



B.K. BIRLA CENTRE FOR EDUCATION

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



PRE MID TERM EXAM, 2025-26 BUSINESS STUDIES (054) MARKING SCHEME

Class: XI
Date: 1.08.25
Admission no:

Time: 1hr
Max Marks: 25
Roll no:

1	(C) Assertion (A) is true, but Reason (R) is false			1	
2	(D) Broach			1	
3	(B) Both Assertion (A) and Reason (R) are true, Reason (R) is not the correct explanation of Assertion			1	
4	(A) Both statement 1 and 2 are correct			1	
5	(A) (a) (iv); (b) (iii); (c) (i) ; (d) (ii)			1	
6	Primary Industry – Extractive and Genetic Secondary Industry – Manufacturing – Analytical ; Synthetical; Processing and Assembling - Construction Tertiary Industry – Transport ; Banking; Insurance; Warehousing; Advertising OR (i) Supply of Quality goods at fair prices. (ii) Avoidance of Unfair Trade practices (iii) Generation of employment opportunities (iv) Protection of Environment (v) Community Service (vii) Welfare of employees. ECONOMIC MOTIVES : Earning profits ; Survival and Growth			(3)	
7	Yes, it is possible to take Putul’s son, Aryan as a partner as per section 30 of the Indian Partnership Act, 1932. But for it both the existing partner must agree. Moreover, Aryan can be only admitted for the benefits of the partnership. No, as Aryan is not yet 18 years of age (major) he is not competent to contract so according to Section 11 of Indian Contract Act 1872 he cannot enter into a contract of Partnership.			(3)	
8		Baljeet	Diljeet	Manjeet	(4)
	Economic Activity	Employment	Business	Profession	
	(i) Nature of work	Performing work as per the contract of service	Providing service to public	Rendering personalised expert service.	
	(ii) Return	Salary	Profit	Fee	
	(iii) Code of conduct.	Code on conduct as per laid down in the contract	No prescribed code of conduct	Professional code of conduct is followed	
9	Ans: A voluntary organisation formed by people with a motive of welfare of the members. The merits of this type of organisation are (i) Equality in voting rights: One man one vote principle is followed , irrespective of the capital invested by the member. (ii) Limited liability: Liability of the member is limited to the capital provided by the member. Personal assets cannot be attached to pay off business debts.				(4)

	<p>(iii) Stable Existence: The death, insolvency and insanity of the members don't impact its existence as it a corporate body. So it enjoy perpetual existence.</p> <p>(iv) Economy in operation : It is managed by the members on a honorary basis. As the society eliminates middlemen it is able to reduce cost. As the members themselves are customers so the risk of bad debts is also reduced.</p> <p style="text-align: center;">OR</p> <table><tr><td>Basis</td><td>Partnership</td><td>Hindu Undivided Family</td><td>Company</td></tr><tr><td>(i) Capital Contribution</td><td>Limited</td><td>Limited to ancestral property</td><td>Large financial resources</td></tr><tr><td>(ii) Control and Management</td><td>All partners are responsible for all business decisions</td><td>All decisions taken by Karta</td><td>Decisions are taken by BOD appointed by shareholders</td></tr><tr><td>(iii) Liability</td><td>Unlimited liability each partner is individually and jointly liable</td><td>Karta has unlimited liability while others have limited liability</td><td>Liability of members are limited to unpaid shares</td></tr><tr><td>(iv) Minimum members</td><td>2</td><td>2</td><td>Private Company 2 Public Company 7</td></tr></table>	Basis	Partnership	Hindu Undivided Family	Company	(i) Capital Contribution	Limited	Limited to ancestral property	Large financial resources	(ii) Control and Management	All partners are responsible for all business decisions	All decisions taken by Karta	Decisions are taken by BOD appointed by shareholders	(iii) Liability	Unlimited liability each partner is individually and jointly liable	Karta has unlimited liability while others have limited liability	Liability of members are limited to unpaid shares	(iv) Minimum members	2	2	Private Company 2 Public Company 7	
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10	<p>Memorandum of Association is the main document of a company. It is also called the Charter of the Company. It is so called as it contains the powers, objectives of the company and it also defines the scope of the company in relation to the investors and outsiders. A company cannot do anything beyond the memorandum.</p> <p>Memorandum of Association contains five clauses.</p> <p>(i) Name Clause: This contains the name of the company, this name has to be approved by the Registrar of Companies.</p> <p>(ii) Situation Clause: This is also known as Registered office clause or Domicile Clause. This clause contains the name of the state in which it is registered office is proposed to be situated. The exact address is not required at this stage but must be notified to the Registrar of the companies within 30 days of its incorporation.</p> <p>(iii) Object Clause: This defines the purpose for which the company has been formed. The object clause clearly state what the company is supposed to do. The object clause is further divided into (i) Main Object and (ii) Other Object</p> <p>(iv) Liability Clause: This very clearly state that the liability of the members are limited to the unpaid amount of shares held by them.</p> <p>(v) Capital Clause: This specifies the maximum capital (authorised capital) which the company is allowed to raise through its shares.</p>	(6)																				