



# B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS  
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL



## ANNUAL EXAM 2025-26 BUSINESS STUDIES (054)

### Marking Scheme

Class: XI

Date: 20.02.2026

Admission no:

SET\_B

Time: 3 Hrs

Max Marks: 80

Roll no

1.	(B) Profit earning	(1)
2.	(D) Statement 1 is incorrect but Statement 2 is correct <b>OR</b> (C) Statement 1 is correct but Statement 2 is incorrect	(1)
3.	(C) Sole Proprietorship	(1)
4.	(A) Both Assertion (A) and Reason (R) are true and R is the correct explanation of A	(1)
5.	(A) Inventory	(1)
6.	(C) Bharat Interface for Money <b>OR</b> (B) Automatic Till Machine	(1)
7.	(B) Business to Business and Business to Customer	(1)
8.	(C) Option i), ii) and iv)	(1)
9.	(D) Statement 1 is incorrect but Statement 2 is correct	(1)
10.	(C) Only (A) is correct but (R) is not correct	(1)
11.	(B) Customers <b>OR</b> (A) Shareholders	(1)
12.	(B) Indian Developmental Bank of India	(1)
13.	(C) Easily available	(1)
14.	(B) Employment generation <b>OR</b> (B) Assertion (A) is false, but Reason (R) is true.	(1)
15.	(B) i) b), ii) a); iii) c)	(1)
16.	(A) Goodwill	(1)
17.	(C) It is expect to remove ease of doing business	(1)
18.	(D) Street trader	(1)
19.	(A) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).	(1)
20.	(C) General Agreement on Tariff and Trade <b>OR</b> (D) Directorate General Foreign Trade	(1)

21.	<p>On the basis of Geographical area Trade is classified into Internal and External Trade  Internal Trade is further classified into a) Wholesale Trade      b) Retail Trade  External Trade is further classified into a) Import Trade      b) Export Trade      c) Entrepot Trade</p> <p style="text-align: center;"><b>OR</b></p> <p>Aids to trade or auxiliaries to trade are those activities which facilitate the purchase and sale of goods. They are generally referred as services.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Aids to Trade</td> <td style="width: 50%;">Hindrances removed</td> </tr> <tr> <td>Banking</td> <td><b>Finance</b></td> </tr> <tr> <td>Insurance</td> <td><b>Risk</b></td> </tr> <tr> <td>Transportation</td> <td><b>Place</b></td> </tr> <tr> <td>Advertising</td> <td><b>Information</b></td> </tr> <tr> <td>Warehousing</td> <td><b>Time</b></td> </tr> </table>	Aids to Trade	Hindrances removed	Banking	<b>Finance</b>	Insurance	<b>Risk</b>	Transportation	<b>Place</b>	Advertising	<b>Information</b>	Warehousing	<b>Time</b>	<b>(3)</b>
Aids to Trade	Hindrances removed													
Banking	<b>Finance</b>													
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Transportation	<b>Place</b>													
Advertising	<b>Information</b>													
Warehousing	<b>Time</b>													
22.	<p>Joint Venture  It can be formed in three different ways  i) Transfer of Business to New Company  ii) New Joint Venture Company  iii) Collaboration of existing Indian company with other party</p>	<b>(3)</b>												
23.	<p>Ans: Outsourcing is needed or its required due to the following  i) Focusing of Attention; ii) Quest for Excellence; iii) Cost reduction; iv) Growth through Alliance  v) Boost to Economic Development</p>	<b>(3)</b>												
24.	<p>Problems of Small Business faced by Anita:  <b>Finance:</b> Small businesses often face difficulty in obtaining adequate funds as banks consider them less creditworthy. Anita struggles to arrange capital for her unit.  <b>Marketing:</b> Lack of resources and expertise makes it hard to promote products effectively. Anita cannot reach wider markets despite demand.  <b>Technology:</b> Small businesses cannot afford modern machinery, leading to lower productivity and higher costs.  <b>Manpower:</b> Skilled workers prefer urban jobs, so Anita faces shortage of trained employees in her rural unit.</p>	<b>(3)</b>												
25.	<p><b>a) Merits of Joint Stock Company:</b>  <b>Large Capital Resources:</b> A company can raise huge funds by issuing shares to the public. This suits Rajeev and Sanjeev’s project which requires heavy investment.  <b>Limited Liability:</b> Shareholders’ liability is limited to the value of shares they hold. Their personal assets remain protected.  <b>Professional Management:</b> Companies appoint qualified and experienced professionals to manage operations, ensuring efficiency in a complex industry like renewable energy.  <b>Transferability of Shares:</b> Shares can be easily transferred, which provides liquidity to investors and attracts more people to invest.</p> <p><b>b) Benefit of Limited Liability:</b> If the company suffers losses, the owners will not have to use their personal wealth to pay off debts. Their risk is restricted only to the amount they invested in purchasing shares.</p>	<b>(4)</b>												
26.	<p>Ans: Departmental Undertaking  Features  i) Finance: It is financed by the government through allocations of funds from the Annual budget. Revenue earned by it is paid into the treasury.  ii) Accounting Systems: It is subject to accounting and audit controls as applicable to other Government activities.  iii) Management: It is managed and controlled by a government department subject to direct control of the concerned ministry.  iv) Accountability: The employees are accountable to the concerned Minister, who is ultimately responsible to the parliament.  v) Appointment of employees: Made through UPSE and SSB these undertakings are headed by IAS officer and Civil servants.</p>	<b>(4)</b>												

