**SINDHI HIGH SCHOOL, HEBBAL**

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

**SUBJECT: BUSINESS STUDIES (054)**

**Class: XI Max. Marks: 25**

**Date: 25.11.2024 Reading Time: 8:10 to 8:20 am  
No. of sides: 01 Writing Time: 8:20 to 9:20am**

***General 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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| **1**. | Equity shareholders are called as\_\_\_\_\_\_\_\_\_\_\_\_.  a. Shareholders of the company. b. Creditors of the company.  c. Owners of the company. d. None of the above | **1** |
| **2** | \_\_\_\_\_\_\_\_\_\_\_\_ is the organization which provides its help to small business sector at the district level.  a. NSIC. b. DIC. c. Both (a) and (b) d. None of these | **1** |
| **3** | Assertion (A):- Cottage industries are defined by capital investment.  Reason ( R) :- They use simple equipment’s with small capital investments.  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** | Micro, Small and Medium Enterprises Development Act \_\_\_\_\_\_\_\_\_\_\_, governs in the case of manufacturing industries and equipment in case of service industry.  a.2008. b. 2005. c. 2006. d. 2010 | **1** |
| **5.** | The rate of dividend is pre decided on\_\_\_\_\_\_\_\_\_\_.  a. Equity shares b. Preference shares c. Debentures d. None of these | **1** |
| **6.** | Rohit Limited is a manufacturing firm which has been running in deep losses, due to the onset of pandemic. The company wants to innovate the products to increase the sales and have therefore decided to purchase a new machinery for the same. The company decided to use its funds which it has saved over the years to fund this machinery. Which source of finance is highlighted here? Identify and Explain any two merits of the same. | **3** |
| **7** | ‘’Entrepreneurship is the process of setting up one's own business as distinct from pursuing any other economic activity be it employment or practicing some profession.’’  On the basis of above , explain three characteristics of entrepreneurship | **3** |
| **8.** | Distinguish between Owners funds and Borrowed funds on the basis of:-   1. Control. b. Sources c. Time period. d. Risk | **4** |
| **9** | Recently when Gupta Limited, was falling short of funds to meet the flotation cost of its upcoming issue of preference shares, the company raised deposits from Bansal Limited which had surplus funds. Identify and explain any three features of the sources of finance discussed above. | **4** |
| **10** | Describe the role of MSME with the help of any six points. | **6** |

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