



B.K. BIRLA CENTRE FOR EDUCATION

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

TERM -1 EXAMINATION 2026-27 BUSINESS ADMINISTRATION (833) SET – 2

Class: XI
Date: 31/08/2026
Admission no:

Time: 3 hrs
Max Marks: 60
Roll no:

General Instructions:

1. Please read the instructions carefully.
2. This Question Paper consists of 24 questions in two sections – Section A and Section B.
3. Section A has Objective type questions whereas Section B contains Subjective type questions.
4. Out of the given (6 + 18 = 24) questions, candidate has to answer (6+11=17) questions in the allotted (maximum) time of 3 hours.
5. All questions of a particular section must be attempted in the correct order.

SECTION A - OBJECTIVE TYPE QUESTIONS

Q1. Answer any 4 out of the given 6 questions. (4 x 1= 4)

(i) Meera started baking cakes from home two years ago. She receives orders every week from nearby residents, keeps a record of her customers, buys raw materials regularly, and earns income by selling cakes throughout the year.

Based on the above situation, identify the characteristic of business that is best reflected. [1]

- (a) One-time activity (b) Continuous/recurring activity
(c) Personal hobby (d) Social service

(ii) Meera prepares cakes every day based on expected customer demand. Sometimes, a few cakes remain unsold, resulting in a financial loss. Despite careful planning, she cannot always predict customer preferences accurately. [1]

The possibility of Meera incurring losses due to unsold stock illustrates which feature of business?

- (a) Production of goods and services (b) Uncertainty of return
(c) Element of risk (d) Sale or exchange of goods

(iii) Shama's aim of earning profit from her bakery classifies her activity as a/an: [1]

- (a) Economic activity (b) Non-economic activity
(c) Recreational activity (d) Charitable activity

(iv) If Ajita had baked cakes only for a charity event, without any intention of earning profit, this activity would be classified as: [1]

- (a) Business (b) Profession
(c) Non-economic/social activity (d) Employment

(v) Which of the following best differentiates business from employment? [1]

- (a) Business requires investment of capital and bearing of risk; employment does not
(b) Employment always earns a higher income than business
(c) Business never requires any skill (d) Employment involves risk-bearing

(vi) Besides profit earning, the objectives of business also include: [1]

- (a) Only maximising the owner's personal wealth

- (b) Consumer/customer satisfaction and social welfare
- (c) Avoiding payment of taxes (d) None of the above

Q2. Answer any 5 out of the given 7 questions. (5 x 1 = 5)

(i) Business environment refers to: [1]

- (a) The internal policies of a firm only
- (b) All the external forces that affect the working of a business
- (c) Only government rules (d) Only the competitors of a firm

(ii). A fall in the purchasing power of consumers due to inflation affects business through which environment? [1]

- (a) Economic environment (b) Technological environment
- (c) Political environment (d) Natural environment

(iii) Which of the following is NOT a feature of business environment? [1]

- (a) Dynamic in nature (b) Uncertain in nature
- (c) Predictable with complete accuracy (d) Consists of inter-related components

(iv) New labour welfare laws passed by the government affect business through the: [1]

- (a) Technological environment (b) Legal environment
- (c) Natural environment (d) Social environment

(v) A growing consumer preference for eco-friendly products is an example of a change in the: [1]

- (a) Political environment (b) Social environment
- (c) Legal environment (d) Economic environment

(vi) **Assertion (A):** Understanding the business environment helps firms identify opportunities and threats. [1]

Reason (R): Business environment consists only of internal factors, such as men, money and machines.

- (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

(vii) Aarav wants to buy a new laptop for college. Before making the purchase, he compares different brands, prices, features, warranty, and customer reviews at several stores and websites before selecting one. [1]

Based on the above situation, which of the following is an example of a shopping good?

- (a) Salt (b) Match box
- (c) Laptop (d) Milk

Q3. Answer any 6 out of the given 7 questions. (6 x 1 = 6)

(i) Riya visits a shopping mall only to spend time with her friends. While walking through the stores, she notices a "Buy One Get One Free" offer on handbags and decides to buy one. [1]

- (a) Loyal customer (b) Wandering customer
- (c) Impulsive customer (d) None

(ii) Which characteristic of services means that their production and consumption occur simultaneously? [1]

- (a) Intangibility (b) Inseparability
- (c) Perishability (d) Heterogeneity/variability

(iii) Industrial goods used as raw material for further production, such as cotton used by textile mills, are classified as: [1]

- (a) Consumer goods (b) Producer/industrial goods
(c) Specialty goods (d) Convenience goods

(iv) Variability/heterogeneity, as a feature of services, means that: [1]

- (a) Services are identical every time they are rendered
(b) The quality of service may vary from one provider/occasion to another
(c) Services can be stored for future use
(d) Services can be owned like goods

(v) Which form of organisation is generally best suited for a business requiring moderately large capital, diverse skills and shared risk? [1]

- (a) Sole Proprietorship (b) Partnership
(c) One Person Company (d) None of these

(vi) The liability of members in a Joint Stock Company is generally: [1]

- (a) Unlimited
(b) Limited to the extent of the unpaid amount on shares held
(c) Zero under all circumstances
(d) Joint and several, as in a partnership

(vii) Which of the following is true about a Cooperative Society? [1]

- (a) It is formed to earn maximum profit for a few members
(b) It works on the principle of mutual help and welfare of members
(c) Voting rights are based on the number of shares held
(d) It always has unlimited liability

Q4. Answer any 5 out of the given 6 questions. (5 x 1 = 5)

(i) Continuity/perpetual succession is a feature most commonly associated with: [1]

- (a) Sole Proprietorship (b) Partnership
(c) Joint Stock Company (d) HUF business

(ii) **Assertion (A):** A sole proprietorship enjoys quick and flexible decision-making. [1]

Reason (R): There is a single owner who takes all decisions without needing to consult anyone else.

