



# B.K. BIRLA CENTRE FOR EDUCATION

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

## ANNUAL EXAMINATION 2025-26 BUSINESS STUDIES (054)

Class: XI

Date: 20.02.2026

Admission no:

SET-B

Time: 3 Hrs

Max Marks: 80

Roll no:

### General instructions

Read the following instructions very carefully and strictly follow them:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.

Q1) The primary objective of business is: (1)  
(A) Social service (B) Profit earning (C) Welfare of employees (D) Innovation

Q2) **Statement 1:** The name of a private company ends with Ltd.  
**Statement 2:** The minimum number of members in a public company is seven.  
Choose the correct option: (1)  
(A) Both statement 1 and 2 are correct.  
(B) Both statement 1 and 2 are incorrect  
(C) Statement 1 is correct but Statement 2 is incorrect  
(D) Statement 1 is incorrect but Statement 2 is correct

OR

**Statement 1:** Partners have unlimited liability in a partnership firm.

**Statement 2:** A partnership firm has a separate legal entity.

Choose the correct option:

- (A) Both statement 1 and 2 are correct.
- (B) Both statement 1 and 2 are incorrect
- (C) Statement 1 is correct but Statement 2 is incorrect
- (D) Statement 1 is incorrect but Statement 2 is correct

Q3) Which of the following is a non-corporate form of business organisation? (1)  
(A) Joint Stock Company (B) Co-operative Society  
(C) Sole Proprietorship (D) Public Limited Company

Q4) **Assertion (A):** Public sector plays a significant role in infrastructure development in India.  
**Reason (R):** Infrastructure projects require heavy investment and have long gestation periods. (1)  
Choose the correct option  
(A) Both Assertion (A) and Reason (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

Q5) Which of the following is not a characteristic of services? (1)  
(A) Inventory (B) Intangibility (C) Inconsistency (D) Inseparability

Q6) In relation to e-banking what is BHIM? (1)

- (A) Big Holding Indian Money (B) Balance Hourly International Money  
(C) Bharat Interface for Money (D) Balance Instalment of Money

**OR**

ATM (Automated Teller Machine) is also known as

- (A) Automatic Teller Machine (B) Automatic Till Machine  
(C) Actual Teller Machine (D) Advanced Technical Machine

Q7) What does B2B and B2C business expand to? (1)

- (A) Buyer to Buyer and Buyer to Country (B) Business to Business and Business to Customer  
(C) Building to Building and Building to City (D) Buying to Consumption

Q8) Which of the statements are true in relation to e-business. (1)

- (i) Operating cost of e-business is low. (ii) It helps small firms to co-exist with big firms.  
(iii) It allows more inter-personal touch. (iv) Government patronage is increasing.  
(A) Option i), ii) and iii) (B) Option ii), iii) and iv)  
(C) Option i), ii) and iv) (D) Option i) and iv)

Q9) Statement 1: E-business is limited to buying and selling of goods.

Statement 2: E-business includes customer support and online transactions.

Choose the correct option: (1)

- (A) Both statement 1 and 2 are correct.  
(B) Both statement 1 and 2 are incorrect  
(C) Statement 1 is correct but Statement 2 is incorrect  
(D) Statement 1 is incorrect but Statement 2 is correct

Q10) **Assertion (A):** Business ethics promote fair practices.

**Reason (R):** Ethical businesses focus only on profit maximization.

Choose the correct option: (1)

- (A) Both (A) and (R) are correct and (R) is the correct explanation of (A)  
(B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)  
(C) Only (A) is correct but (R) is not correct  
(D) Only (R) is correct but (A) is not correct

Q11) Fresh Foods launched a new line of organic snacks. The company ensures that all ingredients are natural, clearly labels nutritional information, and avoids misleading advertisements. It also has a toll-free number for customer feedback. Identify the group towards Fresh Food is fulfilling its social responsibility. (1)

- (A) Shareholders (B) Customers (C) Government (D) Society

**OR**

Alpha Corp. declared a consistent dividend for the past five years and regularly updates its shareholders about the company's financial performance through annual reports and meetings. Which group is Alpha Corp. showing responsibility towards?

- (A) Shareholders (B) Customers (C) Government (D) Society



Q12) This is logo of which special financial institution in India? (1)

- (A) Industrial Finance Corporation of India  
(B) Indian Developmental Bank of India

- (C) Industrial Credit and Investment Corporation of India  
 (D) Industrial Developmental Bank of India

Q13) Which of the following is a merit of trade credit? (1)  
 (A) Involves interest payments (B) Reduces working capital  
 (C) Easily available (D) Requires collateral

Q14) Which of the following is a benefit of small businesses? (1)  
 (A) High economies of scale (B) Employment generation  
 (C) High export potential (D) Large market share

**OR**

**Assertion (A):** Internal trade involves the use of foreign currency.

**Reason (R):** It includes trade within the country.

**Choose the correct option:**

- (A) Assertion (A) is true, but Reason (R) is false. (B) Assertion (A) is false, but Reason (R) is true.  
 (C) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).  
 (D) Both Assertion (A) and Reason (R) are true, but (R) is not the correct explanation of (A).

