



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



**MID TERM EXAMINATION 2024-25**

**BUSINESS ADMINISTRATION (833)**

**MARKING SCHEME**

Class : **XI SCIENCE/COMMERCE**

Date : **16/09/2024**

Name : \_\_\_\_\_

Duration: **3 hrs.**

Max. Marks: **60**

Exam No.:

**SECTION A: OBJECTIVE TYPE QUESTIONS (30 Marks)**

<b>Q.1</b>	<b>Answer <u>any 4</u> out of the given 6 questions</b>	<b>(1×4=4marks)</b>
<b>i</b>	b) Economic activity	
<b>ii</b>	a) Profession	
<b>iii</b>	b) Business	
<b>iv</b>	b) Employment	
<b>v</b>	d) Tertiary industries	
<b>vi</b>	b) Insurance	

<b>Q.2</b>	<b>Answer <u>any 5</u> out of the given 7 questions</b>	<b>(1×5 =5 marks)</b>
<b>i</b>	a) Strength	
<b>ii</b>	a) Weaknesses	
<b>iii</b>	b) Legal environment	
<b>iv</b>	a) Capital/Finance	
<b>v</b>	c) Globalization	
<b>vi</b>	Business is an economic activity which is concerned with production, purchase, sale, distribution of goods and services. It is done on regular basis to earn profit. The word business has been derived from the word 'BUSY' hence business occupies the individuals and people to earn a livelihood.	
<b>vii</b>	a) Entrepot	

<b>Q.3</b>	<b>Answer <u>any 6</u> out of the given 7 questions</b>	<b>(1×6 = 6marks)</b>
<b>i</b>	House wife cooking food for her family , a teacher teaching his own son, attending social gathering etc. [Any two ]	
<b>ii</b>	Trade and auxiliaries to trade	
<b>iii</b>	d) Opportunities	
<b>iv</b>	Professional	
<b>v</b>	Import	
<b>vi</b>	Business Environment means the sum total of all individuals or organizations and other forces that are controllable or outside the control of business enterprise but may affect its performances.	
<b>vii</b>	Technological environment	

<b>Q.4</b>	<b>Answer <u>any5</u> out of the given 6 questions</b>	<b>(1×5 =5 marks)</b>
<b>i</b>	b) Sleeping partner	
<b>ii</b>	b) 1932	
<b>iii</b>	Product can be commodity, service, idea or a combination of all these which can satisfy a need, want or desire of consumers and can be offered in an exchange process.	
<b>iv</b>	d) 10	
<b>v</b>	Sole Proprietorship	
<b>vi</b>	b) One man one vote	

<b>Q.5</b>	<b>Answer <u>any5</u> out of the given 6 questions</b>	<b>(1×5 =5 marks)</b>
<b>i</b>	d) Share	
<b>ii</b>	c) Shareholders	
<b>iii</b>	b) separate legal entity	
<b>iv</b>	b) 50	
<b>v</b>	Corporative society	
<b>vi</b>	c) Nominal partner	

<b>Q.6</b>	<b>Answer <u>any5</u> out of the given 6 questions</b>	<b>(1×5 =5 marks)</b>
<b>i</b>	Political Environment	
<b>ii</b>	c) Social environment	
<b>iii</b>	a) The Board of Directors	

<b>iv</b>	Threats are factors that negatively affect the business, if proper steps are not taken to mitigate them.
<b>v</b>	Perpetual succession
<b>Vi</b>	Legal environment consist of laws, rules and regulation, framed by the parliament under which the business must operate.

### **SECTION B: SUBJECTIVE TYPE QUESTIONS (30 Marks)**

	<b>Answer <u>any 3</u> out of the given 5 questions in <u>20-30 words</u> each</b> <span style="float: right;"><b>(2×3=6 marks)</b></span>
<b>Q.7</b>	This type of partnership is formed for an indefinite period. It continues at the will of the partners till they mutually agree to carry a business. Any partners can withdraw his name from the business after giving a notice to the other partner.
<b>Q.8</b>	(i) Technological environment (ii) Economic environment <span style="float: right;"><b>[1+1]</b></span>
<b>Q.9</b>	A part by Estoppels is a person who has no partnership in the firm but represents himself as a partner by his own words or conduct. He does not contribute capital, does not participate in management activities, does not share profit & losses, but has an unlimited liability.
<b>Q.10</b>	Industry: The activities of extraction, production, processing, Conversion of products are described as industry. Industry produces both Consumer goods and Producers goods.  Commerce: The term commerce refers to all those activities that facilitate the transfer of goods & services from producer to consumers. Facilitating services like transportation, warehousing, insurance, banking, advertising, and packaging help the smooth & easy transfer of goods from manufacturer to end user.
<b>Q.11</b>	Trade is that branch of commerce which is concerned with the sale, transfer or exchange of goods & services. All the commercial services like transportation, storage, insurance, banking etc .revolve around trade. It is nucleus of all commercial activities. Trade is of following types :  a) Internal Trade i) Wholesale Trade ii) Retail Trade b) External Trade : i) Import ii) Export iii) Entrepot

