

Mahavir Senior Model School
Class 11 Business Studies
Worksheet 1
Assertion and reasoning



Each question contains two statements:

Assertion (A) and Reason (R).

Choose the correct option from the following:

- (a) Both A and R are true and R is the correct explanation of A**
- (b) Both A and R are true but R is not the correct explanation of A**
- (c) A is true but R is false**
- (d) A is false but R is true**

Q1 Assertion: Marketing is one of the functions of Business.

Reason : Business involves variety of functions, which are performed by different kinds of organisation.

Q2 Assertion (A): A partnership firm has unlimited liability.

Reason (R): Partners are individually and collectively responsible for the firm's debts.

Q3 Assertion (A): Public sector enterprises are established mainly for social welfare.

Reason (R): Their primary aim is profit maximisation like private sector enterprises.

Q4 Assertion (A): Insurance reduces the financial loss arising from uncertain events.

Reason (R): Insurance transfers the risk from the insured to the insurer.

Q5 Assertion (A): E-business reduces transaction costs.

Reason (R): E-business eliminates intermediaries and speeds up business processes.

Q6 Assertion (A): Businesses should protect the environment.

Reason (R): Business activities can cause environmental pollution if not properly managed.

Q7 Assertion (A): A company comes into existence only after receiving a Certificate of Incorporation.

Reason (R): The certificate is conclusive evidence of the legal existence of the company.

Q8 Assertion (A): Equity shares do not have a fixed rate of dividend.

Reason (R): Equity shareholders are the owners of the company and bear maximum risk.

Q9 Assertion (A): Small businesses contribute significantly to employment generation.

Reason (R): They use labour-intensive techniques of production.

Q10 Assertion (A): A wholesaler performs an important role in the distribution of goods.

Reason (R): Wholesalers buy goods in small quantities and sell them to retailers.

Q11 Assertion (A): International business involves greater risks than domestic business.

Reason (R): It is affected by factors such as foreign exchange fluctuations and political conditions.

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Worksheet 2
Case based questions



Q1 During the COVID-19 pandemic, many restaurants faced severe losses. Zomato and Swiggy introduced "contactless delivery" and partnered with NGOs to distribute surplus food to migrant workers. Even though profits declined initially, these companies continued operations to support livelihoods of delivery partners and meet essential food needs. Identify the economic and non-economic objectives of business reflected in the case.

Q2 Three professionals started a consultancy firm as a partnership due to ease of formation and operational flexibility. Over time, the firm expanded internationally and required heavy investment in technology. One partner wished to withdraw for personal reasons, while another proposed bringing in an external investor. Simultaneously, concerns arose regarding personal liability after a client threatened legal action.

1. Examine the case and identify two limitations of the partnership form that became significant as the firm expanded.
2. Recommend a more suitable form of organisation for the firm at this stage and justify your answer with reference to liability and continuity

Q3 ONGC operates under government ownership. It continues oil exploration even when profits fall, as its focus is national energy security rather than profit maximisation. Identify the type of enterprise.

Q4 The owner of 'Govinda Fertilisers', Rehan opened a current account in 'The Punjab National Bank'. The customer can often withdraw money from the current account only up to the amount deposited in it. One day he needed money more than the balance in the account. He was worried about how to arrange the money. He needed this amount for about a day or so. One of his friends told him that the customers having a current account in the bank can get the permission to withdraw money more than the balance in the account after making an agreement with the bank.

Identify the facility provided by the bank referred to in the above case.

Q5 Enjoy Entertainment is a popular film entertainment company. Keeping in view the growing culture of multiplex, its owners have decided to make some changes in the interiors like creating a lounge area, installing more effective sound system, etc. The company wants to raise the required fund for a period of more than one year but less than five years.

- I. Identify and explain the types of funds company seeks to raise on the basis of time period
- II. Give any two features of that source.

Q6 Every day, a three wheeled vehicle appears in front of your school selling ice-creams. Name and explain the type of retailer referred here.

Q7 A group of students developed a mobile application for local retailers. In the early stage, they used their personal savings to design and test the app. To improve features and reach more users, they later raised small amounts of money from a large number of people through an online platform. As the business began to grow, an experienced entrepreneur invested funds and also guided them in strategic decision-making.

Identify the three sources of funding used by the startup at different stages.

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Worksheet 3
Case based questions



Q1 With rising fuel prices and concerns over climate change, many companies in India have entered the electric vehicle (EV) sector. Firms like Tata Motors and Ola Electric invested heavily in EV technology, charging infrastructure, and battery production. In the initial phase, these companies faced high costs, supply-chain disruptions, and uncertain demand. Despite these challenges, they continued operations to support India's clean energy goals and reduce dependence on fossil fuels.

Identify two characteristics of business evident from the case.

Q2 Mr. Mohan wants to buy a new sofa set for his house, but he did not have enough space to keep it. He planned to sell the old sofa through OLX, so that he could get some surplus money and space for new sofa set. He got a very good response and out of many buyers, he chose the buyer who gave him the best price.

Identify and explain the type of e-commerce referred to in the above case.

Q3 Gas authority of India Ltd. (GAIL) is carrying on various projects of energy and power. Majority of its shares are held by the government of India. It was registered under the previous Companies Act. It enjoys all the characteristics of a company. The board of directors are appointed by the government. The Board and shareholders are responsible for the efficient working of the company. The company prepares its annual report and submit to the appropriate authorities.

(a) Name the type of public sector enterprise referred to in the above para.

(b) In whose name does the government buy shares?

Q4 Aditya gets his house insured against fire of 10 lakh with insurer A and for 5 lakh with insurer B. A loss of 3 lakh occurred. How much compensation can he claim from A and B? Why?

Q5 Anshuman has been successfully running a financial consultancy firm for past five years. His company has become popular and enjoys good reputation. It has sufficient reserves of profit accumulated from last five years. He plans now to start branches in Bangalore and Mumbai also. For expanding business does not want any additional liability.

Suggest the source of finance suitable to Anshuman for expansion.

Q6 Kharbanda Ltd. deals in a variety of consumer products like toiletries, groceries, electronics, clothing, etc. The work place has been divided into a number of departments and

every department sells a particular commodity. In this way almost all the needs of customers are fulfilled under one roof.

Manchanda Ltd. deals in footwears. The company has 200 shops at different places of the country. The speciality of the business of this company is that at all its shops the goods available are of the same type, and their prices are also the same. All sales are made strictly on cash basis.

Identify the type of retail trade done by Kharbada Ltd. and Manchanda Ltd. Also state any three features of each.

Q7 The Government planned to begin a Road Project. The Government needed management specialists and financial help to complete it. The Government contacted the private sector to fulfil this requirement. Now, this project will be completed jointly by both the public sector and private sector.

(a) Identify the form of enterprise and state its importance.

(b) Give any three features of such enterprises.