

FY 448

Answer Key

FIRST YEAR HIGHER SECONDARY EXAMINATION MARCH 2023

BUSINESS STUDIES

Max.Score :80

Q.No.	Sub. Q.No.	Value Points	Score	Total																		
I	Answer any 8 questions from 1 to 10. 1 Score each																					
	1	c) Profit	1	8x1 =8																		
	2	b) Karta	1																			
	3	c) Government Company	1																			
	4	b) Central Bank	1																			
	5	d) Cash payment at the counter	1																			
	6	d) All of these	1																			
	7	Air Pollution	1																			
	8	a) Retained earnings	1																			
	9	d) Mail order	1																			
	10	b) Foreign trade	1																			
II	Answer any 5 questions from 11 to 16. 2 Score each																					
	11	a) Nominal Partner: A partner who just lend his name for the business	1	2																		
		b) Active Partner: A partner who is actively involving in the business. (Any meaningful answer)	1																			
	12	Differences between Traditional business and E-Business																				
		<table border="1"> <thead> <tr> <th>Base</th> <th>Traditional Business</th> <th>E-Business</th> </tr> </thead> <tbody> <tr> <td>Formation</td> <td>Difficult</td> <td>Simple</td> </tr> <tr> <td>Physical presence</td> <td>Required</td> <td>Not required</td> </tr> <tr> <td>Location</td> <td>Important</td> <td>Not important</td> </tr> <tr> <td>Cost of setting</td> <td>High</td> <td>Low</td> </tr> <tr> <td>Operating cost</td> <td>High</td> <td>Low</td> </tr> </tbody> </table>	Base	Traditional Business	E-Business	Formation	Difficult	Simple	Physical presence	Required	Not required	Location	Important	Not important	Cost of setting	High	Low	Operating cost	High	Low	2x1	2
Base	Traditional Business	E-Business																				
Formation	Difficult	Simple																				
Physical presence	Required	Not required																				
Location	Important	Not important																				
Cost of setting	High	Low																				
Operating cost	High	Low																				
		(Any two differences)																				
	13	b) Legal Responsibility c) Discretionary Responsibility	1 1	2																		
	14	a) Promotion b) Incorporation	1 1	2																		
	15	Factoring: It is a type of finance in which a business would sell its account receivables to a third party (any meaningful answer)	2	2																		

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	16	Hawkers and Peddlers, Market Traders, Street Traders, Cheap Jacks (Any 2)	2x1	2																		
III	17	Answer any 5 questions from 17 to 22. 3 Score each Differences between Private company and Public company (Any 3 points)																				
		<table border="1"> <thead> <tr> <th>Basis</th> <th>Public company</th> <th>Private company</th> </tr> </thead> <tbody> <tr> <td>Members</td> <td>Min – 7 Max - Unlimited</td> <td>Min – 2 Max – 200</td> </tr> <tr> <td>Minimum No of directors</td> <td>3</td> <td>2</td> </tr> <tr> <td>Index of members</td> <td>Compulsory</td> <td>Not compulsory</td> </tr> <tr> <td>Transfer of share</td> <td>No restriction</td> <td>Restricted</td> </tr> <tr> <td>Public subscription to shares</td> <td>Possible</td> <td>Not possible</td> </tr> </tbody> </table>	Basis	Public company	Private company	Members	Min – 7 Max - Unlimited	Min – 2 Max – 200	Minimum No of directors	3	2	Index of members	Compulsory	Not compulsory	Transfer of share	No restriction	Restricted	Public subscription to shares	Possible	Not possible	3x1	3
Basis	Public company	Private company																				
Members	Min – 7 Max - Unlimited	Min – 2 Max – 200																				
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	18	a) Departmental Undertakings b) Statutory Corporations or Public Corporations c) Government Company	3x1	3																		
	19	<table border="1"> <tbody> <tr> <td>C2C</td> <td>Customer to customer</td> <td>Selling used car by one customer to another through online</td> </tr> <tr> <td>B2C</td> <td>Business to Customer</td> <td>Selling goods to customer through online</td> </tr> <tr> <td>Intra B</td> <td>Transaction within the business</td> <td>Online transaction between different departments</td> </tr> </tbody> </table>	C2C	Customer to customer	Selling used car by one customer to another through online	B2C	Business to Customer	Selling goods to customer through online	Intra B	Transaction within the business	Online transaction between different departments	1 1 1	3									
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Intra B	Transaction within the business	Online transaction between different departments																				
		(Half score for each point)																				
	20	1. Identification of business opportunity 2. Feasibility studies 3. Name approval, 4. Fixing up of signatories to the Memorandum of Association , 5. Appointment of professionals , 6. Preparing necessary documents (Any 3 points)	3x1	3																		
	21	a) Fixed capital requirements- Funds required for long term purposes. Usually to purchase fixed assets. b) Working capital requirements- Funds required for day to day activities of the business. It also include funds invested in current assets.	1.5 1.5	3																		

