



BK BIRLA CENTRE FOR EDUCATION
SARALA BIRLA GROUP OF SCHOOLS
SENIOR SECONDARY CO-ED DAY CUM BOYS' RESIDENTIAL SCHOOL



MID TERM EXAM (2024-25)
BUSINESS STUDIES (054)

MARKING SCHEME

Class : **XI Commerce**
Date : **16/09/2024**

Duration: **3 Hrs**
Max. Marks: **80**

1.	(D) Entrepot	(1)
2.	(D) Assertion (A) is incorrect, but Reason (R) is correct	(1)
3.	(A) Assembling	(1)
4.	(C) Make in India	(1)
5.	(A) Sole proprietorship OR (D) Qualification Shares	(1)
6.	(D) Cooperative housing societies	(1)
7.	(C) Option ii) and iv)	(1)
8.	(B) i) c); ii) d); iii) a); iv) b)	(1)
9.	(B) Red tapism OR (C) Government company	(1)
10.	(C) Option i) and iv)	(1)
11.	(A) National Electronic Funds Transfer	(1)
12.	(C) Statement 1 is true but 2 is false	(1)
13.	(D) 12 months OR (C) Motor Vehicle insurance	(1)
14.	(D) Annuity policy	(1)
15.	(A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).	(1)
16.	(C) Assertion (A) is correct, but Reason (R) is incorrect	(1)
17.	(D) Cryptography	(1)
18.	(D) Default on payment	(1)
19.	(A) Economic responsibility	(1)
20.	(A) Greek OR (A) Government	(1)

21.	<p>Features of business</p> <p>i) An economic activity ii) Production or Procurement of goods and service iii) Profit earning iv) Dealing in goods or service on a regular basis v) Sale or exchange of goods and service</p> <p>1 mark for writing the features and 2 marks for explaining ANY two features</p> <p style="text-align: center;">OR</p> <p>Secondary Industries are those industries that are concerned with production. They use the raw materials generated from the Primary industry and make goods for the final consumption or further processing.</p> <p>Secondary industries are further classified as i) Construction ii) Manufacturing industries</p> <p>Construction industries are those which are related to construction of infrastructure, buildings and monuments. Eg, Infrastructure – Dams, Railways, Roadways Buildings – For office, factory and residence Monuments and Stadiums</p> <p>Manufacturing industries are further classified into four sub classifications</p> <p>i) Analytical Industry: Industries that analyse and separate different element from same raw materials to produce different goods. Eg Petrol, Kerosene ii) Synthetical Industry: Manufacturing of new products by combining various materials. Eg Cement iii) Processing Industry: Deals with products which involve successive stages for manufacture of finished products. Eg. Butter, Jam iv) Assembling Industry: Creating new product by assembling different components or parts of the product. Eg. Car, Mobile phones</p> <p>1 mark for defining secondary industry + 1 mark for classifications + 1 mark for examples</p>	(3)
22.	<p>Minor is a person who has not yet attained the age of majority. As he is not a major yet he cannot enter into a contract.</p> <p>However a minor can be admitted in a partnership business only on its benefits with the mutual consent of all the other partners.</p> <p>The liability of a minor will always be limited to the extent of capital contribution.</p> <p>A minor has the right to take active part in the management of the firm.</p> <p>On becoming a major he should inform by a public notice that he is not interested to be a partner if he fails to do so in six months he will automatically became a partner with unlimited liability.</p> <p>1 mark for explanation of a minor and 2 marks for his rights, liabilities as a major</p>	(3)
23.	<p>Multinational companies are also known as Global Enterprise; Supernatural Companies and Transnational Companies.</p> <p>Setting up of these companies in a developing country like India will help in</p> <p>Employment generation Use of advanced technology Inflow of foreign capital Improvement in standard of living Growth of domestic firms Healthy competition World economy</p> <p>.5 marks to write other names and .5 for each five point (.5 + 2.5)</p>	(3)
24.	<p>Rajeev follows two principles of insurance</p> <p>i) Utmost good faith: Before taking the fire insurance policy he has clearly informed about the fire crackers shop next to his shop. So he made full disclosure of the material facts.</p> <p>ii) Insurable interest: A loss in the shop next to his shop will automatically impact him financially. He can surely insure the next shop also as if there is an accident (fire) in the fire cracker shop it will surely impact his business, as he deals in paper.</p> <p>.5 each for the principles + 1 mark each for the explanations</p> <p style="text-align: center;">OR</p>	(3)