- (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

(iii) Read the following passage and answer Question Nos. iii to vi on the basis of the same:

A group of promoters planned to set up a new manufacturing company. They first conceived the business idea and arranged initial resources (Promotion stage). They then filed the necessary documents with the Registrar of Companies and received a certificate confirming the company's legal existence. Being a public company, they later issued a document inviting the public to buy shares, and after collecting the minimum subscription, obtained permission to commence business operations. [1]

The stage in which the promoters conceive the business idea and assemble initial resources is called:

- (a) Incorporation (b) Promotion
(c) Capital subscription (d) Commencement of business

(vi) The certificate received confirming the company's legal existence is the: [1]

- (a) Certificate of Incorporation (b) Certificate of Commencement of Business
(c) Prospectus (d) Memorandum of Association

(v) The document issued by the public company inviting investors to subscribe for its shares is the:

- (a) Articles of Association (b) Prospectus [1]
 (c) Partnership Deed (d) Memorandum of Association
- (vi) A public company can commence its business operations only after obtaining the: [1]
 (a) Certificate of Incorporation only (b) Certificate of Commencement of Business
 (c) Partnership Deed (d) None of these

Q5. Answer any 5 out of the given 6 questions. (5 x 1 = 5)

- (i) Which document lays down the relationship of the company with outsiders and defines its objectives? [1]
 (a) Articles of Association (b) Memorandum of Association
 (c) Prospectus (d) Partnership Deed
- (ii) In the absence of a Partnership Deed, profits among partners are shared: [1]
 (a) According to capital contributed by each partner (b) Equally among all partners
 (c) According to the number of years spent in the firm (d) As decided by the eldest partner
- (iii) Registration of a partnership firm under the Indian Partnership Act, 1932 is done with the: [1]
 (a) Registrar of Companies (b) Registrar of Firms
 (c) SEBI (d) RBI
- (iv) The minimum number of members required to form a Public Company under the Companies Act, 2013 is: [1]
 (a) 2 (b) 7
 (c) 1 (d) 3
- (v) Which form of business organisation is based on voluntary membership and is formed mainly for the welfare/mutual benefit of its members? [1]
- (vi) A partner who lends his name to the firm without having any real interest in the business is known as a: [1]
 a) Active partner b) Sleeping partner
 c) Nominal partner d) Secret partner

Q6. Answer any 5 out of the given 6 questions. (5 x 1 = 5)

- (i) Which of the following is NOT a key area of business operations? [1]
 a) Location b) Process/Layout
 c) Organisation structure d) Personal hobbies
- (ii) Importing goods with the intention of re-exporting them, rather than for domestic consumption, is known as: [1]
 a) Import trade b) Export trade
 c) Entrepot trade d) Internal trade
- (iii) "A firm procures money, machinery, material and manpower from its environment, including financiers, government and suppliers." Which importance of business environment is highlighted by this statement? [1]
 a) It helps in tapping useful resources b) It helps in coping with rapid changes
 c) It helps in policy formulation d) It helps identify threats and early warning signals
- (iv) A private company that has just been incorporated wants to start its business operations immediately. Which additional certificate, if any, must it obtain before commencing business? [1]
 a) Certificate of Incorporation b) Certificate of Commencement of Business
 c) No additional certificate is required d) Trade licence only
- (v) "Members may come and members may go, but the company continues to exist." This statement highlights which feature of a joint stock company? [1]

(vi) Who undertakes the overall management and control of the affairs of a company on behalf of its shareholders? [1]

- a) The Board of Directors
- b) Departmental Heads
- c) The Managing Director alone
- d) The Company Secretary

SECTION B – SUBJECTIVE TYPE QUESTIONS (30 Marks)

Answer any 3 out of the given 5 questions in 20–30 words each. (3 x 2 = 6)

- Q7. State any two features of business environment. [2]
- Q8. State any two points of difference between goods and services. [2]
- Q9. State any two merits of Sole Proprietorship as a form of business organisation. [2]
- Q10. State any two merits of a Joint Stock Company as a form of business organisation. [2]
- Q11. State any two contents generally included in a Partnership Deed. [2]

Answer any 3 out of the given 5 questions in 20–30 words each. (3 x 2 = 6)

- Q12. Explain two objectives of business, other than profit earning [2]
- Q13. Explain the concept of Product Life Cycle and briefly describe its stages. [2]
- Q14. 'Business environment offers both opportunities as well as threats.' Do you agree with the given statement? Briefly discuss with the help of an example. [2]
- Q15. Enumerate the meaning of the following classifications of consumers:
(i) Loyal consumers (ii) Discount consumers. [2]
- Q16. What is a Partnership Deed? State its main contents. [2]

Answer any 2 out of the given 3 questions in 30–50 words each. (2 x 3 = 6)

- Q17. Discuss any four features of business environment [3]
- Q18. Explain any four features of a Cooperative Society as a form of business organisation [3]
- Q19. Explain the four stages involved in the formation of a Joint Stock Company. [3]

Answer any 3 out of the given 5 questions in 50–80 words each.

- Q20. Discuss any four advantages of sole proprietorship. [4]
- Q21. Explain the main constituents of the legal environment and its impact on business, with examples. [4]
- Q22. Explain any four features of business environment. [4]
- Q23. Explain Memorandum of Association and Articles of Association. [4]
- Q24. Distinguish between a Private Company and a Public Company on the basis of:
(i) Number of members
(ii) Minimum paid-up capital
(iii) Number of directors
(iv) Transfer of shares [4]

ALL THE BEST