## First Year Higher Secondary Second Terminal Evaluation, December 2019

### Subject-Business Studies with Functional Management Code-FSE-48-Unofficial

Q.No	Sub Q.No	Answer key/Value Points	Score	Tota
Answ		he questions from 1 to 10.Each carries 1 Score (10 X 1 =10)		
l.		Government Company	1	10
2.		3,Government Warehouse	1	
3.		Particular partnership	1	
4		Proctor and Gamble, Others are Indian Multinational Companies	1	
5.		Real Time Gross settlement	1	
6.		2,Strike	1	
7.		Table-A- incase of Companies Act 1956, Table-F -in case of Companies Act 2013	1	
3.		3,Medium Term/Long term	1	
9.		Current Account	1	
10		Land Pollution	1	
Answ	er any	four questions from 11-15.Each carries 2 scores (4 X 2 = 8)	l	1
11.		Any two points (Business has the responsibility to pay fair wages and salaries regularly, To provide good working conditions, To provide welfare schemes such as housing, medical care, reservation etc.,To protect trade union rights including the right of participation in management, To guarantee freedom of religion and political views,To give timely training to its employees.)	2	8
12.		Owners Fund – Contributed by owners/ E.g. Shares Borrowed Funds – Raised from external borrowings/ E.g. Debentures OR Note: We can consider any meaningful distinction/explanations	2	
13.	1.	Medical-Medical council of India	1	
	2.	Legal- Bar Council of India	1	
14.		Public private partnership (PPP)  A public private partnership means an enterprise which a project or service is financed and operated through a partnership of Government and private enterprises. An example for PPP:Rajiv Gandhi Superspecialty Hospital, Raichur, Karnataka, it is a joint venture of the Government of Karnataka and the Apollo hospitals Group, with financial support from OPEC (Organization of Petroleum Exporting Countries).	2	
15.		<b>Partner by estoppels:</b> If a partner by his talk or action gives an impression to third parties that he is a partner, then he is known as partner by estoppels. He is not entitled to share the profit of the firm and does not participate in the management. Such a partner is liable as a true partner to third parties.	2	

AIISW	ei any	Five questions from 16-21.Each carries 3 score (5 X 3=15)		
16.		Genetic Industry - Cattle Breeding  Extractive Industry - Fishing  Tertiary Industry - Warehousing	1 1 1	15
17		Hindu Undivided Family (HUF) Or Joint Hindu Family  Any Two Limitations  (Limited Capital, Limited managerial ability, No link between responsibility and reward, Scope for misuse of power)	1 2	
18.	1. 2.	<ol> <li>E-Business         <u>Limitations of e-business (Any two limitations)</u>         1. Low personal touch: E-business is not suitable for business requiring high level of personal touch like medical services.         2. Long time to complete transactions: Information can flow at the click of a mouse, but the physical delivery of the product takes time.         3. High risk due to anonymity and non traceability of the parties: It is difficult to identify actual party to the transactions as transactions take place in the name of cyber personalities     </li> <li>4. Computer literacy is needed: Computer literacy is necessary to participate in e-business. It is one of hindrance in the field of e-business.</li> </ol>	1 2	
19.		Retained earnings, (Any two advantages) (It is the most convenient source of finance, Retained profits create no charge on the assets of the company, There is risk of losing control to the management Retained profits increases the financial strength and earning capacity of the business, As an internal source, it is more dependable than external source, There is no fixed obligation to pay dividend on the profits reinvested)	1 2	

