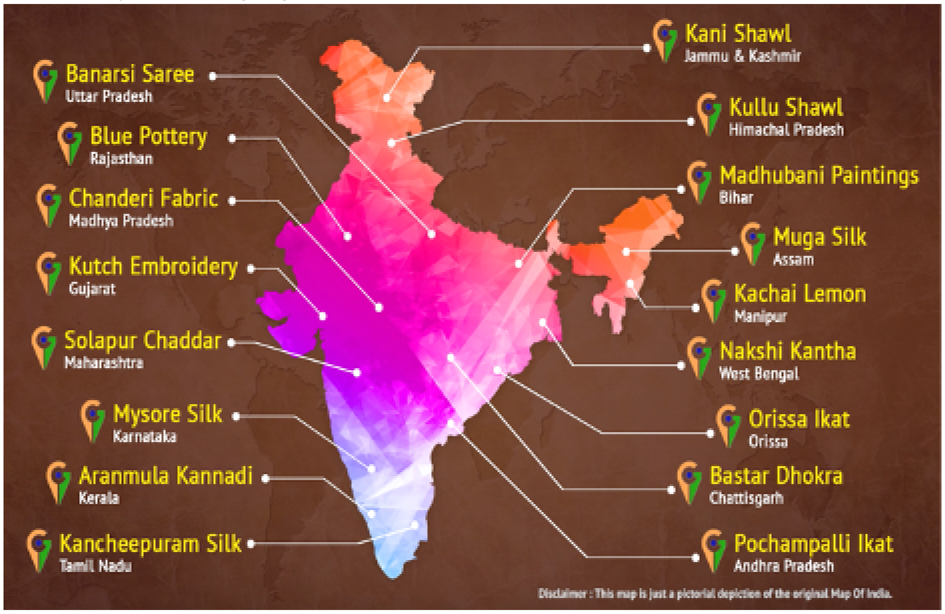
Directorate of Education, GNCT of Delhi
Practice Paper
Annual EXAMINATION (2025-26)
Class – XI
Business Studies (Code: 054)

Time: 3 Hours — Maximum Marks: 80

General Instructions:
1. There are 31 questions in the question paper.
2. All questions are compulsory
3. Question nos. 1 to 20 will carry 1 mark each.
4. Question nos. 21-24 are short answer types–I and will carry 3 marks each.
5. Question nos. 25-30 are short answer type–II and will carry 4 marks each.
6. Question nos. .31-34 are long answer type questions and will carry 6 marks each.
7. There is no overall choice. However, an internal choice has been provided in 2 questions of one mark, 2 questions of three marks, 2 questions of four marks and 2 questions of six marks.

Q.No.	Questions	Marks
1	Samridhi owns an online store that sells handcrafted home décor items across India. During festive seasons, she experiences a huge surge in orders. To ensure timely delivery, she rents a spacious facility near a major transport hub where goods are received from artisans, properly sorted, packed, and kept safely until they are dispatched to customers. The facility also helps her protect the products from damage caused by moisture and theft. However, Samridh has noticed that maintaining this facility adds to her operational costs, and she is considering whether she should continue using it or rely on direct dispatch from artisans to customers. Which Auxiliary related to trade is Samridhi availing by using such a facility? a) Transport b) communication c) Advertisement d) Warehousing	1
2.	A large IT company, **Novasys Solutions**, has developed an internal online platform accessible only to its staff. Through this platform, employees can apply for leave, access salary slips, participate in online training programs, share feedback, and communicate directly with the HR department. The company has also introduced a digital reward system where employees earn points for completing training modules and maintaining good performance, which they can later redeem for benefits. The management believes that this system has improved transparency, efficiency, and employee satisfaction while reducing paperwork and administrative delays.	

	Identify the type of e-business transaction highlighted in the above situation. a) B2B b) B2C c) B2E d) E2B	1
3	**Read the following statements :- Assertion (A) and Reason (R). Choose the correct alternative from those given below:-** **Assertion (A):** Hindu Succession (Amendment) Act,2005 provides coparceny rights to female members of Joint Hindu Family. **Reason (R):** A female can not be a Karta in a Joint Hindu Family Business. a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is true, but Reason (R) is false. d) Assertion (A) is false, but Reason (R) is true.	1
4	**Statement I: Whole sellers generally take the title of the goods and and bear the business risks by purchasing and selling the goods in their own name.** **Statement II: While sellers undertake personal selling efforts, the producers of this activity get relieved.** Choose the correct option from the following – a) Statement I is true and Statement II is false. b) Statement II is true and Statement I is false. c) Both the statements are true. d) Both the statements are false.	1
5	Which of the following statements about *retained earnings* is **true**? a) It refers to the profits distributed among shareholders as dividends. b) It represents the funds borrowed from banks for business expansion. c) It is also called self financing. d) It is the amount received by the company from issuing new shares.	1
6	To promote efficient air transport services across the country, the government established an organization through a special Act of Parliament. The Act clearly defines the organization's powers, objectives, and responsibilities. It enjoys financial independence, has its own legal identity, and can sue or be sued in its own name. The organization's board members are appointed by the government, but it functions independently in day-to-day operations. Identify the type of public enterprise described above. a) Departmental Undertaking b) Government company c) Statutory corporations c) Joint Venture	1