	<b>Answer <u>any 3</u> out of the given 5 questions in <u>20-30 words</u> each</b> <span style="float: right;"><b>(2×3= 6 marks)</b></span>
<b>Q.12</b>	(i) Sole proprietorship (ii) Unlimited liability/formation/ Risk bearing etc. <span style="float: right;"><b>[1+1]</b></span>
<b>Q.13</b>	<b>“Partnership”</b> is the relation between persons who have agreed to share the profits of a business carried on by all or any one of them acting for all.  <b>Pooling of financial resources/Pooling of managerial stalls/Balanced business decisions.</b>
<b>Q.14</b>	<b>Opportunities &amp; Threats</b> Opportunities are activities that the business does not currently have or do but that could positively impact the business if undertaken.  Threats are factors that negatively affect the business, if proper steps are not taken to mitigate them. The business has no control over the external factors which give rise to opportunity & threats.

	General areas to consider are – □ Future trends □ The economy – Local, national, international □ Funding sources – donors, legislature □ Demographics – change in age, race, and gender.
<b>Q.15</b>	<p><b>1. Loyal Consumers:</b> Loyal consumers are likely to comprise a small segment of your consumer base. However, because of their loyalty, they are valuable to every business. Once they have found the right company to do business with they will remain loyal.</p> <p><b>2. Discount Consumers:</b> Discount consumers are always on the hunt for discounts, as the name suggests. However, they only make purchases when there is some kind of sale or discount.</p> <p>[1+1]</p>

	<b>Answer <u>any 2</u> out of the given 3 questions in <u>30-50 words</u> each</b> <span style="float: right;"><b>(3×2= 6 marks)</b></span>
<b>Q.17</b>	<p><b>Genetic Industries</b> – These industries are engaged in breeding plants &amp; animals for their use in further reproduction. For example – Plant in nurseries, horticulture, and poultry farms etc.</p> <p><b>Extractive Industries</b> – These industries extract products from natural sources like earth, water, air etc. The products of these industries are used by manufacturing &amp; construction industry. For example: farming, mining, fishing, lumbering etc. <span style="float: right;"><b>[1.5+1.5]</b></span></p>
<b>Q.18</b>	<p><b>Profession:</b> - (i) Profession refers to that economic activity which requires specialized knowledge &amp; skill to render service to various section of society. (ii) The individuals engaged in this activity are called professionals. (iii) For example – Lawyer, Doctor, Painter etc.</p> <p><b>Employment:</b> - (i) Employment refer to that economic activity where people work for others &amp; get some remuneration in return (like wages, salaries). (ii) People who are working are called employees &amp; who hire them for jobs are called employers. (iii) For example – Working in offices, factories, school, shops etc. <span style="float: right;"><b>[1.5+1.5]</b></span></p>
<b>Q.19</b>	<p>In 1960's a team of researchers developed a new method to analyze corporate strategy. This method is known as SWOT Analysis. It is basically a business tool that deals with the internal and external factors of the business. It uses basic data of the business to identify what strength &amp; weaknesses that a business has and then spot the opportunities that arise &amp; threats likely to face.</p> <p>1. It understands the business &amp; organization better. <span style="float: right;">[any two] <b>[1+2]</b></span></p> <p>2. It helps in addressing the weaknesses of the business.</p> <p>3. It helps in capitalizing the opportunities in the economy.</p> <p>4. It helps in taking advantage of strengths of the business.</p>

Answer any 3 out of the given 5 questions in 50-80 words each (4×3= 12 marks)

