# Sample Question Paper (2019-20)
## Element of Business
### Class X

**Time:** 3 hours  
**MM:** 70

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<th>Q.No.</th>
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| 1     | An association of persons formed for carrying out business activities and has a legal status independent of its members is known as:  
   a) Joint Hindu Family  
   b) Partnership  
   c) Consumer Cooperative society  
   d) Company                                                                                             | 1     |
| 2     | Which of the following can be classified as a borrowed fund?  
   a) Equity Shares  
   b) Preference Shares  
   c) Retained earnings  
   d) Debentures                                                                                       | 1     |
| 3     | It is not used for making payment:  
   a) Cash  
   b) Debit card  
   c) Credit card  
   d) Debit note                                                                                      | 1     |
| 4     | In every sale and purchase transaction, money is paid to the seller by the  
   a) Producer  
   b) Buyer  
   c) Shopkeeper  
   d) Seller’s bank                                                                                   | 1     |
| 5     | A retail store exclusively selling ‘Ayurvedic medicines’ is a typical example of a ________________________________________________________________ | 1     |
| 6     | A process of communication in which the message is exchanged through letters sent by post is called  
   a) Oral communication  
   b) Written communication  
   c) Visual communication  
   d) Online communication                                                                                  | 1     |
| 7     | An invoice is sent by  
   a) a seller to the buyer  
   b) a buyer to the seller  
   c) a bank to its customers  
   d) an employer to his employees                                                                             | 1     |
| 8     | Signature of a company is known as:  
   a) Trademark of the company  
   b) Logo of the company  
   c) common seal  
   d) signature of the director                                                                               | 1     |
| 9     | Which of the following does not come under the category of fixed shop retailers?  
   a) General Stores  
   b) Chain Stores  
   c) Market Traders  
   d) Departmental Stores                                                                                   | 1     |
| 10    | The process of converting the message into communication symbols is known as:  
   a) Media  
   b) Encoding  
   c) Decoding  
   d) Feedback                                                                                           | 1     |
| 11    | Sales promotion is important from the point of view of consumers because  
   a) It increases profits  
   b) It helps them to get full information about the product  
   c) It increases sales  
   d) It increases goodwill                                                                                 | 1     |
| 12    | DTH services are provided by:  
   a) Transport Companies  
   b) Banks  
   c) Cellular Companies  
   d) Postal Companies                                                                                     | 1     |
| 13    | Automatic vending machine is generally used to sell:  
   a) Soft Drinks  
   b) Chocolates  
   c) Chips  
   d) all of the above                                                                                     | 1     |
| 14    | Grapevine communication is an ________ communication.  
   a) Lateral  
   b) formal  
   c) barrier to communication  
   d) informal                                                                                           | 1     |
| 15    | This advertising media is suitable to convey the message to those who cannot see:  
   a) Newspapers  
   b) Magazines  
   c) Radio  
   d) Electric Display                                                                                     | 1     |
| 16    | Document that is sent by the seller to a potential customer offering to sell goods or services at a certain price is known as:  
   a) Debit note  
   b) Credit note  
   c) Quotation  
   d) Accounts Payable                                                                                    | 1     |
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<td>17</td>
<td>Give any three point of distinction between Departmental Stores and Chain Stores.</td>
<td>3</td>
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| 18 | State any three limitations of telephonic conversation as a means of business communication.  
Or  
State any three advantages of email as a means of business communication. | 3 |
| 19 | What is the difference between a cash transaction and a credit transaction?  
Or  
Explain the concept of sale. | 3 |
| 20 | Raman has set up beauty products manufacturing unit on 30<sup>th</sup> April, 2019. He has got his unit registered under Companies Act, 2013. From the day of its registration, it acquired an identity separate from its members. The Board of directors of the company appointed top officials for running the business. Identify the three features of the company form of organization highlighted above by quoting the lines. | 3 |
| 21 | Explain the following concepts in brief:  
(a) Credit Note  
(b) Debit Note | 3 |
| 22 | Identify the technique of sales promotion used by the company in the following cases:  
(a) Purchase goods worth ₹ 90,000 and get a holiday package of ₹ 10,000 free.  
(b) A company offers 40% of extra glucose in a pack of 1 Kg.  
(c) A mobile company offers a discount of ₹ 2,000 to clear off excess inventory. | 3 |
| 23 | Mention any four factors responsible for lack of popularity of mail order business in India. | 4 |
| 24 | State any four merits of retained earnings as a source of finance.  
Or  
State any four limitations of raising funds through equity shares. | 4 |
| 25 | Explain any two advantages of video conferencing as method of business communication. | 4 |
| 26 | Explain any four points of importance of communication for business organisations.  
Or  
Explain any four measures to overcome barriers to effective communication. | 4 |
| 27 | Explain the importance of personal selling to a business organisation.  
Or  
Explain the meaning and importance of advertising. | 5 |
| 28 | Explain the following two methods of purchase of goods:- a) Installment Method  
b) Hire Purchase Method | 5 |
| 29 | Define the term ‘multi-national company’. State any four features of it.  
Or  
Differentiate between public company and private company. | 5 |
| 30 | Rohit has decided to start insulated water bottled manufacturing unit. He discusses the need of funds required to set up the unit with his friend, who is a Chartered Accountant. His friend suggested him to divide the financial needs into two parts. First one to set up the business and secondly to meet day to day expenses.  
(a) What are the two categories of financial needs of business referred here?  
(b) Explain the meaning of the concepts identified in (a) part. | 5 |