



# B.K. BIRLA CENTRE FOR EDUCATION

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

TERM – I EXAMINATION (2025-26)  
BUSINESS ADMINISTRATION

Class: XI

Date: 05.09.25

Roll No.:

ANSWER KEY

Time: 3 hrs

Max Marks: 60

Admission No.

## General Instructions:

1. Please read the instructions carefully.
2. This Question Paper consists of 24 questions in two sections – Section A and Section B.
3. Section A has Objective type questions whereas Section B contains Subjective type questions.
4. Out of the given (6 + 18 = 24) questions, candidate has to answer (6+11=17) questions in the allotted (maximum) time of 3 hours.
5. All questions of a particular section must be attempted in the correct order.

### SECTION A: OBJECTIVE TYPE QUESTIONS

**Q1. Answer any 4 out of the given 6 questions.**

- |                           |    |
|---------------------------|----|
| i) b) Economic activity   | 1) |
| ii) a) Profession         | 1) |
| iii) b) Business          | 1) |
| iv) b) Employment         | 1) |
| v) d) Tertiary industries | 1) |
| vi) b) Insurance          | 1) |

**Q2. Answer any 5 out of the given 7 questions**

- |   |    |
|---|----|
| i) a) Strength  | 1) |
| ii) a) Weaknesses   | 1) |
| iii) b) Legal environment   | 1) |
| iv) a) Capital/Finance  | 1) |
| v) c) Globalization   | 1) |
| vi) False. Reason : Have a direct effect on the day to day working of business. | 1) |
| vii) d) All of the above  | 1) |

### Q3. Answer any 6 out of the given 7 questions

i) **Wandering customers** are customers who **visit a store or business without any specific intention to buy**. They usually browse around casually, often just looking rather than purchasing. 1)

ii) **Ways to Identify Consumer Needs:** 1)

1. **Market Research:** Conduct surveys, questionnaires, and interviews to know what consumers want.
2. **Observation:** Watch consumer behavior in stores, online, or while using products.
3. **Feedback & Reviews:** Collect and analyze customer complaints, suggestions, and ratings.

iii) 1)

#### Product Service

<b>Scalability</b>	Products are <b>highly scalable</b> because they can be <b>mass-produced</b> and distributed to many customers without much extra effort or cost per unit.	Services are <b>less scalable</b> because they are delivered <b>individually</b> and often require <b>more time, human effort, or customization</b> for each customer.

iv) **Unsought goods** are goods that **customers do not think of buying regularly or are unaware of until they need them**. These products usually require **a lot of promotion, advertising, and personal selling** to make customers aware of their necessity. 1)

- Insurance policies
- Fire extinguishers
- Funeral services
- First-aid kits

v) 1)

1. **Convenience Goods**
2. **Shopping Goods**
3. **Specialty Goods**
4. **Unsought Goods**

vi) **Functional Needs:** 1)

- These are needs related to the **basic function or utility** of a product or service.
- Example: Buying food to satisfy hunger or purchasing clothes for protection.

#### Psychological Needs:

- These are needs related to **emotions, status, and self-esteem**.
- Example: Buying branded clothes to feel confident or gain social recognition.

vii) **Impulse goods** are goods that are **purchased spontaneously**, without prior planning or intention. These purchases are often driven by **sudden desire, emotions, or attractive displays** rather than actual need. 1)

### Q4. Answer any 5 out of the given 6 questions

i) b) Sleeping partner 1)

ii) b) 1932 1)

iii) 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. 1)

- iv) d) 10 1)
- v) **Oligarchic management** in a company means that **decision-making power is concentrated in the hands of a small group of people**—often a few top executives, board members, or majority shareholders. 1)
- vi) b) One man one vote 1)

**Q5. Answer any 5 out of the given 6 questions.**

- i) d) Share 1)
- ii) c) Shareholders 1)
- iii) b) separate legal entity 1)
- iv) b) 50 1)
- v) Co-operative society 1)
- vi) Nominal partner 1)

**Q6. Answer any 5 out of the given 6 questions.**

- i) c) Organization 1)
- ii) c) Entrepôrt 1)
- iii) a) It helps in tapping useful resources. 1)
- iv) Certificate of Incorporation 1)
- v) Perpetual succession 1)
- vi) The Board of Directors 1)

**SECTION - B: SUBJECTIVE TYPE QUESTIONS**

**Answer any 3 out of the given 5 questions in 20-30 words each.**

**Q7. 2)**

- i) **Partnership at Will** means a **partnership firm that has no fixed duration or expiry date**.
- It **continues as long as the partners wish** to carry on the business together.
  - Any partner can **dissolve the partnership** at any time by giving **notice** to the other partners.
  - There is **no prior agreement** about the period of partnership or when it will end.