	<p>c) Inculcates a sense of financial discipline by recording each and every transaction Two benefits of e-banking to banks</p> <p>a) Provides competitive advantage to the bank b) Load on branches is considerably reduced due to centralised data base .5 mark each for benefit (.5 X4 = 2)</p>	
28.	<p>i) Current account can be opened by corporates, entrepreneurs, and even professionals, who make bulk transactions on a regular basis. Its main objective is to help businessmen to conduct their business smoothly.</p> <p>ii) Managing a current account efficiently helps in optimising all its aspects of business. It helps in maintaining financial health and stability. An optimised current account can help you manage cash flows, save on fees, and simplify finances.</p> <p>iii) UPI means Unified Payment Interface, under this system any customer holding any bank account can send or receive money through a UPI based app. This service allows the user to link more than one bank account on UPI app on their smart phone. This helps in 24X7X365 banking service. To use any UPI app one should have a valid bank account and the advantage is no transaction charges for using a UPI.</p> <p>iv) QR codes or Quick Response codes are two dimensional code, which has a pattern of black squares arranged in a square grid with a white background. This code contains the details of the bank account. Payment can be made by scanning the QR code by smartphones. The payment will be transferred to the receiver's account.</p> <p>1 mark for each answer.</p>	(4)
29.	<p>On the basis of parties involved e-business is classified into four categories.</p> <p>B2B Commerce (Business to Business) transaction between two firms/industries are called B2B. This accounts for nearly 80% of the total e-commerce volume. Sharing of information, Commercial negotiations and Distribution of goods are some B2B transactions</p> <p>B2C Commerce (Business to Customer) transaction between business and customer. This helps the business to always be in touch with the customers. Online shopping is the best example, ATM is also another example. Various B2C transactions are online selling of goods, conducting customer survey and promotional services.</p> <p>C2C Commerce (Customer to Customer) transactions between two or more customers these are generally dealing in old items / second hand items. Here sometimes instead of sale exchange also takes place (barter). Quikr and OLX are examples</p> <p>Intra-B Commerce it refers to interactions and dealings among various departments and persons within a firm. Use of intranet to interact and deal between various departments and persons within the firm. These type of transaction are conducted for Inventory and cash management; Human resource management; Recruitment and selection; Training, development and education. All departments in an organisation must work together and share information with each other.</p> <p>1 mark for each category</p>	(4)
30.	<p>Social responsibilities of business towards workers.</p> <p>i) Ensure fair wage and a fair deal from management ii) Create a safe and proper working conditions iii) Respect the democratic rights of the workers to form unions iv) Provide for their education and training</p> <p>Social responsibilities of business towards consumers</p> <p>i) Supply right quality and quantity of goods at reasonable prices ii) Follow fair trade practice and ensure that adulteration and poor quality goods not supplied iii) Provide full information about the product and company to the consumers iv) Ensure regular supply of goods and services</p> <p style="text-align: center;">OR</p>	(4)

	<p>Four essential elements of business ethics are</p> <p>i) Top management commitment: It's the job of the top management to guide and motivate the employees towards ethical behaviour. The top management must be committed towards ethical behaviour.</p> <p>ii) Publication of Code: The code of conduct should be written and displayed in the organisation and every employee should be aware about it. Every organisation designs a code in relation to honesty, adherence to law , public safety and healthy working condition. All the employees are expected to follow and abide by the code within the organisation.</p> <p>iii) Establishment of Compliance Mechanisms: Every business organisation must establish a suitable mechanism to ensure that actual actions of the employees comply with the code of conduct established. They should be within the ethical standard set.</p> <p>iv) Involving employees at all levels: As the ethical policies have to be implemented by the employees their involvement in the development of the ethical programme is a must.</p> <p>v) Measuring results: Periodical review and audit is a must to ensure that the ethical behaviour and ethical standards are maintained within the organisation by the employees. The top management must review and discuss the results of audit and decide the future course of action.</p>	
31.	<p>Commerce is a wide term consisting of all those activities, which are necessary for sale, transfer or exchange of goods and services.</p> <p>Functions commerce removes various hindrances in the exchange of good and services</p> <p>i) Hindrances of Person is removed by trade. Trade provides an organised market where the buyers and sellers can contact each other.</p> <p>ii) Hindrance of Place is removed by transportation. Transport moves goods from the place of production to place of consumption.</p> <p>iii) Hindrance of time is removed by storage and warehousing. There is always a time gap between production and consumption and storage removes this hindrance.</p> <p>iv) Hindrance of risk is removed by insurance, as things are uncertain in future its very important to insure goods.</p> <p>v) Hindrance of finance is removed by banking there is always a need of capital for every business.</p> <p>vi) Hindrances of information this occurs due to lack of awareness. Advertising removes the hindrance of information.</p> <p style="text-align: center;">OR</p> <p>Profession includes those activities which require special knowledge and skill to perform it. Professionals earn fee for the service rendered by them.</p> <p>Main characteristics of profession are</p> <p>i) Well-defined body of knowledge: This can only be learnt through instructions.</p> <p>ii) Restricted entry: Only after clearing an exam can a professional obtain entry to a profession. An individual can only become a doctor or lawyer only after acquiring the required education and training.</p> <p>iii) Professional Association: All professions are affiliated to professional association which regulate entry, grants certificates of practice and develop the code of conduct. ICAI for CA. Medical Council of India for Doctors.</p> <p>iv) Code of conduct: A strict code of conduct exists in every profession. All members of the profession are required to follow the code.</p> <p>v) Service motive: The basic motive of every professional is to serve clients with dedication.</p> <p>vi) Rewards or return: They get fees for their services rendered.</p> <p>vii) Nature of work: They provide consultancy and advisory services.</p>	(6)
32.	<p>Yes it is justified to set up cooperatives in India due to the following merits that it offer</p> <p>i) Equality in voting status: One man one vote</p> <p>ii) Limited Liability: Liability of every member is limited to the extent of capital contributed by them. Personal assets of the person cannot be attached to repay the liabilities.</p> <p>iii) Stable existence: Cooperative society is a corporate body and it's existence is not effected by the death, insolvency or insanity of its members.</p> <p>iv) Economy in operations: Cooperative society are managed by the members only. So the cost of</p>	

