B.K. BIRLA CENTRE FOR EDUCATION

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

NABET

INDIAN PUBLIC SCHOOLS' CONFERENCE

TERM-1 EXAMINATION 2026-27
BUSINESS STUDIES (054) SET I
MARKING SCHEME

Class: XI | **Time: 3 hrs**
Date: 31.08.26 | **Max Marks: 80**
Admission no: | **Roll no:**

<table>
<tr><td>1</td><td>(A) Maritime</td><td>(1)</td></tr>
<tr><td>2</td><td>(C) Kanchi</td><td>(1)</td></tr>
<tr><td>3</td><td>(A) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).
OR
(C) Assertion (A) is true, but Reason (R) is false.</td><td>(1)</td></tr>
<tr><td>4</td><td>(C) Statement 1 is correct but Statement 2 is incorrect.</td><td>(1)</td></tr>
<tr><td>5</td><td>(A) Sole Proprietorship</td><td>(1)</td></tr>
<tr><td>6</td><td>(D) Limited</td><td>(1)</td></tr>
<tr><td>7</td><td>(A) Perpetual Succession</td><td>(1)</td></tr>
<tr><td>8</td><td>(C) Liability of Karta is limited.</td><td>(1)</td></tr>
<tr><td>9</td><td>(C) Statement 1 is correct but Statement 2 is incorrect.
OR
(B) Both Statement 1 and Statement 2 are incorrect.</td><td>(1)</td></tr>
<tr><td>10</td><td>(A) Its main objective is to provide service
OR
(B) Bharat Earth Movers Ltd</td><td>(1)</td></tr>
<tr><td>11</td><td>(C) Cultural and Ethical Challenges</td><td>(1)</td></tr>
<tr><td>12</td><td>(D) Transnational Corporations
OR
(C) appointed by the government</td><td>(1)</td></tr>
<tr><td>13</td><td>(D) Departmental Undertaking</td><td>(1)</td></tr>
<tr><td>14</td><td>(B) It is homogeneous</td><td>(1)</td></tr>
<tr><td>15</td><td>(D) Escrow Account</td><td>(1)</td></tr>
<tr><td>16</td><td>(A) B2C Commerce</td><td>(1)</td></tr>
<tr><td>17</td><td>(B) C2C Commerce</td><td>(1)</td></tr>
<tr><td>18</td><td>(A) Contractual Informatics</td><td>(1)</td></tr>
<tr><td>19</td><td>(D) Information Technology Enabled Service.</td><td>(1)</td></tr>
<tr><td>20</td><td>(A) Digital divide</td><td>(1)</td></tr>
<tr><td>21</td><td><table>
<tr><td>Feature</td><td>Coparcener</td><td>General Member</td></tr>
<tr><td>Birth right Ownership</td><td>Yes; acquires a share in the ancestral property simply by being born.</td><td>No; does not get ownership rights simply by birth.</td></tr>
<tr><td>Right to Demand Partition</td><td>Yes; has the legal right to ask for a division of HUF assets at any time.</td><td>No; cannot independently demand a partition.</td></tr>
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<tr><td>Management Rights</td><td>Can manage the HUF affairs as the Karta (head of the family).</td><td>Cannot act as the Karta or manage the HUF.</td></tr>
<tr><td>Who qualifies?</td><td>Lineal descendants up to four generations (including sons, daughters, grandsons, and great-grandsons).</td><td>Spouses of coparceners or dependents who join the family via marriage or relation.</td></tr>
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</td><td></td></tr>
<tr><td>22</td><td>5-I of service are Intangibility; Inconsistency; Inseparability; Inventory and Involvement
i) Intangibility: They do not have any physical existence and they cannot be touched. they can only be felt or experienced.
ii) Inseparability: the service and service provider cannot be separated. In simple words production and consumption have to perform simultaneously.
iii) Inventory: Services cannot be stored that means they have to be consumed as soon as they are delivered. Services are perishable and needs to be performed as and when required.
OR
Making banking transactions without physically going to the bank, by the help of internet from anywhere.
i) An active bank account with sufficient balance
ii) Debit or Credit card linked account
iii) Bank Account Number, User ID and login ID password provided by bank.
iv) A device (PC, laptop or Smartphone) with internet access.</td><td>(3)</td></tr>
<tr><td>23</td><td>Statutory Corporation
Merits
a) Operational Flexibility: There cis independence in their function and they have sufficient scope for flexibility and initiative. This type of organisation is free from undue government interference.
b) Autonomous set –up: They frame their own policies and procedures within the powers of the Act howver they require prior approval of a particular ministry.
c) Facilitates Economic growth : They help in economic development as they have the power of government along with initiative of private enterprises.</td><td>(3)</td></tr>
<tr><td>24</td><td>
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<tr><td>Basis</td><td>e-business</td><td>Traditional business</td></tr>
<tr><td>i) Cost of setting</td><td>Low cost, no need for physical facilities</td><td>High cost</td></tr>