27. Noise pollution. The other three types of pollution: Land(Soil) pollution; Water pollution and Air pollution.
- i) Noise pollution: This is caused by loud machines, firecrackers and vehicles. It is a serious health hazard. It can be responsible for hearing loss, mental disorder, rise in chance of heart attack.
- ii) Air pollution: It is the contamination of the air by the discharge of harmful substances. The main causes of such pollution is discharge of CO by automobiles and smoke and other chemicals from various manufacturing plants. Air pollution has resulted in ozone depletion. It has lead to climate change and global warming.
- iii) Water pollution: This is caused when harmful chemicals and toxic waste is dumped into some water source. These toxic materials get dissolved into water and cause lot of health issues to animals and humans. It can also cause death.
- iv) Land pollution: Dumping of toxic wastes results into land pollution. It degrades the quality of soil and makes it unfit for cultivation or plantation.
- OR**
- OWNERS**
- i) Provide fair return on their capital invested.
- ii) To ensure safety of such investment.
- iii) To provide regular, accurate and complete information of the working conditions.
- iv) To provide information regarding schemes of future growth.
- GOVERNMENT**
- i) To abide by rules and regulations of the country
- ii) To pay taxes regularly
- iii) To adopt fair trade policies and practise
- iv) To assist the government in achieving the economic and social objectives.

28.

Product Name	State	Date of GI Registration
Pochampally Ikat	Telangana	31 December 2004
Kangra Tea	Himachal Pradesh	11 August 2005
Bhagalpuri Silk	Bihar	17 March 2009
Phulkari	Punjab	3 December 2010

ii) Ans: A start –up is a business entity

i) Incorporated and registered in India

ii) Not older than 10 years

iii) Whose annual turnover does not exceed Rs.100 crore in any preceding year

iv) Working towards innovation, development or commercialisation of products/service/process driven by technology or IPR and patents.

**OR**

Trademark is any word, name or symbol that helps to identify the goods made by an individual, company or organisation.

They are able to

i) Differentiate the goods of one company from another.

ii) Help in knowing many things about a company’s reputation, goodwill, products and services

It is categorised into i) Conventional and ii) Non- conventional Trademark.

Patent: It is a type of IPR which protects the scientific inventions which shows technical advancement over already existing products. It is an exclusive right granted by the Government which provides the exclusive right to exclude all others and prevent them from making, using, offering for sale, selling or importing the invention.

29.

Basis	Departmental Stores	Multiple Shops
Range of products	Deals in a variety of products all needs customers	Specialised deals in only one line of products.
Pricing	Do no have uniform pricing. Discounts are offered to clear stocks	Fixed pricing to maintain uniform pricing policies for all shops.
Class of Customers	Higher income group	All income group
Risk	More as its only one shop	Low as risk is divided

