

## Holiday's Homework, 2024-25

### XI - BUSINESS STUDIES

Q1. Prepare short notes, after reading and understanding chapter 1 and 2 from the prescribed book.

Q2. Solve all objective type questions of chapter 1 and 2 from the prescribed book.

Q3. Do the following questions in the notebook.

1. Explain the reasons for the following:

(i) Cooking food at home for the family is not business, but cooking food and selling it to others in a restaurant is business.

(ii) If a person sells his/ her domestic radio set even at a profit, it will not be considered a business activity. But if he/she sells radio sets regularly either through a shop or from his/her residence, it will be regarded as a business activity.

2. Ganga Ltd. is a popular company manufacturing water coolers. Its product is very much liked by people in the market. The traders are in a race to become the company's distributors. The company had been earning huge profits for many years. However, in the year 2020, the company's half yearly report shows a great decline in the company's profit. The top management is worried about this. A team of specialists from outside is appointed to solve this serious problem. After a thorough examination, the specialists presented the following reasons for the decline in the profits of the company.

(i) Increase in competition and change in taste of the consumers.

(ii) Theft of cash and goods by the employees.

Identify and explain the two causes of decline in profits.

3. State the meaning of business. Why is business considered as an economic activity?

4. Sameer is the owner of a restaurant in old Delhi area. In recent years, many other restaurants sprung up in the vicinity. Due to increasing competition, Sameer introduced new variety of dishes in his restaurant. He is hopeful that by offering new dishes he will be able to flourish in the competitive world.

Identify and explain the objective of business stated in the above paragraph.

5. Explain the main causes of business risks with suitable examples.

6. Explain the concept of business risk and its types.

7. MVT Construction Pvt. Ltd. deals in constructing building, bridges, roads and dams by using cement, steel, bricks and wood. There are 1000 employees in all working in this company. The managing director of the company, Mr. Shyamsundar, takes full care of the quality of work done. Recently, the company got a contract of constructing five big buildings, two bridges, one long road and one dam. The company has got a special division also, which owns one hundred trucks. These trucks are used for transporting goods on hire. This division is working quite successfully under the supervision of the divisional manager, Radhika Dasi.

Identify and state two types of industrial activities from the above para by quoting the lines.

8. Imran, Manpreet, Joseph and Priyanka have been classmates in Class X. After their exams are over they happen to meet at a common friend Ruchika's house. Just when they are sharing their experiences of examination days, Ruchika's father, Mr. Raghuraj Chaudhury intervenes and asks about their well-being. He also enquires from each one of them about their career plans. But none of them has a definite reply. Mr. Raghuraj, who himself is a businessman suggests to them that they can opt for business as a promising and challenging career. Joseph gets excited by the idea and says, "Yes, business is really good for making lots of

money even more than is possible by becoming an engineer or a doctor." Mr. Raghuraj says "Let me tell you, young man, there is a lot more to business than merely money?"

Do you agree with Mr. Raghu Raj Chaudahry's statement? What according to you are other objectives of business?

9. Business is a core activity in the society that contributes to social and economic development. Explain the importance of the Auxiliaries to Trade in supporting business activity in the economy with any four examples.

10. Surjeet Pvt. Ltd. is a reputed company manufacturing computers. The company is earning a considerable profit. Both the proprietors and the employees are putting in their best effort to make good quality products available to the customers at a low price, paying its shareholders a good amount of dividends and the employees a reasonable remuneration. This contributes to the successful operations of the business. With increased profits over time, the company's foundation becomes strong, and it earns a good reputation in the society. It utilises its profits to finance its growth and expansion requirements.

Explain the role of profit in business of Surjeet Pvt. Ltd. by quoting the lines from the above para.

11. A factory emits a lot of smoke and pollutants while manufacturing Sugar. It is overlooking the impact of its activities on the environment and is engaged in profit maximization.

(i) Which objectives is not being fulfilled by the manufacturers? State any three such objectives. ii) Which type of industry will you classify sugar manufacturing?

12. You are a business consultant. Mr. Madanpal has recently retired from government service. He is 60 years old and he wants to set up a factory to manufacture plastic goods. He has come to consult you so that you may suggest to him the most suitable form of business organisation. The following are his main expectations from the business organisation:

- (i) Ease in formation,
- (ii) Flexibility in operations,
- (iii) Sharing of profits with limited persons, and
- (iv) Sufficient persons to look after various business activities.

Which form of business organisation will you suggest to Mr. Madanpal? Give reasons in support of your answer.

13. Answer the following:

- (a) When can a private company commence its business?
- (b) When can a public company commence business?
- (c) Mention any two documents which are filed with the Registrar of Companies for incorporation of a company.
- (d) Name the document by which a company becomes a distinct legal entity.
- (e) Which document is called charter of the company?
- (f) Name the document which invites the general public to subscribe to the shares and debentures of the company.

14. Answer the following:

- (a) Name the type of company in which there is restriction on the maximum number of members. What is that number?
- (b) Name the type of company which cannot invite public to subscribe to its share capital.
- (c) Why is a company called an artificial person?
- (d) What is the minimum number of directors for a private company and a public company?
- (e) Who manages and controls the affairs of the company?
- (f) Why does a company enjoy perpetual succession?

15. State, giving reasons, whether the following statements are true or false:

- (a) It is compulsory to get a partnership firm registered.
- (b) The liability of a partner in a partnership firm is limited to the extent of his share.
- (c) An unregistered firm can not be sued by a third party.
- (d) Every partner is both principal and agent of the other partners.
- (e) If two dacoits sign an agreement to operate together and share the loot, it is a partnership.
- (f) A nominal partner is a partner in name only—he incurs no liabilities.

16. Answer the following questions in respect of a Joint Hindu Family Business:

- (a) Is the liability of all the members of a Hindu Undivided Family (HUF), business limited to their share of coparcenary property of the business?
- (b) Are the decisions taken by the karta always binding on the other members?
- (c) Is the HUF business by the death of the karta? How can the HUF business be terminated?
- (d) Does the HUF business require any agreement?
- (e) Can a minor become a member of a HUF business?
- (f) Can a female become of a coparcener or karta of a HUF business?

17. Neel, a student of class XI often goes in the evenings to buy registers, pens, chart papers, etc., from a small neighbourhood stationery store.

- (i) State the form of business organisation is Neel most likely to have interacted with.
- (ii) State any three features of such form of business organisation.
- (iii) Explain the suitability of the form of business organisation identified.

18. Give reasons for the following:

- (i) In a sole proprietorship business, the owner is held responsible for all the activities of the business.
- (ii) The death, insanity, imprisonment, physical ailment or bankruptcy of the sole proprietor will have a direct and detrimental effect on the business and may even cause closure of the business.
- (iii) In a sole proprietorship business, there is timely capitalisation of market opportunities as and when they arise.
- (iv) A sole proprietor is less inclined to take risks in the form of innovation or expansion.
- (v) Size of a sole proprietorship business rarely grows much and generally remains small.
- (vi) In a sole proprietorship business, owner's personal possessions such as his/her personal car and other assets could be sold for repaying the debt.