20.		E-Banking (Advantages)  Benefits to the service provider bank  1. Reduction of load on branches  Today customers can perform most of their banking functions through internet or ATM. This will reduce the work load of local banks.  2. Unlimited network to the bank  Any computer or smart phone with net connection can satisfy various banking functions of customers. E-banking provides unlimited Network to banks and is not limited to number of branches. For e.g. SBI has 14000 branches but its e-banking network may be above 10lakhs  3. Less operating cost  E-banking helps the bank to reduce its number of employees. It will reduce their operating cost.	3	
21.	1	<b>Prospectus:</b> A prospectus is an invitation to the public to subscribe its shares or debentures. It contains all material information required regarding financial aspects of the company and helps people in making decision, whether they should subscribe for shares of the company or not.	1.5 1.5	
	2.	Certificate of Incorporation: This certificate is a conclusive proof of the registration of a company. It may be called the birth certificate of the company. The date shown in the certificate denotes the date on which the company comes into existenceA private Ltd Company can commence business immediately after getting certificate of incorporation.		
Quest	tions 2	2 to 26 answer any four. Each carries 4 score (4 X 4=16)		
22.		Business Process Out sourcing (BPO)  Traditionally, all major business enterprises were performing all their activities and services internally. But modern business enterprises concentrate only on core activities and entrust other routine processes and services to agencies outside who have expert in that services. This is called BPO.  1. Concentrate on core competency: BPO provides an opportunity to the business to concentrate on core areas.  2. Cost reduction: Outsourcing agencies are specialists in their activities. They can perform the same job at a lower cost.  3. Specialization: Through outsourcing specialization in business operation can be achieved. This reduces cost and improves the quality of business operations.	1 3	16

23.	1. 2.	Statutory corporations Features of statutory of	_	_		1	
		parliament or state legis existence apart from the by the government. 4Board of Directors a employees-A statutory autonomy-A public structure. It is author accountability-Their a	e governme. 2. e governme. Manager appointed corporationized to accounts adding (CA)	Separate lement. 3. Ow ment Its mon has it on has a plough baare audited G). Borroy	under a special Act is egal entity- It has separate nership -It is fully owner anagement is vested in government.5. Status of sown staff.6. Financial independent financial independent financial is earnings. Public by the Comptroller oving of funds-It has the	te   3   a   b   c   d   d   c   d   d   c   d   d   d	
24		Co-operative society  Disadvantages of a coo  Unsuitable for large bus	_	_	•	1 3	
		State Regulation, Lack of transferability of Shares	of Secrec				
		Measures taken by government to control environmental pollution: 1.Government passed Environment(Protection) Act,1986 2. Various programmes on environment education, and seminars on creating awareness and resource are being organized regularly. 3.Government has also laid down Environment Action Plan (EAP) 4. Manufacturing units have been closed in cities like Delhi, Agra etc. 5.Government passed The Hazardous Wastes Act,1989					
		<ul><li>2. Various programmes creating awareness and a</li><li>3.Government has also a</li><li>4. Manufacturing units b</li></ul>	on environments of environments on environment	onment educare being or a Environment closed in c	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc.		
26	1 2	2. Various programmes creating awareness and 3. Government has also 4. Manufacturing units 15. Government passed T. Business and Non economy Three Difference	on environ resource laid down have been The Hazaro	onment eduction are being or Environment closed in closed in closed wity / Discre	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. s Act, 1989 etionary responsibility	1 3	
26		2. Various programmes creating awareness and 3. Government has also 4. Manufacturing units 1 5. Government passed To Business and Non economy Three Difference  Economic Activities	on environments of environments on environment	onment eduction are being or in Environment closed in closed in closed wastes wity / Discretion Non-economic content of the co	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. s Act, 1989 etionary responsibility omic Activities	1	
