

Sample Question Paper
Elements of Business (154)
Class X (2016-17)
SA-II (Term II)

Time Allowed: 3 Hours

Maximum Marks: 90

1. McDonalds is an example of:
 - a) Mail order house
 - b) General store
 - c) Multiple shop
 - d) Junk dealer shop

1

2. Wholesale trade means:
 - a) Buying & selling of goods in small quantity
 - b) Buying & selling of goods in large quantity
 - c) Exporting goods & services
 - d) Importing goods & services

1

3. Vending Machines are suitable for:
 - a) Pre-packed brands of low priced products
 - b) Pre-packed brands of high priced products
 - c) Heavy goods
 - d) Refrigerators & televisions

1

4. Mail Order Business is suitable for:
 - a) Books
 - b) Fruits
 - c) Heavy goods
 - d) Refrigerators & televisions

1

5. Departmental Stores are located in:
 - a) Union Territories and Special Economic Zones
 - b) Residential areas
 - c) Central market
 - d) Metropolitan cities only

1

6. "Free toothbrush with 500 grams pack of Toothpaste" is an example of:
 - a) Premium offer
 - b) Discount
 - c) Rebate
 - d) Lucky draw

1

7. “ ₹ 5 off on purchase of 250 Grams pack of Tea ” is an example of
- a) Discount
 - b) Price-off offer
 - c) Rebate
 - d) Premium offer
- 1
8. Which of the following is the best mode of purchase for buying goods in bulk:
- a) Purchase by sample
 - b) Purchase by inspection
 - c) Purchase by description
 - d) Purchase from the nearest dealer
- 1
9. Which of the following is not a method of sale:
- a) Sale under installment system
 - b) Sale on credit basis
 - c) Sale on hire purchase basis
 - d) Sale on cash basis
- 1
10. Which of the following factors should not be considered by a buyer before purchase:
- a) Price affordability
 - b) Identification of other buyers
 - c) Attributes of the goods
 - d) Attributes of the commodity possessed by the neighbour
- 1
11. The document that inform the buyer that his/her account has been credited with a particular amount is called:
- a) Credit note
 - b) Debit note
 - c) Invoice
 - d) Account sales
- 1
12. The sale under which the goods are delivered to buyer on payment with the understanding that the buyer can return the goods to the seller and claim refund within a specified period is called:
- a) Auction sale
 - b) Wash sale
 - c) Sale through tender
 - d) Sale on approval basis
- 1

13. Which of the following is not a type of Non-store retailing:
- a) Mail order business
 - b) Multiple shops
 - c) Tele-shopping
 - d) Selling through internet
- 1
14. Which of the following is not a feature of Advertising:
- a) Sponsor is always identified
 - b) Communicated through some media
 - c) Personal presentation of message
 - d) Paid form of communication
- 1
15. Which of the following is not a print media of Advertising:
- a) Internet
 - b) Newspapers
 - c) Posters
 - d) Magazines
- 1
16. Which of the following is a tool of Sales Promotion:
- a) Free Samples
 - b) Advertising
 - c) Publicity
 - d) Personal Selling
- 1
17. What is meant by purchase? 3
18. Describe briefly any three methods of sale. 3
19. What is meant by 'Debit Note'? 3
20. Give any three points of distinction between 'Deferred Installment Method' and 'Hire Purchase Method' of Purchase. 3
21. State any three characteristics of 'Departmental Stores'. 3
22. What is meant by Tele-shopping? State any two advantages of Tele-shopping. 3
23. What is meant by advertising? List any two modes of electronic media of advertising. 3
24. Briefly explain newspapers as a media of advertising. 3

25. State any three limitations of Magazines as a media of advertising. 3
26. Briefly describe the suitability of Television as a media of advertising. 3
27. Briefly explain: (a) Purchase by sample, and (b) Purchase by inspection. 4
28. 'Deferred payment can be installment payment or full payment at the end of the agreed payment period.' Describe. 4
29. 'In spite of many advantages multiple shops suffer from some limitations.' In the light of this statement, briefly explain the limitations of multiple shops. 4
30. State any four characteristics of large scale retail trade. 4
31. State the importance of personal selling to the consumers. 4
32. Explain 'Exchange Scheme' and 'Coupons' as tools of "Sales Promotion". 4
33. State the steps of the Selling procedure. 5
34. 'It is a large scale retail shop where a large variety of goods are sold in a single building.' Identify the form of retail trade indicated in this statement and explain its advantages. 5
35. Can all varieties of goods be purchased through mail? State the qualities that should be possessed by goods to be traded through mail. 5
36. 'Advertising consists of all activities involved in presenting a sponsored message regarding a product, service or an idea.' In the light of this statement, explain the features of advertising. 5

