


CBT AUGUST 2024
KENDRIYA VIDYALAYA SANGTHAN BHOPAL REGION
SUBJECT – BUSINESS STUDIES
CLASS XI

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| 1 | <p>If the business fails, the creditors can recover their dues not merely from the business assets, but also from the personal assets of the Owner. This is the limitation as well as feature of</p> <p>(a) Sole Proprietor and Partnership</p> <p>(b) Sole proprietor and Company</p> <p>(c) HUF and Partnership</p> <p>(d) All of the above</p> | 1 |
| ANS.1 | <p>Answer:</p> <p>(a) Sole Proprietor and Partnership</p> <p>Explanation: A major disadvantage of sole proprietorship is that the owner has unlimited liability. If the business fails, the creditors can recover their dues not merely from the business assets, but also from the personal assets of the proprietor. A poor decision or an unfavourable circumstance can create serious financial burden on the owner.</p> | 1 |
| 2 | <p>Satish lost his job during the Covid-19 pandemic now he wants to start a business of his own in his hometown, Satish had limited finance available with him and he does not want many legal formalities to start a business, suggest Satish which forms of business organisation he should go for</p> <p>(a) Partnership</p> <p>(b) Sole proprietorship</p> <p>(c) Joint hindu family business</p> <p>(d) Cooperative society</p> | 1 |
| Ans.2 | <p>Answer: B)</p> <p>Explanation: Sole proprietorship as this form of organization can be started with minimum capital and much legal formalities and restrictions</p> | 1 |
| 3 | <p>The Companies Act, 2013 completely revolutionized corporate laws in India by introducing several new concepts that did not exist previously. On such game-changer was the introduction of One Person Company concept. This led to the recognition of a completely new way of starting businesses that accorded flexibility which a company form of entity can offer, while also providing the protection of limited liability that sole <u>proprietorship</u> or <u>partnerships</u> lacked. Which feature given below</p> | 1 |

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| | <p>does not relate to such company</p> <p>(a) the sole member of the company has to mention a nominee while registering the company.</p> <p>(b) They can have a maximum of 10 directors.</p> <p>(c) Companies Act, 2013 has not prescribed any amount as minimum paid-up capital for OPCs.</p> <p>(d) None of these</p> | |
| Ans.3 | <p>Answer: (b)</p> <p>Explanation: Minimum one director: OPCs need to have minimum one person (the member) as director. They can have a maximum of 15 directors.</p> | 1 |
| 4 | <p>Partner who does not contribute to the capital neither takes part in the management of the firm but still he/she is liable to pay the firm's debt because they are considered to be a partner of the firm in the eyes of a third party:</p> <p>(a) Dormant</p> <p>(b) Nominal</p> <p>(c) Partner by Holding out</p> <p>(d) Partner by estoppel</p> | 1 |
| Ans.4 | <p>Answer: (d)</p> <p>Explanation: Partner by estoppel A person is considered a partner by estoppel if, through his/her own initiative, conduct or behaviour, he/she gives an impression to others that he/ she is a partner of the firm. Such partners are held liable for the debts of the firm because in the eyes of the third party they are considered as a partner.</p> | 1 |
| 5 | <p>Why does the cooperative societies has a merit of government support:</p> <p>(a) Because these societies exemplifies the idea of democracy</p> <p>(b) Because these societies are formed for the welfare of the members</p> <p>(c) Because these societies help in the development of the country</p> <p>(d) Because government wants to increase the number of such societies</p> | 1 |
| Ans.5 | <p>Answer: A)</p> <p>Explanation: Because these societies exemplifies the idea of democracy since all members have joined voluntarily to serve a common purpose and elections of society president and other officials done in a democratic manner one man one vote irrespective of amount of share being held</p> | 1 |

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| 6 | <p>Priyansh formed a private company named ABC pvt ltd. After the death of Priyansh the company continued its operations because of its _____ feature:</p> <p>(a) Common seal (b) Limited liability (c) Artificial person (d) Perpetual succession</p> | 1 |
| Ans.6 | <p>Answer: (d)</p> <p>Explanation: Perpetual succession as A company being a creation of the law, can be brought to an end only by law. It will only cease to exist when a specific procedure for its closure, called winding up, is completed. Members may come and members may go, but the company continues to exist</p> | 1 |
| 7 | <p>Binod wants to start a business organisation but he is afraid that in case the assets of his business fall short of repaying the liabilities, his personal assets could also be used to repay the liabilities. Suggest Binod which form of business organisation he should start so that his fear comes to an end:</p> <p>(a) Partnership (b) Sole proprietorship (c) Company (d) Joint Hindu Family Business</p> | 1 |
| Ans.7 | <p>Answer: C)</p> <p>Explanation: as in this case liability is limited up to the amount of price of share the share holder has bought.</p> | 1 |
| 8 | <p>Transfer of ownership is easy in case of _____ whereas it is difficult in case of _____.</p> <p>(a) Joint stock company, partnership (b) Sole proprietorship, joint stock company (c) Sole proprietorship, partnership (d) Partnership, joint stock company</p> | 1 |
| Ans.8 | <p>Answer: (a)</p> <p>Explanation: by selling shares to someone else in company ,ownership is transferrable easily without any consent but in case of partnership consent is required</p> | 1 |

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| 9 |  <p>Which among the following best describes the</p> <p>(a) Chairman (b) Director (c) Promoter (d) CEO</p> | 1 |
| Ans.9 | <p>(c)</p> <p>Explanation: Promoter is one who takes first and active step in formation of company from its name to preparing all the necessary documents</p> | 1 |
| 10 | <p>Assertion (A): The Memorandum of Association is a private document that is not available for public inspection. Reason (R): It contains sensitive information about the company's objectives and powers.</p> <p>(a) Both A and R are true, and R explains A (b) Both A and R are true, but R does not explain A (c) A is true, but R is false (d) A is false, but R is true</p> | 1 |
| Ans.10 | <p>Answer: (d) A is false, but R is true</p> <p>Explanation: The Memorandum of Association is a public document that can be inspected by anyone)</p> | 1 |