**SINDHI HIGH SCHOOL, HEBBAL**

**UNIT TEST - 1 [2024-25]**

**Subject: Business Studies (054)**

**Grade: XII Total marks: 25**

**Date:09.07.2024 Reading Time: 8:25-8:35 am  
No. of sides: 02 Writing Time: 8:35-9:35am**

*Instructions*:-

• **The question paper contains 10 questions.**

**• Marks are indicated against each question.**

**• Answers to be brief and to the point.**

**• Answers to the questions carrying 3 marks may be from 50 to 75 words.**

**• Answers to the questions carrying 4 marks may be about 150 words.**

**• Answers to the questions carrying 6 marks may be about 200 words.**

**• All parts of a question should be answered in one place.**

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|  | **SECTION A** |  |
| **1**. | Which of the broad categories of industries covers transport, banking, insurance and warehousing?  a. Primary Industry b. Secondary Industry c. Tertiary Industry. d. None of these. | **1** |
| **2**. | Sudhanshu is an active partner in a partnership firm, where liability of partners is unlimited. Partners are allowed to participate in the management of the firm business. All the partners are abided by the rules framed in the partnership. Registration of partnership firm is optional and the firm business may come to an end on the event of death, insolvency and lunacy of any partner. Which type of Partnership is referred in the above case?  a. General Partnership b. Partnership at will  c. Limited liability Partnership d. Particular Partnership | **1** |
| **3**. | **As**sertion:- Sale of one’s ancestral house will not fit into the description of a business.  Reason: One single transaction of sale constitute business.  (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are true and Reason (R) is not correct explanation of Assertion (A). (c) Assertion (A) is true but Reason (R) is false. (d) Assertion (A) is false but Reason (R) is true. | **1** |
| **4**. | Ajay Ltd. has prepared two main documents at the time of its formation. In the first document the objective for which the company is formed are defined and in the second document rules of the internal management of the company are explained. These rules indicate how the objectives of the company are to be achieved. Name the second document.  a. Memorandum of Association b. Articles of Association  c. Prospectus d. None of these | **1** |
| **5**. | “Every partner is both an agent and a principal”. Identify the feature of Partnership being referred here:-  a. Risk bearing b. Membership c. Mutual Agency d. Formation | **1** |
| **6.** | Explain the following terms in brief:-  a. Perpetual Succession b. Common Seal c. Artificial Person | **3** |
| **7.** | The business assets of a firm are worth Rs.2,00,000 but the debts remain unpaid are worth Rs.3,00,000 . What course of action can the creditors take in the following cases:-  a. The organization is a Sole- Proprietorship firm  b. The organization is a Partnership firm with Ajay and Beju, two partners sharing profits equally. | **3** |
| **8.** | Define risk and Explain any three causes of Business Risk .+ | **4** |
| **9.** | Profit is not an objective but a requirement of business. Support your answer with reasons. | **4** |
| **10.** | Parul visited her native village during her vacations and found that the moneylender in the village was exploiting the villagers. He was charging a very high rate of interest on the money he had lend to the villagers. Parul decided to help villagers. She met all the villagers along with her grandfather and told them about various options for raising funds instead of going to the moneylender. She was able to convince the villagers to pool their own resources and form an organization so that members can take loan form the organization at reasonable interest as when funds are required. The purpose of opening such organization was not to make profits but provide help to members.  a. Name the form of organization opened by villagers on the plea of Parul and also mention its type. b. What is the motive of this kind of organization? c. Under which Act, these organizations are governed. d. Explain any three merits of this form of organization. | **6** |

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