26		2. Various programmes creating awareness and 3. Government has also 4. Manufacturing units 15. Government passed T. Business and Non economy Three Difference	on environments of environments on environment	onment eduction are being or Environment eduction in Environment education in Environment eduction in Environment eduction in Environment eduction in Environment eduction in Environment education in Environment educ	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. s Act, 1989 etionary responsibility  omic Activities n by people to get	1	
26		2. Various programmes creating awareness and 3. Government has also 14. Manufacturing units 15. Government passed True Business and Non economy Three Difference  Economic Activities  Undertaken by people 15.	on environment on environment of earn	onment eduction are being or Environment eduction in Environment education in Environment eduction in Environment eduction in Environment eduction in Environment eduction in Environment education in Environment educ	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. s Act, 1989 etionary responsibility  omic Activities n by people to get	1	
26		2. Various programmes creating awareness and 3. Government has also 4. Manufacturing units 15. Government passed Transport Tra	on environment on environment of earn	onment eduction are being or Environment eduction in Environment education in Environment eduction in Environment eduction in Environment eduction in Environment eduction in Environment education in Environment educ	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. s Act, 1989 etionary responsibility  omic Activities n by people to get	1	
26		2. Various programmes creating awareness and 3. Government has also 14. Manufacturing units 15. Government passed True Business and Non economy Three Difference  Economic Activities  Undertaken by people 15.	on environment on environment of earn	onment eduction are being or Environment eduction in Environment education in Environment eduction in Environment eduction in Environment eduction in Environment eduction in Environment education in Environment educ	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. is Act, 1989 etionary responsibility  omic Activities in by people to get asfaction can't be measured in	1	
	2	2. Various programmes creating awareness and 3. Government has also 14. Manufacturing units 15. Government passed To 15. Government passed To 16. Business and Non economy Any Three Difference Economic Activities  Undertaken by people of money  Its benefit can be meast terms of money  Money is the reward	on environment on environment of the Hazard omic activate to earn	nment eductor are being or Environment eductor in Environment educto	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. is Act, 1989  etionary responsibility  omic Activities in by people to get asfaction can't be measured in coney isfaction is the reward	1	
Quest	2	2. Various programmes creating awareness and 3. Government has also 4. Manufacturing units 15. Government passed T.  Business and Non economy Any Three Difference  Economic Activities  Undertaken by people money  Its benefit can be meast terms of money  Money is the reward  7 to 30 answer any three.	on environment of the Hazard omic activate to earn	nment educare being or Environment educare being or Environment education in Environment educati	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. s Act, 1989  ctionary responsibility  comic Activities  In by people to get disfaction  can't be measured in disney isfaction is the reward  re (3 X 5 = 15)	1	15
	2	2. Various programmes creating awareness and 3. Government has also 4. Manufacturing units 15. Government passed T.  Business and Non economy Any Three Difference  Economic Activities  Undertaken by people money  Its benefit can be meast terms of money  Money is the reward  7 to 30 answer any three	on environment on environment of earn sured in	nment educare being or Environment educare being or Environment education ed	cation, and seminars on ganized regularly. ent Action Plan (EAP) ities like Delhi, Agra etc. is Act, 1989  etionary responsibility  omic Activities in by people to get asfaction can't be measured in coney isfaction is the reward	1 3	15