Marking Scheme
Elements of Business (154)
Class- X SA-II

1.	(c)	1
2.	(b)	1
3.	(a)	1
4.	(a)	1
5.	(c)	1
6.	(a)	1
7.	(b)	1
8.	(a)	1
9.	(c)	1
10.	(b)	1
11.	(a)	1
12.	(d)	1

- | | | |
|-----|-----|---|
| 13. | (b) | 1 |
| 14. | (c) | 1 |
| 15. | (a) | 1 |
| 16. | (a) | 1 |

17. Purchase:

It is the process through which a person gets the ownership of goods or properties transferred to his/her name from another person on payment of money. 3

18. Methods of sale: (Any three of the following)

- (i) Sale on hire purchase basis
- (ii) Sale through installment payment system
- (iii) Sale on approval basis
- (iv) Sale through tenders
- (v) Auction sale
- (vi) Wash sales

1 X 3 = 3

19. Debit Note:

It is a document prepared by the seller informing the buyer that his account has been debited with a particular amount. 3

20. Difference between 'Deferred Installment Method' and 'Hire Purchase Method' of Purchase:

Deferred Installment Method	Hire Purchase Method
It is essentially a contract for sale.	It is essentially a contract for hiring of goods.
The ownership rights passes to the buyer immediately at the time when the agreement is entered into.	The ownership rights remain with the seller and the customer exercises his/her option for purchasing the goods.
The buyer can return the goods at any stage. The seller can also take back the goods in case of non-payment.	In case of default in payment the seller can sue the buyer for balance installments. He can take back the possession of the goods. But the buyer cannot return the goods and adjust the amount of payment due.

1 X 3 = 3

21. Characteristics of Departmental Stores: (Any three of the following)

- (i) Departmental stores are generally located at the main commercial centres of the cities and towns. Therefore customers from different locations can easily come to buy goods according to their convenience.
- (ii) The size of the stores is very large and divided into many departments or counters.
- (iii) Each department deals with a particular type of goods.
- (iv) The management and control of all departments is centralized.
- (v) The departmental stores allow customers to enjoy shopping. It enables the customers to buy everything under one roof.
- (vi) Facilities such as restaurant, rest rooms, telephone, ATM (Automated Teller Machine) etc. are also made available to customers inside the stores.
- (vii) These stores allow customers to buy goods against a credit or debit card.
- (viii) Customers may also avail of free home delivery facility from these stores.

1 X 3 = 3

22. Tele-Shopping:

Buying of goods by placing orders with the sellers using telephones is called Tele-shopping. It is a kind of non-store retailing wherein the sellers contact the prospective buyers through telephone and persuade them to buy their products. In some cases they advertise their products on television or other media and also make live demonstration of the product. 1

Advantages of tele-shopping: (Any two of the following advantages):

- (i) It saves time, money and efforts in placing a written order to buy the goods.

- (ii) It is a convenient method of shopping for people who are busy and do not have much time for shopping.
- (iii) It eliminates the role of middlemen in the process of distribution.
- (iv) Buyers can inquire about the terms and conditions of sale, mode of payment, packaging etc. from the sellers without visiting the seller's place.

$$1 \times 2 = 2$$

$$1 + 2 = 3$$

23. Advertising:

Advertising consists of all activities involved in presenting a sponsored message regarding a product, service or an idea.

$$2$$

Modes of Electronic media of advertising: (Any two modes of the following)

- (i) Radio
- (ii) Television
- (iii) Internet

$$\frac{1}{2} \times 2 = 1$$

$$2 + 1 = 3$$

24. Newspapers as a media of advertising:

Newspapers are a very common media of advertising. The advertiser communicates his/her message through newspapers because of its wide circulation. The cost of advertising is relatively low. The copy of advertisement can be given to the newspapers at a very short notice. As the newspapers are published from different regions and different languages they provide greater choice to advertisers to approach the desired market, region and readers through local or regional language.