30.	i) Mate's Receipt; ii) Shipping Bill; iii) Shipping Order; iv) Bill of Lading; v) Airway Bill; vi) Marine insurance policy; vii) Cart Ticket; viii) Consular Invoice	(4)
31.	<p>a) The first picture shown mobile banking and the second shows QR code</p> <p><b>Mobile banking</b> is performing banking activities using mobile its very popular and fits with the busy modern lifestyle. Any individual who has a bank account and a valid mobile connection and a mobile can perform mobile banking. All banking activities like transfer of funds, making payments, checking account balance can be done using mobile and not going to the bank physically.</p> <p><b>QR code or Quick response code</b> helps in accepting digital payments without investing any hardware. It is a two dimensional code, which has a pattern of black and white squares arranged in a square grid. One can scan QR code by mobile (smart phone) and can make the payment</p> <p>b) <b>i) Principle of Contribution:</b> When an insured takes policies from more than one insurer for the same risk, and a loss occurs, all insurers contribute proportionately to the claim. This prevents the insured from making a profit out of insurance and ensures fairness among insurers.</p> <p><b>ii) Calculation of Contribution:</b>  Total sum insured = Rs.30 lakh (Policy A) + Rs. 20 lakh (Policy B) = Rs.50 lakh  Loss suffered = Rs.20 lakh  Contribution is calculated proportionately:  Policy A's share = <math>(30/50 \times 20) = \text{Rs.}12 \text{ lakh}</math>  Policy B's share = <math>(20/50 \times 20) = \text{Rs.} 8 \text{ lakh}</math>  <b>Therefore, Company X will pay Rs.12 lakh and Company Y will pay Rs.8 lakh.</b></p> <p style="text-align: center;"><b>OR</b></p> <p>a) Savings Account; Current Account; Fixed Deposit Account and Recurring Deposit Account. 4.3  b) A/c Payee crossed cheque is shown.  The cheque can be dishonoured under following conditions  i) If the number in figure and words do not match  ii) If the sign does not match.  iii) The money in the account is not enough (insufficient funds)  iv) Date is fancy</p>	(6)
32.	<p>Ans: The entire earnings of a company are not distributed as dividend among shareholders. A reasonable part of it is retained as reserves or surplus. the part of profit which is not distributed and is kept for future use is called retained earnings.</p> <p>It is also known as Internal Financing, Self- financing or Ploughing back of profits.</p> <p>Features:</p> <p>i) Dependable source: A company does not have to depend on investors. It is a source of permanent fund.  ii) Economical: It does not involve any interest or dividend payment.  iii) No Dilution of Control  iv) Conversion into share capital: can be converted to equity share through issue of bonus shares  v) Medium and Long term finance  vi) Ability to absorb shocks of business; vii) Enhance market value of shares; viii) Stability of dividend</p>	(6)
33.	<p>Ans: Mail order houses represents that form of retailing in which business transactions are conducted through postal communication, without any personal contract with the buyers.</p> <p>Suitability of goods</p> <p>i) Goods should not be perishable or bulky.  ii) Goods should be graded and standardised  iii) Goods can be easily transported at low cost  iv) Goods should have ready demand in the market  v) Goods should be available in large quantity throughout the year.  vi) goods should be capable of easy description.</p> <p>Merits:</p> <p>i) Limited capital requirement; ii) Elimination of middlemen; iii) Absence of Bad Debt; iv) Wide Reach  v) Convenience</p> <p><b>OR</b></p> <p>a) A wholesaler is a person involved in wholesale trade. A wholesaler links a manufacturer with a retailer. In a wholesale trade goods are purchased in bulk from the manufacturers and sold it to retailers.</p> <p>Four function i) Grading of Products; ii) Packing into smaller lots; iii) Storage and Transportation; iv)</p>	(6)

Promotion of goods and v) collection of market information

The wholesaler provides financial assistance to both the producer/manufacturer by giving them advance to and also buying the entire lot in cash. They grant credit to retailers, this helps the retailers to manage their business with less working capital.

b) (Hint : Take production units 0, 100, 200, 500 and 1,000 and Fixed cost Rs.1,00,000 and Variable Cost Rs.100 p.u.)

Units	Fixed Cost	Variable Cost @ 100	Total Cost	Average Cost
0	1,00,000	0	1,00,000	
100	1,00,000	10000	1,10,000	1,100
200	1,00,000	20000	1,20,000	600
500	1,00,000	50000	1,50,000	300
1,000	1,00,000	1,00,000	2,00,000	200

It is clearly seen that as the production increase the cost per unit decrease.

34.

**No**, there are various steps involved in customs clearance and release of goods they are

- i) **Delivery Order:** After the ship arrives at the port of destination an Endorsement of Delivery or Delivery Order from the shipping company is obtained. This documents enables the importer to take delivery after the payment of freight.
- ii) **Payment of dock charges:** The importer is required to submit two copies of filled application to the Landing and Shipping Dues office. The dock charges are collected and one copy of the application known as the Port Trust Dues Receipt is given back to the importer.
- iii) **Bill of Entry:** Complete details of the goods imported are declared in the Bill of Entry to be submitted in triplicate. This is done to assess the customs import duty.
- iv) **Payment of import duty:** The importer is required to submit one copy of Port Trust Dues Receipt and two copies of Bill of Entry along with other required documents to the Customs Authorities and make payment of import duty.
- v) **Release order:** After the payment of import duty the bill of entry is marked an examiner is asked to physically examine the imported goods. After the examination is done only then a Release Order is given after receiving the necessary charges.

(6)

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