

**CBSE Sample Question Paper (2021– 22)**  
**Elements of Business (154)**  
**Class X (Term I)**

**Time: 90 Minutes**

**Max. Marks: 35**

**General Instructions:**

1. There are a total 55 questions in this paper out of which 45 questions are to be attempted.
2. This paper is divided into three Sections:
  - (a) Section A – Contains 25 questions. Attempt any 20 questions.
  - (b) Section B – Contains 24 questions. Attempt any 20 questions.
  - (c) Section C – Contains 6 questions. Attempt any 5 questions.
3. All questions carry equal marks.
4. There is no negative marking.

**Section – A**

1. Under ..... category of shares, dividend is paid to shareholders on the basis of earnings of the company.  
 (a) Equity Shares      (b) Preference shares  
 (c) Debt bond          (d) Commercial paper
2. ....is the minimum number of directors required in a private company.  
 (a) 3      (b) 4      (c) 2      (d) 5
3. Which company restricts the right of members to transfer its shares?  
 (a) Private Company                      (b) Public Company  
 (c) Joint Stock company                  (d) Cooperative society
4. Which of the following funds can be classified under ownership basis?  
 (a) Short term funds              (b) Borrowed funds  
 (c) Long-term funds              (d) medium term funds
5. .... is a written, typed or printed way of communicating messages which is sent through an envelope by post or messenger.  
 (a) Telephone      (b) Letters      (c) E – mail      (d) Video conferencing
6. Which source of fund does not involve any explicit cost in the form of interest, dividend or floatation cost?  
 (a) Trade Credit                              (b) Retained Earnings  
 (c) Factoring                                  (d) Public Deposit
7. Which method is used for sending messages form one computer recipient to one or more recipients through electronic means?  
 (a) Video conferencing                      (b) Letter  
 (c) E – mails                                      (d) Telephone
8. .... is a source of funds categorized under borrowed funds.  
 (a) Equity Shares                              (b) Debentures  
 (c) Retained earnings                          (d) Preference shares
9. How many minimum members are required in a public company?  
 (a) 8      (b) 5              (c) 4              (d) 7

10.	Identify amongst the following the correct advantage of video conferencing. (a) It helps in saving time (b) It can't be done without having an internet access (c) Network instability (d) Video lag or technical issues
11.	..... source of finance is preferred by investors who want fixed income at lesser risk (a) Debentures (b) commercial paper (c) Public Deposits (d) lease Financing
12.	.....are the funds that are raised to loans or borrowings. (a) Short-term funds (b) Owners funds (c) long-term funds (d) Borrowed funds
13.	Identify the correct disadvantage of e – mail of the points specified below. (a) It can be source of various spams (b) emails can be sent 24 hours , 365 days at any time (c) It can be sent through one computer recipient to one or several other users at the same time (d) It acts much faster than the traditional post
14.	Name the company that does not require index of members. (a) Public company (b) Private company (c) Joint Stock company (d) Cooperative society
15.	.....is an electrical system of communication which is used to talk directly to someone by dialing a number on a piece of equipment. (a) Telephone (b) E – mail (c) Letter (d) Video conferencing
16.	Which source of finance is also known as ploughing back of profits? (a) Lease financing (b) Commercial paper (c) Equity Shares (d) Retained Earnings
17.	..... source of finance can be classified as owned funds. (a) Equity Shares (b) Debentures (c) Commercial Paper (d) Public Deposits
18.	Identify the correct disadvantage of telephone of the points specified below. (a) A phone call can reach any location. (b) It breaks the barrier of physical appearance. (c) Easy to handle and use. (d) Voice can't come clear because of network problem.
19.	.....is a source of finance that may take control of the assets as a part of the loan agreement. (a) Commercial paper (b) Central Bank (c) Financial Institution (d) Trade Credit
20.	Which of the following is an association of persons formed for carrying out business activities and has a legal status independent of its members? (a) Joint Stock company (b) Private company (c) Public company (d) Cooperative society
21.	Name the company under which company index of members is compulsory. (a) Public Company (b) Private company (c) Joint Stock Company (d) Hindu undivided family
22.	.....company can start business as soon as it receives the certificate of incorporation. (a) Joint stock (b) Private Company (c) Public Company (d) Cooperative society

