



R.D. RAJPAL SCHOOL
SESSION 2025-26
MID-TERM EXAMINATION

CLASS: XI
TIME ALLOWED: 3 HOURS

SUBJECT: BUSINESS STUDIES (SET-B)
MAXIMUM MARKS: 80
NO. OF PAGES: 05

General Instructions:

1. This question paper contains 34 questions.
2. All the questions are compulsory.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1. A company manufactures garments. During production, some wastage is released which pollutes the nearby river. Which objective of business is being ignored here? 1
2. Which of the following creates form utility? 1
(a) Commerce (b) Trade (c) Industry (d) Business
3. The maximum number of partners allowed in the partnership business are _____. 1
4. Sneha regularly buys groceries and household items from an online retailer. She prefers this over visiting local stores because she can compare prices, read reviews, and order at any time of the day. Sometimes, however, she feels doubtful about product quality since she cannot physically check the goods before buying. 1
Which limitation of e-business is reflected in Sneha's doubt?
5. Which of the following is an advantage of a debit card over a credit card? 1
(a) No risk of falling into debt (b) Longer repayment period
(c) Higher purchase power (d) Interest-free credit facility
6. Which type of account offers the Overdraft facility? 1
7. **Assertion (A):** The karta in a Joint Hindu Family Business has unlimited liability. 1
Reason (R): The karta is the eldest male member of the family who manages the business.
Options:
(a) Both A and R are true, and R is the correct explanation of A.
(b) Both A and R are true, but R is not the correct explanation of A.
(c) A is true, but R is false.
(d) A is false, but R is true.

8. **Statement I:** Social responsibility includes responsibility towards employees, consumers, shareholders, government, and community.
Statement II: Social responsibility of business is limited only to maximizing profit for shareholders.
- (a) Both Statement I and II are true.
 (b) Both Statement I and II are false.
 (c) Statement I is true, Statement II is false.
 (d) Statement I is false, Statement II is true.

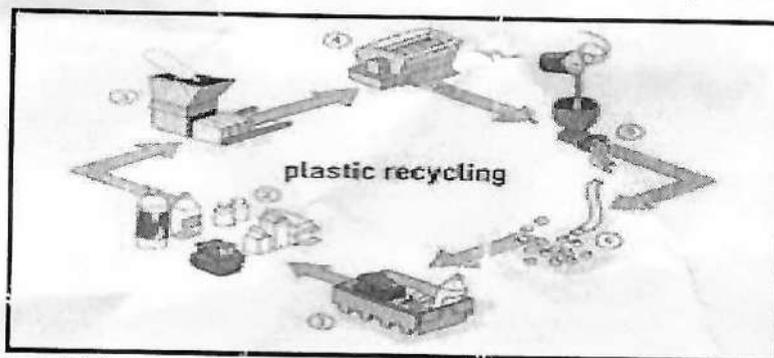
9. Match the following:

Column A (Interest Group)	Column B (Responsibilities)
1. Employees	a. Provide fair wages and safe working conditions
2. Consumers	b. Pay taxes honestly and follow laws
3. Shareholders	c. Provide quality goods and avoid unfair trade practices
4. Government	d. Provide fair return on investment
5. Society/Environment	e. Control pollution and ensure sustainable development

Options:

- (a) 1→a, 2→c, 3→d, 4→b, 5→e
 (b) 1→c, 2→a, 3→e, 4→d, 5→b
 (c) 1→b, 2→d, 3→a, 4→c, 5→e
 (d) 1→d, 2→b, 3→c, 4→e, 5→a
10. When production and consumption of a service take place simultaneously, it is known as:
 (a) Inseparability (b) Intangibility (c) Variability (d) Perishability
11. The main difference between e-commerce and e-business is that:
 (a) E-business includes only buying and selling
 (b) E-commerce is broader than e-business
 (c) E-business includes not only buying & selling but also other business functions
 (d) Both are exactly the same
12. Mr. Singh wants to urgently send confidential tenders from Delhi to Bangalore. He avoids using ordinary post and instead uses a private courier that promises delivery in 24 hours. At the same time, his son living in the USA regularly sends him money through Indian postal money transfer services. The courier service is an example of:
 (a) Government postal service (b) Private postal service
 (c) Insurance service (d) Communication service only
13. **Assertion (A):** E-business transactions can be done 24×7.
Reason (R): E-business operates through physical outlets that remain open throughout the day.
- Options:
 (a) Both A and R are true, and R is the correct explanation of A.
 (b) Both A and R are true, but R is not the correct explanation of A.
 (c) A is true but R is false.
 (d) A is false but R is true.