Point of Difference   Life Insurance   General Insurance	1.	<ul> <li>1.Life policy-Life Insurance</li> <li>2.Car Insurance - Motor vehicle insurance/ General Insurance</li> <li>Any 4 Differences</li> </ul>									
Type of contract  Type of contract  Contract of Assurance  Must exist at the time of contract and at the time of loss  Measurement of loss  Measurement of loss  Measurable  Period covered  Long period  Loss is not measurable  Period covered  Long period  Usually for a year  Surrender of policy  Happening of the event leading to claim  Reasons for Environmental pollution  Air Pollution  1. It is mainly due to carbon monoxide emitted by automobiles  2. Smoke and other chemicals from manufacturing plants,etc. Noise  Pollution  3. The sponsors of outdoor noise are machines and transportation systems, motor vehicles, aircraft, and trains.  Water Pollution  4. Water becomes polluted, when chemicals and other waste materials are dumped into it. 5. Business enterprises have been dumping waste into rivers, streams and lake with little regard for the consequences.  Basis Sole Partners HUF Joint Society Company Trading hip Lability is Liability of Limited Contributed Banks and Contribution alone by Patterns members family bioders from banks and liabe with little regreted for the consequences.				Life	Insurance	Genera	l Insurance		4		
Presence of insurable interest   Assurance   Indemnity   Must exist at the time of contract and at the time of contract and at the time of loss   Loss is not loss   Loss is measurable   Loss is measurable   Period covered   Long period   Usually for a year   Surrender of policy   Possible   Not possible   Not possible   Possible   Not possible   Pappening of the event leading to certain   Uncertain   List is mainly due to carbon monoxide emitted by automobiles   2. Smoke and other chemicals from manufacturing plants, etc.   Noise   Pollution   3. The sponsors of outdoor noise are machines and transportation systems, motor vehicles, aircraft, and trains.   Water Pollution   4. Water becomes polluted, when chemicals and other waste materials are dumped into it.   5. Business enterprises have been dumping waste into rivers, streams and lake with little regard for the consequences.     Basis   Sole   Partners   HUF   Joint   Co-operative   Societs Act, 1912.     Formation   No   Agreement   As per Hindu   Company   Cooperative   Societs Act, 1912.     Liability   Liability is   Limited   Liability is   Limited   Liability is   Limited   Liability is   Limited   Liability   Liability is   Limited   Liability   Limited   Liability   Proprietor   Min-2   Unlimited   Unlimited   Unlimited   Liability   Limited   Liability   Liability   Liability   Limited   Liability		What	to insure	H	uman life						
Presence of insurable interest   effecting the policy   Loss is measurable   Loss is measurable   Loss is measurable   Period covered   Long period   Usually for a year   Surrender of policy   Happening of the event leading to claim   Uncertain   Uncertain   Loss is measurable   Event leading to claim   Uncertain   Event leading to claim   Event leading to claim   Uncertain   Event leading to claim   Event leading to contend leading to contend leading to contend   Event leading to contend   Event leading to contend to contend to contend   Event leading to contend to contend to contend to contend to contend to contend   Event leading to contend t		Type of	f contract								
Loss   Measurable   Loss is measurable     Period covered   Long period   Usually for a year     Surrender of						time o	of contract the time of				
Surrender of policy						Loss is	measurable				
Possible   Not possible   Happening of the event leading to claim   Uncertain   Uncertain				Lo	ng period	Usually	for a year				
Reasons for Environmental pollution				I	Possible	Not	possible				
Air Pollution  1. It is mainly due to carbon monoxide emitted by automobiles  2. Smoke and other chemicals from manufacturing plants,etc. Noise  Pollution  3. The sponsors of outdoor noise are machines and transportation systems, motor vehicles, aircraft, and trains.  Water Pollution  4. Water becomes polluted, when chemicals and other waste materials are dumped into it.  5. Business enterprises have been dumping waste into rivers, streams and lake with little regard for the consequences.    Basis   Sole   Partners   HUF   Joint   Co-operative   Society   Company		event l	eading to		Certain	Un	certain				
2. Smoke and other chemicals from manufacturing plants,etc. Noise  Pollution  3. The sponsors of outdoor noise are machines and transportation systems, motor vehicles, aircraft, and trains.  Water Pollution  4. Water becomes polluted, when chemicals and other waste materials are dumped into it.  5. Business enterprises have been dumping waste into rivers, streams and lake with little regard for the consequences.    Basis   Sole   Partners   HUF   Joint   Co-operative   Society   Company				nmental	pollution				_		