**Q8.i) Technological Environment 2)**

- It refers to the **characteristics of technology** in which business firms operate, including innovations, automation, R&D, and advancement in production methods.

**ii) Legal Environment**

- It refers to the **framework of laws and legislations** (like labour laws, company laws, consumer protection laws) within which businesses must operate.

**Q9. A Partner by Estoppel is a person who is not actually a partner in a firm but is considered 2) a partner because of their conduct or representation.**

- If someone **acts like a partner** or **lets others believe** they are a partner, and third parties give credit or trust the firm based on that belief,
- The person becomes **liable like a partner** for any debts or obligations, even if they didn't invest or share profits.

**Q10. Industry 2)**

- Industry refers to all those **economic activities** which are concerned with **production, processing, or fabrication of goods and services**.
- It involves converting raw materials into **finished products**.
- **Examples:** Manufacturing cars, mining coal, farming crops, software development.

**Commerce**

- Commerce refers to all activities that **help in the distribution of goods and services** from producers to consumers.
- It includes **trade** (buying & selling) and **aids to trade** (transport, banking, insurance, warehousing, advertising, etc.).
- **Examples:** Retail stores, shipping companies, banks, online marketplaces.

**Q11. Here are two demerits of a cooperative organisation: 2)**

1. **Limited Resources:**
  - Cooperatives often depend on the **small capital contributions of members**.
  - This limits their ability to expand or compete with large businesses.
2. **Inefficient Management:**
  - They are usually managed by members **who may lack professional expertise**, leading to slower decision-making and inefficiency.

**Answer any 3 out of the given 5 questions in 20-30 words each.**

**Q12. i) The form of business organisation is Sole Proprietorship. 2)**

- A small neighbourhood stationery store is usually owned and run by **one individual**.
- ii. **Feature:**
- **Single Ownership:** The business is owned, managed, and controlled by a single person who bears all risks and enjoys all profits.

**Q13. "Partnership is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all. "bears all risks and enjoys all profits. 2)**

**Why a Sole Proprietor Finds Partnership a Viable Option for Expansion:**

1. **More Capital Availability:** Partners pool their resources, helping expand the business.
2. **Shared Risk:** Losses and responsibilities are shared, reducing individual burden.
3. **Better Decision-Making:** Partners bring in diverse skills, expertise, and ideas.
4. **Ease of Formation:** Forming a partnership is simple and less formal compared to a company.

**Q14. Yes, I agree with the statement that business environment offers both opportunities as well as threats. Examples: 2)**

1. **Opportunities:**
  - The rising use of **digital payments** in India created opportunities for companies like **Paytm and PhonePe** to grow rapidly.
2. **Threats:**
  - **COVID-19 pandemic** disrupted supply chains and reduced sales for many industries like aviation and hospitality, becoming a major threat.

**Q15. Loyal Consumers:**

2)

- These are customers who **regularly buy** from the same brand or shop.
- They are **faithful** to a product or business due to trust, satisfaction, or emotional connection.
- **Example:** A person who always buys a specific brand of shoes or visits the same grocery store.

**Discount Consumers:**

- These customers are **price-conscious** and prefer to buy products **on sale or at a discount**.
- They are not loyal to a single brand and may switch for better deals.
- **Example:** Shoppers who wait for festive sales or special offers.

**Q16. Partnership Deed**

2)

A **Partnership Deed** is a **written agreement** among partners of a firm that states the **terms and conditions of their partnership**.

- It defines **rights, duties, responsibilities, and profit-sharing** ratios of the partners.
- Though not compulsory, having it in writing **avoids disputes** and ensures smooth functioning of the business.

**Answer any 2 out of the given 3 questions in 30-50 words each.**

**Q17. Genetic Industries:**

3)

- These industries are concerned with **reproduction and multiplication of plants and animals** for further use.
- They focus on **breeding, cultivation, or growing** living organisms to create products.
- **Examples:**
  - Nurseries and plantations (tea, coffee, rubber, timber).
  - Poultry farms, dairy farming, fish hatcheries

**Extractive Industries:**

- These industries involve **extraction of natural resources** from the **earth, air, or water** and supplying them for further production.
- The resources are **exhaustible** (once used, they reduce in quantity).
- **Examples:**
  - Mining coal, iron ore, or petroleum.
  - Fishing, hunting, and forestry.

**Q18.**

3)

Basis	Product	Service
(i) Who comes to whom	Products are <b>produced first</b> and then <b>delivered to customers</b> ; customers go to the product or buy it from a shop.	Services are <b>performed in the presence of the customer</b> ; the <b>service provider comes to the customer</b> or vice versa.
(ii) Ownership	<b>Ownership is transferred</b> to the buyer after purchase.	<b>No ownership is transferred</b> ; customers only get the benefit or experience of the service.

