

UNOFFICIAL ANSWER KEY**FIRST YEAR HIGHER SECONDARY MODEL EXAMINATION ,FEBRUARY 2025****PART III****SUBJECT: BUSINESS STUDIES WITH FM****FY.548****80 SCORES****2 1/2 HOURS**

Qn. No	Sub. Qns	Answer Key / Value Point	Score	Total Score
		<u>Answer any 8 questions from 1 to 10. Each carries 1 score. (8x1=8)</u>		
1		d. Entrepot.	1	8
2		a. Limited liability.	1	
3		Public Private Partnership./ Private Public Partnership	1	
4		b. Place.	1	
5		ATM	1	
6		b. NewDelhi (Union Territory) / Uttar Pradesh (State)	1	
7		c. 7.	1	
8		b. America	1	
9		c. Foreign trade.	1	10
10		b. Bill of lading		
		<u>Answer any 5 questions from 11 to 16. Each carries 2 score. (5X2=10)</u>		
11.		Business refers to an occupation in which people regularly engage in activities related to purchase, production and/or sale of goods and services with a view to earning profits.	2	
12.		Ethics is concerned with what is right and what is wrong . Business ethics concerns itself with relationship between objectives, practices, and techniques and the good of society.	2	
13.		It is a document, notice, circular or advertisement inviting offers for subscription or purchase of any shares or debentures of a company from the public.	2	
14		Commercial Paper (CP) is an unsecured money market instrument issued in the form of a promissory note. (Any other meaningful answer)	2	
15		Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organize profit oriented business unit for production or distribution of economic goods and services.	2	
16.		Buying and selling of goods and services between two countries are called external trade or foreign trade or international business.	2	
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17.		<p><u>Answer any five of the following questions from 17 to 22. Each carries 3 score (5 x 3= 15)</u></p> <p><u>i. Consumers' Co-operative Societies</u> – These are formed by consumers to ensure the supply of consumer goods with a fair price. They purchase the goods directly from wholesalers and distribute the same to its members and outsiders for a little margin of profit.</p> <p><u>ii. Producers Co-operative Societies</u> – They are also known as Industrial co-operative societies. It is promoted by small producers, craftsmen etc. which will help them to start small scale and cottage industries.</p> <p><u>iii. Farmer's Cooperative Societies</u> – It is an association of small farmers in a village and they join together to reap the benefit of large scale production through Joint Cultivation.</p> <p>iv. Marketing Co-operative Societies., v. Credit Co-operative Societies .,vi. Co-operative Housing Societies. (Any three types)</p>	3x1	
18.		(i) Huge capital resources, (ii) Foreign collaboration, (iii) Advanced Technology, (iv) Product innovation, (v) Marketing strategies, (vi) Expansion of market territory, (vii) Centralised control. (Any 3)	3x1	15
19.			3x1	
20.		<p>i. Promotion</p> <p>ii. Incorporation</p> <p>iii. Subscription of Capital.</p>	3x1	
21.	a.	<p>a. Suitable for risk takers.</p> <p>b. No obligation for dividend.</p> <p>c. Permanent capital.</p> <p>d. Provides creditworthiness to the company.</p> <p>e. No charge against assets.</p> <p>f. They have voting rights (Any 3)</p>	1 1/2	
	b.	<p><u>A trademark</u> is any word, name, or symbol (or their combination) that identify the goods made by an individual, company, organization, etc. A trademark helps in distinguishing similar products in the market from its competitors.</p>	1 1/2	
22.		<p><u>A 'patent'</u> is an exclusive right granted by the Government which provides the exclusive 'right to exclude' all others and prevent them from making, using, offering for sale, selling or importing the invention.</p> <p>i. Exporting and Importing.,</p> <p>ii. Contract Manufacturing.,</p> <p>iii. Licensing and Franchising.,</p> <p>iv. Joint Ventures.,</p> <p>v. Wholly Owned Subsidiaries., (Any three)</p>	3x1	
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	<p><u>Answer any four of the following questions from 23 to 27. Each carries 4 score (4 x 4= 16)</u></p> <p>23. <u>i. Active or Working Partner</u> – A partner who contributes capital and take part in the day to day affairs of the business is called active partner.</p> <p><u>ii. Sleeping or Dormant Partner</u> – He does not play an active part in the business but simply contributes capital and shares the profit or loss as the case may be.</p> <p><u>iii. Secret Partner</u> – It is one whose association with the firm is unknown to the public. All other features are just like an active partner.</p> <p><u>iv. Nominal Partner</u> – Such a partner lends his name and reputation for the benefit of the firm but neither contribute capital nor take part in management as well as no share in profit of the firm . Although he becomes liable to outsiders for the debts of the firm.</p> <p><u>v. Partner by Estoppel</u> – If a person acts as a partner of a firm by his words and conduct, he can be called as partner by estoppel. Even though he is not an actual partner, he is liable for the debts of the firm as he makes himself as a partner in front of the public.