.	1
7	How many minimum numbers of members are required to form a cooperative society.	1
8	Define partner by holding out.	1
9	The board of directors of a joint stock company is elected by A) General public B) Government bodies C) Shareholders D) Employees	1
10	A proposed name of companies considered undesirable if A) It is identical with the name of the mother company B) It resembles closely with the name of an existing company C) It is an emblem of Government of India ,United nation etc. D) In case of any of the above.	1
11	The two friends, Soniya and Raman started a business by the name of 'Soniyo Fancy Dress Shoppy. Both of them invested equal capital in the business. At the start of the business, Soniya had placed one condition before Raman that if unfortunately they suffered a heavy loss in their business, she would not be able to give anything except the capital invested in the business. Raman had accepted this condition on the terms and condition that Soniya would not enjoy the right to participate in the management of the firm. Their business was gradually growing well and they were fully satisfied with their business. (a) To what form of business organisation is concerned the above para? (b) Identify and explain the type of the form of organisation identified in (a).	3
12	Manjeet Pvt. Ltd. is a reputed company manufac-turing computers. The company is carning	3

	a considerable profit. Both the proprietors and the employees are putting their best efforts 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 reasonable emuneration. This contributes to the successful operations of the business. With increased profits over time, the company's foundation becomes strong, and it earns a good reputation in the society. It utilises its profits to finance its growth and expansion requirements. Explain the role of profit in business of Manjeet Pvt. Ltd. by quoting the lines from the above para.	
13	Compare the status of a Minor in a joint Hindu Family Business with that in a partnership firm.	3
14	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 ground it into flour. Their flour is available in the 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 para, explain any three characteristics of business.	3
15	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 subjects like Politics, Demonetisation, Elections, Market prices of diferent goods, etc. There were about fifty persons in this group. One day, instead of other subjects, heir focus of discussion was 'Market Prices of Different Goods. During the discussion, the emphasis laid on the point was that goods become very costly by the time they reach the consumers after getting transported from the producers. Consequently, everyone's 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 requirements 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 characteristic of this society was that apart from its members it also sold goods to the other people of the society at cheaper rates. All of them were very happy with the formation of the society. (a) identify and explain the type 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 two merits of the society so formed.	4
16	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.	4

17 Shree Radhey Industries Pvt. Ltd. is a large company which produces agricultural products like sugarcane, cotton, etc. Instead of selling these agricultural products in the market, the company uses these as raw materials to produce sugar and cloth in its own established sugar mill and cloth mill at some rural area where there was a high unemployment. In this way, the company provided employment to about 200 local people. To which type and sub-type of industries are related the different products described in the above para? Explain. 18 Sridhar is planning to set up a book store in a popular complex in Lucknow. His prime idea of promoting this business is to reinstate the diminishing reading habits among the people of all age groups. The publication of books usually takes place in particular locations. Besides, he also a needs communication facilities so as to enable publishers, traders and consumers exchange information with one another. He is planning to take a loan of Rs. 2 lakh from bank for his business. Moreover, he will be using facilities of cheque payment, online payment etc. for various transactions. Considering the fact that his business involves various types of risks and must be protected against fire, theft and other risks. Also, material and goods kept in stock or in transit are subject to the risk of loss or damage. At the same time, employees are also required to be protected against the risks of accident and occupational hazards. Furthermore, he needs to inform and persuade the target market about his business so as to promote his business. In context of the above case: (a) Identify the different auxiliaries to trade which Sudhir will require by quoting the relevant lines. (b) Also, mention the type of utility created by each of these auxiliaries to trade as identified in part(a) of the question.