$$3$$

25. Limitations of 'Magazines' as a media of advertising:

- (i) Advertising in magazines is costlier.
- (ii) The number of people to whom the advertisements reach through magazines is small in comparison to newspapers.
- (iii) The advertisement material are given much in advance, hence last minute change is not possible.

$$1 \times 3 = 3$$

26. Suitability of Television as media of advertising: (Any three)

- (i) It is most effective as it has an audio-visual impact.
- (ii) With catchy slogans, songs and dance sequences, famous personalities exhibiting products, TV advertising has a lasting impact.
- (iii) With varieties of channels and programmes advertisers have a lot of choice to select the channel and time to advertise.
- (iv) With regional channels coming up, any person, even illiterates can watch the advertisements and understand it by seeing and hearing.

1 X 3 = 3

27. (a) Purchase by Sample :

When goods are bought in bulk, it is not possible to inspect the whole lot to be purchased. Therefore the buyer examines a sample or pattern to decide the goods to be purchased. A sample is a specimen of goods particularly of raw materials, foodstuffs etc. It is representative of the bulk. Its quality largely reflects the quality of the whole lot. In case of purchase by sample it is agreed upon both the parties that the bulk supply shall be of the same quality as that of the sample.²

(b) Purchase by Inspection:

In Case of purchase by inspection the buyer personally goes to the shop for checking the quality of the product to be bought. This is the most common method of buying. It is mostly used in case of retail buying.²

2+2=4

28. 'Deferred payment can be installment payment or full payment at the end of the agreed payment period.' Describe.

Deferred installment payment:

Under this method the buyer pays a nominal amount to the seller at the time of purchase and takes possession of the goods. The balance is paid by him in installments over a period of time. The interest charged on the unpaid amount normally reduces with payment of installments. If the buyer fails to pay any installment, the seller can sue him for the unpaid amount. 2

Deferred Payment at the end of credit period:

When goods are sold on credit, payment is required to be made by the buyer at the end of the agreed period of credit. If payment is made by him earlier, the seller allows a special discount

which is indicated in the invoice as the net amount payable on prompt payment before due date.

2

2+2=4

29. Limitations of Multiple shops:

(i) Limited Choice:

These shops deal in limited variety of products.

(ii) No Credit Facility:

Since the goods are sold on cash bases the customers can not avail credit facility from these shops.

(iii) No Bargaining:

The prices of the products are fixed by the head office and the individual shops have no control over it. Therefore the customers can not bargain the prices.

(iv) Lack of Initiative:

These shops are managed by the branch managers, who follow strictly the instructions of the head office. Therefore the branch managers do not take initiative and do not have any special interest in satisfying the customers.

1 X 4 = 4

30. Characteristics of large scale retail trade: (Any four of one mark each)

(i) It deals in a variety of goods of daily need and makes these goods available to the customers at their convenience.

(ii) It purchases goods in bulk directly from the producers, thus avoiding middlemen in the process of purchase of goods.

(iii) It provides service to a large number of customers.

(iv) The size of these shops/stores is comparatively bigger than the local retail shops/ stores.

(v) It requires huge capital investment to start and run the business.

(vi) It generally sells goods to the customers on cash basis.

1 X 4 = 4

31. Importance of personal selling to the consumers:

(i) Personal selling provides an opportunity to the consumers to know about new products introduced in the market. Thus, it informs and educates the consumers about new products.

(ii) The sellers demonstrate the product before the prospective buyers and explain the use and utility of the products. Hence, customers come to know about the use of new products in the market.

(iii) Personal selling also guides customers in selecting goods best suited to their requirements and taste as it involves face-to-face communication.

(iv) Personal selling gives an opportunity to the customers to put forward their complaints and difficulties in using the product and get the solution immediately.

$$1 \times 4 = 4$$

32. Exchange Scheme: It refers to offering exchange of old product for a new product at a price less than the original price of the new product. This is useful for drawing attention to product improvement. 'Bring your old mixer-cum-juicer and exchange it for a new one just by paying ₹ 500' or 'Exchange your old car with a new car' are various popular examples of exchangescheme.

2

Coupons: Sometimes, coupons are issued by manufacturers either in the packet of a product or through an advertisement printed in the newspaper or magazine or through mail. These coupons can be presented to the retailer while buying the product. The holder of the coupon gets the product at a discount. For example, you might have come across coupons like, 'show this and get ₹ 15 off on purchase of 5 kg. pack of Atta of a particular brand'. The reduced price under this scheme attracts the attention of the prospective customers towards new or improved products.