<tr><td>ii) Operating Cost</td><td>Low cost</td><td>High cost due to investment in production and marketing</td></tr>
<tr><td>iii) Response time</td><td>Instant response</td><td>Response takes time</td></tr>
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OR
i) Ease of formation and lower investment requirements
ii) Convenience ; iii) Speed; iv) Global reach ;
v) Movement towards paperless society</td><td>(3)</td></tr>
<tr><td>25</td><td>i) An economic activity; ii) Production or procurement of goods and services ;
iii) Sale or exchange of goods and services; iv) Dealing in goods and services on a regular basis;
v) Profit earning; vi) Uncertainty of returns; vii) Element of risk</td><td>(4)</td></tr>
<tr><td>26</td><td>This is the picture of Make in India, this was an initiative launched by Government of India on 25th September 2014. It has been started with the objective of job creation and skill enhancement in 27 sectors of economy.
Manufacturing Sectors: Aerospace and Defence; Automotive and Auto Components;
Bio Technology; Capital goods; Chemicals and Petro Chemicals; Food Processing; Gems and Jewellery; Leather and Footwear; Shipping; Railways.</td><td>(4)</td></tr>
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	Service Sectors: IT and ITES; Tourism and Hospitality Services; Transport and Logistics; Accounting and Financial Services; Educational Services; Environmental Services.	
27	It is also known as Sole trader; Individual Proprietorship and Individual Entrepreneurship. Formation and Closure: It is very easy to start as there are no legal formalities or very limited legal formalities, it can be closed whenever the trader wishers. Liability: As the sole trader and his business does not have a separate legal entity. A sole proprietor has unlimited liability. His personal assets are also aaached to pay the dues of the creditor. Continuity of Business is effected by his death or prolonged sickness. **OR** i. Legal Document Identified: Partnership Deed. (It is the written agreement among partners that contains the terms, conditions, profit-sharing ratios, and rules governing the partnership). ii. Merits Highlighted in the Case: a) **Balanced Decision Making** / Pooling of Skills: Partners bring different skill sets and managerial perspectives to the business, leading to better operational efficiency. *Quote from case:* "...Arun brought strong technical design skills, Binoy contributed marketing... and Chitra invested capital. By pooling their distinct talents..." b) **Sharing of Risks** / Reduced Mental Pressure: The burden of financial loss and operational anxiety is divided among multiple partners rather than falling on just one person. *Quote from case:* "This shared responsibility took immense mental pressure off each individual..." c) **More Funds** / Larger Financial Resources: Unlike a sole proprietorship, capital is contributed by multiple partners, allowing the firm to scale and take on larger projects. *Quote from case:* "...pooling their distinct talents and financial resources together, they were able to secure major corporate projects..." iii. Demerits Highlighted in the Case: a) **Unlimited and Joint Liability**: Partners are individually and collectively liable for the firm's debts. Creditors can claim the personal property of any or all partners to recover dues, regardless of who caused the loss. *Quote from case:* "...creditor threatened to seize Chitra's personal car to recover the entire unpaid balance." b) **Possibility of Conflicts / Lack of Harmony**: Differences in opinion among partners regarding business strategies can lead to disputes and rigid deadlocks. *Quote from case:* "Arun wanted to invest... Chitra strongly opposed... differences emerged..." c) **Delay in Decision** Making: Because decisions require mutual consultation and consensus, the business cannot react instantly to market opportunities. *Quote from case:* "Because all decisions required mutual agreement, the launch... was delayed by three months..."	(4)
28	Joint venture It can be formed in three different ways. i) Transfer of Business to New Company: Two or more companies can come together and form a new business. The business is done by issue of shares to form a new company. The other company subscribes for shares in cash. ii) New Joint Venture Company: Both parties subscribe to the shares of the joint venture in agreed ratio and start a new business. iii) Collaboration of existing Indian company with other party: When promoter shareholder of an existing Indian company collaborates with other party. The other party buys the shares of this Indian company for cash.	(4)

