



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



ANNUAL EXAMINATION (2024-25)

BUSINESS STUDIES (054)

MARKING SCHEME

Class : **XI Commerce**

Date : **22 /02/2025**

Duration: **3 Hrs**

Max. Marks: **80**

1.	(A) Extractive	(1)
2.	(C) Only i) and iii)	(1)
3.	(C) Nominal Partner OR (D) i) d); ii) b); iii) c); iv) a)	(1)
4.	(C) President of India	(1)
5.	(A) Departmental Undertaking	(1)
6.	(D) Reinsurance	(1)
7.	(D) All of these OR (A) Courier	(1)
8.	(B) Through VPN	(1)
9.	(B) i) c); ii) d); iii) a); iv) b)	(1)
10.	(C) Only (A) is correct but (R) is not correct OR (D) Only (R) is correct but (A) is not correct	(1)
11.	(D) Only i) and iv)	(1)
12.	(C) Statement 1 is true but 2 is false	(1)
13.	(D) 15 to 90 days OR (B) Limited	(1)
14.	(B) Helps is migration to urban areas	(1)
15.	(A) Both statements are true	(1)
16.	(A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).	(1)
17.	(C) Assertion (A) is correct, but Reason (R) is incorrect	(1)
18.	(B) Rs.230	(1)
19.	(D) Registration cum Membership Certificate OR (D) Letter of Credit	(1)
20.	(A) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).	(1)

21.	<p>Characteristics of employment</p> <p>i) Contractual relationship : Employment is the result of a written or oral contract between the employer and employee. The contract consists of the terms and conditions of employment.</p> <p>ii) Qualification: To be employed by the employer the employee must have the required qualifications.</p> <p>iii) Reward: The employee is paid an agreed salary or wage at a regular intervals.</p> <p>iv) Capital investment: Employment does not require any capital investment.</p> <p>v) Nature of work: Employees are required to perform the work according to the contract.</p> <p>1 mark each for 1 point (1+ 1 + 1)</p>			(3)												
22.	<table border="1"> <tr> <td>Basis</td> <td>e- Business</td> <td>Traditional Business</td> </tr> <tr> <td>Cost of setting up</td> <td>Low</td> <td>High</td> </tr> <tr> <td>Contact with customers/suppliers</td> <td>Direct contact</td> <td>Indirect Contact</td> </tr> <tr> <td>Physical presence</td> <td>Does not require physical presence</td> <td>Require physical presence</td> </tr> </table>	Basis	e- Business	Traditional Business	Cost of setting up	Low	High	Contact with customers/suppliers	Direct contact	Indirect Contact	Physical presence	Does not require physical presence	Require physical presence			(3)
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23.	<p>Responsibility towards shareholders</p> <p>i) To provide fair return on their capital employed.</p> <p>ii) To ensure safety of investment</p> <p>iii) To provide information regarding schemes of future growth</p> <p>iv) To provide regular, accurate and complete information about the working of the company.</p> <p style="text-align: center;">OR</p> <p>Business enterprises can take the following steps</p> <p>i) Top management of the enterprise should be committed to create, maintain and develop work culture to protect the environment and prevent pollution.</p> <p>ii) The above commitment should be communicate to all divisions of the enterprises.</p> <p>iii) Abide by laws and regulations enacted by the government for prevention of pollution</p> <p>iv) Participate in government programmes of prevention of pollution.</p> <p>v) Arrange workshops and training materials in pollution control</p>			(3)												
24.	<p>Preference shares are called preference shares because it offers two preferential rights to the preference shareholders</p> <p>i) Right to receive dividend before equity shareholders</p> <p>ii) Right to receive repayment of capital before equity shareholders on winding up</p> <p>Features</p> <p>i) Fixed rate of dividend: Preference shareholders receive dividend at a fixed rate on the profits before dividend is paid to equity shareholders.</p> <p>ii) No voting rights: Preference shareholders does not have any voting rights.</p> <p>iii) No charge on assets: From the companies point of view this is an advantage as preference shares are issued without any charge on assets.</p> <p>iv) Hybrid security: Like equity shareholders dividend is only paid when there is a profit.</p> <p style="text-align: center;">Like debenture holders they received returns only at a fixed rate.</p> <p>1 mark for two rights 1 mark each for two features (1+ 2)</p>			(3)												
25.	<p>i) No, even though Rahul has contributed more capital he is only entitled to one vote as in cooperatives the principle of one man one vote is followed.</p> <p>ii) No, to admit a partner all the partners must agree to take the new partner.</p> <p>iii) Yes, in a Hindu Undivided family business the decision of the eldest male member of the Karta is always binding on the all other members.</p> <p>iv) Yes, as per SEBI guidelines the company has already received more the 90% of the shares offered. As it has already received the minimum subscription it can allot the shares to public.</p>			(4)												