Pollution  3. The sponsors of outdoor noise are machines and transportation systems, motor vehicles, aircraft, and trains.  Water Pollution  4. Water becomes polluted, when chemicals and other waste materials are dumped into it.  5. Business enterprises have been dumping waste into rivers, streams and lake with little regard for the consequences.    Basis   Sole   Partners   HUF   Joint   Co-operative stock   Society   Company											
3. The sponsors of outdoor noise are machines and transportation systems, motor vehicles, aircraft, and trains.  Water Pollution  4. Water becomes polluted, when chemicals and other waste materials are dumped into it.  5. Business enterprises have been dumping waste into rivers, streams and lake with little regard for the consequences.    Basis   Sole   Partners   HUF   Joint   Co-operative   Society											
systems, motor vehicles, aircraft, and trains.  Water Pollution  4. Water becomes polluted, when chemicals and other waste materials are dumped into it.  5. Business enterprises have been dumping waste into rivers, streams and lake with little regard for the consequences.    Basis   Sole   Partners   HUF   Joint   Co-operative   Society   Company			•			-		Noise			
are dumped into it.  5. Business enterprises have been dumping waste into rivers, streams and lake with little regard for the consequences.    Basis   Sole   Partners   HUF   Joint   Stock   Society		2. Smoke	•			-		Noise			
lake with little regard for the consequences.    Basis   Sole   Trading   Partners   hip   Stock   Society   Societies Act, 1912.		<ul><li>2. Smoke</li><li>Pollution</li><li>3. The systems, n</li></ul>	and other	of outde	cals from ma	nufacturir	ng plants,etc.				
Basis   Sole   Trading   HUF   Stock   Co-operative   Society		2. Smoke Pollution 3. The systems, n Water Po 4. Water are dumpe	sponsors notor vehice llution becomes ped into it.	of outde cles, aircr	cals from ma oor noise a raft, and trains when chemic	nufacturing re machines.	ng plants,etc. es and transpo	ortation aterials			
Formation No formality is required Law Companies Societies Act, 1912.  Liability Unlimited Unlimited Unlimited Limited Limited Limited Unlimited Capital Proprietor Contribution alone Spartners Easily Share holders from banks and		2. Smoke Pollution 3. The systems, n Water Po 4. Water are dumped 5. Business	sponsors notor vehice comes ped into it.	of outdooles, aircroolluted,	cals from ma oor noise a raft, and trains when chemic	re machines.  als and or	ng plants,etc. es and transpo	ortation aterials			
Liability is Unlimited   Members   1   Min-2   Unlimited   Unlim		2. Smoke Pollution 3. The systems, n Water Po 4. Water are dumped 5. Business lake with	sponsors notor vehice llution becomes ped into it. ss enterprise little regare	of outdecles, aircroolluted, see have to design the contract of the contract o	cals from ma coor noise as raft, and trains when chemic been dumping consequences	re machine als and of waste inte	es and transporter waste made rivers, strea	ortation aterials	4 X		
Capital Proprietor Contributed Family Share Members , Loans Contribution alone by Partners members/family holders from banks and		2. Smoke Pollution 3. The systems, n Water Po 4. Water are dumpe 5. Busines lake with 1 Basis	sponsors notor vehice comes ped into it. ss enterprise little regar Sole Trading No formality is	of outdedeles, aircroolluted, see have to the of th	cals from ma	re machine als and of waste inte  Joint stock Company Companies	es and transporter waste morivers, strea  Co-operative Society  Cooperative	aterials ms and	4 X		
Contribution alone by Partners members/family holders from banks and		2. Smoke Pollution 3. The systems, n Water Po 4. Water are dumpe 5. Busines lake with 1 Basis  Formation	sponsors motor vehice comes ped into it. ss enterprise little regare Sole Trading No formality is required	of outdedles, aircroolluted, see have to have have have have have have have have	cals from material coor noise at a caft, and trains when chemic been dumping consequences  HUF  As per Hindu Law  Only Kartha's Liability is	als and of waste into stock Company Companies Act	cher waste morivers, strea  Co-operative Society  Cooperative Societies Act, 1912	aterials ms and	4 X		
		2. Smoke Pollution 3. The systems, n Water Po 4. Water are dumpe 5. Busines lake with 1 Basis  Formation  Liability	sponsors notor vehice llution becomes ped into it. ss enterprise little regar Sole Trading No formality is required Unlimited	of outdecles, aircroolluted, see have to describe for the contraction of outdecles, aircroolluted, see have to describe for the contraction of outdecles, aircroolluted, see have to describe for the contraction of outdecles, aircroolluted, aircroo	cals from materials f	als and of waste inte  Joint stock Company Companies Act	cher waste morivers, strea  Co-operative Society  Cooperative Societies Act, 1912.	aterials ms and	4 X		