23.	The process of converting the message into communication symbols is known as: (a) Feedback            (b) Decoding            (c) Media            (d) Encoding
24.	Which of the following methods of communication requires an access to internet? (a) Letter            (b) E – mail            (c) Telephone            (d) Newspaper
25.	Identify the correct advantage of letter of the points specified below (a) Lack of instantaneous feedback            (b) It may cost more in terms of time and money (c) Improves communications            (d) Too much paper work is involved
26.	..... are also known as ‘residual owners’ (a) Preference shareholders            (b) Equity shareholders (c) Commercial paper            (d) Debentures holders
27.	Assertion (A): There is no maximum limit on the number of members in a public company. Reason (R): There is a maximum limit 300 members in a private company. (a) Both (A) and (R) are correct. (b) Both (A) and (R) are incorrect. (c) (A) is correct but (R) is incorrect. (d) (A) is incorrect but (R) is correct.
28.	.....source of finance can prove to be an advantage for organizations by treating interest as tax deductible. (a) Debentures            (b) Commercial paper (c) Lease financing            (d) Trade credit
29.	The capital obtained by issue of shares is known as: (a) Share capital            (b) Borrowed capital (c) Working capital            (d) Operating capital
30.	Assertion (A): Banks provide timely assistance to business by providing funds as and when required. Reason (R): Secrecy of business is not maintained as the information supplied to the bank by borrowers is not kept confidential. (a) Both (A) and (R) are correct. (b) Both (A) and (R) are incorrect. (c) (A) is correct but (R) is incorrect (d) (A) is incorrect but (R) is correct.
31.	Name the company that does not invite public to subscribe to its securities (a) Public company            (b) Private company (c) Joint stock company            (d) Cooperative society
32.	Which of the following is an example of written communication? (a) Video conferencing            (b) Letter            (c) Telephone            (d) E – mail
33.	Assertion (A): Debenture holders are also known as the owners of the company. Reason (R): A company which raises funds through the issue of debentures bears a fixed rate of interest. (a) Both (A) and (R) are correct. (b) Both (A) and (R) are incorrect. (c) (A) is correct but (R) is incorrect. (d) (A) is incorrect but (R) is correct.
34.	Under which communication method virus can easily spread through electronic means from one computer user to another? (a) Letter            (b) E – mail            (c) Video conferencing            (d) Telephone

35.	Assertion (A): Public company can't invite public to subscribe to its shares or debentures. Reason (R): Private company can invite public to subscribe to its securities. (a) Both (A) and (R) are correct. (b) Both (A) and (R) are incorrect. (c) (A) is correct but (R) is incorrect. (d) (A) is incorrect but (R) is correct.
36.	The deposits that are raised by organization directly from the public are known as: (a) Lease financing      (b) Debentures      (c) Public deposits      (d) Retained earnings
37.	Under ..... method of communication, calls can be made 24 hours and, 7 days a week. (a) Letter      (b) E – mail      (c) Telephone      (d) Newspapers
38.	Assertion (A): Debenture holders are termed as creditors of the company. Reason (R): Debentures are fixed charge funds and do not participate in profits of company. (a) Both (A) and (R) are correct. (b) Both (A) and (R) are incorrect. (c) (A) is correct but (R) is incorrect. (d) (A) is incorrect but (R) is correct.
39.	The covid-19 pandemic is reframing and altering the work dynamics. With an increased need for social distancing most of the employees virtually connect with team by holding meetings with the help of platforms like Zoom, Google Meet. Which method of communication is used by the employees here? (a) Telephone      (b) Newspapers      (c) Letters      (d) Video conferencing
40.	Which form of business organization can be opted if direct personal contact with customer is not required? (a) Sole proprietorship      (b) Partnership (c) Company      (d) Hindu undivided family
41.	..... capital is considered as a prerequisite to the creation of company. (a) Equity share      (b) Preference share      (c) Debentures      (d) Commercial Banks
42.	Which of the following is an example of noise? (a) A student is silently doing self-study in his room (b) A man quietly walking on a street (c) A hoarding, advertising about the product (d) A child playing the music in loud volumes.
43.	Assertion (A): Letters are delivered extremely fast as compared to emails. Reason (R): Letter does not require internet access. (a) Both (A) and (R) are correct. (b) Both (A) and (R) are incorrect. (c) (A) is correct but (R) is incorrect. (d) (A) is incorrect but (R) is correct.
44.	Which form of organization is more complex and involves greater costs? (a) Company      (b) Sole proprietorship (c) Partnership      (d) Hindu undivided family
45.	Name the source of finance that has least risk involved: (a) Issue of equity share capital      (b) Issue of preference share capital (c) Loan from financial institution      (d) Issuing debentures
46.	Assertion (A): Procedural delays are involved while raising funds through issue of equity share. Reason (R): Investors who want steady income may not prefer equity shares as they get

