

# Model Test Paper-3

Time Allowed : 3 Hours

Maximum Marks : 80

## SECTION-A (Objective Type Questions (OTQ's)/MCQ's)

(1 mark each to be answered in one word or a sentence)

1. Aids to trade are' \_\_\_\_\_.  
(a) Insurance (b) Banking  
(c) Retailing (d)  Transportation  
Choose all the correct options.
2. Partnership deed is a \_\_\_\_\_.  
(a)  Written agreement (b) Agreement of voting rights  
(c) Oral agreement (d) Articles of partnership  
Choose all the correct options
3. Bata is an example of \_\_\_\_\_.  
(a)  Chain stores (b) Departmental stores  
(c) Mail order houses (d) General stores
4. Retailers who have no fixed place of sale are called \_\_\_\_\_.  
(a) Market traders (b)  Hawkers  
(c) Itinerants (d) Street traders
5. Overdraft facility is available only on  
(a) Recurring deposits (b) Fixed deposits  
(c)  Current account deposits (d) Saving account deposits
6. In case of sight draft, the documents are delivered to the importer against his/her acceptance of the bill of exchange. True/False?
7. Why do most exporters demand a letter of credit from the importer?
8. A hawker carries goods on his head. True/False?
9. By what name temporary shops in business locality are known as?
10. Which of the following cannot be protected under copyright?  
(a) Video games (b) Actors  
(c) Drawings (d) Music
11. What is the investment limit in equipment for micro service enterprises?
12. A captive BPO unit provides services to a wide base of clients, cutting across industries. True/False?
13. Name the service in which a firm gets its task done by another firm.
14. "The insured must have an interest in the subject matter of insurance." Which principle of insurance is referred to in this statement?
15. AVI Oil India Pvt. Ltd. is an example of a joint venture. True/False?



company had been earning huge profits for many years. However, in the year 2019, the company's half yearly report shows a great decline in the company's profit. The top management is worried about this. A team of specialists from outside is appointed to solve this serious problem. After a thorough examination, the specialists presented the following reasons for the decline in the profits of the company.

(i) Increase in competition and change in taste of the consumers.

(ii) Theft of cash and goods by the employees.

Identify and explain the two causes of decline in profits.

### **Section-C (Short Answer II)**

*(4 marks each to be answered in about 120 words)*

26. What is meant by 'mail order houses'? Explain its trading procedure.

**OR**

Explain any four services offered by retailers to consumers.

27. Explain the role of following in promotion of small industries in India.

(i) National Small Industries Corporation (NSIC)

(ii) District Industrial Centres (DICs)

28. Modern Pvt. Ltd. is a popular company manufacturing garments. The company is earning a substantial profit. Both the proprietors and the employees are putting their best efforts to make good quality products available to the customers at a reasonable price, paying its shareholders a good amount of dividends and the employees a reasonable remuneration. This contributes to the successful operations of the business. With increased profits over time, the company's foundation becomes strong, and it earns a good reputation in the society. It utilises its profits to finance its growth and expansion requirements.

Identify the role of profit in business of Modern Pvt. Ltd. by quoting the lines from the above para.

### **Section-D (Long Answer I)**

*(5 marks each to be answered in about 150 words)*

29. What is 'Export Trade'? Explain the process of customs clearance of export goods.

**OR**

Define the term 'Export Trade'? Discuss the process involved in securing payment for exports.

30. Explain any five steps that an enterprise can take to protect the environment from the dangers of pollution.

31. Once upon a time a round of Election to the five legislative Assemblies of the country was in progress. The different political parties were putting in the best of their efforts to entice the people through their respective promises to them. There were three main political parties contesting elections in these states. One of the political parties made a promise that if they came into power, they would set up such public sector enterprises in the states which will have the partnership of both the public and the government. However, in these enterprises, the ownership of the government shall not be less than 51%. The setting up of these enterprises is done as per the provisions of the Indian Companies Act, 2013. The financing of these enterprises is done jointly by both, the people and the government. The second political party promised that if they came into power, they would set up such public sector enterprises which will be completely under the ownership

of the government. The burden of financing them will not be put on the shoulders of the people, but they will be managed with the general budget. The third political party, which was contesting the elections for the first time, promised that on coming into power they would set up such public sector enterprises which will be fully financed by the government. However, there will be no bar to get loan from the people to set up them. They will be set up as per the Special Act passed by the Parliament or the State Legislative Assembly.

- (a) Identify the type of public sector enterprises to be set up as being promised by the three political parties.
- (b) State any one merit of any two types of public sector enterprises highlighted above.

**OR**

With enactment of the LIC Act, 1956, an autonomous body, Life Insurance Corporation of India was formed. The act defines its powers, duties and functions. It has a separate legal entity. It is fully owned by government. It has independent financial policy and can raise funds by borrowing from public and government. However, it is not subject to any budgetary accounting or audit control like Railways. It's annual report is presented in parliament every year.

- (a) Which type of public sector enterprise is highlighted in the above para?
- (b) State any four characteristics of the public sector enterprise identified in (a) above.

**Section-E (Long Answer II)**

*(6 marks each to be answered in about 200 words)*

32. Discuss any two financial instruments used in international financing.

**OR**

Explain public deposits and trade credit as sources of finance.

33. Discuss any three merits and any three demerits of partnership.

34. Explain the export procedure from receipt of order till shipment of goods.

**OR**

Explain any four benefits of international trade to the nations and any two benefits to the business firms.