7	See carefully the image given below: -  (Source: https://trifed.tribal.gov.in/node/1460) Identify the type of Intellectual Property Right (IPR) shown in the image above: - a) Patent b) Geographical Indications c) Trademark d) Designs	1
8	**Read the following statements :- Assertion (A) and Reason (R). Choose the correct alternative from those given below:-** **Assertion (A):** Business Persons are expected to have higher standards of ethical behaviour. **Reason (R):** Business Persons, by virtue of having control over society's resources, are allowed to make decisions for the benefit of the society. a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A). b) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A). c) Assertion (A) is true, but Reason (R) is false. d) Assertion (A) is false, but Reason (R) is true.	1
9	To establish any form of business a certain amount of capital is required. Place the "form of business" organisation in sequence according to minimum to maximum amount of capital investment. (a) Private Limited Company, Sole Proprietorship, Partnership, Public Limited Company (b) Sole Proprietorship, Private Limited Company, Partnership, Public Limited Company (c) Partnership, Sole Proprietorship,Private Limited Company, Public Limited Company (d) Sole Proprietorship, Partnership, Private Limited Company, Public Limited Company	1

<table>
<tr><td>10</td><td>Aman runs a small café near a college campus. Most of his customers are students who prefer quick and cashless payments. To make transactions easier, Aman started accepting payments through a mobile application that allows customers to transfer money instantly from their bank accounts using a simple virtual ID or by scanning a QR code. No card details or wallet balance are required, and the money is credited directly to Aman’s bank account within seconds.
Identify the type of digital payment system being used by Aman.
a) Point of sale b) BHIM (Bharat Interface for Money)
c) UPI (Unified Payment Interface) d) Mobile wallets</td><td>1</td></tr>
<tr><td>11</td><td>Which statement is NOT true about “Certificate of Origin"?
a) It specifies the country in which the goods are being produced.
b) It entitles the importer to claim certain tariff concessions.
c) It ensures that only quality goods are exported from the country.
d) This certificate can be obtained from the trade consulate located in the exporter's country.</td><td>1</td></tr>
<tr><td>12</td><td>The major trading communities of Gujrat and Rajasthan region in the ancient times were…
a) Bhats b) Multani Merchant c) Chatt d) Mahajan</td><td>1</td></tr>
<tr><td>13</td><td>Match the Fund in Column-I with its respective meaning in Column-II
<table>
<tr><th>S.No.</th><th>Name of Fund</th><th>S.No.</th><th>Meaning</th></tr>
<tr><td>A.</td><td>Debentures</td><td>1</td><td>Regulated by the Reserve bank of India.</td></tr>
<tr><td>B.</td><td>Loan from Financial Institution/Bank</td><td>2</td><td>Facilitates the purchase of supplies without immediate payment.</td></tr>
<tr><td>C.</td><td>Public Deposit</td><td>3</td><td>Do not carry voting rights.</td></tr>
<tr><td>D.</td><td>Trade Credit</td><td>4</td><td>Source of large funds for longer duration.</td></tr>
</table>
a) A-1; B-2; C-3; D-4 b) A-3; B-4; C-1; D-2
c) A-4; B-2; C-3; D-1 d) A-1; B-3; C-2; D-4</td><td>1</td></tr>
<tr><td>14</td><td>Choose the correct statement about a Small Scale Enterprise as per the MSMED Act, 2006:
a)These enterprises are related to traditional industries.
b) It is a privately owned business that operates on a small scale, with limited investment in plant and machinery and a smaller workforce.
c) MSME status to any enterprise is given on the basis of size of the enterprise.
d) It refers to a business that provides only agricultural services in rural areas.</td><td>1</td></tr>
</table>