14. Info system limited is a global leader in technology services. The company enable clients in 45 countries to create and execute strategies for their digital transformation. The company officials follow the vision of "reaching new heights with its people on its side". It not only provides quality products but also provides various facilities to its employees for 5years service. While Info system foundation in India creates opportunities for the underprivileged and strives to build a more equitable society. Is Info system Ltd. following the business ethics? Also define the business ethics. 1
15. When a company uses an internal network to place orders and share information within departments, it is: 1
(a) Intra-Business e-commerce (b) B2C (c) B2B (d) C2C
16. The principle of indemnity does not apply to _____ 1
17. Which of the following is NOT a feature of statutory corporations? 1
(a) Independent legal entity
(b) Government provides initial capital
(c) Freedom from excessive government control
(d) Registered under Companies Act, 2013
18. Which of the following is NOT an advantage of global enterprises to the host country? 1
(a) Availability of advanced technology
(b) Employment generation
(c) Increase in foreign exchange
(d) Complete protection of local small-scale industries
19. A company uses recycling processes to reduce waste. Which responsibility is shown here? 1



- (a) Responsibility towards customers (b) Responsibility towards employees
(c) Responsibility towards environment (d) Responsibility towards shareholders
20. Dell Inc is a company involved in the manufacturing of computers and related items. It's a very popular name among the computer-savvy youth in India. There are different models of Desktop, Laptop, Tabs, Gaming and Workstations manufactured and sold by the company in the Indian market. Which type of Industry is highlighted in the above case? 1
(a) Genetic Industry (b) Extractive Industry
(c) Processing Industry (d) Assembly Industry
21. Distinguish between E-business and Traditional business on the basis of mode of operation, cost and accessibility. 3
22. A business enterprise is owned, managed, and controlled by a government ministry. Its employees are civil servants, and its revenue goes directly to the treasury. Identify the type of enterprise. State any two features of it. 3

