



BK BIRLA CENTRE FOR EDUCATION

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



PERIODIC TEST II (2024-25)
BUSINESS STUDIES (054)
MARKING SCHEME

Class : **XI Commerce**
Date : **03/12/2024**

Duration: **1Hr**
Max. Marks: **25**

| 1. | (C) Statement 1 is true and Statement 2 is false | (1) | | | | | | | | | | | | | | | | | | |
|----------|---|---|--------------|----------------|---------|-----------------------------|--|--------|----------------------|--------------|----------|--------------|----------|---------|---|---|--------|--|---|-----|
| 2. | (B) Both Assertion (A) and Reason (R) are correct and Reason (R) is not the correct explanation of Assertion (A). | (1) | | | | | | | | | | | | | | | | | | |
| 3. | (D) Air pollution | (1) | | | | | | | | | | | | | | | | | | |
| 4. | (B) To supply right quality of goods at reasonable prices | (1) | | | | | | | | | | | | | | | | | | |
| 5. | (D) All of these | (1) | | | | | | | | | | | | | | | | | | |
| 6. | <p>i) Ease of formation and lower investment requirements: It does not require lengthy procedure nor huge capital investment to set up a business. We don't need to have stock or shop. The success if e-business depend upon the knowledge and use of internet not on investment.</p> <p>ii) Convenience: Business can be conducted for anything, anywhere and at any time. Customers can do their shopping at their convenience (24 X 7). The business firms are always in touch with their customers.</p> <p>iii) Speed: The speed of buying and selling can be done by a click of a button. Even payments can be done online so the speed of transaction is very fast.</p> <p>iv) Global Reach: Now everyone can sell their goods all over the world, so the geographical boundaries have been removed. With a well-developed network system buyers can choose products from any part of the world.</p> <p>v) Movement towards a paperless society: Transactions online don't require paper. The use of internet has reduced the dependence of paperwork.</p> <p>Any 3 points to be written with explanations 1 mark each (1 X3)</p> | (3) | | | | | | | | | | | | | | | | | | |
| 7. | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Basis</th> <th style="width: 35%;">Owners' Fund</th> <th style="width: 40%;">Borrowed Funds</th> </tr> </thead> <tbody> <tr> <td>Meaning</td> <td>Funds provided by the owner</td> <td>Funds raised though loans or borrowing</td> </tr> <tr> <td>Period</td> <td>Permanent investment</td> <td>Fixed period</td> </tr> <tr> <td>Security</td> <td>Not required</td> <td>Required</td> </tr> <tr> <td>Control</td> <td>Providers of owners' fund control the business and management</td> <td>Providers don't have any right to control</td> </tr> <tr> <td>Return</td> <td>Dividend which varies with the performance of the business</td> <td>Interest is paid at a fixed rate even if there is a loss in the business.</td> </tr> </tbody> </table> <p>1 mark for any three points. (1X3)</p> | Basis | Owners' Fund | Borrowed Funds | Meaning | Funds provided by the owner | Funds raised though loans or borrowing | Period | Permanent investment | Fixed period | Security | Not required | Required | Control | Providers of owners' fund control the business and management | Providers don't have any right to control | Return | Dividend which varies with the performance of the business | Interest is paid at a fixed rate even if there is a loss in the business. | (3) |
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| 8. | <p>Outsourcing refer to contracting out some of its activities to a third party which were earlier done by the company itself. Outsourcing is generally done for less important activities.</p> <p>Need for outsourcing.</p> <p>i) Focusing of attention: Outsourcing helps the company to concentrate upon the main work and give out the less important work to others.</p> <p>ii) Cost reduction: The outsourcing partners are specialised in performing a particular job and as it performs the same for many companies it is able to do the job at a reduced rate. Differences in the prices of factors of</p> | (4) | | | | | | | | | | | | | | | | | | |

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| | <p>production in different countries also help in cost reduction.</p> <p>iii) Quest for Excellence: A company can achieve excellence in two ways. a) Concentrating in its core activities and b) Outsource their less important work to experts.</p> <p>iv) Growth through alliance: Resources saved from outsourcing the less important work can be used for business expansion and increase the production capacity. Outsourcing also helps in knowledge sharing among companies and also lead to collaborative learning.</p> <p>v) Boost to economic development: Outsourcing promote entrepreneurship, employment and exports all these help in the development of the economy.</p> <p>1 mark for meaning + 1 mark each for three points (1+ 3)</p> | |
| 9. | <p>These is an immense need for pollution control. It is important due to the following</p> <p>i) Reduction in health hazards: With an increase in pollution there is a risk of cancer, heart attack and many other health issues. So it is very important to keep pollution under control to remove the health hazard and improve the quality of life.</p> <p>ii) Reduced risk of liability: By the installation of pollution controlling devices companies can reduce their liabilities to pay compensation to individuals for toxic chemicals, gases and wastes from their companies.</p> <p>iii) Cost Savings: Effective pollution control can ensure proper waste disposal and reduction in the cost of cleaning the plant. This goes a long way in reduction of operational cost.</p> <p>iv) Improved public image: As the society is becoming more and more conscious about the quality of environment it is very important to implement pollution control measures to improve the public image.</p> <p>v) Other Social benefits: Pollution control results in benefits like better visibility, cleaner building, better quality of life and availability of natural products in a purer form.</p> <p>1 marks for each point (1X4)</p> | (4) |
| 10. | <p>Debentures are borrowed capital. It is a document which acknowledges the debt taken by the borrower. The document clearly states the terms and conditions regarding the rate of interest, tenure of the loan and also the security against the loan taken.</p> <p>Features</p> <p>i) Borrowed fund: Debentures are borrowed funds of the company and the debenture holders are the creditors of the company.</p> <p>ii) Periodic interest payment: Debenture holders are paid interest at a fixed rate at specified intervals irrespective of profit or loss of the company.</p> <p>iii) Compulsory payment of interest: As the payment of interest is a legal compulsion it has to be paid even if the company incur a loss.</p> <p>iv) No voting rights: The debenture holders are creditors of the company and they don't enjoy voting rights.</p> <p>v) Redemption of debentures: The debentures have to be paid back after the expiry of its term or it has to be paid back when company is winding up.</p> <p>vi) Economical: Raising money through debentures is less expensive compared to preference or equity shares, interest paid on debentures are tax deductible expenses.</p> <p>vii) Security: Debentures are generally issued on some security or mortgage of some assets. So if the company cannot repay the assets can be sold and money of the debenture realised.</p> <p>1 mark for meaning of debenture and 1 mark each for five points (1 + 5)</p> | (6) |

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