Q15) Match the following (1)

i)	Literary work	a)	Maps, Logos
ii)	Artistic work	b)	Brochures, Computer Programme
iii)	Dramatic work	c)	Mime, Sound Recoding

- (A) i) a), ii) b); iii) c) (B) i) b), ii) a); iii) c) (C) i) c), ii) b); iii) a) (D) i) a), ii) c); iii) b)

Q16) Find the odd one out. (1)  
 (A) Goodwill (B) Copyright (C) Trademark (D) Patent

Q17) What is NOT true about GST (1)  
 (A) It is a comprehensive Indirect Tax (B) It replaced 17 indirect taxes  
 (C) It is expect to remove ease of doing business (D) There are three types of taxes under GST



Q18) Pawan Jee sells bags near a cinema. Pawan Jee is a? (1)  
 (A) Pedlar (B) Cheap Jack (C) Hawker (D) Street trader

Q19) **Assertion (A):** International business helps in earning foreign exchange.  
**Reason (R):** Exporting goods and services brings money from foreign countries. (1)  
**Choose the correct option:**

- (A) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).  
 (B) Assertion (A) is true, but Reason (R) is false.  
 (C) Assertion (A) is false, but Reason (R) is true.  
 (D) Both Assertion (A) and Reason (R) are true, but (R) is not the correct explanation (A).

Q20) WTO was established to replace GATT, Here GATT stands for? (1)  
 (A) Greater Attention on Taxes and Trade (B) General Attention on Taxes and Trade  
 (C) General Agreement on Tariff and Trade (D) Greater Agreement on Tariff and Trade

**OR**

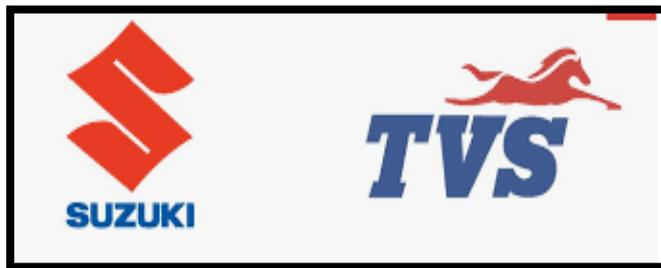
In relation to import trade what does DGFT represent?

- (A) Direct Goods Flight Trade (B) Discounted Goods For Taxes  
(C) Director General Fit for Trade (D) Directorate General Foreign Trade

Q21) How can trade be classified on the basis of geographical area? Explain through a flow chart (3)

**OR**

What do you mean by aids to trade? Name the various aids to trade and the hindrances they remove.



Q22) What type of enterprise is shown above? What are the different ways it can be formed? (3)

Q23) Explain any three points, why is outsourcing needed? (3)

Q24) Anita runs a small handicraft unit in a rural area of Rajasthan. Despite her creativity and demand for her products in urban markets, she faces several challenges. She struggles to arrange sufficient funds, she had started business with all her savings. She finds it difficult to market her products effectively, and cannot afford modern machinery. Moreover, she has trouble attracting skilled workers to her village unit. Skilled workers are not only difficult to find, but also demand a high remuneration what they would easily get in urban areas. Identify and explain any three problems of small business faced by Anita. (3)

Q25) Rajeev and Sanjeev are young entrepreneurs who want to start a large-scale business in the field of lithium battery manufacture. They realize that the project requires huge capital investment, advanced technology, and professional management. They are also concerned about the risks involved and want to limit their personal liability. After consulting experts, they decide to form a Joint Stock Company instead of a sole proprietorship or partnership.

a) Identify and explain any three merits of a Joint Stock Company that make it suitable for Rajeev and Sanjeev to start a business in the field of lithium battery manufacture. (3)

b) How does the feature of limited liability benefit the owners in this case? (1)

Q26) Identify the oldest and traditional form of business enterprise. Explain three features of it. (4)

Q27) List any four social responsibilities of the business towards i) Owners and ii) Government. (4)

**OR**



What type of pollution is shown above? Are there any other causes of pollution? Explain.

Q28) i) Complete the table

(2)

Product Name	State	Date of GI Registration
	Telangana	
Kangra Tea		
		17 March 2009
Phulkari		

ii) What does a Start-up mean?

(2)

**OR**

Explain the terms Trademark and Patent.

Q29) Differentiate between Departmental Stores and Multiple Shops on the basis if

(4)

(i) Range of products (ii) Pricing (iii) Class of Customers (iv) Risk

Q30) Name any six documents related to shipping in export transactions and explain any two.

(4)

Q31) a) Identify and explain what is shown below

(2)



b) Mr. Arjun owns a factory worth Rs. 50 lakh. To safeguard against fire risk, he takes two fire insurance policies:

Policy A from Company X for Rs. 30 lakh and Policy B from Company Y for Rs. 20 lakh

Unfortunately, a fire breaks out and causes a loss of Rs. 20 lakh to the factory. Both insurance companies are liable to share the claim according to the Principle of Contribution.

i) Explain the Principle of Contribution in insurance with reference to this case.

(1)

ii) Calculate the contribution of each insurance company towards the claim amount.

(3)

**OR**

a) Explain the four main types of bank accounts.

(4)

b) What type of cheque is shown below? State two conditions when it can be dishonoured.

(2)



Q32) What is retained earnings? What are the other names of retained earnings? Explain any four features of retained earnings.

(1+1+4)

Q33) What are Mail Order Houses? State four types of goods that can be sold through it.. Explain three merits of Mail Order Houses.

(1+2+ 3)

**OR**

- a) Who is a wholesaler? State any four functions performed by a wholesaler. Explain the financial assistance that a wholesaler provides to both the parties whom they link. (3)
- b) Explain economies of scale with a numerical example. (3)  
(Hint: Take production units 0, 100, 200, 500 and 1,000 and Fixed cost Rs.1,00,000 and Variable Cost Rs.100 p.u.)
- Q34) Goods have reached Indian port as per the description of importer. Can the importer take the delivery of the goods directly from the port? (6)

-----**ALL THE BEST**-----