29	Life insurance is a contract between a person and an insurance company, in which the person pays a regular premium and the insurance company promises to pay a fixed amount either on the person's death or at the end of a fixed term (maturity) Three elements are i) Valid Contract; ii) Utmost good faith; iii) Insurable interest iv) Not a contract of indemnity **OR** i) Recovery of Double Claim Amount: No, Mr. Suresh cannot recover Rs.6,00,000. He can only recover a maximum total of Rs.3,00,000. Principle Involved: Principle of Indemnity: According to this principle, the purpose of a property insurance contract is to compensate the insured for the *actual financial loss* suffered, putting them back in the same financial state as before the loss. Insurance is designed for protection, not for making a profit. Therefore, he cannot claim more than his actual loss of Rs.3,00,000. ii) Principle Involved: Principle of Contribution: This is a corollary to the principle of indemnity. It states that if an asset is insured with more than one underwriter, all insurers will contribute to the actual loss proportionately based on their sum insured. Calculation Breakdown: Ratio of Sum Insured = Policy A : Policy B = 5 : 10 = 1:2 Share of Star Insurance = 1/3 X 3,00,000 = Rs.1,00,000 Share of Zenith Insurance = 2/3 X 3,00,000 = Rs.2,00,000	(4)
30	i) Focusing of attention: Organisation can concentre on their core business and contract out the less important work. This helps the company to focus their attention and resources on important task and improve their efficiency. ii) Cost Reduction: The outsourcing partners works on large scale and thus they are able to offer their services at a lower cost. Moreover differences in prices in different countries also help in cost reduction as in many developing countries labour is cheap. iii) Growth through alliance: Alliance with the outsourcing partners helps in growth and expansion of business. Outsourcing helps in knowledge sharing and collaborative learning. iv) Boost to Economic development: Especially in the countries like India outsourcing is a major employment provider. Outsourcing has made India a leader in global outsourcing in IT and ITES.	(4)
31	Commerce play a vital role by removing various hindrances in exchange of goods and services, yes this statement is true as the Aids or Auxiliaries to trade help in it. The various auxiliaries to trade are i) Transport and Communication this removes the hindrances of place. As there is always a gap between the place of production and final consumption. Both raw materials and finished goods needs to be transported. Communications helps in placing and execution of various orders. ii) Banking and Finance: As business grows the need for finance grows and therefore the banking activities are very important. banking removes the hindrances of finance. Bank helps the business to manage their funds, provide them loan and overdraft facilities. iii) Insurance: Removes the hindrance of risk every business activity has risk involved. By taking an insurance the businessman is relieved of business risks and can concentrate only on production and distribution. iv) Warehousing: The is a time lag between production and consumption of goods, some goods are perishable and needs to be stored properly. Warehousing removes the hindrance of time. v) Advertising: It is involved in all those activities concerned with providing information about the product to the consumers. It removes the hindrance of information. **OR** According to Peter F Drucker the six areas are i) Marketing Standing; ii) Innovation; iii) Productivity; iv) Physical and Financial Resources;	(6)

v) Earing profits; vi) Manager Performance and Development; vii) Worker Performance and Attitude and viii) Social responsibility.

32 (6)

Basis	Partnership	Joint Stock Company
Formation	Form by signing an agreement by all partners.	Under the Companies Act ,2013 or any previous company law
Number	Private: Minimum 2 Maximum 200 Public: Minimum 7 Maximum No limit	Minimum 2 maximum 50
Liability	Shareholders have limited liability	Partners have unlimited liability
Management	Managed by Board of directors	Managed by all partners
Legal Status	Separate Legal Entity	No Separate Legal Entity
Stability	Not impacted by death or insolvency of individual shareholders	Partnership is dissolved with the death or insolvency of a partner

33 (6)

Departmental undertaking are the oldest and traditional form of public enterprises. It is managed by government officials as one of government departments. they are financed by the Government budget.

Limitations:

i) lack of flexibility; ii) Delay in Decision making; iii) Red Tapism; iv) Bureacracy and Conservative approach; v) Undue government interference; vi) Indifferent to needs of the consumers.

34 (6)

a)

Basis	Credit card	Debit card
Source of Money	Borrows money from the bank up to a set limit.	Uses your own money from your bank account.
Limit	Set Credit limit	No credit limit.
Interest and Bills	You must pay the bill later; if you do not pay in full, you pay extra money as interest.	No bills or interest to pay later.
Credit Score	Helps build your credit score if you pay on time, or hurts it if you pay late.	Does not change or build your credit score.
Perks and Rewards	Offers many rewards like cash back, points, or travel mile	Offers very few or no rewards.

b) AEPS: Aadhaar Enabled payment System

NEFT: National Electronic Funds Transfer

USSD: Unstructured Supplementary Service Data

VSAT: Very Small Aperture Terminal