26. There are three different types of public sector enterprises.

i) Departmental undertaking
 ii) Statutory Corporation or Public Corporation
 iii) Government Company

Two advantages and two disadvantages

i) Departmental undertaking
 Advantages a) Complete Government Control b) Answerable to Parliament c) Source of Income
 d) Suitable for National Security
 Disadvantages a) Lack of Flexibility b) Delay in Decision making c) Red Tapism
 d) Undue Government Interference

ii) Statutory Corporation
 Advantages a) Operational Flexibility b) Freedom from interference c) Autonomous Set-up
 Disadvantages a) Theoretical Autonomy b) Delay in action c) Rigid Structure d) Undesirable

iii) Government Company
 Advantages a) Easy formation b) Operational Autonomy c) Independent Status
 Disadvantages a) Freedom only in name b) Lack of Accountability

1 mark names 1 mark each for advantages and disadvantages (1 + 3)

OR

Basis	Private Sector Enterprises	Public Sector Enterprises
Objective	Main objective is to earn profit	Main objective is to provide service
Ownership	Owned by private individuals or corporate bodies	Owned by Central Govt. and /or by one or more State Govt.
Capital	Entire capital contributed by private individuals or owners	Entire or at least 51% is contributed by the Government
Management	Managed by owners and professional managers	Managed by BOD ,who are the representatives of government.

27. Four different types of bank accounts are

i) Savings Account ii) Current Account iii) Fixed Deposit Account iv) Recurring Deposit Account

i) Saving account is opened with the object to save a part of their income and earn interest on the amount saved.
 It offers the following advantages

a) Encourages the habit of savings among people
 b) Helps the depositors to earn interest
 c) Money can be withdrawn either by withdrawal slips or by ATM

ii) Current Account is opened by businessmen who have a large number of regular transactions with the bank.
 It offers the following advantages

a) It helps the business to conduct their business smoothly as there is no restrictions on the number of transactions.
 b) Current account helps the businessmen to obtain overdraft
 c) Current account reveals the information about the credit worthiness of account holder

iii) Fixed Deposit Account: In this account the amount is deposited for a fixed period of time, the main objective is to earn interest. Longer the deposit more is the interest. It is also known as Term Deposit Account or Time Deposit Account.
 It offers the following advantages

a) Helps depositor to earn higher rate of interest.
 b) The depositor can get loan facility from the bank
 c) On maturity this amount can be used to buy assets

iv) Recurring Deposit Account : This account is opened by those who want to save regularly for a certain period of time and earn higher rate of interest.
 It offers the following advantages

a) Encourage the habit of regular savings.
 b) Recurring deposit account holders can get a loan facility

OR		
Basis	RTGS	NEFT
Full forms	Real Time Gross Settlement	National Electronic Fund Transfer
Minimum /Maximum limit	Minimum 2 lakh Maximum No limit	No minimum or maximum amount

1 mark for full form and 1 mark for the limit (1+1)

ii) Internet banking and mobile banking both seem to be same but are not.
 Internet banking is banking transactions directly with the bank through the internet. It is also called Web banking or Online banking. This helps the customers to do banking from their home/office without physically visiting the bank. To do internet banking the account holder must have adequate in his account must possess a debit/credit card, customer's user ID and login password.
 Mobile banking is an extension of internet banking its done with the help of a mobile phone which is linked with his account number with the bank. Checking details of the account, making bill payments and transfer of funds can be done using the mobile phone.
 Both of these needs stable internet connections.

1 mark each for internet and mobile banking.