#### Questions 31 to 33. Anser any two. Each carries 8 Score (2 X 8 = 16)

31. | 1. | Insurance

2. Principles of Insurance (Sufficient explanation for 1 score)

#### 7 x 1=7

#### 1. Principle of Utmost Good Faith(Uberrimate fide)

Insurance is a contract of utmost good faith. Both the parties to the contract should be absolutely honest to each other in regard to the contract. The insured is liable to disclose all material facts known to him. Similarly, the insurer is also liable to disclose honestly the scope of insurance which he is prepared to grant.

#### 2. Principle of Indemnity

All contracts of insurance except life insurance are contract of indemnity. Indemnity means that in case of any loss, the insured shall be compensated, but the amount of compensation shall never be more than the actual loss. It denotes that the insured is not allowed to make any profit out of his loss.

#### 3. Principle of Insurable Interest

According to this principal the insured person must have insurable interest in the life or property insured. Otherwise he cannot claim at the time of loss .Insurable interest means that the insured must have some financial interest in the object, property or life which he is insuring.

#### 4. Principle of Causa Proxima

According to this principle, only the proximate (nearest) cause will be considered when there are several causes for the damage. As per this principle the insurance co will become liable to compensate the insured, if the reason for the loss is insured against and it must be a nearest one.

#### 5. Principle of Subrogation

It is an extension of the principle of indemnity. As per this principle after the insured is compensated for the loss due to damage to property insured, then right of ownership of such property passes on to the insurer.

#### 6. Principle of Mitigation of Loss

Insured can claim for loss or damage only if the loss arises due to reasons beyond the control of the insured. According to this principle the insured is expected to take reasonable care to protect the insured property from loss or damage and has taken effective measures to minimize the loss.

#### 7. Principle of Contribution

It is applicable to all contracts of indemnity. According to this principle, an insured can insure the same subject matter with two or more insurance companies but he can claim the compensation only to the extent of actual loss either from all insurers or from any one insurer.

32.

1. Promotion

- 2.Incorporation
- 3. Capital subscription

1

7X1=7

# Stages in Promotion (Sufficient explanation for 1 scores ,any relevant points)

**1Discovery of business idea:** The promotion stage begins with the discovery of an idea to set up a business. There may be several ideas in his mind and he has to decide which is the most feasible and profitable one.

**2Feasibility study:** After analyzing all the concepts related to the idea discovered, the promoter starts doing detailed investigation to give practical shape to the idea. He does detailed investigation regarding cost, profitability, production process, demand of the product etc.

3Appointment of bankers, brokers, solicitors and under writers: The promoter appoints the brokers and underwriters to ensure the availability of capital by sale of a company's securities and solicitors are appointed to deal with then legal matters of the company. Bankers are appointed to have smooth financial dealings.

**4Assembling** the factors of production: Once satisfied with practicability and profitability of the proposal, the promoter assembles the factors of production like land, labour, capital and managerial personnel.

**5Preparation of Preliminary Documents:** The promoter takes up the steps to prepare necessary documents of the company which have to be submits to the Registrar at the time of incorporation. The required documents are:-

- a) The Memorandum of Association
- b) The Articles of Association
- c) The Prospectus / Statement in lieu of prospectus.
- d) A list of directors their full address and occupation.
- e) A written consent by directors stating that they have agreed to act as directors.
- f) A statement of authorized capital
- g) A statutory declaration by a Chartered Accountant or an advocate of Supreme Court or High Court that all provisions of the Companies Act have been complied with.

	<del></del>	parties before registration approves these contract to companies can't have company to gets its na	n of the company. After s. e identical names. It is me approved from the	
•	Basis of Difference	Shares	Debentures	8 X1=8
	1. Ownership	A share is an ownership security	A debenture is a creditor ship security	
	2. Position	A share holder is an owner of the company	A debenture holder is a creditor of the company	
	3. Return on investment	Shareholders get dividend as the return	Debenture holders get interest as the return	
	4.Guarantee of return	Rate of return is fluctuating, depending upon the earnings of the company	Rate of interest is fixed irrespective of profit or loss of the business	
	5. Voting right	Share holders have voting rights	Debenture holders have no voting rights	
	6. Redeemability	Shares can't be redeemed (except redeemable preference shares) during the life of the company	Redeemable debentures can be redeemed during the life time of the company	
	7. Security	No charge is created on the assets of the company	The debentures are generally secured by creating a charge on the assets of the company	
	8. Priority for repayment of investment	At the time of winding up of the company, share capital is payable after meeting all outside liabilities	Debentures are repayable in priority over share capital	