	<p>fluctuating returns.</p> <p>(a) Both (A) and (R) are correct.</p> <p>(b) Both (A) and (R) are incorrect.</p> <p>(c) (A) is correct but (R) is incorrect.</p> <p>(d) (A) is incorrect but (R) is correct.</p>
47.	<p>..... capital provides credit worthiness to the company and confidence to prospective loan providers.</p> <p>(a) Equity (b) Preference</p> <p>(c) Trade credit (d) Loan from commercial bank</p>
48.	<p>Assertion (A): Video conferencing method of communication can be done without an internet access.</p> <p>Reason (R): Video conferencing helps in improving communication.</p> <p>(a) Both (A) and (R) are correct.</p> <p>(b) Both (A) and (R) are incorrect.</p> <p>(c) (A) is correct but (R) is incorrect.</p> <p>(d) (A) is incorrect but (R) is correct.</p>
49.	<p>.....is an acknowledgement that the company has borrowed a certain amount of money which it promises to repay at the future date.</p> <p>(a) Debentures (b) Equity shares</p> <p>(c) Preference shares (d) Retained Earnings</p>
	<p>A multi-National Company operates in various countries including United Arab Emirates, New Zealand, Nigeria, China and India. The Company manufactures and distributes industrial equipment to local and international client. In this organization there are 11000 employees in 5 countries and more than 2 million customers world - wide. The head office is based in India. The company is growing because people in the organization create and share information with one another in order to reach common understanding. The Company is using various elements for common understanding.</p> <ol style="list-style-type: none"> <li>1) <b>Sender:</b> means a person who convey his thoughts or ideas to the receiver. The sender represents source of communication.</li> <li>2) <b>Message:</b> It is the content of ideas, feelings, suggestions, order etc. intended to be communicated.</li> <li>3) <b>Encoding:</b> It is the process of converting the message into communication symbols such as words, pictures, gestures etc.,</li> <li>4) <b>Media:</b> It is the path through which encoded message is transmitted to receiver.</li> <li>5) <b>Decoding:</b> It is the process of converting encoded symbols of the sender.</li> <li>6) <b>Receiver:</b> The person who receives communication of the sender.</li> <li>7) <b>Feedback:</b> It includes all those actions of receiver indicating that he has received and understood message of sender.</li> <li>8) <b>Noise:</b> Noise means some obstruction or hindrance to communication.</li> </ol> <p>Q.50 to 55 are to be answered on the basis of following case study</p>
50.	<p>What do you mean by common understanding in the above case study?</p> <p>(a) Communication</p> <p>(b) E-mail</p>

	(c) Supervision (d) Videoconferencing
51.	A department 'X' in head office has sent an encoded message to department 'Y' through internet. What is the role of internet here? (a) Media                      (b) Decoding                      (c) Encoding                      (d) Noise
52.	Rohan is making gestures so that he can send a message to Ravi. What is Rohan doing here? (a) Encoding                      (b) Sender                      (c) Media                      (d) Receiver
53.	Ravi is trying to understand the message sent by rohan by reading his gestures. What is Ravi doing here? (a) Encoding                      (b) Sender                      (c) Media                      (d) Decoding
54.	Mr. Pratap is a senior manager who is informing his team for conventions, a day later, by giving a common message of timing and venue to all. What is the role of Mr. Pratap here? (a) Sender                      (b) Receiver                      (c) Encoder                      (d) Decoder
55.	Hari picks up his phone and finds a message on it. He reads the message carefully. What is the role of Hari here? (a) Sender                      (b) Receiver                      (c) Decoder                      (d) Encoder