	<p>salary is removed. The members of the society are the customers or producers so the risk of bad debts are removed.</p> <p>v) Support from the Government: As cooperative society is based on democratic pattern it enjoys special exemptions, privileges and concessions from the government. They are charged low taxes provided subsidies and also allowed low rate of interest on loans.</p> <p>vi) Easy of formation: Cooperative society can be easily started with any 10 adult members, few legal formalities are to be followed and its governed by the Cooperative Societies Act,1912.</p> <p>No it is not justified to set up cooperatives in India due to the following demerits.</p> <p>i) Limited resources: As it is run by members with limited resources it faces this problem. The low rate of dividend on money invested by the members also limits the membership.</p> <p>ii) Inefficiency in management: Its managed by the members themselves as it is not in a position to hire professionals to manage their work.</p> <p>iii) Lack of secrecy: This is the biggest limitation as its affairs are to be discussed openly in meetings. They are known to all the members, every member is free to inspect any book of the society any time.</p> <p>iv) Government control: Rules are regulations are formed by the government which has to be followed by the societies.</p> <p>v) Difference of opinion:</p> <p style="text-align: center;">OR</p> <p>Pooja is a Sole proprietor and she should remain the same if she has adequate money to buy the property as a sole proprietor she enjoys the following advantages.</p> <p>i) Quick decision making does not need to discuss anything with anyone</p> <p>ii) Confidentiality of information , business secrets can be maintained</p> <p>iii) Direct incentive to work</p> <p>iv) Sense of achievement.</p> <p>Pooja should only accepted to become a partner with the property dealer, if she does not have adequate money or does not want to make any additional investment. Moreover as the dealer is an engineer that will also help her. If she enters into a partnership she will be able to enjoy the following benefits.</p> <p>i) More funds : She is getting the property is free</p> <p>ii) Balanced decision making : As the property dealer is an engineer he can also help</p> <p>ii) Sharing of risk as a partner her loss will be shared if she makes some</p> <p>iii) Secrecy can also be maintained as results need not be published</p>	
33.	<p>i) Joint Venture is the pooling of resources and expertise by two or more business, to achieve a particular goal wherein the risk and rewards of the business are shared.</p> <p>ii) a) renewable and thermal power generation and transmission b) development of metro rail projects</p> <p>iii) The proposal for the formation of a joint venture company between the central government and the state was approved.</p> <p>iv) Contractual Joint Venture and Equity-based Joint Venture.</p> <p>v) Joint venture offers many advantages</p> <p>a) Increased resources and capacity</p> <p>b) Access to New markets</p> <p>c) Access to technology</p> <p>d) Innovation</p> <p>e) Low cost of production</p> <p>1 mark each for first four answers and 2 marks for answer five with proper explanation.</p>	(6)
34.	<p>Outsourcing is off loading your work to someone else. It is giving someone the responsibility to complete the work given to the organisation. It is generally contracting out some less important work to specialised service providers to complete the task in a faster and cost effective manner. This helps the managers to concentrate on the more important activities.</p> <p>Outsourcing consists of four key segments</p> <p>i) Contract manufacturing ii) Contract research iii) Contract sales and iv) Informatics</p>	

Four needs for outsourcing are

- i) Focusing of attention: Outsourcing helps the company to concentrate on important areas in which they are specialised and give away the less important work to outsourcing partner. This ensure better efficiency and effectiveness.
- ii) Cost reduction: Due to the economies of scale of the outsourcing partners, the cost of the service is reduced by a great extent. This is possible because the outsourcing partner is doing the same work for a number of organisations. Difference in the prices of the factors of production in different countries also lead to outsourcing. India is a preferred by many western countries as labour is cheap here and thus most unimportant work and outsourced to India.
- iii) Growth through alliance: Alliance with outsourcing partners enables growth and expansion of business. The resources saved by outsourcing can be used for expansion of production capacity and also to explore new markets.
- iv) Boost to Economic development: Outsourcing promotes entrepreneurship, employment and exports in the countries from where it is done. Outsourcing has made India a leader in global outsourcing of software development and ITES.

1 mark for meaning 1 mark for segments and 1 mark each for needs (1+1+4)