</p> <p><u>vi. Partner by holding out</u> – Sometimes a person may be declared as a partner in a firm by the outsiders and does not deny this even after becoming aware of it. Such a person is known as partner by holding out. He is also liable for the debts of the firm though he is not an actual partner. (any four)</p> <p>24. Public Sector enterprise are those enterprises which are owned and managed by the central government or by the state government or by both. The basic purpose of such undertakings is to render service to society.</p> <p>i) Departmental Undertakings.,</p> <p>ii. Statutory Corporations or Public Corporations.,</p> <p>iii. Government Company.</p> <p>25. <u>a. Whole life Policy</u> - This policy taken for one's whole life and the payment will be made to the legal heirs. If premium is payable for a fixed period, the policy will continue till the death of the assured.</p> <p><u>b. Endowment Policy</u> – This policy taken for a specified period . Insurance company undertakes to pay a fixed sum when the assured attains a particular age or on his death whichever is earlier.</p> <p><u>c. Joint Life Policy</u> – Policy taken out jointly by two or more persons. Premium can be paid jointly or by any of them in instalment or lump sum. This policy matures either on the death of any of the assured or at the expiry of the period.</p> <p><u>d. Annuity Policy</u> – In this policy, the assured gets a regular payment after he attains a particular age (pension plan). The premium is paid either in instalment for a definite period or as a single premium.</p>	<p>4x1</p> <p>1</p> <p>3x1</p> <p>4x1</p>	<p>16</p>
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		<p>e. <u>Children's Endowment Policy</u> – This policy is taken by a person to provide funds for the education or marriage of his / her children. If the parent dies before the maturity, the policy will continue to exist even without the payment of further premium.</p> <p>(any four)</p> <p><u>Long term</u> :- Equity shares, Preference shares, Retained Earnings, Debentures, Loan from financial institutions, Loan from banks. (2 each)</p> <p><u>Short term</u> :- Trade credit, Factoring, Banks, Commercial paper (2 each)</p>																						
26.			2x1																					
			2x1																					
27.		<table><tr><td></td><td>A</td><td></td><td>B</td></tr><tr><td>a</td><td>Speciality Shop</td><td>iv</td><td>Book Stall</td></tr><tr><td>b</td><td>Mail order Business</td><td>iii</td><td>Shopping by post</td></tr><tr><td>c</td><td>Supermarket</td><td>ii</td><td>Self Service Store</td></tr><tr><td>d</td><td>Departmental Store</td><td>1.</td><td>All goods under one roof</td></tr></table>		A		B	a	Speciality Shop	iv	Book Stall	b	Mail order Business	iii	Shopping by post	c	Supermarket	ii	Self Service Store	d	Departmental Store	1.	All goods under one roof	4x1	
	A		B																					
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		<p><u>Answer any 3 of the following questions from 28 to 31. Each carries 5 score (3 x 5= 15)</u></p>																						
28.		<p>The term ‘business risk’ refers to the possibility of inadequate profits or even losses due to uncertainties or unexpected events.</p> <p>Human causes :dishonesty, carelessness or negligence of employees, stoppage of work due to power failure, strikes, riots, management inefficiency, etc.</p> <p>Natural :flood, lightning, heavy rains, famine, etc.,</p> <p>Economic : competition, price, collection of dues from customers, change of technology or method of production, etc.</p> <p>Other causes : political disturbances, mechanical failures, etc.</p>	1																					
			4x1																					
29.		<p>There are three stages .</p> <p>i. pre-purchase/sale stage :including advertising and information seeking;</p> <p>ii. the purchase/ sale stage comprised of steps such as price negotiation, closing of purchase/ sales deal and payment</p> <p>iii. the delivery stage : Dispatching goods to the buyers.</p>	5																					
30	a	<p>Social responsibility refers to the obligations of the businessmen which are desirable in terms of the objectives and values of our society.</p>	1	15																				
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Kinds of social responsibility

i. Economic responsibility – Since the business is an economic entity, it has to produce goods and services that society wants and sells them at a profit.

ii. Legal responsibility – Business enterprises have the responsibility to operate within the laws of the country.

iii. Ethical responsibility – It refers to the moral principles to be followed by the businessmen in relation to the society. Eg: Protecting religious sentiments and dignity of people while advertising a product.

iv. Discretionary responsibility – This is voluntary obligation of a business enterprise. Eg; giving charity to an educational institution, helping people in natural calamities etc.