**Q19. 1. Initial Phase – Small Bakery Shop in Town:**

3)

- Scale: Small-Scale Business
- Reason: Limited use of labour and capital, serving a local community.

2. Expansion into a Chain of Bakeries in the State:

- Scale: Medium-Scale Business
- Reason: Business grew beyond the local area, likely required more staff, capital, and resources to manage multiple outlets.

3. Tie-up with Multinational and Opening of Automated Factories:

- Scale: Large-Scale Business

**Answer any 3 out of the given 5 questions in 50-80 words each.**

**Q 20. 1. Easy to Start and Close**

4)

2. Full Control and Quick Decision-Making
3. Direct Retention of Profits
4. Personal Touch and Better Customer Relationships

**Q 21. Main Constituents of the Legal Environment and Its Impact on Business:**

4)

The legal environment of business refers to the framework of laws, regulations, and legal institutions that govern how businesses operate in a country. It ensures that businesses act ethically, protect stakeholders' interests, and follow legal protocols.

**Main Constituents of the Legal Environment:**

### **1. Laws Related to Business Formation and Operation**

These include laws about how a business can be set up and operate legally.

- **Examples:** Companies Act, Partnership Act, Limited Liability Partnership Act.
- **Impact:** Dictates how businesses are structured and managed. For instance, registering as a private limited company vs. a partnership affects liability and funding options.

### **2. Labour and Employment Laws**

These laws regulate the relationship between employers and employees.

- **Examples:** Industrial Disputes Act, Minimum Wages Act, Factories Act.
- **Impact:** Ensures fair treatment of workers. For instance, minimum wage laws prevent exploitation and affect labor costs for businesses.

### **3. Consumer Protection Laws**

Designed to safeguard consumers from unfair trade practices.

- **Examples:** Consumer Protection Act.
- **Impact:** Businesses must ensure product quality and transparency. Failure to do so can lead to legal action and loss of reputation.

### **4. Environmental Laws**

These laws aim to prevent environmental degradation due to business activities.

- **Examples:** Environment Protection Act, Air and Water Pollution Acts.
- **Impact:** Companies must adopt sustainable practices. For example, a factory might need to install pollution-control equipment, increasing costs.

## Q22. Dynamic in Nature

4)

- Explanation: The business environment is constantly changing due to various internal and external factors like technology, consumer preferences, government policies, etc.
- Example: The shift from traditional retail to e-commerce (e.g., Amazon, Flipkart) shows how businesses must adapt to technological changes.

## 2. Complex

- Explanation: The business environment involves many interrelated forces—economic, political, legal, social, and technological—which makes it complicated to fully understand or predict.
- Example: A change in tax policy may affect pricing, customer demand, and supply chain all at once.

## 3. Uncertain

- Explanation: It's difficult to predict exactly how external changes will affect business performance, especially in global or volatile markets.
- Example: Sudden geopolitical conflicts or pandemics (like COVID-19) can disrupt supply chains and demand overnight.

## 4. Interrelated Components

- Explanation: Different aspects of the business environment are connected; a change in one area can influence others.
- Example: A rise in fuel prices (economic factor) can increase transportation costs, which may affect product pricing and sales (market factors).

## Q 23. Memorandum of Association (MoA)

4)

- Meaning:  
The Memorandum of Association is the charter of a company. It defines the scope of activities and the relationship of the company with the outside world.

Main Clauses:

1. Name Clause – Company's name.
2. Registered Office Clause – State in which the company's registered office is situated.
3. Object Clause – Main and other objectives of the company.
4. Liability Clause – Liability of members (limited/unlimited).
5. Capital Clause – Authorized share capital.
6. Association Clause – Declaration by subscribers.

## Articles of Association (AoA)

- Meaning:  
The Articles of Association are the internal rules and regulations of the company, governing how it will be managed.
- Contents:
  - Share capital and variation of rights.
  - Calls on shares, transfer and transmission.
  - Meetings and voting rights.
  - Directors' appointment, powers, and duties.

**Q24.**

4)

Basis	Private Company	Public Company
i. Number of Members	Minimum 2 members and maximum 200 (excluding employees).	Minimum 7 members and no maximum limit.
ii. Minimum Paid-up Capital	No minimum capital requirement (earlier ₹1 lakh).	No minimum capital requirement (earlier ₹5 lakh).
iii. Number of Directors	Minimum 2 directors.	Minimum 3 directors.
iv. Transfer of Shares	Transfer of shares is restricted by its Articles.	Shares are freely transferable.

\*\*\*\*\*ALL THE BEST\*\*\*\*\*