28. i) MSMED Act or Micro, Small and Medium Enterprises Development Act. (4)
 According to this Act there are three types of enterprises
 i) Micro Enterprises: An enterprise which has an investment in Plant and Machinery or Equipment is up to Rs.1 crore and annual turnover does not exceed Rs.5 crore.
 ii) Small Enterprises: An enterprise which has an investment in Plant and Machinery or Equipment is more than Rs.1 crore but till Rs.10 crore and annual turnover does not exceed Rs.50 crore.
 iii) Medium Enterprises: An enterprise which has an investment in Plant and Machinery or Equipment is more than Rs.10 crore but does not exceed Rs.50 crore and annual turnover does not exceed Rs.250 crore.
 ii) a) WASME : World Association for Small and Medium Enterprises
 b) KVIC : Khadi and Village Industries Corporation
 .5 for each full form

29. (4)

Basis	Wholesaler	Retailer
Nature of business	Link between manufacturer and retailer	Link between wholesaler and consumers
Scale of operations	Large scale	Small scale
Number of items	One or few items aims to specialise	Deals in large number of items
Capital requirement	Large	Small
Nature of payment	Deals on credit	Deals in cash
Profit margin	Low	High

OR

Basis	Departmental Store	Multiple Shops/ Chain Store
Location	Centrally located	Important locality of the city
Range of product	Large variety	Specialised/one line product
Customers	Higher income group	All income groups
Credit facilities	Provided to regular/reputed	No credit facilities
Risk	More as its centered on one shop	Risk is divided over all shops

30. International trade is a trade between two or more countries. It is not only related to goods and services but also include movement of capital, human resource, technology and intellectual property (4)
 There are three types export, import and entrepot.
 International trade is required because of
 i) Uneven distribution of natural resources :
 ii) Availability of factors of production

	<p>iii) Specialisation iv) Cost benefits</p>	
31.	<p>Life insurance is a contract between and insurance company and a policy holder, where the policy holder (insurer) is promised to pay a sum of money in exchange for a premium, upon the death of a person or expiry of a certain period, whichever is earlier.</p> <p>There are five types of Life insurance policies:</p> <p>i) Whole Life Policy: In this policy the sum insured is payable only on the death of the assured to the beneficiaries of the deceased. The premium is generally paid for a period of 20 – 30 years. The policy continues after the premium is paid till the date of death.</p> <p>ii) Endowment Life Assurance Policy: Under this type of policy the insurance company pay the sum assured on death or a fixed time period whichever is earlier.</p> <p>iii) Joint Life Policy: As the name indicate this policy is jointly taken by two or more people generally husband and wife or partners of a firm. In such a policy the premium is either paid jointly or individually in instalments or on lump sum. On the death of an individual the money is paid to the survivor or survivors.</p> <p>iv) Annuity Policy: In this case the premium is paid on instalments or at once. The sum assured is paid after the expiry of certain time either monthly or in annual instalment after the assured attains certain age.</p> <p>v) Children’s endowment policy: This policy is undertaken for investment purpose to provide funds for education or marriage of children. The amount insured is paid by the insurer when the children attain a particular age. The premium is paid by the person for his children up to a specified number of years, but if the person dies before the maturity no premium will be paid.</p> <p style="text-align: center;">OR</p> <p>i) An Account Payee cheque is shown The cheque is numbers 1 to 9 and each indicate the following</p> <ol style="list-style-type: none"> 1) Name of the person to whom the cheque is to be paid 2) The date of drawing the cheque 3 and 4 are the amount of the cheque in number and figure both has to be same 5) Signature of the person who draws the cheque 6) Account number of the account holder 7) Name and address of the bank 8) Cheque number 9) Two parallel lines indicating that its Account Payee cheque <p>ii) Debit Card and Credit Card are two types of banking cards. Debit Card is a card through which money can be withdrawn from ATM. It can also be used to make payments The payments can be made or money withdrawn up to a specified limit.</p> <p>Credit Card is a card which is generally used for the holder to borrow money The credit card holder can borrow money up to a maximum credit limit. This card can also be used to make payments for purchases, the money needs to be paid back within a fixed period without any interest. However if the balance is not paid in full then interest becomes applicable on it.</p>	(6)
32.	<p>Business finance is the money required for carrying out business activities. It is concerned with acquisition of funds, use of the acquired funds and distribution of profit by a business. Finance is considered as the life and blood of every business.</p> <p>Five features of business finance are</p> <p>i) Necessary for all business: Business finance is required for all types of business irrespective of its size and nature.</p> <p>ii) Depends upon size and nature: The amount of finance required depends upon the nature and size of business. Manufacturing and large business requires more funds in comparison to trading and</p>	

small size business.

iii) Include all types of funds: There are two types' owners funds and borrowed funds.

iv) Required on a continuous basis: Funds are required during the entire life time of every business.

v) Wider Term: It involves estimation, procurement, utilisation and investment.

vi) Fluctuating in nature : The need for business finances depends upon several factors. So the need of finance keeps on fluctuating depending upon these factors.