15	The Indian Railways operates one of the largest railway networks in the world, connecting thousands of cities and towns across the country. It is managed directly by the Railway ministry , and all major decisions regarding policy, budget, and operations are taken by government officials. The revenue generated from ticket sales and freight transport is deposited into the government treasury, and its employees are considered government servants. Identify the type of public sector enterprise described in the case. a) Joint venture b) Government Company c) Statutory corporation d) Departmental Undertaking	1
16	Which statement is NOT true about Itinerant traders? a) They are small traders operating with limited resources. b) They normally deal in consumer products. c) They have a small size of shop and keep a small inventory of products. d) They make available products at the door steps for the customers.	1
17	Which of the following statements is NOT related to “Business Ethics”? a) It refers to moral values and principles that guide business behavior. b) Top management plays a crucial role to guide the entire organisation towards ethically upright behaviour. c) Ethical business behaviour improves public image. d) Ethical business behaviour brings profits for business in a short period of time.	1
18	Out of the following, which is/are the statements related to Entrepreneurship:- 1. It is a spontaneous activity. 2. It is related to establishment of lawful business 3. It must involve trading ideas. 4. It involves risk-taking 5. It needs negotiation skills to raise resources in the best interest of the enterprise. a) 2,4 and 5 b) 1,2 and 3 c) 2,3 and 4 d) 1,3 and 5	1
19	The shipping company does not issue the bill of lading unless it receives ……… a) Shipping bill b) Mate’s receipt c) Certificate of inspection d) letter of credit	1
20	Statement I: Equity shares are suitable for investors who are willing to assume risk for higher returns. Statement II: Equity shares provide reasonably steady income in the form of fixed return and safety of investment. Choose the correct option from the following – a) Statement I is true and Statement II is false. b) Statement II is true and Statement I is false.	1

	c) Both the statements are true. d) Both the statements are false.	
21	Why are Intellectual Property Rights important for entrepreneurship ?	3
22A 22B	What specific steps can be taken by business enterprises for environmental protection? OR Explain the concept of Business Ethics.	 3
23A 23B	What is Business Risk? Explain its types. OR State any three characteristics of Business Risk.	3
24	Garima runs a small manufacturing unit that produces school uniforms. During the peak admission season, she needs to buy extra raw material and pay temporary workers, but her available funds are insufficient. To meet these short-term financial needs, she approaches his bank. The bank allows him to withdraw money several times within a fixed limit against the security of his unsold stock and raw materials.She has to pay interest only on the amount she actually withdraws, not on the entire limit. Identify the banking service provided by the bank to Garmina and state any two features of this banking service.	3
25	Mr. Arjun owned a textile shop that was insured for ₹10 lakh against fire damage. One night, an electrical short circuit caused a small fire in the storeroom. The fire was later extinguished by the fire department, but the water used during the process ruined most of the fabrics. When Arjun filed a claim, the insurance company agreed to compensate him only for the actual loss suffered, not the total insured amount. Identify and explain the two insurance principles illustrated in the above case.	4
26A 26B	In the absence of this part of commerce, it would not be possible to undertake production activities on a large scale. Identify the part of commerce and explain its types. OR These industries are engaged in producing goods through processing of the raw material and thus creating form utilities. Identify the type of industry. Explain any of its three types	4
27	A well-known automobile company headquartered in Japan has set up its manufacturing units in India, Thailand, and Brazil. The company uses advanced technology and modern production systems across all its branches to maintain uniform quality standards. Its Indian unit not only assembles vehicles but also exports them to several neighboring countries. The company invests heavily in advertising and research, and its brand is recognized across the world. You are required to answer the following questions based on above case :- a) Identify the type of business organisation given in the above case. b) Explain any of its three features.	4

28A 28B	State the meaning of Business Finance. Give any three importance of business finance. OR State the meaning of Borrowed funds. Explain any one kind of borrowed funds.	4
29	A large textile company located near a small town has been operating successfully for over two decades. Recently, it began using eco-friendly dyes and set up a waste treatment plant to prevent water pollution. The company regularly pays its taxes on time and follows all legal regulations related to labour and environment. It also constructed a public park and funds a local school to promote education for underprivileged children. You are required to answer the following questions based on above case :- a) Identify two groups of stakeholders towards whom the company is fulfilling its social responsibilities. b) Mention any two responsibilities of business towards these groups.	4
30	Explain the following documents related to International Trade:- a) Letter of credit b) Indent	4
31	State the meaning of the World Trade Organization(WTO). Enlist the objectives of the World Trade Organization(WTO).	6
32A 32B	State the following features of Cooperative societies:- a) Voluntary membership b) Legal status c) Limited liability d) Control OR State the following merits of cooperative societies:- a) Equity in voting right b) Limited liability c) Stabile existence d) Economy in operations	6
33	Ravi, a software engineer, has designed a mobile app that helps farmers connect directly with buyers to sell their produce at fair prices. To convert his idea into a full-scale business, he needs financial support. He shares his idea on an online platform where several small contributors show interest in supporting his project. At the same time, a successful entrepreneur, impressed by Ravi's innovation, offers to invest in his business in exchange for a small ownership share and mentorship. Ravi is also exploring the possibility of taking a short-term loan from a bank to meet initial expenses. Identify and explain the three different sources of finance Ravi is considering for his business.	6
34A	What are departmental stores? Explain its distinctive features. OR	

34B	What are chain stores? Explain its distinctive features.	6