

शिक्षा निदेशालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली

Directorate of Education, GNCT of Delhi

Suggestive Answers of Practice Paper

कक्षा – XI

Class – XI

व्यवसाय अध्ययन (कोड: 054)

Business Studies (Code: 054)

TERM II (2021-22)

अधिकतम अंक: 40

Maximum Marks: 40

Q. No.	Suggestive Answers	अंक Marks												
1.	International business refers to business which is carried on in two or more nations. It means carrying on business activities beyond national boundaries. These activities normally include the transaction of economic resources such as goods, capital, services (comprising technology, skilled labour, and transportation, etc.), and international production.	2												
2.	Short-term funds are those which are required for a period of not exceeding one year. It is used for meeting the short-term needs of the business. It is also known as working capital. Working capital is the capital required for meeting the day-to-day needs of the business, e.g. purchase of materials and payment of wages, salaries, rent, taxes, freight charges, etc. short-term finance is raised from public deposits, commercial banks, trade credit, factoring, customer advances, etc.	2												
3	Intellectual property (IP) refers to the creations of the human mind, like inventions, literary and artistic works, symbols, names, images and designs used in business. Intellectual property is divided into two board categories: industrial property, which includes inventions (patents), trademarks, industrial designs and geographical indications, while the other is copyrights, which includes literary and artistic works, such as novels, poems, plays, films, musical works, artistic works, such as drawings, paintings, photographs and sculptures and architectural designs.	2												
4	Internal trade can be divided into two distinct categories: <ul style="list-style-type: none"> Wholesale trade Retail trade. 	2												
5	The differences between departmental store and multiple shops are: <table border="1"> <thead> <tr> <th>Basis</th><th>Departmental Stores</th><th>Multiple shops</th></tr> </thead> <tbody> <tr> <td>Location</td><td>Central Place</td><td>Where large customer approach</td></tr> <tr> <td>Range of products</td><td>Wide range of products</td><td>Specified range of products</td></tr> <tr> <td>Services offered</td><td>Maximum service to customer</td><td>Limited service to customer</td></tr> </tbody> </table>	Basis	Departmental Stores	Multiple shops	Location	Central Place	Where large customer approach	Range of products	Wide range of products	Specified range of products	Services offered	Maximum service to customer	Limited service to customer	3
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6	National Small Industries Corporation (NSIC) aims at providing: <ul style="list-style-type: none"> To make available indigenous and imported machines on easy hire-purchase terms. 	3												

	<ul style="list-style-type: none"> • Source, supply, and distribute raw materials, both domestic and imported. • To facilitate the export of the products of small business units. • Mentoring and advisory services. <p style="text-align: center;">OR</p> <p>The District Industries Centers (DICs) give entrepreneurs all of the services and support they need to start small and village industries. The identification of feasible schemes, the preparation of feasibility reports, the organisation of financing, the provision of machinery and equipment, the provision of raw materials, and other extension services are the main functions of these centers.</p>	
7	<p>Three services rendered by retailers to wholesalers or manufacturers are as follows:</p> <ul style="list-style-type: none"> • Help in the distribution of goods Assist in the dissemination of their products by making them available to end-users who may be dispersed across a vast geographic area. As a result, they supply place usefulness. • Personal selling Retailers relieve producers of this work and considerably assist them in the process of actualizing product sales by engaging in personal selling efforts. • Enabling large scale operations Allows them to function at a somewhat large scale, allowing them to focus totally on their other tasks. 	3
8	<p>Yes, it is true that 'Finance is the lifeblood of the business. No business firm can carry on its operation smoothly and successfully without the availability of the right amount of funds at the right cost and at the right time. In the absence of finance, the production and selling of goods and services are not possible.</p> <p>In business, finance is required for:</p> <ul style="list-style-type: none"> • establishing an enterprise • purchase of fixed and current assets • expansion, growth, and modernization of business. <p>In modern business, the significance of business finance has increased due to an increase in the scale of business, use of capital-intensive techniques, shortage of finance, and increase in competition.</p>	3
9	<p>The following are some of the major roles played by small scale businesses in rural India.</p> <ul style="list-style-type: none"> • They generate employment opportunities: Cottage and rural industries play a significant role in providing employment opportunities, particularly to people in rural areas. This proves to be a boon especially for the economically weaker sections of the rural society. • They enable equitable income distribution: The capital requirements of small- scale businesses are low, mainly because of their use of labour-intensive production techniques, and this encourages entrepreneurs to start units on a small scale. Small- scale businesses are, therefore, set up all over the country. Many of them providing employment opportunities to people in rural areas. This triggers the redistribution of wealth and income, and enables the equitable distribution of income in rural areas. • They help to accelerate growth: Small-scale businesses have been considered as a major propeller for the acceleration of economic growth and as an employment generator, particularly 	5