Q.20

**A sole proprietary organisation has the following advantages: [1+1+1+1]**

- 1. Easy formation:** A sole proprietorship business is easy to form where no legal formality involved in setting up this type of organization. It is not governed by any specific law. It is simply required that the business activity should be lawful and should comply with the rules and regulations laid down by local authorities.
- 2. Better Control:** In sole proprietary organisation, all the decisions relating to business operations are taken by one person, which makes functioning of business simple and easy. The sole proprietor can also bring about changes in the size and nature of activity. This gives better control to business.
- 3. Sole beneficiary of profits:** The sole proprietor is the only person to whom the profits belong. There is a direct relation between effort and reward. This motivates him to work hard and bear the risks of business.
- 4. Benefits of small-scale operations:** The sole proprietorship is generally organized for small scale business. This helps the proprietor's family members to be employed in business. At the same time such a business is also entitled to certain concessions from the government. For example, small industrial organisations can get electricity and water supply at concessional rates on a priority basis.
- 5. Inexpensive Management:** The sole proprietor does not appoint any specialists for various functions. He personally supervises various activities and can avoid wastage in the business.

Q.21

**Difference between product and services [1+1+1+1]**

<b>1. Who comes to whom</b>	
<b>Product</b>	Products come to customers whereas customers come to services. Product benefits are embedded inside the product / package and can be transported to their customers through distribution channels.
<b>Services</b>	Services are location-based and the customers need to travel to these service locations or the service personnel has to come to the customer location.
<b>2. Quality</b>	
<b>Product</b>	The quality expected from a product is mostly embedded in the product itself at the time of its manufacture and depends in turn on the quality of the materials used and the setting of the machines.
<b>Services</b>	On the other hand the qualities that people expect from service are different : customization and variation is appreciated in service and this depends a lot on the experience, skill and motivation of the service-giver on the spot.
<b>3. Tangibility</b>	
<b>Product</b>	The products are tangible and can be inspected / sampled before buying.
<b>Services</b>	Service on the other hand is experiential and sometimes based on a belief.
<b>4. Scalability</b>	
<b>Product</b>	The product business is scaled up by expanding the manufacturing capacity , distribution and sales reach, and access to more customers.
<b>Services</b>	The service business is not easy to scale up - it needs a supply of trained service providers and this involving either poaching people from the competitors or increased activity of recruitment, induction, training and motivation. Attrition of trained manpower is a danger to service business.

Q.22	<p><b>Stages in formation of company</b></p> <p>1) Promotion: This is the first stage in formation of a Company. Promotion includes all the steps from conception of an idea to starting of the Company, till it is formed. The entire process of incorporation is initiated by a promoter.</p> <p>2) Incorporation: Incorporation of the Company's the next stage in formation of a Company. The promoter files an application with the Register of Companies under Co's Act 1956 and thus obtain '<b>Certificate of Incorporation</b>'</p> <p>3) Capital Subscription: After getting the Certificate of incorporation the Public Company has to raise funds by issuing shares and debentures to the general public. For this it has to issue a Prospectus and meet certain formalities.</p> <p>4) Commencement of Business: The Registrar will examine all the documents and after satisfaction a 'Certificate of Commencement' is issued. After this certificate a Public Company becomes a legal entity and can start the business activities.</p>	[1+1+1+1]
Q.23	<p><b>1. Memorandum of Association</b></p> <p>Memorandum of Association is a principal document of a company it is considered as a Charter of company. It defines the powers, objectives, scope of operations of the company and its relationship with the stakeholders. It provides information to outsiders such as creditors, suppliers etc. It is also known as. <b>Doctrine of outdoor management</b>. No Company can be registered without a <b>Memorandum of Association</b>. If the company does any activity that is beyond the legal power &amp; authority and is not provided for in Memorandum of Association then it is treated as ultra virus activity.</p> <p><b>2. Articles of Association</b></p> <p>Articles of Association contains rules and regulation regarding the management of Company's internal affairs. It also states the duties, rights, power of the managers and directors. These are the 'Bye- laws' of the company or <b>Doctrine of indoor management</b>. The articles or provisions should be properly divided in paragraphs, numbered and signed by the signatory of Memorandum of Association, with one witness. All the Companies prepare their own Articles of Association, but if it does not want to prepare its own Articles of Association it can adopt the provisions given in Table 'A' of Schedule of Company Act 1956.</p>	[2+2]

Q.24

[2+2]

**Difference between Private Co. & Public Co.**

<b>Basis of distribution</b>	<b>Private company</b>	<b>Public company</b>
1. Number of members	Minimum – 2Members Maximum – 200 Members	Minimum – 7 Members Maximum – No limit
2. Name	Name must include 'Private Ltd.	Name must include 'Ltd.'
3. Number of directors	Minimum – 2 Directors	Minimum – 3 Directors
4. Transfer of share	Restriction on transfer of share	No restriction on transfer of shares.

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