


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

1	<p>Which among the following is not the correct characteristics of business risks.</p> <p>(a) Loss is the reward for risk-bearing</p> <p>(b) Business risks are due to uncertainties</p> <p>(c) Risk is an essential component of every business</p> <p>(d) Degree of risk depends mainly upon the nature and size of business</p>	1
ANS.1	<p>Answer: (a)</p> <p>Explanation: Loss is the reward for risk-bearing as Profit is the reward for risk bearing</p>	1
2	<p>The position of an enterprise in relation to its competitors is termed as</p> <p>(a) Market survival</p> <p>(b) Growth</p> <p>(c) Market Standing</p> <p>(d) None of these</p>	1
Ans.2	<p>Answer: (C) Market standing</p> <p>Explanation: Marketing goodwill and reputation of ones' business is paramount to succeed and prosper. It helps in forming a distinct identity in the market and is referred to as market standing in relation to its competitors.</p>	1
3	<p>Which among the following is incorrect statement</p> <p>(a) too much emphasis on profit to the exclusion of other</p>	1

	<p>objectives can be dangerous for good business.</p> <p>(b) Obsessed with profit, business managers may neglect all other responsibilities towards customers, employees, investors and society at large.</p> <p>(c) The enterprises might lose business and may be unable to earn profit. This is essential for its own survival and prosperity.</p> <p>(d) Every business is an attempt to reap more than what has been invested, and profit is the excess of revenue over cost. Profit may be regarded as an essential and only objective of business</p>	
Ans.3	<p>Answer: (d)</p> <p>Explanation: Profit is an essential objective of business but not the only objective it is being increasingly realised nowadays that business enterprises are part of the society and need to fulfil several objectives, including social responsibility, to survive and prosper in the long run. Profit is found to be a leading objective but not the only one.</p>	1
4	<p>Natural calamities, change in demand and prices, changes in government policies and prices, improvement in technology, etc., are some of the examples of uncertainty which create risks for business. Which of the following best highlights the features of the risk</p> <p>(a) Risk is an essential part of every business (b) Business risks arise due to uncertainties (c) Degree of risk depends mainly upon the nature and size of business (d) None of the above</p>	1
Ans.4	<p>Answer: (b) Business risks arise due to uncertainties</p> <p>Explanation: Uncertainty refers to the lack of knowledge about what is going to happen in future. Natural calamities, change in demand and prices, changes in government policies and prices, improvement in technology, etc., are some of the examples of uncertainty which create risks for business because the outcomes of these future events are not known.</p>	1
5	<p>All activities involving the removal of hindrances in the process of exchange are included in</p>	1

	<p>(a) Commerce (b) Business (c) Industry (d) Trade</p>	
Ans.5	<p>Answer (a) Explanation:all activities involving the removal of hindrances in the process of exchange are included in commerce. The hindrances may be in respect of persons, place, time, risk, finance, etc.</p>	1
6	<p>This type of Hundi is payable to any person and no liability on oner who received payment, but payment is done over a fixed term. The Hundi discussed in above lines is</p> <p>(a) Dhani-jog (b) Sah-jog (c) Firman-jog (d) Dekhan-har</p>	1
Ans.6	<p>a) Explanation:Dhani-jog is a muddati type of Hundi requiring a fixed period for payment and payable to any person</p>	1
7	<p>The industry which combines various ingredients into a new product is known as</p> <p>(a) Analytical Industry (b) Processing Industry (c) Assembling Industry (d) Synthetical Industry</p>	1
Ans.7	<p>(d) Explanation:Synthetical industry is an industry which combines various ingredients into a new product, as in the case of cement.</p>	1
8	<p>Specialized knowledge and skill is needed in</p> <p>(a) Economic Activity (b) Non-Economic activity (c) Both (a) and (b) (d) Only (b).</p>	1

Ans.8	<p>(a)</p> <p>Explanation: Profession is an economic activity in which specialized knowledge and skill is needed like Doctor , Chartered Accountant etc,</p>	1
9	<p>Assertion (A): Business enterprises exist to satisfy consumer needs. Reasoning (R): Business enterprises focus on profit maximization.</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.9	<p>(c)</p> <p>Explanation: Assertion is true, but (R) Reasoning is false. (Business enterprises prioritize consumer satisfaction, not just profit.)</p>	1
10	 <p>Which type of auxiliary to trade is best depicted in the above figure?</p> <p>(a) Banking (b) Insurance (c) Transport (d) Warehousing</p>	1
Ans.10	<p>(a) Insurance</p> <p>Explanation: Business involves various types of risks. Factory building, machinery, furniture, etc., must be protected against fire, theft and other risks. Material and goods help in stock or in transit are subject to the risk of loss or damage. Employees are also required to be protected against the risks of accident and occupational hazards. Insurance provides protection in all such cases.</p>	1