



B.K. BIRLA CENTRE FOR EDUCATION

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

PERIODIC TEST-2, 2025-26

BUSINESS STUDIES (054)

Class: XI

Date: 7.11.2025

Admission no:

Time: 1Hr.

Max Marks: 25

Roll no:

General Instructions:

Read the following instructions very carefully and strictly follow them:

- This question paper contains 10 questions. Answer the questions according to given instructions.
- Marks are indicated against each question.

Q1) **Assertion (A):** Social responsibility is limited to big businesses only.

Reason (R): Only large businesses have the resources to contribute to society

Choose the correct option:

- Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
- Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
- Assertion (A) is true, but Reason (R) is false.
- Assertion (A) is false, but Reason (R) is true.

(1)

Q2) **Statement 1:** Pollution control is a major area of social responsibility for business.

Statement 2: Business activities often contribute to environmental degradation.

Choose the correct option:

- Both statement 1 and 2 are correct.
- Both statement 1 and 2 are incorrect
- Statement 1 is correct but Statement 2 is incorrect
- Statement 1 is incorrect but Statement 2 is correct

(1)

Q3) A company must abide by the rules and regulations of the country. This is the responsibility of the company. (1)

- Towards the Shareholders
- Towards the Workers
- Towards the Consumers
- Towards the Government

Q4) Business finance is a wider term as it involves estimation, procurement, utilisation and _____ of funds. (1)

- Calculation
- earning
- investment
- handling

Q5) Match the following.

(1)

(a)	Equity Share	(i)	Short-term source of finance
(b)	Preference Share	(ii)	Ploughing back of profits
(c)	Retained Earnings	(iii)	Owners' Fund
(d)	Trade Credit	(iv)	Have voting rights

- (a) (iv); (b) (iii); (c) (i) ; (d) (ii)
- (a) (iv); (b) (iii); (c) (ii) ; (d) (i)
- (a) (i); (b) (ii); (c) (iii) ; (d) (iv)
- (a) (iii); (b) (iv); (c) (i) ; (d) (ii)

Q6) Explain any three need for pollution control.

(3)

OR

State any three responsibilities of business towards owners and workers.

Q7) A manufacturing company has raised funds of Rs.1,00,00,000 by the way of owned and borrowed funds. It has issued 12% Debenture for Rs.20,00,000; Rs.30,00,000 by issue of 10% Preference Share and rest by equity shares. The profit earned this year was Rs.7,50,000. The company maintain a reserve of 20% of distributable profit. Clearly show the distribution of profit to the shareholders; also state the rate of return to the equity shareholders.

What would be the change in rate of return to the equity shareholders if profit increases to Rs.15,00,000. (3)

Q8) Explain any four points to prove why it is in the favour of a business to assume social responsibility. (4)

Q9) What are debentures? Explain any three features of debenture (4)

OR

Compare between Shares and Debenture on the basis of

(i) Nature of Return (ii) Rate of Return (iii) Redemption (iv) Security of Assets

Q10) Explain what is trade credit. State any six features of trade credit and the conditions it depends upon. (6)

-----ALL THE BEST -----