	<p>in the rural and backward areas of India.</p> <ul style="list-style-type: none"> • They mitigate disguised unemployment and alleviate poverty: Small-scale businesses use labour-intensive production techniques, and are, therefore, able to provide employment to the excess/surplus rural labour. Thus, small-scale businesses remove disguised unemployment from the agriculture sector and at the same time provide livelihood to the rural people. Hence, they contribute to alleviating rural poverty. • They facilitate rural development and reduce migration from rural to urban areas: It is well known that a large number of people migrate from rural to urban areas in search of better employment opportunities and improved living standards. Small-scale businesses help reduce this migration by providing employment opportunities to rural people in their own regions. By doing so, small units also help mitigate the excessive pressure on urban infrastructure. 							
10	<p>(a) Multiple store or a chain store.</p> <p>(b) The following are the characteristics of chain stores:</p> <ul style="list-style-type: none"> • The goods are dispatched to each of these shops from the head office, which is located in a reasonably populous area where a significant number of clients may be approached. • The shop is under the direct supervision of a Branch Manager, who is responsible for its day-to-day management. • The head office is in charge of creating policies and ensuring that they are executed. • The prices of goods in such shops are fixed, and all sales are conducted in cash. <p style="text-align: center;">OR</p> <p>(a) Departmental store</p> <p>(b) The following are some of the features of department stores:</p> <ul style="list-style-type: none"> • They draw a huge number of clients due to their central location. • Provides a vast range of items under one roof • Aims to provide maximum services to clients • Organized on a very big scale, allowing them to reap the benefits of large-scale operations, notably in terms of purchasing goods • They spend a lot of money on advertising and other promotional efforts to assist them to increase their sales. 	5						
11	<p>Difference between Equity Share and Preference Share:</p> <table border="1"> <thead> <tr> <th>Basis</th><th>Equity Share</th><th>Preference Share</th></tr> </thead> <tbody> <tr> <td>1. Preferential Right</td><td>Payment of equity dividend is made after the payment of preference dividend.</td><td>Payment of preference dividend is made before the payment of equity dividend.</td></tr> </tbody> </table>	Basis	Equity Share	Preference Share	1. Preferential Right	Payment of equity dividend is made after the payment of preference dividend.	Payment of preference dividend is made before the payment of equity dividend.	5
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1. Preferential Right	Payment of equity dividend is made after the payment of preference dividend.	Payment of preference dividend is made before the payment of equity dividend.						

			They have priority over equity shares.	
	2. Repayment of Capital at Winding-up	Repayment of equity share capital is made after the repayment of preference share capital.	<p>Repayment of preference share capital is made before the</p> <p>repayment of equity share capital.</p> <p>They have priority over the refund of capital.</p>	
	3. Rate of Dividend	The rate of equity dividend may vary from year to year depending upon the profits of the company.	The rate of preference dividend is fixed by the terms of the issue.	
	4. Arrears of Dividend	In the case of equity shares, arrears of dividend cannot accumulate. It fluctuates with profit.	<p>In the case of preference shares,</p> <p>arrears of dividend may accumulate if such shares are cumulative.</p>	
	5. Convertibility	Equity shares cannot be convertible.	<p>Preference shares may be</p> <p>Convertible into equity shares.</p>	

	OR			
	Difference between Share and Debentures:			
	Point of Distinction	Shares	Debentures	
	1. Nature	Part of capital. Owned funds of the company.	It is an acknowledgment of debt.	
	2. Status of Holders	Owners of the company.	Creditors of the company.	
	3. Right to return	Dividends cannot be claimed as a matter of rights.	Interest can be claimed as a matter of right.	
	4. Security	No charge on assets or mortgage as security.	Generally a charge on Assets as security to mortgage.	
	5. Voting rights	Full voting rights	No voting rights and say in the management.	
12	Benefits of International Business To the Nations: 1. Earning of foreign exchange 2. More efficient use of resources 3. Improving growth prospects and employment potentials			5

	<p>4. Increased standard of living</p> <p>To the Firms:</p> <ol style="list-style-type: none">1. Prospects for higher profits2. Increased capacity utilization3. Prospects for growth4. Way out of intense competition in domestic market5. Improved business vision	