OR

Basis	Shares	Debentures
Nature of Funds	Owned	Borrowed
Status	Shareholders are owners	Debenture holders are creditors
Nature of return	Dividend is paid to shareholders	Interest is paid to debenture holders
Rate of return	Fluctuates upon profit	Fixed irrespective of profit
Degree of risk	High	Low
Control	Shareholders have voting rights	Debenture holders don't have

33. Itinerant Retailers are those who don't have a fixed place of business and keep on moving from place to place to sell their goods. There are generally four types
- i) Hawkers and Pedlars: These retailers move from place to place (door to door) to sell their goods. The main difference between hawker and pedlar is hawkers carry their goods on carts while pedlar carry their goods on their head or back.
- Features:
- They sell variety of goods like vegetables, fruits and fabric
 - They deal in non-standardised goods
 - They don't have any pricing policy and the price depends upon the bargaining power of customer
- ii) Market Traders: These small retailers open their shops at different places on fixed days of week or month.
- Feature:
- Deals in low-priced consumer items of daily use.
 - Mainly deals with low income customers
 - Set up their shops on a temporary structure
- iii) Street Traders or Pavement Vendors: These retailers display their products at busy street corners, pavements and other busy public places and they deal in items of common use which are low priced They are different from market traders as they don't change place of business.
- iv) Cheap Jacks: This kind of retailers hire a small shop in a residential area only for a temporary period. They generally deal in household articles and readymade garments. They shift from locality to locality.

1 mark each itinerant retailer 1 marks four different types and 1 mark each explanation. (1+1+4)

34. i) The pre-requisites of an export license
- Opening a bank account: The exporter has to open a bank account authorised by the RBI to deal in foreign exchange.
 - Obtaining Import Export Code (IEC) number: The exporter needs IEC number to fill it in various documents. To get this code the exporter must apply to Regional Import Export Licencing Authority and support with certain documents like
 - Full profile of the exporter
 - Bank receipt for payment of the fee
 - Two copies of photographs attested by the banker to the applicant
 - Obtaining RCMC (Registration cum Membership Certificate) from Export Promotion Council : To get the certificate the exporter must become the member of appropriate Export Promotion Council. Such as EEPC (Engineering Export Promotion Council) or AEPC (Apparel Export Promotion Council).
 - Registration with Export Credit and Guarantee Corporation (ECGC): This is necessary to protect overseas payments from political and commercial risks. This certification also helps the exporter to

(6)

get financial assistance from commercial banks and other financial institutions.

ii) Mate's Receipt is a very important document related to shipment of goods in export trade. It is issued by the commanding officer of the ship to the exporter after the cargo is loaded on the ship. This document contains the following details regarding name of the vessel, berth, date of shipment, description of packages, marks and number

OR

ii) The first step of import trade is Trade enquiry.

A trade enquiry is conducted and information is collected from various countries from where the required goods can be imported.

The importer can get the required information from various trade directories or trade associations. After identifying suitable exporter, the importer sends a Trade Enquiry. A trade enquiry is a written request from the importer to the exporter to provide information regarding price, terms and conditions under which the exporter is ready to supply the goods.

In response to the trade enquiry a proforma invoice is sent by the exporter. This invoice contains details about price, quality, size and all other relevant information about the product.

The delivery of imported goods can only be taken after custom clearance there are five steps the steps are as follows

a) Delivery Order: After the ship arrives at the port of destination, the importer will either obtain Endorsement Delivery or Delivery Order. This order entitles the importer to take the delivery of the goods. Delivery will be made only after the freight is paid.

b) Payment of Dock Charges: The importer is required to submit two copies of duly filled in form known as application to import to the Landing and Shipping Dues Office. The duty of the office is to collect dock charges and give back one copy of the application as a receipt.

c) Bill of Entry three copies of this document is to be filled for the assessment of customs duty. Complete details of the goods imported must be declared.

d) Payment of import duty

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