23. Eco Power Ltd. was recently incorporated as a public company with the objective of producing solar panels. After obtaining its Certificate of Incorporation, the company now needed funds to set up its factory. For this, the directors issued a prospectus to invite the public to subscribe to 10 lakh shares of ₹10 each. As per SEBI guidelines, the company had to ensure that at least 90% of the issued amount was subscribed. The company received applications for 9.5 lakh shares. The application money was kept in a separate account with a scheduled bank. Since the number of shares applied exceeded the minimum subscription, the company proceeded with allotment of shares. The excess application money was refunded to those who had applied for more shares than allotted. After fulfilling all legal requirements, Eco Power Ltd. applied for and obtained its Certificate of Commencement of Business.
- (a) At what stage of company formation is Eco Power Ltd. operating?
(b) What is the significance of the "Minimum Subscription" rule in this stage?
(c) What was the next step after allotment of shares for Eco Power Ltd.?
24. Info source Pvt. Ltd. is a leading BPO company in India. It has thousands of employees working in customer support, data management, and back-office operations for overseas clients. Since most of its clients are from the USA and UK, employees are required to work night shifts. Initially, young graduates are attracted to the company because of decent starting salaries, but after a few years, problems arise. Employees complain about constant health issues such as sleep disorders, stress, and lack of motivation. Despite working for long hours, they feel they are not getting growth opportunities. Employee turnover has reached 35% annually, and the company's reputation is being questioned by the media. At the same time, Info source continues to earn high profits and expand its operations in other countries. The management, however, seems less concerned about employee welfare, and more focused on reducing cost and maximizing client satisfaction.
- (a) Identify the interest group towards which Info source Pvt. Ltd. is failing in its social responsibilities.
(b) List any four responsibilities of Info source Pvt. Ltd. towards the group identified in part (a).
25. Explain the following types of bank accounts.
- (a) Saving Bank Account
(b) Fixed Deposit Account
26. Why is partnership considered by some to be a relatively unpopular form of business ownership? Give reasons for your answer.
27. Life Insurance Corporation of India (LIC) was established in 1956 by a special Act of Parliament. It has its own legal identity, is financially autonomous, and can sue or be sued in its own name. The initial capital was provided by the Government of India.
- (a) Identify the type of enterprise.
(b) State any three features of this form of enterprise.
28. Eco Foods Pvt. Ltd. is a rapidly growing food-processing company in India. The company initially focused only on producing packaged snacks at low cost to maximize profits. It sourced raw materials from local farmers but often paid them below-market rates. Packaging was done using non-biodegradable plastic, which created environmental concerns. Over time, several issues emerged like Farmer Protests: Farmers supplying raw materials complained of exploitation and demanded fair prices. Environmental Issues: NGOs raised concerns about the company's non-biodegradable packaging that was littering cities and harming animals. Consumer Demands: Educated consumers in India and abroad began preferring healthy, eco-friendly, and ethically sourced food products. Government Pressure: New food safety and packaging laws

required companies to adopt eco-friendly practices. Reputation Problems: Negative media coverage and social media campaigns portrayed Eco Foods as irresponsible and profit-driven.

Realizing the risks, the management of Eco Foods decided to adopt social responsibility as part of its business policy. They started paying farmers fair prices, provided training in modern farming techniques, switched to biodegradable packaging, ensured compliance with food safety standards, and launched CSR programs to provide free meals to underprivileged children.

Within two years, Eco Foods became one of the most trusted brands in the market. Consumers appreciated its eco-friendly packaging, farmers supported the company wholeheartedly, and profits also rose as demand increased.

(a) Which concept of business is shown when Eco Foods shifted from "profit only" to focusing on farmers, consumers, and environment?

(b) Mention any three arguments in favour of social responsibility illustrated by this case.

29. Explain any four objectives of business. 4
30. Write a note on Public Private Partnership. 4
31. Phoenix Technologies Ltd., have developed such a washing machine through years of research which requires very less water for washing clothes and cleans them without damaging the cloth, as compared to other washing machines presently being sold in the market. 6
- This machine uses 3D wash system, whereby there are 3 nozzles to spray water inside the drum while it rotates 360 degrees. This facilitates complete of detergents and deep penetration of detergents into the clothes while washing. During the rinsing stage, the 3D wash system helps better penetration of fresh water in to the clothes, thereby minimizing any detergent traces in the clothes.
- This machine is available at a highly competitive price to motivate people from lower middle class to buy it. The company wants to provide information about new features, price, availability and brand name to the maximum potential customers.
- On the basis of the given information about Phoenix Technologies Ltd., answer the following questions:
- (a) Explain the service facility/ aids to trade which the company can utilize to generate maximum sales.
- (b) Explain other service facility/aids to trade facilitating smooth movement of goods from the producer to the ultimate consumers.
32. Partnership firm can admit different types of partners. Explain the importance of such classification and describe its types. 6
33. Rajesh Sachdeva insured his factory for Rs.45 lakhs against the fire. Due to fire, he suffered a loss of stock worth Rs.24 lakhs. 6
- (a) How much amount can be recovered from the insurance company? Why?
- (b) State the relevant insurance principle in this regard.
- (c) Also explain the principles of subrogation and mitigation.
34. "Scope of e-business is wider than just buying and selling." Explain by giving examples. 6