4x1

Basis	Memorandum of Association	Articles of Association
Objectives	Defines the objects for which the company is formed	Rules of internal management
Position	This is the main document of the company and is subordinate to the Companies Act.	This is a subsidiary document and is subordinate to both the Memorandum of Association and the Companies Act
Relationship	defines the relationship of the company with outsiders.	define the relationship of the members and the company.
Validity	Acts beyond the MoA are invalid	Acts which are beyond AoA can be ratified by the members without violating MoA
Necessity	Every company has to file a Memorandum of Association. It is not compulsory for a public ltd. company to file Articles of	It is not compulsory for a public ltd. company to file Articles of Association.

5x1

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32	<p><u>Answer any 2 questions from 32 to 34. Each carries 8 score. (2X8=16)</u></p> <p>a) <u>Separate legal entity</u>: As the company is a registered body, it is treated as a legal person and its assets and liabilities are separate from those of its owners.</p> <p>b) <u>Perpetual Succession</u> – A company is created by law and hence only the law can bring an end to its existence, i.e. the death, insanity, insolvency or lunacy of members does not affect the life of the company.</p> <p>c) <u>Common Seal</u> – A company may or may not have a common seal. As it is an artificial person it cannot sign documents for itself. Therefore a common seal is used for its signature.</p> <p>d) <u>Artificial person</u>: A company is a creation of law and exists independent of its members. Like natural persons, a company can own property, incur debts, borrow money, enter into contracts, sue and be sued but unlike them it cannot breathe, eat, run, talk and so on. It is, therefore, called an artificial person.</p>	2 2 2 2 16
33.	<p>Banking means “accepting for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and may be withdrawn by cheque, draft or otherwise”.</p> <p>FUNCTIONS</p> <p>i. <u>Accepting Deposits</u>.: Deposits are the basis of the loan operations since banks are both borrowers and lenders of money. As borrowers they pay interest and as lenders they grant loans and get interest. These deposits are generally taken through current account, savings account and fixed deposits.</p> <p>ii. <u>Lending of Funds</u>.: Second major activity of commercial banks is to provide loans and advances out of the money received through deposits. These advances can be made in the form of overdrafts, cash credits, discounting trade bills, term loans, consumer credits and other miscellaneous advances.</p> <p>iii. <u>Cheque facility</u>. Banks render a very important service to their customers by collecting their cheques drawn on other banks. The cheque is the most developed credit instrument, a unique feature and function of banks for the withdrawal of deposits. It is the most convenient and an inexpensive medium of exchange. There are two types of cheques mainly (a) bearer cheques and (b) crossed cheques</p> <p>iv <u>Remittance of funds</u>. Another salient function of commercial banks is of providing the facility of fund transfer from one place to another, on account of the interconnectivity of branches. The transfer of funds is administered by using bank drafts, pay orders or mail transfers, on nominal commission charges.,</p> <p>v. <u>Allied services (Personal Services)</u> : It include Payment of insurance premium, telephone charges etc. and the collection of dividend, interest etc.</p>	1 7
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34	<p>a. & b. Peddlers and hawkers are probably amongst the oldest form of retailers in the market place. They are small producers or petty traders who carry the products on a bicycle, a hand cart, a cycle-rickshaw or on their heads, and move from place to place to sell their merchandise at the doorstep of the customers. They generally deal in non-standardised and low-value products such as toys, vegetables and fruits, fabrics, carpets, snacks and ice creams, etc. They are also found in streets of residential areas, places of exhibitions or meals, and outside schools, during a lunch break. The main advantage of this form of retailing is the provision of convenient service to the consumers.</p> <p>c. Cheap jacks: Cheap jacks are petty retailers who have independent shops of a temporary nature in a business locality. They keep on changing their business from one locality to another, depending upon the potentiality of the area. They deal in consumer items as well as services such as repair of watches, shoes, buckets etc.</p> <p>d. Street traders (Pavement Vendors) are the small retailers who are commonly found at places where huge floating population gathers, for example, near railway stations and bus stands, and sell consumer items of common use, such as stationery items, eatables, ready-made garments, newspapers and magazines.</p>	
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