OSDAV PUBLIC SCHOOL, KAITHAL JULY UNIT TEST (2024-25) CLASS -11(BUSINESS STUDIES) Set B(Answer key)

	·	
1	A prospectus is 'any document described or issued as a prospectus including any notice, circular, advertisement or other document inviting deposits from the public or inviting offers from the public for the subscription or purchase of any securities of, a body corporate'. In other words, it is an invitation to the public to apply for securities (shares, debentures etc.) of the company or to make deposits in the company. Investors make up their minds about investment in a company primarily on the basis of the information contained in this document.	1
2	Marketing cooperative Society	1
3	B) Good management	1
4	D) salary or wages	1
5	Profession	1
6	Exports ,imports	1
7	10 adults members	1
8	Partner by holding out: A partner by 'holding out' is a person who though is not a partner in a firm but knowingly allows himself/herself 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.	1
9	C) Shareholders	1
10	D) in case of any of above	1
11	a)Partnership b)Limited partnership:In limited partnership, the liability of at least one partner is unlimited whereas the rest may have limited liability. Such a partnership does not get terminated with the death, lunacy or insolvency of the limited partners. The limited partners do not enjoy the right of management and their acts do not bind the firm or the other partners.Registration of such partnership is Compulsory	1+2
12	Role of profits i) it is a source of income for business persons, :company is paying good amount of dividend to shareholders and reasonable remuneration to employees (ii) it can be a source of finance for meeting expansion requirements of business :it utilize Profits to finance growth and expansion (iii) it indicates the efficient working of business : This contribute to successful Operations Of business	for eac h role ,½ for

		en as the society's approval of the utility of business, :With ver time ,company foundation become strong and earn good ation of business	line
13	cannot be to the ben partners. 2) His liability and in the 3) He will no firm. Thus	incompetent to enter into a valid contract with others, he come a partner in any firm. However, a minor can be admitted efits of a partnership firm with the mutual consent of all other y will be limited to the extent of the capital contributed by him firm. In the eligible to take an active part in the management of the capital can not be asked to cosses. However, he can if he wishes, inspect the accounts of the	ര
14	Economic Activity	Salman And Ram decided to set up a flour mill to earn income	3
	Procurement and Production of goods	Main job is to purchase wheat From The market and have ground it into flour	
	Earning profit/sale and exchange of goods and services	Sell under brand name Desh ka Atta and earn a reasonable profit of 50%	
	Regular basis	They work hard to florish business on regular basis	
	Elements of risk	Flour mill caught Fire and as a result they had to suffer heavy loss	
	With proper expla	nation	
15	good quality prod goods in bulk dire (b) The Cooperat (c) Limited Liabili The liability of the amount conribute safe from being u (d) MERITS OF	otect the interest of consumer. Consumer desirous of obtaining ducts at reasonable prices become its members. It purchases ectly from the wholesalers and sells goods to the members. ive Societies Act, 1912. Ity e members of a cooperative society is limited to the extent of the ed by them as capital. The personal assets of the members are sed to repay business debts. COOPERATIVE SOCIETY	4
	registration proce	ion: Any ten adult persons can form a cooperative society. The dure is simple involving a few legal formalities. ce: It is a separate legal entity distinct from its members. Death,	

		ernment: Government	ffect its continuity. t gives all kind of support to xation, subsidies and low interest	
16	company have I the face value o to the debts of th b) Separate Legal A company is a legal er	imited liability. The liab f the shares held by the le company. Entity / limited liability htity distinct from shareh in its own name, enter	because the shareholders of a sility of the members is limited to em. They are not perSonally liable holders directors and promoters. It into contracts, buy, sell and hold	
17	concerned with the extra reproduction and develo Use of sugarcane to po Secondary (Manufacture	ractive). These include a action and production of opment of living organism roduce sugar and clot ring): These are concernated at the primary sect	all those activities which are finatural resources and ms, plants, etc h led with using materials, which tor. These industries process	
	The second of th	ous for final consumption	on or for further production	
18	Auxiliaries	Utility	Line	3+3
18			· 	3+3
18	Auxiliaries Advertisement and	Utility	Line He needs communication facilities to to enable publisher ,trader and consumer exchange information	3+3