

KENDRIYA VIDYALAYA SANGATHAN BHOPAL REGION

CLASS XI BUSINESS STUDIES CBT-September 2023 (BHOPAL REGION)

Q.1 Government has given autonomy to a PSU to improve its performance but held it accountable for specified results under an agreement. What is this agreement called?

ANS:- (C) MOU

Feedback for incorrect answers

for Improvement of performance of public sector enterprises government are using a Memorandum of Understanding (MOU) system in which managements are given more authority but are held accountable for specific outcomes. Public sector units were given explicit targets and operational autonomy to meet those targets under this approach.

Q.2 The funding of departmental undertaking comes from _____ and their revenues earned goes to the _____:

ANS:- (D) Government Treasury

Feedback for incorrect answers

The funding of these enterprises come directly from the Government Treasury. The portion of the budget is allocated for these departmental undertaking. The revenue earned by these is also paid into the treasury.

Q.3 The Reserve bank of India (RBI) was established under a special Act of the parliament, that lays down the objects, powers and functions of the Corporation.

It was established on 1st April, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. RBI formulates, implements and monitors the monetary policy and its main objective is to maintain price stability while keeping in mind the objective of growth.

How will you classify the Reserve Bank of India as form of public sector enterprise?

ANS:- (B) Statutory corporations

Feedback for incorrect answers

A statutory corporation is a legal entity established by a special act of parliament or the federal or state legislature, entirely financed by the government. The legislature determines its powers, objectives, and constraints, among other things. It's also called a "public corporation."

Q.4 When two business agree to join together for a common purpose and mutual benefit it is called as a:

ANS:- (B) Joint Venture

Feedback for incorrect answers

A joint venture is formed when two businesses agree to work together for a common goal and mutual gain.

A joint venture agreement must be founded on a memorandum of understanding signed by both parties that outlines the terms of the arrangement.

The business's risks and gains are also shared. The reasons behind the joint venture often include business expansion, development of new products or moving into new markets, particularly in another country.

Q.5 There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below.

Assertion (A) There is a need for separate legislation of the parliament for formation of government company.

Reason (R) Government company can be established by fulfilling requirements of the Indian Companies Act.

ANS:- (D) Assertion (A) is false, but Reason (R) is true

Feedback for incorrect answers

A government company, according to section 2(45) of the Companies Act 2013, is one in which the central government, or any state government, or partly by the central government and partly by one or more state governments, holds at least 51 percent of the paid up capital, and includes a subsidiary of a government company.

It is a company formed under the Companies Act of 2013 or any preceding company legislation.

Q.6 There are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the appropriate option from the options given below.

Assertion (A) Business services are those services which are used by business enterprises for the production or sale of good and services.

Reason (R) Business enterprises are much dependent on business services as these services help the enterprise to carry on their activities smoothly

ANS:- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

Q.7 Mr.Kabir Khan desires to have two benefits from his bank account, first, to earn higher interest on balance and second, to face minimum risk of dishonoring a cheque. Which type of account should be opened by him in Indus Bank?

ANS:- (C) Multiple option deposit account

Feedback for incorrect answers

Multiple option account is a combination of savings and fixed deposit account. In this account, the depositor can enjoy the liquidity of saving account and rate of interest of fixed deposit account.

Q.8 Which of the following is not a function of insurance

ANS:- (C) Lending of funds

Q.9 Rakesh took the life insurance policy of his wife. After one year, the couple got divorced and after two years, his wife met with an accident and died on the spot. Rakesh entitled to get compensation from the insurance company, if Rakesh was regularly paying the premium amount?

ANS:- (A) Yes

Feedback for incorrect answers

In life insurance, the insured must have insurable interest in the life assured. Without insurable interest the contract of insurance is void. In case of life insurance, insurable interest must be present at the time when the insurance is affected.

It is not necessary that the assured should have insurable interest at the time of maturity also.

Q.10 The validity period of demand draft is

ANS:- (D) Three Months