22	<p>1. Receipt of enquiry and sending quotation , 2. Receipt of order or indent, 3. Assessing importer's creditworthiness and securing a guarantee for payments , 4.Obtaining export license , 5. Obtaining pre-shipment finance , 6. Production or procurement of goods, 7. Pre-shipment inspection, 8. Excise Clearance, 9. Obtaining certificate of origin, 10.Reservation of shipping space, 11. Packing and forwarding, 12. Insurance of goods, 13.Customs clearance, 14. Obtaining mates receipt , 15. Payment of freight and insurance of bill of lading , 16. Preparation of invoice , 17. Securing payment (Any 3 points)</p>	3x1	3													
IV	Answer any 4 questions from 23 to 27. 4 Score each															
23	<p>Primary – Timbering, Breeding of animals, Mining Secondary – Construction of dams, Production of goods, Assembling of components</p>	2 2	4													
24	<p>1. Accepting Deposits, 2. Lending of Funds 3. Cheque facility 4. Remittance of funds 5. Allied services (Any 4 points with explanation) <i>(if point only half score each)</i></p>	4x1	4													
25	<p>Clauses of Memorandum of Association 1. Name Clause, 2. Registered Office Clause, 3. Object Clause, 4. Liability Clause, 5. Capital Clause (Any 4 points with explanation) (if point only half score each)</p>	4x1	4													
26	<p>Preference shares are shares with preferential right in receiving fixed rate of dividend and repayment of capital at the time of liquidation of company</p> <table border="1" data-bbox="343 1344 1220 1590"> <tr> <td>Equity shares</td> <td>Preference shares</td> </tr> <tr> <td>No preferential right in getting dividend and repayment of capital</td> <td>Preferential right in getting dividend and repayment of capital</td> </tr> <tr> <td>Rate of dividend depends on profit</td> <td>Fixed rate of dividend</td> </tr> <tr> <td>Voting right</td> <td>No voting right</td> </tr> </table> <p>(Any meaningful answer)</p>	Equity shares	Preference shares	No preferential right in getting dividend and repayment of capital	Preferential right in getting dividend and repayment of capital	Rate of dividend depends on profit	Fixed rate of dividend	Voting right	No voting right	2 1x2	4					
Equity shares	Preference shares															
No preferential right in getting dividend and repayment of capital	Preferential right in getting dividend and repayment of capital															
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27	Differences between Foreign Trade and Domestic Trade															
	<table border="1"> <thead> <tr> <th>Basis</th> <th>Foreign Trade</th> <th>Domestic Trade</th> </tr> </thead> <tbody> <tr> <td>Nationality</td> <td>Seller and buyer from different countries</td> <td>Seller and buyer from same countries</td> </tr> <tr> <td>Customer heterogeneity</td> <td>Customers are heterogeneous in nature</td> <td>Customers are homogeneous in nature</td> </tr> <tr> <td>Business systems and practices</td> <td>Different systems and practices</td> <td>Same systems and practices</td> </tr> </tbody> </table>		Basis	Foreign Trade	Domestic Trade	Nationality	Seller and buyer from different countries	Seller and buyer from same countries	Customer heterogeneity	Customers are heterogeneous in nature	Customers are homogeneous in nature	Business systems and practices	Different systems and practices	Same systems and practices	4x1	4
Basis	Foreign Trade	Domestic Trade														
Nationality	Seller and buyer from different countries	Seller and buyer from same countries														
Customer heterogeneity	Customers are heterogeneous in nature	Customers are homogeneous in nature														
Business systems and practices	Different systems and practices	Same systems and practices														

practices		
Political system and risk	Subject to different countries	Subject to same countries
Currency	Currency of different countries	Currency of same country