2

$$2 + 2 = 4$$

33. Steps of the selling procedure:

(i) Enquiry from the intending buyer

(ii) Providing quotation to the intending buyers

(iii) Receipt of order from the buyer

(iv) Execution of the order

(v) Invoicing

(vi) Opening customer's account

- (vii) Dispatch of the goods
- (viii) Delivery of goods to the buyer
- (ix) Receipt of payment and settlement of accounts
- (x) Rectification of errors

$$\frac{1}{2} \times 10 = 5$$

34. Form of retail trade indicated in this statement is Departmental Store. 1

Advantages of Departmental Store: (Any Four)

(i) Convenience of shopping:

Since a large variety of commodities are sold in one building, there is no need to move from one market to another or from one shop to another.

(ii) Wide choice of products:

A wide variety of products from different producers are sold in these shops. Hence a customer has a wide choice of goods from which he/she can select the best product as needed.

(iii) Economies of large scale purchase and sale:

Departmental stores buy goods on large scale. Therefore, they can bypass wholesalers and get the goods directly from the manufacturers. Hence they enjoy the benefits of discount from the manufacturers and economies of large scale purchase and sale.

(iv) Mutual Advertisement:

While visiting departmental store, customers are often attracted by goods displayed in different departments. Thus, each department advertises for other departments.

(v) Efficient Management:

These stores are organized on a large scale basis. Therefore they are able to employ efficient and competent staff to provide best services to the customers.

$$1 \times 4 = 4$$

$$1 + 4 = 5$$

35. No, all varieties of goods can not be purchased through mail. 1

Qualities that should be possessed by goods to be traded through mail: (Any four)

(i) Light weight goods and the ones that occupy less space. Bulky goods can not be sold through mail.

- (ii) Durable and non-perishable goods.
- (iii) Goods having high demand in the market.
- (iv) Goods having delivery charges relatively lower than their price.
- (v) Goods those are easy to handle.

$$1 \times 4 = 4$$

$$1 + 4 = 5$$

36. Features of Advertising

(i) Non-personal presentation of message – In advertising there is no face-to-face or direct contact with the customers. It is directed to the prospective buyers in general.

(ii) Paid form of communication-In advertising the manufacturer communicates with prospective customers through different media like newspapers, hoardings, magazines, radio, television etc. He pays certain amount for the use of space or time in those media.

(iii) Promotion of product, service or idea –Advertisement contains message regarding a product, service or even an idea. It makes people aware about the product and induces them to buy it.

(iv) Identified Sponsor –The identity of the manufacturer, the trader or the service provider who issues advertisement is always disclosed.

(v) Communicated through some media- Advertisements are always communicated through use of certain media. It is not necessary that there will be just one medium, a combination of media may also be used.

Or any other feature of Advertisement properly explained.

$$1 \times 5 = 5$$

CLASS – X (2016-17)**BLUE PRINT**

S.No.	Typology of Questions	1 Mark Questions	3 Mark Questions	4 Mark Questions	5 Mark Questions	Total
1	Remembering	1,2,4,5,16	17,18,19,22,23	27,30	33	13
2	Understanding	3,6,7,8,11,13,14,15	20,21,24,25	31		13
3	Applications	10	-	28,29	36	4
4	HOTS	9,12			34,35	4
5	Evaluation	-	26	32	-	2
Total		16	10	6	4	36

ELEMENTS OF BUSINESS (154)**CLASS – X (2016-17)****BLUE PRINT**

S. No.	Unit	1 Mark Questions	3 Mark Questions	4 Mark Questions	5 Mark Questions	Total
1.	Selling and distribution	8(U) 9(H) 10(A) 11(U) 12(H)	17(K) 18(K) 19(K) 20(U)	27(K) 28(A)	33(U)	12(30)
2.	Large scale Retail Trade	1(K) 2(K) 3(U) 4(U) 5(K) 13(U)	21(U) 22(K)	29(A)	34(H) 35(H)	11(30)
3.	Selling	6(U) 7(U) 14(U) 15(U) 16(K)	23(K) 24(U) 25(U) 26(E)	30(K) 31(U) 32(E)	36(A)	13(30)
Total		1(16)	13(10)	4(6)	5(4)	30(90)