(Any 4 points)

V

Answer any 3 questions from 28 to 31. 5 Score each

28	Hindrances	Activities	5x1	5
	1. Hindrance of person	Trade		
	2. Hindrance of place	Transport		
	3. Hindrance of risk	Insurance		
	4. Hindrance of time	Warehouse		
	5. Hindrance of Finance	Banking		
	6. Hindrance of Knowledge	Advertising		
(Any 5 points)				
29	Multi National Company: A company carrying on business in two or more countries. A company that operates in several countries, such a company has factories, branches or offices in more than one country. (any meaningful explanation)			1
	Features: 1. Huge capital, 2. Foreign collaboration, 3. Advanced technology, 4. Marketing strategies, 5. Expansion of market territory, 6. Product innovation, 7. Centralized control (Any 4 points with explanation) (if points only half score each)			4x1 5
30	Problems of Small Business: 1. Finance, 2. Raw materials, 3. Managerial skills, 4. Labour, 5. Marketing, 6. Quality, 7. Capacity utilization, 8. Technology, 9. Sickness, 10. Global competitions (Any 5 points)			5x1 5
31	A	B	5x1	5
	a. Return on investment	(iii) Responsibility to Owners		
	b. Fair wages	(iv) Responsibility to Employees		
	c. Payment of taxes	(i) Responsibility to Government		
	d. Quality products	(v) Responsibility to Customers		
	e. Prompt payment	(ii) Responsibility to Suppliers		

VI	32	<p>Answer any 2 questions from 32 to 34. 8 Score each</p> <p>Merits of Sole Proprietorship (Any 4 points)</p> <p>a. Quick decision making – Decisions can be taken without consulting others</p> <p>b. Confidentiality of information – Information are not shared with others</p> <p>c. Direct incentive - Complete profit goes to the proprietor.</p> <p>d. Sense of accomplishment – Personal satisfaction by working for himself.</p> <p>e. Ease of formation and closure – Minimum legal formalities required</p> <p>Limitations of Sole Proprietorship (Any 4 point)</p> <p>a. Limited resources – Size business is small and requires less capital</p> <p>b. Limited life – Sometimes business may be closed on the death of the sole propretior</p> <p>c. Unlimited liability – All liabilities are entrusted with the owner</p> <p>d. Limited managerial ability.</p> <p style="text-align: right;">(if points only maximum 4 score)</p>	4x1	8
	33	<p>Insurance is a contract in writing whereby one party, called the insurer agrees in consideration of either a single or a periodical payment called the premium to indemnify another party called the insured against loss or damage resulting on the happening of a specified event or events. (any meaningful explanation)</p> <p>Principles of Insurance: 1. Utmost Good Faith, 2. Insurable Interest, 3. Indemnity, 4. Causa Proxima (Proximate Cause), 5. Subrogation, 6. Contribution, 7. Mitigation of Loss (Any 6 points with explanation) (if points only half score each)</p>	2	8
	34	<p>Departmental Stores</p> <p>Features of Departmental Stores: (Any 4 points)</p> <p>1. Provide additional facilities like restaurant, telephone booth, rest room, play area etc.</p> <p>2. Located in central place of a big city.</p> <p>3. It is a large scale retail organization, generally formed as joint stock companies.</p> <p>4. Purchases directly from the producers and avoid middlemen</p> <p>5. Centralized purchases and decentralized selling.</p>	1	8

	Merits of Departmental Stores (Any 3 points) 3x1
	1. Central location attracts more customers. 2. Customers get different products under one roof 3. Consumers get services like free home delivery, telephone, etc 4. Get benefits of economies of large scale operation 5. Automatic mutual advertisement

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